

# **‘NEW PHILANTHROPY’ AND EDUCATION POLICY: WHAT IS ‘NEW’ ABOUT IT?**

**Marina Avelar**

## **Abstract**

Business and philanthropy have been increasing their influence in public education in what might be called a turn from *government* to *governance*. In the context of *governance*, not only the role of the State has been changing, but also, concomitantly, the work and values of philanthropy, which is both agent and subject of change. Adopting market values and practices, it has been often referred to as ‘new philanthropy’. This paper explores what is ‘new’ in this ‘new philanthropy’, or how new modes of giving diverge from previous ones, drawing upon examples of philanthropy in Brazilian education. With a combination of literature review and online data collection, this paper examines key aspects of ‘new philanthropy’, namely: philanthrocapitalism, philanthro-policymaking, the relation between giving and outcomes, givers’ hands-on-approach, and philanthropy’s global network.

## **Introduction**

Business and philanthropy have been increasing their influence in public education since the 1990s. They are a new group of political actors that emerged as ‘the catalyst and driving force for a paradigmatic political change’ (Olmedo, 2014, p.576). Governing is becoming increasingly shared between state, market and philanthropy, where one is able to identify a steady and significant growth of non-state institutions operating in public service delivery, including education (Peroni, 2013). Business and philanthropy have been progressively intervening in education and populating the political arena, taking part not only in service delivery, but also in policymaking. In Brazil, this global trend is clear mainly after the 1995 State Reform, a critical turning period in the move from *government* to *governance* in the country.

In the context of *governance*, it is not only the role of the State that has been changing, but also, concomitantly, the work and values of business and philanthropy. Philanthropy is both agent and subject of change (Ball and Junemann, 2011). On the one hand, philanthropy is key in the shifting process towards governance: ‘philanthropy in its various forms is currently a key device in the reconstitution of the state and of governance’ (Ball and Junemann, 2012, p.48). At the same time, philanthropy is itself changed towards market values and practices, usually referred to as ‘new philanthropy’ (Ball and Junemann 2011, 2013; Olmedo 2014). In spite of the growth of corporate and philanthropic action in public education, there still is ‘an enormous gap in the research field of education policy’, as most research is still bounded by the nation-state and ‘policy-as-government paradigm’ (Ball, 2012, p.xii). Despite the relevance of business and philanthropy political and economic agendas, well acknowledged in popular media, it has been underestimated by academic research (Frumkin, 2006; Olmedo, 2014).

While philanthropic work is not new, contemporary philanthropy differs from previous modes of giving in some aspects, so this paper explores what is ‘new’ in ‘new philanthropy’. The analysed aspects are resultant of literature review and data collected about Brazilian education through extensive internet searches. The main

sources of information are foundations/institutes official websites and reports, and newspaper articles. Namely, the analysed practices are: philanthropy now resembles the market in what some authors have called philanthrocapitalism (Bishop and Green, 2010), with a business-like approach to social problems. It acts strategically in and around government and policy, both in policy-making and service delivery, also called philanthro-policymaking (Rogers, 2011). Further, giving became tightly related to outcomes, aiming at 'impact' and 'efficiency', and givers want to be directly involved in philanthropic actions. Finally, philanthropy now works in a global network, where the agenda and functioning of philanthropic foundations have been globalised. It is worth remarking that the practices examined are intimately intertwined, and separating them for analytical purposes is a challenging task. In this sense, I do not attempt to create any sense of causality between the characteristics analysed, but rather offer an exploratory analysis of the characteristics of 'new philanthropy' in education. After introducing the concept of governance, in which the analysed practices of new philanthropy have been taking place, I will present each of the aspects, with both characterisation from literature and empirical examples from Brazilian education. Brazil seems to match characteristics raised in studies focused elsewhere (specially the UK), with growing relevance of philanthropic work to education policy.

### **Governance: shifting relations between government, market and philanthropy**

In spite of considerable variation, a changing relationship between the state and society is regarded as an international phenomenon (Bevir, 2011). States increasingly share governing with societal actors (like private firms, non-governmental organisations, non-profit service providers). Decision making processes and implementation systems that used to be mainly executed by the state are increasingly dispersed in a complex network of institutions. Despite theoretical and methodological debates in the research field, a contrast is drawn between *government*, done through hierarchical bureaucracies, and *governance*, accomplished through diverse and flexible networks (Ball & Junemann, 2012).

Through deregulation, outsourcing and competition, 'new public management (NPM) encouraged new practices of governance' and 'contributed greatly to the broad shift from direct service provision by government to more complex patterns of governance incorporating markets, networks and private and voluntary sector actors.' (Bevir, 2011, p.9). In this way, NPM greatly contributed to the fragmentation of service delivery. Hybrid patterns of management arose by incorporating private and voluntary providers in service delivery. The public/private relationship wasn't inaugurated in this particular time; on the contrary, boundaries between them have always been a thin line (Peroni, 2013). Nonetheless, those relations have assumed a new shape and intensity (Ball and Junemann, 2012). Bureaucracy, market and civil society share social responsibilities where the State changed its role from superior to peer.

In Brazil, in 1995 the Ministry of Administration and State Reform (*MARE*) signed a state reform, which might be recognised as a turning point of the shift from *government* to *governance* in the country. A 'new' state definition was announced with the document '*Plano Diretor de Reforma do Aparelho do Estado*' (PDRAE), or

Director Plan of State Apparel Reform (DPSAR). It stated 'the state reform should be understood within the context of *change of the state role*, which *ceases to be the direct responsible* for economic and social development through the production of goods and services, to become stronger in the *function of supporter and regulator* of this development.' (MARE, 1995, p.17, emphasis added). Thus, the state aimed to change its position from 'direct responsible' to 'regulator', in a more complex network governance with new participating actors.

This State Reform Project indicated three privatising strategies to be adopted throughout all ministries: outsourcing (*terceirização*), privitising and publicising (*publicisação*). The first is the transfer of auxiliary services on contract to private sector providers, and the second is the selling of state companies to private property. Most importantly, the third, 'publicisation' refers to the transfer of social and scientific services previously executed by the State to the non-state institutions, indicated in the document as 'non-state public sector' (Peroni, 2013, p.20). Education (including schools, university, research centres and child care facilities) was amongst these services partially transferred to the 'third sector', composed by non-governmental institutions. Between 1996 and 2005 Brazil's third sector went through an intense growth of 215%. It later slowed down to 8,8% between 2006 and 2010 and reached 290,700 non-profit private foundations and associations in the country (IBGE, 2010).

In the context of governance, frontiers between state, market and philanthropy are becoming increasingly blurry. Philanthropy is an increasingly relevant actor in education policymaking, with new working aspects and practices. The following section aims to explore what is 'new' in 'new philanthropy', or how contemporary philanthropy differs from previous modes of giving.

### **Business-like approach to philanthropy: Philantrocaptalism**

An entrepreneurial discourse has become fundamental in all three sectors: state, market and philanthropy, fostering principles such as competition and efficiency. In new philanthropy, philanthropic institutions now function similarly to business (Olmedo, 2014), where 'philanthropy is being reworked by the sensibilities of business and business methods' (Ball and Junemann, 2011, p.657). The appropriation and adaptation of entrepreneurial discourses and values by philanthropy is sometimes called 'philanthrocaptalism' (Bishop & Green, 2010). The term refers to the use of business methods for solving social problems, or the idea that charity should look like the capitalist economy, where benefactors are consumers of social investment (Ball and Junemann, 2012). Similarly, Rogers (2011) defines it as: 'the use of business tools and market forces, especially by the very wealthy, for the greater social good' (Rogers, 2011, p. 376). In this sense, the author emphasise two characteristics of philanthrocaptalism: the blurring of sector boundaries, and the use of 'private wealth to solve social problems' (Rogers, 2011, p.377).

Jorge Paulo Lemann is currently the richest Brazilian and 24<sup>th</sup> richest person in the world. Owner of global business, such as Burger King, Budweiser and Heinz, he has founded two foundations, both working in the area of education: Lemann Foundation and *Estudar* (Study Foundation). As Correa (2013) puts it, in the biography of Lemann and his two main business partners Carlos Alberto Sicupira and Hermann

Telles, 'in both (Foundation Lemann and *Estudar*) it is possible to find the culture of austerity and pursuit of results that cut through his companies (Lemann's). Besides lean structures - both foundations add up less than 25 people - every employee has goals to meet.' (Correa, 2013, p.176). Not only Lemann uses his 'private wealthy to solve social problems', but he also imports his business management practices into his philanthropic work.

### **Policy matters: philanthro-policymaking**

Beyond service delivery, working with the state and acting in policymaking sites and conversations has become a goal of new philanthropists. These new actors, with their foundations, 'have become key political actors not only in delivery activities but also in the conception, advocacy and negotiation of policy processes' (Olmedo, 2014, p. 583). Whilst previously philanthropic work would be mainly limited to service delivery, like in traditional NGO's work, now they are also present in the 'context of influence' (Bowe, Ball, & Gold, 1992), participating in policymaking work of various kinds. Rogers (2011) refers to it as 'philanthro-policymaking'.

Deniz Mizne, executive director of Lemann Foundation, said that a major benefit of working in the third sector is the greater freedom one has to experiment in projects. However, he asserts 'if you do not imagine how this might dialogue with public policies, it is unlikely that it will make any difference' (interview available at *Estudar* foundation website). Thus, he says that his institute '*Sou da Paz*' has always invested in partnerships with government to gain scale and impact.

This dialogue with policy often happens in spaces of 'meetingness' (Urry, 2003), that are 'promoted and funded by philanthropic programmes in the shape of seminars, symposiums, conferences, summits, etc.' (Olmedo, 2014, p. 587). These spaces are 'central to networks' and are designed 'to establish and to cement at least temporarily those weak ties' (Urry, 2003, p. 161) of which the networks are made. These spaces provide opportunities to influence policy and circulation of discourses (Ball and Junemann, 2011)

Similarly, *Todos pela Educação* (TPE, All for Education) also works strategically towards policymaking. It is a Brazilian think tank and a 'pact' of major companies in the country to 'contribute to guaranteeing the right to quality education to children and youth' (TPE website). To do this, the institution works in three areas: first, the Technical area produces knowledge about education, which creates basis for the following two areas. Second, Communication and Mobilisation disseminates the produced reports to 'mobilise social demand for quality education'. Finally, Institutional Relations and Articulation is responsible for connecting the state, civil society organisations and private initiatives in actions that 'have positive impact over education' (TPE website). By creating content about education, disseminating it through media and creating partnerships with public and private institutions, *Todos pela Educação* has constructed a thorough strategy to influence and enact public policy.

Like TPE, many institutes publish studies or reports that aim to support policymaking. For instance, besides TPE, *Instituto Ayrton Senna* and Lemann Foundation offer material in their institutional websites that aspire to 'better inform

policymakers'. This strategy produces what Hogan, Lingard and Sellar (2015, p. 52) call 'new policy genre', that 'over-simplifies complicated policy issues and, moreover, sets a new standard for accessible 'policy-relevant' data analysis that prioritises impact over rigour.' These publications neglect the complexities exposed by academic educational research, and fails to acknowledge that policy 'is the 'authoritative allocation of values' (Easton 1953); that is, that politics are central to policy agendas, not simply research, however defined.' (Hogan et al, 2015, p. 52)

### **Relation between giving and outcomes: show me the numbers**

Related to the previous points - the use of business methods and goal to influence policy - giving is now closely associated to outcomes. Philanthropists want to see 'results' of their giving, they see this not as making donations, but as social 'investments' that are attached to outcomes and efficiency. Thus, the use of evaluations and metrics to measure and demonstrate impact became a widespread practice among foundations. These assessments are displayed in institutional reports, which are used to attract new 'investors' and offer accountability to donors (Ball and Junemann, 2011). As Ball and Junemann (2012) put it, they now 'use forms of business research and due diligence to identify or vet potential recipients to monitor the impacts and effects of donations on social problems.' (P.52). For example, the institute '*Parceiros da Educação*' (Partners of Education), mobilises businessman and companies to adopt schools. In order to create and maintain partnerships, or 'adoptions', they invest on assessment and claim in the website that 'it is fundamental to program success that every action is systematically monitored and evaluated' (*Parceiros da Educação* website).

### **Relation between givers and action: hands-on approach**

The direct involvement of 'givers' in philanthropic action and the policy community is a key characteristic of 'new philanthropy'. Philanthropists now adopt a more 'hands-on approach' and want to be personally involved in decisions (Ball and Junemann, 2012). Jorge Paulo Lemann is an unarguable example of personal involvement, investing one third of his time in philanthropic activities at the foundations Lemann and *Estudar*. He and his two business partners personally take part in the selection of scholarship grantees, that will receive financial support to study in global top ranking universities (Correa, 2013). Lemann, a Harvard alumnus himself, also makes use of his personal network in his philanthropic work: 'Jorge Paulo also acts as a kind of ambassador of *Fundação Estudar* in other countries. It is in great part due to his contacts in foreign universities that *Estudar* regularly brings representatives of elite universities to offer lectures to Brazilian students. For instance, in 2011 the president of Harvard, Drew Faust, went to Brazil by invite of *Estudar*.' (Correa, 2013). Thus, new philanthropists, as Lemann, 'are willing to mobilise their economic, cultural and social capitals in order to pursue their charitable agendas.' (Olmedo, 2014, p. 585).

In this sense, in mobilising their different resources, these elite actors who engage in philanthropy are called by Schervish 'hyperagents: individuals who can do what it would otherwise take a social movement to do' (Schervish, in Bishop and Green 2010, p. 51). Recently, there was a conflict between Viviane Senna and education

associations<sup>1</sup>. Viviane Senna, sister of the racer Ayrton Senna, is the president of *Instituto Ayrton Senna*, one of the biggest institutes in Brazil that is present in every state of the country. She was listed at the Forbes ranking<sup>2</sup> 'The 10 Most powerful businesswomen in Brazil', is part of *Todos pela Educação* board and is very influential in the media. Recently, on June 2015, she gave an interview that was published at *Folha*<sup>3</sup> (Brazilian newspaper) and BBC<sup>4</sup>, where she stated that education is 'still based on opinions rather than being 'scientifically based' '. Less than a month later, six education organisations replied in an open letter criticising her statements. A small note was published in *Folha*<sup>5</sup>, but not the entire content of the letter or an interview with a representative.

### **Global networks: international work on global issues**

A final, yet fundamental, difference between previous modes of giving and new philanthropy is its global action. Both the agenda and work of philanthropic foundations have been globalised (Olmedo, 2014). These institutions act upon the 'grand challenges', where development agendas use the principle of scalability and are 'applied independently of context as generic, technical solutions'. Further, elites are internationally connected, with technologies of communication and travel that made it easier to sustain a 'networked life' (Urry, 2003). The spaces of 'meetingness', mentioned before, are fundamental. In this scenario, networks extend globally and ideas flow, in and out and around Brazil.

This can be seen, for instance, in the events held by new philanthropy institutions. In September 2015, *Instituto Unibanco* held a seminar called 'Paths for public education quality: school management'. The event aimed at promoting dialogue between the Brazilian experience in school management and international cases with 'relevant improvements in its results' (event's website). Adding to a number of Brazilian education authorities and philanthropists, the seminar had the presence of

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<sup>1</sup> Associação Nacional de Pós-graduação e pesquisa em Educação - ANPEd (National Association of Postgraduate Studies and Research in Education); Centro de Estudos Educação e Sociedade - CEDES (Centre of Studies Education and Society); Associação Nacional pela Formação de Profissionais da Educação - ANFOPE (National Association for the Education Professionals Training); Fórum Nacional de Diretores de Faculdades de Educação - FORUMDIR (National Forum of Faculty of Education Directors); Associação Brasileira de Currículo - ABdC (Brazilian Association of Curriculum); Associação Nacional de Profissionais de Administração Educacional - ANPAE (National Association of Educational Management Professionals)

<sup>2</sup> takes into account information from FORBES' lists database, as well as overall analysis for each woman listed, based on three metrics: money (2012 company revenue and market cap, where available, for business; and income), media presence (news hits, TV and radio appearances in the past 12 months, plus social media) and impact (in each woman's listed particular field)

<sup>3</sup> <http://www1.folha.uol.com.br/educacao/2015/06/1643231-educacao-e-baseada-em-achismos-nao-em-ciencia-diz-viviane-senna.shtml>

<sup>4</sup> [http://www.bbc.com/portuguese/noticias/2015/06/150525\\_viviane\\_senna\\_ru](http://www.bbc.com/portuguese/noticias/2015/06/150525_viviane_senna_ru)

<sup>5</sup> <http://www1.folha.uol.com.br/paineldoleitor/2015/07/1653031-presidentes-de-associacoes-de-educacao-protestam-contraviviane-senna.shtml>

representatives from Canada (Mary Jean Gallagher, the vice-minister of education from Ontario), Australia (Barry McGaw, former president of the Australian Curriculum Counsel, and the Assessment and Reporting Authority), and the United Kingdom (Michael Wilshaw, Inspection Chief of Ofsted). In events such as this, representatives of governments and philanthropy, from different countries, gather to share 'best practices', often disregarding context and fostering international discourses.

## Final remarks

The frontiers between public and private, state and market, philanthropy and business are becoming increasingly blurry, with growing relevance of philanthropy's work on education policy. In this context, new philanthropy differs from previous modes of giving in some aspects, reinforcing the blurriness between sectors. In the global scenario of governance, philanthropy resembles the market in what some authors have been calling philanthrocapitalism. Philanthropy now also acts strategically in and around policy. Giving has become tightly related to outcomes, givers want to be directly involved in the philanthropic actions and philanthropy works in a global network. Brazil seems to echo characteristics raised in studies focused elsewhere (specially the UK), with growing relevance of philanthropic work to education policy.

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## **Biography**

Marina Avelar is a PhD candidate at the UCL Institute of Education - University of London, researching the work of corporate philanthropies in education policy and governance in Brazil. Prior to the PhD, she completed her Bachelors and Masters in Education at the State University of Campinas, Brazil.