MANUFACTURING CONSENT FOR PRIVATIZATION IN PUBLIC EDUCATION:

THE RISE OF A SOCIAL FINANCE NETWORK IN CANADA

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Multiple forms of privatization are emerging in the Canadian public sector, including public–private partnerships. This article focuses on one approach to public–private partnerships called “social finance,” and a network of public, private, and not-for-profit organizations that promotes social finance as a means of funding public services, including education. The authors employ social network analysis to identify key members of this network, and critical discourse analysis to examine the discourse the network produces. Findings reveal a number of discursive and extra-discursive practices the network uses that legitimize social finance approaches to funding public services. These practices manufacture consent for increased privatization in the public sphere, and this has important implications for public education.

Due to its history as a society built around a broad-based social safety net, many Canadians still consider the state to be the main provider of social services and are “suspect of initiatives that blur the boundaries between the private sector and social service providers” (Johnson, 2003, p. 5). From the perspective of most Canadians, privatization means selling off public assets to the public sector, such as the sale of Crown corporations to private interests. But privatization takes many forms and some non-traditional forms may be less obvious to the general public.

Within this paper, our argument is not that education provision is moving out of the public sector and into the private sector, thus involving a transfer of ownership or privatization of education; instead, we focus on privatization in public education, where education remains
publicly owned, but the private sector is involved in substantive ways. Lubienski (2006) outlines a typology of privatization that includes, but is not limited to, privatization of the provision of certain services normally provided by the public sector (e.g., outsourcing services); enabling public providers to offer services on a pay-per-service or profit basis (e.g., international education); operating schools according to market principles (e.g., choice and competition); diversification of funding sources, leading to a mix of private and public funding of schools (e.g., public–private partnerships); and allowing for-profit operation of public schools (e.g., educational management companies).


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.

In this study, we focus on a particular network that does all of these things, allowing the private and not-for-profit (NFP) sectors to colonize public policy. Government is part of this network and plays an active, not a passive, role. Such networks promote increased privatization in public education.

The network on which this research centres comprises public, private, and NFP organizations that advocate social finance as a means to fund provision of public goods and services, including education. The Canadian government defines social finance as “an approach to mobilizing multiple sources of capital that delivers a social dividend and an economic return in the achievement of social and environmental goals” (Human Resources and Skills Development Canada, 2013, p. 8). In Canada, social finance has been implemented in various
forms such as social impact bonds (SIBs), social investment funds (SIFs), venture philanthropy, and public–private partnerships (PPPs or P3s) (Hebb, 2012; Human Resources and Skills Development Canada, 2013; Myers, Conte, & Nicols, 2013). P3s are familiar to Canadians since they are often used to finance infrastructure projects such as the construction of roads, bridges, hospitals, and schools through means of “a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance” (World Bank, 2016). The term social finance, however, is normally used to refer to partnerships between government and the private and NFP sectors of which the purpose is to address a social or environmental problem, such as child poverty, affordable housing, drug abuse, or climate change. Private or NFP entities propose initiatives to address an identified social or environmental problem, investment comes from private investors or private foundations, and government provides a return on investment, provided predetermined outcomes are achieved. Social finance investments are intended to produce profit for the investor, if the venture is successful, shift financial risk to the private sector, and address a societal need.

The federal government’s move to invest in social finance has raised concern in public education circles about its potential influence in driving the privatization movement in Canada (Joy & Shields, 2013; Loxley, 2013; Loxley & Puzyreva, 2015; National Union of Public and General Employees, 2014; Porter, 2013). Some groups view social finance tools, such as social impact bonds (SIBs), to be mechanisms for private corporations to privatize certain social services like education and health care (Joy & Shields, 2013; Loxley, 2013). The National Union of Public and General Employees (2014) argues that SIBs are a form of “privatization by stealth.”
Despite concerns raised by some groups, social finance has the potential to appeal to the general public through a discourse of outcome accountability, bottom-up citizen participation, corporate social responsibility, and stable funding for the non-profit sector (Joy & Shields, 2013). Other attractive allures of social finance are reductions in government costs and subsequently lower taxes.

This study examines the emergence of a particular network of actors advocating social finance and the strategies and practices used by this network to produce and normalize social finance discourse. The social finance discourse, we argue, has the effect of manufacturing consent among Canadians for privatization of public service provision, including privatization in education.

The paper is structured in four parts: the first presents the conceptual framework; the second part describes the study’s methodology; the third describes the emergence of a particular network of actors promoting social finance in Canada; and the fourth analyzes discursive practices employed by the network to rationalize and legitimize social finance in the perception of the general public.

**Conceptual Framework**

The study is informed by a *policy as discourse* perspective from policy sociology and the concept of *enabling fields* from institutional theory.

*Policy as Discourse*

Policy as discourse (Bacchi, 2000; Ball 1993, 2006) draws from a Foucauldian sense of discourse as practice, as social action. This perspective considers the effects of discourse as well
as how discourse is produced and used. On the one hand, policy as discourse speaks to how
policies “exercise power through a production of ‘truth’ and ‘knowledge’, as discourses” (Ball,
2006, p. 48) that construct subjectivities:

We do not speak a discourse, it speaks us. We are the subjectivities, the voices,
the knowledge, the power relations that a discourse constructs and allows. . . . In
these terms we are spoken by policies, we take up the positions constructed for us
within policies. (p. 48)

We respond to policy, states Ball, in “discursive circumstances that we cannot, or perhaps do not,
normally think about” (p. 49), which in effect obfuscates and depoliticizes policy. At the same
time, the discursive frame “articulates and constrains the possibilities and probabilities of
interpretation and enactment” (p. 49). While policy is often contested, policy as discourse may
have the effect of redistributing voice so that only certain voices are heard as meaningful and
authoritative (Ball, 2006).

Policy effects implicate power relations, and so do the ways in which policy is produced
and used. A policy as discourse perspective, says Bacchi (2000), views policy as a “strategic and
political process” (p. 50) that, while not necessarily reduced to the actions of a few key actors,
involves “agentic marshalling” (p. 52). In the words of Bacchi, the “institutional location of
discourses draws attention to the differential power of some actors in their production” (p. 52).
Material manifestations enable us to study “discursive strategies,” or “sets of texts, events,
artefacts and practices” (Ball, 2015, p. 308) employed by dominant groups to produce policy as
discourse.

This article examines the discursive practices of a network of actors promoting social
finance. These discursive practices redistribute power, giving voice to certain groups and
disempowering others; redefine roles for public, not-for-profit (NFP), and private sectors in
education; and produce subjectivities among educational leaders, teachers, parents, and students,
all of which establish the conditions for increased privatization in education. We focus not only on policy texts, but how those texts are formed and made possible, and on the subjectivities produced by policy discourse: that is, we view discourse as text, as social action, and as subjectivities.

Enabling Fields

We use the concept of enabling fields to complement a policy as discourse framework as a means of explaining how a network of actors deploys strategies to change established institutions through discursive and extra-discursive practices. Enabling fields are organizational fields designed to enable institutional change. Within institutional theory, organizational fields are relational spaces that provide organizations (which may hold different perspectives and purposes) with opportunities to involve themselves with other actors “in an effort to develop collective understandings regarding matters that are consequential for organizational and field-level activities” (Wooten & Hoffman, 2008, p. 138). Fields start to develop when one actor takes note of other actors and begins to reference them, often catalyzed by disruptive events that may be perceived as threatening. Such organizational fields develop logics that become institutionalized over time (Wooten & Hoffman, 2008).

From time to time, institutional entrepreneurs emerge and act to change the organizational field, reshaping the discourse, norms, and structures that guide action. Such changes do not automatically become institutionalized; the entrepreneurs must develop legitimacy for the new institutional order. Strategies for developing legitimacy for emerging discourses include rhetoric, formation of networks and coalitions, accumulation and distribution
of resources, undermining entrenched power structures, and discrediting alternative directions for change.

Members adopt different roles in order to perpetuate the emerging group’s existence. Scott, Ruef, Mendel, and Caronna (2000) identified three components of organizational fields: actors, including individuals and organizations; institutional logics (cognitive maps or belief systems that guide activities and give meaning to them); and governance arrangements. Jooste and Scott (2012) added intrafield intermediaries, whose role it is to bring together the different actors in the field.

In studies of public–private partnerships, Jooste and Scott (2012) identified an emerging network of public, private, and nonprofit actors which they referred to as an “enabling field” (p. 151); that is, these organizations enable the development and continued operation of public–private partnerships by developing legitimacy and stability for this policy direction. Whiteside (2013) adds a more nuanced analysis, describing how the establishment of an enabling field comprises processes of routinization and institutionalization of discourse, policy, and practice. Routinizing turns rhetoric into reality through institutions and practices and involves creation of protocols and routines that deeply embed the language, logic, and rationale of the private sector into the heart of public policy making. Institutionalizing establishes an air of permanency for policy and may include existing or new public sector departments and agencies and new “rules of the game” that are formalized and become self-referential, thus taking on a life of their own.

In addition to routinization and institutionalization, Whiteside (2013) argues that depoliticization is also important to the development of an enabling field. Depoliticizing means obscuring the normative basis of policy by making it appear as though political decisions are merely pragmatic ones. Depoliticization masks the political character of policy, achieved in part,
by omitting or downplaying discussion about how power relations are implicated in decision making. While we agree with Whiteside that depoliticization is important, we believe it to be distinct from routinization and institutionalization. The latter two processes manifest themselves as extra-discursive actions that transform discourse into tangible realities—an enabling field of organizations—whereas depoliticization is rhetorical and, thus, a discursive practice. In any case, all of these processes shore up the ideological underpinnings of privatization and normalize its practice.

Methodology

Methodological frameworks informing this study are social network analysis and critical discourse analysis.

Social Network Analysis

Social networks comprise sets of nodes and ties between them, often expressed in the form of a graphic image or map. The nodes represent network actors (which may be individuals or organizations) and the ties represent relationships between them. Network analysis considers these networks to be the fundamental building blocks of the social world and they examine patterns of interaction among network actors, such as shared affiliations, collaborations, event attendance, information flows, Web links, co-authorship, and citations (Marin & Wellman, 2014).

Social network analysis has a wide range of applications, including research on corporate power and interlocking directorships, community structure, social movements, peer pressure, criminality and terrorism, world political economy, and political and power networks. Stephen
Ball’s work on the emergence of “governance networks,” comprising public, volunteer, and private sector actors that shape education policy in the UK, has informed our work. His work demonstrates that social network analysis is useful for examining power relations in the public policy arena.

While much of the research on social network analysis is mathematical, Hollstein (2014) describes a number of qualitative approaches that are fruitful for exploring networks, including observation, documents, interviews, diaries, and questionnaires. For this study, we used documents and information from the websites of organizations. We first conducted an online search using the keywords “social finance in Canada,” which surfaced websites and documents from the federal Ministry of Human Resources and Skills Development Canada (HRSDC), the Canadian Task Force on Social Finance, and the MaRS Centre for Impact Investing. A report from Human Resources and Skills Development Canada (2013), entitled *Harnessing the Power of Social Finance*, detailed the federal government’s interest and effort in exploring the potential of social finance to address social and environmental issues in Canada. This government document listed a number of “partner organizations” and a subsequent search of their organizational websites identified additional documents with a social finance orientation. When these documents named other associated organizations, we also explored those websites. We continued to follow linkages among organizations in this manner until we reached a saturation point—that is, we turned up no new organizations involved in social finance in Canada.

A number of documents (reports, speeches, calls for proposals) revealed a pattern of interactions among a select set of organizations through a series of meetings, conferences, forums, and action-oriented associations, notably the Canadian Task Force on Social Finance;

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1 Human Resources and Skills Development Canada later became Employment and Social Development Canada.
Voluntary Advisory Council on Social Partnerships; Canada’s National Advisory Board (to the Canadian government and to the G8). A core set of organizations co-authored some of the documents and described ongoing ties, shared visions, and goals. We refer to this set of organizational actors, belonging to the public, private and not-for-profit sectors, as the social finance network. Publication dates of the various documents helped us to trace the development of this network between 2006 and 2015. A particular organization, MaRS Discovery District, appeared to be at the centre of the network and its work is described later. Having identified network actors, we then used critical discourse analysis to examine key documents related to social finance co-authored by network actors or issued by the federal government.

**Critical Discourse Analysis and Discursive Practices**

Our approach to critical discourse analysis (CDA) aligns with a more “macro-sociological-structural” conceptualization (Wodak & Meyer, 2016). Wodak and Meyer, 2016, p. 7) state, critical discourse studies “emphasizes the need for interdisciplinary work in order to gain a proper understanding of how language functions in constituting and transmitting knowledge, in organizing social institutions or in exercising power.” According to Luke (2002, p. 100), critical discourse analysis (CDA) involves the “microanalysis of texts” and the “macroanalysis of social formations, institutions, and power relations that these texts index and construct.” Discourse is social action; it is practice that has textual and extra-textual aspects (Hook, 2001):

Discourse facilitates and endorses the emergence of certain relations of material power, just as it justifies these effects after the fact. Similarly, material arrangements of power enable certain speaking rights and privileges, just as they lend material substantiation to what is spoken in discourse. (p. 33)
We interpret this to mean that the analysis of discursive practice should not be reduced to the study of meanings conveyed through text, talk, and images, but should also include an examination of those social structures and relations through which discourse is produced, as well as those produced by discourse.

Using texts produced by network actors, we examined the stated goals of the network, its initiatives and anticipated outcomes. Because of our focus on the discursive practices the network used, we considered the language and rhetoric expressing the network’s logics of action, claims, and underlying assumptions. Power relations were of particular importance in the analysis, which meant paying attention to how the network defined problems and solutions, what information it omitted, what groups it excluded, how it represented member groups in relation to non-member groups, how it described the roles of various actors within the network. Findings reveal a set of discursive practices the network employed to promote social finance as an approach to public service provision. We describe these practices under four broad categories: establishing an enabling field, framing social problems and solutions, discrediting established institutions and actors, and depoliticization.

The Emergence of a Social Finance Network in Canada

In 2006 a small group of public, private, and NFP organizations came together with an aim to “create a culture of continuous social innovation to address Canada’s social and ecological challenges” (Canadian Task Force on Social Finance, 2010). In 2010, this group established the Canadian Task Force on Social Finance (hereafter called Task Force SF), chaired by the CEO of MaRS Discovery District, an NFP organization. The Task Force SF published a report calling for participation of actors, including financial institutions, investors,
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philanthropists, and governments, in “mobilizing new sources of capital, creating an enabling tax and regulatory environment, and building a pipeline of investment-ready social enterprises” (Canada’s National Advisory Board, 2014, p. 6).

Possibly influenced by the Task Force SF report, in 2011 Minister of Human Resources and Skills Development Canada (HRSDC), Diane Finley, travelled to the UK to meet with global leaders in social finance, think tanks, and government officials (Curry, 2011). That same year she announced government’s intention to consult with Canadian social finance leaders, including MaRS Discovery District (hereafter referred to as MaRS), and for this purpose she established the Voluntary Advisory Council on Social Partnerships (HRSDC, 2013). With advice from this Advisory Council, the government launched a Call for Concepts on Social Finance at MaRS’ fifth annual Social Finance Forum in November 2012 to elicit innovative ideas and initiatives from all sectors.

Parallel to this, the federal government incorporated social finance into its budget in its Economic Action Plan 2013, promising to facilitate collaboration between NFP and private sectors to further develop “investment-worthy ideas” and turn them into actual programs and projects (Government of Canada, 2013c, pp. 238–240; Joy & Shields, 2013). By 2015 the federal government launched a social finance accelerator initiative (Government of Canada, 2015) with the aim to “fast-track promising social finance ventures to a greater stage of investment readiness” (Government of Canada, 2015). The government piloted two social finance education projects in literacy and skills training (Curry, 2013). The federal government established partnerships with MaRS Discovery District: Industry Canada provided funding for the development of the MaRS Centre for Impact Investing and the National Research Council of Canada provided funding to help start-up businesses strengthen their business management,
improve product and market development, and accelerate technology commercialization (MaRS, 2015b).

The social finance network comprises: (1) governments (e.g., Government of Canada, Province of Ontario, and City of Toronto); (2) venture capitalists (e.g., Learn Capital, MacMillan New Ventures, Rethink Education; (3) corporations (e.g., Pearson Canada, McGraw-Hill Ryerson, CIBC, KPMG, and Siemens); (4) philanthropic foundations (e.g., J. W. McConnell Family Foundation, Rockefeller Foundation, and New Schools Venture Fund); (5) academic institutions (e.g., University of Toronto, Ryerson University, and Conference of Independent Schools of Ontario; and (6) other non-profit organizations (e.g., MaRS Discovery District and Canadians for 21st Century Learning and Innovation [C21]).

As might be apparent, because its name has come up several times, MaRS Discovery District is the hub of the social finance network and, according to Joy and Shields (2013), a central player driving the growth of social finance in Canada. MaRS Discovery District is a NFP registered charity whose objective is to “create one of world’s largest innovation hubs,” working with “an extensive network of private and public sector partners to help entrepreneurs launch and grow the innovative companies that are building our future—start-up ventures with broad economic and societal impact” (MaRS, 2015a). Its programs are funded by investment from governments, private donors, corporate sponsors, and foundations (MaRS, 2013).²

One branch of MaRS is its Work and Learning Cluster that helps “high-impact startups revolutionize both how we acquire knowledge and how we put it to good use” (MaRS, 2015c). Formerly known as the Education Technology Cluster, the Work and Learning Cluster,
according to its website, aims to disrupt education and employment by transforming the ways we learn and use knowledge at all levels, drawing on the rapid advancements of technologies (MaRS, 2015c). Home to more than 200 ventures, the MaRS Work and Learning cluster is one of the largest clusters of education innovation in the world (MaRS, 2015c).

From the perspective of the Work and Learning Cluster, Canadian education systems are large, complex, and “impenetrable” markets (MaRS 2011); nevertheless, investors recognize opportunities for social finance or impact investing to penetrate the systems due to trends like the growing scarcity of public funds and the proliferation of education technology and online learning; student-centered learning that is adaptive and personalized; increased engagement through gamification\(^3\); and a move toward open digital content (Harji, Reynolds, Best, & Jeyaloganathan, 2014; MaRS, 2011).

The Work and Learning Cluster establishes forums for entrepreneurs to share ideas about how to scale up their ventures and increase their impact; provides market research services; assists new ventures in securing long term funding for testing their products or services and getting them ready for the market (MaRS, 2011); and creates opportunities for new start-ups to connect with key actors in the education industry (e.g. world leaders in publishing and educational technology) who may be interested in investing in innovative products and services. The Work and Learning Cluster helps education entrepreneurs understand education systems, developing knowledge about how money flows in the education system, who makes decisions at each level of the system, who holds the purchasing power, and who are the end-users of their products and services. The purpose of this knowledge dissemination is to enable education

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\(^3\) The gamification of learning is an educational approach to motivate students to learn by using video game design and game elements in learning environments (Lee & Hammer, 2011).
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entrepreneurs to “disrupt the education market by ‘going around’ the traditional vertical of education . . . [by] going directly to their end users,” such as teachers, students, and parents (Wilson, 2013).

The social finance network has been at least somewhat successful in assisting the private sector to penetrate and inhabit the space of public service provision. Some of the successful ventures sponsored by MaRS Work and Learning Cluster in the field of education include chalk.com, crowdmark, and Learning Bird (MaRS, 2015c). We turn now to an examination of how the social finance network, with MaRS as its hub, has achieved its success. We argue that much of this success can be attributed to the discursive and extra-discursive practices the network employs as means to legitimize social finance.

**Discursive and Extra-Discursive Practices that Manufacture Consent for Social Finance**

Network actors manufacture consent for privatization in education by developing a sense of legitimacy for social finance as an approach to funding public goods and services and by masking the privatization process. A number of discursive practices are used to do so. Our analysis begins with a discussion about extra-textual discursive practices: that is, the establishment of an enabling field for social finance—the creation of the social finance network and other organizations that support the work of the network by routinizing and institutionalizing policy implementation. Then we turn to the text-based discursive practice used by network actors: framing problems and solutions, discrediting established institutions and actors, and depoliticizing social finance discourse.

Document segments quoted in the following sections present network logic. Similar ideas are expressed across each of the documents. For the sake of brevity, we have selected quotes that
represent network ideas concisely and we have ordered them in a way that demonstrates how their logic of action is constructed across various documents. The voice of government may be overrepresented in our selections; however, this, we believe, is illustrative of the important role of government in the network, as described in the following section.

Establishing an Enabling Field

Enabling fields are relational spaces in which organizations come together, develop collective understandings, and develop an environment conducive to institutionalization of a shared logic of action. An enabling field, established by the network in this study, legitimizes and stabilizes a social finance approach to public service provision and contributes to the instantiation of policy as discourse. In part, this happens when network actors organize themselves in mutually supportive ways and position themselves to collectively produce social finance discourse, making the network itself an enabling field.

Network formation. Formation of the network appears to have involved processes of inclusion and exclusion. Actors who wrote the reports, and other actors named in the reports, are organizations that come primarily from the private and NFP sectors, although federal and provincial governments and public sector institutions are also represented to a lesser degree. The federal government, in its own documents, named actors from within this same set of organizations. A pattern emerged: on the one hand, inclusion of certain actors in the NFP and private sectors who are new to the policy process and, on the other hand, exclusion of established stakeholders, such as school administrators, school trustees, teachers, and parents. The policy network limits membership to actors who share some degree of commonality in terms of their conceptualizations of problems and solutions, although their particular interests in doing so may
differ. This exclusive network proceeds to develop a shared perspective and shared language for talking about its ideas that develop into the discourse of social finance.

The structure of the network contributes to its stability in that actors take on complementary roles designed to be mutually supportive. Start-up businesses supply innovative ideas; philanthropic foundations and venture capitalists provide investment; and the non-profit MaRS Discovery District has two important roles. First, it serves as a broker, matching investment interests with innovative entrepreneurs. Second, it is an incubator for start-up businesses, providing training designed to help enterprises develop successful business models, develop entrepreneurial skills, and infiltrate the structures of public institutions. The role of government in the network is to create a policy environment conducive to the smooth operation of social finance initiatives.

Routinization and institutionalization. Additional extra-textual enabling strategies include processes described by Whiteside (2013)—routinization and institutionalization. Because of their interdependency, it is difficult to separate the processes of routinization and institutionalization. An important aspect of each process is the use of language and rhetoric, which we have described earlier. Rhetoric itself, however, is not enough to routinize and institutionalize a policy direction. It must be normalized “not through grand overt offenses, but through mundane, technocratic procedures” and everyday routines that transform rhetoric into reality (Whiteside, 2013, p. 99). Routinization and institutionalization are mutually constitutive processes that proceed through technocratic means—the creation of new public sector protocols and agencies that formalize new rules of the game; hence, they connote “a new system of action and a reorientation of standards and decision-making” (Whiteside, 2013, p. 99–100). New public sector agencies and protocols signal a regulatory shift and suggest permanence; they become
“the new ‘traditional’” (Whiteside, 2013, p.18).

The social finance network encourages routinization and institutionalization, stressing the need for “putting in place the intermediary institutions, frameworks, and regulations that will more efficiently connect the best people and the most innovative ideas to the private capital they need” (Canadian Task Force on Social Finance, 2010, p. 1). Government is expected to play an important role, establishing new rules as necessary and establishing planning and approval frameworks and regulatory agencies. This agenda is becoming reality in Canada. The Canadian government has given the Minister of Employment, Workforce Development, and Labour the mandate to develop social finance policy and enabling processes. Jooste and Scott (2012) and Whiteside (2013) have described an expanding enabling field comprising a wide range of public, private, and NFP organizations that formalize a policy shift toward public–private partnerships. Being that social finance is a form of public–private partnership, these same agencies potentially could be used to move social finance forward as well, although we found no evidence that they are doing so now. This enabling field is indicative that routinization and institutionalization of social finance are underway and we expect this trend to continue.

Framing Problems and Solutions

One constellation of discursive practices aims to define one or more problems to be addressed and policy solutions deemed appropriate for addressing those problems. Conferences, forums, press releases, speeches, reports, position papers, and academic publications are media

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4 Social finance policy development was a mandate of federal ministries under the Harper government and this continues to be the case under the Trudeau government, elected in 2015. This ministry has changed names a few times in the past decade: Human Resources and Social Development Canada later became Employment and Social Development Canada and, since November 2015, is known as the Ministry of Employment, Workforce Development, and Labour.
the network uses to construct a social finance discourse.

There can be no solutions to problems that do not exist; therefore, the first step in problem definition is construction of a problem in need of resolution. The social finance network states that Canada faces “complex societal challenges” (Human Resources and Skills Development Canada, 2013, p. 7), such as youth unemployment, homelessness, and chronic diseases. These problems are presented as “urgent” (Canadians for 21st Century Learning and Innovation, 2015, p. 20); failure to address them will have far-reaching negative implications “or they will increasingly represent a drag on the wellbeing of Canadian communities, the economy, and government budgets” (Canada’s National Advisory Board, 2014, p. 8). A government “monopoly of defining and providing solutions” (Human Resources and Skills Development Canada, 2013, p. 7) and the practice of government imposition of those solutions (Government of Canada, 2013b) on society are additional problems. “The traditional approach to solving complex societal problems is falling short” (Human Resources and Skills Development Canada, 2013, p. 7) because it is “ignoring the innovative and successful approaches being developed in local communities and the private sector” (Government of Canada, 2013b). Furthermore “government cannot fund every service people want without regard to the taxpayers’ ability to pay” (Government of Canada, 2013a).

A number of claims are presented in these statements emanating from the network: namely, a crisis exists and the public sector is incapable of adequately addressing the problem because it lacks capacity in the form of innovative ideas and ability to pay for them. Government, the argument implies, has reached the limits of taxation. The problem, as framed by the network, is broad and vague. Documents provide neither specifics nor evidence to support claims. Statements presented as facts actually represent subjective and normative realities that
are difficult to contradict.

In a similar manner, the network discursively produces a framework of solutions to address the problems the actors have constructed. The key solution proposed is “social innovation” (Human Resources and Skills Development Canada, 2013, p. 7), defined as “effective and results-oriented ways to increase the participation of marginalized populations in our communities and in our economy” (Government of Canada, 2013b). With respect to education, “21st Century models of learning must be adopted in public education” (Canadians for 21st Century Learning and Innovation, 2015, p. 20). Innovative ideas emerge as a result of “a new partnership model between profit and public good” (Canadian Task Force on Social Finance, 2010, p. 1) that “bring[s] together the previously distinct government, private, not-for-profit (NFP) and charitable worlds (Human Resources and Skills Development Canada, 2013, p. 7). The objective is to “strengthen this emerging marketplace by mobilizing capital to generate, not just economic value, but also social and environmental value”—a strategy presented as “our best strategy for moving forward” (Canadian Task Force on Social Finance, 2010, p. 1). To advance this agenda “we want to develop new sources of funding in the private sector” (Government of Canada, 2013a). As a finance vehicle, “impact investment—like venture capital for business start-ups—can provide much needed financing” (Canada’s National Advisory Board, 2014, p. 8). In the end, social finance is the only solution put forth by network actors, thus they actually set the agenda by limiting what is talked about as possible or desirable in terms of policy solutions.

In their statements the network makes a number of claims and assumptions regarding policy solutions. Presumably, there is a need to look beyond the public sector to enhance innovative capacity. Ingenuity is fostered in a market environment; therefore, innovation needs
to come from the private sector. This new market is referred to as an “emerging” one, which suggests it is somehow natural, not constructed.

Another claim says network innovations will be results-oriented and effective because best practice will emerge from market processes—the marketplace provides the right processes to distinguish between effective and ineffective practices. An assumption is that relationships among partners in the network need to be framed in market or transactional terms. Ironically, while societal problems are framed as moral and ethical challenges, the proposed solutions are instrumental and transactional.

It is assumed that innovative solutions arising from social finance approaches will benefit marginalized groups by lifting them out of poverty, homelessness, and joblessness. While claims about policy effects are discursively framed as factual, no evidence is provided to support them. Neither is there discussion about how results and impact will be assessed.

In summary, the network discursively constructs a crisis, frames the problem(s) in ways that set the stage for a particular resolution presented by the network to be delivered by network actors. This discourse is presented as pragmatic, the new “common sense,” and the unstated suggestion is that resistance would be “nonsensical.” Long-term repetition of these messages across multiple documents and venues helps audience members internalize them, such that they appear to be their own ideas.

Discrediting Established Institutions and Actors

The network discursively builds credibility for itself and its activities, in part, by discrediting public sector institutions and actors, maligning their alleged monopoly over public service provision. Use of the term “monopoly,” which is considered an illegitimate exercise of
power in a free market system, is strategic because it suggests that public sector institutions are not acting in the best interests of Canadians. Opening the door to non-public actors, we are to assume, can help rectify the situation; however, it is not clear how the private sector is more capable of acting in the public interest.

Except for government itself, public institutions are rendered almost irrelevant within the network and its proposed solutions. The public sector is framed as bureaucratic, cumbersome, entrenched, a hindrance to solving society’s problems. Because the public sector is part of the problem—an obstacle to ingenuity—it seems rational not to expect innovation to come from the public sector. On the contrary, public sector actors, such as educational leaders, are portrayed as in need of re-education in order to become part of the solution. For example, Canadians for 21st Century Learning and Innovation, an associate of MaRS Discovery District, organizes “academies” for school district superintendents from across Canada to push forward more quickly the adoption of its 21st century learning agenda. Twenty-first century learning, defined as “learning in the foundation areas of literacy, numeracy and science while infusing 21st Century skills (creative problem solving, critical thinking, collaboration, communication, personal development, global citizenship and digital competency),” (Canadians for 21st Century Learning and Innovation, 2016a) that “promote competencies needed in a digital economy” (Canadians for 21st Century Learning and Innovation, 2016b). Computer and digital technologies are presented as required to develop technological and job-oriented skills and competencies, leading some scholars to argue they promote the profit-making interests of leading technology and other corporations and that they contribute to privatization in education (Ehrcke, 2013; Gutstein, 2012).

Within network discourse, the roles of government, as well as the NFP and private
sectors, change in order to replace, or at least supplement, the work of established public sector actors. Government’s role shifts from sole provider, funder, and administrator of services to enabler, the creator of policy and regulatory environments in which private innovators can thrive. The discourse reframes the roles of the NFP and private sectors as well. The private sector is presented as a much-needed source of funding and innovation for providing public services in addition to, if not in place of, public providers. The NFP sector can raise funds, introduce innovation, and contribute training and re-education. A binary logic is developed: private and NFP entities “in”; established public sector actors (except for government) “out.”

Depoliticizing the Discourse

Depoliticizing social finance discourse is a strategy used to gain legitimacy and manufacture consent by masking the power relations involved in the formation and operationalization of social finance policy. Strategies include distracting public attention away from business interests within the network by framing private investment in the public sector as “corporate social responsibility” and avoiding discussion about the political nature of the policy environment and decision making processes, including the politics of “venture philanthropy.” Each is discussed in turn below.

Corporate social responsibility. Network documents associate social finance with corporate social responsibility (CSR): “Corporate social responsibility isn’t just a department or a report. It’s a way of doing business” (Government of Canada, 2013a). Framing private investment in the public sector as CSR draws attention away from the political and economic aspects of social finance. Originally, CSR was conceptualized as a normative framework calling for corporations to balance the pursuit of profit with a commitment to ethical conduct and
initiatives that take responsibility for the corporation’s effects on the environment and social wellbeing. However, CSR has come to mean many different things (Kuhn & Deetz, 2008; Van Oosterhout & Heuten, 2008). An expansive view envisions corporations foregoing financial gain, at least in the short term, in order to address some social or environmental issue. Sometimes, however, CSR is interpreted narrowly and means doing no more than what legislation and regulations require, or corporations may engage CSR for other than ethical reasons (Ava, 2013; Broomhill, 2007). For example, firms might use CSR to offset continuing negative impacts of their operations on communities or the environment, to prevent imposition of more stringent regulations, to distract attention from their harmful effects, to improve brand loyalty, or to build employee commitment. An argument has been made that profit always trumps CSR principles because corporations have a legal obligation to maximize financial returns on shareholder investment (Bakan, 2004). From a cynical perspective, CSR may be no more than a managerial toolbox (Van Oosterhout & Heugen, 2008) used to generate more profit.

CSR may manufacture consent for business involvement in what has traditionally been the public sector, along the lines that the following critique suggests:

. . . so-called “socially responsible” activities can obscure the deeper contradictions and systems of valuation that enable corporate socio-economic domination and, in turn, that such activities actually prevent the creation of a democratic society because they mollify citizens who might otherwise demand systemic change. (Kuhn & Deetz, 2008, p. 175)

By suggesting that social finance is an expression of CSR, the network may lull Canadians into believing that private investment in the public sector is nothing to worry about because it is driven by a motivation to contribute to the public good and is a responsible way for business to behave. Documents produced by the social finance network omit any discussion about how CSR is defined, what kinds of social finance activities will qualify as CSR, or how
initiatives will be assessed in terms of socially responsible results, so it remains to be seen how
the claim that social finance constitutes CSR will hold up to critical inspection.

Government suggestions that social finance represents corporate responsibility and
government’s active participation in social finance approaches to public service provision are
important strategies for building legitimacy for this policy direction. If citizens perceive that
government still has control, an increase in private sector investment while public funding stalls
or declines might be more acceptable, especially for those reluctant to see their taxes rise in order
to support increased government spending. The language of corporate responsibility might
seduce some people into believing that the interests of private actors are aligned with public
interests. Also, the public might not be aware of the pervasiveness of public–private partnerships
and the extent of private sector involvement in policy decisions.

Venture philanthropy. Just as “corporate responsibility” might contribute to the
manufacture of consent for privatization, the involvement of the NFP sector, including
philanthropic foundations, may also help to appease citizens who might otherwise protest
increasing privatization. Volunteering and charitable giving are established and acceptable
means for Canadians to engage with communities and assist in resolving social problems, so
involvement of the NFP sector in the network suggests that social finance is benign. Not
transparent in network documents is the association of network actors with non-traditional
philanthropic foundations that engage in “venture philanthropy” (Saltman, 2010).

Venture philanthropy applies a venture capital approach to philanthropy, morphing it into
a form of “investment” seeking social and financial returns. In this emerging and fast-growing
approach to philanthropy, “investors” take a hands-on, results-based approach to philanthropic
investment in NFP and for-profit enterprises, in contrast to passive involvement or writing
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cheques. When the results that venture philanthropists expect do not materialize, they exit, taking their money with them. Such an approach to funding could cause serious disruption to provision of public services if funding sources suddenly disappear (Saltman, 2010).

A growing body of research suggests that philanthropic investors aim to achieve social impact through the radical transformation of public institutions or their replacement with market-driven enterprises (Ball, 2008; Saltman, 2010; Scott, 2009; K. Mitchell, *Education and the Rise of Philanthrocapitalism*, presentation at the University of British Columbia, March 1, 2013). Scholarship in the United States reveals that venture philanthropists (e.g., the Bill and Melinda Gates Foundation; the Walton Family Foundation; the Eli and Edythe Broad Foundation; and New Schools Venture Fund) invest in enterprises, such as charter management organizations and charter teacher and principal preparation programs (e.g., Teach For America). Such investment contributes to the development of an education market, “shifting control of public education institutions to private organizations” (Zeichner & Pena-Sandoval, 2015, p. 12). In a study of the New Schools Venture Fund, Zeichner and Pena-Sandoval found current educational philanthropy takes an “openly political role in pushing particular policies through their allocation of funds” and “they have been successful in drawing attention away from questions about the potential [educational] costs incurred in doing so” (pp. 10–11). Venture philanthropists like the New Schools Venture Fund and the J. W. McConnell Foundation (Canada) are partners with MaRS Discovery District, a NFP member with a central role in the social finance network. MaRS Discovery District supports many edu-businesses, so the use of philanthropy to shape education policy in Canada is already a reality.

Although many ventures are referred to as non-profit, Zeichner and Pena-Sandoval (2015, p. 12) point out “they receive generous tax advantages from the public and are able to
outsource services to for-profit providers who are often associated with the venture organizations.” Increasing privatization in education, thusly, often goes undetected because it can be difficult to trace the money trails. Saltman (2010) refers to this process as “the circle of privatization” (p. 12)—public finances are giving control of public institutions to private interests.

Discussion

As shown in the analysis above, the network described in this study uses a number of discursive and extra-discursive processes to legitimize, routinize, institutionalize, and depoliticize social finance policy discourse. Social finance necessarily means increased involvement of the private sector in the provision of public services, including education. While social finance may not transfer ownership to private sector entities, it does involve other forms of privatization. As an example, the Work and Learning Cluster of MaRS, the central player in the social finance network, is an incubator for education start-up businesses; it helps its start-ups to infiltrate public education systems. Increased privatization threatens to erode the public and democratic underpinnings of education.

A discourse as policy perspective considers discourse use and discourse effects, both of which implicate power relations. Bacchi (2000) describes policy as a strategic and political process involving differential power of some actors in relation to others, and Ball (2015) speaks about discursive strategies, including texts, events, artefacts, and practices used by dominant groups to produce policy discourse. The discursive and extra-discursive practices used by the network at the centre of this study instantiate such discursive strategies in the production of social finance policy discourse.
At the same time that actors use discourse to produce policy, policy as discourse constrains the possibilities and impossibilities of interpretation and enactment of policy (Ball 2006). The circumstances of policy production obfuscate and depoliticize policy and, consequently, we may respond non-critically and internalize discourse. Discursively produced “truth” and “knowledge” shapes subjectivities. To repeat a quote from Ball (2006): “We are spoken by policies, we take up positions constructed for us within policies” (p. 48).

Discourse impacts us as individuals, but also as collectives. Bhatia (2015) describes how subjective realities may be further objectified through collective consent, thus becoming socially constructed realities or “discursive illusions.” Moreover, “it is often a privileged representation of reality, put forward by influential or more powerful entities that are generally the candidate for the process objectification, predominantly through social hegemony” (p. 3). Policy as discourse has potential to become hegemonic, further masking the power relations involved in discourse production and leading us to collectively assume that no alternatives are possible. In this way, social finance discourse may contribute to moving Canada toward hegemonic privatization in public education.

Social finance discourse is relatively new—approximately 6 to 10 years in the making. We do not claim that social finance has become hegemonic policy as discourse—not yet. However, this is precisely the reason why now is the time to engage in critical examination of, and public dialogue about, the role of social finance in education and in the provision of public services more generally.
References


