

The Trojan Horse

The Growth of
Commercial
Sponsorship

Deborah Philips and Garry Whannel

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by

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*We dedicate this book to the memory of our parents,
Ursula and Klaus Philips, and Kay and Paddy Whannel,
who all supported the 1945–1950 Labour Government,
loved the arts, valued education and would not have
approved of the growth of sponsorship.*

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Introduction: The Trojan Horse – From Patronage and Philanthropy to Product Promotion and Privatization

The Trojans could not believe their luck. Outside the gates of their city, gleaming in the early morning sun, stood a giant majestic horse of polished oak. It was an object of great and beguiling beauty. They examined, poked, prodded and gazed in awe; they cheered with delight. It seemed to be a gift from the Greeks, to appease the Gods and atone for their misdeeds. In actual fact, though, hidden in its cavernous interior were the crack troops of the Greek army, intent on opening up the city of Troy to invasion from outside. Among the Trojans, a few lone figures viewed the wooden horse with suspicion and urged great caution. Their voices went unheeded. The Trojans towed the giant horse into the heart of their city. They did not stop to ponder the warning of the need to beware of Greeks bearing gifts.

The research on which this book is based began in the 1980s, prompted by our concerns about the encroachment of commercial sponsorship across British culture. As sponsorship, which first emerged in the arenas of sport and then moved purposefully into the arts, came to be seen as an inevitable method of funding, it became an almost unnoticed lever for a major incursion of the private sector into what were once public services, to eventually embed itself into the bedrocks of the welfare state, the health and education sectors. Our project became broader, placing sponsorship in the context of privatization, an integral part of British economic policy since Margaret Thatcher abjured the Keynesian arguments for a mixed economy in favour of Milton Friedman's monetarism. The entry of the free market into all aspects of culture and society has been the mark of English governments ever since, embraced with varying degrees of fervour. While forms of private patronage have always been important to the economics of culture in Britain, and there is a long history of commercial sponsorship in America, it is with the first Conservative government of Margaret Thatcher that commercial sponsorship becomes a significant player

in the economics of British cultural life. In the United Kingdom, commercial sponsorship has become an increasingly visible mode of finance in arenas which had once been funded by the state; it is to be found in sports halls, schools, theatres and galleries, hospitals, surgeries and libraries and is now conceived by government as a means of support for activities that can (apparently) no longer be afforded by the public purse. Judt has described this shift from public to private finance as ‘the worship of the private sector, the cult of privatization’ (Judt 2010, p. 107).

Writing in 2007, Craig Calhoun and Richard Sennett argued that an understanding of the change to economic and cultural policy requires a critical analysis that is shaped by both cultural and economic theory:

the privatization movement of the last quarter century . . . is as good an example as any of the need for sociology informed by both cultural analysis and political economy. (Calhoun and Sennett 2007, p. 4)

This book sets out to be informed by both cultural and economic analysis. We are cultural analysts, and our past work has investigated the cultural practices of television, sport, celebrity, fairgrounds, tourism and popular fiction, but we have always sought to situate those practices in a political and social economy. We argue here that the practice of cultural sponsorship has, over the past 25 years, been an integral part of the ‘cult of privatization’ and that commercial sponsorship has provided an apparently benevolent carapace for the privatization of the public realm.

One of the difficulties in attempting to track the extent and growth of commercial sponsorship is that there are no reliable national statistics for the amount of sponsorship that is in the economy, nor for its extent. The only figures that are available are those from market research companies, who inevitably have a vested interest in demonstrating the success of sponsorship deals, but who will not acknowledge the problems. We have made use of government, union and company reports, newspaper stories and websites, but the picture can only be partial. What does emerge, however, is clear evidence that commercial sponsorship has developed from being an extra method of funding for special events, to becoming part and parcel of contemporary economic discourse. The cover of George Monbiot’s *Captive State* (2000) directly evokes commercial sponsorship in what Monbiot describes as the ‘corporatization’ of Britain: ‘Schools promote fast food, Police forces bear logos . . . Is nothing safe in our corporate state?’

Sponsorship has worked through a process by which the incursion of private finance into the public sector has been naturalized by the familiarity of corporate names in public services and institutions. Stephen J. Ball, in discussing education, has pointed to:

narratives of plausibility . . . (which) 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' . . . and offer an inevitability of reform of a particular sort. (Ball 2010, p. 1)

We would argue that central to that hegemony and among the most pervasive of those 'narratives of plausibility' has been commercial sponsorship; it has been the Trojan horse that ushered in the seeming inevitability of corporate interests into the public economy.

As governments became increasingly reluctant to support forms of culture and public good, the lack of public funding was expected to be taken up by private benefactors or enterprise. Yúdice argued in 2004 that as a consequence, the role of culture had become redefined in the late twentieth century:

. . . the role of culture has expanded in an unprecedented way into the political and economic at the same time that conventional notions of culture largely have been emptied out . . . (it) is increasingly wielded as a resource for both sociopolitical and economic amelioration. (Yúdice 2004, p. 9)

In the British context, one of the ways in which culture became such a resource is through its use by commercial sponsors, both under the Thatcher government, which required cultural organizations to seek private funding, and by New Labour, which explicitly saw 'culture' as a means of regeneration. And in that shift, 'culture' in all its myriad forms came to be seen as a commodity that could promote and enhance a company brand.

Those advocating the need for commercial sponsorship have regularly suggested that it is merely a continuation of the work of arts patrons and the great philanthropists of the nineteenth century. In recent years, as the neo-liberal agenda has promoted privatization and a reduction in the power of the state, philanthropy is being promoted, with renewed vigour, as a potential source of funding for public goods such as libraries, the arts, educational institutions and hospitals and clinics. However, sponsorship, patronage and philanthropy are not entirely synonymous (although they may often be collapsed into one another), and there are marked distinctions to be made between them.

Patronage

Patronage of the arts is, of course, nothing new and was well established during the Italian Renaissance, most notably associated with the Medici family and especially with Lorenzo de Medici (born in Florence in 1449), the banker and art connoisseur. He assembled leading artists around his court, giving support to, among others, Botticelli and Michelangelo. The most significant distinction between this form of patronage and modern sponsorship is that the motives were associated with personal and political power, and with self-aggrandizement, rather than with the promotion of products or a company. The Medicis were certainly aware of the ways in which benevolence underwrote the image of their power, yet that power stemmed from ownership and wealth; patronage was a reflection and celebration of, rather than a reason for, their power.

Patronage as a term evokes such connotations of Renaissance aristocrats and benign monarchs supporting great artistic enterprises. 'Patronage' was the term that Norman St John Stevas used when (grudgingly) he had to accept that the Thatcher government was not ideologically prepared to adequately support the Arts Council and that private capital was now required. 'Patronage' was a convenient conceit that evaded the trade associations of the phrase 'commercial sponsorship'.

There can of course be no absolute distinction to be drawn between sponsorship and private patronage, although corporate sponsorship can be understood as a different phenomenon. While wealthy patrons may indeed historically support artistic or sporting endeavours as a means of burnishing their reputations and status, the patron is in a distinctly different relationship when it is a corporation rather than an individual, and it is a commercial rather than a private arrangement. The involvement of a sponsor is motivated by the desire to raise the corporate profile and to promote a commercial company or product with a set of values and activities that evoke loyalty and empathy in the public. A condition of corporate 'investment' will depend on the display of a company name and logo at the sponsored event. A commercial sponsor is never, unlike some benevolent patrons, invisible, anonymous or silent.

Writing in 1981, Raymond Williams (before commercial sponsorship was the pervasive phenomenon that it has now become) does understand commercial sponsorship to be a form of patronage, although he identifies sponsorship as a new and different stage that emerged with industrial capitalism:

This fourth form of patronage survived into conditions in which commodity and market relations had become dominant. Indeed it can still be found in

our own time, in some individual cases but also in new forms of patronage. There is a limited sense in which some industrial and commercial corporations have entered into patronage . . . analogous to earlier courts and households, commissioning works for their own use or ownership. But while some of these cases are of this simple kind, others are more directly involved with modern market conditions whether as a form of investment or as a form of prestige advertising. (Williams 1981, p. 43)

Williams did, however, come to understand commercial sponsorship as a serious danger: in a 1981 lecture at the National Theatre, he raised the spectre of a production of *Hamlet* sponsored by the cigar manufacturer, a prospect that is now not as far-fetched as it seemed at the time.

Pierre Bourdieu, similarly, did not initially make a distinction between private patronage and contemporary commercial sponsorship. In a 1995 conversation with the artist Hans Haake, he expressed his alarm at the lack of dissension and the failure of general understanding of the implications of the pervasive growth of sponsorship:

Private patronage is in fashion. Some public relations firms, for example, are hired to help businesses choose the best place for their symbolic investments and to assist them in establishing contacts in the world of art or science. In the face of this, critical awareness is nil, or almost nil. People move along in a dispersed manner, without collective reflection. (Bourdieu and Haake 1995, p. 15)

This was certainly the case in Britain, where, from the 1980s, the need for sponsorship was so crucial to the survival of many organizations that they were in no position to express opposition. It was not so much that there was no 'critical resistance' to the encroachment of commercial sponsorship, it was more that cuts in public funding required organizations to seek private sponsorship – and – forced into competition for the scarce funding and sponsorship available – were also unable to join together for 'collective reflection.' Haake, however, is swift to correct Bourdieu's conflation of the two terms; he is concerned to make a distinction between patronage and sponsorship, arguing that 'patronage' is an ideological strategy in which sponsors come to appear altruistic:

I think it is important to distinguish between the traditional notion of patronage and the public relations manoeuvres parading as patronage today . . . corporations give themselves an aura of altruism. The American term *sponsoring* more accurately reflects that what we have here is really an exchange of capital: financial capital on the part of the sponsors and symbolic capital

on the part of the sponsored. Most business people are quite open about this when they speak to their peers. Alain-Dominique Perrin, for example, says quite bluntly that he spends Cartier's money for purposes that have nothing to do with the love of art . . . In his own words: 'Patronage . . . is not only a great tool for communication. It does much more: it is a tool for the seduction of public opinion.' (Bourdieu and Haake 1995, p. 17)

The sponsorship industry is itself quite clear that sponsorship is not patronage and that its purpose is indeed the 'seduction of public opinion'. Townley and Grayson, lawyers involved in the brokerage of sponsorship, are explicit in their 1984 definition that what distinguishes sponsorship from patronage is the business aspect of the arrangement:

The sponsor must intend to gain promotional benefit from the sponsorship relationship. This is one basis upon which sponsorship may be distinguished from patronage. A patron makes a gift, whereas a sponsor makes an investment. Since the sponsor's motives in making the investment are commercial rather than altruistic it is necessary that he is engaged in some form of business activity for the benefits to accrue. (Townley and Grayson 1984, p. 5)

Philanthropy

Like the patrons of the Renaissance and after, the nineteenth-century philanthropists were not primarily driven by the need to promote their products or companies, but similarly were not unaware of the impact of public benevolence on their image and reputation. The great philanthropists of the nineteenth century generally became philanthropic after they had made secure fortunes, were already highly successful, and when the company had ceased to be the central feature of their lives. These philanthropists left behind them a legacy of museums, art galleries, concert halls, libraries, universities, charitable foundations and trusts and, in some cases, a whole town. Philanthropy may or may not be about self-aggrandizement, individual legacy or commemoration; it may grow out of guilt or from a genuine desire to 'do good works', but what distinguishes it from sponsorship is that it is not primarily about the promotion of goods and services.

Philanthropy had been a significant element in public culture for many centuries, but there is reason to argue that the nineteenth-century philanthropy in Britain and America was the product of specific social conditions, growing

out of the triumphal phase of the growing power of the bourgeoisie in the mid-nineteenth century, when the attention of the bourgeoisie turned to amelioration of the impact of industrial capitalism and urbanization. As is well known, the rapid growth of industrialization from the late-eighteenth century prompted rapid urban development with little planning or infrastructure and little municipal governance as we would now understand it. Yet the new rising middle class remained largely blind to the appalling poverty and exploitation involved in industrialization until well into the nineteenth century. The revolt against the 'Bleak Age', as it has been described, began seriously in 1830 and continued for 20 years (Blackburn 1940, p. 42).¹ Concerns over poverty, disease and mortality prompted a whole series of legal interventions which established a framework for the public provision of museums, bathhouses, libraries and local health boards.²

Private benefaction began to play an important role in this provision from the 1850s. The model village of Saltaire was founded in 1853 by Sir Titus Salt.³ In Liverpool, a museum was enabled by a gift in 1860 from William Brown, who also gave money for the Central Library in 1860; in 1877, the Walker Gallery (also in Liverpool) was enabled by a gift from Sir Andrew Walker, and the Picton Reading Room and Library was established in 1879 (Blackburn 1940, p. 44–7). However, it was only in the 1870s that the extensive philanthropy of such figures as Sir Henry Tate (1819–99), George Cadbury (1839–1922) and Joseph Rowntree (1836–1925) in Britain, and Andrew Carnegie (1835–1919) and John D. Rockefeller (1839–1937) in America, began to make an impact. It is significant that the majority of these figures had a religious background; Rowntree and Cadbury were both Quakers, Tate was the son of a Unitarian Minister, Rockefeller was involved in the Baptist Church. It is also notable that five of these men were born in the 1830s and so were in their 20s in the 1850s – the period in which concerns over the condition of the working classes had begun to extend into public discourse. However, in each case, their major charitable works began much later in their lives. The Cadburys commenced work on the village of Bournville in 1879, the soap manufacturers Lever Brothers created Port Sunlight, a model industrial village in Cheshire in 1888, and embarked on a programme of 'prosperity-sharing' with their employees. The Rowntrees commenced work on a village community, emulating Bournville, in 1901. None of these figures seems to have been concerned with the need to promote their products; they had already made large sums before taking to philanthropy and may have been more concerned with demonstrating their own benevolence or establishing a personal legacy.

Henry Tate, the owner of the Tate sugar company, was one of the most significant figures in British philanthropy. According to Jones, Tate was motivated by his concern for the education and the physical welfare of the people; Jones argues that there was 'nothing haphazard about his giving. It was carefully thought out and designed to do the greatest good to the greatest number' (Jones 1960, p. 28). Tate funded universities and colleges, scholarships, art galleries and libraries in Liverpool; on moving to London, he devoted most of his donations to South London, where he lived. He funded a free library at Streatham and paid for two more at Lambeth and Brixton as well as providing the freehold site for the Balham library. Tate's most significant bequest, of course, was the formation of the Tate Gallery in London, which opened as the National Gallery of British Art in 1897 (Jones 1960, p. 29). There is no suggestion in Jones' account that his motivation was anything other than philanthropic⁴.

In America, the philanthropy of Andrew Carnegie and John D. Rockefeller, whose respective fortunes were made in steel and oil, was on a much grander scale, but again, seems not to have been driven by profit motives but rather by concerns for public health and education. Carnegie's first gift (of public baths to his hometown) was in 1873, and he would go on to give away more than \$350 million during his lifetime, including the funding of so many libraries across America that they became known as the 'Carnegie Libraries', and a considerable donation to the New York Public Library. Rockefeller has the reputation of being the richest man in history; at its peak, his personal fortune was estimated at almost \$1 billion, of which he gave away around \$550 million. Some 80 per cent of these funds was given to four charitable organizations⁵ founded by Rockefeller, with special emphasis on education, health and medical research. Other donations allowed for the founding of colleges and universities in Britain and America, including Spelman College, the first university for African-American women.

In Britain, Sir Thomas Lipton (1850–1931) is the pivotal figure in establishing a relationship between philanthropy and product promotion and can be considered as one of the first modern sponsors. Lipton, like Tate, Rowntree and Cadbury, had made his fortune in retail, but he was of a younger generation than the other major philanthropists and was keenly aware of the importance of promotion of his brand. Lipton was a key figure in the development of both branded goods and chain stores; the son of shopkeepers, at 15 he emigrated from Scotland to America where he worked in a grocery store, before returning to Scotland and starting a provision store; he subsequently opened shops all over the United Kingdom and acquired tea and coffee plantations. In 1898, Lipton founded the Alexandra Trust to provide the poor with cheap and wholesome

meals and was knighted the same year.⁶ Lipton had a personal interest in sport, competing unsuccessfully (several times) in the America's Cup, and would become one of the first sponsors of sporting events. He provided two trophies for football tournaments,⁷ and even attempted to establish a world football trophy, well in advance of the eventual establishment of the World Cup in 1930⁸. Lipton was well aware of the links between branded goods, retail stores and astute promotion and, as such, was one of the first to utilize sport sponsorship; he was then, by action if not intent, a key figure in harnessing philanthropy to the promotion of a brand.⁹

Asa Briggs has noted that there are five conditions which are central to the development of the modern retail trade, the point at which branded products emerge and advertising links retailing with entertainment (Briggs 1960, p. 10). Briggs' five economic conditions for the development of a mass entertainment industry are:

1. large and concentrated urban population
2. income growth sufficient to allow people to buy regular cheap entertainment
3. increase in the amount of leisure time
4. urban public transport systems
5. technology being applied to entertainment

(Briggs 1960, p. 9)

It is at this moment, of the growth of literacy, the emergence of a popular daily press and the development of branded goods which all combine to lay the foundations of a consumption-driven society, that Lipton emerges. And Lipton was not alone; the development of advertising and the increase in income and leisure are closely linked with the establishment of chain store brands. In 1880, there were 1,500, by 1900, there were 11,645; Lipton was among the major names along with Home and Colonial, Freeman Hardy and Willis, Hepworths, W. H. Smiths and Boots the Chemist, which alone had 150 shops by 1900. Lipton and Dewars, the whisky manufacturer, were among the firms sponsoring sport events from the late nineteenth century.

Sponsorship, in the sense that we now understand it, is thus also the product of this moment. The growth of a modern and commercialized society and the emergence of a modern media system gave rise to new cultural forms of advertising, of which sponsorship can be understood as one. According to Marwick:

Commercial sponsorship of sport (and, in a lesser degree, cultural activities) goes back at least to the nineteenth century. In what might perhaps be thought

of as the twentieth-century pre-history of sponsorship, the main protagonists were the press, creating events which then could be extensively reported and the oil companies whose particular interest was motor racing. (Marwick 2003, p. 267)

There had been some sporadic examples of sponsorship from the mid-nineteenth century, usually associated with sport, but these often came out of personal interest or a specific one-off advertising opportunity. One of the first known sport sponsorships occurred in 1852, when the railroad company Boston, Concord and Montreal sponsored the first Harvard-Yale regatta, promoting the event with a brass band, fliers and advertising for the resort areas of New Hampshire (Smith 1988). In 1861, the restaurateur and hotelier partnership Spiers and Pond sponsored the English cricket team on a tour of Australia, but this appears to have been motivated by love of the sport rather than promotion of the hotel chain. Sport sponsorship gathered pace and the events were more targetted from the late-nineteenth century; Coca-Cola and Kodak advertised extensively in the programme for the 1896 Athens Olympics (Sanghak 2009). By the early-twentieth century, Oxo and Coca Cola were among the big company names to be periodic sport sponsors. The first Indianapolis 500 motor race in 1911 was sponsored by tyre manufacturer Firestone. (Sanghak 2009). Sponsorship emerged in other forms too, *Pears Cyclopaedia*, sponsored by the soap company, began in 1897.

However, the commercial sponsorship of sport was of no great significance until the mid-1960s. From the 1920s, commercial sponsorship had acquired a negative connotation in Britain. The introduction of commercial radio in the United States had taken place in a deregulated context, and policymakers in Britain understood this to mean that it was the sponsors who dictated programming (e.g., see Adams 1978, Barnouw 1978). The British Broadcasting Company outlawed sponsorship from its beginnings in 1922, a policy that was continued as it became the British Broadcasting Corporation in 1927, this was one of the conditions of its Royal Charter. The structure of Independent Television, established in 1954, sought to keep broadcasters and advertisers at arm's length. In the British context, a strongly entrenched patrician sensibility, with a degree of disdain for commerce and trade (embodied in the first Director-General of the BBC, Lord Reith), combined with an intellectual left hostile to advertising, produced a climate that was distinctly unenthusiastic about the commercial sponsorship of broadcasting, or indeed about any other form of public activity.

The 'moment of 1945' (outlined in the next chapter) marked the institutionalization of notions of public good, public culture, social welfare and communal awareness at the heart of British society, in the form of the welfare state. Health, well-being, education, the arts and sports were constructed as public activities that should be publicly supported, available to all for the general good. Patronage and philanthropy continued, but the provision of such public institutions as libraries, galleries, museums and universities no longer depended on private benefactors, but were funded by the state through taxation. Commercial sponsorship remained marginal in British social and cultural life until the start of its dramatic growth in the 1960s.

Products, branding and the promotion industry

While the Selsdon Group, St John Stevas and others keen to promote sponsorship to meet the shortfall in state funding regularly evoked the terms 'patronage' and 'philanthropy', the industry that has grown up around sponsorship is very clear that sponsorship is neither, and is explicit about its function and purpose. As commercial sponsorship grew, it developed routines and systems and spawned a new sub-industry of sponsorship agents and brokers. These new quasi-professionals clearly understood sponsorship as a form of advertising and a promotional strategy. The significant growth in commercial sponsorship from the 1970s onwards gave rise to a whole tier of agencies, consultants and brokers, keen to establish a niche business bringing together an activity or institution and a potential sponsor.

All the definitions of sponsorship from this new industry acknowledge that sponsors are looking for a clear return, whether in increased sales, enhanced brand recognition, or a more favourable public image. There is very little attempt to sustain any claim that sponsors are simply providing a benevolent donation. One marketing research firm, MAPS, examining the topic for the first time in 1995, commented:

This is an area of marketing which now has wide acceptance amongst both practitioners and the general public. The practice has seen steady growth over the last five years and is used by an ever widening range of businesses. (MAPS 1995, p.1)

MAPS divided the field of sponsorship into four categories (arts, sports, broadcast and 'other') and defined sponsorship as: 'the payment of money or

the provision of goods or services in kind by business to an organizing body for the purposes of promotion a business name, product or services' (MAPS 1995, p. 1). This report clearly states that sponsorship is a form of advertising and cautions against confusing it with event management or corporate hospitality. A 1980 *Economist* special report on sponsorship gave a very similar account of the characteristics of sponsorship:

1. the sponsor makes a contribution in cash or kind
2. the activity is not part of the main commercial operations of the company
3. The sponsor expects a return in terms of publicity which does not reflect adversely on the sponsor (Simkins 1980)

The Association of Business Sponsorship of the Arts (ABSA, an organization established in 1976 to facilitate matches between potential sponsors and arts organizations in need of sponsorship) is also clear in its 1990 definition that sponsorship is a 'commercial deal' rather than philanthropy and that sponsorship acts to promote the sponsoring company.

The MAPS report also quotes a definition of commercial sponsorship from the International Chamber of Commerce:

. . . any communication by which a sponsor contractually provides financing or other support in order to establish a positive association between the sponsor's image, identity, brands, products or services, and a sponsored event, activity, organisation or individual. (MAPS 1995, p. 2)

Corporations thus appropriate images and the cultural kudos associated with a prestigious event for use in their own advertising; promoting links between the event and the sponsor. As consumers have become ever more resistant to conventional forms of advertising, 'lifestyle' and 'branding' have become key terms in contemporary marketing. Companies are therefore increasingly concerned about associating their products with particular sets of connotations. Sponsorship is a key strategy in that process; events and organizations can be linked to a brand, without there being any intrinsic relationship between the sponsoring company and their products and the sponsored body and their event.

The nature of the relationship between the recipients of sponsorship and the sponsor may well be imprecise. Writing in 1988, from the perspective of the sponsored rather than the sponsor, the museum curator Sue Kirby saw sponsorship as an 'ill-defined' partnership, but was clear that the sponsor derived distinct benefits from the arrangement:

In return for a payment, a corporation will receive an ill defined 'partnership' in which the buildings and resources of the company will be made available to them in return for a price. This might range from allowing corporate entertainment on the premises, to the display of the logo on programmes and publicity materials. (Kirby 1988, p. 97)

The brand consultants Montoya and Vandehey are clear about the centrality of sponsorship in developing a recognizable brand and unabashed in advocating sponsorship as the most effective way of capturing both public affection and publicity:

Advantages: Positive community attention and a more positive brand. You get to be associated with things that everyone likes or respects, like kids' sports or charity . . . It's pretty simple: you buy an ad in the program for a high school musical, purchase an outfield wall sign for the local minor league baseball team, or put your name on a poster for a charity concert. Sponsorships do two things: create brand awareness and associate you with community involvement and generosity . . . Make sure you're getting enough bang for your buck, and make sure you turn your sponsorship into a press release. (Montoya and Vandehey 2009, pp. 90–1)

Sponsorship is recommended here not in any way as an act of generosity, of patronage or philanthropy, but as a means of garnering brand recognition, positive associations and self-promotion. Montoya and Vandehey outline the range of sponsorship opportunities from high-profile art performances to local charity and sports events: 'Local baseball and soccer teams . . . Museums, symphonies and other arts organizations. Charity events like golf tournaments and 10K runs. Concerts. High school organizations. County fairs and festivals. (p. 215)'

The act of sponsorship constructs an apparently congenial and integral relationship between the sponsoring company and the event or organization receiving sponsorship. Those events that require funding from sponsorship are likely to belong to the public sphere and to be underfunded and are therefore in a position to command public affection. The sponsorship of such events involves an association of the values and connotations of such events with the sponsoring organization.

Wragg (1994, p. 11) also defines sponsorship as 'the support of an activity or an event from which the sponsor expects to derive a tangible benefit' and declares that sponsorship is distinct from philanthropy; he insists that sponsorship is always a business transaction. Writing in 1994, he points out that 'over the years,

a large and growing area of overlap has developed between sponsorship and charitable donations, as sponsors have embraced such activities as “community sponsorship” or “social sponsorship” (Wragg 1994, p. 9). For Wragg, the three main motives of sponsors are brand awareness, product promotion and corporate hospitality. He suggests that for corporate hospitality, it is important that ‘the sponsorship package should always include an agreed number of tickets for the sponsor’ (Wragg 1994, p. 25), and that these tickets should be associated with an élite level of access to the event, because as Wragg puts it: ‘people like a feeling of exclusivity, of being able to wander around an exhibition with a drink in their hand and not being bothered by crowds, or even worse, crowds of rowdy schoolchildren on an outing’ (Wragg 1994, p. 28). One impact of sponsorship has thus been a reduction in the availability of tickets for the general public to sporting and artistic events, as Londoners noted during the 2012 Olympic Games, where banks of seats allocated to sponsors remained empty, while the public (whose tax had substantially contributed to the staging of the Olympics) could not gain access to events.

Montoya and Vandehey advocate that the sponsor should make every effort to milk the sponsorship relationship for every possible public relations advantage:

Attend the event that you sponsor and carry business cards. Let people know that you’re a sponsor, and make sure they know what you do . . . Leverage the sponsorship as a PR opportunity. If the event doesn’t issue a press release about your sponsorship, issue your own . . . For a few thousand dollars (often much less), a sponsorship can buy you a great deal of goodwill. (Montoya and Vandehey 2009, p. 215)

Wragg also emphasizes that sponsors should gain the maximum credit from their sponsorship, and that it is important to exclude competitors from association with the event; ideally ‘not allowing competitors to advertise in the same programme’ (Wragg 1994, p. 26). Corporate paranoia over ‘ambush’ marketing reached new heights with the staging of mega events, such as the Olympic Games. Visa credit cards have been sponsors of the Olympic Games from 1986, and in 2012, it was the only card allowed on the Olympic site (to the irritation of many spectators). The contract a host city signs with the International Olympic Committee requires it to ensure special legislation is passed restricting the ability of competitors to advertise in the vicinity of the event; cafés and restaurants close to the Olympic site in London were forbidden from offering ‘Olympic’ breakfasts or meals. It is clear that sponsors have a vested interest

in minimizing any attention for other funders; this includes public forms of support, such as sports, government or arts funding bodies, which typically provide a much larger proportion of the costs.

Wragg goes so far as to suggest that sponsorship can produce benefits in sympathetic government legislation (a point that Jim McGuigan also made in relation to the Millennium Dome) and in the recruitment of staff: 'A company that is seen as environmentally aware is more likely to receive planning permission than one whose record is suspect. A company that is seen as being progressive and at the forefront of new technology will be more attractive to school leavers and bright graduates' (Wragg 1994, p. 42).

In its use of public events as marketing opportunities, sponsorship can be understood as a highly effective and insidious mode of advertising. Sponsors, in sponsoring élite or offbeat events that are in some way apart from the mainstream, can target a particular consumer group that may not be amenable to other forms of direct advertising. A group that may feel passionately about an esoteric form of the arts or sporting activity and which prides itself on individual tastes can be hooked into positive feelings about a company that appreciates and supports their particular set of interests. Sponsorship of cultural or sporting events also provides a direct benefit to the sponsor in that the events supported can be a form of corporate hospitality, in which shareholders and business associates can be impressed by good seats for a glamorous event at which the sponsoring company is apparently intimately involved.

Bourdieu has identified 'patronage' (or, as Haake prefers, 'sponsorship') as a mode of 'symbolic domination':

Patronage is a subtle form of domination that acts thanks to the fact that it is not perceived as such. All forms of symbolic domination operate on the basis of misrecognition, that is, with the complicity of those who are subjected to them. (Bourdieu and Haake 1995, p. 54)

Case studies and reports from Arts & Business (the organization set up to broker sponsorship in Britain), in the 1980s and 1990s, entirely confirm this understanding of sponsorship as an 'exchange of capital'; a 1990 *Economist* report specifically cites the jeweller Cartier (the example used by Haake) as a case study in the successful sponsorship of the arts. Bourdieu includes his concept of 'symbolic capital' as among the benefits accruing to the sponsor:

A foundation that makes donations accumulates symbolic capital of recognition; then, the positive image that it is thus assured (and which is often assessed in

dollar terms, under the heading of *good will*, on business account sheets) will bring indirect profits and permit, for example, to conceal certain kinds of actions. (Bourdieu and Haake 1995, p. 18)

The term 'symbolic capital' is never employed by either the sponsors or the organizations that promote sponsorship; it is in neither's interests to declare that the relationship is one of mutual endorsement. However, both repeatedly refer to the 'cachet' of association with arts organizations and recognize the ability of sponsorship to 'enhance brand identity' – which are benefits derived from symbolic capital.

Jim McGuigan makes a distinction between *associative* and *deep* sponsorship in which he suggests that 'associative sponsorship' is a form of sponsorship from which a company benefits by association with prestigious organizations:

Associative sponsorship is the standard form of cultural provision in the arts and public sector. Sponsors may accrue kudos through association with artistic culture, particularly prestigious events, but are not supposed to influence their content. As critics have argued (such as Shaw 1993), this is not what actually happens in practice. Sponsorship exerts all sorts of subtle pressure on editorial decision making, programme selection and so forth. Nevertheless, the norms of associative sponsorship are still claimed and defended officially in order to preserve cultural integrity. . . . (McGuigan 2010, p. 51)

McGuigan distinguishes between this form of sponsorship and 'deep' sponsorship, in which he argues that corporate capital exploits the association of sponsorship to develop a culture that is entirely in its own interests:

The purpose of deep sponsorship, however, is, unashamedly, to actually construct culture in the interests of corporate business. . . . The most extreme form of deep sponsorship is autonomously created culture, usually of a popular kind so that the form itself is a vehicle for advertising, merchandising and public relations. (McGuigan 2010, p. 52)

This is, however, a difficult distinction to sustain. If 'associative sponsorship' has the potential to exert 'subtle pressure', then this is only different from the construction of a culture as a matter of degree. As sponsorship becomes naturalized across all forms of cultural practice, the boundaries between associative and deep sponsorship are becoming increasingly blurred. 'Associative' sponsorship always has the potential to shift into 'deep' sponsorship, the 'subtle pressure' can at any point shape and control the forms of culture. There is no

national institution in a position to admit that they are compromising their 'cultural integrity' in return for the now necessary funding that sponsorship offers. The theatre director Philip Hedley was one of the few to break that silence and wrote that public funding now rested on:

... the willingness of an arts organisation to invest time, money and imagination in seeking out and keeping sponsors happy. It would be a foolhardy director who raised doubts on whether that investment of resources was on balance worthwhile. And it would take a bravely self-critical director to acknowledge that they had decided not to stage a play because of the effect it might have on the theatre's fundraising capacity. *The Guardian* (25.02.12).

Forms of art which are perceived as challenging, violent or subversive are not generally attractive to potential sponsors, but curators, directors and arts administrators cannot allow that that might be a factor in their choices. A commercial sponsor will only support events which fit in with the way in which it would want the company and its products to be perceived by the public. Extreme sporting events, many sports involving women (which tend to be less covered in the media), are also unlikely to attract sponsorship. The impact of commercial sponsorship in artistic and cultural life is to limit the range of that public sphere and to shape the cultural agenda.

Sponsorship can also be deployed in a strategy of corporate image adjustment. Wragg notes: 'if your company has a hard image then a sponsorship that shows it as caring or even as one with a "cuddly" image could improve public perceptions' (Wragg 1994, p. 39). The McLibel trial, in which McDonalds brought a case of libel against two environmental activists, had damaged the company's public image. The case began in 1990 and was settled in 1995; MAPS reported that year that targetted sponsorship had been central to a turnaround in the public perception of McDonalds:

When research revealed that McDonalds had an uncaring, unhealthy and arrogant image, the company developed a sponsorship programme for athletics (apparently the most popular spectator sport amongst its customers) which succeeded in shifting its image to that of a healthier, more community minded company. (MAPS 1995, p. 12)

Sponsorship can thus be deployed to enhance a corporate image in the wake of scandal or disaster. Another example is that of British Petroleum's sponsorship of the Tate Galleries, after their role in the environmental disaster of an oil spill in the Gulf of Mexico.

In a context in which anything can become a marketing opportunity, the moral bearings of sponsors (and their brokers) can often lose their moorings. In 1991, Caroline Gillies wrote an article for *Business Sponsorship* in which she celebrated global environmental catastrophes as great opportunities for corporate sponsors:

A few years ago nobody wanted to know about the environment. But suddenly, and happily, it has become hot news. Oil spillages, holes in the ozone layer, disappearing tropical rain forests, the protection of rare animal species, the recycling of waste and the rise of the Green Party have all become extremely topical and many causes worthy of support have emerged as a result. (Gillies 1991, p. 62)

The growth of sponsorship

While politicians prefer the terms ‘patronage’ and ‘philanthropy’, and the industry brokers are unabashed in their understanding of sponsorship as brand promotion and advertising, there is no national or internationally agreed means of defining sponsorship nor of distinguishing support in finance from support in kind or benevolent giving. Another problem in charting the extent and growth of commercial sponsorship is that no definitive figures are available, and so the figures for any year or field of sponsorship are at best estimates and at worst guesses. There is a certain agreement about estimates of growth since the 1970s, but there has been no consistency in the definition or a precision of methodology in understanding the growth or extent of sponsorship. Figures are also variable; Wragg (1994, pp. 9–10) estimated that in 1994 UK sponsorship was around £500 million, whereas MAPS estimated that UK sponsorship in the same year amounted to £400 million, of which 60 per cent went to sports and 18 per cent to the arts (MAPS 1995). According to MAPS (1995), worldwide expenditure on sponsorship had been growing at around 10 per cent per annum, rising from \$50 million in 1974 to \$7.3 billion in 1994. According to global figures from the European Sponsorship Association, the amount spent on sponsorship in 2004 was \$28 billion, of which \$11 billion was in North America and \$7.8 billion in Europe (European Sponsorship Association).

In the United Kingdom, sponsorship grew steadily from 1980 (in the period of the Thatcher government), rising from £35 million in 1980 to £852

million in 2002 (Sources: ESA, Ispos, Sportcan, Arts and Business, Mintel, Carat). The growth in sport was followed by a similar growth in the arts and other areas:

	Sport	Arts	Broadcast	Other	Total
1980	30	3		2	35
1986	145	26		19	190
1992	239	58	35	21	353
1997	322	96	111	105	634
2002	429	111	220	92	852

While the percentage of sponsorship going to sport dropped from 86 per cent to 50 per cent between 1980 and 2002, it was the new opportunity to sponsor programmes outside BBC television that enabled broadcasting to increase its market share dramatically to 26 per cent, with arts and other areas suffering a reduction in their marketing share. Arts sponsorship in 1984 was £15 million, and by 1993–94, this had risen to £69.5 million (MAPS 1995). In 1993–94, the £69.5 million of arts sponsorship was distributed as follows:

Sector	Per cent	Amount
Music	20	13.90
Opera	13	9.03
Museums	12	8.34
Arts festivals	11	7.64
Theatre	10	6.95
Other	34	23.6

(source: MAPS 1995)

These figures demonstrate that there is an ideological purpose to this economic activity; as state support was withdrawn from activities that had once been funded by the public purse, so commercial sponsors came in to fill the gaps. But those contributions did not come without strings, and the benefits to the sponsor were considerable. There is a neat circuit between economic input, image management and profit for sponsors, and it was one that was promoted and encouraged by the Conservative governments of Thatcher and Major, by

'business-friendly' New Labour and is championed enthusiastically by the Conservative-led coalition.

There are few public voices raising concerns about the process in which sponsors may have no philanthropic or aesthetic interest in the events that they sponsor, but are motivated primarily by maximum publicity and accrued good will. Bourdieu and Haake, McGuigan, Monbiot, Klein and Shaw are notable as consistent critics who have raised their voices and expressed their concerns at the Trojan horse of commercial sponsorship. Each at different moments has pointed to the dangers and compromises that sponsorship involves. Matthew McAllister in his 1995 critique of *The Commercialization of American Culture* has also suggested that commercial interests can serve to devalue a sponsored event, in harnessing it to branding and promotion:

While elevating the corporate, sponsorship simultaneously devalues what it sponsors . . . The sporting event, the play, the concert and the public television program become subordinate to promotion because, in the sponsor's mind and in the symbolism of the event, they exist to promote . . . Every time the commercial intrudes on the cultural, the integrity of the public sphere is weakened because of the obvious encroachment of corporate promotion. (McAllister quoted in Klein 1999, p. 31)

Sponsorship undermines the public sphere in other ways; it also masks the use of taxation for the public good, in foregrounding the sponsor's contribution. The understanding that sponsorship is integral to funding is often overstated, in part because sponsors are determined to get 'top billing' (Shaw 1993, p. 15). For a relatively small investment, corporations receive goodwill, considerable publicity which is estimated by many companies to be worth more than their initial outlay (see Allen 1990, Montoya and Vandehey 2009). In practice, sponsorship often provides only a small proportion of the costs of an event, which are met by a much larger public subsidy. Commercial sponsorship foregrounds the apparent munificent benevolence of corporate capitalism, while masking the major contribution of public finance and the necessity of continuity in funding. If an event or organization no longer fits with the public image that a company wishes to promote, then its support will cease. Haake also makes the point that corporations are financially rewarded for sponsorship, in that they receive generous tax deductions for sponsorship (themselves subsidized by taxpayers):

It is in fact, the taxpayers who cover what corporations save through tax deductions on their 'generous contributions'. In the end, we are the ones who wind up subsidizing the corporate propaganda. Seduction expenses not only serve

the marketing of products . . . It is actually more important for the sponsors to create a favorable political climate for their interest, particularly when it comes to matters like taxes, labor and health regulations, ecological constraints, export rules, etc. (Bourdieu and Haake 1995, p. 18)

It is no coincidence that the companies earliest associated with sponsorship were those in need of burnishing their brand images on ecological and labour issues; oil companies, large supermarkets and cigarette manufacturers were all members of the board of ABSA and keen to create a 'favorable political climate' for their commercial interests.

Commercial sponsorship has been offered by over three decades of government policy as an unproblematic means of making up the shortfalls in public spending and continues to be promoted as a mutually beneficial arrangement between public event and sponsor in which the culture as a whole is enhanced. It is presented as a benign method of staging events and supporting activities which, it is often suggested, would not have taken place without sponsorship. The implications of that policy are becoming starkly and increasingly apparent. Commercial sponsorship is not disinterested; it has particular motivations, and those motives are quite clearly those of public relations and advertising. The companies involved in commercial sponsorship derive good will which depends on organizations and institutions that were born out of the public sphere, and which belong to the public. As the financial tentacles of commercial sponsorship have grown beyond the fields of sports, the arts and culture, so the lessons that have been learnt in those arenas need to be heard in relation to the encroachment of private interests into essential public services.

The road to neoliberalism

During the last quarter of the twentieth century, the political system underwent a profound cultural shift. The dominant paradigm of public conversation shifted from state intervention and the pursuit of public goods to a view of the world best summed up in Margaret Thatcher's notorious statement made in a speech to the Conservative Party conference in October 1987: 'there is no such thing as society, there are only individual men and women, and there are families . . .'. (www.margaretthatcher.org). Thatcher's rhetoric and government represented a major departure from the post-war consensus that the state had a responsibility to abolish the 'Five Giant Evils' enshrined in the mission of the welfare state: squalor, idleness, disease, ignorance and want.

Thatcher made it clear that her Britain would be one of self, rather than government, help: 'I came to office with one deliberate intent: to change Britain from a dependent to a self-reliant society – from a give it to me to a do-it-yourself nation' (speech to Small Business Bureau conference, 1984, www.margareththatcher.org). In Tony Judt's assessment, 'Government was no longer the solution – it was the problem' (Judt 2010, pp. 96–7); under the Conservative governments of Thatcher and Major: 'the welfare state was steadily unwound to the advantage of a handful of entrepreneurs and shareholders' (Judt 2010, p. 114). The process continued under Blair's New Labour government, and, while George Osborne, the current Conservative coalition chancellor, reassures the public that the Conservatives are the fiscally responsible party – the transfer of public assets to the private sector has only gathered pace. The areas of the public sector that Thatcher drew back from privatizing, the police, the National Health Service, education and the army, are now being opened up to corporate bidders. And, as Judt argues, 'the only reason that private investors are willing to purchase apparently inefficient public goods is because the state eliminates their exposure to risk' (Judt 2010, pp. 110–11).

These are issues that go beyond questions of economy and welfare provision, they go to the heart of our understanding of social democracy and the state. As Judt warns, the evacuation of government from welfare and the public good and with the subjugation of the communitarian to the rhetoric of individual choice, the outlook is bleak:

By eviscerating public services and reducing them to a network of farmed- out private providers, we have begun to dismantle the fabric of the state. As for the dust and powder of individuality: it resembles nothing so much as Hobbes's war of all against all, in which life for many people has once again become solitary, poor and more than little nasty. (Judt 2010, p. 119)

Notes

- 1 See also discussion of this theme in the work of Raymond Williams (1961), *The Long Revolution* and E. P. Thompson (1963), *The Making of the English Working Class*.
- 2 Examples of such provision are:
 - 1835 Municipal Corporations Act: enabled the establishment of public parks.
 - 1845 Museums Act: enabled local authorities to levy a rate to establish museums and art galleries).

1846 Baths and Washhouses Act: enabled councils to build baths and swimming pools.

1847 Ten Hours Act: reduction in working hours.

1848 Public Health Act: councils given responsibility for water supply and drainage; local health boards established. (Where the death rate exceeded 23 in every 1000, a local board of health could be imposed by the Central Board of Health).

1850 Museums Act: extended council powers to the provision of public libraries.

- 3 Saltaire and similar developments were undoubtedly influenced by the earlier development of New Lanark. New Lanark was originally founded in 1786, and subsequently, in the early part of the nineteenth century, moulded by Robert Owen into a model community influenced by concepts of utopian socialism.
- 4 Henry Tate donated about 65 paintings to establish the Tate Gallery. For more on Tate, see also Povey, Kenneth (1957), *Sir Henry Tate as a Benefactor of Libraries*, Presidential Address to the North Western Branch of the Library Association, read at the Annual General Meeting, held at the University of Liverpool.
Watson, J. A. (1985), *Talk of Many Things: Random Notes Concerning Henry Tate and Love Lane*. Liverpool: Tate and Lyle Refineries.
- 5 These were the Rockefeller Foundation; the General Education Board; the Rockefeller Institute for Medical Research (now Rockefeller University); and the Laura Spelman Rockefeller Memorial, established in 1918 and incorporated into the Rockefeller Foundation in 1929.
- 6 Lipton later became a baronet in 1902 and was subsequently awarded a KCVO.
- 7 According to MacKay, the Lipton Cup, to be competed for in matches between Argentina and Uruguay . . . 'stimulated the rivalry between the two and undoubtedly played a part in the emergence of tiny Uruguay as the leading soccer country in the interwar period' (MacKay 1998, p. 217).
- 8 Lipton intended that teams of national status should compete but, as a result of indifference and bureaucracy in English football, Great Britain was eventually represented by a local team of coal miners from West Auckland, County Durham. In 1910, against all the odds, they won the trophy, beating Juventus 2–0 in the final (Mackay 1998, p. 217).
- 9 For more on Lipton, see Bateman 1901, Crampsey 1995, Hickey 1934, Waugh 1951.

The Moment of 1945 and Its Legacy

This book was completed during a period in which the institutions of the welfare state, having been undermined surreptitiously for many years, are now being overtly restructured – some would say dismantled. To understand this current moment, we must also examine the moment of formation of the welfare state. In recent years, a negative image of the public sphere, articulated in terms of government interference, state profligacy, public inefficiency and bureaucratic red tape, has become hegemonic. In the road to 1945, in contrast, concepts of the public sector, the public good, freedom from want, justice and equal opportunity were linked together in a new utopian vision for a post-war world. It was not a vision that contemplated commercial sponsorship, but one which addressed and spoke to the needs, desires and expectations of millions of citizens. It was a social programme in which taxation revenue was generally understood as essential to the support of a wide range of public services.

The extraordinary conjuncture in British politics and society, now often referred to as the moment of 1945, that produced the welfare state and shaped the post-war world, became visibly significant around the time of the publication of the Beveridge Report in 1942 and continued through the reforming and innovating period of the Labour Government elected in 1945. Many elements shaped this conjuncture. There was the hostility to the ‘old guard’ who had mis-managed the 1930s after the Wall Street crash of 1929, the memory of the poverty and unemployment of the 1930s, with its fear of the expense of doctors and health treatment, a continued decline of the culture of deference and the impact of war and communal solidarity. Ideas that ‘we are all pulling together’, the ‘Dunkirk spirit’, the ‘blitz spirit’ are powerful notions in British politics, as Cameron’s claim, in 2010, that ‘we are all in this together’ (www.conservative.com) illustrates. For many women, the experience of war work produced a determination not to simply go back to domesticity. Working-class radicalism and a strong left culture from the 1930s contributed, through

the forces education movement, to a new desire for profound change in the political system.

The popular radicalism that developed during World War II, both in the United Kingdom and among the armed forces abroad, is a difficult phenomenon to examine, precisely because of its diffuse, unfocussed nature – it was not grouped primarily around any political or trade union organization, nor can it be simply reduced down to its class base. As Ralph Miliband summed it up, popular radicalism was not for the most part

a formed socialist ideology, let alone a revolutionary one. But in its mixture of bitter memories, positive hopes, antagonism to a mean past, recoil from Conservative rule, impatience with traditional class structures, in its hostility to the claims of property and privilege, in its determination not to be robbed again of the fruits of victory, in its expectations of social justice, it was a radicalism eager for major, even fundamental changes in British society after the war. (Miliband 1961, p. 274)

The impact of total war on the British population was crucial to the moment of 1945. The disruption caused by mass mobilization and the severe deprivations caused by the blitz generated a widespread collective emotional response born out of hardship – this response was given a focus in the need for unity against a common enemy. Mass mobilization and a collective response to it made the privileges of property and class appear both visible and unacceptable. Aspects of social relations and social experience were rendered more apparent – shared military experience, and evacuation, for instance, brought people from hitherto rigidly separate class backgrounds into jarring collision. Stuart Hall (1972) has argued that ‘the access to service and privilege over the shop counter, for so long the assumed rewards of status and class had suddenly been publicly de-legitimated’. There was popular resentment about perceived incompetence among the upper-class leadership in the forces, which was associated with the old gang and the 1930s. Popular patriotism had within it elements of both a unity of the people and a nascent class hostility.

Total war involved state intervention in almost every area of social life. This both served to create precedents and heightened the contrast with the handling of peace-time crisis in the inter-war years. Two major themes to emerge in popular radicalism were a concern that after the war there should be no return to the 1930s and that there should be no repeat of the aftermath to World War I, when the promise of ‘homes fit for heroes’ made to returning troops proved

hollow.¹ The economic crises of the 1930s also had their effect on sections of the ruling parties and some industrialists, who came to see the need for a degree of industrial and economic planning, and the provision of social welfare, to secure the smooth running of capitalism.

In the early period of the war, up until the Battle of Britain in the second half of 1940, national unity still appeared to be the dominant theme, but when the threat of imminent invasion receded, the degree of discontent over the conduct of the war, inadequate leadership and social inequalities came to the fore. The threat posed to the frail conservative hegemony by the rise of popular radicalism was heightened by the inability of established parties to absorb or incorporate such radicalism. The Tories were identified too strongly with the past, and Labour's commitment to the wartime coalition government between 1940 and 1945 gave them little room for manoeuvre. At the same time, popular radicalism was weakened by its lack of focus – it formed in a political vacuum – a potential threat, but not yet an actual one. Popular radicalism found a voice, but it was a voice that spoke in a particular way, structuring and focusing, but also inflecting and transforming, the diffuse content of the public mood. Popular radicalism found expression in a variety of ways (WPCS 9, p. 37) in a range of institutional contexts. The work of J. B. Priestley and George Orwell provide contrasting instances: Priestley's radio broadcasts reached a huge audience, while Orwell's books had a more narrow intellectual market, but both saw the war as a moment for social change. Orwell wrote that 'we cannot win the war without introducing Socialism, nor establish Socialism without winning the war' (Orwell 1941, p. 94). Priestley, in a radio broadcast, spoke of 'a colossal battle, not only against something, but also for something positive and good'.²

In different ways, the *Daily Mirror* and the *Picture Post* spoke to some extent about popular radicalism and articulated its mood. In the analysis of press discourse in *Paper Voices*, Smith (1975) talks of a 'congruence' between the *Mirror* and the popular mood – the *Mirror* called for a radical break with the past, a 'clean sweep'. *Picture Post* 'spoke with a striking directness to the actual condition of its readers' and entered the spirit of 'planning for a new future' (Hall 1972, p. 103). A new logic of social perception established itself within the public discourse (Hall 1972, p. 88). *Paper Voices* characterized the *Mirror* style as 'ventriloquism', in that the paper was 'not speaking to its readers, but assuming what it took to be their voice and letting its readers overhear it addressing those in power' (Smith 1975, p. 65), while A. J. P. Taylor writes that 'in the *Mirror*, the English people at last found their voice'. These two phrases, the *Mirror* assuming what it took to be the people's voice, and the English people finding their voice in

it, illustrate the particular way that popular radicalism found public expression through the discursive forms of the popular press.

The limits of this public expression can clearly be seen if we locate the significant absence as being any location of fundamental social inequalities as structured into society. In the *Mirror*, problems were, typically, personalized. Cecil King describes the approach: 'Always it was necessary to attack the Establishment, to denounce blunders in high places, the selfishly complacent, the unimaginative and stupid old men who had too much power' (Smith 1975, p. 141). The effect, ultimately, of these public expressions, was to articulate popular radicalism with social reform and social democracy. In so doing, the tendency was to establish links between popular radicalism, on the one hand, and social reformist elements (sections of the Labour party, the 1941 Committee, the Fabian and Christian Socialist tradition, the trade union movement, and 'progressive' Tories) generally.

The Beveridge Report (1942) was significant not simply for its contents, but also for its reception – it sold more rapidly and in greater numbers than any other British Government document before or since. Significant numbers thought it insufficiently radical: while a Gallup Poll said nine out of ten people thought its proposals should be adopted, 66 per cent thought the transition rates (such as the gradual adoption of pensions) were too slow; and there was a widespread feeling that sickness and unemployment benefits were too low (Calder 1969, p. 611). However, the Labour Party, Liberals, TUC and Communist Party all endorsed the report; no major paper offered outright condemnation; and even moderate Tories welcomed it in principle. Public response was heightened by, on the one hand, the hostility to the plan from Churchill and the right wing of the Government, who attempted to delay publication and suppress discussion and on the other, by the pre-publication publicity carefully engineered by Beveridge.

The Beveridge Report became a symbol which was taken up by the 'ventriloquists' of popular radicalism (as, for example, the *Daily Mirror*'s 'Hands off the Beveridge Report Campaign' in 1942) (Smith 1975, p. 112). It occupied the centre of the emerging social reform discourse, linking popular radical and social democratic thinking. During the war, Labour's continued involvement in coalition and the reluctance of the majority of Tories to act on Beveridge meant that popular radicalism could not at this stage be fully re-absorbed. The appearance of Beveridge at a crucial moment in the development of popular radicalism and its enthusiastic adoption by the popular media made the Report a central symbol which aided the unification of popular radical and social democratic ideological elements in a single unified discourse.

The moment of 1945, despite intense internal discussions, marked a rare moment of strong cohesion within and outside the Labour Party. The popular mood, fed by war radicalism, the insistence on no return to the 1930s, underpinned a wide range of Labour initiatives – nationalization of industries, the establishment of universal secondary education and the welfare state. The moment of 1945 ushered in a period in which both major parties broadly accepted that the future of Britain should be as a mixed economy with an expanded role for the state, which would ensure the welfare of the people within a safety net protecting people, from the cradle to the grave, against the worst impact of illness, unemployment and homelessness. The transformation of the state established a political environment in which public spending on the arts, culture and sport was felt to be a good thing, while health and education, it was assumed, should be paid for by taxation. The broad agreement between Conservative and Labour gave rise to a phrase, ‘Butskellism’, denoting the supposed similarity of perspective of two significant figures, Labour’s Hugh Gaitskell and the Conservative R. A. Butler.

Labour in the 1950s: Reform, revision, doubt and decay?

The Labour Government of 1945 established a welfare state and a substantial nationalization programme involving coal mining, iron and steel, ship-building and transport. It laid the foundations for post-war recovery and institutionalized a new mode of governance in which public ownership of significant elements of the economy played a central role. Despite the successes of post-war reconstruction, however, Britain’s industrial and economic base had structural problems that were not adequately addressed in the 1950s. The traditional British industries, iron and steel, ship-building and coal were already in long-term decline. Lacking the huge support given to Germany in the form of Marshall Aid, the British economy could not direct sufficient investment in sunrise industries. One example is that the powerful position the United Kingdom had in the electronics industry was squandered, as other countries, most notably Japan, were quicker to develop the new transistor and subsequently integrated circuit technologies. The British economy was beset with swings between growth and recession (boom and bust), which neither party in power could manage for long. The prolongation of rationing beyond the 1940s and into the 1950s was unpopular and contributed to a Conservative election victory in 1951.

Britain's uncomfortable entry into its post-imperial era, its adjustment to no longer being a major power, restructured the political map, bringing to the fore on the right-wing of British politics a nostalgic sentimentality, a pessimism about the future and a Little-England defensiveness. In 1956, the fiasco of Suez exposed the relative impotence of the United Kingdom in international politics and underscored its dependence on the United States. The Russian invasion of Hungary in the same year was a shock to the Left, causing large numbers of defections from the Communist Party. Internal battles within the Labour Party were already fracturing the 1945 consensus. These events opened up the space in which the British New Left emerged. In the 1960s, with the political confidence of the moment of 1945 ebbing away, there were extensive debates about the way forward for the British Labour Party.

The Labour party had spent much of the 1950s engaged in intense internal struggles between the reformers and the Bevanite left, and despite Wilson's largely successful attempts to hold the party together between 1964 and 1976, it was in these debates about socialism in a capitalist society that some of the roots of the advances and failures of the Labour Left in the 1980s, the subsequent fightback of the right-wing of the party, culminating in the marginalization of the Left in the 1990s, and the emergence of New Labour, can be traced.

In *The Future of Socialism* (1956), Anthony Crosland suggested that, in the 1930s, socialists believed that a Labour government should have three objectives: abolition of poverty and creation of a welfare state, greater equalization of wealth and economic planning for full employment and stability. Crosland argued that this vision was out-dated and that the Marxist critique of capitalism was no longer relevant (Crosland 1964, p. 1). The battle to remove Clause IV (the commitment to common ownership of the means of production distribution and exchange and to obtain for workers the full fruits of their labour) from the Labour Party constitution began in this period, but was only accomplished by Tony Blair in 1995. In the 1959 Labour Party conference debate instigated by Gaitskell's attempt to remove Clause IV, union leader Frank Cousins stated 'we have all accepted in the past that, whilst we can have nationalization without socialism, we cannot have socialism without nationalization' (quoted in Foote 1997, p. 276). In *Parliamentary Socialism* (1960), Ralph Miliband argued that Labour's commitment to parliamentary democracy meant that it could never become a transformative socialist party, but was apparently unable to persuade his two sons, David and Ed, both stalwart parliamentarians.

The discourse of party modernization, continued by Kinnock in the 1980s, before crystallizing in the form of 'New Labour' in the 1990s, also has its

roots in the 1960s. Labour MP Richard Crossman, a critic of revisionism, characterized the revisionist argument as: 'labour will decline into a minority party, representing an ever shrinking working class, unless it scraps its old-fashioned critique of capitalism and modernizes its policies, its images and its constitution' (Crossman 1960, p. 1). This period of debate undermined some of the confidence that had produced the welfare state and the project of nationalization. These are some of the roots of attempts to establish a socialist strategy at the heart of the Labour Party – one that both climaxed and expired in the road to the 1983 manifesto. The dilemma for Labour, as a constitutionalist and reformist party, was stark – in opposition, it could strive to represent the interests and aspirations of the exploited working class, but in government, it was forced by economic pressure to discipline those aspirations in the interests of capitalism. Foote (1997) identified labourism as at the core of the party with the trade union movement playing the dominant role. Consequently, the Labour Party was structured around both the aspirations of the trade union movement (improving pay, shortening working week, improving conditions) and its limitations (hostility to capitalists, but not a revolutionary programme to supplant capitalism). Marxism was always marginal in the Labour Party.

This is not to say that, within limitations, valuable and important reforms were not being achieved. Indeed, in the area of social policy, much was accomplished under the Labour Governments of 1964–70, albeit often stimulated by individual members of the Liberal Party and by back benchers. Reforms included the abolition of theatre censorship (1968), abortion law reform (1967), divorce law reform (1969), abolition of flogging in prisons (1967) and the legalization of homosexuality for consenting adults over 21 (1967) (Jenkins 1991, p. 180).

The 1964 Labour manifesto pledged to give more generous support to the Arts Council, (without, as in 1959, putting a specific figure on this increase), to the theatre, orchestras, concert halls, museums and art galleries (Dale 2000, p. 119). The 1966 manifesto promised the establishment of the Open University (then referred to as the University of the Air), but the section on the arts, while promising an increase of £2.5 million, mostly used its space to outline achievements in the previous 2 years – the establishment of a Minister for Arts and Leisure and increased financial support. The response to the growth of sponsorship in the arts from the Labour Party and from socialists had been largely muted. The *May Day Manifesto*, produced by left-of-labour socialists in 1968, despite its 50 chapters, was all but silent on arts policy (Williams 1968). The pamphlet *Labour's Programme*, 1982, some 279 pages long, contained just over a page on the arts, making a commitment to arts funding but with no

reference to commercial sponsorship. In 1985, Labour proposed to double the Arts Council's grant when they returned to power, but the Labour manifestos for 1992 and 1997 contained no proposals for the curbing or monitoring of commercial sponsorship.

If sponsorship did not attract critical comment, the same could not be said of advertising and consumerism more broadly. World War II left the United States as the dominant power of the world, challenged only by the establishment of the Soviet bloc in Eastern Europe. Post-war reconstruction, growing affluence and the rapid spread of new domestic and family-centred consumer goods (fridges, televisions, music systems and cars) produced in turn a discourse of cultural commentary critical of the consumerist society. Both in England and in America, a hostility to the concept and reality of advertising and sponsorship was by no means the province of the left alone. Cultural critics of both left and right evoked advertising as a symbol and symptom of the ills of contemporary society.

During the 1950s, dissenting voices spoke out against advertising and the materialist society. Vance Packard's *The Hidden Persuaders* (1957) portrayed the advertising industry as calculating and manipulative. J. K. Galbraith's *The Affluent Society* (1958) warned of the growing gap between rich and poor, the declining power of the public sector to remedy the situation and the emergence of a contrast between private affluence and public squalor.³ Cultural commentators as diverse as J. B. Priestley, Denys Thompson, Richard Hoggart and Raymond Williams spoke out against the commercialization of society. In England, Leavisite critics such as Denys Thompson, in *The Voice of Civilization* (1943), hit out at the decline of moral values in the face of commercialism and advertising. Raymond Williams wrote in *The Long Revolution*, first published in 1961, 'We are spending £400 million annually on an advertising system, which . . . lives in a world of suggestion and magic' (Williams 1961, p. 347).⁴ Hall and Whannel (1964, p. 336) comment that 'the artistic skill involved only makes the process of manipulation more effective and by the same token, socially more damaging'. In the English context, of course, a disdain for commerce was often articulated in terms of anti-American-ness, most notably in Richard Hoggart's *The Uses of Literacy* (1958), with its reference to 'shiny barbarism'.

The sociologist Michael Young (who became Lord Young of Dartington in 1978) responded to the consumer society by founding the Consumers Association and its magazine *Which?*, designed to provide consumers with impartial advice based on independent testing of products. Young, who had helped draft the Labour manifesto for 1945, and was also involved in the establishment of the Open University and the National Extension College,

wrote *The Rise of the Meritocracy* in 1958, as a critique of the term, and was subsequently angered by New Labour's misunderstanding of his argument.⁵

Despite the critical commentary on advertising and consumerism, the emergence and growth of sponsorship attracted little specific critical attention. One of the first and still one of the few public figures to offer critical reflection on the dangers of commercial sponsorship was Professor Roy Shaw (director of the Arts Council between 1975 and 1983), whose 1993 book *The Spread of Sponsorship* has been a significant influence on our own research in this area.

During the 1960s and 1970s, advertising became a significant driving force associated with media innovation such as colour supplements in newspapers, and the introduction to the United Kingdom of commercial radio. The period from 1960 to 1990 can be seen as one in which advertising became triumphant. It was the source of finance behind the expansion of television, behind the growth of supplements in newspapers and behind the growth of free newspapers. More and more areas of public life were colonized by advertising – whole sides of buses, taxis and trains, giant billboards, some, as in the case of Berlin, visible more than a mile away. During the 1980s and 1990s, image, icon and brand became central to the production and consumption of commodities, a process traced in Naomi Klein's *No Logo* (1999) and Allisa Quart's *Branded* (2003). The communally aware citizen of the welfare state was reconstructed as a new possessive consumer and competitive individual of the consumer society. During the period from the 1960s to the 1990s, commercial sponsorship would develop into a vital means of establishing and reinforcing a trade name and of associating it with public activities that bestowed upon it a positive and benevolent image.⁶

Notes

- 1 It was David Lloyd George who, when Prime Minister (1916–22), first used the phrase 'a land fit for heroes' in the 1918 General Election at the conclusion of World War I. This phrase was taken up by MPs and campaigners who demanded 'homes fit for heroes'.
- 2 *Postscripts*, London 1941: 18.
- 3 Note the work of American cultural critics such as Dwight McDonald, Edmund Wilson, C. Wright Mills, William H. Whyte (*The Organization Man*), Fred J. Cook (*The Warfare State*), and also more recently the success of the book *The Spirit Level*.
- 4 See also Williams in NLR 4, 'The Magic System' described by Hall and Whannel in *The Popular Arts* (London: Hutchinson, 1964) as the most authoritative critique of modern advertising.

- 5 Michael Young's son Toby, would become a fervent advocate of 'free' schools and set up the West London Free School in 2011.
- 6 The rapid growth of sponsorship from the start of the 1980s is echoed by the growth of discussion of and guides to sponsorship from 1980s: Bagehot and Nuttall 1990, Gillies 1991, MAPS 1995, McCallum 1992, Norton 1981, Turner 1987a and 1987b, Walden 1989, and Wragg 1994).

A Culture of Consensus? The Arts from 1945

The dramatic and decisive victory for the Labour Party in 1945 allowed for and encouraged new conceptualizations of the public sphere and made the role of culture central to the post-war state. The Labour Party manifesto had promised state support for a new infrastructure for the arts: 'by the provision of concert halls, modern libraries, theatres and suitable civic centres, we desire to assure to our people full access to the great heritage of culture in this nation' (Labour Party 1945). The Beveridge Report, commissioned in 1941, put forward a set of proposals for the post-war reconstruction that was committed to the abolition of the 'Five Giant Evils': 'Want, Disease, Ignorance, Squalor and Idleness'; and culture and the arts were understood as weapons in the battle against, particularly, idleness and ignorance.

Arts policy, CEMA and the arts council

The role of the arts in sustaining national pride and morale had been significant to war-time policy, the Council for the Encouragement of Music and Arts (CEMA) was an organization committed to providing performances of concerts, ballet and opera for the troops and civilians to boost public spirits throughout the war; the concerts ranging from the music hall comedy of Arthur Askey to the piano recitals of Dame Myra Hess. CEMA had itself grown out of the Pilgrim Trust – set up in 1930 with a substantial grant from an Anglophile American millionaire.¹ John Maynard Keynes, the economist who had been an eloquent advocate of public funding for the arts before and throughout the war, became the chair in 1942. Keynes had a deep-seated enthusiasm for the arts; he was closely allied with the Bloomsbury group, married to the ballerina Lydia Lopokova and had funded the initial building of the Arts Theatre, Cambridge.

CEMA had been seriously underfunded and relied heavily on wartime goodwill, but at the end of the war, with support from all the political parties (and with considerable influence from Keynes), it became the precursor of the Arts Council, the first council to have and to administer major government funding for the arts in Britain (Hewison 1995, pp. 29–44). As Judt points out, Keynes' plan to extend his own taste for the 'high' arts through the Arts Council cannot simply be dismissed as a patrician position:

These were innovative public provisions of uncompromisingly 'high' art - much like Lord Reith's BBC with its self-assigned obligation to raise popular standards rather than condescend to them.

For Reith or Keynes . . . there was nothing patronizing about this new approach . . . This was 'meritocracy': the opening up of elite institutions to mass applicants at public expense – or at least underwritten by public assistance. (Judt 2010, p. 53)

Keynes had put forward the economic argument that culture should be a central element in the economy and was clear that it was not an added extra. He and the Labour government understood the 'Arts' to be integral to the new welfare state, an arsenal in the war against Ignorance and Idleness. As Sinfield explained it in 1995:

The underlying ideology that informed the post-war reforms was that the good things in life customarily enjoyed by the leisure classes were now to be available to everyone . . . And 'good' culture . . . was also to be available for everyone. . . . A key post-war assumption, significantly challenged recently only by Thatcherism, was instituted at this point in the 1940s, that the condition of culture is in substantial part a responsibility of the State. (Sinfield 1995, pp. 183–4)

The Arts Council was the embodiment of this state responsibility. As a popular history book put it in 1967: 'It was . . . an age in Britain of Government patronage of the arts through the Arts Council, incorporated in 1946 as part of the Welfare State' (Halliday 1972). State support for the arts was not, however, quite 'patronage', as 'part of the Welfare State' the Arts were seen as socially and economically advantageous as well as educational, boosting national morale as they had done throughout the war. The Arts Council was formally established in 1943 with a constitution drafted by Maynard Keynes. In 1947, J. B. Priestley testified to the scope, national range and impact of the Arts Council's activities:

Take a look sometime at the monthly bulletin of the Arts Council, with pages and pages devoted to what is happening in each group of counties, concerts by

the hundred, repertory and touring companies all up and down the country, exhibitions of pictures and drawings going off in all directions; and then remember that all this represents new activity; . . . and I think you will arrive with me at the conclusion that although our people today may not know and appreciate as much art as they ought to do, there are certainly far more of them knowing and appreciating it than ever before in our history. (Priestley 1947, pp. 17–18)

The symbolic launch of the Arts Council was a 1946 performance of *The Sleeping Beauty*, performed by the Sadlers' Wells ballet company led by Ninette de Valois, which had toured the regions and performed in London throughout the war. The performance took place in the restored Covent Garden theatre, now established as a national opera house; with British dancers, orchestra and designs, this was a statement that London could hold its own as a capital of culture.

Ballet might now seem to be among the most élitist of art forms, and Covent Garden a theatre for the rich, but this performance of *The Sleeping Beauty* was emblematic of the aspiration to democratize 'high culture', and testament to a new public appetite for the arts. The war had seen a huge rise in audiences for theatre and particularly for ballet, as Fernau Hall wrote in 1947:

All branches of the theatre did well during the war, but the rapid growth of interest in ballet was something unparalleled in British theatrical history . . . By 1946 the ballet audience had increased at least tenfold . . . the value of ballet as a mass entertainment is recognised by the State: four of the leading companies have been formed to visit factories and the troops, and in the plans for the Arts Centres of the future, provision is made for the specialised requirements of ballet. (Hall 1947, p. 2)

'A tonic for the nation'

In 1947, J. B. Priestley gave a lecture to the Fabian Society in which he avowed the centrality of the arts to a progressive new government:

. . . what I am affirming is that the creation and the appreciation of the arts - or let us call all this simply art - is one of the ends towards which the Socialist State is the means. . . . The commonest mistake made about art is to assume that it is like the icing on a cake. Nearly all politicians take to this error as a duck takes to water . . . art is not really like the icing on the cake, it is far more like the yeast in the dough. It is not something added, for decoration and

fancy-work when the solid job has been done; it is much nearer the leaven, permeating and then aerating and lifting the doughy stuff of life. (Priestley 1947, pp. 6–7)

The Edinburgh International Festival, established in 1947, was one expression of this understanding of the arts as the ‘yeast in the dough’. The festival was intended both to bring tourism and social and cultural benefits to Scotland and, in the words of its founders,² to ‘provide a platform for the flowering of the human spirit’ (www.eif.com).

The arts were seen to be contributing to the nation’s economic and moral well-being, able to boost national morale as they had during the war. More spectacular, if less long-lasting, than the Edinburgh Festival, was the Festival of Britain held in London in 1951.³ This was a national festival intended as ‘a tonic to the nation’, in the words of the Festival Director Gerald Barry, a reward to the people for the hard years of the war and a post-war period of rationing. The Festival was also designed to promote British achievements in science, technology, design, architecture and the arts. According to Robert Hewison, the Festival of Britain was the moment that cemented the Arts and Design Councils in British culture and gave them both new confidence:

For the Arts Council and the Council of Industrial Design, the Festival marks a coming of age . . . the Arts Council was confirmed in its role of leading public taste in the arts to the light, and acting as a judge of artistic quality. After the Festival, a more confident and polemical note is sounded in the Arts Council’s annual reports. (Hewison 1995, p. 65)

The Festival was proudly modernist in its design and exhibitions: it provided commissions for architects, designers (including Robin Day, who would become the designer of the bestselling chair in the world), and for painters, sculptors and musicians. It was a confident display of national state investment in the arts and in design. The Festival drew attention to the importance of design in contemporary Britain; the Council of Industrial Design had been another pre-war initiative, founded in 1944 by Hugh Dalton, then President of the Board of Trade. Sir Gordon Russell, who took over from him, had a key role in the Festival’s design and displays and the prominence of the Council at the Festival enabled him to open the office as a public showcase in the Haymarket, central London in 1956,⁴ with a mission to educate the public and to display British design skills. The Arts Council was emboldened to directly support British

artists, and after the Festival commissioned and exhibited selected painters and sculptors, among them including Jacob Epstein, Barbara Hepworth and Henry Moore. In 1952, it spent £12,540 on commissions.

The Festival of Britain was attacked by the *Daily Express* and other papers owned by the Conservative Lord Beaverbrook as a waste of national resources (as many newspapers would later, perhaps with more justification, attack the Millennium Dome); the *Evening Standard* headline trumpeted 'Mr Morrison's⁵ multi-million pound baby'. In fact, the Festival Office provided money towards the cost of the Festival Hall and the Pleasure Gardens in Battersea Park (both resources which would continue long after the end of the Festival), and none at all for the events that took place across Britain; the concerts, performances and exhibitions were entirely staffed and organized by volunteers. The Arts Council commissioned a group of 60 artists to paint a canvas for the Festival – with no financial incentive other than that the Council provided the canvas (Hewison 1995, p. 82). In Hewison's estimation: 'it is as an act of patronage on a wide scale that the Festival of Britain must be appreciated' (Hewison 1995, p. 59). In fact, it was not patronage as such – the Festival was, as the Great Exhibition had been a century before, a trade fair, displaying the products and abilities of British craft; the Festival had originally been conceived as a 'Universal International Exhibition to demonstrate to the world the recovery of the United Kingdom from the effects of the war in the moral, cultural, spiritual and material fields' (Frayn 1963, p. 321) and was planned for the same site as the original Crystal Palace. The material fields of design, architecture and the arts were, as Hugh Dalton of the Board of Trade knew well, exportable products.

It is the case that the Festival could – in its London manifestation at least – be seen as an act of patrician display of 'good' taste and 'good' art that was defined by an élite for the public. The right-wing press were not alone in their accusations that state support for the arts was unaffordable in an Age of Austerity and that the Festival of Britain, the Arts and Design Councils were patronizing; suspicion also came from the Left. Michael Frayn's 1963 essay on the Festival pointed out that those in charge of the Festival were liberals who offered the public what they perceived as being 'good' for them:

With the exception of Herbert Morrison . . . there was almost no one of working-class background concerned in planning the Festival, and nothing about the result to suggest that the working classes were anything more than the loveable human but essentially inert objects of benevolent administration. In fact Festival

Britain was the Britain of the radical middle classes - the do-gooders, the readers of the *New Statesman*, the *Guardian* and the *Observer*, the signers of petitions, the backbone of the BBC. In short, the Herbivores, or gentle ruminants. And in making the Festival they earned the contempt of the Carnivores (Frayn 1963, pp. 319–20)

There is already here a hint of the mistrust of middle class ‘do gooders’ and of their association with the support for cultural and public art that was to be such a mark of the later ‘Carnivores’ of the Thatcher government. That mistrust was also to be found in New Labour’s scorn for élite forms of art, in their insistence that ‘footfall’ and ‘participation’ should be conditions of funding. Neither of these positions left any room for the experimentation and new energy that characterized the art and design of the state-supported Festival of Britain. When the Conservative Party won the 1951 election, they swept away all traces of its site on the South Bank, leaving only the Festival Hall and the Battersea Park fun fair as reminders. In Frayn’s phrase: ‘By 1951 . . . the Carnivores were ready to take over. The Festival was the last, and virtually posthumous work of . . . Herbivore Britain’ (Frayn 1963, p. 320).

If the year of the Festival of Britain also saw the Conservative Party reclaim government, this was a government that was not going to dismantle the structures of the welfare state. It had been the collapse in the Conservative vote that had allowed for the Labour landslide of 1945; once the Conservative party ushered in the era of Butskellism by making it clear that they would not depart from the welfare state ethos, their vote recovered. Katherine Whitehorn, writing in 2007, remembers: ‘(the Conservative party) was a very different brand from its pre-war counterpart: in practice, all parties endorsed the welfare state and those Tories were far pinker than even the Labour party is now’ (Whitehorn 2007, p. 13).

The right to fail

The Labour Party Election manifesto for 1950 made their commitment to arts and culture central to their election manifesto: ‘We shall continue to do all that can legitimately be done to support the Arts, without interference in any way with the free expression of the artist’ (Dale 2000, p. 71). The Conservative Party did not refer to the arts at all, instead they promised lower taxes, and included a section on ‘Waste and Extravagance’ (www.conservativemanifesto.com).

A populist anti-élitism (which was later to prove so enormously damaging to the arguments for state support for the arts) continued to persist. In 1952, a *New*

Statesman theatre reviewer complained of an Arts Council culture that was, he maintained:

... a now clearly recognisable theatrical mode which we may christen Arts Council kitsch. The principal ingredients are bags of good taste, a chorus of cavorting lasses and lads, and a great deal of self-conscious humour which ceaselessly proclaims: Isn't culture fun? (T. C. Worsley, quoted in Hewison 1995, p. 82)

This was more than a little unfair; Arts Council support went beyond 'kitsch' and fun. 1952 was also the year that saw George Devine become artistic director of the Royal Court Theatre; it was Devine who coined the phrase 'the right to fail', a right that would not be supported by private patronage or commercial sponsorship. The Royal Court became home in 1956 to the English Stage Company, a 'writer's theatre', dedicated to new writing (Roberts 1986, p. 10); in 1956, it produced a play that embodied the figure most associated with this post-war period in Jimmy Porter, the Angry Young Man. John Osborne's *Look Back in Anger* was written by an actor who had learnt his craft in the subsidized regional theatres, and it was produced by a subsidized theatre.

Dominic Sandbrook has noted that in this period, there was 'a general flowering of the Arts in the British regions outside London' particularly in theatre, although he does not make the connection with Arts Council funding, (Sandbrook, p. 188). This cultural flowering was not an embrace of the patrician 'high culture' anticipated by Maynard Keynes and Harold Macmillan; state funding for the arts was limited, but it was in place, and it did not necessarily result in the kind of art approved by the gatekeepers of politics or culture. In 1956, funding for drama was increased, and there was a relaxation of the Lord Chamberlain's powers of censorship over plays;⁶ throughout the 1950s, 1960s and 1970s, the 'right to fail' enabled a flourishing of British writers, actors and directors who would go on to shape European drama into the next century.

In 1956, in the year of *Look Back in Anger*, Anthony Crosland published *The Future of Socialism*, which called for a socialism that went beyond the consumerism of the Macmillan years. Crosland called for 'Liberty and Gaiety in Private Life', with a clear eye to a European model of well-being and the expectation of a cultural capital that went beyond the economic:

We need not only higher exports and old-age pensions, but more open-air cafés, brighter and gayer streets at night, later closing-hours for public houses, more

local repertory theatres, better and more hospitable restaurateurs, brighter and cleaner eating-houses, more riverside cafès, more pleasure gardens on the Battersea model, more murals and pictures in public places, better designs for furniture and pottery and women's clothes, statues in the centre of new housing estates, better designed street lamps and telephone kiosks . . . (Crosland 1956, pp. 521–2)⁷

Both parties accepted that politics went beyond exports and pensions and made a commitment to culture, leisure and the arts in their election manifestoes. In 1959, the Labour Party published a 52-page document, 'Leisure for Living', which approvingly quoted J. B. Priestley's argument that the arts were not incidental but 'the yeast in the dough'. The Labour manifesto promised an annual £4 million increase in the Arts Council grant and the establishment of the National Theatre (Dale 2000, pp. 94–5).⁸ The Conservative manifesto included the arts under the heading 'The use of Leisure' and introduced a more functionalist tone. While the Conservatives welcomed, and took credit for, 'the increasing enjoyment of leisure', which they saw as 'the fruits of our policies', there is a suggestion that the arts should demonstrate their use value:

But at the same time all this represents a challenge to make the growth of leisure more purposeful and creative, especially for young people. . . . Measures will be taken to encourage Youth Leadership and the provision of attractive youth clubs, more playing fields and better facilities for sport. We shall do more to support the arts including the living theatre. Improvements will be made in museums and galleries and in the public library service. Particular attention will be given to the needs of provincial centres. (www.conservativemanifesto.com)

The Conservative Party produced their own document and reply to Labour on cultural policy, 'The Challenge of Leisure', but, while this promised to maintain support for the Arts Council and even pledged a marked increase in its funding, it also promoted an élite culture. It also suggested that arts organizations should not rely entirely upon state funding: 'artistic enterprises would be well advised to use a "pound for pound" approach in seeking extra subsidies from industry, including TV companies and local authorities. It helps to counteract the tendency for too much central control'. (Conservative Central Office 1959, www.bodley.ox.ac.uk) Meanwhile, the Bow Group produced a document in the same year, 'Patronage and the Arts', demanding that the arts should increase their reliance on private patrons.

Nonetheless, looking back over almost 25 years of the Arts Council, Lord Arnold Goodman, its chair from 1965 to 1972, reflected on its impact over the cultural life of the nation with some satisfaction:

I believe that in the last thirty years in this country has demonstrated a profound social change. Within our society there is now a widespread feeling that the provision of drama and music and painting and culture in all its broadest aspects is no longer to be regarded as a privilege for a few but is the democratic right of the entire community. (Goodman 1969, p. 6)

The nation had not quite embraced this democratization and elected a Conservative government in both 1951 and 1959; the Conservative pledges of new built housing and economic prosperity trumped ‘culture in all its broadest aspects’ as election promises. The compromise candidate for leadership of the Conservative Party after Anthony Eden was Harold Macmillan. Macmillan was Eton and Cambridge educated, apparently a patrician old Tory – but nonetheless, he was a (relative) Conservative rebel, who in his 1938 book *The Middle Way* (a title that would later come to have resonance for Tony Blair’s New Labour policy) had argued for centralized planning. His 1959 campaign slogan ‘You’ve never had it so good’ encapsulated a consumerist shift in post-war politics, but, despite the Bow Group, a consensus remained in both Labour and Conservative parties that education and health remained the provenance of government and that culture was also integral to the national well-being.

By 1962, however, Anthony Sampson was pointing to the stinginess of the Conservative arts budget. In *The Anatomy of Britain*, he bemoaned ‘the old puritanism, shown . . . in the State’s attitude to the arts. . . . The *total* annual government grant to the arts in 1961 was £8 million – one 200th of the defence budget, and of this the main state patron, the Arts Council get a meagre £1.7 million’ (Sampson 1962, p. 577). Sampson refers to a ‘cultural revolution’, noting the rise in book buying and borrowing from libraries, the audiences for music and the ‘booming’ of the visual arts; which he attributes to an increase in ‘money and education’. While acknowledging that Arts Council funding is inadequate, he regards ‘Private patronage’ with considerable misgivings; ‘commercial sponsorship’ is not yet a term for Sampson, as it was not for the Bow Group:

Private patronage, with its huge potential influence, is largely in the hands of commercial middlemen who sponsor the safest mediocrity – the cinema distributors, property developers, building societies, television tycoons. They

blame mass tastes, but some of the nicest tastes, like olives, have to be acquired by familiarity. (Sampson 1962, p. 578)

There is a whiff of patrician snobbery here, but Sampson does recognize the potential impact of sponsorship and also identifies the major drawback in the use of private finance to plug the gaps in arts funding. He is well aware that commercial ‘middlemen’ were not likely to fund forms of art that are in any way risky or offensive and that private patronage could not provide the right to fail, or the space to experiment, that had enabled the flourishing of artistic practices in Britain.

Nonetheless, the idea of sponsorship was beginning to gain some purchase. A 1970 collection, In *The Social Context of Art* (edited by Jean Creedy), contains a chapter entitled ‘Patronage’, in which Ralph Berry notes the creeping acceptance of sponsorship by journalists and arts organizations. Again, Berry does not yet use the term ‘commercial sponsorship’, but refers to ‘industrial patronage’:

Of recent years the notion of industrial patronage has gained ground. The concept received some publicity during the exhibition “Art in the Executive Suite” held at the Grosvenor Gallery in December-January 1964-5. The catalogue to this exhibition contains some interesting assertions. ‘Modern patronage, however, largely depends on enlightened individuals . . . The business world with all its power and enterprise, its concern for staff welfare and ambiance, is potentially the most important source of all. It quoted a recent *Times* editorial: ‘It lies within the capacity of the business community to become the greatest patron of the arts in present-day Britain.’ Clearly a campaign of sorts was being launched.’ (Berry 1970, p. 100)

Both Conservative and Labour parties manifestos for the 1964 election nonetheless continued to affirm their support for the arts. The Conservatives championed their investment in the arts and promised:

We shall continue to expand this support and to increase the resources of the Arts Council. We shall also seek to promote higher standards of architecture and civic planning, and commission works by contemporary artists for public buildings. (www.conservativemanifesto.com, 1964)

The Labour government’s clear commitment to the arts was manifested in 1964, when Jennie Lee was appointed as the first Minister for the Arts in Harold Wilson’s government. Lee renewed the Arts Council’s charter; this revised Arts charter of 1967 committed to the development of arts practice and to increase

accessibility to arts events. Jenny Lee oversaw an expansion of the Arts Council's work. In 1965, Labour had issued a White Paper, 'A Policy for the Arts: The First Steps', which reiterated that state funding should be understood as a central contribution to the common good, comparable with spending on health and education. It declared, as Maynard Keynes, Priestley and Crosland (among others) had insisted, that 'in any civilized community the arts and associated amenities, serious or comic, light or demanding, must occupy a central place' (HMSO 1965, p. 100). In calling for Britain to become 'a gayer and more cultivated country', it echoed Crosland's 1956 hope for 'Liberty and Gaiety in Private Life'. The 1965 White Paper was a clear call for a growth in support of the arts in real terms, and it represented a milestone in the history of British state support for the arts; for the first time, the Government recognized the need for a considered and systematic plan to replace the largely unplanned growth of the years since the war. The Arts Council was authorized to set up a building fund and set up a network of regional bodies. In London, this allowed for the establishment of the South Bank Centre, with the Queen Elizabeth Hall and the Purcell Room opening in 1967 and the Hayward Gallery in 1968, under the management of the Arts Council.

The 1966 Labour manifesto made much of these achievements and also announced the establishment of the Open University (then referred to as the University of the Air). It continued to promise further investment in the arts, aligning the arts with educational policy:

Access for all to the best of Britain's cultural heritage is a wider part of our educational and social purpose, and is one hallmark of a civilised country. That is why we appointed the first Minister for Arts and Leisure.

The 1965 White Paper, "Policy for the Arts", has inspired a coherent, generous and imaginative approach to the arts and amenities. Already the situation is being transformed, by substantially increased financial support for the Arts Council, purchasing grants for museums, and five times the support for younger artists. A quite new local authority building fund has been initiated. Next year expenditure on the arts will rise by £2.5 million. (www.labour-party.org.uk/manifestos/1966)

Within months of the election of the Labour government (by a very slim majority in 1966), however, Wilson had to announce a £500 million package of cuts; these cuts, as Childs put it: '... amounted to the harshest deflationary measures since 1949' (Childs 2002, p. 172). Even Britain's victory in the 1966 World Cup could not deflect a demoralized electorate, faced with wage freezes

and the devaluation of the pound. If the Labour Party will to develop a cultural and arts policy was there, the financial wherewithal was not.

The Conservative manifesto of 1970 trumpeted: 'Labour Has Nothing to Offer', and relegated Labour Party policy and the one-time consensus on the welfare state to the past, instead employing the now familiar rhetoric of tax cuts, private enterprise and private patronage for the arts. The Selsdon group, a free-market think-tank, had produced a report in the same year advocating free market and monetarist policies, and echoes of their position are evident in the language of the manifesto:

Labour's policies for the future are their policies of the past. More taxes. More blanket subsidies. More state ownership. More civil servants. More government interference.

We will encourage the flow of private funds to charities including voluntary social service, sport and the arts. (www.conservativemanifesto.com, 1970)

In 1973, OPEC (Organization of Petroleum Exporting Countries) quadrupled the price of oil, triggering an economic crisis, but Heath retreated back to a Keynesian economic policy; his February 1974 election manifesto sounded a much softer note and continued to affirm the Conservative's commitment to state support for the arts:

We shall continue to give the fullest support and encouragement to the arts, on which we are already spending £50 million a year, more in fact than any previous government. At a time when economic stringency is necessarily limiting our material objectives it is more important than ever to improve the quality of life. (www.conservativemanifesto.com, February, 1970)

By October of 1974, battered by confrontations with the trade unions, the 3-day week and another miner's strike, Heath was no longer in a position to improve the quality of life. The October manifesto of 1974 drew back from promising the 'fullest support' to the arts and could only promise to 'give as much help as we can', a qualification that Margaret Thatcher would later echo in her 1979 manifesto. The post-war consensus that the arts contributed enormously to the economic and public good had largely been sustained by both Labour and Conservative governments throughout the 1960s and 1970s, despite grumblings from a number of sources that state subsidy only encouraged a patrician form of culture. The Selsdon group took this further with their policy argument that state funding was expensive, bureaucratic and undemocratic. The once unquestioned assumption that the British state

should provide financial support for cultural activity would not survive for much longer.

The rapid growth in sports sponsorship since the mid-1960s had seen the development of new agencies dedicated to the brokering of sponsorship deals, many of whom were keen to extend the opportunities for sponsorship. System Three, a communications and advertising agency, was among these, and their 1973 report noted a discrepancy between the amounts raised through sponsorship for sports and the arts:

The Arts Council is the companion organisation to the Sports Council and operates on the same principle of government-funded independence. . . . As far as is known the Arts Council has paid less heed to the question of sponsorship than has its sporting counterpart. Until recently, perhaps there has been little need to do so, since most industrial money has been given as patronage but, particularly over the last few years, sponsorship proper has been growing rapidly. (System Three 1973, p. 384)

The report estimated that the total income in arts sponsorship was in the region £250,000 in 1973, half the amount for the sponsorship of golf. System Three went on to point out that while arts events tended to attract a smaller audience than for sports, and did not achieve the same level of publicity, the arts did attract distinct audiences, and that association with arts organizations could be beneficial to a corporate identity: 'their image is distinctly an up-market one . . . and they have . . . an almost unparalleled appeal to industrial aspirations towards social involvement and betterment' (System Three, p. 131). Arts sponsorship is at this stage in its infancy, but already System Three have identified the elements of what would become a strategy for commercial arts sponsorship (a strategy that later was promoted by ABSA, the Association of Business Sponsorship of the Arts, which was established 3 years later), System Three understand that the arts offered great venues for the entertainment of clients, that they embellished the image of a company, and that corporate promotion in an artistic environment was more 'subtle' than advertising:

Entertainment of business associates, clients, wholesalers, chief buyers, retailers, trade and national press is, of course, an integral part of many successful sponsorships. The opportunities offered by sporting and artistic events for the subtle influencing of important figures would seem to be both novel and a good deal less strained than many other methods; the intention to influence is not as naked as in, say, the more conventional demonstrations, press conferences or receptions . . . (System Three 1973, p. 46)

The companies which System Three cites as already sponsoring arts events are: the Midland Bank, Littlewoods Mail Order, Courtaulds, Unilever, Olivetti and Players cigarettes. It is significant that these companies should include major global corporations such as Unilever and Olivetti, who would have had prior experience of sponsorship in America and also two 'downmarket' British brands of the time – Littlewoods and Players. All are companies whose image would benefit considerably from association with the 'upmarket' connotations of artistic events. The template for commercial sponsorship established in the sporting arena was poised to extend into all areas of cultural and public life.

Notes

- 1 The Pilgrim Trust was founded in 1930 by the American, Edward Stephen Harkness, who had inherited a fortune from his father's work with Rockefeller. 'Edward and his wife had no children to whom to leave their vast wealth and so they adopted a course of what was termed "systematic philanthropy"' (www.thepilgrimtrust.org).
- 2 The Edinburgh International Festival was founded by Rudolph Bing, then manager of Glyndebourne Opera House and the head of the British Council in Scotland.
- 3 There were also touring and local exhibitions that ran the extent of the country; see Philips 2004.
- 4 The Council of Industrial Design was renamed the Design Council in 1970, and the Haymarket centre closed in 1998.
- 5 Herbert Morrison was then leader of the Greater London Council and a central figure in the planning of the Festival of Britain.
- 6 The censorship of drama was finally abolished in 1968, after a long campaign in protest at the prosecution of the English Stage Company for the production of Edward Bond's 1965 play *Saved*.
- 7 In 2012, Tower Hamlets Council, beset by funding cuts, announced its plans to sell 'Old Flo', a large bronze statue by Henry Moore. Moore had sold the statue at a discount to the London County Council on condition that it be displayed publicly and gifted to the people of the East End.
- 8 Although a National Theatre Act had been passed in 1949, and the London County Council had provided a site on the South Bank in 1948, the National Theatre did not open until 1963, and did not move onto the present South Bank site until 1976.

Pay Up and Play the Game: Sport and Sponsorship

The amount of money earned by British sport from corporate sponsorship at the start of the 1960s was insignificant. Yet over the next 20 years, the growth of commercial sponsorship of sport would be spectacular. In the process, sport-governing bodies were transformed and sport agencies and sponsorship brokers emerged to regularize and routinize the new business of arranging commercial sponsorships. It was this success of sport in gaining sponsorship that exerted a strong influence on organizations such as Association for Business Sponsorship of the Arts (ABSA), in the field of arts and culture, who, from 1976, began to argue that arts organizations must seek commercial sponsorship far more vigorously. As television technology developed during the 1960s and 1970s, it became possible to beam live pictures of sport around the world, making sport sponsorship far more attractive to companies. The Olympic Games, the football World Cup and other major sport events became globally accessible through television. This opened up spectacular new opportunities for sponsorship which, in sport, became a global business. The techniques for ensuring sponsors attained commercial value from their investment (brand name visibility, backdrops to interviews with sponsors' names, renaming of events, arenas and competitions, corporate hospitality) were first fully developed in sport and have become the template for sponsorship organization in many other fields.

Sponsorship of sport was not a new phenomenon in the 1960s, it had a history stretching back to the mid-nineteenth century. However, commercial sponsorship of sport only really took off in the mid-1960s. In 1957, the only sponsored event on British television was the Whitbread Gold Cup (Wilson 1988, p. 157). As television's audience expanded and as its technical facility increased, the appeal of sport came to the fore. With the development of a close relation between sport and television, sponsorship of televised sport events began to

have a greater impact. Sport sponsorship in the United Kingdom was worth less than £1 million in 1965, but in 25 years, had grown to £226 million.

Estimates of UK Revenue from Commercial Sponsorship of Sport 1965–1990

1965	Less than £1m	Howell Report, 1983
1970	2.5m	Sports Council, 1971
1972	7m	System Three, 1973
1976	16m	Howell Report, 1983
1983	100m	Howell Report, 1983
1990	226m	Henley Centre, 1991

The presence of cameras proved a huge attraction for potential sponsors of sporting events, especially as it enabled the exposure of brand names on the otherwise non-commercial BBC channels. This boom in commercial sponsorship was triggered by two significant events, the launching of BBC2 in 1964 and the banning of cigarette advertising on television in 1965, which meant tobacco companies turned to sport sponsorship as an alternative means of getting brand visibility on television. Although the British sport governing bodies were conservative and traditionally minded, this new source of revenue was welcomed because, during the 1950s, British spectator sport had been drifting into decline.

After the end of World War II, public leisure activities enjoyed an unprecedented boom. The celebratory mood and the return of troops meant that cinemas, dance halls, pubs and sport stadia enjoyed their biggest crowds ever. This was to prove a short-lived phenomenon. During the 1950s, public leisure attendances slumped, with cinemas and sports grounds especially hard hit. The major reason was the growth of television, which helped transform the home into a more attractive centre for family entertainment. Television, however, was not the only factor. The growth of the new hi-fidelity stereophonic sound systems, the spread of domestic equipment such as refrigerators and washing machines, the growing interest in home improvements, all contributed to a shift in focus from the public and communal to the domestic and familial. Even the spread of car ownership tended to encourage new family-based leisure at the expense of the old local communal leisure sites. Football crowds went into a long and dramatic decline which lasted from 1948 to 1985. Attendances at athletics events and cricket matches dropped

alarmingly. Television money was yet to provide a significant new revenue stream for sporting organizations.

Ironically, many sport organizations were deeply suspicious of the arrival of television and spent much of the early 1950s resisting its advances. The BBC did not help alleviate such suspicions, because for some years they resisted accepting the concept of payments for broadcasting rights, insisting that they were merely paying compensation for the inconvenience of their presence. Only when the Government agreed to establish, in 1954, a second television channel (ITV) provided by private companies and funded by advertizing did the BBC acknowledge that they were, in effect, paying for the right to broadcast, signing up key sports to long-term contracts in their desire to thwart their new competitor, ITV.

Television, then, brought a new source of revenue in rights payments, and by making television sport attractive to sponsors and advertizers, additional new forms of revenue for sport were established and grew rapidly from the 1960s. The launch of BBC 2 in 1964 led to an increase in the amount of television hours, which gave the BBC a means to increase the range of sports and to provide airtime for Sunday cricket and for extended coverage of cricket, tennis and golf (Bough 1980, pp. 118–35). At the end of the 1950s, in the United Kingdom, the television fees for rugby, cricket, show jumping, athletics and tennis were still very low – typically between £1,000 and £2,000 per day. Television rights payments to sport rose sharply as the audience increased, and competition between channels developed. By the 1970s, British television rights for football, athletics and other major sports would be measured in millions. For example, in 1976, BBC paid £250,000 for the rights to British athletics, but in 1984, when ITV gained the rights after a decade of failed bids, the price had risen to £10.5 million. The age of competitive bidding between channels for rights had begun.

The banning of cigarette advertising on television in Britain in 1965 and in the United States in 1970 had triggered a growth in direct sport sponsorship, led by the tobacco companies. While not all sponsorship was from cigarette companies, it was firms like Rothmans, John Player and Benson and Hedges that led the way in sport sponsorship. As sponsorship proved its worth as a device for marketing and for establishing a corporate image, tobacco and alcohol sponsors were joined in increasing numbers by financial institutions.

County Cricket was in a particularly poor financial state during the 1950s, and, by the early 1960s, the cricket authorities had been developing ideas for

one-day formats; Gillette sponsored the first cricket knock-out cup in 1963 for £6,500. Following the 1964 launch of BBC2, the BBC were in search of cheap programming for summer Sunday afternoons when audiences are low. The needs of the cricket authorities, the tobacco companies and the BBC came together in the growth of one-day limited-overs cricket competition; first, in the John Player League and then, in the Benson and Hedges trophy.

It seemed that in certain circumstances, sponsorship was a more cost-effective means of promotion than advertising. Carreras (Piccadilly cigarettes) estimated that a £20,000 sponsorship of Piccadilly World Match-play golf gained them exposure that would have cost £1 million in advertising rates.¹ The growth of sponsorship of sporting events caused problems for the BBC, which fought to limit the degree of visibility of brand names. Television gradually abandoned its attempts to keep sponsors' names off the screen and away from the action and, in the words of BBC's Head of Sport Bryan Cowgill, settled for 'a policy of containment'.² The concessions continued until 1983, when the BBC finally had to agree to allow sponsors' names on footballers' shirts, in exchange for getting the rights to show some football live.

The Sports Council had set up a working party on sponsorship in 1970 and estimated in its 1971 report that income from private sponsors was in the region of £2.5 million. Sponsorship did provide a lucrative new revenue flow for sport, although not as large as might be thought. It was estimated that only £2 million of each £5 million spent on sport sponsorship actually went to sport, the other £3 million going to back-up promotion and advertising.³ Sponsorship was also an unpredictable source of funding, as British athletics found at the end of the 1960s. Athletics was for many years sponsored almost entirely by two organizations, the *News of the World* newspaper and Pepsi Cola. When both left the scene in the same year, 1969, the AAA (Amateur Athletic Association) was reduced to near bankruptcy, their treasurer commenting wryly that 'we learned not to put all our eggs in one basket in the future'.⁴

However, from the mid-1960s, television, sponsorship and advertising became the central revenue sources, with sports agents as the new power brokers (see Whannel 1986, Burn 1986, Barnett 1990). The growth in sponsorship attracted attention from those responsible for arts policy in the context of low levels of public funding. One of the earliest systematic examinations of sponsorship in the United Kingdom was a 1973 report, *Sponsorship: Commercial sponsorship of sport and other activities in the United Kingdom*. Although it was not specifically examining sport sponsorship alone, nevertheless, the report is dominated by

sport and clearly indicates that sponsorship in sport was on a much greater scale than in all the other areas combined.⁵

The close-up-centred basis of television helped to transform sport performers into stars and celebrities. Televised sport made top performers recognizable stars, enhancing their earning potential from endorsements and advertising. Muhammad Ali and footballer George Best were two of the first television-era stars, as well known for their faces as for their performances. In 1978, half of England footballer Kevin Keegan's £250,000 earnings came from advertising, endorsements and other promotional activities (*Sunday Times*, 15.10.78 and 16.11.80). In the late 1970s, tennis player Björn Borg's promotional contracts brought him well over \$500,000 a year (Kramer 1979, p. 271). By the end of the 1970s, sponsorship had become a vital component in the financial organization of top level sport.

By 1979, the commercial sponsorship of sport was firmly established as a significant *regular* source of revenue. It had generated new competitions, new formats for competitions and rule changes. Sponsorship agencies and brokers had been established. Above all, the combination of television and sponsorship had undermined all but the last bastions of amateurism. Cricket abolished its distinction between gentlemen (amateurs) and players (professionals) in 1963. Tennis became an open game, which accepted amateurs in 1968, after an experimental open event in Wimbledon in 1967. Athletics, a sport in which undercover payments had become notorious during the 1970s, began its transition to a regulated form of professionalism in the late 1970s. Only rugby union held out for a strictly amateur game, but finally accepted professionalism in 1995.

It was, above all, in sport that commercial sponsorship became routinized and then globalized. It was around the institutions of sport that a comprehensive template was developed for obtaining, managing and promoting sponsorships. These routines involved the renaming of events, competitions and stadia to include the names of sponsors and brands, corporate hospitality, executive boxes and sponsors' tented villages, the dispensing of large numbers of the best tickets to sponsors, televised interviews with stars backed by sponsors' banners, associated advertising to reinforce the sponsorships and the availability of top stars to attend corporate events. This template is now routinely employed by institutions in other fields seeking to develop sponsorship support.

However, this template was not developed by the established sport-governing bodies who were not, for the most part, entrepreneurial bodies. The power of traditional governing bodies was challenged by sport agents. In the 1950s, Jack

Kramer's professional tennis circuit had been successful in luring top tennis stars away from the amateur game. In the 1960s, Mark McCormack built his sporting empire International Management Group (IMG) by representing the business interests of three top golfers. By 1983, IMG had 12 subsidiary companies and 15 offices around the world, with gross revenues exceeding \$200 million (McCormack 1984, p. 161). In the 1970s, West Nally had introduced a new level of capitalist rationalization in its handling of sponsorship promotion and advertising contracts for the international governing bodies of football and athletics, only to be replaced in this role during the early 1980s by a company, ISL, founded by Adidas boss Horst Dassler (see Whannel 1992).

The governing bodies of sport became desperate to offer television what it wanted to secure these revenues. These pressures towards a greater commercialization led to the undermining of the nineteenth-century benevolent paternalist and voluntarist sport governance by new entrepreneurial sport agencies and forced sport-governing bodies to transform themselves to accommodate the primacy of the new televised élite events. Sport-governing bodies, predominantly founded in the late nineteenth century, were similar in form to bourgeois gentlemen's clubs – traditional and exclusive. Such bodies were not entrepreneurial but rather rooted in paternal benevolence – they saw their fiscal role as redistributive rather than accumulative. Interestingly, the three exceptions are sport institutions founded in the eighteenth century – the Royal and Ancient Club (golf), the Jockey Club (horse racing) and the Marylebone Cricket Club. While being every bit as traditional and resistant to change as the nineteenth-century bodies, these three organizations were less concerned to mount an entrenched resistance to professionalism. In the new environment of television and sponsorship, however, all these organizations were forced to change simply in order to retain their power – it became obvious that if they did not adapt to exploit the new revenue opportunities fully, then other more enterprise-oriented bodies would challenge and possibly usurp their organizational power and cultural authority.

Sport-governing bodies were increasingly prone to changing the rules and the format of competitions to attract television and sponsors. The opening of tennis to professionals in 1968, the establishment of the Superbowl in 1967 and the rapid growth of one-day limited-overs cricket from the mid-1960s were early examples. Track and field began moves towards professionalism in 1981, and the English Football League finally agreed to live football on television in 1983, in exchange for which television allowed shirt advertisements – thus greatly increasing the sponsorship potential of major clubs.

From the election, in 1979, of the Conservative government led by Margaret Thatcher, government agencies such as the Sports Council were required to place more emphasis on encouraging and enabling sponsorship deals. The transformation of sport by the rise of television and sponsorship had already reshaped competitions and governing bodies and given rise to a whole new profession of sponsorship brokers. During the 1980s, the process became global, as the Federation International of Football Associations (FIFA), the International Olympic Committee (IOC) and the International Amateur Athletic Federation (IAAF) transformed their operations, in order to maximize revenues from sponsorship. Global capitalist corporations and elite sport organizations became closely linked through sport sponsorship. A 1981 Council of Europe definition of sponsorship makes a point of linking sport sponsorship and television:

By sport sponsorship is meant any agreement under which one of the parties (the sponsor) supplies materials, financial or other benefits to another (the sponsored) in exchange for its association with a sport or sportsman, and in particular permission to use this association with a sport or sportsman for advertising, especially television advertising purposes. (quoted in Townley and Grayson, p. 4)

The pressure from sponsors to maximize the value of their investments led to the development of new ways in which their brand names and logos could reach the viewing screen – most notably the now routinized post-event interview, which takes place in front of a backdrop on which all the sponsors are named. International television sport has constituted a test bed for the sponsorship business, in which new forms of public visibility have been developed.

The value of advertising can be difficult to establish, and the axiom that 50 per cent of advertising is wasted but no one can tell which 50 per cent has long been a principle in the advertising industry. However, brand awareness studies can provide useful clues, especially where a newcomer to a field is concerned. One oft-cited study became influential: In 1981, when insurance company Cornhill sponsored Test cricket, its banners at test match cricket appeared 7,459 times on television. The awareness level (the number of people who mentioned Cornhill when asked to name all the insurance firms they could remember) shot up to 17 per cent compared with just 2 per cent in 1977 (*The Economist*, 22.04.82). Brand exposure on television was the key to brand recognition. Sponsorship income went to sports and events that were televised. Sports that could not get on television had to change their

scheduling, modes of presentation or even their rules in order to attract the cameras (see Whannel 1992). In the United Kingdom, of the top ten sponsored sports in 1982, all had also been among the eleven most-televised sports in the previous year. That television coverage was attracting sponsorship could hardly be clearer. The problem this posed for public policies for sport development, which sought to encourage participation across a broad range of sporting activities, was that the majority of sponsorship income went to those sports already benefiting from revenue from television and spectators. Far less money went to sports with high participation rates but less television appeal, and in sports that did benefit from sponsorship income, these revenues were predominantly spent at the élite level, rather than being used to support and develop participation.

These concerns prompted the Central Council for Physical Recreation (CCPR) to commission an enquiry into sponsorship. The *Howell Report into Sponsorship* voiced concerns over the growing power of sports agents and sponsorship brokers, but despite this report, more generally in sport policy circles, the view of sponsorship as a benign force, to be encouraged, prevailed (Howell 1983). Public sports bodies such as the Sports Council and the CCPR assumed the role of midwives, establishing advice and brokering services, bringing sports and commercial sponsors together (see CCPR 1978, 1989). The success of sports in attracting sponsorship was encouraged under Thatcherite social policy and flourished throughout the 1980s (Marwick 1990, p. 267). By 1983, sponsorship of sporting events was worth £129 million, a figure that was to grow to £275 million by the end of the decade (Whannel 1992, p. 71).

Throughout the 1980s, sports sponsorship gained greater visibility, encouraged both by market forces and by public policy (see Sports Council 1992). Companies became increasingly aware of the potential mass and specialist markets which could be reached through sports audiences. Sports sponsorship benefited from the quantity of sports coverage on TV and newspapers. For Barclays Bank, who began sponsoring the English Football League in 1987, just as the game was emerging from its nadir in the mid-1980s, the deal gave them media exposure, access to a youth market and association with some positive values, the bank being perceived as modernizing and adventurous (see Jones and Dearsley 1989; and Meenaghan and Shipley 1999). The growing internationalization, commercialization, spectacularization and globalization of sport was rapidly transforming the sport environment. In just a few short years in the early 1980s, these new dynamic forces were to produce a new template for global sport events aimed at maximizing revenues from television and sponsorship. This

moment opened the door to a dramatic rise in revenues, but it also constituted the seedbed of the corruption of sport governance.

Television is a close-up based medium, and even in sport, it was not just the uncertainty, the immediacy and the drama of the game, but also the stars and personalities that contributed to the audience appeal. New quasi-sports events such as Superstars, called 'trash sports' by their critics and 'synthetic sports' by their proponents, grew out of the desire to exploit the fame of sport celebrities. In the mid-1980s, tennis stars such as Ivan Lendl and Martina Navratilova and many top American baseball and basketball stars were making more than £1 million annually. By the late 1980s, only one-tenth of Boris Becker's multi-million-dollar tennis income came directly from playing (Wilson 1988, p. 55). By the 1990s, earnings from playing and other sources of income for top US stars were soaring well above \$10 million annually. The images of major sport stars were of great value to advertisers seeking to capitalize on the associations of youth, fitness, success and glamour. The presence of stars at their events was important to television, and so the agents representing stars grew in power and influence.

The new cultural visibility of sport stimulated a rapid growth in sport-related branded merchandizing. In the post-Fordist era of the hollowed-out corporation, major companies increasingly saw their main product as the brand rather than the commodity itself – Nike providing a prime example (see Katz 1994). The brand, properly managed, can promote and sell a range of commodities. Sporting brands possess desirable attributes and associations – youth, fitness, high performance and success. Globalization produced a close association between major multinational products such as Coca-Cola and major sporting events. The Olympic Games, once persuaded by sports agents like ISL (International Sport and Leisure), of the new opportunities, was not slow to capitalize (see Craig 1993). The competition between major corporations for access to the global audience of major events has become every bit as intense as the sporting contestation. The remaining pretence towards Olympian ideals became increasingly hard to sustain (Whannel 1994). The commercial transformation of the Olympic Games since 1960 and the growth in the role of the sport agent tended to encourage wildly over-optimistic projections of sponsorship revenue for other events with less television appeal (see Bourke 1991).

The key figure in the story of the commercialization and globalization of sport is Horst Dassler of Adidas. Dassler grew up working for his father's sport shoe business, Adidas, and aged 20, was despatched to Melbourne in advance of the 1956 Olympic Games, to help ensure that as many competitors

as possible wore Adidas shoes. This initially meant free gifts of shoes but intense competition required the payment of inducements to athletes, which Dassler himself, interviewed in 1986, referred to as ‘insoles’.⁶

The globalized marketing of sponsorship had yet to be invented when Dassler’s own involvement in sport sponsorship and advertising developed from 1976, through an association with the newly elected President of FIFA, Joao Havelange. Havelange’s expansive plans needed funding, and Dassler knew how to find it. Dassler’s aide, John Boulter, drew his attention to the British company, West Nally, who helped sport organizers package events in ways that would appeal more to sponsors and broadcasters. West Nally then sold advertising at and sponsorship of these events to corporations. Patrick Nally and Horst Dassler formed a partnership, and their first big project was the 1978 World Cup. They formed the Monte Carlo-based SPMI (owned 45 per cent by West Nally and 55 per cent by Dassler). According to Smit,

the exact provenance of the joint venture’s income and funds was aptly disguised through a financial carousel that made the money spin from Switzerland to Monaco, the Netherlands and the Dutch Antilles. They had to guarantee the Argentine organisers 12 million Swiss francs, which was covered by a commitment from Coca Cola to buy advertising space. They acquired the rights to the advertising board and in the event raised around 22 million Swiss francs. (Smit 2006, p. 160)⁷

Dassler had always been an assiduous networker, but in the 1970s, he formed a special sport politics group to network with, and retain information on, sports officials and rising sport stars. He maintained a detailed database of contacts, including names of wives and ages of children, complete with their clothes and shoes sizes, so that gifts from Adidas always fitted well. In the late 1970s, Dassler began working to support the election of Juan Antonio Samaranch to the IOC presidency, after his first meeting with Samaranch in 1973. If Samaranch became president, he could open doors to Dassler, and in turn the money brought in by Dassler would enhance Samaranch’s prestige. Samaranch duly won the election in July 1980 and Dassler was among the 15 people who helped him celebrate (Smit 2006, p. 182). Dassler was also able to manoeuvre to ensure his protégé Sepp Blatter became General Secretary of FIFA in May 1981 (Smit 2006, p. 191).

After a split with Nally, Dassler acquired new backing from Dentsu, the Japanese advertising agency, to form ISL (International Sport and Leisure) (Smit 2006, p. 195).

Nally's blueprint for selling sponsorship earned ISL and Dassler great wealth – the 1986 World Cup marketing rights cost ISL £30 million, but they raised £130 million, of which ISL took a rumoured 30 per cent commission.⁸ When television rights were acquired as well, the profits rose further. Unfortunately for Dassler, the IOC believed that they could negotiate TV deals without his help, but they did award ISL, without tender, the contract to sell sponsorship for the Olympic Games. Dassler, though, had lots of work to do persuading as many NOCs (National Olympic Committees) as possible to relinquish their local marketing rights to sign up for the centralized and globalized programme for Olympic sponsorship.

Until 1985, all sponsorship revenue had been raised locally by the organizing committees, but the 1984 Games had demonstrated how effective the use of exclusive deals in limited product categories could be (see Ueberroth 1985). As this forced rival companies (for example, Coca-Cola and Pepsi, Kodak and Fuji) into an auction, it proved a very successful means of maximizing sponsorship revenue (see Reich 1986, Ueberroth 1985; see also Wilson 1988, Aris 1990, Whannel 1992, Sugden and Tomlinson 1998). Thanks to the Dassler link, by 1986, ISL executives were able to boast, with false modesty, 'we are a small company – we only have three clients – the Olympic Games, the World Cup and the World Athletics Championship'.⁹ With Dassler as a major influence, the IOC developed its global Olympic sponsorship system TOP (The Olympic Programme), first used in 1988.

There were just 12 TOP sponsors, but they brought in between \$10 and 20 million each (see Barney et al. 2002). Dassler had become the central figure in a web of mutually linked interests; his power was considerable. Although he died at the height of his influence, in 1987, the transformation he had wrought defined the global sporting environment as the 1990s began. Half of the total revenue of the Olympic movement still comes from television, but now 45 per cent comes from sponsorship, while a mere 5 per cent comes from ticket sales. It is worth noting that at the Olympic Games, like other major events, a large proportion of tickets goes to the Olympic 'Family' – sponsors, corporate hospitality and the media. Both Adidas and ISL lost their way after Dassler died in 1987, and ISL dramatically over-extended itself and went into bankruptcy in 2001. The sport marketing of major events was at the heart of corruption in sport – the evidence suggests that ISL gained privileged access by paying bribes and kickbacks. During the 1990s, several IOC members had to resign over corruption charges, and, in recent years, similar scandals have hit FIFA.

Finance, economics and growth

Largely because of the globalization of television sport, the scale of sport sponsorship had grown dramatically during the 1980s:

European and worldwide sports sponsorship estimates
1980–1990 in million dollars

	1980	1990	% increase
Europe	250	1860	644
Worldwide	1000	5200	420

Source: Sport Sponsorship (MAPS 1995).

The Henley Centre figures for the United Kingdom suggest a more conservative annual growth in real terms of around 5.5 per cent, with the amount growing from 129 million in 1985 to 3226 million in 1990. The Sportscan estimate for 1990 of £210 million was reasonably close to the Henley figure. Sports Council figures show a continued rise in the early 1990s from £200 million in 1990 to £250 million in 1994.

The majority of this income continued to go to the most-televised sports, and concern was again expressed that many other sports, even those with some television coverage, were finding it hard to attract sponsors.¹⁰ The very success of sport sponsorship contributed significantly to its growth in the arts. An Economist Intelligence Unit report on sponsorship (1990) suggested that as sponsorship in sport was so long established, opportunities had become limited – and that the arts represented new opportunities.¹¹ The Sports Council's magazine, *Sport*, urged sports to adopt 'a flexible approach to venues, dates, locations and other details'.¹² It was clear that the very possibility of sponsorship revenue was in itself driving changes in sport. The general belief that sponsorship was essential to survival, though, was overstated. In 1988, sponsorship revenue of £164 million was only one-tenth of the government (national and local) spending of around £1500 million (Whannel 1988). Even the Sports Council recognized that most sponsorship was inappropriate for long-term development and planning (Sports Council 1992).

As commercial sponsorship continued to grow, it also became consolidated into the similarly expanding sport merchandizing business. The emergence and growth of the replica kit market in the wake of the 1968 Copyright Act (see

Chaplin 1991) gave sponsors of football clubs a greatly extended reach, turning thousands of football fans into walking billboards. After extensive negotiations, the English football authorities agreed, in 1983, to allow live televised games in exchange for the broadcasters accepting shirt advertisements. This firmed up the close relation between sponsorship and merchandizing in football, as now both fans and the players seen on television bore the sponsor's name on their shirts.

One symptom of the routinization of sport sponsorship was the growth of organizations, conventions and codes of practice. The European Sponsorship Consultants Association (ESCA), founded in 1990, listed around 20 organizations including Alan Pascoe Associates, CSS International Holdings Ltd., International Management Group IMG, ISL Marketing AG and Karen Earl Ltd. Sponsorship research organizations emerged.¹³ Hollis Directories introduced an annual award for the most effective use of sponsorship, and in 1995, began stipulating that proof be provided, not just of creativity of idea and execution, but also an evaluation of how successfully the campaign met its objectives (MAPS 1995, p. 19).

Despite the frequently referenced benefits to grassroots sport, sponsorship has a strong general tendency to greatly strengthen the élite at the expense of the rest. The English Premier League emerged out of the desire, on the part of top English clubs, to retain a greater share of the revenue. And, of course, not all the money spent by sponsors benefited sport. Eleven sponsors paid £25 million to be official products of Euro 96, but each probably spent another £20 million supporting their sponsorship. (*The Guardian*, 16.11.93). Just as women's sport got far less media exposure, so sportswomen found it much harder to get personal commercial sponsorship.

The financial contribution of sponsors gave them influence on sports. When the Williams motor racing team boss Frank Williams decided, in 1992, to dispense with the services of Nigel Mansell, he was immediately put under pressure from his sponsors to change his mind. The sponsors were concerned at the loss of the public exposure Mansell provided. (*The Independent*, 16.09.92).

The new conventions of managing enterprise and the promotional imperative were developed by trial and error, with the sponsors often the powerful partner. One sponsorship advocate wrote that 'you should not expect a hockey team which has been wearing emerald, yellow and red hoops for 100 years to blossom into sky blue and claret, but it would be perfectly reasonable to expect vehicles, boats and individuals to be dressed in your corporate colours' (Gillies 1991, p. 123).

In such negotiations, there were inevitable contradictions between the logic of capital, which has no intrinsic morality and the demands of public image,

which has at times to respond to the moral sensibilities of the audience and the public. Corporations are fearful of negative publicity. When England football manager Glenn Hoddle made some foolish and ill-advised remarks about reincarnation and the disabled, it was reported that Nationwide, sponsors of the English national football team, had a clause in their contract forbidding the FA from bringing their building society into disrepute. Their condemnation of Hoddle was supposedly a factor in the cancellation of his contract by the FA (*Evening Standard*, 16.10.00).

Corporations were also increasingly intent on protecting their brand image, even where the brand itself was hopelessly tainted, as is the case with tobacco. Greg Matthews, Australian cricketer, was fined by the Australian Cricket Board for allowing himself to be photographed crushing a packet of Benson and Hedges after telling a women's magazine he had given up smoking. The Australian Board had a sponsorship deal with Benson and Hedges and said the fine was imposed to protect the interests of its major sponsor. (*The Guardian*, 09.10.92).

The image of sport has connotations of youth, health and excellence, key core values that companies were keen to associate with their product. Soft drink company Gatorade produced a newsletter in the form of a wall poster that reported on research showing the beneficial effect of drinks, such as Gatorade, for fluid replacement by athletes in training (*Gatorade News*, v3, n2, November 95). Sport sponsorship proved particularly attractive to those products that had an image problem associated with their negative impact in health. As recently as the 1990s, sport and cigarettes were still linked in the minds of many young people because of sport sponsorship, according to a MORI survey. Action on Smoking and Health (ASH), the BMA (British Medical Association) and the RCN (Royal College of Nursing) said manufacturers were using sports sponsorship to entice young people into smoking. (*The Guardian*, 31.05.96). Curiously, given the general enthusiasm for evaluative research into the impact of sponsorship, the tobacco industry seems an exception. According to the MAPS report, tobacco companies were reputedly 'nervous of research that links sponsorship expenditure with attitudes to smoking' (MAPS 1995, p. 20).

Given the willingness of some sponsors to intervene in policy issues, the introduction of sponsored officials and judges also had worrying ethical implications. In the 1990s, sponsorship began to penetrate into the neutrality of officialdom – TCCB (Test and County Cricket Board) signed a deal with the National Grid Company for logos on umpires' coats. (*The Guardian*, 02.04.93). Their follow-up advertising referred to 'The National Grid's duty of seeing fair play in the electricity market and encouraging competition among the players,

while at the same time helping to ensure that everyone gets a secure reliable and economic supply of electricity'. (advertisement in *The Observer*, 23.05.93). Sega proposed a sponsorship deal to football referees, which involved them sponsoring the red and yellow cards and offering holidays in Florida for the referees who used the cards most frequently (*The Guardian*, 18.10.96). Concern was expressed by tennis writer Michael Mewshaw that sponsored officials might not be immune to pressures from sponsors. In tennis, for example, there was a danger that umpires were reluctant to invoke the sanction of disqualification of top stars for misbehaviour, knowing that event promoters and their sponsors would be furious (see Mewshaw 1983).

Companies advertised their own philanthropy at sport events and promoted themselves as integral to the whole event:

We're not just sponsoring the Olympic Games, we're taking part . . . 3m can't help it. They get involved. Whether it's coming up with innovative solutions to make the Olympic Games a success or any of 60,000 other 3m products. From heart pumps to post-it notes. All making a difference to peoples lives throughout the world. Innovation working for you. (text of a 3m advertisement, 1992)

The imperatives of the global television sport business began to impact with increasing force on sport development policy. When the British Government elected not to build the proposed Pickets Lock Athletics Stadium in East London, an alternative site, Sheffield's Don Valley Stadium, was proposed for the World Championships. This was rejected by the IAAF (International Amateur Athletic Federation), whose strategy was to see its world championships hosted in a series of major world cities as part of their global marketing plan *in association with new sponsors*. (our emphasis).¹⁴

The embedded sense of history and identity represented by long established titles of competitions, leagues and venues has been brutally erased by sponsors' acquisition of 'naming rights'. In the last 30 years, the Football League Cup has been called successively, The Milk Cup, The Littlewoods Cup, The Rumbelows Cup, The Coca-Cola Cup, The Worthington Cup, The Carling Cup and The Capital One Cup. Candlestick Park in San Francisco became 3Com park after a 1996 sponsorship deal. In the United Kingdom, when Arsenal FC moved to a new ground in 2006, after almost 80 years at the famous Highbury Stadium, the new stadium was named Emirates Stadium, after the sponsors, Emirates Airline.

By 2000, the sponsorship business had become regularized, and public agencies such as the Sports Council were fully involved in fostering and encouraging sponsorships at all levels of sport, and in the private sector, sponsorship

brokers were thriving.¹⁵ The commercial importance of sport sponsorship to international governing bodies is highlighted by the growth of resources devoted to combating so-called ‘ambush marketing’ (see Crow and Hoek 2003). This term denotes the attempts of companies rival to the official sponsors to place their own advertisements near sporting events. Sport mega events now insist that host countries introduce special legal protection, which allows them to monopolize advertising opportunity not merely in stadia but in whole areas of host cities. In the United Kingdom, the Olympic Symbol (Protection) Act 1995 prevents unauthorized use of the Olympic Symbol, the word ‘Olympic’ and *Citius Altius Fortius*, or similar words.¹⁶ This Act was updated and augmented by the London Olympic Games and Paralympic Games (Protection) Act 2006, which provides extensive powers to combat ambush marketing (Ewing 2006, p. 14). Ewing states that ‘the protection applies not only to commercial sponsorship but to political opposition, and is underpinned in some cases by the criminal rather than the civil law.’ People carrying anti-Olympic slogans could be charged with criminal offences. (Ewing 2006, pp. 14–16, see also Horne and Whannel 2011)

As a source of income for sport, sponsorship has continued its dramatic growth. Worldwide sponsorship revenue in 2008 was projected to be \$43.5 billion, compared to \$13.4 billion in 1996. In North America alone, sponsor companies were predicted to spend \$16.8 billion in 2008, compared to \$850 million in 1996 (Sanghak 2009). The ‘unholy alliance’ between television, sport and sponsors has been a financial bonanza for those sports which dominate television time. During the 1980s, the roots of corruption in international sport governance were also established. Far from providing a model for the beneficent impact of corporate sponsorship, elite sport offers a cautionary tale. The combination of large and growing sums of money, a lack of transparency, the payment of inducements, the corruption of officials and the absence of public accountability has come to constitute a corrosive force within world sport.

Notes

- 1 ‘The Multi Million Pound Plug’, *World Sports*, March 1972, pp. 12–15.
- 2 *Ibid.*
- 3 *Sponsoring a New Leisure Age* 1971, Daniel J. Edelman Ltd.
- 4 *World Sports*, March 1972: 13.
- 5 *Sponsorship: Commercial Sponsorship of Sport and Other Activities in the United Kingdom* (1973), London: System Three (Communications) Ltd.

- 6 Interview, *Selling The Games*, produced by Flashback Television for Channel 4, 1986, on which Whannel was the researcher.
- 7 The figures in Swiss francs were roughly equivalent to £8 million and £14 million.
- 8 Figures based on approximate conversion from Swiss Franc figures of 30 and 200 million.
- 9 Conversation with ISL executive, 1986, in the course of research for *Selling The Games*.
- 10 'Spending on Sport,' John Roberts, in *Sport*, the magazine of the Sports Council March/April 1994, p. 20.
- 11 Allen, Mary, (1990), *Sponsoring the Arts: New Business Strategies for the 1990s*. London: The Economist Intelligence Unit.
- 12 'Through The Sponsors' Eyes.' Andrew Mann in *Sport*, the magazine of the Sports Council March/April 1994.
- 13 Such as MarketLink Research, Millward Brown, Research Services Ltd. (RSL) Sponsorship Information Services, Sponsorship Research International (SrI), a division of ISL Marketing, Sports Marketing Surveys, The Sponsorship Research Company.
- 14 Select Committee Enquiry into the Picketts Lock affair: 'Alternatives to Picketts Lock.'
- 15 See, for example, *Making Sponsorship a Success* (2000), London: Sports Sponsorship Advisory Service.
- 16 'Intellectual Property and the London 2012 Olympic Games – 'What businesses need to know', By Malcolm Davies, Partner, Berry Davies LLP., www.ipo.gov.uk/news/newsletters/ipinsight/ipinsight-200911/ipinsight-200911-4.htm, accessed 10.07.10.

Neoliberalism and New Labour: From Thatcher to Blair

The dominant political leaders of the last 50 years, Margaret Thatcher and Tony Blair, may seem like polar opposites but their similarities are striking. Strong leaders, with transformational aspirations, they each introduced policies which significantly increased the involvement of the private sector in public provision. In particular, Thatcher's Compulsory Competitive Tendering (CCT) and Blair's promoting of the Private Finance Initiative (PFI) established bases for this expansion of private sector provision into public services. The growth of commercial sponsorship served to associate private firms with benevolence rather than with the rapacious search for profit and to render the presence of private firms in the context of the public sector safe and familiar.

The election of the 1979 Conservative Government led by Margaret Thatcher is now widely held to be a watershed in British politics, marking the demise of Butskellism and the emergent hegemony of neoliberalism. While the Labour victory of 1997 was widely celebrated by supporters marking the end of 18 years of Tory rule, it is now very clear that, despite many worthwhile social reforms and innovations, the overarching trajectory of policy and philosophy did not depart radically from the directions established under Thatcher. Under Blair, even more so than under Thatcher, new initiatives such as PFI encouraged the growth of private involvement in public provision.

Three key elements contributed to the emergence of Thatcherism. The first was the failure of both Labour under Wilson and the Conservatives under Heath to make the Butskellite scenario (a healthy mixed economy, an expanded state and a comprehensive welfare system) work. The second element was that the level of contestation and struggle in society became more vigorous and more visible (see Hall et al. 1978). The third was that neoliberalism shaped by the writing of Friedman and Hayek, and advocating a substantial reduction in the scope of the state, was winning adherents and was being translated into a

practical politics and a potent ideological force in Britain and the United States. The Selsdon Group, brought together by Edward Heath in 1970, marked the first emergence of a significant free market pressure group, and by the mid-1970s, neo-liberal philosophy and monetarist economics found its organizational form as Thatcher rose to become leader of the Conservative Party.

Towards the end of the 1960s, the long-term structural weaknesses of the British economy began to become apparent as the unstable cycle of boom and recession was to prove ultimately unmanageable either by Wilson's Labour or Heath's Conservative governments. During the 1970s, Heath's policies proved unable to make an impact on the United Kingdom's structural economic problems. Struggling with the onset of both stagnation and inflation, dubbed 'stagflation', and damaged further by the OPEC (Oil Petroleum Exporting Countries)-inspired oil price rises of 1973, the Heath government of 1970–74 failed in the end to win decisive public support for a showdown with the trade unions. Within 2 years of taking office in 1974, growing economic problems forced the Labour government to go to the International Monetary Fund (IMF), who imposed a rigid monetarist economic framework that presaged the fuller implementation of this strategy after the election to power of the Conservatives under Margaret Thatcher in 1979.¹

While the 1979 election of the Conservative government led by Margaret Thatcher serves as a convenient watershed, the transition from Butskellism to Thatcherism has to be regarded as a process that began in the 1960s, unravelling the contradictions inherent in Labour's managerialist vision of the expanded state. The Labour Party in opposition had been, for almost the entire twentieth century, the primary focus of the aspirations of ordinary working people and of organized labour. The Labour Party in power, unwilling or unable to introduce any profound economic restructuring, finds itself in the position of having to discipline and limit those aspirations (see Hall 1983, Hall et al. 1978). Such an unstable equilibrium is always precarious, and it is striking that, before Blair, Labour had never been able to string together two full terms in office.

It was during the 1970s that the discursive political elements that were to shape the Thatcher government began to coalesce and gain credence. For Thatcher, monetarist economics were to be given full rein – the medicine would hurt, but it would be 'good for us'. Unemployment would be allowed to rise, 'squeezing inflation from the system'. For individuals, the safety net of the state would be diminished, and for industry, 'lame ducks' would no longer be 'propped up'. Enterprise would be rewarded and an enterprise culture fostered. There was, Milton Friedman asserted, no such thing as a free lunch; indeed,

in the later words of the anti-hero of the film *Wall Street* (1987), lunch was for wimps. In such a climate, it was easy to see how requests from the arts world for greater state funding might fall on deaf ears, while the growth of commercial sponsorship would be seen as a solution to arts funding.

Disillusion with Labour during the 1970s fostered a more radical challenge from a stronger and more confident left. A campaign for Labour Party Democracy began a fight to establish the right of members to de-select candidates and MPs and to remove the power of the Parliamentary Labour Party (PLP) to select the leader.² Outside the Labour Party, various modes of struggle were highly visible – union struggles, women’s movement campaigns and the anti-Nazi league. There was a growth of support for revolutionary socialist groups, and of public interest in left alternatives, in part generated by the debate within the British Communist Party over the British Road to Socialism.³ This ‘moment’ peaked during the so-called ‘winter of discontent’, when a combination of Labour Party ineptitude, trade union anger, popular press venom and tactical acumen by the Conservative Party laid the ground for the victory of Margaret Thatcher in 1979. Thatcher was able to portray Britain as being in a bad state, beset with strikes, with the piles of rat-infested garbage in Leicester Square providing a potent symbol. On entering Number 10 Downing Street she proclaimed ‘where there is discord, may we bring harmony’. Seldom has a public pronouncement proved quite so inaccurate. During this erosion of the Butskellite hegemony, a new political configuration was gathering strength, fuelled by the economic theories of Friedman and Hayek and translated to the British context partly through the Selsdon Group, and through the austere and monkish brain of Keith Joseph. Arguably, the declining power of concepts of public service and community has its beginnings here.

In the last 30 years, neoliberalism has become a dominant ideological and economic force. It has won support within elements of the political classes in America, Europe and Asia. Through the power of the United States and institutions such as the World Bank, the IMF and GATT, the neo-liberal agenda has been forced on countries around the world which have needed financial support (see Klein 2007).⁴ The election of the Thatcher Government in 1979 and the election of Ronald Reagan as president of the United States in 1980 marked a great leap forward in the struggle of neoliberalism for hegemony.

Thirty years on from this moment, neoliberal economics and its associated political strategies have indeed become hegemonic and, through the power of the IMF, GATT and the World Bank, have been imposed around the world: on any country that falls into debt and requires support, on developing countries who need aid and on the Eastern European countries who were part of the Soviet bloc

until 1992. The current Euro crisis constitutes a current example – Greece, Cyprus and Spain are subject to stringent regulations and conditions in order to qualify for support. It is pertinent to examine the economic analyses of two key figures, Friedman and Hayek, who were influences on Thatcher and ‘Reaganomics’ and whose thinking has shaped contemporary academic economics.

Milton Friedman (1912–2006) was born in Brooklyn to Jewish immigrants from Austria-Hungary. He spent the bulk of his professional life at the University of Chicago (1946–77), where he played a formative role in the development of neo-liberalism and in shaping the intellectual community which became known as the Chicago School of Economics. Philosophically, neoliberalism depends on a denial of the shared communal and interdependent interests of humanity. In *Capitalism and Freedom* (1962), Friedman asserts that ‘to the free man, the country is the collection of individuals who compose it, not something over and above them’ (Friedman 1962, p. 1). So the public, the social, the communal are all denied, in favour of a collection of individuals. Friedman argues that the scope of government must be limited and that power must be dispersed downwards to regions and localities (Friedman 1962, p. 3).

He sets out to reclaim the word ‘liberalism’ for what he asserts to be its roots – laissez-faire economic policies and international free trade, and suggests that in the twentieth century, it became appropriated by those who supported welfare and equality: ‘social liberals’ is now a common term of abuse for the right-wing in US politics (Friedman 1962, p. 5). He argues that ‘a society which is socialist cannot also be democratic, in the sense of guaranteeing individual freedom’ (Friedman 1962, p. 8). While Friedman does not adopt a completely deterministic position, acknowledging capitalist societies that have lacked political freedoms, such as fascist Spain and Italy (Friedman 1962, p. 10), it is clear that he cannot comprehend much between the poles of authoritarianism and free unrestricted markets:

Fundamentally there are only two ways of co-ordinating the economic activities of millions. One is central direction involving the use of coercion – the techniques of the army and of the modern totalitarian state. The other is voluntary co-operation of individuals – the technique of the market place. (Friedman 1962, p. 13)

The portrayal of the marketplace as involving no coercion will, of course, bring a sour smile to the faces of the overwhelming majority who have nothing to trade but their labour. Friedman’s polarized model would also seem to ignore the experiences of Scandinavia, France, New Zealand, the post-war British welfare

state and, indeed, the whole European tradition of social democracy. Friedman argues that that voluntary co-operation grows out of the notion that both parties to an economic transaction benefit from it, 'provided the transaction is bi-laterally voluntary and informed' (Friedman 1962, p. 13). But of which market, except in some Benthamite best possible utopias, was this ever really the case? Markets have always involved power relations as well as economic exchange – as the relation between farmers and supermarkets gives eloquent testimony. Friedman, however, offers a capsule account of the evolution of exchange into capitalism, which is almost comic in the way it manages to evade the concept of property ownership (1962, pp. 13–4).

For Friedman, politicians represent a threat to freedom (not powerful industrial or agrarian capitalists): 'The fundamental threat to freedom is the power to coerce, be it in the hands of a monarch, a dictator, an oligarchy or a momentary majority' (Friedman 1962, p. 15). But not, it seems, a powerful individual or corporation who owns factories, chains of shops or radio and television stations and newspapers. Friedman argues that while people are free to proselytize for socialism in a capitalist society, they would never be able to argue for capitalism in a socialist one, and that this shows the importance of the freedoms that only capitalism can provide (Friedman 1962, pp. 19–20). Expanding on his notions of the freedom provided by the market, Friedman writes:

An impersonal market separates economic activities from political views and protects men from being discriminated against in their economic activities for reasons that are irrelevant to their productivity – whether these reasons are associated with their views or their colour. (Friedman 1962, p. 21)

How, then, to account for the much larger level of unemployment among black Americans, their much lower average earnings, the far smaller percentage of black Americans in senior posts? (Friedman wrote this in 1962, while the civil rights movement was gathering momentum, and so could not have been unaware of these issues).

As Friedman and Hayek seem not to believe in concepts of society, collective, communal, common or public good, it is not surprising that they do not appear to grasp the basic principles or issues of sociology. Friedman is clearly aggrieved that it is from the groups in society who he believes have the most at stake in the preservation and strengthening of competitive capitalism (Negroes, Jews and 'the foreign born') that the enemies of the free market – communists and socialists – have found disproportionate success in recruitment (Friedman 1962, p. 21). There is an absolutism in Friedman's commitment to untrammelled markets:

he argues against public housing, the minimum wage, farm price supports and social security (Friedman 1962, pp. 177–89). Among the areas that Friedman advocated Government should withdraw from are:

- Price support for agriculture
- Import and export restrictions
- Government control of output
- Rent control
- Minimum wages, maximum prices
- Detailed regulation of industry and banking
- Control of broadcasting
- Social security programmes compelling purchase of retirement provision
- Licensing enterprises or individuals in particular professions
- Public housing
- National parks
- Legal prohibition on carrying mail for profit
- Publicly owned toll roads

And Friedman concluded, ominously, ‘This list is far from comprehensive’ (Friedman 1962, p. 36). It is salutary to realize how much of the Friedman list, which must have seemed impossibly radical in 1962, has now been delivered and/or incorporated into the neo-liberal régime now being imposed around the world by bodies like the World Bank. The list merely resembles the typical manifesto aspirations of right and centre-right political parties.

Friedrich Hayek (1899–1992) was born in Austria-Hungary and was a founding figure in the Austrian school of economic thought. He gained doctorates in law and political science from the University of Vienna, and then taught at the London School of Economics (1931–50), the University of Chicago (1950–62) and the University of Freiburg (1962–68). Although he was at the University of Chicago, he was not part of the Chicago School in which Milton Friedman was influential.

Hayek argues, as did Thatcher and Reagan later, that free enterprise is both a ‘necessary condition and a consequence of personal freedom’ (Hayek 1967, p. 229). He asserts that a free society must be based on strong moral values and that if freedom and morality are to be preserved, we need to spread the appropriate moral convictions (Hayek 1967, p. 231). In this sense, he is Victorian in thinking, and speaks to the authoritarian strand of conservatism, as opposed to the right-wing libertarian tendency in Friedman. However, in contrast to

the paternalist municipal community-oriented thought of the mid-Victorian reformers, there seems to be little sense in Hayek's work of the public, society, or the collective and little sense of the dark side of greed. In particular, he believes there are two essential conditions of a free society:

1. belief in individual responsibility
2. approval as just of an arrangement by which material rewards are made to correspond to the value which a person's particular services have to his fellows.

(Hayek 1967, p. 232)

But in which 'free' society do material rewards bear any real relation to 'the value which a person's particular services have to his fellows'? Neither Friedman nor Hayek seems to deal with the basic inequities invested in private property. Hayek's *The Moral Element in Free Enterprise* (Hayek 1967) has nothing to say about private property, ownership, landlords and tenants or bosses and workers. He regards the word 'social' as empty of meaning (Hayek 1967, p. 238).

Thatcherism takes shape

At first, as Thatcherism was forming, it was not simply denying communal or shared values. Rather, it attempted a reworking of elements of the nineteenth-century discourse, to be found in Samuel Smiles (*Self Help*, 1859) and Jeremy Bentham. Keith Joseph argued that economic activity could not be abstracted from a wider social framework (Joseph 1975, p. 5). This takes a rather different position than Friedman and Hayek, and thus sets the scene for the developing Thatcherite rhetoric about Victorian values and enterprise culture. It also highlights Thatcher's own shift towards the assertion that 'no such thing as society' as a signifier of Thatcher's rhetorical connection to the culture of individualism. Joseph argued in 1975. 'It is now fashionable to decry the Victorian era . . . yet the Victorian era was a big point of civic virtues.' And he goes on to say 'To point this out is not to call for a return to Victorian values, but rather for the need to seek ways of matching the Victorian's values in a modern context . . .' (Joseph 1975, p. 6). In a compact summary of his position, he suggests:

We judge our society and its economy by several yardsticks. They are freedom, justice, order, social harmony and solidarity – in the sense of caring for one another – national freedom and identity civic virtues, material well-being, achievement and potential for further advance. (Joseph 1975, p. 7)

Democracy seems conspicuous by its absence in Joseph's thinking. At root, Joseph too emphasized the fundamental importance of unrestricted markets – 'A free society requires a free economy at its base' (Joseph 1975, p. 10). He evokes Adam Smith on self-interest; Smith, Joseph recounts, said that 'the vast majority of people combine self-interest with fellow-feeling for others, and that society must contain and harness both these drives if it is to work successfully' (Joseph 1975, p. 12). So, influenced by Adam Smith, Friedman and Hayek, Joseph and Thatcher developed the distinctive political formation which Stuart Hall was first to label Thatcherism (1979). Hall refers to the rise of Thatcherism as 'the decisive break with the post-war consensus' (Hall 1988, p. 2).

The Conservative victory of 1979 began a period of public-sector financial restrictions, and control of the money supply, which helped trigger a sharp growth in unemployment, which was not to decline significantly until the mid-1980s. However, reduced state spending enabled a series of cuts to the basic rate of income tax, and the associated propaganda against high taxes was so successful that even now, almost 30 years later, all three major political parties are wary of any suggestion that this basic rate might ever be raised, considering it a vote loser.

There is a degree of mythology involved here. Between 1952 and 1978, the basic level of income tax never fell below 33 per cent, and yet this 'high' level was not really a major political issue. For 16 of those 26 years, there was a Conservative government. Since 1978, the rate has dropped from 33 per cent to 20 per cent. Conservative governments have lowered the rate as part of policy, while Labour governments have appeared petrified at the electoral dangers of raising the basic rate. It has become such an axiom of political common sense that, even with tax rates as low as 20 per cent, neither party will contemplate a raise, even to tackle the post-2008 deficit left by the need to bail out the bankers. Political pundits of all persuasions appear to echo the same view – the public would not stand for it.

Yet, the evidence that the British people oppose higher taxes is not persuasive. The concept that proposing higher taxation is a vote loser can be challenged. Nor is there evidence to suggest that the Thatcher years habituated people to lower taxation, or that they caused a shift towards greater opposition to tax rises – if anything the reverse seems to be the case. The Gallup Poll has, every year, asked the following question:

Q. People have different views about whether it is more important to reduce taxes or keep up government spending. How about you? Which of these statements comes closer to your own view?

1. Taxes being cut, even if it means some reduction in government services, such as health, education and welfare.
2. Things should be left as they are.
3. Government services such as health education and welfare should be extended even if it means some increases in taxes.

In summary, the results are:

	Lower taxes	Higher taxes
	(figures in percentage)	
1979	23	44
1980	22	50
1983	23	49
1984	13	56
1985	16	59
1986	14	64
1987	12	64
1988	10	71
1989	11	69
1990	11	68
1991	10	67
1992	10	66
1993	9	72
1995	8	69
1996	9	71
1997	7	72
1998	10	62
1999	12	64
2000	14	59

Source: *British Political Opinion 1937–2000 The Gallup Polls*, edited Anthony King, London: Politico's 2001.

In summary, the support for raising taxes, between 1979 and 2000, never dropped below 44 per cent and has on several occasions been 70 per cent or more. By contrast, the support for reducing taxes, even in 1979, was only 23 per cent, and this support dropped away (as taxes were reduced) till 1997, when it was only 7 per cent. Even given the well-known phenomenon for people supposedly to

respond to opinion polls with reasoned views, but to vote according to economic self-interest, there is no way this evidence can be interpreted as a ringing endorsement of the view that broadly people will oppose any tax rises. The Labour government of 1997–2008 may have made a significant tactical error in failing to argue that higher taxes could mean better public services. Instead, as in much else, they took their cue from Thatcherite ideology.

As the 1980s progressed, and as the economy began to recover and expand, the confidence of the Thatcherite Conservatives grew. The theme of individual freedom grew larger as the social responsibility theme declined in significance. Thatcher appears to have made notes, for a 1979 speech, that proclaimed that there is no such thing as a collective conscience, but her pronouncement that there is ‘no such thing as society’ did not come until 1987.⁵ The phrase is now so emblematic of Thatcherism that it is worth revisiting its (apparent) first formulation:

I think we have gone through a period when too many children and people have been given to understand ‘I have a problem, it is the Government’s job to cope with it!’ or ‘I have a problem, I will go and get a grant to cope with it!’ ‘I am homeless, the Government must house me!’ and so they are casting their problems on society and who is society? There is no such thing! There are individual men and women and there are families and no government can do anything except through people and people look to themselves first.⁶

Thatcher’s denial of society came in relation to a reassertion of individual responsibility, a distinctively Friedmanite formulation. But the denial of society went along with a general disdain for the public sector, be it health, transport, education, the arts or the Civil Service, and a disinclination to invest in it. While rival historians and political scientists continue to invoke conflicting statistical information about levels of state spending, one trend, from the late 1970s, was particularly clear – the decline in public capital investment. Between 1956 and 1976, central and local government investment had fluctuated at around 10–12 per cent of general government expenditure. After this point, public investment in capital projects declined very sharply, falling to less than 10 per cent of general government expenditure (GGE) by the early 1980s. That decline, with some fluctuations, continued and by 2000, had dropped to 6 per cent of GGE.⁷ It was this collapse in Government capital investment during the 1980s and 1990s that fuelled the growing enthusiasm for PFI Schemes, so enthusiastically adopted by Blair.

Thatcher's period in power can be divided into three phases – the first commences with the dramatic impact of the attempt to 'squeeze inflation out of the system', which resulted in unemployment rising to 3 million, and continued through the Falklands/Malvinas War, victory in which greatly aided her subsequent 1983 election victory. In the second term, battle commenced with the trade union movement, culminating in the defeat of the Miners, and the imposition of anti-trade union legislation. These factors contributed to a mid-1980s financial boom and continued financial de-regulation and privatization. In the third phase, the Conservative Party began to suffer from ideological and political divisions – over Europe, and over the poll tax, which contributed to the downfall of Thatcher in 1990. Despite divisions over Europe, the government remained committed throughout to continuing deregulation. Thatcher spoke in Bruges in 1988 to proclaim,

Our aim should not be more and more detailed regulation from the centre, it should be to de-regulate and to remove the constraints on trade . . . we certainly do not need new regulations which raise the cost of employment and make Europe's labour market less flexible and less competitive with overseas suppliers. (Thatcher 1988, pp. 6–7)

If the destruction of union power, through direct confrontation during the Miners Strike (and the demoralization of the Labour Party), was the most visible and dramatic political battle, the restructuring of the state was equally important. Before 1979, there had, despite various forms of public-private interaction, been a fairly clear and marked distinction between the public sector and private enterprise, each being understood as different forms of institutions, with different origins, purposes, modes of operation and intentions. The drive to marketization necessarily attacked this division, blurring the distinction between public and private. The growth of commercial sponsorship helped make the corporate presence in the public realm appear familiar. Beneath this veneer of corporate generosity, though, compulsory competitive tendering and privatization began forging the basis for a more decisive transformation of the public sector. The combination of public spending cuts and the emphasis on an enterprise culture forced public bodies to turn to sponsorship. By the end of the 1980s, sponsorship was firmly established as a significant source of funding, and it continued to grow during the 1990s, figures suggested a 'steady growth over the last five years . . . used by an ever widening range of businesses' (MAPS 1995, p. 1).

Compulsory competitive tendering

One of the earliest and one of the most tangible ways in which the Thatcher Government set about restructuring the state was through the introduction of CCT: Compulsory Competitive Tendering. Competitive tendering in itself was not new – but the compulsory element was (see Patterson and Pinch 2000). This required local authorities, for certain specified services, to issue tenders and invite private applications. Services could only be retained in-house by DLO (direct labour organization) if such a provider could be shown to be cheaper. The element of compulsion removed choice from local authorities (interesting, given the great emphasis placed on ‘choice’ by neoliberals, as there was no freedom for councils or voters to opt on principle to continue to utilize in-house services).

CCT was first introduced in the Local Government Planning and Land Act (1980) for building maintenance and some aspects of highways work. The range of CCT was extended in the Local Government Act (1988) to refuse collection, building cleaning, street cleaning, schools and welfare catering, other catering, grounds maintenance, repair and maintenance of vehicles and the management of sports and leisure facilities. According to Patterson and Pinch (2000):

This restructuring of the state has resulted in the increased fragmentation of policy-making and service provision, a reduction in democratic accountability at the local level, and a reduction in the capacity of local authorities to act in the best interests of their local populations.⁸

There has since been extensive assessment and debate about the CCT schemes of the 1980s, which, although beset with problems, nevertheless laid the foundations for the far broader privatization of public service provision characteristic of more recent years.⁹ The new Labour Government of 1997 had committed to abolishing CCT, and in 1998, did so.¹⁰ It replaced it with a principle of ‘Best Value’, which meant selecting the bid that offered the best combination of quality and cost, rather than merely choosing the cheapest. Although this gave more scope for Councils to retain services in-house, it was clear that the government remained committed to the principles of contracting-out (Patterson and Pinch 2000). Now, when sub-contracting is completely routinized, even the company Serco, who have a major stake in government contracts, acknowledge on their website that compulsion resulted in ‘resistance by local authorities and health trusts, an immature market and poorly-conducted procurements which focused on price at the expense of quality and employment conditions’.¹¹ Since

then, by implication, from the Serco perspective, the public environment has been rendered far more business-friendly.

The problems of the 1970s and the rise of Thatcherism left the opposition, and especially Labour, in considerable disarray. The Labour left had grown in strength during the 1970s and made demands for mandatory re-selection of MPs and for unions and constituency parties to be included in the election of party leaders. In the event, despite, or perhaps because of, the 1979 defeat, the strength of the Labour left remained sufficient to instigate constitutional changes, to trigger the departure of the gang of four to form the SDP in 1981 and to produce a more radical manifesto for what proved to be the disastrous defeat of 1983. In 1981, there was a special conference called to vote on proposed changes to the Labour constitution, which Foote (1997, p. 324) regarded as the high water mark of the Bennite left, which had been able to make constitutional changes, but its declining influence after 1983 made it harder for the left to engineer policy shifts.

The 1983 manifesto, based on Labour's 1982 programme, which was the most radical official policy document Labour had developed since 1945, called for withdrawal from the EEC, a transition to a non-nuclear defence policy, a large rise in public spending, a Prices Commission with the power to freeze or reduce prices, re-nationalization, extension of public ownership, reversal of trade union law changes introduced by the Thatcher government and abolition of the House of Lords (which was also in the 1910 Manifesto !) (Kavanagh 2000, pp. 4–5). In fact, despite its denigration as an impossibly radical document, many of the policies in the 1983 manifesto seem as pertinent and relevant today, in the wake of the 2008 financial crisis.

In 1982, the Thatcher government was by no means firmly established in power. In January 1983, Peter Shore was able to assert, in a Fabian pamphlet by economist Nicholas Kaldor, that the economic consequences of the Tory Government were clearly apparent to all, citing the rise in unemployment from 5.4 per cent in 1979 to 14 per cent (Kaldor 1983, p. 1). The Labour manifesto, steered through by newly elected Labour leader Michael Foot, was famously dubbed, by Gerald Kaufman, 'the longest suicide note in history'. However, given the huge rise in unemployment during the early 1980s, the campaign might well have fared better but for the Malvinas (Falklands) War, which gave Thatcher a resolute and heroic image as the great patriot, iron lady and defender of empire. There followed the decisive defeat of the Miners' Strike in 1984–85 after a long and bitter battle, further curbs on trade union power, the counter-attack on entryism by the Labour hierarchy and the eclipse of the power of

the Labour left, which has yet to regain its confidence and influence within the party. Municipal socialism briefly became the main power base of the left, particularly in Sheffield, in London, until the abolition of the GLC by Thatcher's government, and in Liverpool, until the expulsion of Militant Tendency from the Labour Party.

After the double blow of the 1983 election defeat and the failure of the Miners' Strike, the Labour left were on the defensive.¹² Kinnock mounted an assault on 'entryism', attacking Militant's Derek Hatton at the 1985 Party Conference. He led the party to a respectable performance in the 'unwinnable' election of 1987 and commissioned a policy review and a water-testing exercise, 'Labour Listens'. This policy review is seen by some, such as Eric Shaw (1996), as marking the beginning of an abandonment, by Labour, of Keynesian social democracy. In Foote's judgement, Kinnock 'sought to replace the quasi-Marxist politics of the Bennite left with the reversion to values – the values of community and political democracy – which had long been held by the Ethical Socialists' (Foote 1997, p. 328).¹³ These themes establish a link forwards to the communitarian element in Blair's thinking during his emergent period. The mid-1980s consumer boom, the stagnant economies of eastern Communism, the weakened state of the British left and the apparent un-electability of the British Labour Party contributed to a period of reflection and re-assessment amongst the left.¹⁴ In 1988, the remains of the SDP, minus David Owen, merged with the Liberals to form the Liberal Democrats, and 2 years later, the SDP disbanded, leaving David Owen an isolated figure. Between 1989 and 1991, Eastern Communism collapsed in dramatic fashion. At the end of 1990, having alienated many of her cabinet colleagues, and having doggedly stuck to the hugely unpopular poll tax, Mrs Thatcher was ousted in a leadership challenge, culminating in her replacement by John Major. Thatcher herself was gone, but the wider mood was one of capitalist triumphalism.

Blair, New Labour and the Third Way

The roots of Blair's success are to be found in the victories of Mrs Thatcher, the failures of the left-driven transformations of the party structure in the early 1980s, the collapses of eastern Communism and the election defeats of 1987 and 1992. The collapse of the Soviet bloc was evoked by some to proclaim, either with regret or with triumphalism, that it was not just Stalinist Communism but socialism itself that was dead.

The eclipse of the Labour left, triggered by the 1983 election defeat, led to attempts to reshape Labour policy, with the establishment of the Policy Review Groups in 1987. In 1990, Thatcher was ousted, and John Major, elected as the new Conservative leader, went on to win, against the odds and the predictions, in 1992. Labour fortunes had revived under Kinnock, who nevertheless, resigned after the 1992 election defeat, to be succeeded by John Smith. If Blair has a claim to have reinvented the Labour Party, in the form of 'new Labour', and a claim to be something other than a continuation of Thatcherism, his case has to rest primarily on the concept of the Third Way, which provided his programmatic underpinning in the years preceding his election.¹⁵ Much of Blair's rhetoric in office proved empty and superficial – concepts such as 'the stakeholder society' have come and gone without ever becoming more than convenient slogans. The Third Way, on the other hand, constituted the basis for Blair's defence against the charge of neo-Thatcherism.

The Labour election defeats of 1979, 1983 and 1987 had already triggered a degree of pessimism about socialism,¹⁶ and the rapid and dramatic collapse of Eastern Bloc Communism after 1989 was seized on by the right as evidence of the death of socialism. Fukuyama's essay 'The End of History' in 1989 has become emblematic of this moment of right-triumphalism. The whole British left embarked on a period of self-reflexive re-thinking, perhaps seen at its most vibrant in the new times debates initiated by *Marxism Today*.¹⁷ However, three other decidedly non-Marxist tendencies combined to produce the moment of Blair: the political writing of sociologist and Director of the London School of Economics, Anthony Giddens, the reports and polemics of the think-tank DEMOS and the work of a group of Labour Party strategists in the national headquarters. During the late 1980s, Anthony Giddens had been developing theories concerning a middle path between the excesses of free-market neo-liberal economics, on the one hand, and of centralized state-run economies, on the other. This model was first published in book form as *The Third Way: The Renewal of Social Democracy*, (Giddens 1998). Will Hutton of *The Observer*, Geoff Mulgan of DEMOS and Ian Hargreaves of the Labour Party were among those active in debates about the Third Way. Giddens takes as his starting point the supposed 'death of socialism'; it is from this debatable assumption that the socialist alternative does not exist and that there are roads that we cannot go back down, that the Third Way analysis is built. It is worth noting that 'sponsorship' does not appear in the index, and this merely echoes a more general blindness to the growth of commercial sponsorship among political analysts. After Blair's election, the influence, at least at the level of rhetoric, of Giddens' 'Third Way'

soon became apparent, as a whole series of publications utilizing the phrase in the title emerged.¹⁸

Labour-oriented think-tanks, such as DEMOS, combined surveys, focus groups and attempts at blue sky policy development, addressing their perception of where the public were at and what they might be persuaded to vote for. The Labour Party machinery also turned to focus groups, and to the techniques of public relations. With Philip Gould and Peter Mandelson playing key roles, Labour's inner circle wrought a new image, designed to draw a line under the past, making a sharp distinction between the future, which they dubbed 'New Labour', and the past, which was condemned as 'Old Labour'. Everything to do with the party's collectivist co-operative, socialist and trade unionist spirit became part of old Labour. New Labour, bright, shiny and marketable was less tangible, but it was definitively 'new'. In 1994, John Smith died suddenly, and the modernizers were forced to act rather sooner than they had anticipated. Faced with a choice of candidates between Gordon Brown and Tony Blair, and believing that Gordon Brown, with his stern Presbyterian air, had too much of the echo of old Labour about him, Peter Mandelson famously intervened, providing gentle hints and nudges, and Blair cajoled Brown into standing aside to allow Blair a clear run at the leadership.

Despite the Third Way rhetoric, it soon became evident that Blair had considerable admiration for enterprise and for successful entrepreneurs, while he regarded the public sector with a mixture of suspicion and contempt. Indeed, his belief that the public sector was typically inefficient, resistant to innovation, committed to tradition and riven with restrictive practices seemed little different from the views of Margaret Thatcher. One of the ironies of Blair's leadership, with its enthusiasm for enterprise, is that the unions and the liberal professions – the two groups that have historically provided the bedrock of Labour support – became, in Blair's eyes, 'the enemy', as they had for Thatcher.

In the preface to *The Third Way*, Giddens' starting assumptions are the dissolution of the welfare consensus that dominated in industrial countries up to the late 1970s; the final discrediting, in his view, of Marxism and the profound social economic and technological changes that helped bring these about (Giddens 1998, p. vii). Giddens, however, does not accept the notion of the triumph of neoliberalism. He argues that 'its two halves – market fundamentalism and conservatism are in tension'. He suggests that 'devotion to the free market on the one hand and to the traditional family and the nation on the other is self contradictory' (Giddens 1998, p. 15).¹⁹

Dominic Wring suggests that there were three elements in Blair's thinking and that 'Labour's re-branding exercise' drew on communitarian themes derived from the work of philosopher John MacMurray and social theorist Amitai Etzioni, as well as the work of Giddens (Wring 2005, p. 138). It is certainly true that in Blair's 1990s pronouncements there is a communitarian element, which gradually became less apparent and certainly never really translated into concrete policy initiatives. In *The Political Philosophy of New Labour*, Matt Beech (2006) argues that new Labour is a revisionist social democratic party rooted in a communitarian social philosophy, but this somewhat Christian-oriented analysis seems to be detectable more in Blair's own religious comments than in Labour's policies.

Blair and Brown embarked on a charm offensive with City financiers, and consulted pro-Labour business people such as David Sainsbury, Anita Roddick and Barclays Bank Chief Executive Martin Taylor. Shadow ministers and party officials were sent for training in administration and organizational change at Oxford University's Templeton College and the Cranfield School of Management. Wring argues that the 'so-called third way philosophy' had a rhetorical bias towards neo-liberal 'marketisation' (Wring 2005, pp. 140–52). Geoffrey Foote rejects the idea that Blair marked a radical shift and suggests that there was a continuity of themes from the revisionist arguments advanced by Anthony Crosland (1956, 1964) in the 1950s and 1960s: 'The rejection of corporate socialism, symbolized by the gradual acceptance of market forces and the eventual re-writing of Clause IV of the party constitution, is merely the culmination of the dissatisfaction with the Morrisonian model which had been building up since the revisionist controversy of the 1950s' (Foote 1997, p. 324).

Foote argues that the left became split, demoralized by the defeat of the Miners' strike in 1984–85, then more so by the collapse of eastern socialism, was marginalized in the party and in the 1990s, lost its hold on the constituency parties (Foote 1997, pp. 324–5). This, though, underestimates the considerable power that Blair acquired through his substantial 1997 victory (in contrast to previous leaders) both to redesign the party and personally to diverge from its basic principles.

The DEMOS contribution to the Blair project produced, among other things, a pamphlet suggesting some long-term strategies, in 1997. This is a mixture of old and new, borrowed and innovative ideas, broadly within the framework of accepting capitalism and attempting to ameliorate some of its effects. But the innovations can be strikingly close to Thatcherite principles – calling for an end to the restrictions on corporate ownership of GP and Dental Practices, for

example (Mulgan 1997, pp. 17–18). Blair was to lead the Labour Party far closer to Thatcherite principles than most pundits predicted, while the euphoria of the election landslide in 1997 seemed to blind many Labour members, supporters and analysts to the profound shift taking place within the Labour Party leadership.

Labour was branded as ‘new’, but the campaign made it clear that in the first term they would stick to an economic framework established by the previous Conservative government led by John Major. A significant factor in the Labour victory was that, unusually, the electorate placed more trust on Labour than on the Conservatives to manage the economy. As part of its business-friendly strategy, Labour published a separate manifesto aimed at employers. This stressed economic stability and the potential of the private finance initiative (Geddes and Tonge 1997, p. 111). Blair also expressed support for privatization, specifically of air traffic control, as part of the attempt to stick to Conservative plans for public revenues and spending. Geddes and Tonge (1997, p. 111) suggest that the fact that ‘the issue caused so little furore was a reflection of Labour’s transformation under Blair’s leadership and the extent of his dominance of policy-making.’²⁰ The section on arts and culture in the Labour Party Manifesto for 1997 is striking for the emphasis placed on the commercial value of the arts: ‘Art, Sport and leisure are vital to our quality of life and the renewal of our economy. They are significant earners for Britain. They employ hundreds of thousands of people. They bring millions of tourists to Britain every year . . .’ (Labour Party Election Manifesto 1997). The Labour Government elected in 1997 could claim to have a genuinely new demographic. There were 419 Labour MPs of whom 101, almost one-third, were women, compared with only 17 women among the remaining 240 MPs. Among them, 64 Labour MPs were under 40 and, rather remarkably, 180 had not been to university (Geddes and Tonge 1997, p. 201). This new and inexperienced Parliamentary Party were all too easily swept up in Blair’s own enthusiastic embrace of enterprise and the agenda of the business and financial communities.

Stakeholding, the concept of citizens as shareholders in the economy, which some regarded as the big idea of the first term, collapsed or perhaps more accurately, given its almost complete lack of substance, just dissolved. Blair first promoted the idea in a 1996 speech in Singapore.²¹ A revised version, by DEMOS in 1998,²² had four main principles:

- widening share-ownership and more active and open shareholder democracy
- focus on employees rather than companies through measures to promote Career Funds as an individual entitlement

- development of pensions policy to give everyone “clearly identifiable assets to pay for their old age”
- development of minimum standards for corporate behaviour.

(Leadbetter and Mulgan 1998, p. 1)

This is little more than the popular capitalism of the privatization period of Thatcher’s government, epitomized in the advertising slogan for selling shares in the privatization of British Gas ‘If You See Sid, Tell Him’, mixed with a last gasp of Heath-style one-nation conservatism and a faint whiff of Butskellism. It also offers a rather out-dated image of people working for one corporation for a whole career, at odds with the bright new world of flexibility, re-tooling, lifetime learning and adaptability which, in other contexts, Demos, Blair and Giddens were so keen on (see section on ‘work’, in Chapter 7). More pointedly though, the DEMOS pamphlet says that ‘The question is no longer whether there is an alternative to capitalism, but what sort of capitalism we should promote’ (Leadbetter and Mulgan 1998, p. 2). So, stakeholding represents the explicit abandonment not just of a transformative socialism, but even of a reformist labourism, in favour of tinkering to make capitalism run a bit more efficiently and not be quite so brutal.

One of the first decisions the new Blair government had to take was whether to continue with the hugely expensive project to build the Millennium Dome. Blair pushed through agreement to continue, against the will of the majority of his cabinet (although one should bear in mind the aphorism ‘success has a thousand fathers, failure is an orphan’). In the event, the weakly conceived, poorly executed and unloved project only attracted half the projected visitors. In its theming though, it provided an emblematic example with which to dissect the ideology of project Blair and the New Labour brand (see Chapter 7).

Fools rush in? The second term and the Private Finance Initiative

Having won the battle for public support, Labour had used much of its first term in continuing the spending constraints established by the previous Conservative government in an effort to prove that Labour was re-electable. By the time the Labour Party won its second election in 2001, its big idea was the opening up of public services to the private sector. In fact, of course, the Labour government had been pursuing this policy since 1997, but in 2001, it made it a headline point.

This strategy was enshrined in the twin policies of the Public-Private Partnership (PPP) and the Private Finance Initiative (PFI). The initiatives of PPP and PFI exploited the route for commercial interests that had already been opened up by commercial sponsorship into the once protected space of the public sector.

By 2001, it was estimated that expanding their trade into public services could yield the private sector £30 billion extra revenue a year, £10 billion from central government contracts, £5 billion from education and £5 billion from local authority contracts (Pollock et al. 2001). PPPs were expected to bring £7 billion a year of investment, although Needham and Murray point out that 'in practice the use of PPPs only postpones state expenditure and increases transaction and borrowing costs' (Needham and Murray 2005). It was, however, the controversial PFI schemes that underpinned Labour's plans for expenditure. PFI schemes have a great appeal to any chancellor as they keep capital expenditure 'off the books'; but they store up debt for the subsequent 30 years, tend to be far more expensive and leave the public sector exposed to risk (contrary to the claim that risk will move from the public to the private sector).

In 2001, an IPPR Report on PFI recommended extending public-private partnerships into core public services such as health, education and local government. IPPR was a new Labour think-tank, but this report was also supported by corporations with vested interests, such as Nomura, Serco, Norwich Union, General Health Care Group and KPMG. To give some idea of the broad scope of such initiatives, The National Assembly for Wales issued, in 2001, a circular which listed services which could be provided by the private sector under a PFI agreement. These included grounds and gardens maintenance, property and building management, equipment maintenance, domestic services, catering, laundry, waste disposal, pest control, portering, security, non-emergency patient transport, courier services, information management and technology systems, financial services, car parking, telecommunications, energy and utilities, sterile supply services, stores, reception, postal services, residential accommodation and day nursery and crèche services. This list, which includes almost everything except nursing and clinical provision, is clear evidence of what the hollowing-out process means on the ground. Within a few years, nursing, out-patient care and minor surgery too would routinely be provided by private companies.

It is important to distinguish between PPPs, of which there are diverse examples all over the world, and PFI, which is largely a UK phenomenon, although there has been some use of PFI in Australia (see Pretorius et al. 2008, p. 216).²³ The PPP idea had been around for a long time, in the form of toll

roads and bridges, but has become more common since 1990 (Grimsey and Lewis 2004, p. 15). The growth of out-sourcing, the unbundling of 'natural monopolies' and problems with traditional methods of public procurement are cited as reasons for developing PPP and PFI (Grimsey and Lewis 2004, p. 246). There is a distinction between PPP, where the public usually retains a stake in the ownership of infrastructure, and privatization where ownership, management and financing and operation are all handed over to the private sector for a fixed period, often between 30 and 50 years (Grimsey and Lewis 2004, pp. 247–9). However, this means that the public sector will eventually inherit a great deal of out-dated and expensive-to-maintain infrastructure, that may no longer be fit for purpose and will require costly decommissioning at public expense.

The idea of the PFI is to raise funds for projects without having to raise taxation or have it appear on government balance sheets as expenditure. Private companies build facilities which are then leased back to the state for a sum that must cover costs and produce profits. Sometimes, and increasingly so, this also involves the private company operating and servicing the facility. The PFI scheme was originally launched in 1992. A body, Partnerships UK, was established in 2000 to promote PPP/PFI schemes (Grimsey and Lewis 2004, p. 6). In theory, the PFI is supposed to optimize value for money (Pretorius et al. 2008, p. 216). In practice, they have been strongly criticized as being very poor value for money. PFI is often utilized where there is a funding gap, such as that which arose after decades of under-investment in the London Underground (Pretorius 2008, p. 218). London Mayor Ken Livingstone was strongly in favour of a bond scheme to renovate the London Underground, but was over-ruled by the then chancellor, Gordon Brown, who favoured PPP and PFI schemes.²⁴ These turned out to be highly expensive, and one scheme collapsed completely, at huge additional public cost.

A primary argument made at the time of the introduction of PFI was that it would mean 'transferring the risks associated with public service projects to the private sector in part or in full'.²⁵ The case was made that as the private sector controls operating costs better, and as the private company would accept the cost of overruns, such schemes would be cheaper.²⁶ In theory, 'risks are taken by the party which is best equipped to manage such risks' (Grimsey and Lewis 2004, p. 245). In practice, when a firm goes bust, or a PPP or PFI scheme goes wrong, it is the state that is left to pick up the risk. When contracts have failed to deliver, as happened at the Passport Agency and other IT contracts, the penalty clauses against the companies ended up being unenforceable because the government

had to rely on the companies that created the mess to get them out of it.²⁷ There are various types of PFI arrangement, some of which involve a company merely in building a facility, others in which the company also operates it, providing a range of services.²⁸

Many of the companies, such as W. S. Atkins, who became involved in early PFI schemes, were primarily involved in construction and management. However, as construction is high risk and low margin, these companies rapidly realized that the larger and safer profits were to be made in providing servicing for large government contracts. Consequently, such companies (for example Jarvis, Atkins, Serco) began reinventing themselves as service providers, with expertise in health and education services.

In British governance, *The Ryrie Report* (1981) and subsequent 'Ryrie Rules' dictated that private funding schemes must be tested against public funding alternatives (Pretorius 2008, p. 219). The Ryrie Rules were intended to stop ministers from insulating private finance from risk, but were abolished in 1989. After this, the Treasury was able to promote private finance as an additional source of funding, and not just as a substitute for public spending.²⁹ By 1994, the basic principles of funding approval had, in effect, been reversed, so that the Treasury would not approve any large capital projects unless private finance options had been explored. The government established a Private Finance Panel, which was flooded with a vast range of proposals, and effectively abandoned any mandatory or universal testing against the public sector for value for money (Pretorius 2008, pp. 219–20).

In May 1997, the incoming Labour government launched a review of the PFI – The Bates Review. This made 29 recommendations to streamline the process (Blackwell 2000, p. 2) and a new Treasury private finance task-force was established. One issue that arises with PFI schemes is that off-balance sheet financing can hide longer-term open-ended public sector liabilities (Pretorius 2008, p. 240). Many PPP and PFI deals are so complex that consultancy, legal and accountancy fees escalate dramatically. The London Underground PPP schemes were so complex, the lawyers' fees alone cost £455 million (Pretorius 2008, p. 338). Blair reiterated his support for PFI in his last year as Premier.³⁰ When Brown launched his own leadership manifesto during 2007, he rejected calls from trade union leaders to turn back from increased private sector involvement.³¹ Brown repeated his view, expressed 3 years earlier, that PFI represented 'the most cost effective infrastructure for our public services'.

Who gains? For the Government, it enables the commissioning of high profile projects, while loading costs onto the next generation: 'in order to reduce

the PSBR, one of the attractions of the PFI was the ability to have transactions which remained off balance sheet' (Blackwell 2000, p. 3). In opposition, Harriet Harman, Alan Milburn, Vince Cable and George Osborne have all opposed PFI, but in Government, the temptations of obtaining private funding which is not on the Government balance sheet became irresistible. Indeed, Coalition Chancellor George Osborne, who derided Labour's PFI schemes as 'flawed', has been commissioning new PFIs faster than ever. For companies, the PFI was, of course, highly attractive ('Private Company Bonanza', BBC, 03.09.01). A Treasury budget report in 2001 showed that the first £14 billion of PFI deals signed would give the private sector a guaranteed £96bn return over 26 years (BBC News, 02.09.01). PFI schemes were highly attractive to global capital represented by transnational corporations.

Who loses? A Catalyst report³² shows that most of the cost savings achieved by private companies taking over public services are achieved not through managerial innovations but by cutting the terms and conditions of the staff who work in them. In prisons run under PFI, for example, average basic pay is 30 per cent lower, working hours are longer and holidays shorter (Sachdev 2004). The schemes are not popular with the public. The Commission on Public-Private Partnerships (2001) noted the considerable degree of support among the electorate for the public sector remaining in full control of provision of public services. (Grimsey and Lewis 2004, p. 17). Trevor Smith (Lord Smith of Clifton) argued that the Blair government had introduced a plethora of agencies and processes that were largely uncharted, still less codified or publicly accountable.³³ Flinders has also argued that the Labour government policies in this area are largely devoid of an underpinning rationale and that this may have significant implications for successful policy delivery, the public's trust in government and the future trajectory of the British state (Flinders 2004).

As George Monbiot (2000) recounts, the very first PFI scheme, to construct and operate a toll bridge connecting Skye with the mainland of Scotland, was hugely expensive, and in 2004, the Scottish Executive had to buy back the bridge from its private owners for £27 million, to prevent further punitive costs. The bridge built by a commercial group led by the Bank of America cost the public an estimated £93 million, for a bridge that should have cost £15 million. It was a scheme that made a 662 per cent return for its investors.³⁴

The 'efficiency' gains claimed for PFI are unclear, partly because the contracts are 'commercial in confidence' and their evaluation to demonstrate efficiency gain is consequently impossible. In the absence of any Whitehall quantification of such gains, probably they are illusory. PFI was described by Alan Maynard as

a ‘magnificent wheeze to bamboozle the local population and the international financial community into believing that public sector borrowing was lower than it actually was, and that private contracting would improve efficiency.’³⁵ This bonanza for some private sector firms has produced significant funding problems for the NHS in a period of economic difficulty. But contracts are contracts, and the private sector will have to be paid, even if this diminishes the local capacity of the NHS to deliver patient care.

It became clear that the Labour government had adopted the idea of PFI as a central means for delivering its election promises on schools and hospitals. One much touted merit to PFI Schemes was the supposed transfer of risk to the private sector. But, around the world, where, as part of the IMF and World Bank neo-liberal agenda, countries were being forced to adopt PPP and PFI as the price of support, risk was being identified as a problematic issue in contract design (see Irwin 1997). The various guides that were produced to aid both public project managers and private companies devoted much space to issues of risk (see, e.g. Merna 2003, Matsukawa 2007). As Freedland succinctly states, the agendas of the public and private sectors are not the same:

It is naive to imagine private companies would not immediately look for ways to cut corners and boost their profits. That’s not because they are evil people. It’s because they are private companies: making profits is what they exist to do. The private sector will not conform to public values. It makes its decisions according to different criteria: money, not safety or service. (Jonathan Freedland, *The Guardian*, p. 23, 23.05.01)

The policies of PPP and PFI proved to be consistently controversial in their application, both politically and economically. There is unease among both the public and within the Labour Party at the encroachment of commercial interests into the funding of state health and education provision. A YouGov poll in August 2012 showed that 62 per cent of the public believed public services should be provided wholly or mainly by national or local government (*The Observer*, 19.08.12). There is resistance from large numbers of Labour Members of Parliament to changes in policies for health and education funding. Health and education are the two essential public services which were the main planks in the foundation of the British welfare state and which continue to be used and valued by the majority of the UK population.

During their period in office, the concept of ‘choice’ became a major part of New Labour’s rhetoric, and nothing so clearly marks a continuity with the

themes of high Thatcherism, nor signifies so starkly the abandonment of Labour's historic commitment to communality. 'Choice' became a prominent slogan for the Conservatives in 1987, and it was not until 2001 that Labour managed to outgun the Tories in their use of the word.

Uses of the word 'choice' in the election manifestos of British political parties 1974–2001.

Year	Conservative	Labour
1974	4	0
1979	3	2
1983	6	5
1987	19	9
1992	42	5
1997	27	8
2001	21	24

The key moment in the emergence of a discourse of choice in British politics appears to be the 1987 Conservative manifesto. The manifesto declared that 'The British instinct is for choice and independence', and offers 'to give people greater choice and responsibility over their own lives in important areas such as housing and education.' The discourse of choice was at its most developed in relation to education, where people would be enabled 'to exercise real choice'. The manifesto declared that 'we will increase parental choice . . . parents still need better opportunities to send their children to the school of their choice . . . If, in a particular school, parents and governing bodies wish to become independent of the Local Education Authority (LEA), they will be given the choice to do so'. As for the forces against choice, the major ones portrayed in the manifesto were trade union power and taxation: 'High taxes deprive people of their independence . . . We want people to keep more of what they earn, and to have more freedom of choice.'³⁶

From 2001 onwards, choice also became central to New Labour rhetoric and was deployed with special intensity in the arguments advanced for health and education policy reform, where it was continually asserted that people wanted more choice. It is hard to detect this desire in polling evidence, and one suspects that the majority of people do not want a choice of hospitals or schools, but rather a good reliable one close to where they live.

End game?

If the first term was dominated by the desire to prove that New Labour was business-friendly, and the second was dominated by the Iraq War, the third became structured around the question of when Blair would resign, when Brown might succeed him and what difference it might make. Both Blair and Brown placed a great emphasis on Labour being business-friendly, but Brown's social inclusion agenda and resistance to some Blairite 'reform' proposals clearly diverged from Blair and caused the Blairites to mount a ferocious rearguard action to try and prevent Brown from becoming Prime Minister. In the event, almost as soon as Brown entered Number 10, the financial meltdown became the central factor of political life. Despite his crucial, widely acknowledged and much praised leadership role during the financial crisis, Brown lost the 2010 election, and, propped up by the Liberal Democrats, Conservative David Cameron became the new Prime Minister. His public sector policies thus far have largely served to emphasize the continuities between Thatcher, Blair and the Cameron-led coalition when it comes to constructing the legislative and regulatory conditions to encourage private corporations to colonize the public sector.

Notes

- 1 For more details on the negotiation of the IMF Loan, see Treasury Papers at Gov. UK and papers in the National Archives:
www.filestore.nationalarchives.gov.uk/pdfs/small/cab-129-193-cp-76-111-1.pdf.
www.hm-treasury.gov.uk/foi_sterling_imf_2006.htm.
[www.nationalarchives.gov.uk/cabinetpapers/themes/imf-crisis.htm#The%20\\$3.9%20billion%20loan](http://www.nationalarchives.gov.uk/cabinetpapers/themes/imf-crisis.htm#The%20$3.9%20billion%20loan).
- 2 Benn 1978, 1981; Hall *et al.* 1978, Hall 1979.
- 3 One particularly dramatic meeting took place in a packed Merton Town Hall, during which the Surrey District broke with the leadership over the apparently implacable opposition of Surrey members to Euro-Communism, and their apparent preference for a form of neo-Leninism. Such are the ironies of history.
- 4 The overthrow of the democratic government of Chile, led by Allende, who was killed in the coup, was followed by the imposition of a brutal military dictatorship and neo-liberal economic and social policies.
- 5 Margaret Thatcher Foundation, www.margaretthatcher.org/document/112195, accessed 28.05.11.

- 6 (Interview for *Woman's Own*, 23.09.87, Margaret Thatcher Foundation, www.margaretthatcher.org/document/106689, accessed 28.05.11.)
- 7 See *Long Term Trends in British Taxation and Spending*, Clark, Tom and Dilnot, Andrew (2001), The Institute for Fiscal Studies, Briefing Note No. 25.
- 8 See: Patterson A. and Pinch P. L. (1995) 'Hollowing out' the local state: CCT and the restructuring of British public sector services.' *Environment and Planning A* 27: 1437–61.
- 9 See, for example:
- CCT and Local Authority Blue-Collar Services, Austin Mayhead & Co. Ltd., for Local Government Research Unit, 1997, Department of the Environment.
- Local Government Research Unit CCT Non-Bidders Department of Transport, Local Government Regions, 1996, 'A report on a survey of the views and awareness of non-bidding firms', UK.
- The Impact of Compulsory Tendering on IT in Local Government: Some Possible Outcomes, Bryson, Colin (1996), Unpublished working paper. A lecturer in the department of Human Resources, Nottingham Business School, UK.
- 'The Impact on Local Authority Leisure Provision of Compulsory Competitive Tendering, Financial Cuts and Changing Attitudes', Nichols, Geoff and Taylor, Peter (1995), *Local Government Studies* 21(4), pp. 607–22, UK.
- 'Compulsory Competitive Tendering for Sport and Leisure management: A Lost Opportunity?' Coalter, Fred (1995), *Managing Leisure* 1, pp. 3–15, UK.
- Szymanski, Stefan (1996), 'The Impact of Compulsory Competitive Tendering on Refuse Collection Services.' *Fiscal Studies* 17(3), pp. 1–19.
- 'Delivering Best Value for Leisure' Taylor, Peter, 1995, Leisure Management Contractors Association UK.
- 'CCT: The Private Sector View: A Report on a survey of private sector firms' Department of the Environment, 1995 Ref: A5887 UK.
- 'Making Markets: A Review of the Audits of the Client Role for Contracted Services', Audit Commission, 1995, HMSO.
- 'Why Compulsory Competitive Tendering for Local Government Services is Not as Good as Privatization?' Frederick, Danny (1994), Libertarian Alliance.
- 'Realizing the Benefits of Competition: The Client Role for Contracted Services' Audit Commission, 1993, HMSO.
- 'The 1988 Local Government Act and Compulsory Competitive Tendering', David Parker (1990), *Urban Studies* 27(5), pp. 653–67.
- Gomez-Lobo, Andres, and Szymanski, Stefan (2001), 'A Law of Large Numbers: Bidding and Compulsory Competitive Tendering for Refuse Collection Contracts,' in *Review of Industrial Organization*, v18, n1, pp. 105–13.

- 10 Department of the Environment, Transport and the Regions (1998), *Improving Local Services through Best Value: Consultation Paper*. London: DETR.
- 11 Serco website, www.serco.com/instituteresource/subjects/UKmkt/cct/index.asp, Accessed 16.04.11.
- 12 For a discussion of these issues see, Hall 1988, Hobsbawm 1981, Kavanagh 1990.
- 13 Foote (1997, pp. 371–4) offers a chronology of books and events of this period.
- 14 The New Times debate in Hall and Jacques (1984).
- 15 Although it has become associated with ‘New Labour’, the concept of a middle ground in politics can also be linked to one-nation conservatism – Harold Macmillan, (Prime Minister, 1957–63) wrote, in 1938, a book called *The Middle Way*.
- 16 See *The Hard Road to Renewal*, the New Times debate, referenced below. These themes were also echoed, albeit with a wider vision and broader historical sweep, in Eric Hobsbawm’s: *The Forward March of Labour Halted*.
- 17 See for example, Clarke 1991, McRobbie 1991, Murdock 1994, Norris 1992.
- 18 See Giddens 1998, Blair 1998, Blair and Schroeder 1998. Hargreaves and Christie 1998. Giddens also contributed further to the debate, discussing the various responses there had been to the original book. See, for example: Giddens 1992, 1994, 2000, 2001.
- 19 Cameron’s Big Society could be seen in part as an attempt to address this contradiction.
- 20 For a discussion of the 1997 election victory and its significance, see Brivati and Bale 1997, Driver and Martell 1998, Finlayson 1998, Foote 1997, Hay 1999, Leys and Panitch 1997, Quinn 2004, Steinberg and Johnson 2004.
- 21 The concept emerged from Will Hutton’s *The State We’re In* and John Kay’s *The Foundations of Corporate Success*.
- 22 *Mistakeholding: Whatever Happened to Labour’s Big Idea* (Leadbetter and Mulgan) London: Demos, 1998.
- 23 One wonders why, if PFI is such a good idea, so few other countries have adopted it.
- 24 The PPP and PFI schemes for renovation of the London Underground were pushed through by the Treasury, despite the opposition of London Mayor, Ken Livingstone, who favoured a bond scheme, which offered much better value and less public risk. The sheer complexity of the schemes for the Underground generated massive expenses in accountancy and contract preparation alone. Since commissioning, one of the three schemes has collapsed, two of the companies involved have gone out of business, and in 2010, the whole tube system reverted to public ownership (*Money Week*, 21.05.10).
- 25 House of Commons Research Paper *The Private Finance Initiative*, 03/7921, October 2003.

- 26 See The Private Finance Initiative: The Government's response to the 6th report (1996) This makes the following argument:

Typical PFI is 30 percent capital (construction) costs and 70 per cent operating costs. The Government calculated that private schemes make cost savings of 20 per cent in operations. So there is a saving of 14 per cent (20 per cent of 70 per cent). Construction costs typically overrun 24 per cent, and this overrun will be borne by the private company. Assuming private sector manages these risks better, there should be a saving on the capital element of up to 7 per cent (the 30 per cent construction element with a saving of 24 per cent) (quoted in Blackwell 2000, p. 3).

- 27 These issues were discussed in these terms on the BBC News, 02.09.01.

- 28 These types are known by the following acronyms:

BOO: Build Own Operate,

BOOT: Build Own Operate Transfer,

BOT: Build Operate Transfer,

DBF: Design Build Finance,

DBFO: Design Build Finance and Operate,

DBO: Design Build Operate

(see Grimsey and Lewis 2004).

- 29 www.abdn.ac.uk/crpf/privatefinance.pdf, derived from David Heald and Alasdair McLeod (2002), 'Public Expenditure', in *Constitutional Law, 2002, The Laws of Scotland: Stair Memorial Encyclopaedia*. Edinburgh, Butterworths, para 502. See also HM Treasury *Public Private Partnerships: The Government's Approach* (Stationery Office, 2000).
- 30 CBI's Public Services Summit held on 24.01.07.
- 31 BBC Radio, *Sunday AM*, 11.09.06.
- 32 *Paying the Cost: PPPs and the Public Service Workforce*, The Catalyst Trust.
- 33 Smith, Trevor (2003), 'Something Old, Something New, Something Borrowed, Something Blue: Themes of Tony Blair and his Government'. *Parliamentary Affairs* 56: 580–96, *Hansard Society*.
- 34 See Monbiot, George, BBC News.
- 35 The magnificent PFI wheeze goes wrong for the NHS, Alan Maynard, www.guardian.co.uk, 14.08.10, accessed 20.08.11.
- 36 All quotations are from the 1987 Conservative Party Election Manifesto.

Culture and Enterprise: The Arts from 1979

In the Conservative manifesto of 1979, Margaret Thatcher made it clear that under her administration culture, which J. B. Priestley had once described as essential to society as the 'yeast in the dough', could no longer rely on state support, but must go out into the marketplace. Both in her ideological Conservatism and in her economic policies, Thatcher represented a marked shift away from the Keynesian economics that had shaped the post-war consensus for public funding in Britain. The arts were expected to find funding from 'patronage', both private and industrial. The Conservative manifesto on the arts read:

Economic failure and Socialist policies have placed the arts under threat. Lightening the burden of tax should in time enable the private sponsor to flourish again and the reform of capital taxation will lessen the threat to our heritage . . . We will continue to give as generous support to Britain's cultural and artistic life as the country can afford. (Conservative Party Manifesto, 1979, www.politicsresources.net, accessed August 2011)

It would become apparent over the next two decades that 'the country' would not afford much generous support for the arts and that the 'private sponsor' would be the way forward. The Chair of the Arts Council was so concerned at Conservative policy that he wrote to Mrs Thatcher, as leader of the Opposition; her much publicized response was: 'I can assure you that we will continue to support the arts, though the precise level of expenditure and the rate at which it can be increased must inevitably depend on the economic situation we inherit' (quoted in Baldry 1981). The first of Thatcher's Arts Ministers, Norman St John Stevas, was himself an academic and a lover of the visual arts and of opera; he expressed the widely shared affection for the Arts Council and described it as 'one of the happiest constitutional inventions of the century' (quoted in Shaw 1987, p. 40). Nonetheless, after Thatcher's election victory,

the arts were among the first to be included on the list of public spending cuts. The entrepreneurial Conservatism championed by the Thatcher government promoted the market as the defining field for all aspects of life; every part of the welfare state was now required to 'economise', to save money and to find private funding wherever it could. The Sports Council had set up a working party on sponsorship as early as 1970, and the apparent success of sponsorship in the sporting arena seemed to offer a model which the arts could emulate¹. This was a government committed to a considerable reduction in public spending (the 1980 November White Paper on public expenditure envisaged cuts of £3,500 million in 1980–81, with the only exceptions being defence, the police and social services); sport, the arts and culture were largely expected to find their own way and income. The White Paper made it clear that the government was promoting the direct involvement of commercial interests in what had once been understood as public services.

Commercial sponsorship of the arts was thus vigorously encouraged under Thatcherite social policy and, impelled by government cuts to local government and to arts bodies, would flourish throughout the 1980s. Cultural institutions which had once considered private sponsorship of public cultural events as undesirable, if not inappropriate, were now required by government policy and cuts to their funding to seek private sponsorship. Sponsorship extended into areas which had never before felt the need to involve commercial interests in their activities; public libraries, festivals, arts and sporting events faced with budget cuts in local government all had to find sponsorship of some kind. A series of reductions in the budgets of such bastions of British culture as the Tate Gallery, the National Theatre, the Royal Shakespeare Company, the Royal Opera House, which had once been seen as inviolable and as sources of national pride, meant that these national institutions were as vulnerable as locally funded bodies, and in a financial position that required them to seek commercial partners.

A 1976 Conservative discussion paper, 'The Right Approach: A Statement of Conservative Aims', had made it clear that private finance for the arts was to be encouraged and promised 'a sensible framework for finance, training and co-operation between public and private bodies' (www.margaretthatcher.org, accessed August 2011). Among the organizations that would prove central to that 'sensible framework' was the Association of Business Sponsorship of the Arts (ABSA), an agency which set out to make matches between those seeking sponsorship and advertisers and companies willing to provide it. ABSA was

founded in 1976, based on the American model of philanthropy (especially, the example of the Rockefeller Foundation) and influenced by the success of the sponsorship of sport. ABSA had already begun to promote arts sponsorship under Labour Minister of the Arts, Hugh Jenkins.

ABSA's brief was both to promote private sponsorship of the arts and to foster a public acceptance of this shift in approach to cultural funding. ABSA was funded with a start-up grant of £15,000 and registered as a charity. The idea of commercial sponsorship as a method of cultural funding may have preceded Thatcher's premiership, but it was with her first Conservative Government that commercial sponsorship became a significant factor in the economics of British cultural life. In 1976, ABSA had estimated that they raised £600,000 in sponsorship for the arts; by 1996, its then chairman could report: 'ABSA has fifty staff, ten offices and sponsorship has reached £85 million' (Tweedy 1996, p. 8). ABSA's founder director was the chair of Imperial Tobacco and a Conservative, Luke Rittner (who would, in 1983, become the secretary general of the Arts Council). It is not insignificant that the majority of members of the first board of ABSA were all associated with companies in need of burnishing their brand images; oil companies, large supermarkets and cigarette manufacturers. Members of the first advisory group committee included the managing director of Mobil Oil, the chair of Trust House Forte and representatives of WD. & H. O. Wills, the cigarette manufacturer. According to the economist Mary Allen: 'ABSA began fostering the notion of sponsorship as a business deal, in which the sponsoring business could - indeed should - expect promotional gains in return for their money' (Allen 1990, p. 4). Thus, ABSA, from its founding principles, was clear that sponsorship was not the philanthropic 'patronage' that St John Stevas had envisaged, but that it would bring sponsors real commercial benefits. The material provided to potential sponsors makes it quite clear that the publicity and positive branding attached to the sponsorship of arts events are of considerable value.

A 1978 Conservative discussion pamphlet, 'The Arts: The Way Forward', had argued that 'any government, whatever its political hue, should take some active steps to encourage the arts'. In his Preface, however, St John Stevas reiterated Thatcher's manifesto assertion that private patronage should flourish again and the 1976 paper's pledge that a Conservative government would provide a 'framework' to 'balance' public funding with private sponsorship. While St John Stevas claimed that the 'Tory Party continues to take a keen, active and committed interest in the future of the arts in Britain and that we make some

claim to be the arts' best friend' (St John Stevas, 1978), some months after the election, St John Stevas had to concede that now the Conservatives were in office, this might no longer be the case: 'There will be no great sums for the arts from the Government in future. . . . State-side expansion has come to an end . . . we must look to the private sector for new sources of money' (St John Stevas, letter to the *Daily Telegraph*, quoted in Baldry, 1981). In the Conservative's first year of office, between 1979 and 1980, government funding for the arts was reduced by almost £5 million.

There were strong elements in the Conservative Party (with direct influence over Thatcher) which believed that state subsidy for the arts should be actively minimized or even abolished altogether. A publication from the Conservative Bow Group, *As You Like It: Private Support for the Arts*,² argued that the arts functioned best with the minimum of government support. The Selsdon Group made its position clear in the title of its paper, *A Policy for the Arts: Just Cut Taxes*; the group advocated a general lowering of taxes which, it suggested, would lead to mass patronage of the arts by middle-income society, and so obviate the need for public funding: 'Art has always been the ultimate form of spending for the rich: there is every reason to believe that in a society where there are very many well-off people rather than a few rich, a richer artistic and cultural life would develop' (Alexander 1978). The Selsdon Declaration stated the group's belief that: 'individual enterprise is the source of all progress in economics, the sciences and the arts and that the task of politics is to create a framework within which the individual can flourish' (www.selsdongroup.co.uk, accessed August 2011); there is here a distinct echo of the 1976 Conservative paper, 'The Right Approach'.

Despite Conservative calls to roll back state support for the arts, a 1982 report from the Education, Science and Arts Committee on *Public and Private Funding of the Arts*,³ reported that there was no significant evidence against the principle of public support for the arts, and indeed, argued that they were irresponsibly underfunded. The report nonetheless argued for a continued growth in business sponsorship (Shaw 1993, pp. 108–9); a sign that commercial sponsorship was now understood to be inevitable. Even those who had once vigorously defended state subsidy for the arts were persuaded of the necessity of sponsorship. Lord Goodman, former chair of the Arts Council, wrote a foreword to a lawyers' guidebook on sponsorship contracts in which he (somewhat reluctantly) concedes: 'It has become more and more evident with the years that money has to be winkled out of private or commercial purses if

the Arts are to be sustained at a proper level for a civilised country' (Goodman, p. vii). Townley and Grayson, the lawyers, make the same point and argue that sport and art could not continue without sponsorship. They situate their new expertise in sponsorship in the political context of the 1980s:

Without sponsorship it is now clear that sport, art and leisure could not survive economically at the public level . . . sponsorship has become important in both political and sociological terms. Subsidies and grants of the arts have fallen under the recessionary economic axe, and therefore arts organisations have looked for financial support from commerce in the form of sponsorship. (Townley and Grayson 1984, p. 3)

The Gulbenkian Foundation published a report, *AIM* (Arts Initiative and Money Project) in 1983, which similarly accepted that arts organizations were now required to seek commercial partners in the chill wind of government cuts. The AIM project was intended to find means of support for those arts administrators who were inexperienced (and often reluctant) in the pursuit of sponsorship. While acknowledging that the arts had been reliant on state funding, the report's introduction bleakly referenced St John Stevas' statements and spoke of the government's

. . . determination to limit public expenditure and indeed to reduce it in real terms. The arts . . . are almost totally dependent on local and national government for their maintenance and development . . . the Right Honorable Norman St John Stevas, MP, felt that the way for the arts to make up for its loss of real sustaining income was to encourage sponsorship and patronage from the commercial world . . . it seems likely that private funding of the arts will only account for a small percentage of the total costs. (Last 1984, p. i)

The former director of ABSA, Luke Rittner, was appointed as the secretary-general of the Arts Council in 1983, in a clear signal that business sponsorship was to be the future for arts funding policy. On his appointment as Arts Minister, Lord Gowrie told Roy Shaw, then chair of the Arts Council, that his main concern was to 'foster the growth of business sponsorship' – an interesting shift in terminology from the 'private sponsors' and 'patrons' that Thatcher and St John Stevas had earlier employed. One attempt to foster commercial sponsorship, the Business Sponsorship Incentive Scheme, was launched by Gowrie in 1984, and run by Richard Luce⁴, who would be Minister for the Arts between 1985 and 1995, 'incentive' was necessary, because commercial sponsors were not at the time rushing to become the 'other sources' of funding

that Thatcher and St John Stevas had envisaged. The scheme promised to match the contributions of first-time and existing sponsors; it was administered by ABSA and paid for out of government funds.

In 1981, ABSA produced a 'Guide for Sponsors' (itself sponsored by McKinsey and Company), in which there is a clear shift in tone from the patronage arguments of St John Stevas and the understanding that sponsorship contributed to a public good, to a recognition of the brand value that is associated with the arts. In the introduction, written by Rittner, the pitch to potential sponsors is overt in its championing of the commercial benefits of sponsorship:

In the past, business has supported the arts mainly as a contribution to the life of the community, in return for a modest acknowledgement - the patronage approach. Today companies are increasingly discovering that, properly handled, a sponsorship approach, whereby association with artistic enterprises is used to achieve specific public relations objective (sic), can make a significant contribution to their public image. (Rittner 1981, p. 2)

Not all Conservatives embraced this free-market approach to cultural provision; William Rees-Mogg, chair of the Arts Council from 1982 to 1989, wistfully reaffirmed the ideals of the post-war Arts Council, which, he said: 'adopted the principle that the arts, like education, health and social security, are universal goods, which ought to be available regardless of ability to pay' (quoted in Shaw 1987, p. 41); this was a statement from a Conservative at a time when public subsidy for the Arts Council had been slashed by half.

The 1985 Arts Council prospectus was titled *A Great British Success Story*; it did unequivocally call for an increase in public investment in the arts, but set out the case in terms of an economic rather than a social good:

... a thriving arts and entertainment industry of high quality is essential for deepening the experience and enjoyment of the people of Great Britain, for richly enhancing the nation's prestige overseas, and most significantly for the good of the British economy. A small increase in public funding will bring quick and sizeable returns. (quoted in Marwick 1990, p. 316)

The 'most significantly' here itself is significant, in signalling a shift in the priorities of the Arts Council, in which the value of the arts for their investment potential takes precedence over the benefits of the 'experience and enjoyment of the people of Great Britain', and even over British prestige abroad. This was a value for money argument, that a small government subsidy will pay substantial

dividends. The arts had become a cultural industry, rather than a benefit for the people; if the Arts Council were now expecting the organizations they oversaw to give a return on public investment, then no aspect of the welfare state was invulnerable. As Marwick puts it:

From the setting up of the Arts Council at the end of the war, the place of the arts in British society had scarcely been in doubt; but the case had never been put in quite this way before. . . . If the arts were no longer a case that justified state investment without promising an economic return and value for money, then there was no aspect of British society immune from the profit margin. The report concluded that the Arts Council delivered 'productivity and efficiency . . . Our product offers excellent value.' (Marwick 1990, p. 317)

British culture was thus a commodity that could be sold in the marketplace, its social and individual benefits a by-product of its economic potential. According to Marwick, the Arts Council saw the benefits to the nation from investment in the arts in these terms:

The nation benefits from investing in the arts, it is explained, because: most of the money is quickly recouped in taxes; the arts increase employment at low cost (thus incidentally producing savings in welfare payments); the arts help the regeneration of depressed inner cities; the arts vitalize the wider entertainment industry; the arts raise the nation's prestige; the arts are a substantial tourist attraction and foreign currency earner; and (last, but conceivably not least) the arts give great pleasure to millions of people. (Marwick 1990, p. 317)

These arguments from the Arts Council would be regularly redeployed by British cities asking for government support in their claims to be host cities for major cultural events, most evidently with the London bid for the Olympics.⁵

In 1986, private sponsorship of the arts was between £250,000 and £300,000, small change in terms of the actual cost of running such institutions as the National Gallery and National Theatre, although the sponsors' logos featured large on theatre programmes and exhibition posters, and banks of seats at the Royal Opera House and the National Theatre were reserved for corporate entertainment. The more prominently the sponsor's name was displayed on poster or programmes, the more easily could the sponsorship be accepted against tax, while also garnering more attention for the sponsor.

Writing in 1988, Sue Kirby identified the nebulous nature of commercial sponsorship of the arts, in which the requirements and responsibilities of both sponsor and organization remained unclear:

Sponsorship is a mutually advantageous collaboration between business and the arts. The museum or gallery receives a much needed injection of cash and possible contact with new groups of people while the company enhances its image and receives good publicity. . . . (Kirby 1998, p. 97)

Kirby recognizes here that sponsorship of the arts offered business companies a means of furthering brand awareness, an indirect form of advertising and an environment which could impress corporate clients – just as sponsorship had done with sporting events. Kirby references the Nuclear Physics/Nuclear Power Gallery which had opened at the Science Museum in 1982 and which was sponsored by the United Kingdom Atomic Energy Authority, the Central Electricity Generating Board and British Nuclear Fuels Limited. These organizations loaned exhibits, and the Atomic Energy Authority provided three audio-visual programmes. It is clear that the exhibition could not but be positive about nuclear energy, although as Kirby pointed out, it was the museum itself which made the largest financial contribution to the gallery (Kirby 1988). Another case of sponsorship shaping an ostensibly museum-curated exhibition was the Boilerhouse Gallery at the Victoria and Albert Museum, which was independently operated by the Conran Foundation, under the auspices of the Victoria and Albert Museum. A history of industrial design culminated in a display case of Conran products as the pinnacle of design history.

By 1990, sponsorship of the Arts in the United Kingdom was estimated at £30 million (Allen 1990, p. 7) and a number of new organizations were set up to encourage its growth; in 1990, ABSA set up the ABSA Development Forum ‘for the fund-raising profession in the arts’. The pursuit of sponsorship was now an expected administrative role, and the fundraiser intrinsic to any arts organization. The most direct form of encouragement to seek sponsors, was, however, the continuing cuts to public funding of arts events. A 1987 restructuring of the Arts Council cut the number of organizations to receive funding by half. As the Arts Council ruefully put it: ‘during this period, the Arts Council began encouraging greater corporate sponsorship of the arts’ (www.artscouncil.org). By 1991, two-thirds of arts organizations agreed that they were in no position to have moral scruples and to refuse sponsorship from tobacco companies; the Royal Shakespeare Company’s sponsorship officer spoke for

many arts organizations when he said: 'we cannot afford to have ethics like that' (quoted in Shaw 1993, p. 19).

In 1992, soon after the election of another Conservative government, now under the leadership of John Major, the arts were repositioned under the umbrella of the Department of National Heritage, which now incorporated the Arts Council. With the Office of Arts and Libraries as the core body, the Department of National Heritage took over responsibility for arts organizations, historical sites and parks, sport and tourism. The arts were now officially bound up with tourism and commerce; while the Department's title signalled that its remit was to conserve Britain's artistic heritage rather than to foster a live and challenging artistic culture. In 1993, the Major government licensed a state-franchise for a lottery, in which the arts, sports and heritage each received 18 per cent, administered and allocated by government agencies.

As arts companies had been required by Conservative policy to develop a head for business, so business was becoming increasingly aware of the potential in the sponsorship of arts events for marketing purposes. In 1990, the *Economist* Intelligence Unit published a report: *Sponsoring the Arts: New Business Strategies for the 1990s* (the report itself sponsored by IBM) (Allen 1990). The title indicated that business had come to recognize that sponsorship is not just about patronage of the arts or philanthropy, but represented real opportunities for branding strategy. An advertisement for the consultancy firm Crowcroft-Gourley fronted the report and proclaimed that sponsorship offers 'business value': 'As the business value of arts sponsorship grows the variety of opportunity becomes more daunting' (Allen 1990, p. iii). In 1990, ABSA was the only sponsorship association listed, but the number of advertisements from sponsorship consultants testifies to the flourishing of new services in sponsorship brokering in the arts. The effect of cuts to arts organizations was also clear from the number of advertisements from institutions in search of sponsorship (among them, the National Gallery). The *Economist* report was under no illusions that sponsorship is a philanthropic pursuit; instead, it promotes sponsorship to businesses as a significant marketing strategy, suggesting that sponsorship of the arts could target market sectors which might well be immune to conventional advertising:

Sponsorship can be used both to raise awareness of a company and to enhance its image. The main use of arts projects has been to enhance a company's identity among opinion formers, but increasingly arts sponsorship is being used to reinforce marketing strategies as well as to help recruit employees and gain their

loyalty. . . . In choosing a sponsorship project it is important to bear in mind the audiences it is intended to reach, and the promotional opportunities it could generate. (Allen 1990, p. x)

The report confirmed that sponsorship of the arts had become a sophisticated marketing tool: 'Sponsorship planning has become more strategic during the last few years . . . it is beginning to be included in the mix of techniques - advertising, sales promotion and public relations - that make up the marketing portfolio' (Allen 1990, p. 20).

As the 'Executive Summary' of the report made clear, sponsorship was now seen as an essential component of a corporate promotional strategy, significant both to the branding of a company and in the opportunities it provided for advertising. *Sponsoring the Arts* reported that there were direct rewards of publicity and brand recognition to be gained from appropriate forms of sponsorship and identified a range of areas in which sponsorship could be used as a means for promotional opportunities: corporate hospitality, publicity material and coverage in the press and media (for a relatively low outlay):

Arts sponsorship is most commonly used to achieve goals that fall within the following categories:

- Reinforcing marketing strategies by creating brand awareness, enhancing brand identities, reaching niche markets and communicating with distributors.
- Creating a positive identity for a company with local, national and international opinion formers, while creating opportunities for communication beyond the immediate business environment . . . there are a number of products and services that have become so similar that their own attributes no longer serve to differentiate one brand from another, and which are increasingly distinguished by means of corporate brand identities built on the back of promotions undertaken by their parent companies. Both have led to the development of marketing strategies that include arts sponsorship. (Allen 1990, pp. 23-4)

Sponsorship of the arts is recognized here as a key player in developing a corporate brand and as a means of accruing the cultural capital involved in the arts to the promotion of a company or product. It is clear that the sponsors themselves are well aware of their own motivations, which are not about a philanthropic desire to support artistic endeavours but about promoting brand awareness: 'image enhancement is given as the most common reason

for sponsorship of the arts, particularly among national and multi-national companies' (Allen 1990, p. 27). The benefits of sponsorship are here framed as entirely those of the sponsor – the social or cultural value of the sponsored organization is not referenced at all.

Arts sponsorship is also identified in the report as a means of reaching audiences who might otherwise be resistant to conventional advertising campaigns – and of reaching influential groups. Lloyds Bank were among the companies to recognize the power of targeted sponsorship; their sponsorship of the Lloyds Bank Film Challenge aimed to break through the scepticism of young people and to 'project an image of the bank as forward thinking, creating customer loyalty and bonding within the youth market' (MAPS 1995, p. 37). "The German lager company Becks Beer were also keen to associate themselves with British avant-garde art in the hope of attracting a young and hip market; with the sponsorship for exhibitions of Gilbert and George and Otto Dix, and commissioning the first of a series of limited-edition bottle labels by artists such as Rachel Whiteread, whose controversial 'House' they had also sponsored (MAPS 1995). The strategy clearly worked, and Becks went on (and continue) to support the student bar at the Royal College of Art, to provide beer for art exhibitions and to launch a series of art awards in 1999 – with the stated aim of raising 'awareness of Becks Futures as a new cutting edge art award'. The planning strategy document noted that the launch party had successfully attracted celebrities and 'opinion formers' and had received considerable media coverage, in the broadsheet press, colour supplements and television news, for the well spent sum of £75,000. (*PR Week*, 23.06.00).

Not all sponsors were as adventurous as Becks, the majority were very careful over which kind of event to support; music, followed by theatre and the visual arts were the most sponsored artistic events, according to the *Economist* report. The report made it clear that these forms were prioritized not because of their aesthetic value, but because they could provide an entrée to 'opinion formers' and to wealthy groups of potential clients who might be resistant to more conventional forms of promotion. Nonetheless, corporate capital tended to shy away from any association with controversy. No sponsor came forward to support the 'Sensation' exhibition of Young British Artists at the Royal Academy in 1997, despite the fact that it garnered enormous press attention. Sponsors could also be prim; 'Exposed: The Victorian Nude', an exhibition at the Tate in 2001, again failed to attract any sponsors. Colin Tweedy, now chief executive of Arts and Business, commented that 'The Victorian Nude is likely to have suffered by being not respectable enough and yet not modern enough'.

He went on to suggest that such reticence on the part of big name sponsors was an indication of a general prudery and an aversion to risk taking in the business world: 'Sponsors are by their nature conservative . . . Very few of them want to take risks' (*Observer*, 05.08.01, p. 4). Pamela Carswell, then head of corporate fundraising at the Royal Academy of Art, said at the time: 'Some shows are not so immediately appealing . . . But you have to find a way to make them work for a sponsor' (*Observer*, 05.08.01). Both Tweedy and Carswell, despite their recognition that sponsors could be circumspect about whom they would support, were insistent that sponsorship would never dictate the kind of show that could be put on. Tweedy and Carswell pointed to American museums as entirely subservient to their sponsors and asserted that this was not (yet) the case in Britain.

This was disingenuous; by 2001, the developing hold of the sponsor on the programmes of theatres, galleries and museums was becoming clear, and, promoted by fundraisers such as Tweedy and Carswell, increasingly evident. Wu has pointed to the ways in which corporations had shaped the world of art galleries and museums in both Britain and America from the 1980s:

Since the 1980s, corporate art collections have been set up with increasing frequency on both sides of the Atlantic. Using their economic power, modern corporations have vigorously emulated the former prerogatives of public art museums and galleries by organizing and touring their own collections at home and abroad. They have also successfully transformed art museums and galleries into their own public-relations vehicles, by taking over the function, and by exploiting the social status, that cultural institutions enjoy in our society. (Wu 2002, p. 2)

The novelist Hari Kunzru has pointed out that corporate art collections gain not only benefits in public relations through their associations with public art museums, but also that the relationship allows for the collections themselves to enhance their value:

Nothing confers more value on an artwork than its selection for inclusion in a museum show. It is the definitive critical vote of confidence. This, of course, depends on the fiction that such decisions are made on pure, aesthetically disinterested grounds. As sophisticated investors enter the market and work out how the game is played, that particular story is wearing thin. (Kunzru 2012)

Kunzru notes that the Tate Modern Gallery has had a long partnership with the Swiss Bank, UBS, in which the sponsorship depends upon on the Tate showing

works from the UBS collection.⁶ Similar relationships exist between Deutsche Bank and the Whitney and Guggenheim museums in America and between the industrialist Dakis Joannou and the New York New Museum. Another example (of an individual rather than a corporation) using an art gallery as a public-relations vehicle was the loan of Andrew Lloyd Webber's Pre-Raphaelite collection to the Royal Academy in 2003 under the title 'Pre-Raphaelite and Other Masters – The Andrew Lloyd Webber Collection'. The endorsement of Britain's guardian of British painting ensured that his own private collection would considerably increase in market value.

In 1995, the artist Hans Haake also bore witness to the creeping incursion of the American model of corporate sponsorship into European cultural institutions:

What frightens me is that Europe is beginning to follow the American model. Institutions which were liberated from the tutelage of princes and the Church now fall more and more under the control of corporations. Obviously, these corporations are only to serve the interests of their share-holders – this is what they are set up for. The de facto privatization of cultural institutions has a terrible price. Practically speaking, the republic, the *res publica* – that is, the public cause – is being abandoned. Even though the sponsors cover only a small part of the cost, it is they who really determine the program. . . . (Bourdieu and Haake 1995, p. 71)

In 1998, ABSA changed its name to become 'Arts & Business'. Colin Tweedy explained the name change in an article for *Corporate Citizen Briefing* as a measure of the success of ABSA; he proclaims that arts and business had become more and more closely entwined and that his mission is to see this 'partnership' extended even further:

The latest figures show that business investment in arts organisations and museums across the UK has risen again. For the first time such investment has topped £100 million, rising 20% to £115 million. We have not taken sponsorship out of our title to marginalise sponsorship, but to emphasise the widening and deepening of the partnership between arts and business. . . .

We need to make the arts relevant to contacts across a business, embedding creativity into the heart of business culture, and this is where our mission is expanding. (www.ccbriefing.co.uk/April 1999)

A former director of Arts & Business, Andrew McIllroy, describes the function of Arts & Business as an organization. He wrote in 2002: ' . . . the business world did

not yet recognize that the arts could offer serious business benefits in terms of marketing, profile and public relations'. A&B's job was to sell them this message (McIlroy 2002, p. 3). One of the means of 'selling' the message was the 1998 brochure *Arts & Business - it worked for them . . .* (A&B, 1998) which in its title and case studies championed the effectiveness for businesses of 'partnerships' brokered by Arts & Business. Ernst & Young, the global 'professional services' company was one of the 'success' stories of Arts & Business in the late 1990s. The A&B brochure made it very clear that Ernst & Young's (whose corporate slogan is 'Quality in everything we do') sponsorship of blockbuster art exhibitions at prestigious national (and state supported galleries) paid dividends in terms of positive media coverage, brand association with a public institution and the ability to impress and entertain potential clients at a glamorous event, for a very low outlay compared to conventional advertising. As A&B put it:

Ernst & Young wants to build and maintain relationships with an élite group: the top corporate executives in Britain. . . . In research, 69% named Ernst & Young sponsored events as the ones they'd most enjoyed over the past three years. . . . By contrast, hardly any recalled sporting events sponsored by Ernst & Young competitors. Ernst & Young has become synonymous with blockbuster art exhibitions – notably Cézanne at the Tate and Monet at the RA . . . Each event has built on the success of the last – in public appeal, sponsor recognition . . . and value of media coverage (some £850, 000 for Monet). (Arts & Business 1998, p. 34)

As Ernst & Young had already worked out – the visual arts were very capable of delivering a targeted 'élite' audience and could prove extremely cost-effective for brand strategy. Ernst & Young continued to sponsor art exhibitions at major British galleries and currently have a 'partnership' with the Victoria and Albert museum.

In the early 1990s, battered by Conservative cuts, attacks on trade unions and working conditions and the drive to enterprise over industry, the arts seemed to be the least of the opposition's problems. Arts policy was not central to the Labour Party as it had once been for J. B. Priestley and Maynard Keynes, the party under the leadership of Tony Blair had no vision for the 'Arts under socialism'. The only comment on the Arts in the 1992 Labour Manifesto was the rather lame statement that the Arts Minister would encourage the arts 'to develop new ideas' (Dale 2000, p. 332).

Once in office, those new ideas were not readily apparent; New Labour's arts policy did not significantly change from that of the Conservatives. They did

change the title of the body responsible for the arts; in 1997, the Department of National Heritage became the Department for Culture, Media and Sport. Funding for the Arts Council was cut even further; in the Arts Council's own melancholy assessment:

In 1997, the Government created a new senior ministry: the Department for Culture, Media and Sport (DCMS). While this move elevated the importance the new government placed on the arts and the broader cultural industries, the Arts Council's funding was slashed. . . . (www.artscouncil.org.uk, accessed November 2011)

The name change did not change the remit of the Department responsible for the arts in Britain, or improve state funding for the arts, but it did signal New Labour's championing of the new and promoted an idea of culture that was bound into tourism and the leisure industry:

DCMS was established in July 1997. Its aim is to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries. It is responsible for government policy relating to the arts, sport, the National Lottery, tourism, libraries, museums and galleries, broadcasting, creative industries (including film and music industries), press freedom and regulation, licensing, gambling and the historic environment. (www.nationalarchives.gov.uk, accessed October 2011)

Under Tony Blair's leadership, New Labour's cultural policy turned the 'arts' of Priestley and Maynard Keynes into the 'cultural industries', an area in which Britain was seen to excel, and, with the erosion of an industrial base, was increasingly important to the national economy. The 'arts' were no longer perceived politically as 'the yeast in the dough' of J. B. Priestley's post-war coinage, but the dough itself, and expected to demonstrate their economic and use value. As Miller and Yúdice explained in 2002:

. . . contemporary policy is as much about developing tourism and cultural commerce as new cultural norms. The premise is that cultural creativity is the spawning ground of innovation. In a global economy, innovation rather than material resources or manufactures drives accumulation. On this premise, Blair's 'Cool Britannia', a cultural-economic project . . . sought to transform London into the creative hub for trends in music, fashion, art and design, thus constituting the foundation for the so-called new economy based on 'content provision'. (Miller and Yúdice 2002, p. 91)

The 'cultural industries' were expected to become a motor of the British economy. The Frieze Art Fair (itself sponsored by Deutsche Bank), first seen in Regent's Park, London, in 2003, was a vivid embodiment of this 'Cool Britannia', where art dealers, sponsors and corporate buyers could be seen entwined in a frenzy of buying and selling. 'Culture' was seen by the Blair government as an export, a means of attracting tourism, a potential weapon against social inclusion and a means of regeneration – the arts were now perceived as what Yúdice (2003) has termed 'culture-as-resource', but they were still expected to find corporate sponsorship. The arts were expected to follow the model of private/public partnerships that New Labour were encouraging across all aspects of the welfare state; the playwright David Hare argued that subsidized theatre in Britain was 'working to a public-private model approved by the Arts Council' (*The Guardian* 25.02.12). The Arts Council itself expressed the partnership in these terms: 'We have developed a modern and progressive model for cultural organizations, bringing together public funding and private enterprise – a truly public-private partnership' (artscouncil.org. 2011). From 1999, business sponsorship of the arts had been referred to as 'the business arts partnership sector'. The Department for Culture, Media and Sport supported the establishment of an Information Unit of Arts & Business in 1999, to audit information and to disseminate information to broker partnerships between the arts and potential business sponsors. It began publishing a literature review of arts and business partnerships, intended for 'arts, business, government and the next generation of arts managers' (*Arts Research Digest* 2002, p. 2).

By 1999, sponsorship of the performing arts was estimated as a 'major income source', representing 15 per cent of the total funding. This figure from sponsors was substantially outweighed, however, by support from public bodies – most notably the Arts Council. While business sponsorship had brought in £142 million, public support from local authorities, regional arts boards and arts councils contributed £312 million. Despite the rhetoric from governments from Thatcher to Blair that the arts must find private support, public feeling was strongly in support of state funding for the arts. In 2004, a research report on the Arts in England reported that 'The research shows the continued high level of support for public funding of the arts, with 79 per cent of people agreeing that 'Arts and cultural projects should receive public funding' (Arts Council England 2004)

There was nonetheless an attempt, driven by the United Kingdom, to harness and promote commercial sponsorship for the arts across the European Union. Colin Tweedy, director of ABSA was at the helm; CEREC (Comité Européen

pour la Rapprochement de l'Economie et de la Culture) was a network of national associations across Europe which was designed to promote business sponsorship. Tweedy was appointed as president of CEREC; his argument in the introductory article was couched in much the same terms as he had argued for ABSA, that commercial sponsorship should now be seen as inevitable to the funding of the arts:

Virtually all the governments across Europe are redefining their priorities and the arts are facing ever-increasing competition from other budgets such as education, transport and environment. The need to attract money from corporations and individuals is essential if the arts in Europe are not only to be maintained, but also to flourish. (Tweedy 1999, p. 3)

CEREC published *Cultural Sponsorship in Europe* in 1999, under the auspices of the French association Admical (Association pour le Développement du Mécénat Industriel et Commercial). The report noted that Britain did not share the commitment to the secured state funding for the arts of the wealthier European nations, but had drawn on the American model of private patronage⁷: 'The United Kingdom is something of a half way house between other European countries and the United States' (p. 21). The CEREC report did cover some sporadic instances of sponsorship in the arts in Europe (it could only find American Express as an example of a consistent corporate sponsor) but remained unpersuaded. The report concluded, rather unenthusiastically, that:

... the combination of recession, pessimism and competition between the new sectors, and the loss of confidence in pan-European solutions, seems to be progressively reducing transnational cultural sponsorship. The single market has not led to an increase in transnational sponsorship ... Many had believed that the European Union would establish a legal and fiscal framework for sponsorship. We know that that there is a lack of interest ... (CEREC 1999, p. 22)

If Britain continued to champion commercial sponsorship under the New Labour government, a conception of the arts, and, with it, the kinds of projects that sponsors were encouraged to fund did change direction. The arts, as the abandonment of the Department of National Heritage suggested, were no longer about prestige or 'heritage', but about cohering communities and delivering social and economic benefits. For New Labour, the arts were perceived as a means of regeneration and of extending social inclusion – and sponsorship deals were now expected to factor in those requirements. Sponsorship for the

arts was expected to extend beyond prestigious productions and events and was seen as a requisite for community and charitable groups. In 2004, a report for the South East England Cultural Consortium (SEEC) and the South East England Development Agency (SEEDA) was published 'as part of an initiative to develop evidence based practice in the use of culture to achieve Regional Economic Strategy Objectives' (Oakley 2004, p. 2). The report's author, Kate Oakley, explains how cultural policy had now made 'inclusiveness' central:

... addressing social exclusion has found its way into the heart of cultural policy in the UK, with DCMS and the Arts Council now having impacts on social exclusion as a core priority. Much of this work takes place in specific settings (such as schools, prisons, community centres) and with specific target groups ... (Oakley 2004, p. 19)

It is clear from reports from Arts & Business that the range of sponsored arts activities had broadened considerably from the prominent national institutions of galleries, opera houses and theatres that had once been the focus of commercial sponsors. Community groups, disabled theatre groups, art activities for children were now targeted as appropriate for sponsorship. A report supported by Arts & Business and the Department for Culture, Media and Sport was published in 2002 (itself sponsored by Marks & Spencer), *Creative Connections: Business and the Arts Working Together to Create a More Inclusive Society*. Phyllida Law, the report's author, claimed that both commercial and philanthropic motivations were at work in business sponsors' support for community arts projects: 'The reasons why businesses choose to spend money on the sorts of arts activities described in this report may be commercial, philanthropic, or a combination of the two. . . .' (Law 2002, p. 6). The Director of Communications for Marks & Spencer (sponsors of the report, and one of the companies celebrated in the Arts & Business report), Cheri Lofland, however, makes it clear that the motivation for her company's involvement in community arts projects continues to be as much about branding as it is about philanthropy: 'Our vision is to strengthen our corporate reputation and trust in the brand by leading standards in corporate community involvement' (Shaw 2002, p. 1).

Under New Labour, corporate sponsorship flourished. In 2005, a newspaper headline read '£425m of private money has caused a "sea change" in the arts' and reported that 'The arts in Britain are relying more than ever before on money from the private sector' (Arendt 2005). Arts & Business released figures at the end of that same year and estimated that private support for the arts had leapt from £393 million to £452 million since 2003. The increasing visibility of corporate

sponsorship was not, however, seen as entirely a matter for celebration. The chief executive of Arts & Business, despite his endorsement of the role of business in sponsoring the arts, was among those to sound warnings about the reliance on corporate funding.

ArtWatch UK⁸ is a campaigning group which functions to 'protect the integrity of works of art from increasingly ambitious and injurious restoration treatments and interventions carried out in publicly supported museums, galleries and other institutions' (artwatchuk.wordpress.com). By 2005, it was clear that the threat to the 'integrity of works of art' came not only from new forms of restoration, but also from the financial involvement of sponsors in the hanging and display of art works in publicly funded galleries. The Director of ArtWatch UK, Michael Daley, expressed his concerns about the power and secrecy of commercial sponsors involved with the visual arts. In a letter to *The Guardian* in 2005, he objected to the use of scaffolds at Tate Britain for huge advertising displays by Hewlett and Packard in 2004, and pointed out that: 'There are forms of commercial exploitation of public museums which are less evident'. Daley's letter articulated a growing anxiety about both the lack of transparency in sponsorship deals and the considerable benefits accruing to corporate sponsors through their relationship with publicly funded arts institutions:

The Tate rehang was made possible by a payment from the Swiss investment banking and securities firm UBS. Neither the Tate nor UBS will disclose the size of the payment. In return for it, UBS seems to have gained a valuable payment in kind: a quarter of the new exhibition will consist of works drawn from UBS's own extensive collection of modern art. These works, after such a favourable showcasing can only be expected to enjoy considerable appreciations in value. If the public and private sectors of the contemporary artworld are increasingly to pursue such cosy, mutually profitable relationships, should guidelines not be issued on the levels of accountability and transparency that might be thought appropriate and desirable? (Daley 2005)

Indeed. No such guidelines were forthcoming under a Labour government, and seemed even less likely to come from the coalition government elected in 2010. As sponsorship came to be seen – by governments, by arts organizations and by sponsorship brokers – as integral to arts funding, no politician was prepared to question the lack of transparency regarding sponsorship deals or to acknowledge that sponsorship was not a source of funding that could be relied upon. Artist Hans Haake was among the few dissenting voices: '... the sponsors' enthusiasm

is not guaranteed for ever. . . . It would be naïve to think that the state will resume its responsibilities for culture when the Cartiers of the world have lost interest' (Bourdieu and Haake 1995, p. 71).

In 2006, Gordon Brown, Blair's successor as prime minister, launched a 2-year programme to 'improve the management and leadership of the cultural sector' – and invested £12 million in Arts Council, England, the Museums, Libraries and Archives Council and in 'Creative and Cultural Skills'. Brown recognized, as he said in his speech at the launch of the programme, that the cultural and creative industries were a valuable social and economic resource, but that nonetheless, government investment remained contingent on the promotion of a close relationship between the arts and business sectors. For Brown, 'the cultural industries' arts organizations should learn from business – and business should benefit from culture:

It is not a sideshow, it is right at the centre – not just of a modern culture and a modern society, but of a modern economy. . . . The learning of leadership skills and management skills is critically essential for our future and the encouragement that we are trying to give to an interaction between the arts and the business world will be of benefit I may say; not simply to you, in the cultural world but also to business itself who will learn from you. (Brown, quoted in Hewison 2006, p. 12)

That 'interaction' between the arts and the business world was not, however, entirely comfortable. The potential for an ideological split between a cultural institution, its artists and audience and the sponsor was sharply outlined in the case of British Petroleum's sponsorship of the Tate Galleries. In 2010, BP had been at the centre of an environmental disaster, an oil spill in the Gulf of Mexico. A letter signed by over 160 artists, critics and arts administrators (among them Hans Haake) made the point that cultural sponsorship gave corporations with dubious track records in social welfare considerable cultural legitimacy:

Tonight, the Tate Britain is holding a summer party in which it is also celebrating 20 years of BP sponsorship. As crude oil continues to devastate coastlines and communities in the Gulf of Mexico, BP executives will be enjoying a cocktail reception with curators and artists at Tate Britain. These relationships enable big oil companies to mask the environmentally destructive nature of their activities with the social legitimacy that is associated with such high-profile cultural associations.

We represent a cross-section of people from the arts community that believe that the BP logo represents a stain on Tate's international reputation. Many artists

are angry that Tate and other national cultural institutions continue to sidestep the issue of oil sponsorship. . . . The public is rapidly coming to recognise that the sponsorship programmes of BP and Shell are means by which attention can be distracted from their impacts on human rights, the environment and the global climate (letter to *The Guardian*, 28.06.10).

It is interesting to note here that it is the nature of the sponsor, not the necessity of sponsorship itself that is the point of issue. Over three decades after the founding of ABSA, it continued to be those companies with a need to polish their image who were the most visible sponsors of the arts. In 2011, four of the most significant cultural organizations in London, the British Museum, the National Portrait Gallery, the Royal Opera House and the Tate Gallery, announced that they would all renew sponsorship deals with BP, despite vociferous opposition from artists and environmental campaigners, who argued that 'BP's involvement with these institutions represents a serious stain on the UK's cultural patrimony'. A group of artists protested outside a party to celebrate 20 years of BP's sponsorship in 2010 by spilling treacle (to simulate an oil spill) at the entrance to the Tate Gallery. Exhibitions sponsored by BP continue to employ security guards to counter protestors.

None of these institutions were in a financial position to refuse BP's money. The Conservative culture minister at the time, Ed Vaizey, was quoted as saying 'For more than 20 years, BP has led the way in business support for the arts and I am delighted that this will continue over the next five years' (*The Guardian*, 20.12.11). Nonetheless, it was clear that there was considerable unease from artists at the spread of sponsorship and at the kinds of sponsors involved in supporting the arts. This was also evident when two poets, Alice Oswald and John Kinsella, withdrew from the shortlist of the T. S. Eliot prize in 2011 because of its sponsorship by the investment management company Aurum Fund. Oswald said that poetry 'should be questioning, not endorsing, such institutions' (*The Guardian*, 08.12.12). The Poetry Society had negotiated the Aurum sponsorship in the aftermath of the withdrawal of Arts Council funding.

Among the first initiatives of the Conservative and Liberal Democrat coalition government of 2010 had been a swingeing assault on funding to the arts; the spending review of October 2010 proposed cuts to the Arts Council of 50 per cent, cuts to local government and cuts of 25–30 per cent to the Department for Culture, Media and Sport. Sir Nicholas Serota, the director of the Tate and one of the most respected arts administrators in Britain,

described the cuts as 'A blitzkrieg on the arts . . . the greatest crisis in the arts and heritage since government funding began in 1940' (Serota 2010). In November 2010, Somerset council announced that it was cutting the entire arts budget for the county. *The Stage* reported in September, 2011 that local authority spending on culture had fallen by over £200 million (*The Stage*, 15.09.11). Arts bodies across the country were required to make serious budget cuts and in a number of cases, this meant the closure of successful theatres, galleries and art projects. In 2011, Andrew Lloyd Webber sold a single Picasso painting, and, with the millions, managed to rescue some of them.⁹ As the Selsdon group had once pointed out: 'Art has always been the ultimate form of spending for the rich'.

With such severe cuts to arts funding, no institution – however prestigious – is now in a position to be selective about the sponsors that it works with. In September 2011, London hosted the trade exhibition for global arms manufacturers; among them was the Italian defence firm, Finmeccanica, who have a sponsorship deal with the National Gallery; it is the National Gallery which hosts Finmeccanica's corporate reception and also holds events for Defence & Security Equipment International and the Farnborough air show, both weapons fairs. A group of artists, musicians and writers launched a campaign in 2012 calling on the National Gallery to end its sponsorship with Finmeccanica and to stop providing 'a gloss of legitimacy for a reprehensible trade - and very practical support' (www.caat.org).

The working culture of arts organizations has also had to change in the face of funding cuts; with 15 per cent cuts to its funding, the Tate Gallery outsourced the management of its staffing to a private company, which has led to a series of complaints of bullying; as one anonymous member of the Tate's staff expressed it: 'They've put new management in from the private sector - we've always had public sector managers - and they have a whole new regime as a ploy to get rid of people . . . everyone feels very intimidated. It's really unbearable' (quoted in the *Evening Standard*, 24.08.11).

The public culture of the arts has been marketized and privatized to such an extent that arts institutions have themselves become 'brands'. The organization 'Coolest Brands' celebrated 10 years of Superbrands in 2011 and published its list of the coolest brands in Britain. Among the top 20 were Tate Britain, the Baltic Centre for Contemporary Art and the Royal Opera House, Covent Garden; it was no longer that these national and cultural institutions, set up with tax payers' money and developed as a once intrinsic part of the welfare state, were seen as

a means of lending cachet to commercial brands – they had themselves become commodified brands (coolbrandsuk.com).

Since the Conservative manifesto of 1979 had promised to begin the process which would ‘enable the private sponsor to flourish again’, arts organizations had done everything that was required of them: they had become entrepreneurial, they had attracted large swathes of sponsorship, they were a thriving economy but they still face further cuts and, again, are urged by a Conservative Arts Minister to make up the shortfall through private patronage. In January 2011, the *Financial Times* reported:

Jeremy Hunt wants more of Britain’s biggest companies to start sponsoring the arts in the UK as the culture secretary looks for private funding to plug cuts in the arts budget. The culture secretary, having launched a programme to try to attract more individual donations for the arts, is poised to kick off his year of “corporate giving” in the coming weeks amid complaints that blue-chip support for the arts is woefully low. (Rigby 2011)

The abdication of the coalition government from public support to the arts and their conviction in the power and beneficence of private ‘patronage’ were made clear when the head of the Arts Council, Dame Liz Forgan, was removed from office in 2012. Forgan had confronted the government over cuts to the arts, and was seen by the arts community as having steered the Arts Council through a difficult period in which it had seen its funding severely cut. The Culture Secretary, Jeremy Hunt, defended the decision on the grounds that he wanted an Arts Council chair to develop Government ideas; in particular, ‘in increasing the amount of private giving to the arts’ (*Evening Standard*, 23.03.12).

The Arts Council in 2011, in the face of still further cuts to its budget, wrote a statement ‘Why the arts matter’, in which it bleakly warned that arts funding ‘is a finely balanced economy: if public funding is significantly reduced, the knock-on effect will be profound and the private sector will not make up the shortfall’ (www.artscouncil.org, 2011). The *Financial Times* also reported in that same month that ‘Business investment in the arts fell by 11 per cent in real terms last year’ (27.01.11). In 2012, Arts & Business reported a drop of 7 per cent in ‘Corporate philanthropy’, the fourth year in a row that sponsorship of the arts had fallen, to a level lower than that of 2005–06. In a global recession, it is clear that the private sector will indeed not ‘make up the shortfall’.

The perils of a reliance on private capital to fund the nation's culture are vividly evident in the current experience of Spain. A number of Spanish savings banks, known as 'cajas', had developed from 'montes de piedad', a form of pawn shop dating back to the nineteenth century. These were not for profit mutual societies, founded to encourage savings from the poor, and any surplus funds were put into foundations, which supported social welfare and cultural establishments. These foundations would become the main sponsors for the arts in Spain. In the European economic crisis, the 'cajas' have become banks, and, as the head of communications at the Museum of Contemporary Art in Barcelona explains: 'Now that they have changed from being savings banks to banks all this funding is going to disappear . . . Now they are not mutual societies and they have no obligation to fund the "obra social"' (*The Guardian*, 30.06.12). The Madrid foundation has now closed 48 of its cultural and social centres across Spain.

Bourdieu pointed in 1995 to the dangers of a situation in which the arts and culture were reliant on sponsorship. He speaks of:

. . . the threats that the new economic order represents to the autonomy of the intellectual 'creators'. Indeed, it may be feared that recourse to private patronage in order to finance art, literature and science will gradually place artists and scholars in a relationship of material and mental dependence on economic powers and market constraints . . . private patronage may justify the abdication of public authorities, who use the pretext of the existence of private patrons to withdraw and suspend their assistance, with the extraordinary result that citizens still finance the arts and sciences through tax exemptions. Furthermore, they finance the symbolic effect brought to bear on them to the extent that the funding appears as an example of the disinterested generosity of the corporations. (Bourdieu and Haake 1995, p. 160)

It is clear from the reports of sponsors and from ABSA that commercial sponsorship of arts events was anything but 'disinterested generosity', and the development of ABSA and later Arts & Business were instrumental in directly placing artists in that relationship of 'material and mental dependence'. As one former director of Arts & Business put it: ' . . . the arts were seeking to supplement their income. Our job was to teach the professional fundraising and management skills they needed to build bridges to the corporate world' (McIllroy 2002, p. 3). Those skills have been learnt by arts organizations and by artists, but in the context of a global recession, the corporate world is now pulling up the drawbridge.

Notes

- 1 By 1983, sponsorship of sporting events was worth £129 million, a figure that was to grow to £275 million by the end of the decade (Whannel 1992, p. 71).
- 2 Brough, C. (1977), 'As you like it: Private Support for the Arts'. London: The Bow Group.
- 3 Education, Science and Arts Committee (1982), *Public and Private Funding of the Arts*. London: HMSO.
- 4 Luce would later become vice chancellor of the University of Buckingham, Britain's first entirely private university, between 1992 and 1996.
- 5 Liverpool's successful bid to be European Capital of Culture in 2008 was demonstrably beneficial in bringing tourists to the city, in regenerating a long depressed inner city and in giving pleasure to the people of Liverpool and the surrounding areas. The bid for the London Olympics of 2012 made similar claims, that the Olympics would bring lasting benefits to the people of London and be central to the regeneration of neglected areas of the city. It was a case harder to make in 2009–10, as the recession began to bite, and expenditure on elaborate and costly stadia and arenas seemed a luxury that Britain could not then afford.
- 6 Kunzru writes that Nick Serota, director of the Tate galleries, 'like other museum directors, is expected to find money to run his institution from a variety of sources, including corporations and private individuals and this makes museums vulnerable to pressure from those who wish to use them to confer value on their holdings' (Kunzru, p. 17).
- 7 The annual budget for Arts Council England was £573 million for 2011–12, while in Germany, the city of Berlin alone had a budget for the same year of £783 million. Meanwhile, the estimated National Endowment for the Arts budget for the whole of the United States was £97 million for 2012 (*The Guardian*, 14.11.11, p. 21).
- 8 Art Watch UK is 'part of the international monitoring and campaigning ArtWatch International which was founded in 1992' (artwatchuk.wordpress.com).
- 9 The Andrew Lloyd Webber Foundation was established in 1992, and it set out to 'promote the arts, culture and heritage for the public benefit' (andrewlloydwebberfoundation.com, November 2011).

One Amazing Day. . . ? The Millennium Dome

The Millennium Dome was a major public event, and it was the first and the largest national public project and building to be predicated on funding from commercial sponsorship. Sponsorship would shape the ethos, the design and the contents of the Dome. The Millennium Exhibition (as it was termed in its early stages, with a nod to the Great Exhibition) may have taken place over a decade ago, but it stands (still) as a paradigm for a national building and event that was the product of a 'mixed' economy, in which sponsorship was integral; a model that would later shape London's staging of the 2012 Olympic Games. The Dome, like the Great Exhibition and the Festival of Britain before it, had been intended as a public exhibition of Britain's culture and industry and a display of national identity, but in the year 2000, it was initially championed as a bigger, more modern and technologically more sophisticated version than either.

While the design and naming of the Dome itself echoed the Festival of Britain's Dome of Discovery, the Dome and its displays were firmly distanced from the era of the welfare state. Like Winston Churchill, who had no wish to celebrate the successes of the post-war Labour government and demolished almost all traces of the Festival of Britain, so Tony Blair erased any suggestions of Old Labour in the shiny new Millennium Dome. The Millennium Experience placed far more emphasis on individual and corporate enterprise than had the regional and public spirit of the Festival of Britain. The 14 zones of the Dome each referenced forms of public life that Britain and New Labour could be proud about, but in almost every case, it was the corporate sponsor who was credited. Of all the absences in the Dome, the most significant was the contributions of the welfare state to the State of Britain in the new millennium.

The past was coded throughout the displays as quaint and old fashioned, an unenlightened history from which New Britain, and by implication New Labour, would emerge. In each zone, most vividly in the Work and Learning displays,

there were visual references to an 'old' world of grey tedium, defined against the contemporary pastel and neon colours that signified a brave new world of technology and enterprise. Each zone presented a narrative of progress in which every area of life would be improved by new technologies (and by the products of the sponsors). The only reference to the Festival of Britain found at the Millennium Dome was a 'veteran' red bus which had once taken the Festival around the country, it sat, hidden and neglected, beneath the shining new Ford cars of the 'Journey' zone. This was a statement that the municipal socialism of Old Labour had been supplanted, along with the faithful London Transport bus. The festival bus was relegated as an old-fashioned form of transport and denigrated in the guidebook as unspectacular in comparison with the scale and technology of the Dome: 'The bus is a startling reminder of the scale of our surroundings, it would take eighteen thousand buses like this to fill the Dome' (Millennium Experience 1999, p. 70).

The Millennium Dome was an emblem of New Labour, which both dramatized their economic model and (inadvertently) displayed their ideological frame. In the words of the introduction to the Millennium Experience guide book: 'The experience of visiting the Dome can open people's eyes to new ideas and to new products and policies at work' (Millennium Experience 1999, p. 9). The Millennium Experience underscored the distinct differences between the Festival of Britain, a product of the welfare state which had celebrated social and state provision, and the contents of the Millennium Dome, a product of New Labour's alliance with the private sector, which promoted the incursion of the private sector into the public domain.

The Millennium Experience (as it came to be named) looked resolutely to the future, but despite its forward-looking rhetoric, the Dome's attractions were more in the spirit of Victorian rational recreation than the twenty-first century, visitors were instructed and shown how to be good citizens and responsible consumers. The overall effect was a worthy and rather dull experience, rather than the promised 'amazing day'. The repeated emphasis on enterprise and technology situated the Dome within a frame of progressive modernity; the Dome was surprisingly lacking in any elements of post-modern culture; there was a relative absence of wit, pastiche and playfulness in most of the attractions (with the honourable exceptions of *Self Portrait*, and *Living Island*, which had both involved the public and community groups in their designs). The opening ceremony of the 2012 London Olympic Games was in marked contrast to the spirit of the Millennium Experience, with its collective energy, its respect for

history and its pleasure in the carnivalesque, highlighting what the Millennium Experience might have been but was not.

The Millennium Experience claimed to offer an image of Britain poised for a new millennium, united in its diversity as a nation with confidence in the creativity and inventiveness of the British people. In the Dome, however, it was the successes of public governance, and particularly the achievements of the Labour Party itself, which were striking in their absence, almost entirely airbrushed out of the 'inspiring vision'. The Dome instead offered a vivid case study in the remaking of Labour into the New Labour project and the reconfiguration of the contemporary understanding of the state and its relationship with corporate capital. The embrace of commercial sponsorship marked a transition from a Labour Party committed to a welfare state to one that was entirely comfortable with corporate power; as McGuigan put it:

The Dome was an incoherent vehicle for old delusions of national grandeur allied to corporate power in a neoliberal world. In toto, though, in complex and variable ways, it represented New Labour's 'Third Way' politics – the reconciliation of 'social-ism' with market forces. (McGuigan 2010, p. 57)

The building of the Dome, its financing and the choice of its exhibitions were organized, under the 1997 Labour Government of Tony Blair, by the New Millennium Experience Company. Tony Blair had given a speech in 1998 in which he outlined his vision of the Millennium Exhibition: 'In this Experience I want people to pause and reflect on this moment about the possibilities ahead of us, about the values that guide our society . . . It will be an event to lift our horizons. It will be a catalyst to imagine our futures' (Blair, quoted in Carling and Seeley 1998, p. 5). The Millennium Company commissioned the innovative architect Richard Rogers to build a large tent-like structure on the Greenwich Peninsula. What went inside, however, was almost entirely determined by the funding process; the thematic structure and the contents were not decided until commercial sponsorship was in place.

The Dome itself was designed as a giant tent, but the Millennium Experience had to wait for commercial sponsors before any of its contents could be decided, and what the Experience was to be remained mysterious until the opening. The 1998 Research Paper outlining the development of the Dome commented: 'Arguably the aspect of the Dome about which least is known is what will be put in it . . . ' (Carling and Seeley 1998, p. 43). A Select Committee's response to the planning of the Dome's contents was: 'From what

we know so far, the Millennium experience is . . . a journey into the unknown' (quoted in Carling and Seeley 1998, p. 43). Even Peter Mandelson, in charge of the Dome project, later admitted 'there was no central creative vision' (Mandelson 2010, p. 260).

The Dome was first conceived as Britain's focus for the Millennium celebration by the post-Thatcher Conservative Government led by John Major, and was taken over, after much contentious debate, by the 1997 Labour Government of Tony Blair. The planning of the Dome came at a pivotal moment in British politics; the momentum had gone from the original Thatcherite agenda, Thatcher herself had been ousted by her party, and the Conservatives were riven with tensions and rivalries. Under the label 'New Labour' Tony Blair seemed to have reinvented the party, on his election as party leader, Blair had ousted Clause IV of the Labour constitution¹, and was bent on a 'Third Way'² in politics and the economy, which attempted to steer an uneasy path between social democracy and neo-liberalism. A commitment to a mixed economy of public and private capital had become integral to both parties' economic and social policies. The effects of the 'private/public partnerships' that were so central to New Labour's policies of state expenditure were very visible both in the funding structure and in the displays of the Dome, most clearly in the embrace of commercial sponsors.

The minister for the Department for Culture, Media and Sport and the Chair of the Millennium Commission, Chris Smith, made it very clear in his introduction to the official guidebook that this was not a project funded by taxation: 'The Dome was built without a penny of taxpayers' money, but nonetheless, you may have helped fund the project. Most people play the National Lottery at some time or another; that is where the bulk of the money has come from' (Smith 1999, p. 84). The official souvenir book of the Dome, published before its opening, proudly echoed Smith, 'Not a penny of the £758 million budget comes from tax revenue' (Wildhide 1999, p. 11). As with other forms of sponsorship in the same period – the relative investment of sponsors was much less than the amount provided from public funding. McGuigan points out that 'Lottery money . . . is a kind of public subscription' (McGuigan 2010, p. 53) and calculated that:

Sponsorship eventually amounted to less than one fifth (around £150 million) of the amount of public money spent on the Millennium Experience (in excess of £800 million, including £628 million of Lottery money), yet corporate sponsors had a decisive impact on the exposition's focal concerns, design and management. (McGuigan 2010, p. 48)

The state-franchised National Lottery had been launched by John Major in 1994, and was a means of funding big capital projects without recourse to taxation. According to the Dome's official biographer, it was not entirely a coincidence that the Lottery was launched under a Conservative government, facing the need for a millennial event:

There is good reason to suspect that the idea of a millennial celebration and the idea of a National Lottery were not entirely independent in conception. The Conservative government was committed to low taxation and tight controls of public spending. With no money likely to be forthcoming from tax revenue and the end of the century fast approaching, the launch of the Lottery was certainly timely . . . (Wildhide 1999, p. 20)

The New Labour government did not depart from this model and made full use of the lottery funding. The Dome was financed by £449 million from the National Lottery, over half the budget, while sponsorship contributed £150 million, the sponsors nonetheless had a disproportionate influence on the contents of the Dome. While Camelot, the company awarded the Lottery franchise in 1994 (and again in 2001 and 2007), had only one exhibit (Shared Ground), far more visible were the commercial sponsors, who to a very large degree determined the design of the exhibition and its themes and contents. As the official guide book expressed it:

The designers were working under direct contract with the sponsors, with whom they had close professional relationships . . . Often . . . the pairing of zones with sponsors has proved creatively and technically productive. Major firms, such as GEC and BT, with their immense technological expertise, have had important contributions to make to the way different zones could be realized. (Wildhide 1999, p. 164)

This official narrative of the Dome's inception does express some anxiety about the role of the sponsors – but this is rapidly assuaged and is hardly referred to again throughout the souvenir book:

The whole issue of sponsorship – the notion of the commercial world getting its foot in the door of a national project – has always aroused a widespread degree of public suspicion, a suspicion heightened by the unprecedented amount of sponsorship required. There was simultaneously an anxiety that not enough sponsorship would be found, and an anxiety about how that sponsorship, if it were found, would manifest itself in terms of the content of the exhibition. (Wildhide 1999, p. 163)

That sponsorship was found, with the assistance of the International Management Group (IMG), who were contracted to find £150 million in sponsorship. It was not just a case of the commercial world getting 'its foot in the door'; the doors of the Dome were flung wide open to sponsorship. The Conservative Michael Heseltine had lined up British Aerospace, British Airways, British Telecom (BT) and GEC as 'corporate supporters', and the final group of 'founding partners' of the Millennium Experience included Manpower, Sky and Tesco, who each contributed £12 million. All were very visible presences at the Dome (see Carling and Seeley 1998, p. 25). In the case of BT, along with Ford, their sponsorship allowed them not only to promote their products, but also to effectively design and shape their own 'zones', as McGuigan explains:

An obvious motive for sponsorship was commercial promotion of the companies to the public. This was manifestly evident in the cases of BT's Talk Zone and Ford's Journey Zone. Both companies were able to negotiate 'turnkey' contracts with NMEC, which meant that they were allowed to design, build and run their own zones, in effect, with minimal interference from NMEC. (McGuigan 2010, p. 48)

The Festival of Britain had firmly and explicitly repudiated commercial interests in its planning and in its contents. The Director General of the Festival of Britain, Gerald Barry³, commented at the time of its planning:

Always before, large scale national exhibitions had been organized in trade sections . . . Space was sold to firms to display their own wares in their own way. This time we were going to dispense with all that. We were going to tell a consecutive story, not industry by industry, still less firm by firm, but the story of the British people and the land they live in and by. There was no space to let. (Barry, quoted in Banham and Hillier 1976, p. 15)

The Millennium Dome, however, could be seen as nothing but a space to let. In the words of an advertisement for the company 3Com in the official guidebook, the Millennium Dome was 'a showroom now open'. The Dome was a showroom for all its sponsors, who were, along with their products, presented in a very positive light and championed as beneficent partners of the Millennium Experience Company.

The themes of the South Bank exhibition of the Festival of Britain had been outlined in the Festival Booklet and clearly related to those areas of national life of which Britain could be proud:

The theme of the exhibition will be developed through sequences which correspond with certain activities illustrative of British life; for example,

Exploration and Discovery, Industry, Transport, Rural Life, the Home, Sport.
(Festival of Britain Office 1951, p. 5)

While the Millennium Experience was originally intended to follow a similar pattern, in the zones of the Dome, the theming was repeatedly changed to accommodate and to affirm the links with sponsors. The 'zones' of the Dome shifted with the requirements of various sponsors, right up to the last minute; as Wildhide explains:

The exhibition pavilions had originally been themed in a more or less standard way around topics such as sport, the arts, leisure and so on. What was needed now were subjects that were more inspirational and that could both be expressed within the context of 'making a difference' and provide a more obvious means of linking with sponsorship. (Wildhide 1999, p. 158)

Chris Smith effusively thanked the corporate sponsors in his foreword to the official Guide to the Dome: 'Without their generous help, what you see around you could not have been built' (Smith 1999, p. 84). That generosity, however, was not without self-interest, and it was not offered without strings. The sponsors not only shaped the theming of the Dome, they made clear demands about their visibility at the exhibition, they had a direct impact on the management of project and they framed the final 'zones' of the attractions. The education section proved so popular with sponsors that it was divided into two, at the last minute: 'As it was becoming clear . . . there were also sponsors keen to be associated with education, two days before the launch, Work spawned Learn' (Wildhide 1999, p. 16). It was the sponsors who demanded the sacking of the first chief executive officer of the Millennium Experience, Jennie Page, when visitor numbers were not as high as expected. Along with the conspicuous identification given to each sponsor in the guidebook, the sponsors' contributions bought a prominent presence throughout the site, a site that was inevitably going to be heavily promoted across the media. McGuigan strongly suggests that some sponsors of the British Millennium Dome were awarded significant government contracts, or advantageous legislation, in exchange for their sponsorship:

It may all be just coincidence, but it is reasonable to infer that sponsorship of the Millennium Experience was more than just a publicity exercise . . . the role of corporate sponsorship was not only about behind-the-scenes deals but also had consequences for the construction of meaning at the Dome. (McGuigan 2010, p. 50)

It was anticipated that sponsorship of the Dome would bring considerable kudos and esteem to its sponsors, if that was misplaced (the final judgements on the Millennium Experience were not kind), it did afford them extensive advertising. The official biographer of the Dome does express some concern about the extent of this branding at a state-sponsored event and recognizes that the Millennium Experience could have been funded entirely by the state rather than involving the private sector in its planning. Here she acknowledges the extent to which sponsorship had become part of the cultural life of the nation, but still recognizes that it is not entirely welcomed by the public:

While it has become more familiar to see corporate logos attached to what were formerly wholly state-run enterprises over the past few decades, such public and private sector marriages still have the capacity to provoke unease. For NMEC, the stakes were high. Excessive branding on the part of any sponsor would ruin the spirit of the exhibition; at the same time, without recognition, major corporations would be unlikely to come on board. As sponsors were found and paired with zones, broad issues of branding had to be thrashed out at contractual level, right down to the small print, to keep commercial messages to a minimum. (Wildhide 1999, p. 164)

The sponsors' logos may have been required to be discreet, but they were everywhere apparent, both inside and outside the Dome.⁴ Posters and screens advertising the sponsors' products were there to greet visitors as soon as they arrived at the North Greenwich underground; the walkway to the Dome was similarly adorned with advertising. Under the leadership of Pierre Gerbeau, who took over from the first chief executive, Jennie Page, sponsorship increased its presence and was structured into the visitor experience. As McGuigan explains:

Gerbeau knew whom he had to please first and foremost: the sponsors. He redefined them as 'partners'. Under the Gerbeau régime, large placards were erected in front of sponsored zones, making the corporate beneficence quite clear to the visiting public. Access to the Dome's main entrance was cordoned off in order to route visitors through 'the sponsor's village' of shop units. (McGuigan 2010, p. 46)

The official Millennium Guidebook featured prominent full-page advertisements for each sponsor. Tesco and McDonalds were the official catering suppliers, and their products alone were evident in every restaurant and refreshment area. A similar arrangement with sponsors would shape the catering at the 2012 London

Olympics, where McDonalds was the official 'fast-food' and Coca-Cola the official 'soft-drink' suppliers, cutting out any rival brands.

The Dome's attractions were organized much like the Disney parks (which Peter Mandelson visited in his capacity as Minister of the Dome and Chair of the Millennium Commission⁵). From a central hub (which featured a daily acrobatic display⁶), the 'zones' of the Dome branched out. With the exception of the Living Planet zone, each of these was sponsored by one or two commercial sponsors. A mission statement from each sponsor, along with their logo, was sited at both the entrance and exit for each attraction, and so it was the sponsors who framed and anchored the narrative of each exhibit. These statements served to attach the contents and connotations of the exhibit to the sponsor and also suggested that the sponsor's generosity was entirely responsible for the attraction. In every zone, the sponsor's name repeatedly appeared in the text, writing them into national narratives of transport, education, health, the environment and work.

Of the 14 central areas of the Dome, only two did not promote forms of work, travel or consumption and were designed entirely for entertainment and relaxation; neither found a sponsor. The 'Rest' zone was a 'relaxation chamber', which offered no attractions other than looped music and lighting effects. 'Play' was directed at children and offered interactive digital games, none of which were terribly impressive to those with a personal computer. For adults, throughout the 14 central spaces of the Dome, leisure was entirely predicated on consumption and technology, and both were written into the narrative of each zone. At the exit of each display, the visitor was siphoned into an arena which offered interactive computer games. These games were structured to produce a preferred response which promoted the sponsor and their products; corporate sponsors were in each case represented as the solution to the problems of changing patterns of work, travel, ageing and communications in the new millennium.⁷

Work

The Work zone was sponsored by Manpower Group, an American employment company, who currently describe themselves as:

... the world leader in innovative workforce solutions, creates and delivers high-impact solutions that enable our clients to achieve their business goals and enhance their competitiveness. With over 60 years of experience, our

\$22 billion company creates unique time to value through a comprehensive suite of innovative solutions that help clients win in the Human Age. (www.manpowergroup.com, accessed July 2012).

The exhibit that they funded promoted 'flexible' work, an exciting new world in which 'old certainties have disappeared . . . work patterns have undergone a revolution' (Millennium Experience 1999, p. 34). A secure job, and union protection of that job, belonged in the narrative of the Work zone to the dull past, flexible working was the new and exciting mode and Manpower presented themselves as the organization to manage the nation's workforce through this transition.

This narrative was vividly dramatized in the exhibit, which was divided into two sections. The first, titled 'The Old Work of Work Ltd', presented a wall of hamsters contained in cages, a display of a Kafkaesque grey world of filing cabinets, reams of paper, punch in clocks and time sheets. Old black and white television sets repeatedly showed looped images of a slave ship. This *mise en scène* depicted 'old' modes of working as alienating, time and place bound; in the words of the guide book: 'Work begins by reminding us that the supposedly "good old days" of a job for life often led to a lifetime of boredom' (*Millennium Guide*, p. 34). A large ticking clock counting down the hours of an average working life evoked Orwell's Big Brother. 'A job for life' was here represented as grim subjection to faceless authority, routine and alienation, a mode of working that was firmly located in the past.

The 'new' world of work was approached through a corridor which led from the drab grey world of 'old work' to a bright and coloured new world of flexible working. The entrance to this world was adorned with the Manpower logo and the slogan 'We can change things', in an echo of New Labour's 1997 victory slogan 'Things can only get better'. This change was imaged in another wall of hamster cages, now turned from grey to neon colours, and from which the hamsters have escaped. A wall of neon post-it notes referenced a contemporary office; many of the handwritten notes directly referred to the sponsor, one read: 'John - Manpower can help you', while other notes invoked fictional companies in search of temporary staff, or extolled the advantages of 'flexible' working: 'I can try consultancy . . . and marketing!'; 'I can resign today and start again tomorrow'. A wall of pastiche office signs continued to trumpet the benefits of flexitime and short-term working contracts, while another wall displays the 'oppression' of the old working culture, with time sheets and holiday request forms. A corridor

full of signs advocating the necessary attributes of the new world of work: 'Communication, IT, Numbers, Teamwork, Solutions, Skills' led into a room marked 'Flexible Working'. Here, a bank of screens, all marked with the Manpower logo, showed slogans which advocated the desirability and the modernity of flexible work patterns: 'Choose when to work', 'Job Sharing', 'Mobile Working', 'Part-time Working', 'Multiple Jobs' and finally, 'Temporary Work Forces are Welcome'. This rhetoric of 'Choice' fitted neatly with the policies of New Labour, and particularly with the position of Labour advisor Anthony Giddens, whose plan for the 'Third Way' had advocated flexible working patterns.

These screens made explicit the narrative of the earlier displays of hamsters and grey time sheets and filing cabinets; job security, unionization, work benefits and limited working hours belonged to the 'old' mode of working, the way forward would be short-term labour contracts (managed by Manpower). The Work zone constructed a world of work that was directly in the interests of employers, while presenting it as attractive and necessary to the work force. A display of mock road signs issued dire warnings of the consequences for workers who failed to adapt to new conditions of work: 'No parking: State employees will be retrained and moved on', 'Warning: Deep excavations for unskilled workers'. The final display featured an electronic screen with rolling job advertisements and details of Manpower branches. The sponsor's final mission statement was almost redundant, for its points had been already repeatedly made in the exhibition: 'Why we have sponsored Work: Work is our business. . . . We give you access to the new technologies, new choices, new opportunities'. The British workforce is shown that it must adapt to new modes of working, and Manpower is shown to be the means by which this neo-liberal new world of work will be managed. Manpower is thus inextricably linked with the future of the labour market in the new millennium; outside the space of the Dome, the company went on to gain the contracts for over half of the Employment Zones across the country.

Learning

Education was the most popular area for sponsors, dealing as it did with young people, but it was the supermarket Tesco which won the sponsorship; Tesco had a precedent in sponsoring educational activities through its 'Computers for

Schools' voucher schemes which had been running for some years by 2000.⁸ Tesco's mission statement at the entrance read:

Tesco . . . since 1992 has focussed its community investment on supporting education. Through Tesco Computers for Schools, over half the schools in Britain have benefited from £50 million worth of computer equipment. . . . As Official Education Sponsor at the Dome, we want to show how the barriers are now breaking down for everyone.

A montage of book titles covered the exterior of the display, but the great works of English Literature were not to be found inside, the emphasis was entirely on new technologies in schools. Like the Work zone (which had developed out of the Learning zone at the demand of the sponsors), this zone was organized around a sharp distinction between the past 'bad old days' of the state and a brave new system which was happy to embrace commerce. Education in this construction was about fitting the population with the skills required in the new future of work and echoed the lessons of the Work zone. In the words of the guide book:

Technological advancements and the changing face of work mean that employers need employees able and willing to acquire new skills. As the job for life has disappeared, so the idea of lifelong learning had taken hold. (Millennium Experience 1999, p. 39)

A battered school corridor, representing the state school system as it once had been, was policed by a fierce school master in full regalia of mortar board and gown; this was a figure from the Bash Street Kids comic strip, a teacher who belonged to the 1950s. The state education system was thus represented as one of shabby authoritarianism, not something to be celebrated, but relegated as oppressive and unfit for the 'changing world'. Visitors were ushered into an auditorium to witness a film, 'The Magic Seed', extolling the joys of education for every member of a family; a mother learns new skills through the Open University, a brother trains as a pilot. At the end of the film, the screen (literally) opened up into what the guide described as an 'infinite orchard'; a room full of computer screens, each offering games emphasizing the necessary skills for the new world of work. Every game ended with Tesco's logo, and the strap line 'Tesco - Every Little Helps . . .'. This was Tesco's advertising slogan, which was also found on every Computers for Schools voucher.

Throughout the Learning zone, there was no mention of the Department of Education (beyond a very small acknowledgement that they had provided

some information), of the National Union of Teachers, nor of the 1944 Butler Education Act. Learning might have acknowledged the provision of a universal state education system, but this belonged to the bad old days of the welfare state. Instead, Tesco was presented as a provider of educational opportunity; their sponsorship meant that a supermarket could assume all the credit for educational innovation and for the provision of new technologies in schools.

Body

The Body zone claimed to be 'a spectacular, thought provoking zone, instilling a sense of wonder at our bodies and at the prospects for health and well-being in the new millennium' (*Millennium Guide*, p. 19). With sponsorship from the French cosmetic company L'Oréal and from Boots the Chemist, 'well-being' was here constructed in terms of 'beauty' rather than health, and health care became a matter of new technologies and products rather than of lifestyle or a national health service.

As with the attractions of Home Planet and Work, the scale of the sponsorship allowed for an extravagant display, and the Body zone was one of the more spectacular sites in the Dome, with two outsized male and female figures inviting visitors to tour through their bodies. An area dedicated to 'medicine and health' did not reference the National Health Service at all, but presented instead the development of new commercial drugs and medical technologies. A display on 'lifestyle and health' did champion the importance of diet, exercise and 'holistic wellbeing', but health here became entirely a matter of individual responsibility, rather than anything related to the social or economic domains.

A popular interactive display demonstrated the effects of ageing and suggested that products from L'Oréal and Boots could delay the process. At the end of the exhibition, a bank of screens presented images of 'beautiful people'. These 'famously attractive people' proved to be the models then used in L'Oréal advertising campaigns; the faces of Claudia Schiffer, Kate Moss, David Ginola and Andie McDowell were among those employed as images of an unchallenged 'beauty', their statements on what 'beauty' meant for them were supplemented with quotes from Keats and Shakespeare on the 'beautiful', so attaching contemporary celebrities and L'Oréal to the greats of English

Literature. The Body zone might have paid tribute to the achievements of the British National Health Service, instead, it celebrated the products of L'Oréal and Boots.

Faith

The Faith Zone was the source of much controversy and failed to find a major sponsor. The Faith Zone represented nine different faiths and was developed with the Lambeth Group, a group set up in 1996 specifically to advise the Millennium Coordinating Group on 'religious sensitivities',⁹ and the Inter-Faith Network. The Millennium Experience was itself a very uneasy Christian phenomenon, the Millennium itself marked a Christian calendar date (as the Dean of King's College London noted in his statement for the Guide), at the same time the Millennium Experience attempted to be inclusive of all faiths. 'Faith' in the Millennium Experience was nonetheless anchored in Christianity, with the Queen as Head of the Church of England and a representative of the Church of England present at the opening ceremony. In his address to the Millennium Guide, the Dean endeavoured to embrace the diversity of belief in contemporary Britain, but simultaneously asserted Christianity as the national creed:

A millennium birthday party: it's all a long way from the birth of the baby Jesus, yet he continues to have this impact. Christians believe he is the son of God; Muslims revere him as a prophet, while others – including Sikhs and Hindus – respect him as a religious leader. Many of no religious belief are inspired by his human example of teaching, healing and liberating (Burridge, 1999).

The Faith zone was eventually made possible by 'generous donations' from the Laing Trust (an organization committed 'to furthering the Christian tradition'), the Hinduja Foundation,¹⁰ the Garfield Weston Foundation¹¹ and the Jerusalem Trust, another organization committed to 'Christian education . . . projects supporting Christian mission and evangelism in the UK' (www.charitycommission.gov.uk). Unusually in the context of the Dome, which had offered so many an opportunity for self-promotion, several sponsors of Faith chose to remain anonymous, credited only as 'three other trusts and organizations associated with the Christian faith' (Millennium Experience 1999, p. 26). That anonymity suggests a deep unease at the construction

of 'Faith' in the context of a multi-faith nation and of a project developed by a Labour government which had famously said 'we don't do God' (see Chapter 7, Education, Education, Education).

Self Portrait

Self Portrait was one of the very few spaces in the Dome that referred at all to the past, and that was largely because it was organized around individual statements from members of the public as to what it was that 'Britishness' meant to them. Marks and Spencer, the sponsors, had recruited its customers to produce images of the 'one thing (that) best represents Britain to you' which were then displayed in a collage. Among the images were the Queen and characters from children's literature (both of which would later feature strongly in the 2012 Olympics opening ceremony). Self Portrait was one of the very few spaces which offered some respite from the otherwise unrelenting modernity and optimism of the Dome, with its commission of some refreshingly vicious satirical sculptures by Gerald Scarfe. These were permitted, according to the Guide, as 'in the tradition of British satire', but nonetheless provided some welcome dissent from the upbeat messages of government and corporate sponsors. Marks and Spencer was, nonetheless, no less concerned than any other sponsor to promote itself and its products. It used its display to position the company as one of those 'things' that best represented Britain. Their mission statement displayed at the entrance and exit of the zone read:

Marks and Spencer touches the lives of people right across the UK. By sponsoring Self Portrait we are helping to reflect and celebrate the great diversity of people and cultures that make up Britain.

With our associated Millennium Experience Programmes, Children's Promise and Voices of Promise, we have given everyone in the country a chance to mark the millennium in a special way.

Marks and Spencer believe that people throughout the UK deserve the highest standards in life.

In this construction, the display of the 'best of British', and the associations with 'Britishness' that were most deeply held in the public affection become inextricable from Marks and Spencer – a company which, it is strongly suggested, will deliver the 'highest standards' to its customers. If this was one of the few attractions in which the public participated directly, the only means by which

the British people were able to produce a 'Self Portrait' was under the auspices of its sponsor, Marks and Spencer.

Mind

The Mind zone was designed to celebrate the possibilities of new technologies, and was sponsored by Marconi, the telecommunications company and BAe Systems, one of the world's largest arms manufacturers. Unlike other zones, the sponsors' core businesses were not directly related to the display, which the guide book vaguely described as 'Mind explores the nature of our perceptions' (Millennium Experience 1999, p. 22). Instead, the guide makes much of the innovative architectural space of the zone, designed by Zaha Hadid¹²; as multi-national corporations, BAe and Marconi were able to afford one of the Dome's 'most architecturally daring zones' (Millennium Experience 1999, p. 22).

Marconi equipment was repeatedly referenced in the display and cited in the captioning of exhibits; one read: 'It is through advanced communications technology provided by companies like Marconi that more minds can be linked than ever before.' The mission statement from Marconi read:

Almost a hundred years ago, Marconi's founder successfully sent the first transatlantic wireless message and changed the way we communicate forever. Mind gives Marconi an opportunity to celebrate our heritage of vision and image and look forward to a new millennium as innovators in communications, IT and the internet.

The opportunity was not taken to celebrate a British or American heritage of telecommunications innovation, Alexander Graham Bell and Thomas Edison are not referenced at all, instead Marconi (referencing, like Disney, both the individual and the corporation) is presented as having single-handedly developed the possibilities for global communications. The Mind zone might have celebrated Britain's considerable achievements in engineering and IT. In 1999, the year of the Dome's planning, *Time* magazine had named the British scientist Tim Berners-Lee,¹³ developer of the World Wide Web, as one of the most significant figures of the twentieth century, and he would later appear as a central element in the London Olympics opening ceremony. Berners-Lee had consistently resisted any privatizing or monetizing of the Web, arguing that it 'belonged to everyone', which may explain why there was no reference to him at all in Marconi's celebration of the 'the role of communications technology'

(Millennium Experience 1999, p. 22). Instead, their sponsorship gave Marconi and BAe all the credit for innovations in British technology in the new millennium.

According to McGuigan and Gilmore, Marconi and BAe had considerable vested interests in contributing to the Mind zone, they argue that BAe had reason to have concerns about New Labour's foreign policy and its impact on their business, while Marconi, they suggest: 'is said to have been motivated to sponsor Mind by a rebranding exercise, renaming itself from GEC (General Electric Company). . . .' (McGuigan and Gilmore 2002, p. 7). In 1999, Marconi had sold its wireless assets to British Aerospace, to form BAe Systems. BAe's mission statement reads:

BAe Systems has a dedicated work force . . . they use their skills to innovate and expand the world's understanding of science, technology and engineering. They have helped create the Mind Zone to enrich all our lives.

BAe Systems inspires young people to become the scientists and engineers of the new millennium. (authors' transcriptions from the Dome site)

There is here no acknowledgement of British universities' contributions to the 'world's understanding of science, technology and engineering', instead, knowledge and understanding become entirely a matter of skills developed by commercial interests rather than a state educational system; it is BAe Systems which 'inspires young people', not schools, colleges or universities. And how those skills are deployed in the context of BAe remained resolutely vague; there was no reference at all to British Aerospace's history in the manufacture of military equipment,¹⁴ or to BAe's global interests in defence and security.

Journey

Journey was the zone dedicated to Transport, and as sponsored by Ford cars, the display was inevitably a celebration of the individual motor car rather than of public transport. The aged Festival of Britain bus parked awkwardly underneath the site confirmed the narrative that the private car was the way of the future, a subsidized national transport system was a thing of the past.¹⁵ The car was written into the Journey Zone as the most advanced and significant form of transport and every television screen in the display, of which there were many, carried the Ford logo. A wall exhibition told the story of transport from the invention of the

wheel, a history which foregrounded the car, and Ford's contribution, at every opportunity. Ford's sponsorship contract had allowed them to design and run the zone themselves.

All the key moments in transport innovation were linked to the company; a Model T Ford is represented as a milestone in the development of the car, and the latest Ford model was the culmination of the exhibition. Captions throughout the display wrote Ford into the history of transport rather more frequently than could be historically justified, as in the caption: 'The Model T Ford introduced and sets new standards in car design'. Rail and bicycle travel were briefly acknowledged in the history of transport, but swiftly passed over, overwhelmed in a celebration of the car. The dominance of the car was at no point challenged; while there were some displays of statistics recognizing the dangers of traffic gridlock and climate change, these were represented as surmountable problems which the power of Ford would be well able to address with improvements to their products. Ford was thus presented as the solution to any anxieties about the relationship between motor transport and the environment. As their mission statement put it:

Ford is eager to embrace and shape a better future for all of us. So we have scoured the world for the best ideas – from designers, scientists and governments to improve the quality of our journeys. Let your imagination run wild as we look at future journeys on land, sea and in the air. (authors' transcriptions from the Dome site)

'Imagination', however, was in this exhibition, entirely circumscribed by Ford; the future was itself embodied in a Ford product; the narrative of the history of transport ended with the display of the most recent Ford Ka, surrounded by a display of car designs from the Royal College of Art (where Ford sponsor a vehicle design course). Ford's latest product thus became the pinnacle of transport history and the hope for the future, the caption read: 'Imagine the near future. Ford Kas like the one on display will be available in Europe . . . a safer, cleaner car for the future'. It is strongly implied that it is Ford, in association with government, which represents the 'positive transportation future' (in the words of the guide book) and that the environment is safe in their hands.

The Journey zone could have acknowledged the public transport system (a new section of the Jubilee Line on the London Underground had, after all, been specially built to serve the Dome), but the bus, the underground and the railways were relegated to footnotes in a celebration of the motorcar. The Journey zone instead celebrated private motoring and, particularly, the technology of Ford cars.

Living Island

This was markedly different from any other of the zones, in that it was one of the few sites that allowed for nostalgia, it had contributions from regional and community groups and it was one of the very few spaces in the Dome not to be dominated by sponsors. Living Island was dedicated to the preservation of the environment; themed as a seaside resort and fairground, each attraction had an ecological message, with information supplied by environmental organizations, such as the Marine Conservation Society. Living Island was one of the only areas of the Dome to display a real wit; it was unashamedly old-fashioned, with its use of rude postcards and Victorian architecture, evoking celebratory memories of the British seaside holiday.

While the display did, unusually in the Dome, make openly political points, and was directly critical of supermarket packaging, air travel and industrial waste as serious problems, no companies were identified, making its critical edge somewhat blunted. While fast food restaurants, supermarkets, air lines and cars were implicated in the displays as contributors to environmental damage, McDonalds, Tesco, British Airways and Ford could not be targeted as in any way accountable for environmental problems; they were the 'generous' corporate partners of the Millennium Experience, who were themselves responsible for other displays in the Dome.

If there were references to the damage done by corporate industry, the overall emphasis was on individual responsibility: 'our behaviour is the cause of environmental problems, and if we do not improve our ways, disaster will strike' (Millennium Experience 1999, p. 62); much of the display was dedicated to the importance of recycling and preventing waste. As in the Body zone, the emphasis was on lifestyle choices; there could be no acknowledgement that the ecological system is more at risk from corporate industries than from domestic consumption. What was most interesting about Living Island was how little could be said about the ecological crisis; the very evident presence of the sponsors elsewhere in the Dome would not allow for any critical bite.

Home Planet

Like Living Island, Home Planet was directly concerned with the environment, but unlike Home Planet, it was very clearly sponsored, by British Airways. Despite the naming of the zone, the exhibition made no reference to the Department of

the Environment, but instead promoted British Airways as the British airline and as a responsible curator of the planet. Like the Body zone, the scale of the sponsor allowed for a relatively extravagant display, this was the only zone in the Dome that had a 'dark' ride, which approximated to a theme park experience. While British Airways were clear in their mission statement that their motive in sponsoring the zone was 'To inspire people to travel in the new millennium', there was a conscious effort to give the exhibit an ecological tinge. The 'pilot' who guided visitors through a ride which simulated 'intergalactic travel' was a mother alien named 'Gaia'. That there might be a contradiction between British Airways' mission to increase air traffic and the need to protect 'mother Earth' was not, however, acknowledged at all. British Airways' stated aspiration in their mission statement to 'provide 21st century airports for modern travellers, helping to bring people closer together' sat very uneasily with the warnings of the Living Island zone, which had cited air travel as one of the key causes for environmental damage to the planet (although neither British Airways nor any other airline could be mentioned by name).

Money

The Money zone was sponsored by a City of London consortium – and was an unabashed celebration of the financial world and its significance to the British economy. 'A million people are employed by the financial services industry in the UK', as the guide book put it. The Money zone took it upon itself to explain:

. . . the link between our financial lives and the financial world around us. It shows that what we do with our money affects both the world and the value of money . . . yet most of us find it difficult to understand how money markets work. Generally we see our daily dealings with money as isolated transactions, without realising that our bank accounts, mortgages and pensions link us invisibly to a global economy. (Millennium Experience 1999, p. 50)

This was patronizing to a public audience in the year 2000, but in the aftermath of a global economic crisis, it reads as bitterly ironic. The attraction began with a (real) million pounds displayed in a glass corridor lined with £50 notes. An interactive game invited to visitors to spend their own imagined million pounds on outrageous luxury items – only to then confront them with the effects of an overheated economy, dramatized as a hellish financial meltdown. As with Living Planet, which had presented ecological damage as 'our' responsibility,

financial crisis was here represented as a problem caused by individual behaviour rather than the system itself. That the banks might have speculated rather more than a million, or that bankers themselves had indeed indulged in outrageous extravagance, was not in any way part of this agenda. The effects of undue fiscal extravagance (by the public) were represented in 'an enormous montage of images showing world events such as earthquakes, multi-national company mergers and peace agreements. This is mixed with images of the financial markets which cope with this unpredictable world' (Millennium Experience 1999, p. 52). The narrative of the Money zone reassured visitors that while economic catastrophe was possible, the banks and financial centres of the City of London had everything under control. That the banks and the financial services of the City of London would cope – that money was safe in their hands – was never in doubt. In 2008, in the wake of the global financial crisis, it was starkly apparent that not only could they not cope – but that the City of London had itself been instrumental in shaping government policy (both Labour and Conservative) to protect the banks and had virulently opposed any controls over the financial markets.

The Queen's official message had addressed the Dome's visitors as a united (if diverse) nation:

The Millennium Experience, in the same tradition as its predecessors, the Great Exhibition of 1851 and the Festival of Britain in 1951, provides a focus for the nation's celebrations at an important moment in our history. (Millennium Experience 1999, p. 5)

The Queen referred to the Millennium Experience as a 'great national exhibition', but its national identity as 'British' was significantly compromised by the range of sponsors. While Michael Heseltine's original line up of 'corporate supporters' British Aerospace, British Airways, British Telecom (BT) and GEC, had all sounded reassuringly British, the final range of sponsors included companies which clearly operated on a global scale. The 'Official Suppliers' to the Dome (who were also sponsors) included Coca-Cola, Compaq, Kodak and 3Com. Their products were prominent throughout the refreshment and shopping areas, and each company was given prominent advertising space in the official guide.

McGuigan and Gilmore have argued that: 'At the heart of the Dome problem, and exemplifying its deeper dynamics is the role of sponsorship' (McGuigan and Gilmore 2002, p. 7). The Millennium Dome was widely denigrated in the press in the year of its exhibition and thereafter as a disaster; the press condemned it as a waste of public funds and a popular failure. Journals as diverse as the *New*

Statesman ('Curb Your Enthusiasm'), *Marketing Week* ('Why Marketing Was Not To Blame') and *Supply Management* ('The Fiasco of the Dome') were united in their vilification of the Dome project. Visitors fell far below the anticipated 12 million (as outlined in the Research Paper), at 6.5 million, fewer people than had attended the Festival of Britain. For McGuigan, sponsorship was central to the failure of the Dome to find any public affection:

Among the determining factors of the Dome 'disaster', the role of corporate sponsorship – economically, ideologically and politically – was decisive. It is an extreme case of the impact of corporate sponsorship on public culture, illustrating the inordinate power, symbolically as well as materially, of business in liberal-democratic politics today. For a small fraction of the public money spent on it, sponsoring corporations were allowed to have the loudest say in most of the Dome's thematic zones. (McGuigan 2010, p. 56)

The 'inordinate power' of the sponsors revealed that the Dome was itself a manifestation of a Britain and a government uncertain of its place in a global economy. It also revealed a Labour government that was insistently turning its back on the achievements of the welfare state and turning instead to the embrace of corporate culture. In a newspaper leader of 2006, *The Guardian* cited the Dome as one of the greatest failings of the New Labour government:

The struggle to fund the dome and the struggle to find something, anything to put in it – be it faith zone or casino – has twice distilled ministerial dealings with businessmen into a toxic essence that has corroded the government's credibility. In both cases the sense has been of something well short of proper procedure, a starry-eyed adaptability in the presence of serious money that has become one of the most unattractive hallmarks of New Labour. (*The Guardian* Leader, 07.07.06)

The future of Britain, the potential of new technologies and the achievements of the British people at the moment of the new millennium, were, in the Dome built to celebrate that, shaped in the image and interests of corporate capital, the citizen was recalibrated as a consumer whose needs would be met by the branded products supplied by the sponsors.

The political journalist Andrew Marr laid out the hopes for the Millennium Experience in a research paper published before the Dome opened:

It needs to pose hard questions about human futures, the choices and lifestyles ahead, the consequences of new technologies. . . . It doesn't need a state sponsored show to ask questions of course. But the authority and reach of the

state, even in these privatised years, is such that it can cause them to be asked and debated more widely than a private company could . . . It has the potential to be the grandest and most enjoyable act of public education any of us have witnessed. (Marr, quoted in Carling and Seeley 1998, p. 10)

The Millennium Dome did have enormous potential, but in those ‘privatised years’, the authority and reach of the state under New Labour, just as it had under the Conservative governments of Thatcher and Major, resolutely framed those questions in terms of private capital and allowed them to be shaped by the sponsors. In an ironic reversal, over a decade later, the 2012 London Olympics Opening Ceremony, a project initiated by a Labour government and inherited by a Conservative-led coalition government, while the Dome had been a Conservative initiative inherited by a Labour government, did ask those questions. The ceremony, directed by Danny Boyle, was widely agreed to have been ‘the grandest and most enjoyable act of public education’ most in Britain had witnessed in their lifetimes. In the context of the Olympic Games, fraught with controversy over the role of sponsorship, the opening ceremony took place under the auspices of the Olympic flag in the Olympic stadium, a site that was required under Olympic rules to be a sponsorship free zone.

Notes

- 1 Clause IV had been written by the Fabian Sidney Webb and called on the Labour Party: ‘To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange . . .’
- 2 *The Third Way: The Renewal of Social Democracy* (Cambridge: Polity Press) was the title of a 1998 book by Anthony Giddens, professor of sociology and then the director of the London School of Economics; he was a close friend and advisor to Blair.
- 3 A plaque to commemorate Barry’s contribution to the Festival of Britain was put on the wall of the Festival Hall in 1971.
- 4 As McGuigan and Gilmore explain, Pierre Gerbeau, who was brought in to replace the chief executive Jennie Page and to draw in more visitors, was concerned to promote visitor recognition of the sponsors and redefined them as ‘partners’ (McGuigan and Gilmore, p. 4).
- 5 Pierre Gerbeau also came with experience from the Disney parks.

- 6 The acrobatic display, the 'Millennium Show', was, according to visitor research, the most popular feature of the Millennium Experience, significantly, as this was one of the few attractions of the Dome not to feature any sponsorship (see McGuigan and Gilmore 2002, p. 13).
- 7 The following accounts of the 'zones' of the Dome do not cover every attraction available, but identify those in which sponsorship (or its absence) was central in shaping the contents and messages of each zone.
- 8 In 2001, the BBC reported the findings of *Which* (the magazine of the Consumers' Association), that it would take £20,000 worth of shopping in Tesco's to collect enough vouchers for a computer worth less than £1000 (www.bbc.co.uk, 2001).
- 9 The Lambeth Group was formally known as the Churches and Other Faiths sub-group of the Millennium Co-ordinating Group of the Department for Culture, Media and Sport.
- 10 The Hinduja Foundation was the main sponsor of the Faith zone; a year later, both the Hinduja brothers and members of New Labour were embroiled in a scandal in which it was alleged that their application for British citizenship had been fast-tracked through their close association with ministers. Although an independent enquiry ruled that there had been no improper behaviour, two government ministers resigned over the allegations.
- 11 The Garston Weston Foundation was a major donor to the Conservative Party. In 2010, the Charity Commission found that their contributions were in breach of charity law, as were their donations to the Centre for Policy Studies. They have also contributed to right-wing European political lobby groups, including the European Foundation, and have been implicated in offshore tax avoidance schemes.
- 12 Zaha Hadid was the British entry in the Venice Architecture Biennale in 2000, the year of the Dome, where her display was one in an exhibition of 'City Visionaries'.
- 13 Berners-Lee would not take out copyright or a patent on his discovery and so made the World Wide Web freely available.
- 14 In 1999, BAe signed a contract with the Tanzanian government, which was later judged as corrupt by the Serious Fraud Squad, in 2010.
- 15 The deregulation of the bus services had begun under Thatcher in the 1980s, and British Rail was privatized in 1993. Blair's administration did nothing to reverse this privatization.

Education, Education, Education . . .

One of the performances offered at the Millennium Dome was to be found in the 'Learning zone'; an audience was ushered into a simulacrum of a down-at-heel state school, and lectured at by a fearsome schoolmaster in mortar board and academic gown who was brandishing a cane. This was an image of state school education based on the school teachers of *Beano* cartoons; the Learning zone promised a new vision of British education, in which the 'bad old days' of the welfare state were to be rapidly replaced by the shiny new possibilities of new technologies. The audience were led from the classroom to a magical space where they were surrounded by a bank of computers – in which every screen declared the name of the sponsor of both the Learning zone and the computers, Tesco supermarkets. This spectacle was a clear statement from New Labour (under whose auspices the contents and sponsors of the Dome were organized) – that commercial sponsorship was more than welcome to become involved in national educational provision, indeed, that new school buildings, new equipment and new technology in schools were dependent on the generosity of sponsors.

New Labour policy for education consisted of a dizzying array of initiatives and new names for the consequences of those policy initiatives. The CTCs (Community Technology Colleges) that Kenneth Baker had initiated under Thatcher were turned into Beacon Schools under New Labour, then EAZS (Education Action Zones), then City Academies, then Academy Schools. The Conservative and Liberal Democrat coalition government elected in 2010 is no less fervent for reform, as Melissa Benn expressed it in 2011, 'With manic zeal, the new Coalition Government is advancing the 'choice and diversity' revolution begun in the Thatcherite years' (Benn 2011, p. xix). The coalition's flagship project, under Conservative Education Minister Michael Gove, is free schools. What all these appellations for educational establishments share is that they can bypass Local Education Authorities (whose control over schools was a principle

established in the 1944 Education Act), are sponsored and can be led by private companies and individuals.

What made this intervention of private capital into a state-funded education system possible was legislation introduced under the Thatcher government which had removed the provision of some schools services from local authority control – and forced the hand of schools to offer contracts to private providers. This was a stealthy introduction of the free market into schools (in a way that was then and continues to be mirrored in the Health Service). The British education system had the potential to award huge contracts which were worth a great deal of money (the education market is worth over £100 billion, according to the Association for Teachers and Lecturers (Benn 2011, p. 118); these contracts, from financial services to catering, allowed for-profit companies to enter into education provision (companies which, in many cases, had no previous knowledge of schools). Over successive administrations, private providers have taken over more and more aspects of education, and, increasingly, in the case of Academies and free schools, entire schools, while governments maintain that education remains in the public domain; an example of the process of the hollowing out of the state. In his study of the incursion of private finance into British public services, George Monbiot pointed particularly to ‘... the corporate takeover of schools’ (Monbiot 2000, p. 331).

In 1979, the Labour Party Research department had produced an information paper, ‘The Tories’ Education Policy’, in which it pointed to the ‘Threat to Statutory Services’, the threat to education of both Conservative cuts and the removal of local authority responsibility in some aspects of education provision. The paper argued that:

... cuts of this magnitude would require legislation to relieve local authorities of some statutory duties, including almost certainly provision of school transport, meals and milk. ... Michael Heseltine has announced that legislation will be introduced to take away the statutory duties of local authorities to provide school milk and meals, and to remove the restrictions on charging for school transport. ... The effects of such measures will be extremely harmful to the organisation of pupils’ school life and home life which in turn will have a deleterious effect on educational standards. (Labour Research Department 1979, p. 35)

Blair’s electoral promise as he took power in 1997 was famously: ‘Education, Education Education’, an indication of the centrality of education policy to

his administration. Nevertheless, he did not take account of the warnings of the Labour Party Research department, and educational policy for secondary schools under New Labour was not markedly different from that of the previous Conservative government under John Major. As Toynbee and Walker put it: 'On the shape of the secondary schools there was not, in truth, a great difference between Major's and Blair's policies' (Toynbee and Walker 2001, p. 46).

Chris Woodhead, who had been head of the Office for Standards in Education (Ofsted, the schools inspection service since 1994) under the Major government, was reappointed by Labour's Education Minister David Blunkett in 1998. Woodhead was dismissive of teachers, the teaching unions and local education authorities and has been a key figure in urging successive governments to allow for-profit groups into education. It was Woodhead who ran the HMI inspections of school performance, and so had the power to claim a school as 'failing' – a key element in allowing schools to be taken over by private contractors. Woodhead is now the Chair of Cognita, founded with Englefield Capital LLP, the largest private school provider in the United Kingdom, and with schools in Singapore, Spain and Thailand.¹ Cognita now offers its services to groups interested in setting up a free school, and Woodhead has been vocal in urging education ministers to allow for-profit companies to run state schools.²

New Labour was locked into a paradox of making expensive manifesto promises without raising tax revenues to fund them. The Labour manifesto of 1997 had promised to reduce class sizes and to provide nursery places for all four-year olds, computers in schools and more spending on school buildings. However, under Labour in 1998, expenditure on education was 4.9 per cent of GDP, compared to an average of 5.3 per cent across the OECD. As Toynbee and Walker explain: 'the Blair Government tried to effect an educational revolution on the cheap' (2001, p. 60). As with other policies on health and welfare reform, the private finance initiative (PFI, a policy initiated under the Conservatives in 1992, but substantially developed under New Labour³), seemed to be a means of squaring this circle and a way of securing funding for new school buildings and essential equipment. The first PFI school had opened in 1999, in Hull, where the school building was maintained and managed by private contractors; 4 years later, there were 39 such arrangements.

The question of 'parental choice' was something that had bedevilled education policy since the Education Act of 1944, and a diversification of school provision

was central to New Labour's 'reforms' of education policy. Beck explains the strategy:

... the expansion of specialist schools and the creation of faith schools, academies and ... trust schools. This policy of diversification in secondary education has been further legitimized as reinvigorating 'civil society' - by promoting greater parental and also community involvement in schooling, and by increasing participation in the provision of schooling by a range of non-state providers: notably religious groups, business organizations and wealthy individuals. (Beck 2008, p. 15)

It is notable how close the language of 'parental and community involvement' is here to current coalition policy under David Cameron. The 'civil society' agenda here is not far removed from David Cameron's election rhetoric of the Big Society, while the opening up of public welfare, health and education services to 'any willing provider' is a central feature of the coalition government's economic policy.

PFI was one means by which private capital made its way into schools, lured by lucrative contracts for services and technologies, but as Monbiot points out, this was not the only way of capitalizing on the commercial potential of schools: 'There are many ways of making money from education, but the most widespread is the use of school as an advertising medium. It is a lucrative business' (Monbiot 2002, p. 331).

The lucrative business of sponsorship in schools

In 1996, the year before Blair came into office, the managing director of the self-proclaimed 'United Kingdom's largest publisher of books on disk and electronic books for schools' (Attwood 1996, p. 1) wrote a guide to the *Business Sponsorship of Primary and Middle Schools* in which he advised schools on how to pitch for and to attract commercial sponsors. Attwood's company, in dealing with text books and software for schools, was exactly the kind of business that large corporations would later buy up as private providers entered further into the business of education; a small educational company that would give them some credibility in offering services to schools.

Attwood unwittingly provides some insights into the motivations for companies to sponsor schools - which are not at all about community engagement, but rather commercial interest. Schools offer an immediate connection with

students and parents, and these groups are – as Tesco knew well – consumers. As Attwood puts it:

The firms who you should be approaching, the people who you hope will become your sponsors, are businesses who want to reach the parents and give a good impression to everyone who values education . . . they are businesses that sell to families, or use family as the image they wish to promote. (Attwood 1996, p. 12)

He is very clear in his introduction that schools should make the benefits of sponsorship clear to potential sponsors – there is no suggestion that local ties or charitable impulse could be sufficient motivation. Attwood has no compunctions that the school, teachers or students might be compromised by the effects of sponsorship. One of his suggestions is that the sponsor should feature in ‘The head teachers’ speech . . . every sponsor should get a positive mention in every speech the head teacher gives. Meetings of the PTA, meetings for prospective parents, meetings of parents and governors – every meeting should be an opportunity . . . (Attwood 1996, p. 35). Speech Day represents another opportunity for sponsorship: ‘By sponsoring the whole day the sponsor may . . . be doing nothing more than putting up the money to buy the prizes, but it gives you a chance to offer the sponsor more. This is the sponsor’s day. In the advance notices for the day you can tell the parents all about this sponsor’ (Attwood 1996, p. 33). Other ideas include the use of groups of school children for market research, and the sponsoring of particular teachers or library books.

Attwood cheerfully acknowledges that there has been a substantial change in attitudes towards the sponsorship of education under Conservative governments – and that the potential for business sponsorship in schools is there to be embraced by teachers:

It has become clear that government regulations relating to business sponsorship has been much relaxed in recent years and it is now possible for schools to gain business sponsorship over a wide range of areas.

Indeed the government’s own involvement in this field has shown that the government is keen to see the sponsorship of schools by commercial operations in return for recognition for the money that is put into the school.

Perhaps the most valuable ‘property’ that the school has to offer is its name, and it is possible that either a local or a national business may be interested in paying substantial money to our school year by year in return for sign which would reflect the role of the sponsoring company. (Attwood 1996, p. 23)

Attwood outlines 21 further 'Sponsorship Plans' which include: the sponsorship of rooms and buildings, sports, the school uniform, the minibus, the car park, an entrance plaque, computer systems, headed paper, mugs, cups, placemats and lunch boxes (which would carry both the school's name and the sponsor's logo), while exercise books offer 'an opportunity for a sponsor's advertisement to be placed on the front of each and every one of these books' (Attwood 1996, p. 28). In 2001, 'Jazzy Books' were exercise books offered to British schools by sponsors with covers advertising soft drinks and sportswear.

Monbiot's assessment in 2000 demonstrates the extent to which many of these ideas had already been taken up in America – and were increasingly coming to Britain. Cheeringly, *Media Week* reported in 1997 that 'schools seeking to raise up to £5000 from billboards on their premises could be disappointed as no advertisers have signed up to use the controversial medium, due to launch in January. . . . Imagination for Schools Media Marketing, the company running the scheme, confirmed that only 11 advertisers had shown interest and no orders had been placed' (27.11.97). According to Monbiot, however, billboards did appear in British schools for the first time in 1998 (2000, p. 334). Initiatives such as these seemed to many schools a logical response to successive education cuts, and, 15 years later, they no longer seem quite as outrageous as they once did.

School teacher Frank Melling also published a guide advising teachers on how to attract sponsorship in 1996. His own account of his need to attract sponsorship to support a small magazine project is a clear indication of the pressure on professional teachers to find commercial partners to support work that the education system itself would no longer fund:

That State education is under-funded is self-evident. It is not for me to decide whether this is effective government or not. I am rigidly apolitical in my professional life and have no comment to make. However, an inevitable consequence of this lack of resources is that many teachers are unable to carry out work which they feel is important to them. I was one of them.

I reached the point where I felt that the project I wanted to undertake was more important than my reservations about seeking sponsorship. . . . I am inclined to the belief that good education should be supported by central government. . . . not even a second-hand paper clip was coming direct from central government. I accepted that this was the situation and buckled down to finding the funding myself. (Melling 1996, p. 4)

Having overcome his reservations, Melling is able to embrace the benefits of sponsorship and to understand its workings. In an interesting phrase, Melling refers to a school's 'brand properties'; this was 4 years before the advent of 'academy schools', which depended on their 'branding', ushered in under Blair's government. The need to attract sponsorship was clearly a lever in making individual schools within the state system develop a sense of 'branding', as Melling puts it: ' . . . the brand, and its associated properties, are the most valuable assets a company has and the same is true for a school' (Melling 1996, p. 18). He is clearly aware that sponsorship for educational projects does not derive from philanthropic motives and that 'sponsorship must provide some tangible benefit for the sponsor. . . .' (Melling 1996, p. 4).

A great many major corporations found that sponsoring schools, activities did represent 'tangible benefits' for their products. McDonalds had for many years produced pens and pencil cases as small gifts given away with children's meals, and so ensured that their logo is present in classrooms across the country. It is no accident that the children in Morton Spurlock's 2004 documentary *Super Size Me* recognized the MacDonal'd's logo and clown character over any other cultural symbol. Commercial sponsorship in schools has since gathered pace and moved beyond product placement in the classroom, to the point where it has come to shape teaching materials and to inform the school syllabus. By 1996, the Tesco School Vouchers scheme, launched in 1992, had been joined by Sainsbury's Schoolbags⁴, Asda's 'Best for Kids' and school equipment offers from W. H. Smith's, Boots and Dixons (*The Guardian*, 04.03.96). Nike established a football coaching scheme, promoting their footwear and logo. Nestlé supported a range of schemes in schools – Young Enterprise, Food Fitness, tennis promotion and the Kids Club Network, which sponsored art and music activities. The sun cream manufacturer Ambre Solaire sponsored a teaching pack for the National Science Curriculum which presented the properties of sun and light while promoting the necessity of protection with their products (*The Guardian*, 22.05.96). The sponsors for the Regional teaching awards of 2001 included British Telecom and Lloyds TSB (*The Guardian*, 26.06.01). A journalist reported in 2002 that in 1 week, her children came home from primary school with marketing material from three different companies: 'The Ariel Stains and Science Project', another Persil promotion which provided art materials in return for tokens from the product, and a school trip to a chain of gyms – all sanctioned with notes addressed to the parents from the Parent and Teachers Association. The Ariel project was defended by the manufacturer

Procter and Gamble on the grounds that 'it met a genuine need for educational material on data collection and analysis. The project has been used in thousands of schools' (Hockton 2002).

Between 2001 and 2004, the New Labour government invested more than £1 billion in information and communications technology in partnership with software developers. The distinction between the sponsorship of particular projects and equipment and the actual stuff of the teaching curriculum, however, became increasingly blurred. As Monbiot pointed out:

While playgrounds, gyms, corridors and even exercise book covers are used as billboards, the principal means by which most advertisers reach children in American schools is through sponsoring teaching packs and television programmes. Schools, especially the poorer ones, take them, as they are often desperately short of resources. (Monbiot 2000, p. 332)

The use of sponsored teaching materials was now firmly the case in Britain. First Impressions Marketing is a company which has been making inroads into British schools since 1992 – in sending marketing materials to schools that have registered with them. Teaching materials sponsored by corporations to promote their own particular agendas increasingly appeared in the classroom, often in contravention of any academic consensus or benefit to children. Walkers Crisps offered free books to schools, provided in exchange for tokens collected from their crisp packets. This was a scheme endorsed by David Blunkett (then Minister for Education) – despite the fact that Consumers' Association guidelines, drawn up in association with the Department of Education, had explicitly stated that materials distributed in schools should not encourage unhealthy activities.

Colgate continues to operate a 'Bright Smiles Bright Futures' campaign which provides free multi-media classroom products for teachers. Their website cheerfully explains that: 'Classrooms and dental offices are additional settings where children can easily learn about healthy brushing habits. These downloadable materials and activities are specially designed for teachers and dental professionals to help educate kids about keeping their smiles bright' (www.colgate.com/BrightSmilesBrightFutures). Colgate advertising thus came to appear in classrooms and is endorsed as teaching material. High street banks send schools CD ROMS and games machines which promote the banks while purporting to teach schoolchildren personal finance (*The Observer*, 11.02.01). The Royal Bank of Scotland has an education department which supports training days for schools and teachers. It currently runs

a scheme called ‘Moneysense’ which endorses the bank in an interactive computer game:

Our relationship with money begins before we’ve left school. By working in partnership with teachers, we’ve created an interactive programme for schools, which shows how good money management skills help in everyday life. (www.rbs.co.uk accessed March 2011)

One teacher described in 2002 the creeping process by which sponsorship had infiltrated and become naturalized in the classroom:

It does worry me slightly. For us, the Tesco campaign meant we got five or six new computers. But it gets a bit out of hand - soon after that you had W. H. Smith and Walkers crisps operating similar schemes. . . (Quoted in Barton, 30.07.02)

The NUT was so concerned that it produced a leaflet for the DfES with guidelines for teachers, in which it clearly stated its concerns:

The NUT . . . is deeply alarmed at the targeting of schools by businesses seeking simply to market their products and exploit schools, pupils and parents. In recent years there has been an unprecedented increase in the use of commercial materials in schools, with UK brands spending an estimated £300m a year on targeting the classroom to increase sales. (www.teachers.org.uk, accessed March 2011)

The NUT produced a paper, ‘Education not Exploitation’, in which they reported the degree of sophistication in First Impression’s marketing to school children through the distribution of ‘goody bags’ which:

. . . were aimed at different age groups and contained sample products by companies such as McVities, Tomy Toys, The Popcorn Institute and Disney. These bags now reach one in four school children. The benefits to First Impression’s clients are listed on the agency’s website; bags are handed out by teachers “giving your product added credibility”, “double exposure” for primary school bags that are taken home and seen by “parents/decision-makers”. The agency’s website goes on to state that children can be accurately targeted by age, sex and TV region. (www.teachers.org.uk, accessed March 2011)

Nonetheless, commercial sponsorship continued to expand in the education service, although the beneficence of sponsors was not equally spread in all regions or city areas.

Bennett and Gabriel pertinently asked the question: 'Schools sponsorship: Corporate philanthropy or integrated marketing?' and concluded that schools in affluent areas were 'far more proactive in their approaches to sponsorship and employed head teachers with more positive attitudes towards marketing and sponsorship than schools in poorer neighbourhoods' (Bennett and Gabriel 1999, p. 142). In a 2001 article, 'The ethical climate of public schooling under new public management', academics Dempster, Freakley and Parry also drew attention to the many ways in which the competitive climate in education was putting ethical standards under stress. The then Archbishop of Canterbury, Rowan Williams, was sufficiently concerned at the incursion of commercialism into schools that he spoke out against the marketing strategies directed at children and, in 2005, supported the Compass think-tank report 'Commercialisation of Childhood' (www.compassonline.org.uk).

A number of sponsored schemes entering into schools disguised the origins of their support, and in some cases were supported by organizations that teachers and parents might well feel uncomfortable about. In 2001, Scottish Enterprise distributed teaching materials 'Biotechnology and You' which was published by a lobby group funded by, among other companies, Monsanto and Pfizer; the classroom exercises attacked organic farming and promoted the use of GM crops. A charitable scheme addressed to schools, Operation Christmas Child, operated in Britain from 1995. It was organized by an American evangelical group, 'Samaritan's Purse International (SPI)', led by the son of Evangelist Billy Graham. Half a million Christmas boxes were collected from British schools, churches and businesses, with schools involving their pupils as part of the citizenship curriculum. Apart from the value of the contents of the boxes, SPI also asked for a £2 donation for each box to cover costs. The charity's accounts for 2001 showed an annual income of £96 million. The scheme was supported in Britain by the morning programme GMTV and was sponsored by the car fitting company Kwik-Fit. The instructions contained no indication of the charity's missionary role, nor that the boxes were sent out with evangelical literature.

The market in education

Whatever the ethical problems of this kind of sponsorship, what was even less visible than direct and indirect marketing to school children (and their parents) was the steady development of corporate presence in the management, building

and provision of school services. What had begun with outsourcing increasingly extended to the running of entire schools. Outsourcing in the education sector had initially been in back room activities, such as payroll, personnel and property management, but now moved into direct control over schools.

Under the Conservative government, capital investment in school buildings had fallen dramatically, and New Labour deemed that the necessary rebuilding and repairs of schools could only be achieved under PFI. According to Nick Mathiason of *The Observer*:

Nearly 20 per cent of the more than £9billion committed by the Government since 1997 to rebuild schools is earmarked for schemes under the private finance initiative. Under this, private consortiums build schools and then receive rent from the local education authority for up to 50 years. These index-linked contracts eventually cost much more than direct state investment. (Mathiason 11.02.01)

In 1999, Dave Hill wrote a pamphlet in which he argued that New Labour education policy was closer to the agenda of what he terms the 'Radical Right' than to any Social Democratic model. He suggested: 'New Labour is actually spreading the frontiers of neo-liberalism in education, in its promotion of the business ethic and privatised control over schooling and education. . . .' (Hill 1999, p. 26).

This 'privatised control' was evident when Islington became the first local authority to have the actual teaching in schools wrested from its control in 2005⁵. Cambridge Education Associates were awarded an £1.5 million contract for 7 years to run Islington's schools. Islington Green School had failed its Ofsted report in 1997; in a controversial decision, it was categorized as a 'failing school', in which Chris Woodhead overruled his HMI Inspectors who had unanimously agreed that it was not 'failing' (*The Guardian*, 04.02.05).⁶ Cambridge Education Associates (CEA) continue to 'work in partnership' with the council, but are still in place in Islington. In 2003, CEA merged with Cambridge Education Consultants to form Cambridge Education, which runs schools in America, China, Australia, Thailand and Islington. Cambridge Education is now part of Mott Macdonald, a management and development consultancy, whose business is founded on engineering and is now a global corporation: 'At Mott MacDonald our business spans the globe, with around 150 company, site and associate offices in over 120 countries' (www.mottmac.com). The website for Cambridge Education now offers support to schools applying for academy status and free schools under the new initiatives of the coalition government.

The pattern in which a state school was declared to be 'failing' to then be taken over by a small company that ostensibly has some connection with education, which itself is then taken over by a much larger corporation (often with no background in education at all), was a model that would be repeated across schools and local authorities over the next decade. This process, whereby a major corporation would acquire a company or charity related to education and use it as a fig leaf to claim specialist expertise, would become known as finding 'bid candy' and would be replicated across public services, in education, health and welfare.

The handing over of a whole school authority to a for-profit company was a step beyond CTCs, even the Thatcher government had not handed schooling over to the private sector on such a scale as did New Labour, as Toynbee and Walker explain: 'Thatcher had blustered; the Tories had dreamt of but could never quite steel themselves to take this step' (Toynbee and Walker 2001, p. 46). In 2000, Monbiot announced:

Education management in Britain looks as if it is about to become big business. In February 1999, King's Manor School in Guildford, Surrey, became the first state school in Britain whose administration was handed over to a private company. One month later, the government announced that it would contract out educational services to private companies in Hackney, east London. In November, 1999, the Department for Education and Employment named a consultancy company as its 'preferred bidder' to run the schools in the London Borough of Islington. (Monbiot 2000, p. 337)

In fact, by 2000, 'education management' was already big business, and 'private companies' were being invited to involve themselves in schools as partners, in ways that went well beyond management. The first 25 Education Action Zones (EAZs) had been announced and were expected to begin in January 1999. A requirement of the designation 'Education Action Zone' was that education areas were required to find private sponsorship and were to be run by 'action forums', which would include commercial interests. As Ofsted explained EAZs:

EAZs are partnerships of schools and other local interests, including business, which have the autonomy and flexibility to harness partners' expertise and develop innovative educational strategies for the benefit of schools and local communities. (www.ofsted.gov.uk, 2001)

In practice, the business partners were to include Shell (in Lambeth), Manchester Airport (in Wythenshawe, Manchester), Cadbury Schweppes (in Birmingham), British Aerospace, Tesco, Kelloggs and McDonald's (Monbiot 2000, pp. 335–6). These were not 'local' companies, nor did their expertise have anything much to do with education.

The benefits to corporations for their involvement with EAZs were close to those derived from the sponsorship of projects and equipment, goodwill from consumers and an apparent beneficence, which actually had little to do with philanthropy. As Monbiot explains:

In return for their financial contributions, the munificent companies can reap both public relations benefits - as their good works become known to parents and teachers - and potential recruits, as they can guide educational policies better to meet their employment needs. (Monbiot 2000, p. 336)

Whatever the benefits to corporations, the EAZs were not a success for teachers or for students. They came under sustained criticism from teaching unions, Ofsted, school inspectors and the Institute of Public Policy Research. And the results were not good, the Schools Minister Stephen Timms admitted that 'there were very significant achievement gaps' in secondary schools in EAZs, and that they were improving at a slower rate than the national average (*The Guardian*, 15.11.01). The scheme was condemned (ironically, given their later support for 'free' schools) in an investigation launched by the Liberal Democrats as 'an embarrassing flop'.

A National Audit Office report showed that the zones attracted barely half the target for private sponsorship. According to *The Guardian*: '... the accounts show some zones received substantial investment from central government but failed to deliver private sector money' (*The Guardian*, 27.11.01). The schemes were quietly withdrawn. The EAZs were a clear demonstration that government faith in sponsorship picking up the short-fall in state expenditure was not only misplaced, but also that such schemes required a considerable government outlay which was often not recuperated. Whatever the failings of EAZs, they were an exemplar of New Labour thinking, and the shape of things to come. As Ball explained from the hindsight of 2007, EAZs:

... brought together a number of the new forms of funding and of local social relations which typify the Third Way aspects of the competition state ... the EAZs provided a test-bed for strategies and ideas which would be developed

further in later policies . . . Again key boundaries between the public sector and between the public and private sectors were breached and reworked. (Ball 2007, p. 23)

The Labour Party manifesto for the 2001 election promised further investment in education – investment that would come from private sponsorship rather than taxation. Despite the fact that the Social Market Foundation was critical of the practice by which ‘private companies were brought in to turn round “failing authorities”’ (*The Guardian*, 04.11.01), in 2001, Estelle Morris, then education and skills secretary, announced a new raft of ‘specialist schools’ – bringing the total to 684. These ‘Beacon’ schools were required to raise £50,000 in sponsorship in order to qualify for extra capital and grants from government (*The Guardian* 22.06.01).

Academy schools

Academies were the next strategy; set to take over from the EAZs, they too ran into the same problem of attracting private sponsorship. One of Blair’s advisors at the time, Peter Hyman,⁷ described the mission of Academy Schools as ‘one of Tony Blair’s pet projects. They symbolize many of his aims for public services. . . .’ (Hyman 2006, p. 306). The ‘academy’ schools, initially known as ‘city academies’, drew on the City Technology Colleges model first proposed by Conservative Education Minister Kenneth Baker and extended it across the education system. Academy schools were independent of local authorities, able to withdraw from national agreements on teachers’ pay and conditions and from the national curriculum and able to appoint, rather than elect, their school governors; as Melissa Benn expressed it: ‘The academy model . . . enabled a complete break with local democracy’ (Benn 2011, p. 4). The coalition government of 2010 would take the model even further with the development of ‘free schools’. Academy schools were, under New Labour, an attempt to inject private capital into deprived areas, and schools were identified for academy status because they were underperforming.

David Miliband, Schools Standards Minister under Blair, promoted city academies as a pioneering new initiative, but they were no such thing – they had been tried, tested and failed as CTCs and EAZs. City Academy Schools began with three schools, later to be named Academies. These replaced existing schools that had been designated as ‘under-performing’. The Academy scheme was

announced in the Education Bill of 2000; in order to style itself as an academy, a school was required to attract private sponsorship and also to develop a clear and distinct 'brand'. Peter Hyman describes the head of the Academies division and gives his account of who these sponsors might be:

Sir Bruce Liddington,⁸ a successful ex-head teacher who was now heading up the Academies division in the Department of Education . . . said that sponsors usually fell into three categories: rich men who had made their money and now wanted to put something back and wrote out a cheque; grant-giving bodies like the Mercer Foundation . . . and corporate sponsors, who wanted to set up schools because it was good for them and their employees. (Hyman 2006, p. 313)

Academies were thus technically independent schools – funded by both the government and the private sector – but the state's contribution was considerably greater, generally in the region of 80 per cent. In Melissa Benn's assessment:

Perhaps the ultimate irony of the academies was the small amount of money that private sponsors brought to the table. The academy programme was, in fact, a highly managed and supported kind of privatisation, in which central government handed over control of schools to enthusiastic industrialists or church bodies in exchange for relatively small amounts of capital, and in some cases – when the sponsorship money was not forthcoming – none at all. (Benn 2011, p. 109)

In 2008, Beck estimated that the sponsor's contribution was 'normally of the order of £2 million', and assessed that ' . . . most of the sponsors have been individual entrepreneurs, companies or local consortia of business interests, and (less commonly) various religious foundations' (Beck 2008, p. 110). In many cases, the sponsors were combinations of these groups, and included individual entrepreneurs or companies with a clear religious focus – as in the case of the Emmanuel Foundation.

The Times Educational Supplement ran an editorial which was roundly critical of the academy scheme, and particularly of the involvement of businesses which had little, if anything, to do with education:

Quite why it is assumed that property developers, holiday companies and car traders are able to govern schools better than representatives of the local community is hard to fathom. Their academies are the educational equivalent of the private housing estates gated and walled to keep out the riff-raff . . . (quoted in Hyman 2006, p. 330)

The reference here to ‘car traders’ was a clear allusion to Sir Peter Vardy, owner of a chain of car dealerships, founder of the Emmanuel Schools Foundation, and an evangelical Christian. Vardy had responded to the Thatcher Government’s appeal to local businesses to get involved with education as early as 1988, and was one of the first sponsors of a City Technology College, with the Emmanuel CTC in 1990. The case of the Emmanuel Schools charts the move from CTCs to academies – and the increasing involvement of evangelical Christian groups in the provision of state schooling. City Academies were having difficulties getting off the ground until the highly controversial Emmanuel Foundation stepped in with the offer of £12 million to set up six academies. Another company to move into academy schools was the Reed Employment agency whose head, Alec Reed, reportedly declared that the national curriculum should be ‘torn up’ in order to teach ‘free enterprise’ capitalism in every lesson. (*The Guardian*, 15.10.02)

There seems to have been remarkably little discussion of what the motivation of such rich individuals (or other corporate sponsors) might have been in supporting schools from either the Department of Education or government. Hyman came to recognize, from the hindsight of 2005 and the experience of teaching in an Islington state school, that the sponsors achieved an enormous return for a relatively small investment and that sponsorship is not entirely a philanthropic gesture:

What I was realising too, in a way that had not struck me in government, was just what immense power a sponsor has, simply by contributing £2m out of £30m. For £2m, small change for some very wealthy individuals, the sponsor was effectively buying the school. (Hyman 2006, p. 322)

Despite the controversy surrounding the Emmanuel Schools Foundation, and its reported teaching of creationism⁹ – the Blair government was undeterred in involving religious organizations and companies in the management and sponsorship of schools, and it was religious groups who were the keenest sponsors. The then Liberal Democrat education spokesman, Phil Willis, declared at the 2002 National Union of Teachers conference:

We cannot ignore the potentially dangerous cocktail of religious segregation and privately-sponsored academies that government policy is deliberately encouraging . . . it goes to the very heart of the government’s policy of diversity and its love of private sponsorship’ (quoted in *The Guardian*, 01.04.02)

Nonetheless, the Labour government pushed ahead with the process of handing contracts to religious organizations and other private contractors.

Faith Schools

In 2008, a collection of essays was published in support of and to make the case for faith schools. Its editor noted:

In the early part of the new millennium, the Labour government not only promoted but actively supported the expansion of faith schools. Various groups, including teachers' leaders, Labour activists and backbench MPs opposed and continue to oppose, the expansion of faith schooling, but the government has been resilient in defeating all attempts to curb their support for this form of schooling. (McKinney 2008, p. 6)

Despite Alistair Campbell's assertion that 'we don't do God', it is the case that Tony Blair (himself a practising Christian) had laid down the structures which facilitated religious organizations in taking over the running of state schools. While the Church of England had historically long been involved in state education, the term 'faith school' was coined in 1990; as other religious groups called for their own state-supported schools. When Tony Blair came into office, there were only Christian and Jewish religious schools in the state system; Labour extended the range to include other faiths. By 2011, there were 6312 secondary and 6230 primary schools which could be termed 'faith schools' (www.humanist.org, accessed August, 2011), of which the great majority are Christian.

Michael Barber, head of the Prime Minister's Delivery Unit under Tony Blair, gave a speech in 2003 in which he stated:

We are intentionally breaking the mould in our relationships with the voluntary and religious sectors, by, for example, providing for the first time, state funding for Muslim, Sikh and Seventh Day Adventist schools . . . It is clear in Hong Kong and elsewhere that the business and religious sectors are strong allies. This is true in the USA too . . . (quoted in Beck 2008, p. 15)

This association of business, religion and education was neatly embodied in the figure of Sir Peter Vardy, a self-made millionaire, evangelical Christian and head of the Emmanuel Foundation. The Emmanuel Schools Foundation was among the first groups to be involved in the sponsorship of schools; it had sponsored one of the first CTCs (which later became a Beacon school, specializing in 'Enterprise'); Sir Peter Vardy invested £2 million and became chair of the board of directors. The Foundation was also early in supporting academies. While all faith schools were once required to teach to the National Curriculum, academies and free schools no longer have such regulation. The

Emmanuel Schools Foundation website is explicit about the Christian ethos which informs their schools, and also about its 'partnership' with the Department of Education:

The EMMANUEL Schools Foundation (ESF) exists to promote the highest possible standards within comprehensive secondary education through provision based upon Christian principles.

The Foundation is based in the North-East of England and its schools operate within areas of socio-economic deprivation. The schools are non-fee-paying and work with the Department for Education and Skills and their local communities in their pursuit of 'personal best' achievement for all students.

By valuing every individual, regardless of ability, and by welcoming those of all faiths and of none, the schools place the Person of Christ and His example at the centre of their inspiration as they seek to deliver a curriculum appropriate for the personal, social, moral, spiritual and academic development of students preparing for life in the 21st century. (www.emmanuelctc.org)

There are clear rules in Emmanuel Schools which promote a strong Christian agenda. Students are required to have two bibles, which must be carried at all times, and are also expected to attend 'Special Lectures' on spiritual topics each week. Under the national curriculum, schools are required to teach the Darwinian theory of evolution – but there is nothing to stop Evangelical schools from teaching creationism as well, presenting it as a theory alongside Darwin. The creationist organization 'Truth in Science' whose mission is, according to their website, 'promoting good science education in the UK' continues to offer free teaching materials promoting creationism for use in secondary schools and sixth-form colleges. 'Truth in Science' is the UK branch of the American Discovery Institute, a conservative think-tank which was set up to promote the teaching of Intelligent Design in schools.

The Emmanuel Schools ran into controversy in 2002, when it was widely reported that the Foundation was promoting creationism. The row extended to parliament, with petitions addressed to Tony Blair and to Estelle Morris, then Minister for Education. In 2002, an Emmanuel School hosted a creationist conference – at which staff gave a series of lectures urging teachers to promote Christian fundamentalism in their teaching and to encourage teachers to present the 'superiority' of creationist theory over Darwinism. One teacher presented a lecture in which he suggested that evolutionists 'have a faith which is blind and vain by comparison with the faith of the

Christian . . . a Christian teacher of biology will not (or should not) regard the theory of evolution as axiomatic, but will oppose it while teaching it alongside creation' (quoted in Branigan 2002). In 2002, the media focus on the teaching of creationism in Emmanuel Foundation schools led to the chief inspector of schools, Mike Tomlinson, asking the Foundation to clarify its position on science teaching, but Tony Blair refused to condemn the school on the grounds that its results were so good. In 2006, Ofsted published a report which rated Emmanuel College as 'outstanding' and reported that there was no cause for concern about their teaching of science. *Tribune* published an article in 2009, 'Creationist Claptrap that Beggars Belief', which was legally challenged by Peter Vardy and finally settled out of court, with the requirement that the magazine print an apology and donate an unspecified sum to charity. Nonetheless, that same year, a Channel Four programme, *The New Fundamentalists*, interviewed ex-pupils of Emmanuel schools, who said that they had indeed been taught creationism (www.British Centre for Science Education, accessed September 2006).

The then head of Emmanuel College, Nigel McQuoid, and the Vardy foundation's chief education adviser, John Burn, wrote an article together in 1997, which is cited approvingly on the Creation Ministries International website (www.creation.com, accessed April 2011) in which they argued: 'To teach children that they are nothing more than developed mutations who evolved from something akin to a monkey and that death is the end of everything is hardly going to engender within them a sense of purpose, self-worth and self-respect'. Nigel McQuoid, later the director of Emmanuel Schools, has since publically stated that he believes that the world was created in 6 days. (*Times Education Supplement*, 10.03.06)

John Burn was among the founders of the Christian Institute, set up in 1991 with the express aim of promoting fundamentalist Christian beliefs. It is clear that the Institute is committed to furthering its cause through schools, and, implicitly, articulates a creationist position in its affirmation of the 'truths of the Bible'. The Christian Institute exists, according to its website, for 'the furtherance and promotion of the Christian religion in the United Kingdom' and 'the advancement of education':

The Christian Institute is a nondenominational Christian charity committed to upholding the truths of the Bible. We are supported by individuals and churches throughout the UK.

We believe that the Bible is the supreme authority for all of life and we hold to the inerrancy of Scripture. We are committed to upholding the sanctity of life from conception (www.Christian.org, accessed April 2011).

While the Christian Institute has no proven formal connection to the Emmanuel Foundation, teachers at their schools regularly publish on education on the website. The Christian Institute also monitors MPs votes (which are updated regularly on their website) according to whether or not they voted in accordance with Christian ethics – on issues including gay rights, contraception, abortion rights and divorce.

Creationism was taught at the Seventh Day Adventist school in Tottenham, which in 1998 became the first school run by a Christian denomination outside the Church of England to receive state funding. Keith Davidson, director of education at the British Union Conference of Seventh Day Adventists which runs the school, is a registered Ofsted inspector – who, in 2002, was reported as in discussion with local authorities about moving more Adventist schools into the state sector.

Oasis Community Learning is a charity and an international movement and another Christian organization that currently sponsors 12 academies in the United Kingdom (including South Bristol, Grimsby, Immingham, Enfield, Salford, Croydon and Southampton East and West), and which plans more. Oasis UK was founded in 1985 and is part of the ‘Oasis Global family’. Its website makes its evangelical mission very explicit:

Oasis Community Learning is clear about the ethos and values that underpin our Academies. The person and life of Christ inspire this ethos and because of this our whole approach is inclusive . . . Oasis has a vision, to see every person given the opportunity to experience God’s all encompassing love.

(www.oasis.communitylearning.org)

Oasis Global also runs charity projects informed by that same evangelical spirit.

The Church Schools Company is an Anglican educational charity, originally established in 1883 to promote a Christian education for young women. In 2002, it reconfigured itself as the United Church Schools Trust (UCST), to take their ethos into the Academies Programme and so establish a presence in the public sector. As their website expresses their mission:

. . . to extend UCST’s work and ethos into the state sector through the Academies Programme . . . Our family: embracing the private and public sectors . . . (www.ucst.org.uk, accessed August 2011)

UCST put up £1 million to set up an academy in Lambeth in 2002 and another in Manchester. In 2009, two Academy schools in Sheffield run by UCST were failed by Ofsted (*Times Educational Supplement*, 24.07.09).

In an article in 2008, Francis Beckett described the UCST in these terms:

What is the most powerful organization in secondary education? A good case can be made for the United Church Schools Trust. The biggest academy sponsor (through its subsidiary, the United Learning Trust), with 13 already set up and several more on the way, the UCST also owns 11 private fee-charging schools and employs 1,700 people. It controls hundreds of millions of pounds' worth of public assets and property (it will not say exactly how much). It has spent hundreds of millions of pounds of public money building its academies, and the taxpayer will pay it hundreds of millions more every year to use them. . . . It runs its 24 schools in a more centralised way than any local education authority has ever done. (Beckett 2008)

The 'United Learning Trust' is a subsidiary charity of UCST which dropped the word 'Church' from its name, allowing it to operate under a less visibly religious title. By 2007, United Learning was the single most powerful sponsor of academies. Although Ed Balls, education minister in the Labour Government, had attempted to curb the expansion of ULT in 2010, Michael Gove, education minister of the incoming coalition government, welcomed ULT's takeover of Emmanuel schools. There are a number of known creationist groups who have expressed an interest in establishing free schools. The British Humanist Association led a campaign, 'Teach evolution, not creationism', against the teaching of creationism in schools, supported by Richard Dawkins and David Attenborough, among other leading scientists, which forced the government to adjust its funding agreement, and to withdraw state support for those schools which taught a curriculum that ran 'contrary to established scientific and/or historical evidence and explanations' (*The Observer*, 13.01.12). While this was a victory, Richard Dawkins warned that while a ruling on the teaching of creationism was welcome, it would need to be properly enforced. Only a month later, Michael Gove issued a statement which refused to stop the distribution of an American homophobic booklet in Lancashire schools. The Trade Union Congress had alerted Gove to the pamphlet, 'Pure Manhood: How to become the man God wants you to be', which claimed that homosexuality and the use of contraception were 'disordered acts'. The TUC argued that the 2010 Equalities Act prohibited

discrimination, and that such material went against the legal duty of schools to challenge prejudice. Gove's response was that the Equalities Act did 'not extend to the content of the curriculum. Any materials used . . . will not be subject to the discrimination provisions of the act' (*The Observer*, 19.02.12). This does not bode well for any protection against religious extremism in the classroom; a coalition of faith groups and politicians, The Religious Education Council of England and Wales, was set up in 2012 to 'protect religious education in schools'.

Although, in 2008, the Children, Schools and Families Select Committee raised concerns at the expansion of religious groups into state education provision, there seems to have been remarkably little concern from either the Labour or coalition administrations over the past 20 years at the power that religious sponsors now hold over British schools (Frank Dobson was one MP who did attempt to ensure that religious schools should have a quota of places for pupils who did not practise a faith – but his bill was voted down). The organizations who have made those inroads are discreet as to their international allegiances and their sources of funding. Many academics in education policy (with the notable exceptions of Beck, Benn and Ball) have also been quiet about the burgeoning influence and changing shape of religious schools in Britain. A 2008 edited collection on faith schools made only one mention of the Emmanuel Foundation and none at all of the UCST. Cairns' 2009 study *Faith Schools and Society* references neither.

While public opinion polls find that there is no majority support for faith schools, it was religious organizations that were in the vanguard of groups wanting to set up free schools. In 2012, the evangelical Christian group Christian Family Schools bid to set up a free school in Sheffield, where they currently run an independent school, the Bethany school, which boasts a 'carefully planned curriculum based on the book of Genesis'. On their website, the 'frequently asked questions' section asks the question 'Will the curriculum include creationism?' The answer is a resounding 'Yes . . . Because the creation story is relevant to **all** areas of the curriculum' (*The Guardian*, 20.03.12).

Beck's assessment of New Labour's legacy for education policy in 2008 was that it had facilitated: ' . . . the new agencies and groups . . . notably the Specialist Schools and Academies Trust (SSAT) and the clusters of business and religious interests who are only too eager to embrace the opportunities government is offering. . . .' (Beck 2008, p. 113). By 2011, that eagerness was finding an even more sympathetic welcome in the shape of free schools; seven out of ten applications to set up a free school were reported to be from faith-based organizations (Benn 2011, p. 26).

The outsourcing of services was a process that was not limited to education but which was being effected across a range of public services. As Oliver Burkeman expressed it in 2002: ‘. . . a relatively new corporate beast has reached maturity: the public-sector outsourcing firm, ready to snap up contracts everywhere from education to criminal intelligence, prisons to defence.’ (Burkeman 2002)

It was not that outsourcing was new – but it was accelerating and its scope was growing. As in the health service, international companies had been hovering to take over local authority contracts, and corporate providers were taking over more and more responsibility for the management of schools. According to *The Guardian*, companies like Capita were now in a position to influence Boards of Governors over the choice of head teachers. (*The Guardian*, 26.06.01). George Monbiot declared:

The general privatisation of schooling in Britain has begun . . . Our schools are being privatised not for the benefit of our children, but for the benefit of our corporations and the export economy to which, the government hopes, they will one day contribute.

Children are simply the raw materials with which they work. They will . . . be traded on the world’s stock markets like so many barrels of oil. (Monbiot 2002)

Monbiot points to the outsourcing of management and services, school inspections, teachers’ pay and pensions – and the further encroachment of privatization into the curriculum, with contracts for e-learning. The outsourced education market was in 2001 worth £2.5 billion.

Sponsorship was also embedding itself in teacher training programmes. Teach First was advertised in 2003 as ‘a unique business-led programme for top graduates’, which offered teacher training through ‘the UK’s leading teacher training provider’. This was Canterbury Christchurch University College, which boasted that it could offer its students: ‘cutting edge mentoring networking and management training from the most highly regarded institutions in the world’ (www.Teachfirst.org.uk, accessed April 2011). These institutions included: PricewaterhouseCoopers, Citigroup, Clifford Chance, Capital One, Canary Wharf Group, Morgan Stanley, Deloitte & Touche, UBS Warburg – none of them organizations noted for their experience in education.¹⁰ The language of this advertisement for a ‘teacher training provider’ removes teacher training from the education sector and promotes financial corporations as the appropriate training ground for teachers. It also prefigures the coalition government’s intentions to remove teacher training from the higher education sector.

Stephen J. Ball has explained the blurring of the boundaries between private and public provision that were accelerating in education in this period:

Contemporary privatisation is part of a much broader and more fundamental design of the public sector . . . This involves private and not-for-profit companies and voluntary and community organisations and NGOs and parastatal organisations in income-generating activities inside the public sector. . . . 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 interaction' . . . 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 . . . The state is increasingly repositioned as the guarantor, not necessarily the provider . . . nor the financier, of opportunity goods like education. (Ball 2003, p. 13)

There were many examples of the private sector taking advantage of the 'opportunity goods' of the education service. One such was the construction company, Amey, which became 'a leading provider of public services'. In the words of their website:

Although you may not be aware of Amey, you will come into contact with our diverse workforce and services on a regular basis. We inspect and assess the state of the nation's railways, repair and enhance key areas of the UK's road and rail network, and maintain key public buildings and spaces such as airports, schools, parks, and offices (www.Amey.com, accessed April 2011).

This lack of awareness of major corporations taking over familiar locations that had once been public spaces was characteristic of the 'partnerships' imposed on educational (and other public) services by government policy.

Commercial 'partners' in education

The careers advisory service once run by the Department of Education was replaced by an agency, 'Connexions'. The 7-year contract to run the service was given to the consultancy and recruitment company Capita in 2001, in a Private-Public Partnership that was worth £109 million. The service provided by Capita operated a scheme by which children were given swipe cards, on which they could accumulate reward points for attendance and then trade them for goods offered on the Connexions website, including products from McDonalds and

PlayStation – a technique close to the ‘Nudge’ theory.¹¹ The choices made were monitored and relayed to the company’s ‘commercial partners.’ The scheme didn’t work – and ended in 2006.¹² A national evaluation for the Department of Education estimated that while 1 million swipe cards were issued, only 145,947 had ever been used – and there was no evidence of improvement in attendance, learning or career choices (www.education.gov.uk). Capita was also given the contract for the scheme for Individual Learning Accounts – under their management, their agents were found guilty of aggressive sales techniques and of fraud, and the budget went over the estimate by £60 million. The scheme was abandoned a year later.

Nonetheless, Capita continued to be awarded contracts across education (Capita were also given the contract for refurbishing the NHS website). The company claims to ‘Help all schools raise standards’ through its management services and took over a range of systems management contracts, including the Teachers’ Pension Scheme, Children’s Trust accounts and National Learning Strategies. Their SIMS services for schools records are used across state schools and in 2008, Capita took over the Education Maintenance Allowance (EMA) scheme (later cut by the coalition government). By 2009, it had a £2.7 billion turnover (www.capita.co.uk), and in 2011, the Capita website could boast of its wide experience of working in state education:

We have over 20 years experience of helping schools and local authorities delivering a wide range of services. By increasing efficiency and improving performance through expert resources and support, ICT, specialist software and information management systems and property consultancy, we are regarded as a reliable, knowledgeable and innovative partner. (www.capita.co.uk, accessed April 2011)

Capita was not alone as a major corporate player in the business of education. *Investors’ Chronicle* in 2001 referred to Nord Anglia as a ‘group cashing in as authorities seek to outsource work’ (quoted in *The Observer*, 11.02.01). Nord Anglia is a for-profit education management company which had been involved on the boards of EAZs. Nord Anglia currently runs international schools in Beijing and Shanghai, Bratislava, Budapest, Lausanne, Prague, Warsaw and Abu Dhabi. Its company website makes much of its close association with government and education:

Nord Anglia Education is a leader in the international provision of high quality, innovative education, training and guidance for children and young adults.

Since we were founded in 1972, we have developed extensive experience of managing schools and working with governments to raise standards and improve educational achievement. (www.nordanglia.com, accessed April 2011)

Nord Anglia had taken over a 'failing' school in Hackney in 1999, but failed to improve services; they were replaced by the not-for-profit Learning Trust, which currently runs all schools services in the borough. In 2001, Nord Anglia was contracted to manage a Surrey comprehensive school and to run 'back-office' services in Waltham Forest. Monbiot reported in 2000 that 'Nord Anglia predicts that 200 state schools will be wholly managed by private companies in Britain within five years' (Monbiot 2000, p. 337).

Ensign was another company bidding for contracts to take over from local authority education services that were deemed to be 'poorly performing'. A consortium backed by Group 4 in a joint venture with the Tribal group, Ensign has a subsidiary, PPI, which inspects schools on behalf of education watchdog Ofsted. *The Guardian* (26.06.01) reported that Ensign withdrew its bid for the education contract in Waltham Forest after allegedly offering payments of £5,000 to two consultants working for the PPI bid. While the Tribal group refuted any claim of impropriety, an internal council audit concluded that the payments could have been seen as 'irregular' (Prison Reform Trust 2001).

Serco is an international public services corporation which bought up the educational consultants QAA in 2010 and so became 'one of a handful of key private sector players in UK state education' (Burkeman 2001, p. 2). Serco describes itself as 'an international service company that improves the quality and efficiency of essential services that matter to millions of people around the world' (www.serco.com, accessed April 2011). In 2001, the company was awarded contracts in Walsall and Bradford over seven years 'to provide education improvement services, including management-consultancy advice'. (*The Guardian*, 26.06.01). By 2003, it ran what was then described as 'the biggest privatised education authority' in Bradford, under the title of Education Bradford. In that year, the targets for exam results were lowered in order to allow the company to protect cash bonuses – and Serco had to approach the Department of Education and Skills for financial support. Serco was quoted as saying that it had 'underestimated the scale of the challenge facing it in Bradford' (*The Guardian*, 20.10.03).

W. S. Atkins is another company which had had little to do with education; a global corporation which, according to their website, specializes in engineering.¹³

Atkins is one of the world's leading engineering and design consultancies. We have the depth and breadth of expertise to respond to the most technically challenging and time critical infrastructure projects and the urgent transition to a low-carbon economy. Whether it's the concept for a new skyscraper, the upgrade of a rail network, the modelling of a flood defence system or the improvement of a management process, we plan, design and enable solutions. (www.Atkinsglobal.com. accessed April 2011)

Atkins was awarded the outsourcing contract for almost all the educational services, building maintenance, payroll, staffing and purchasing in Southwark in 2001. After a critical report on Southwark from Ofsted, and after an investigation by the private management consultants KPMG¹⁴ (which advised that the entire LEA should be abolished, and run instead by Atkins), David Blunkett, then education secretary, imposed what was claimed as a 'partnership' with Atkins on the council. This contract was then the largest 'outsourcing' educational contract under New Labour's policy of private/public partnerships. W. S. Atkins' only previous experience in education had been two contracts: a project researching the use of school buses and another to remove asbestos in a primary school. They had been fined £10,000 by the health and safety executive for failing to achieve the second. Nonetheless, they became the 'preferred bidder' for the £100 million contract to run Southwark, and all non-teaching members of the LEA became Atkins' employees. Atkins was also given the PFI contracts for schools in Cornwall and Kent.

A 2002 Ofsted report roundly criticized W. S. Atkins for its lack of transparency over finances, and the head of 'school improvement' resigned. In 2003, Atkins pulled out of Southwark less than half way through the 5-year contract – 2 years early – leaving behind it 'a trail of financial and educational misery' (*The Guardian*, 22.11.03), with outstanding debts to staff and service providers. Southwark head teachers gave a vote of no confidence to Atkins' management and the DfES had to pay £2.2 million to manage their departure from the borough. Under Atkins' management, the number of schools in 'special measures' had increased from six under the Southwark's authority to eight; in 2002, Southwark came bottom of the league tables for Key Stage Two.

A Southwark Liberal councillor (ironically, given the Liberal Democrats' later position on education in the coalition government) commented:

The kind of stuff that you expect the private sector to be good at - payroll, human resources, invoice processing - were precisely the kinds of things that Atkins was tripping up over from day one . . . The wheels really did come off the New Labour bus in Southwark' (quoted in *The Guardian*, 22.11.03).

The wheels falling off the bus in Southwark did not, however, deter New Labour from inviting other companies to move into youth services and education. In April 2003, David Miliband awarded a £1.9 million contract to Jarvis Educational Services (an arm of Jarvis engineers, who were investigated in the aftermath of the 2002 Potters Bar rail crash) - an organization which was formed as a subsidiary only 2 months before the award of the contract. Two of Jarvis' key personnel had been central to the Atkins management structure (*Times Educational Supplement*, 02.05.03). In 2003, Jarvis were roundly criticized by the Governors of a school in Brighton only 1 year into its contract, while a Jarvis contract with Haringey underestimated costs and ran £3.7 million over budget (*The Guardian Education*, 30.11.03)

But New Labour forged ahead - arguing that PFI allowed for the building of new schools; under the Thatcher and Major governments, capital expenditure on school buildings had fallen dramatically, and, without increased taxation, private investment seemed the only means of securing funding. Ball suggests that for New Labour, the embrace of sponsorship and 'commercial partners' was largely a matter of pragmatism: ' . . . the private sector is not a simple ideological preference as it was under Thatcherism; it is a means to an end, a mechanism rather than a belief system' (Ball 2007, pp. 35-6). Ball also argues that Blair played a key role in providing the rhetorical legitimation for a 'diversity of providers', a phrase that would be echoed in the coalition government's enthusiasm for opening up public services to 'any willing provider'.

Tony Blair made a major speech on education at the opening of the first newly built academy school, The Business Academy in Bexley, in September 2003, in which he announced his desire to expand the academy programme and launched an appeal for more private sponsors to invest in schools. Despite the Atkins, Serco and Jarvis scandals, and in the face of mounting unease about the involvement of the private sector in education (expressed variously by unions, the *Times Educational Supplement* and MPs), Blair denigrated any opponents of his 'reform' in public services - and announced plans for at least 50 further academies, urging 'many more sponsors ready to take on the challenge of

academies and specialist schools' (quoted in *The Guardian*, 19.11.03). By 2011, one in six secondary schools was an academy. In 2012, the Local Schools Network reported that the Department of Education figures demonstrated that academies were underperforming in comparison with state schools, that, while 60 per cent of pupils in local authority run schools were achieving 5 A* to C grades in their GCSES, in the sponsored academies, the figure was only 47 per cent (www.localschoolsnetwork.org.uk).

The experiences of Serco, Nord Anglia, Jarvis and W. S. Atkins had clearly demonstrated that corporate sponsors were emphatically not up to the 'challenge', and did not represent value for money, all had to be bailed out by public funds at considerable expense. The union Unison undertook a research project, 'What is wrong with PFI in Schools', which they presented at the Labour Party conference in September 2003. The report gave example after example of PFI failures and cost overruns. Unison concluded:

As more PFI schools are built it becomes possible to judge their success. UNISON has members intimately involved in PFI. This report draws on their experience and rounds up the evidence to date. It shows that:

- there is a growing consensus that PFI is not working in schools
- PFI is not value for money because it costs more
- PFI leads to an affordability gap which in turn puts pressure on quality, design and services
- PFI can cost the jobs, pay and conditions of the workforce
- PFI has serious accountability issues
- Private companies see PFI as a rich source of profit.

(Unison, September 2003)

Unison's criticisms of PFI projects echoed an earlier report by the independent Audit Commission, which had come to similar conclusions, if less forcibly expressed: 'this study of the early wave school schemes shows that the PFI process did not as a matter of course guarantee better quality buildings and services, or lower unit costs. This is the key lesson' (www.audit.commission.gov.uk, 2003).

While academies were sold to the electorate as a means of offering parental 'choice' in education – there was evidence that parents were less able to send their child to the school of their choosing. As Fiona Millar, of the Local Schools Network, put it: 'Despite the public rhetoric of . . . two decades, choice for most parents has narrowed. One of the greatest myths perpetuated by "reformers" about the English school system is that it has been too weighed

down by the dead hand of uniformity' (Millar 2012). The rhetoric of 'choice' became a means of denigrating the welfare state principles of education, 'one size fits all' (a term that began in America and which was rapidly taken up by the *Daily Telegraph*) was a phrase that was regularly invoked as a dismissal of state run schools. Alistair Campbell made a speech in 2001 which disparaged the 'bog standard comprehensive' (ironically, the speech was written by Peter Hyman who later became a teacher – and to regret the phrase). However, according to Beck, with all the claims of 'diversity' and 'choice', the range of 'providers' was distinctly limited, and it was business interests that prevailed in academy schools:

Despite this diversity of providers, there are, nevertheless, clear signs that among the various constituencies supporting these new initiatives, especially academies, it is business interests that predominate. For example, of the 46 academies that had been opened by September 2006, no fewer than 25 had either business or enterprise as one of their designated specialisms. . . . Similarly, among the sponsors, a clear majority of the 46 institutions were sponsored by individual entrepreneurs, or companies. . . . In a number of cases, there is co-sponsorship by business in conjunction with religious or education foundations of various kinds. (Beck 2008, p. 113)

The Emmanuel Schools Foundation is one such example of 'co-sponsorship', in which a wealthy entrepreneur was facilitated in the promotion of an extreme evangelical agenda in the schools that he sponsored. Other cases of co-sponsorship involved large companies acquiring small educational companies (such as publishers), or investing in educational charities in order to give them some claim to involvement in education, as with Group 4's partnership with Tribal Group. Trust Schools were introduced in the 2006 Education Act, in which individual schools or groups of schools were 'partnered' with a charitable foundation or trust, and so further facilitated the pathway for private 'providers' (particularly religious groups) to take over a school.

Hatcher has argued that New Labour's education policy laid the basis for the creeping growth of privatization in schools and had paved the way for for-profit educational providers:

. . . a possible future scenario of the business takeover of schools for profit is real and a legitimate concern . . . the actual developments taking place today . . . concern the role of business and other interests as key agents in the transformation of the school system . . . the colonization of government education policy implementation and delivery of national and local educational

services by private companies for profit . . . (and) . . . the reshaping of schools through non-profit sponsorship, which in the case of Academies amounts to a non-profit form of privatization. (Hatcher 2006, p. 599)

In a speech in 2005 to the City of London Academy (the year of the Education White Paper which proposed a major expansion in the number of academy schools), Blair restated his commitment to 'diversification' in the sponsorship of schools:

The logic of changing to the specialist schools, of starting City Academies, of giving greater freedom to schools in who they hire, what they pay, how they run their school, is very clear. . . . It is to break down the barriers to new providers, to schools associating with outside sponsors, to the ability to start and expand schools; and to give parental choice its proper place. (Blair quoted in Beck 2008, p. 112)

The 'barriers' which Blair invokes here are also protections, for parents, schools and their students. It is notable how close Blair's language here is to the rhetoric of the Conservatives David Cameron and his current Education Minister, Michael Gove, who would regularly invoke 'wastage' and bureaucracy as a justification for sweeping reforms. In the name of parental 'choice', public education was opened up to markets, while the relaxation of local authority controls meant that those sponsors and new providers were no longer accountable. In return for a 10 per cent investment in the capital costs of the school,¹⁵ a sponsor had the right to take over the school and shape its curriculum, ethos, and establish its own contracts for teaching staff. In the words of the Department of Education website: 'A funding agreement is signed to formally transfer leadership of the school from the local authority to you . . . you will become responsible for the new academy and can start putting your vision into action' (www.education.gov.uk, accessed July 2012). There was very little control over the nature of the sponsor, whatever that 'vision' might be, and once a sponsor was in place, very little accountability.¹⁶

If New Labour had done little to challenge Margaret Thatcher's denigration of the state school system and opened the education sector even further to commercial sponsorship, in turn, David Cameron apparently had little disagreement with the previous administration's education policies. As Beck puts it:

. . . in 2007 the leader of the British Conservative party, David Cameron and his shadow education spokesman David Willetts, moved to distance their party

from its traditionally unswerving support of grammar schools, whilst strongly endorsing academies and trust schools. (Beck 2008, p. 16)

There was in fact no need to support grammar schools, Gove (who became Secretary of State for Education in 2010) had a new initiative, the 'free schools', which, with their control over admissions, could be grammar schools in all but name.¹⁷ The coalition's endorsement of the academy model went far beyond vocal support; while it had been financially beneficial under New Labour for schools to become academies, under a 2010 Act, the Secretary of State for Schools (then Michael Gove) was given the powers to force academy status on any school that had been given notice to improve, even in the face of opposition from parents, teachers and school governors. The first school to encounter this power was Downhills primary school. The process was described as 'brutal'; the governors were sacked, the head resigned and the school was handed over to a trust run by a Conservative peer and the chair of Carpetright.¹⁸ Other school heads stated that they had been given 'no option' in becoming a sponsored academy (Mansell 2011). The Education Act of 2011 allowed only for the setting up of new schools as free schools or academies, and by March 2012, over half of state secondary schools were academies, or in the process of becoming an academy. Under the coalition government, academy schools rose eightfold. David Cameron set up a committee to foster the involvement of independent schools in academies, with Andrew Adonis (architect of the academies project under Blair) and Anthony Seldon, master of the public school, Wellington College, as members. Wellington set up one academy and has plans for more, but Seldon reported that many public schools were reluctant to become involved in the state sector: 'Leadership from the independent sector has been sadly lacking . . . British independent schools have lost their moral purpose'. Seldon nonetheless argued that public schools should be subsidized by government, 'so the schools don't bear the cost' of setting up an academy (Seldon 2012).

Cameron and Gove were determined to abolish what they consistently referred to as 'red tape' in the schools system, what they meant by this was made clear in their 2011 Education Act, which abolished a number of bodies, such as the Qualifications and Curriculum Development Agency, which were central to the maintaining of consistency and standards in teacher training and education, and established instead a 'framework' of companies pre-authorized to offer management and educational services for a fee. While Cameron and Gove's rhetoric purported to give control to parents and to teachers, commercial

providers were being lined up to take over schools services, in much the same way that reforms in the Health Service claimed to hand power to doctors and to patients, while paving the way for large medical corporations. Gove's open-armed approach to corporate involvement in education extends to policy development; the only member with expertise in primary literacy on the committee overseeing the national curriculum review in 2011 was Ruth Miskin. Miskin's company Read Write Inc. sells reading programmes to schools and is in receipt of government-matched funding every time a school purchases her government-approved scheme (see Benn 2011, p. 12).¹⁹

The Education Act also repealed the duties of governing bodies and local authorities in relation to admissions and school meals (www.legislation.gov.uk). In 2012, the School Food Trust reported that 9 out of 10 academies were selling junk food to students in dinner halls and vending machines; no longer bound by the Labour ruling that academies had to abide by required standards of nutrition, the schools were making between £3000 and £15,000 a year from the sales of fizzy drinks, crisps and chocolate (www.schoolfoodtrust.org). Two academy schools are, at the time of writing, being taken to court for refusing to admit pupils with statements of special needs, on the grounds that their admission 'would be incompatible with the efficient education of other pupils in the academy' (www.ipsea.org.uk, May 2012). In 2012, on the day of the opening of the Olympic Games in London (a good day to release controversial government decisions), Gove announced that academies were permitted to employ teachers with no formal qualifications. In the aftermath of the Games, when all parties were calling for strategies in schools to build on their success and to promote a sporting legacy, it was announced that 31 schools had been allowed to bypass the independent School Playing Fields Advisory Panel and to sell off their playing fields; academy schools could go direct to Gove at the Department of Education, who ignored the advice of the advisory panel and approved the sales. Among the schools was Newquay Tretherras, which had proudly hosted the Olympic torch and was now selling land used for football and cricket to Tesco (www.bbc.co.uk/news/education).

A little noticed clause in the 2011 Education Act allowed private companies to run Further Education colleges for profit. The Conservative think-tank Policy Exchange has argued that this model should be extended into schools. Michael Gove is a former chair of Policy Exchange. Once in place as Minister of Education in 2010, Gove advocated his own variation of the City Academies, 'free schools'. These differ from academies in that while the academies were

to a degree accountable to local authorities, free schools are state-funded independent schools. Free school status is granted to existing 'outstanding' schools, a shift from the academy model which was designed to improve schools in inner-city areas; in Benn's phrase, the free school offers 'special status to the already advantaged' (Benn 2011, p. 4). A free school can set its own curriculum, organize admissions (i.e., maintain selection) and recruit teachers (even if they have no qualifications). By 2011, under this scheme, six private schools had become free schools, supported by state funding; among them, the Maharishi school in Lancashire; this school, set up and funded by the transcendental meditation group of the Maharishi Mahesh Yogi, was once fee-paying but under the name of a free school, the state will pay the fees. The evangelical Christian Family Schools run an independent school in Sheffield, the Bethany school, and are currently applying to set up a free school in Sheffield. According to a Department of Education spokesman, any private school can bid for free school status (*The Guardian*, 12.04.11).

In 2011, Michael Gove announced that vocational academies, known as 'university technical colleges' were to be run with the involvement of companies including Toshiba, Blackberry, Boeing, Rolls Royce, Hewlett Packard and Cisco Systems, the pharmaceutical firm Novartis and Babcock, a manufacturer of defence equipment. The schools are for 14–19-year-old students, and the companies are to provide training that 'fits their needs for skilled workers'.

In a strange reversal, where once commercial sponsorship was called upon to plug the gaps in state funding for schools, public funding from taxation is now available to support private fee-paying schools, to provide professional training for corporate interests and to facilitate independent schools in setting up academies. Sponsors are no longer required to provide funds for their sponsorship of schools, and Michael Gove has announced plans to financially support organizations prepared to sponsor academies. This is in a context where the Building Schools for the Future scheme (launched under Labour and intended to rebuild or refurbish every secondary school in England) and the Educational Maintenance Allowance (to support low income students to remain in education) have been abolished, and in which public libraries, health education programmes and Sure Start schemes are facing swingeing cuts as part of the government cutbacks under its austerity programme.

Michael Gove has said that he has 'no ideological objection' to private providers running state schools for profit. A statement from Gove at the Leveson enquiry²⁰ had echoes of the reforms to the National Health Service when he suggested that: 'I believe that it may be the case that we can augment the quality of state

education by extending the range of people involved in its provision' (www.levesoninquiry.org.uk). In 2012, the Conservative think-tank the Institute of Economic Affairs published a report *The Profit Motive in Education: Continuing the Revolution*, which argued that the Conservative-led reforms to education would not be complete until for-profit companies had been wholeheartedly welcomed into schools.

Michael Gove, as Education Minister under the new Conservative-led coalition government, had spoken approvingly of the Swedish model of the 'free school' before the election and as he took up office. The references to the Swedish model became less frequent as the Swedes themselves became disenchanted with the impact of the system and evidence emerged of the damage that the free schools had done to a flourishing state education system. The head of Sweden's school inspections argued that free schools had done nothing to improve school results, while OECD figures showed in 2010 (www.oecd.org.) that since the introduction of private providers into the school system in Sweden, literacy rates had dropped 10 places in the international ranking. The ex-minister of the Social Democrat Party, Lena Sommestad, argued that the 'choice' presented by free schools had undermined the quality of education in Sweden,²¹ and had embedded class and racial differences:

. . . there are now dramatic differences in the quality of the education offered in different schools, overall results are down, and Sweden's international ranking has been falling since 2003. The introduction of 'freedom' into our education system has meant that those with the financial resources to move into areas which have schools considered good, do . . . We are now seeing segregation in our schools, along lines of social class. (Sommestad, quoted in Benn 2011, p. 126)

Sommestad also pointed out that allowing Swedish schools to be run by commercial companies had allowed venture capital to make profits which were not reinvested in education or in Sweden, but put into offshore tax havens. The largest commercial education company in Sweden is Kunskapsskolan (the Knowledge School), which is now sponsoring the Learning Schools Trust, which has taken over three academies in England. Another Swedish firm, IES (Internationella Engelska Skola, run by an American science teacher Barbara Bergström) was given a 10-year contract to manage the Suffolk school IES Breckland in 2012. IES has a business turnover of £60 million annually, and makes £5 million in profit, the UK manager of IES was quoted as saying 'It is awful, but we kind of have to accept failure more than we do at the moment. So

if a school does fail because of its results, then that is right that it should fail . . . if there is an awful company out there, then they should be allowed to fail' (Jodie King, quoted in *The Observer*, 29.01.12). Notwithstanding the implications for the school's students if a school is allowed to fail – a failed school and its students can only be salvaged with money from public funds. Kunskapsskolan and IES are currently planning to manage chains of free schools in Britain.

The Institute for Public Policy published a report in 2012 which demonstrated that non-commercial schools outperformed schools run by for-profit companies internationally, including those in Sweden. The secondary school performance tables for the United Kingdom in the same year demonstrated that despite the increased funding available to academy schools, their results were less good than those under local authority control (www.localschoolsnetwork.org). Public opinion, as the Local Schools Network has monitored, does not support the privatization of UK education, but the 'framework' that the 2011 Education Act introduced embeds commercial interests in the system. In January 2012, the permit to run a Swedish free school was found to be on sale on the Swedish version of eBay; the schools inspectorate said that it was not in a position to prevent those to whom it awarded licences from selling them on. It is now clear that British schools are also firmly on course to be sold to the highest bidder.

Notes

- 1 Cognita was at the centre of a storm in which parents at Southbank International School in London complained that the company had 'milked the school' for profit – underpaying teachers and raising fees for students. The Southbank parent initiative board argued that Cognita had made £3 million profit from the school in 2010.
- 2 At the time of writing, Cognita is under investigation by the Department of Education for alleged fraud in its dealings with state pension schemes (*The Observer*, 10.06.12).
- 3 Under the Conservatives, there were only 50 PFI deals over a 5-year period, but between 1997 and 2001, Labour had agreed 300 (Seddon 2001).
- 4 Sainsbury's followed this scheme in 2005 with Active Kids vouchers for sports equipment, and Active Kids Get Cooking, which featured 'Toolkits' filled with Sainsbury kitchen and food products, aimed at schools, with kits designed for children as young as 3 years old.

- 5 David Blunkett as education minister went on to 'name and shame' 18 schools within 'days of taking office' (Toynbee and Walker 2001, p. 47) – a strategy which allowed the government to promote a strategy for introducing the private sector into education. By 2000, 396 schools were deemed to be failing.
- 6 The controversy over Woodhead and the Ofsted report is not referred to in *I Out of 10*; the account by one of Blair's policy advisors who became a teacher at Islington Green School, although he does recount the takeover by Cambridge Education Associates (see Hyman 2006, p. 32).
- 7 Peter Hyman worked with Tony Blair from 1994 to 2003, and was Head of the Prime Minister's Strategic Communications Unit between 2001 and 2003, a period which saw many of these initiatives going through Parliament.
- 8 Bruce Liddington is now the director general of E-ACT, described on their website as 'a leading academy sponsor and social enterprise, specializing in the development of world class academies and schools in the UK. . . . Our mission is straightforward. It is to become the leading education provider developing and nurturing highly successful academies and schools.' (www.E.Act. org)
- 9 In 2009, *Tribune* ran an article accusing the Emmanuel Foundation schools of teaching creationism, which was legally challenged by Peter Vardy and settled out of court. The *Tribune* article also pointed out that compared to the £2 million the Foundation had invested, it cost the taxpayer £22 million to build an academy.
- 10 Teach First was designed to cream off the best graduates, many of whom went on to secure jobs not in teaching, but with one of the sponsoring companies.
- 11 'The Nudge' was a theory that emerged from the Chicago Business School. In 2008, Richard Thaler, an economist from the Chicago Business School and Cass Sunstein of the Chicago Law School published *Nudge: Improving Decisions About Health, Wealth and Happiness* (Yale University Press, 2008), see Conclusion for more on 'The Nudge'.
- 12 In March 2006, the Executive Chair of Capita, Rod Aldridge OBE, resigned over controversy that Capita had given a £1 million to the Labour Party.
- 13 Atkins announced their partnership in building new nuclear power stations in 2010:

Atkins and Assystem are to form a strategic alliance to create a 50/50 nuclear engineering joint venture to provide consultancy and engineering services to the rapidly-expanding international nuclear new build market. The Nuclear Atkins Assystem Alliance will enable both companies to address demand from governments and utilities in countries developing nuclear power as part of their energy mix and will provide services to nuclear new build projects and across the entire nuclear fuel cycle.

The alliance will enable both Atkins and Assystem to expand in a highly promising market. (www.Atkinsglobal.com, 2011)

- 14 KPMG describe themselves as ‘a global network of professional services firms providing Audit, Tax and Advisory services’ (www.kpmg.com, accessed April 2011).
- 15 It would seem that under the coalition government, not even this minimal financial investment is now required, a frequently asked question on the Department of Education website currently asks: ‘Are sponsors required to make a financial contribution?’, to which the answer is: ‘No . . . this is not a requirement’ (July 2012).
- 16 There is no safeguard against a sponsor who might actively want a school to fail and close. Like public libraries, schools are often in desirable central locations, which would prove very attractive to many sponsors.
- 17 In March 2012, a group of parents in Sevenoaks, Kent, won support from the county council to allow existing grammar schools to open satellite schools.
- 18 The general secretary of the National Union of Teachers was quoted as saying ‘This is a major political attack on state education. This is not schools opting for academy status; this is the government forcing schools away from local authority influence into the arms of external sponsors. It is hugely undemocratic’ (Christine Blower, quoted in Mansell 2011)
- 19 Miskin was the only expert in primary level literacy on the curriculum review committee, the primary heads appointed to the committee were both advocates of her controversial training programme.
- 20 The Leveson Enquiry is, at the time of writing, an ongoing public investigation into the ethics of the Press, following evidence of phone hacking by journalists on papers owned by News International.
- 21 Similar criticisms have been made of the American Charter School programme, another model for private companies running schools that Gove has invoked sympathetically. For more information on Charter schools, see Benn 2011.

Safe in Their Hands? Health and the Market

The public provision of health care constitutes a large percentage of the public spending budget of any major Western country. The establishment of the National Health Service in 1946 was rooted in the core principle of a comprehensive health service free at point of use, a principle that, broadly, still remains intact, despite growing colonization by the private sector. The cost of health provision is inevitably a pressure point in government expenditure, as resources are finite and the needs of health care are extensive. The growth of medical technology, expanded range of drug-based treatment, and rising life expectancy all push costs upwards. The National Health Service still constitutes, compared to other systems in the world, a remarkably efficient means of fulfilling health services delivery, with a high level of quality.

In the United States, the enormous sums spent on health by the state and by individuals paying for insurance, combined with the lack of a proper publicly owned health system, has generated a large and profitable private sector. As part of the extension of neo-liberal economic policies, pressure has fallen on governments around the world to reduce the scope of public spending by involving the private sector. Major American health and medical companies have been prominent lobbyists seeking new opportunities for profit around the world. Potential profits are tempting in the social democratic countries of Western Europe (and also in the new middle income countries, such as Brazil, China and India), if only health services could be prised from the grip of the public sector.

At first appearance, the politics of health in the United Kingdom appear complex, with the structure of the NHS subject to constant reorganization. Yet, examined over 40 years, from 1979 onwards, one trend is clear – there has been a gradual advance towards privatization, with the sector being progressively opened up to private providers. Politicians are well aware that the NHS (like the BBC) enjoys a high level of popular support and that

there is great suspicion of those who would meddle with it. Consequently, politicians and civil servants appear to have gone to great lengths to mask what is happening, to cloak it in mystifying rationale, all the while uttering the ritualistic assurances that the NHS is 'safe in our hands'.¹ This chapter will examine the growing importance of sponsorship of health-care activities, the gradual marketization of the NHS and the increasing role of private companies in public health provision. The first section examines the expansion of sponsorship; the second looks at the problems associated with regulating relations with the pharmaceutical industry; and the third section traces the last 30 years of development of British health policy, by which a road to privatization has been constructed.

The NHS employs large numbers – according to some estimates, it is the largest single employer in Western Europe. It also spends large sums on pharmaceuticals, medical supplies and other equipment and consumable items. Not surprisingly, suppliers have been keen to establish their brands in the minds of those – consultants, doctors, GPs, nurses and managers – who make purchasing decisions. Such companies have been prominent in the growth of commercial sponsorship in medical centres and hospitals. Commercial sponsorship of health products and services grew throughout the 1990s and, in 1993, the perceived need within the profession to establish general principles to manage the relation between sponsors and health professionals had prompted the Royal Society of Medicine to stage a conference to open a dialogue on the subject.² At that conference, the following exchange took place:

Professor Paul Turner (Vice President, The Royal Society of Medicine):

“Is there a role for the middle man here ? The honest broker who understands the problems of both sides linking people together ?”

Mr D. W. G. Barrett (Wyeth Laboratories): “It is difficult to know who would be that honest broker”.

(Turner 1993, p. 1)

This exchange is symptomatic of two features of the growth of commercial sponsorship. First, the perceived need for a system, and second, the uncertainty about how that system might work. The sponsorship of health services and related products began discreetly at the margins and has steadily etched its way towards the heartlands of provision. The conference featured speakers from the health profession, representatives from Hospital Trusts and from Health Authorities and from pharmaceutical companies. The vice president of the Royal Society,

Paul Turner, is clear in his introduction to the published proceedings that the nature of changes to funding in health had made commercial sponsorship essential to the running of the Health Service:

The development of hospital Trusts and the concept of the 'provider-purchaser axis' with all the financial restraints that have been associated with that has forced Trusts and others concerned with the provision of healthcare into looking for other sources of financial help. Commercial sponsorship through industry, in various forms, is now being seriously considered and has been adopted in many places . . . (Turner 1993, p. 1)

In other words, the restructuring of the National Health Service around cost centres in which providers would sell services to purchasers heightened the pressure to pursue sponsorship. Don Barrett, a representative from Wyeth Laboratories, made the same point, that underfunding and changes in the health sector required health professionals to seek sponsorship. He identified a four-fold increase in requests for funds in the last 2 years, 'as a result of changes in the NHS and restrictions on money availability'.³ The Society president, Sir George Pinker, set the tone in his introduction that

changing patterns of healthcare funding have brought into sharp and prominent focus the issue of sponsorship. This has become a well organised feature of modern business life. Increasingly there is an apparent need for potential providers of sponsorship to sit down with the recipients of that sponsorship to discuss quite frankly their mutual needs and limitations. (Turner 1993, p. 2)

The NHS has a huge expenditure on pharmaceutical products, medical products and equipment, and commercial suppliers are anxious to establish themselves in that market. Susan Scott, a representative of the Royal College of Nursing, warned that companies would not sponsor a nursing post unless 'there is a product to be purchased and a commercial advantage to be gained' (Turner 1993, p. 30). Scott declared that nurses felt they were often the unwilling subjects of a sponsorship deal, and that there was 'an implied threat that their post would be at risk if they did not comply'. Nurses had to complete sales figures for the sponsoring company and there was 'covert pressure to use the company's products because of the fear that sponsorship would be withdrawn and the post lost if insufficient products were used' (Turner 1993, p. 31). Carol Jones, from Osteoporosis Dorset, gave an account of how she had to 'develop entrepreneurial skills' because she was given funding for her salary, but no budget for her work (Turner 1993, p. 3). The commercial logic of sponsorship was clearly put by Don Barrett, who outlined

the way that constraints on direct advertising were a factor in leading medical companies to consider sponsorship. Such sponsorships though, had to 'benefit the business', otherwise, 'fund for future investment in sponsorship will decline' (Turner 1993, p. 11).

As financial pressures grew, and more and more people in the NHS were forced to look for sponsorship support, understandably, companies would choose the high-profile activity over one with a lower profile and would opt for those activities that give them the greatest returns in terms of promotion and sales boosting. It is clear that companies were interested in sponsoring educational events for health-care professionals – conferences and symposia – but these were often a means to promote products to health-care professionals. The free provision of sponsored pens and notepads all served to further reinforce brand names of medical products in GPs, surgeries, clinics and in the minds of those who wrote prescriptions. The new entrepreneurialism meant senior and highly paid staff had to devote a lot of time, energy and resources in pursuing sponsorship – one speaker referred to being 'a fundraiser as well as an Operational Manager for the hospital. I am also a Business Manager for Gynaecology, so I have many hats' (Turner 1993, p. 16). Evidence for the ways in which sponsorship had moved from peripheral to core can be found in Turner's remarks that:

Ten years ago, if you had said to a pharmaceutical company. 'will you buy our district a densitometer?', or 'would you buy some flow machines for our practice?', the answer would have been 'no, this is something that should be provided from the NHS budget'. It is interesting that now pharmaceutical companies and charities are having to provide MRIs and CAT scans. (Turner 1993, p. 24)

The tenor of discussions at such conferences constituted a consistent retraining of public sector staff in the ethos, values and ways of thinking of entrepreneurialism. One floor speaker, from Shire Hall Communications, argued that health professionals should 'adopt a realistic approach to the company's need to get a return on its investment' and suggested that the NHS should be more accepting of industry's needs to ensure a return for its shareholders' (Turner 1993, p. 25).

The 1995 Annual Report of the Association of the British Pharmaceutical Industry (ABPI) devoted two pages to a list of deals between hospitals and health-care organizations and many of the industry's major players. The short section on sponsorship in the ABPI's code of practice commented that while traditionally the industry had concentrated its sponsorship in the NHS on clinical research, it now 'spreads its net much wider, and puts money into bricks and mortar, specialist interest groups, medical and nursing posts, health service

symposia and awards, and patient and other literature' (*Health Service Journal*, 19.10.95). Since the 1980s, a wide range of medical activities, such as equipment and supplies, information provision, research, training and professional associations, have become routinely supported by sponsors.

Equipment and Supplies: The large sums that the NHS spends on medicine inevitably attracts attention from the major pharmaceutical companies. A sponsorship given to a special interest group for a disease or syndrome appears as a benevolent act and may well help to raise awareness of the disease area and the need for better management and improved quality of life for patients. However, sponsoring the group is also likely to increase prescriptions of the sponsors' products (*Health Service Journal*, 19.10.95). The competitive pressure from companies wishing to be involved can place undue pressure on staff. In the case of the sponsorship of specialist cancer-care nurses by manufacturers of stoma care products, the RCN received numerous reports during the 1990s from sponsored nurses who felt they were being pressured into prescribing their sponsors' products. In an article in the *Health Service Journal*, Sue Scott, assistant adviser in nursing practice at the RCN, said,

About 30% of stoma care nurses are sponsored and most companies are involved. Because of the nature of the industry, there is enormous competition for a very lucrative business and problems arise when nurses are appointed who don't have the maturity or experience to hold their own against the demands of their sponsor. (*Health Service Journal*, 19.10.95)

By the mid 1990s, NHS bodies were routinely seeking a wide range of sponsorships. For example, Leicester Royal Infirmary NHS Trust sought companies to sponsor beds. In return for a one-off payment of £4,000, a donor company got its name on a commemorative plaque above a bed, plus a free health check for the boss or a nominated employee (*The Observer*, 01.09.95).

Information: Health information leaflets became sponsored as a matter of routine and were widely available in clinics, surgeries and hospitals. Ashtons, makers of towelling nappies, produced one that proclaimed that your baby would be more comfortable in towelling nappies than in disposables, while an Ultra Pampers leaflet suggested exactly the opposite (*The Guardian*, 22.04.92). This of course makes 'educative' information almost useless, and such commercially motivated advice also tends to contaminate the more neutral informational material around it. New mothers, *The Guardian* argued, are 'particularly vulnerable to advertising dressed up as health education.' A survey in one district health authority found 90 leaflets related to nutrition and health, of which nearly

two-thirds were produced by food companies of food industry bodies (*The Guardian*, 22.04.92).

Sponsored Research: For many years much medical research has benefited from the support of sponsors, and every so often, there are disturbing reports as to what can happen if research is not in the best interests of sponsors. In 1996, *The Observer* (28.04.96) reported that Boots (a long established retailer of pharmaceuticals) suppressed research results that demonstrated that its most lucrative drug could be replaced by products three times as cheap and just as effective. *The Observer* commented that this 'reinforced fears that corporate sponsorship compromises medical research when it threatens profits'. In the early 1990s, the *International Consensus Conference on Food and Nutrition* was held under the patronage of the IOC Medical Commission. A video report of the conference uses clips from doctors and scientists and ordinary people. The cumulative effect was to suggest the following argument – carbohydrates are an important element in diet, both simple and complex carbohydrates have a role; sweets are one useful source of simple carbohydrates. There is a perfectly valid case that simple carbohydrates are a useful source of quick energy, particularly for athletes in training who may not always want the bulkier complex carbohydrates (see Brewer et al. 1988). The fact is, though, that the conference was sponsored by confectioners Mars.⁴

Sponsored Training: Among forms of medical training sponsored by drug companies during the 1990s were: asthma instruction training for nurses, courses for registrars seeking posts as consultants, epilepsy educational packs, diabetes treatment, medicine for managers seminars, rheumatoid arthritis videos, management protocols for cancer care and clinical training for GPs in contraception advice (*Health Service Journal*, 19.10.95). Glaxo Wellcome sponsored asthma nurse training, with an explicit intent: 'The main benefit for Glaxo is that if asthma is diagnosed earlier and managed correctly so that patient compliance is improved we will gain commercially' (Veronica Prentice, senior customer planning manager at Glaxo Wellcome UK, quoted in *Health Service Journal*, 19.10.95). A range of evidence from America suggested that drug companies constituted a significant influence on the prescribing practices of doctors.⁵

Professional Associations: In 1994, *The Observer* (19.06.94) reported that the professional body of Britain's child health doctors was in disarray over secret payments from a multinational food company, whose vigorous marketing of baby-milk substitutes in developing countries has prompted an international boycott. Senior officials of the British Paediatric Association faced resignation

calls after confirmation of the secret £140,000 donation from Nestlé. The 4-year deal involved £35,000 contribution to a BPA research unit. Under the World Health Organisation (WHO) guidelines, all such donations should have been fully disclosed by the recipient.

Guidelines, ethics and product promotion

The activities of private companies, particularly but not solely from the pharmaceutical sector, wishing to promote goods and services, poses ethical issues that require attention, but effective measures have proved difficult to implement. During the 1990s, concern at ethical issues was sufficient to prompt the development of a whole series of guidelines. The NHS executive included guidelines on certain forms of sponsorship in its 1993 Standards of Business Conduct for NHS staff (*Health Service Journal*, 19.10.95).⁶ These guidelines were struggling to get to grips with a new form of income and were symptomatic both of the rapid spread of sponsorship into new areas and of a widespread concern that the health service did not have a clear or unified ethical position. The guidelines served to confirm the relation between health professionals and sponsors rather than to restrict the continued expansion of sponsorship.

As a major investor in a range of medical activities, the role of the pharmaceutical industry has for a long time been a cause of ethical concern, despite the Association of the British Pharmaceutical Industry (ABPI) claim that 30 per cent of UK pharmaceutical industry's sales income is ploughed back into the research and development of new and better medications.⁷ In the United States, where the pharmaceutical industry has greater freedom to promote medicines directly to the public, the industry is constantly developing new forms of promotion.⁸ The use of sponsored patient groups in medical research can mean that NGOs become unwitting collaborators in advancing a drug company's own agenda (see Hogg 2009). The WHO has found it necessary to develop ethical guidance in this area.⁹

In 1999, a report by the Royal College of Paediatrics and Child Health proposed to differentiate between acceptable and unacceptable sources of sponsorship, based on how products are used and marketed, rather than on the products themselves. Lisa Bero (1999, pp. 653–4) suggested that this strategy was unworkable, and that adopting restrictions on sponsorship, regardless of source, would be more viable, arguing that this would set a strong example for other organizations that had to deal with the reality of accepting increasing corporate

sponsorship, as public funding contracted, while maintaining ethical standards. This suggestion has not been adopted. Elizabeth Wagner (2003, pp. 1196–8) drew a distinction between four types of non-governmental guidelines. However, such guidelines are in the end only as strong as the authority that enforces them and the ability and willingness of those authorities to enforce them. Only governmental regulation can have the force of law and then only when the policing of infringements is rigorous. Effective government-led regulation of this type has not been decisively imposed by either Labour, Conservative or coalition governments.

It is clear that, in this period, public finance conventions and policy guidelines have been systematically restructured in order to maximize incentives for the NHS both in selling services and in contracting them out.¹⁰ Consequently, ethical concerns became more widely articulated among a range of health organizations.¹¹ As a result of these ethical concerns, a range of bodies has felt it necessary to devise codes of practice.¹² In 2004, the World Medical Association published its first guidelines on how doctors should handle their relationship with commercial enterprises. The guidelines were seen as necessary because the ‘inappropriate influence of commercial enterprise on the autonomy of physicians’ was beginning to cause concern. The guidelines, which cover medical conferences, gifts, research and affiliations, are a bid to satisfy the public’s demand for greater transparency in doctors’ relationship with the pharmaceutical industry, but are rather anodyne in character (Kmietowicz 2004, pp. 329–76). In 2005, the NHS responded to concerns within the profession by issuing ‘Sponsorship - Frequently asked Questions’, which summarized current policies.¹³ Also in 2005, the European Medical Writers Association (EMWA) produced guidelines on the role of medical writers in developing peer-reviewed publications.¹⁴ The Medical Research Council (MRC) offered advice on good research practice, which includes conflicts of interest, confidentiality and consent, authorship, sponsorship and the free dissemination of findings.¹⁵ The Wellcome Trust research guidelines, which use MRC guidelines as a template, similarly cover issues of integrity, conflict of interest, openness, intellectual property rights and ethical and publication practices.¹⁶

The major development, however, was the Health Committee’s 2005 *Report on the Pharmaceutical Industry*.¹⁷ This report, examining the interface between the public and private interests of health care and the pharmaceutical industry, was the first major committee inquiry into this area for almost a century, a fact that the Committee felt pointed to the unchecked free reign that the pharmaceutical industry had been enjoying.¹⁸ The report argued that the

influence of the pharmaceutical industry was huge, and affected every level of health-care provision, from the initial development of drugs, through clinical trials, promotion to prescribers and patient groups to the development of clinical guidelines. The report found that there was no effective regulatory system and said that the Department of Health faced a conflict of interest between the pharmaceutical industry and the health of the nation. The pharmaceutical industry in the United Kingdom had been left to its own devices; the influence of the industry had expanded and several practices had developed that were against the public interest. Sponsored research and development findings were given a positive spin, and selective publication practices and ghost writing by pharmaceutical company employees had become common practice. The report stated that National Institute of Clinical Excellence (NICE) guidance was not always unbiased or complete.¹⁹

However, the trajectory towards private involvement had continued, unrestrained by this wave of ethical concern. The first Labour Government White Paper, *The New NHS: Modern and Dependable* (1997), placed an obligation on Primary Care Groups, Health Authorities, NHS Trusts and Primary Care Trusts to work together and in collaboration with other agencies.²⁰ The White Paper defined sponsorship very simply but broadly as defined by external funding:

For the purposes of this guidance commercial sponsorship is defined as including - NHS funding from an external source, including funding of all or part of the costs of a member of staff, NHS research, staff, training, pharmaceuticals, equipment, meeting rooms, costs associated with meetings, meals, gifts, hospitality, hotel and transport costs (including trips abroad), provision of free services (speakers), buildings or premises.²¹

This description is in itself evidence of the expanded range of activities now supported by external funding. The private sector became adept at circumventing guidelines. A *Consumers' International* report discovered a growth in marketing techniques designed to negotiate EU legislation, which does not allow direct to consumer marketing. These techniques included the sponsorship of patient groups, internet chat groups and drug or disease websites. In the pharmaceutical industry, the report stated, self-regulation is weak and generally inadequate in terms of protecting consumers from potentially misleading claims. The report asserted that there was a need to deal with veiled relationships between pharmaceutical companies and health researchers.²²

Despite all these guidelines, disquiet within the profession persisted and had grown throughout the 2000s. Edwin Gayle, Professor of Diabetes and

Metabolism, at the University of Bristol, argued that 'formal guidelines and declarations of interest are inadequate as a means of policing an interface where undisclosed amounts of money change hands so freely'.²³ Gayle cited the going rate for a doctor to speak at a drug symposium organized by pharmaceutical companies as between £1000 and £6000. He argued that 'evidence-based medicine is the first casualty of drug development . . . because the pivotal studies are designed, analysed and presented in such a way as to favour the positive aspects of new drugs'. Gayle stated that we are 'locked into an unsustainable pattern of growth, the legal department is increasingly crucial to the survival of the pharmaceutical giants and the battle for market share is set to become more ruthless', and commented that 'Some doctors exhibit a naïve and bare-faced venality that is almost beyond belief'.²⁴

Similarly, Sir Iain Chalmers argued, in the *Journal of the Royal Society of Medicine* (June 2006), that Britain's pharmaceutical industry could not be trusted to run clinical trials safely without outside regulation and that the untrustworthiness of clinical health trials had reached endemic proportions in the United Kingdom. Sir Iain Chalmers criticized doctors who, he claimed, collude with the drugs industry by 'collaborating with scientific misbehaviour driven by the marketing departments of pharmaceutical companies'. Sir Iain wrote, 'Their systematic under-reporting of negative results and lack of transparency is blatant scientific misconduct and unethical. Without radical change this will continue . . . stricter government regulation is likely to be needed'.²⁵ Ray Moynihan cites evidence that interactions with industry influence the prescribing behaviour of doctors, even those who deny their susceptibility to such things. The evidence strongly suggests that sponsored research tends to produce results favourable to the sponsor. This, Moynihan argues, is not because sponsored science is necessarily bad science, but rather that the scientific questions being asked reflect the self-interest of the sponsor.²⁶

Doctors are often paid substantial sums by pharmaceutical companies to use patients as drug guinea pigs. One doctor earned more than £100,000 in 5 years from companies including AstraZeneca, GlaxoSmithKline and Bayer to test drugs. Some patients without symptoms were given drugs, while others needing treatment were given placebos. The doctor involved was found guilty of serious professional misconduct by the General Medical Council. According to one investigation, around 3000 UK doctors are paid by pharmaceutical firms to test drugs. They are given £1000 for each patient signed up, and the drug companies spend around £345 million a year on this

(*The Observer*, 09.02.03). Doctors are given all expenses to attend conferences sponsored by companies, with senior doctors able to earn between £1000 and 2000 to speak. Pharmaceutical companies actively seek opinion leaders to nurture; one example is the annual European conference for cardiologists, attended by 18,000 delegates (*The Guardian*, 05.10.04). Some doctors have been found to be prescribing unsuitable or unnecessary drugs, and studies suggest links to interactions with drug company representatives and attendance at sponsored medical conferences and educational seminars.²⁷ Nurses, in particular nurse prescribers, are also now being targeted by the industry and are influenced in the same way as doctors.²⁸

Jacobs and Wagner (2005) describe the common practice for many papers in biomedical journals to be drafted by professional medical writers, or ghostwriters, under close supervision of those who become the 'named' authors of the piece. They argue that since the pharmaceutical companies funding the named author usually employ the medical writers, concerns have been raised about the objectivity of the final paper. In response to concerns expressed by medical journal editors regarding the role of commercial sponsors in publishing research relating to their own products, the EMWA has had to develop guidelines to address the issue.²⁹ There has been growing concern during the last decade over doctors and medical researchers putting their names to papers written for them, for financial reward (*The Guardian*, 12.02.02). *British Medical Journal* (BMJ) editor Richard Smith has highlighted this as a major problem for the medical profession (Smith 2005). An inquiry (*The Observer*, 07.12.03) revealed hundreds of articles that were written by ghostwriters paid by pharmaceutical companies. Gayle claimed that 'Editors of medical journals seem to be losing the battle for open disclosure', suggesting editors cannot be confident that reviewers of papers are declaring their links with companies, and argued that 'there is a widespread assumption that you are not under oath when it comes to conflict of interest statements and creative ways of navigating this obstacle have emerged' (Gayle 2003, p. 540).³⁰

The long history of peddling remedies for diseases, real or imagined, illustrates that once consumers are persuaded that they have an ailment, they will wish to purchase a cure. Drug companies will set up apparently independent campaign groups as a drug-promotional strategy. A 2006 *Consumers International* report suggested that drug companies were promoting their products through patient support groups, students and internet chat rooms to bypass restrictions on advertising. Companies sponsor patient groups and disease awareness campaigns and pay specialized medical communication

agencies to recruit and train leading doctors, specialists and academics to become opinion leaders.³¹

One impact of the intense competition between pharmaceutical companies has been the tendency to develop and promote new syndromes, new diseases for which there is a supposed pharmacological cure. The vaguely defined GAD – general anxiety disorder – is one example. In the *British Medical Journal*, Ray Moynihan (2003) examines the supposed ‘disease’ Female Sexual Dysfunction (FSD) and suggests that the majority of conferences and forums held to investigate female sexual dysfunction have been sponsored by drug companies. Drug companies have sought a definition of the ‘disease’ which highlights only physical problems and does not take into account any social, economic, emotional or psychological factors. This lack of a holistic approach could in turn persuade doctors to prescribe medication in order to change sexual functioning, rather than recognizing the influence of external factors in dysfunction. Misleading statistics, identified in the paper, imply that almost half of the female population are sexually dysfunctional, whereas leading psychologists say that true dysfunction of this type is not prevalent. The danger is that a definition of ‘normal’ is becoming ever more narrow, and so the complaints and dissatisfactions of the healthy can be turned into the conditions of the sick (Moynihan 2003).

Proctor and Gamble hoped to be one of the front runners in selling a testosterone patch for the treatment of this controversial ‘disease’. They invested heavily in the sponsorship of key scientific meetings in sexual medicine, the hiring of leading sex researchers as consultants, funding of continuing medical education activities and informed press and public about the possible uses of testosterone. Despite dissensus in the scientific community, a selective use of facts and figures de-emphasized the possible risks of the drug, while overemphasizing the benefits (Moynihan 2005). The BMJ describes FSD as the clearest example yet of the ‘corporate sponsored creation of a disease’. Other syndromes about which questions have been asked include attention deficit disorder, attention deficit hyperactivity disorder and the male menopause (*The Observer*, 05.01.03, p. 11). In 2006, the journal *Public Library of Science Medicine* published 11 papers linking the definition of new diseases to medical specialists funded by drug companies. The implication was that the pharmaceutical industry was guilty of ‘disease mongering’.

Commercial sponsors are constantly attempting to intervene in medical practice in ways that bend health provision and education towards their commercial interests. Drug companies frequently fund health charities – a

mental health charity, Depression Alliance, gets almost 80 per cent of its funding from drug companies. Arthritis Care receives money from Merck Sharp and Dohme (*The Observer*, 03.04.05). Much 'health advice' available on leaflets in GP's surgery waiting rooms and hospital waiting rooms is unauthorized, unvetted and funded by corporations with an interest in the relevant products (e.g. advice on caffeine from Nestlé). This is a lucrative business – WIS (Waiting Room Information Services) had a turnover of £1.6 million in 2005 and claimed that it could reach 38 million patients in 6000 surgeries in the United Kingdom. It distributes on behalf of the Department of Health, but also on behalf of companies such as Nestlé and Kraft (*The Guardian*, 14.12.07). These practices have damaged and undermined the very concept of public health information. Information can no longer be trusted when it is a disguised form of advertising.

Basic services to patients are being commodified. The company Patient Line provides television and telephone services for patients in hospitals across the United Kingdom. Patients must pay to use the system, which also constitutes a constant running commercial for the company's services, which patients are subjected to, even if they choose not to use those services. There is clear and accumulating evidence that the impact of commercial sponsorship of health products, services and research is neither benevolent nor neutral. Despite numerous guidelines and codes of practice, senior practitioners continue to voice concerns about the impact. Yet state policy has continued to progress towards an ever-greater utilization of private sector providers of public health care.

Marketization of the health service and the road to privatization

The final section of this chapter places the concerns outlined above in the context of a gradual expansion of private provision within the framework of an increasingly hollowed out public health service. The NHS has provided a persistent problem for the neo-liberal version of British conservatism that began its advance to hegemony during the 1970s. For much of the first term of her premiership, Mrs Thatcher had to struggle against the patricians, traditionalists and one-nation Tories who constituted a significant element both in the party and in her cabinet. After the victories against the Argentinians and the Miners, she was able to sail into a second term with greater confidence and greater support. The privatization of the utilities (gas, water, electricity and telephones) was carried out in the context of the ideological figures of 'popular capitalism'

and 'enterprise culture'. The NHS, however, was more problematic. It had always enjoyed a high level of popular support and any political attempt to meddle with it, particularly from the Conservatives, was typically regarded with great suspicion. Despite her Friedmanite views about the need to allow market forces to rule untrammelled, Mrs Thatcher was astute enough to move cautiously and slowly in health reform. Nonetheless, it was her own frustration with this slow pace of change that led her to insist that something must be done to introduce market principles (Young 1990, pp. 548–9).³²

From this period to the present day, there has been a hidden agenda within government and civil service circles. This agenda has been pushing the NHS, inch by inch, towards an imagined future in which it will become an insurer and a brand, rather than a provider of health services. The agenda has been heavily influenced by powerful lobbying, behind the scenes, by private medical services companies, many of them American, and by the big pharmaceutical companies. The agenda has remained hidden because those politicians, political advisors and civil servants sympathetic to it understand the massive public hostility that would be unleashed if the trajectory of change was clearly understood by the public. Between 1997 and 2008, New Labour were, for the most part, every bit as complicit as the previous and subsequent Conservative governments, in this slow privatization by stealth.

During the period from 1948 to 1963, the political landscape was characterized by a Butskellist consensus. By the 1960s though, disagreement between the parties about health policies grew, particularly around issues such as pay beds in NHS hospitals and the percentage of time consultants could spend on private patients. Health services in any society are subject to rising costs, rising demand and expectations and face the problem of cost control. In 1973, the Conservative government attempted to tackle this by allowing Regional Health Authorities to use profits from land sales, encouraging the consolidation of hospital facilities on a few large sites, freeing up land, often in inner cities, for lucrative sales. But only post-1979 did the new agenda begin to unfold. By 1980, according to Allyson Pollock, privatization began to be official policy (Pollock 2004, p. 36). The phasing out of pay beds was reversed, the contracting out of support services was introduced and there was a gradual elimination of some services from NHS (routine optical services, dental care and long-term in-patient care).

In 1982, a system of 'option appraisal' was introduced in the NHS to encourage contracting out. In 1983, the Griffiths Report led to the introduction in the NHS, at senior level, of managers rather than consultants. In 1987, the concept of an

internal market, separating providers and purchasers, was developed. Plans were made to break up the structure of the NHS, establishing hospitals and community health services as semi-independent trusts.

In 1991, the internal market was first introduced (Pollock 2004, p. 20). Hospitals were converted into financially independent trusts that had to balance their books. GPs were able to become fund-holders, commissioning services from providers. In 1995, the GATT Agreement enforced, globally, a significant opening up of public services to private provision. With considerable irony, while it was possible to exempt public services if they did not charge for services, under its new internal market system, the NHS did not qualify for exemption. In a new regulation for the NHS in 1993, there would be no government funding for hospital building works until the option of private providers had been considered. This laid the basis for the incursion of private contractors into significant areas of health service provision; George Monbiot explains the Conservative government's argument:

The private sector, the government maintained, would run hospitals more efficiently, and therefore more cheaply, than the public sector. Private companies would build new hospitals and let them to the National Health Service. They would also take care of all the 'non-clinical' services, such as catering, cleaning and portering, leaving the NHS to concentrate on looking after patients. By mobilizing private capital, the government would be able to open more hospitals than the Exchequer alone could afford. By cutting the costs of peripheral services, it could plough more money into caring for patients. (Monbiot 2000, pp. 62–6)

This laid the groundwork for the Private Finance Initiative (PFI), which shaped, and continues to shape, the provision of public services and infrastructure in health care. By the mid-1990s, private companies were playing a significant role in the NHS, providing cleaning, catering and laundry services. The establishment of an internal market, separating purchaser and provider, and the establishment of trusts helped set the ground for the next phase of developments during the era of New Labour.

The welfare state that had introduced a more civilized and healthier existence for the inhabitants of the British Isles was being eroded. A caring nurturing society, with its free orange juice, malt and milk for growing children, was now being represented as thoroughly old-fashioned and unnecessary. Labour Prime Minister Harold Wilson had removed free milk provision from secondary schools in 1968 and, more notoriously, Margaret Thatcher had, as Education Secretary

in 1971, removed it from primary schools (leading to the popular chant ‘Maggie Thatcher, Milk Snatcher’). So it is interesting that almost 40 years on, research by Dr Mark Vanderpump, associated with the British Thyroid Association, has discovered significant iodine deficiency levels, particularly serious in pregnant women. Children of women with underactive thyroids can suffer from mental impairment (*BBC News*, 12.04.11, *Camden New Journal*, 14.04.11). So, as well as contributing calcium and vitamins, free milk may have had another unsuspected social value in combating low iodine levels.

During the 1980s and 1990s, the image of a public health service was systematically restructured in discursive terms. It moved from a public good, a socially desirable institution, to being perceived as a problem of rising costs and supposed inefficiency, in need of reform. Underpinning this shift, of course, was the triumph of a neo-liberal philosophy that did not believe in the value of public provision and sought to return such activity to the market and to the individual. It was just that, in the case of the health service, this was a view that had to be partially masked.³³ Colin Leys asked the pertinent question:

What explains Labour’s drive to destroy the institution it is most admired for creating? A key part of the explanation has been the desperate desire of Blair and Brown and their allies to be seen as ‘pro-business’ (Leys 2009)

From 1997, commercial sponsorship of health-related activities continued to grow, given greater impetus by the business-friendly policy environment of New Labour. The involvement of the private sector in the provision of public health care would subsequently be given much greater scope by the Conservative-led coalition government in the restructuring of the NHS established by the Health and Social Care Act 2012.

Financial investment from medical and non-medical sponsors increased in scope and scale. The Labour government steadily increased NHS spending, aided by a reckless reliance on PFI schemes, enabling improvements in both staffing and infrastructure and producing growing public satisfaction levels. However, it also continued the trajectory of expanding the role of the private sector in public health, which had begun in the early 1980s. The controversial Health and Social Services Act 2012 was, in large part, one more step (albeit a dramatic one) down the road already well mapped out by previous governments.

From 1997, the Labour government’s strategy was to maintain Conservative spending plans in its first term, to avoid tax rises and to improve the credibility of the Labour Party as a safe manager of the economy. However, this gave the new government a dilemma – it was necessary to secure funding for visible

improvements in health and education, while remaining within its self-imposed constraints. So the PFI concept, which raises private funding for public projects while keeping such sums out of the government accounts, had a particular appeal. Labour had derided PFI in the health service while in opposition: Harriet Harman, then shadow health secretary warned that 'the future of services will be driven by the short-term priorities' of the companies involved, but once in office, they embraced PFI with enthusiasm. Health Minister Alan Milburn declared in 1997 that 'When there is a limited amount of public-sector capital available, as there is, it's PFI or bust' (both quoted in Monbiot 2000, p. 63). In committing to PFI, the Labour government was stacking up public debts and risk exposure for the future. By 2011, it had become clear that many hospitals, saddled with PFI-related debt commitments, would be unable to balance their books and hence meet the financial requirements necessary to become Foundation Trust hospitals.

The architects of New Labour, as keen on enterprise as Mrs Thatcher had been, nurtured suspicions of the unions and the public sector workforce. The popularity of the NHS, however, is such that all British governments (up to and including the coalition established in 2010) have felt impelled to claim that the NHS is 'safe in their hands' and to deny that any policies might be designed to usher in privatization. In the first 3 years of office, Labour's health policies were slow to coalesce. Several changes in shadow health secretaries (Cook/Beckett/Smith) during the 1990s impeded systematic planning. Blair's surprise appointment of Frank Dobson as Health Minister meant internal resistance to New Labour's marketization agenda (see Wood 2000, p. 195), and so the early developments in health policy were cautious. The 1997 Primary Care Act allowed for some deregulation and experimentation in the area of primary care. When Labour came to power in 1997, they decided not to reverse the purchaser/provider split, but to establish PCGs (Primary Care Groups) which would take over commissioning from local Health Authorities. In December, Labour published the 1997 White Paper *The New National Health Service: Modern, Dependable* and in 1998 the White Paper *Working for Patients*, which made clinical auditing of needs a requirement on hospitals, and thus made the role of hospital managers more powerful. The internal market required such managers to make decisions on economic grounds, rather than on the grounds of long-term health-care strategy.

Between 1997 and 1999, the staunch defender of the NHS, Frank Dobson, as Minister of Health, fought a rearguard action, calling for an end to the internal market. However, as he was prevented from abolishing the distinction

between purchasers and providers, this proclamation had rhetorical force but no real impact. One assessment of Dobson's short reign as Minister of Health has argued that he:

produced proposals for wide ranging reforms to the organisation and culture of the NHS through ending the competitiveness and short-termism of the internal market. He had also put the medical profession on the defensive, pursued a range of populist policies, fielded the daily crisis issues pretty capably, and presided over the announcement of a substantial funding increase. (Wood 2000, p. 205)

Dobson also called for the end of GP fund-holding, but all GPs had become, in effect, fund-holders through the establishment of Primary Care Groups, which had been proposed by the previous government and which subsequently became Primary Care Trusts. In 1998, the Government announced that PCGs were expected to progress to being freestanding Primary Care Trusts, at which point they become responsible for providing community services as well as the purchase of hospital services. The establishment of PCGs did not appear to make cost control any easier and gave GPs effective control over a large proportion of the health service budget (see Paton 1999, p. 64). According to Paton, health inequalities could not be reduced without a redistribution of people's incomes (Paton 1999, p. 68). In 1999, Dobson was pressurized into leaving the Ministry to run as Labour candidate for London Mayor, against the popular left-winger, Ken Livingstone. Dobson, whose heart was never in the contest, lost, remained on the backbenches and never really forgave Tony Blair for taking away a job he loved.

Dobson's major achievement may have been the introduction of National Service Frameworks. These for the first time identified the key service areas based on evidence-based (i.e., epidemiologically informed) needs such as mental health, cancers, diabetes and provided targets for provision, showing service users what they were entitled to expect. In the most recent moves towards commercialization, epidemiologically informed targets highlighting health status outcomes are being shelved to be replaced by financial targets (as is clear from recent debates about the role of Monitor, the independent regulator of NHS Foundation Trusts).

In New Labour's first 18 months in office, a series of major public/private partnership deals were announced, particularly in the transport and health sectors and in local government (see Coates 2000, p. 129). From the second half of 1997, measures were taken to encourage and develop local government Private Finance Initiative (PFI) projects and by February 1998, 40 of these had

been approved (Burch and Holliday 2000, p. 74). The development of PFI meant new hospitals could be financed and managed by the private sector and leased by the state (Paton 1999, p. 55).

Labour's major policy initiative, the *NHS Plan: a modernization strategy*, was issued in 2000. It was impressively expansive in ambition, calling for 100 new hospitals by 2010, 7000 more beds, 500 new one-stop primary care centres and 7,500 more consultants. There is no doubt that from 2000, the Labour government, benefiting from economic growth and utilizing PFI, was able to improve the staffing and infrastructure of the NHS. This increased spend was matched by growing public approval. Public satisfaction with the NHS had declined from 55 per cent in 1983 to 35 per cent in 1997, when Labour took office. But a continuous upwards trend from 2002 saw this figure reach 64 per cent by 2010.³⁴ According to Leys and Player, the NHS Plan also marked a further step down the road to privatization. Since 2000, the year of the NHS Plan, they argue, a central feature of government policy for the NHS has been the concealment of its real trajectory (Leys and Player 2008). At the acute health-care conferences organized annually by private health-care analysts Laing and Buisson, for example, ministers and top civil servants had for several years given detailed policy briefings to companies on new private sector health-care opportunities, while Patricia Hewitt, then Minister for Health, was constantly assuring journalists that NHS privatization was 'out of the question' (Leys and Player 2008). In 2000, the Independent Healthcare Association, which represents the private health-care industry in the United Kingdom, negotiated a concordat with the new Minister of Health, Alan Milburn (Leys and Player 2011, p. 1). This made private companies permanent providers of treatment to NHS patients and meant that 'NHS' was to become a brand, a kitemark, that could also be displayed by private providers, blurring the distinction between the NHS and the private sector in the public mind.

A number of key figures moved between public and private sectors, evidence of the close links being forged between government, the civil service and private companies. Simon Stevens, Tony Blair's key advisor on health and the main architect of Britain's health reforms, moved in 2004 to UnitedHealth, America's biggest insurer. Mark Britnell, former Department of Health head of commissioning, now leads KPMG's European Health Division. Lord Carter, chairman of the NHS's competition panel, is also McKesson's UK chairman. Penny Dash, the Department of Health's former head of strategy, co-authored the NHS Plan of 2000, which initiated the marketization process and now works for McKinsey. Mark Hunt, once in the Strategy Unit at the Department of Health, is

now managing director of Health Care at Care UK. Professor Chris Ham, ex-head of the Department of Health's strategy unit, has close links with Kaiser. Former health secretary Patricia Hewitt is an advisor to the private equity company Cinven, which has acquired BUPA's hospitals. Tom Mann, formerly head of the Department of Health's 'national implementation team' which awarded the first Independent Sector Treatment Centre (ISTC) contracts, subsequently became chief executive of Capio, which won a large number of these contracts. Danny Murphy, a former special adviser to both the prime minister and the health secretary, became director of corporate lobbyists APCO UK. Matthew Swindells was chief information officer of the Department of Health and a special adviser to Patricia Hewitt, and then became director of Tribal's health-care division. Former health minister Lord Warner is now working in private health sector for AXA. Former health minister Alan Milburn went to work for private equity firm Bridgepoint Capital, which obtained several NHS contracts.³⁵ The health policies of the Blair government were shaped by people who had or were to have vested interests in the private sector. Safe in their hands?³⁶

Person	Role	Moved to
Simon Stevens	Blair's key advisor on health	UnitedHealth
Mark Britnell	DOH head of commissioning	Leads KPMG's European Health Division
Lord Carter	Chairman of the NHS's competition panel	McKesson's UK chairman
Penny Dash	DOH head of strategy	McKinsey
Mark Hunt	Strategy Unit at the DoH	Managing director of Health Care at Care UK
Chris Ham	Ex-head of the DOH strategy unit	Links with Kaiser
Patricia Hewitt	Health secretary	Advisor to Cinven
Tom Mann	Head of DoH 'national implementation team'	Chief executive of Capio
Danny Murphy	Special adviser to prime minister and health secretary	Director of corporate lobbyists APCO UK
Matthew Swindells	Chief information officer, DOH	Director of Tribal's health-care division
Lord Warner	Govt. health advisor	AXA
Alan Milburn	Health minister	Bridgepoint Capital

Leys and Player have argued that the covert strategy for privatization of health provision required three crucial steps. First, openings had to be created for private firms to provide clinical treatment to NHS patients. Second, NHS organizations had to be reorganized into competitive businesses. Third, a growing percentage of the NHS workforce had to be made ready to transfer to the private sector (Leys and Player 2011, p. 13). In this context, it becomes easy to see the line of continuity between Thatcher's internal market, Blair's NHS Plan and Cameron and Lansley's Health and Social Care Bill.

Private providers were moving into the heartland of clinical provision. During 2002, the old District Health Authorities were replaced by 28 Strategic Health Authorities, reducing local community input into decisions, and new ISTCs (Independent Sector Treatment Centres) were established to provide 'low-risk' elective surgery. The government was warned (not for the last time) that private companies would cherry-pick the easiest and cheapest work. Over 5 years, £5.6 billion was transferred from the NHS to private companies. However, crucial data on costs and performance remained hidden (*The Guardian*, 17.05.11). The National Institute for Clinical Excellence (NICE), intended to assess the effectiveness of drugs and other technologies, in order to limit growth in the NHS drugs bill, was established in 2002. However, health policy expert Allyson Pollock has argued that it was soon 'captured' by the pharmaceutical industry (Pollock 2004, p. 81). The leading historian of the NHS, Charles Webster, commented that Labour was moving towards privatization faster than had the Conservatives and argued that any increased spending on the NHS would tend to be absorbed by the higher costs of privatized services (Webster 2002).

In 2003, Foundation Trusts were introduced, converting hospitals into semi-independent organizations, required to manage their own business plans and to balance their books. Colin Leys argued that hospital trusts would face great financial uncertainties and risks. First, he suggested, payment by results coupled with 'patient choice' prevented hospitals from knowing in advance what their income would be. Second, a significant part of the hospital budget would be transferred to the primary-care budget, much of it destined for for-profit providers. Third, by 2008, up to 40 per cent of the NHS hospital budget could be transferred to pay for work carried out by private hospitals and treatment centres.³⁷ These predictions have proved perceptive as by 2012 many Foundation Trust hospitals were already facing severe financial difficulties.

The *Health and Social Care Act 2003* allowed PCTs to contract out almost all forms of primary care. The new GP contracts made after-hours care optional,

allowing for contracting out to private providers. New Labour rhetoric had adopted the free-market mantra of 'choice', although there was no clear evidence that choice was the main thing that people wanted from a health service, nor that giving choice produced greater efficiencies, cheaper costs or better quality.³⁸

During 2005, the Department of Health (DoH) commissioned a study of NHS administrative costs. According to the 2003 statistics, administration had cost 14 per cent of the budget. This was devastating information, as, in the 1970s, before the marketization process began, administration had only cost 5 per cent. The argument that competition would reduce costs was now demolished. The Department kept the report private and the results only emerged in 2010 (Player and Leys 2010). However, such was the ideological commitment to enterprise among key New Labour figures that no change of direction could be contemplated. In 2005, The Adam Smith Institute, a right-wing think-tank, held a conference in the Commons for senior NHS and private health-care executives. One senior NHS official proclaimed 'we have created a market. It's up to you now' (Allyson Pollock, *The Guardian*, 24.05.05).

The Department of Health set aside £3 billion to buy 1.7 million operations from the private sector over the next 5 years. This money was earmarked for ISTCs which did not require the same level of training for doctors. The government also introduced LIFTS: local improvement finance trusts, the counterpart to PFI in primary care. Doctors were now typically being tempted by commencement payments of several thousand pounds to leave the NHS, to become salaried employees of transnational health-care corporations (*The Guardian*, 24.05.05). The private medical sector has benefited massively over the years from the publicly funded training of doctors and nurses.

In 2006, the DoH introduced semi-privatization to the NHS supply system, centralizing ordering in NHS Logistics and establishing a joint venture with global corporation DHL, called NHS Supply Chain.³⁹ The Department kept up its pressure on NHS managers to pursue private income with revised guidance on income generation.⁴⁰ In 2007, the Department of Health signed up to an exclusive joint venture with the Dr Foster organization without going to open tender. The scheme, involving working with official data and selling it on to inform patient choice, cost £12 million. The National Audit Office condemned the deal as poor value for money and said that it broke almost every rule designed to protect the tax payer (*The Guardian*, 06.02.07). In the same year, Polyclinics, an experiment in grouping facilities on one site, were introduced.⁴¹ Almost entirely privately built and run, and renamed neighbourhood health centres, they took over, from hospitals, a whole range of chronic outpatient services, facilitating the ability of

the private sector to cherry-pick routine low risk work, while leaving the public sector with high-risk, high-cost surgery (see Leys 2009).

The systematic official rhetoric, which had begun in the 1980s, to try and replace words such as 'passenger' and 'patient' with the enterprise-oriented term 'customer', has restructured thinking, sometimes to a bizarre degree: hospitals could now advertise to attract patients. By 2010, over 200 GP surgeries and Health Centres in England were being run by private companies. Nine firms, including Care UK and Assura Medical, each held 10 or more contracts. Discreetly, without adequate scrutiny, the private sector had already established strong bases at the heart of the public NHS. Despite the rhetoric of community involvement in Cameron's 'Big Society', many of the economic forces restructuring the health service have been working in the opposite direction. The Women's Royal Voluntary Service (WRVS) has 28,000 volunteers in more than 40 hospitals, many providing catering for visitors. But hospital cafés are being replaced with chain store cafés and fast food providers, such as Burger King and Costa Coffee. The WRVS cannot compete with the commercial rents that hospitals can charge (*The Guardian*, 28.05.06, p. 13). Volunteers have been squeezed out by big corporations.

Private sector involvement has also undermined public health strategies. Since the coalition government was formed in 2010, they have launched the Government Public Health Responsibility Deal, which involves alcohol and food company representatives, who, in return for funding, hoped for non-regulatory approaches to their industries. The deal gave companies such as Diageo, SABMiller, McDonalds, Pepsico and Mars privileged access to policy formation. They were also invited to contribute to government health campaigns that could carry their logo, which *The Guardian* (22.02.11) described as 'the sort of brand stretching and credibility enhancing opportunity of which companies dream'. Six health bodies (The Royal College of Physicians, the British Liver Trust, the British Association for the Study of the Liver, the Institute of Alcohol Studies, the British Medical Association and Alcohol Concern) rejected the 'responsibility' deal on alcohol, saying that the industry had been allowed to drive through insignificant pledges that would do nothing to cut drink-related illness (*The Guardian*, 14.03.11). Public health advice is being financed by those very manufacturers whose products give rise to concern.

The advocates of contracting-out claim that due to better resource management, efficiency savings will result. According to the Business Services Association, which represents support service companies, NHS Information Centre statistics show that contracting out services is cheaper and saves around 13 per cent. But as Unison point out, these savings are obtained by utilizing low

wage rates and smaller work forces.⁴² So, almost inevitably, the quality of service drops. An efficiency saving on paper can mean a delayed or cancelled operation. An open letter from the Federation of Surgical Specialty Associations (15,000 members) claimed operations were being delayed or downgraded as being of 'limited value' in order to save cash.⁴³ An Age Concern report found 8 out of 10 nurses said they did not have time to ensure that patients could eat the food provided or even reach the trays. From the late 1980s and the introduction of CCT, hospitals, required to offer catering services out for tender, managed to save around 25 per cent on their food budgets and this money has never been restored. Some PFI-funded hospitals no longer even have kitchens, requiring them to use externally prepared and delivered catering.

Private companies have already acquired significant parts of health service work, without much publicity or public debate. Serco took over the pathology services at Kings Hospital, London, making Serco the largest UK provider of pathology services (*The Guardian*, 18.03.11). Serco is also a leading independent provider of health services in prisons, where the users are, of course, not in a position to exercise choice.⁴⁴ Meanwhile, Serco's chief executive, Chris Hyman recently gained an 18 per cent pay rise, taking his annual pay to £1.86 million. The finance director, Andrew Jennings, got a 7 per cent increase to £948,295 (*The Observer*, 03.04.11).

The Southern Cross affair offers a salutary lesson in what can happen when private companies hit financial problems and illustrates that while private companies take the profits, the public are burdened with the risk. Ninety per cent of the elderly residential care in the United Kingdom is now provided by private companies. A House of Lords ruling in 2007 confirmed that private sector firms, unlike publicly owned homes, had the right to evict residents (*The Observer*, 04.11.07). Southern Cross, United Kingdom's biggest provider of residential care homes, with 750 homes and 31,000 residents, had a financial crisis in 2011 and began struggling to meet its annual rental payments of £200 million. This inevitably raised disturbing questions as to what happens when a private provider goes bust. Opposition MP Michael Meacher said that if the company failed 'it would expose the brutal logic of profit driven private services' (*The Guardian*, 15.05.11). The 750 care homes of Southern Cross were in trouble because of their rental debts on the homes, largely owned by a range of investment companies and private equity companies, including the Qatari Investment Authority (QIA) (*The Guardian*, 25.05.11). There is no question of these companies having to forego their rent: the public authorities, local or

national, are required to intervene to ensure continuity of care. As is typical, despite claims to the contrary, the profits go to the private corporations, while the burden of risk is shouldered by the taxpayers.

The battle over the 2012 Health and Social Care Act

In January 2011, Health Secretary Andrew Lansley introduced the Health and Social Care Bill to the House of Commons. The Bill, a long and complicated document, longer indeed than the original Act establishing the NHS in 1946, proposed a series of changes that would transfer a high percentage of the NHS budget to GPs and groups of GPs, who would purchase health services from whichever providers, public or private, offered the best deal. One of the most contentious phrases, later modified, referred to potential providers of health services as ‘any willing provider’, seen by its critics as implying that only willingness, and not experience, might be the key criteria. Coming after the financial meltdown of 2008, and proposing radical changes, it could be regarded as an example of what Naomi Klein dubbed the ‘Shock Doctrine’ – exploitation of a crisis to advance the neo-liberal agenda of privatization (see Klein 2007). *The Observer* (03.04.11) described Lansley’s plans as ‘so far reaching and detailed that it left fellow ministers disorientated’.

It took a while for the full radical implications of the Bill to be appreciated by the opposition parties, the public and the medical profession, but when they did, the hostile reactions grew rapidly. Labour opposition was muted because, despite the radicalism of the Bill, it also represented a continuation of a march towards privatization commenced under Major in the 1990s and continued by Blair.⁴⁵ Player and Leys (2010) commented that ‘The reality is that successive Labour health secretaries, working closely with the private sector, had already constructed almost the entire edifice of a healthcare market. The Tory plan merely speeds up the final stage and makes it more clearly visible’. By early 2011, KPMG and McKinsey were already being paid millions to teach business skills to GPs in anticipation of the impact of the Act.

It was clear that job losses in the health sector could be significant: 24,000 NHS managers could lose their jobs (*The Guardian*, 31.01.11). The Royal College of Nursing predicted that up to 40,000 nursing posts would go by 2015.⁴⁶ According to Sue Slipman of the Foundation Trust Network, some hospitals and A and E facilities would not survive, and the power of GPs to commission would

destabilize Foundation Trust hospitals (*The Guardian*, 17.03.11). The incentive for GPs to attract more patients and compete with each other to do so would encourage overspending and make GP Groups vulnerable to foreign takeover, according to Dr Laurence Buckman, chair of the BMA GP committee (*The Guardian*, 25.01.11).

The coalition government became increasingly desperate to rally support. Downing Street talks were held with supporters of the Bill, but opponents of the NHS reforms, such as the BMA, the Royal College of GPs and other leading medical organizations were not invited. By March, the progress of the Health Bill was reportedly perceived among some senior Tories as such a shambles that the proposed White Paper on Care was delayed for revision (*The Observer*, 04.03.12).

The opposition to the bill was substantial: the people didn't like it; one poll said two-thirds of Britons did not trust the Tories with the NHS.⁴⁷ The doctors didn't like it, and the BMA called for the bill to be withdrawn.⁴⁸ Nine out of ten doctors opposed the NHS Bill, and a Royal College of Physicians Poll showed that 70 per cent of doctors wanted the NHS changes scrapped (*The Guardian*, 17.03.12). The nurses didn't like it; The Royal College of Nursing passed a vote of no confidence in the Health Secretary Andrew Lansley.⁴⁹ The GPs, despite being the most obvious beneficiaries, were suspicious. The Royal College of General Practitioners called on the PM to make major changes (*The Guardian*, 09.05.11). For the most part, NHS managers didn't like it: NHS Chief Executive David Nicholson was strongly against NHS care being opened up to 'any willing provider' (*The Guardian*, 05.04.11). The medical organizations opposing the bill included: The Royal College of Nursing, The Royal College of Midwives, the BMA, The Royal College of GPs, The Royal College of Radiologists, The Royal College of Psychiatrists and the Chartered Society for Physiotherapy (*The Guardian*, 17.03.12).

Many of the Lib Dem coalition partners didn't like it: The Liberal Democrats conference in spring 2011 voted against the proposed NHS changes by around 90 per cent, and Shirley Williams called the bill 'stealth privatisation', although after amendments to the details in the House of Lords, she eventually agreed to support it (*The Observer*, 13.03.11). Even veteran right-wing ex-MP Norman Tebbit was opposed to the bill – he pointed out that the difficulties involved in organizing 'fair' competition between state-owned hospitals and private ones. State teaching hospitals, he said, have to provide training, an obligation not imposed on the private providers (*Daily Mirror*, 04.04.11).

The privatization agenda was clear: according to a study by McCabe and Kirkpatrick, 31 per cent of HCHS (Hospital and Community Health Services) were likely to be privatized by 2016.⁵⁰ As Peter Fisher of the NHS Consultants Association pointed out, the real reason for the bill was to 'allow unfettered access for the private sector, turning an integrated service into one where competition on a commercial basis is the driving force. There is no evidence that this is what the people of this country want . . .'.⁵¹

According to Jacky Davis, the endgame was 'to transform the NHS into a system that finances but does not provide healthcare – an national insurance system which pays the bills while care is provided by competing private, publicly owned and voluntary organisations'. Davis suggested that GP commissioning was the bait to win the support of GPs, but that most had seen the danger that they would be held responsible for cuts and rationing.⁵² The Government tried to suggest that GPs were enthusiastic, citing the number of pathfinder groups that had been established, in order to prepare GPs for the task of establishing consortia (GP's practices who would collectively purchase health services). A government reception for GPs path-finding consortia was peopled by GPs favourable to the changes, who had been identified by the outsourcing company Tribal (*The Guardian*, 31.01.11). But Dr Laurence Buckman, chair of the BMA's GP committee, said 'Having large numbers of GPs signed up to consortiums doesn't prove they are in favour of reforms. Just because someone gets into a lifeboat doesn't mean they support the sinking of the ship' (*The Guardian*, 14.04.11).

Despite the length of the Bill, many aspects had not been thought through: in April 2011, the Public Accounts Committee said the NHS proposals did not include details of what would happen if providers failed (*The Guardian*, 27.04.11). The recent scandal over faulty breast implants provided by private medical companies, many of whom were no longer trading or were avoiding responsibility for remedial surgery or compensation, provided a dramatic example of how the public sector has to intervene, at considerable cost, to cope with private failure. Accountability of private providers had already been identified as a problem: Kieran Walshe (professor of Health Policy and Management at Manchester Business School) said 'Once NHS money flows out of public bodies such as PCTs, and the new GP commissioning consortiums, into the private sector, it's very hard to work out how it's being used and who is profiting from it' (*The Guardian*, 16.03.11). The claims that major savings could be made by cutting back on bureaucracy are highly questionable: Frank Dobson called on

the coalition government to abandon its 'wholesale marketisation' of the NHS, and stated that before the internal market was introduced (in the 1990s), the cost of administration had been 4 per cent and but had now risen to 12 per cent. A full-scale market would, he said, raise this percentage even more (*Camden New Journal*, 10.05.11).

By March 2011, the Government was showing signs of panic. It suspended the progress of the bill to allow time for a 'listening' exercise. However, while the government continued to lobby to build support, there was little sign that critical voices were being listened to. Cynics suggested that the 'listening exercise' had been established, not so the Government could listen more closely to the opposing voices, but rather because the public hadn't been listening carefully enough the first time. By the end of April, the Government was rethinking and, in May, was reported to be scaling back privatization plans after the extent of adverse reactions (*The Guardian*, 04.05.11). By 9 May, Clegg and Cameron had apparently agreed on changes to the bill, allowing Clegg to attack the original bill, which antagonized an increasingly beleaguered Lansley (*The Guardian*, 09.05.11).

A further blow to Lansley's Bill came when the inflammatory comments of a government advisor were publicized: Mark Britnell (a former head of commissioning for the NHS, and now head of health at KPMG), who had been appointed in May 2011 to a kitchen cabinet advising the prime minister on NHS reform had, in October 2010, told a conference of executives from the private sector that future reforms would show 'no mercy' to the NHS and offer a 'big opportunity' to the for-profit sector. Britnell said at the event, in New York, that the NHS would become an insurer rather than a provider and would be better served by breaking with the mantra that all services should be free at the point of delivery.⁵³

Meanwhile, a MORI poll said 66 per cent of British people believed the NHS was the best health service in the world and that 37 per cent expect deterioration following the reforms. Lansley threatened to cease funding opinion polls on the NHS (*The Observer*, 15.05.11). The NHS Information Centre was told by the Department of Health to scrap its contribution to several statistical publications on public health and usage of health services.⁵⁴ This funding cut was the subject of an Early Day Motion, in the House of Commons.⁵⁵

In July 2011, The British Medical Association (BMA) voted for the Bill to be withdrawn; it rejected the idea that the Government's proposed changes to the bill would significantly reduce the risk of further marketization and privatization, agreed that the Government was misleading the public by repeatedly stating that

there would be 'no privatisation of the NHS' and proposed that the BMA start a public campaign to call for the withdrawal of the Bill.⁵⁶ During Autumn 2011, the Bill entered the Committee stage in the House of Lords. Despite growing opposition both within and outside the Palace of Westminster, the government remained determined to push the Bill through, even though the medical professional bodies were almost entirely in opposition and some had called for the Bill to be withdrawn.

Although the revised Bill has made some cosmetic concessions, including the removal of the significant phrase 'any willing provider' and the reinstatement of the clear responsibility of the Minister of Health for health service provision, it did not address the fundamental concerns of the many opponents within and outside the medical profession. Despite the muscle-flexing of Nick Clegg, those who had hoped that the Liberal Democrats would defend the core values of the NHS were disappointed. In *The Orange Book*, a reassertion of the centrality of economic liberalism to the Liberal Democrats, it was clear that the Liberal Democrats would be happy with the opening up of the NHS to private providers. Vince Cable had called for 'a plurality of providers' in the Health Service (2004, pp. 132–73). David Laws made clear his commitment to the role of private providers:

This means more competition within the NHS, and more provision from the private and not-for-profit sectors, where this delivers quality treatment and is good value for money. The state must fund health services on behalf of its citizens, but it need not provide them itself. (Laws quoted in Marshall and Laws 2004).

The distinction between the 'private' and 'not-for-profit' sectors is not developed in Laws' argument. The Bill marked both a continuation of and an acceleration of the hollowing out of the welfare state and its colonization by the private sector. Having won some concessions, the Liberal Democrats supported the bill, which became the Health and Social Care Act 2012 on 27.03.12.

Even before the Bill had passed, Whitehall had had to defend the dual health role of the NHS Watchdog. Lord Carter, who has been appointed chair of the NHS Co-operation and Competition Panel, was also UK chair of US-owned health company McKesson (*The Guardian*, 05.03.12). The substantial sum of £799,000, earned by Lord Carter as chairman of McKesson UK, is dwarfed by the \$120 million earned by McKesson's US boss last year, earning more in a month than most will earn in an entire career.⁵⁷

The problems that stem from large-scale contracting-out of services are already apparent: evidence of inexperience, lack of accountability, erosion

of workers' conditions, conflicts of interest, tax avoidance and profiteering is not hard to find. Power cuts at one PFI hospital left surgeons operating by torchlight. The company who run the hospital, Consort, failed in January to tell the NHS that fire alarms in 10 operating theatres were not working (*The Guardian*, 21.04.12). Companies such as Serco and Virgin Care have been able to bid for running children's services despite their lack of previous experience of running specialist children's services for the NHS (*The Guardian*, 16.03.12). Allegations have been made that the Serco-provided out-of-hours GP services in Cornwall have been inadequate and unsafe (*The Guardian*, 26.05.12). Medical staff can be transferred from local councils to private companies like Virgin, with little or no say in the matter, less protection of terms and conditions and job security and weaker union support. It was clear that competition undermines the co-operation essential to quality delivery of health care.

It is already clear that there will be a substantial growth in the casualization of the workforce. James Cusick (*The Independent*, 03.09.12) reported that NHS trusts are increasingly employing key clinical staff on 'zero-hours' contracts which bind employees to on-call working but do not guarantee any specified number of hours or income or employment rights. Contracts of this type require an employee to be available on-call but only provide payment for the number of hours worked. The TUC say those on zero-hours contracts have fewer workplace rights and can struggle with the uncertainty of not being able to calculate week-to-week earnings.

A consortium of 20 health trusts in South-West England, which is threatening to abandon the NHS's nationally negotiated pay and conditions framework and install its own pay structure, has also discussed extending the use of zero-hours contracts to help cut its wage bill (*The Independent*, 03.09.12). The reality behind promises of greater efficiency is heightened exploitation of workers, who will have less rights, lower incomes, less job security and not even predictable or regular levels of income.

It has been reported that in 22 of the new Clinical Commissioning Groups CCGs, at least half, and sometimes all the GPs on the boards, have personal financial interests in private or non-NHS providers (*The Guardian* 28.03.12). Many private health companies have elaborate arrangements to avoid tax. Spire Healthcare made an operating profit in 2010 of £123 million but declared a loss of £53 million, utilizing complicated corporate structures in Luxembourg. They paid just over £3 million tax in the last 3 years despite an operating profit of £123 million in 2011 alone.⁵⁸ Care UK reduced its tax bill by taking out loans through

the Channel Islands Stock Exchange. Circle Health is owned by companies and investment funds in the British Virgin Islands, Jersey and the Cayman Islands. Ramsay Health Care uses a subsidiary in the Cayman Islands. General Healthcare owns 37 hospitals through 37 different companies, each of which is owned by firms in the British Virgin Islands.⁵⁹ These companies are not accountable to the public, but rather to their shareholders. The profits stay with them, while the risk remains with the public.

The constant assurances from all governments since 1979 that the NHS is safe in their hands have proved hollow. This fine national institution, possibly the single most impressive British government achievement of the twentieth century, now stands in danger of fatal damage. The hope must be that continued opposition from health workers and the public can bring about a change of policy.⁶⁰

Notes

- 1 First said by Margaret Thatcher, at the 1983 Conservative Party Conference and repeatedly reiterated by David Cameron in the 2010 General Election campaign – see website of The Margaret Thatcher Foundation, www.margaretthatcher.org.
- 2 The 1993 Conference on Commercial Sponsorship in the Provision of Healthcare.
- 3 Don Barrett 'Dealing with donations and requests', in Turner 1993, pp. 10–17).
- 4 The conference referred to here was an event Whannel discovered in the course of his own investigations into the Olympic Games and commercialization, some of which, including this paragraph on the nutrition conference, was originally published as 'Profiting by the presence of ideals: sponsorship and Olympism', in *International Olympic Academy: 32nd Session, Greece International Olympic Academy*, pp. 89–93, 1994. This paper was subsequently reprinted in *Culture Politics and Sport: Blowing The Whistle Revisited*, Routledge, 2008.
- 5 'Physicians' behaviour and their interactions with drug companies – a controlled study of physicians who requested additions to a hospital drug formulary', in *The Journal of the American Medical Association (JAMA)*, 271(9), 02.03.94.
- 6 Other examples included:
 1993: *Standards of Business Conduct for NHS Staff* (HSG(93)5) regarding the general standards which should be maintained by staff working in the NHS.
 1994: Medicines (Advertising) Regulations 1994 (regulation 21 'Inducements and hospitality'), HMSO.

1994: Guidelines for Company sponsored Safety Assessments of Marketed Medicines. (joint statement of practice, signed by the ABPI, the BMA the Committee on Safety of Medicines, the Medicines Control Agency and the Royal College of General Practitioners).

1995: The European Public Health Alliance offered guidelines related to drug company sponsorship.

7 'Partners in Healthcare', *ABPI Annual Review*, 1998.

8 *Blurring the Boundaries: New Trends in Drug Promotion*, by Barbara Mintez, HAI – Europe, 1998.

9 *Ethical Criteria for Medicinal Drug Promotion Guidelines* (see 'Taming the Drug Lords: The Ties that Bind: Industry Sponsorship of Patient Groups' Lisa Hayes, in *Multinational Monitor*, September 1999, v20, n9).

10 See for example, *Selling into Wider Markets: A Policy Note for Public Bodies*, Enterprise & Growth Unit, HM Treasury: December 2002.

11 One example, from the breast cancer charity Breakthrough, is *Financial Support from the Pharmaceutical Industry* (2002).

12 1993 *Standards of Business Conduct for NHS Staff*.

1994 *Commercial Approaches to the NHS Regarding Disease Management Packages*, (Royal College of Nursing).

1994 *Medicines (Advertising) Regulations* 1994.

1998 *Good Medical Practice*, General Medical Council.

1999 Royal College of Paediatrics and Child Health policies on industry sponsorship

1999 WHO (1999) *Ethical Criteria for Medicinal Drug Promotion Guidelines*.

2000 *Commercial Sponsorship: Ethical Standards for the NHS*

2002 *Research Governance Framework for Health and Social Care*

2002 *The Missenden Code of Practice for Ethics and Accountability: The Commercialization of Research in Universities: An Ethical Intervention* (2002)

2002 *Selling into Wider Markets: A Policy Note for Public Bodies* (HM Treasury, Enterprise and Growth Unit)

2004 *Medicines for Human Use (Clinical Trials)*

2004 World Medical Association first guidelines on how doctors should handle their relationship with commercial enterprises.

2005 European Medical Writers Association (EMWA) *Guidelines on the Role of Medical Writers in Developing Peer-Reviewed Publications*

2005 *NHS Research and Development forum: Sponsorship - FAQs*

- 2005 *Research Governance Framework* (Department of Health)
- 2005 *The Influence of the Pharmaceutical Industry*, House of Commons Health Committee
- 2005 *Government response to the Health Committee's Report on the Influence for the Pharmaceutical Industry*
- 2005 *Financial support from the pharmaceutical industry* (Breakthrough Breast Cancer Research and Development Policy)
- 2005 *Good Research Practice*, Medical Research Council (MRC)
- 2005 *Guidelines on Good Research Practice*, by the Wellcome Trust.
- 2006 *Branding the Cure: A Consumer Perspective on Corporate Social Responsibility, Drug Promotion and the Pharmaceutical Industry in Europe*, Consumers International, June 2006
- 2006 *ABPI Code of Practice*, 2006 Edition, Prescription Medicines Code of Practice Authority (PMCPA)
- 13 *Sponsorship - Frequently Asked Questions*, a summary of issues from the Research Governance Framework (DH 2005) and the *Medicines for Human Use (Clinical Trials) Regulations 2004 (SI 1031)*.
- 14 *Current Medical Research*, V21, n2, 2005, pp. 317–21.
- 15 *Good Research Practice* by the Medical Research Council (MRC) Updated September 2005.
- 16 *Guidelines on Good Research Practice*, by the Wellcome Trust. Updated November 2005.
- 17 Health Committee Report on *The Influence for the Pharmaceutical Industry*, September 2005 Cm6655 and the Government response to it. (*Government Response to the Health Committee's Report on the Influence for the Pharmaceutical Industry* September 2005 Cm6655).
- 18 *The Influence of the Pharmaceutical Industry*, House of Commons Health Committee, Fourth Report of Session 2004–05, Vol 1, Published 22.03.05).
- 19 Ibid.
- 20 p. 3, White Paper *The New National Health Service: Modern, Dependable* (DoH 1997).
- 21 Ibid.
- 22 See *Branding the Cure: A Consumer Perspective on Corporate Social Responsibility, Drug Promotion and the Pharmaceutical Industry in Europe*, Consumers International, June 2006.
- 23 *Clinical Medicine* (2003: 3, pp. 538–41, this quote p. 538).
- 24 Ibid.
- 25 Chalmers, Sir Iain (2006), *Journal of the Royal Society of Medicine*, July 2006, 99, pp. 337–41.

- 26 Moynihan, Ray (2003), 'Who pays for the pizza? Redefining the relationships between doctors and drug companies.1. Entanglement', in the *British Medical Journal*, 31.05.03, 326, pp. 1189–92) (see also Chren, M. M. and Landefeld, C. S. (1994), 'Physicians ' behaviour and their interactions with drug companies. A controlled study of physicians who requested additions to a hospital drug formulary', *Journal of the American Medical Association*, V271, n9, 02.03.94.
- 27 *British Medical Journal* (30.05.03, see also BBC News – www.news.bbc.co.uk/go/pr/fr/-/1/hi/health/2946276.stm, 30.05.03.
- 28 Davies, Jill and Hemingway, Steve (2004) *Nurse Prescriber*, 1(12), Page 1 of 4, e42, January 2004.
- 29 see Jacobs, Adam and Wagner, Elizabeth, 'European Medical Writers Association (EMWA) guidelines on the role of medical writers in developing peer-reviewed publications.' *Current Medical Research and Opinions*, 21(2): 317–21, (Copyright 2005, Librapharm ltd).
- 30 See also Smith, R. (PLoS Med 2005), 'Medical Journals are an Extension of the Marketing Arm of Pharmaceutical Companies'(medicine.plosjournals.org). Richard Smith subsequently left the editorship of the *British Medical Journal* to become chief executive of UnitedHealth Europe, one of the companies most active in seeking public health contracts.
- 31 *Branding the Cure: A Consumer Perspective on Corporate Social Responsibility, Drug Promotion and the Pharmaceutical Industry in Europe*, Consumers International, June 2006, see also *The Guardian*, 26.06.06.
- 32 During the 2000s, the policy analysts behind the Cameron-led Conservative Party concluded that Mrs Thatcher had been too cautious. They appear to have planned in advance to launch the Health And Social Services Bill (and other legislation attacking the public sector) very early on in their first Parliament.
- 33 This section can only provide a brief snapshot of these issues. Concerned readers might want to look at some of the following accounts:
- 34 Ham 1992, Kuttner 2002, Lister 2005, Mandelstam 2007.
- 35 *Transparency International report, Cabs For Hire? Fixing the Revolving Door Between Government and Business*, May 2011.
- 36 We are greatly indebted to the work of Colin Leys and Allyson Pollock, who have offered incisive critical commentary on health policy for many years, and much of this information is derived from their writing.
- 37 Leys, Colin (2006), 'Not safe in their hands', in *Red Pepper*, March 2006; see also 'The great NHS "deficits" con' in *Red Pepper*, May 2006; and Colin Leys, *The Guardian*, 26.04.06.
- 38 See Barry Schwartz (2005), *The Paradox of choice, Why More is Less*, published by Harper Perennial, and the piece by Schwartz in *The Guardian*, 23.06.04.
- 39 See www.supplychain.nhs.uk/portal/page/portal/Public/About%20us, accessed 28.04.11.

- 40 *National Health Service Income Generation – Best Practice: Revised Guidance on Income Generation in the NHS*, February 2006.
- 41 *Healthcare for London: A Framework for Action* (2007).
- 42 *Health Services Journal*, 21.04.11.
- 43 Michael White, *Health Services Journal*, 21.04.11.
- 44 SERCO website, (www.serco.com/markets/health/index.asp, accessed 26.05.11).
- 45 The GP commissioning idea has two roots: in the GP fund-holding scheme introduced by the Tories in early 1990s, and in practice-based commissioning, introduced by Blair in 2005 (*The Guardian*, 16.03.11).
- 46 see *Health Services Journal*, 21.04.11.
- 47 YouGov Poll, reported in *The Observer*, 12.02.12.
- 48 Jacky Davis, *The Guardian*, 06.04.11.
- 49 see *Health Services Journal*, 21.04.11.
- 50 *The Guardian*, 13.04.11.
- 51 Peter Fisher, NHS Consultants Association, letter to *The Guardian*, 03.05.11.
- 52 Jacky Davis, in *The Guardian*, 06.04.11.
- 53 *The Observer*, 15.05.11. Note that these remarks were made in October 2010, but only reported in May 2011.
- 54 Wellards (www.wellards.co.uk/v4/?pgid=20&artid=14145, accessed 26.05.11. Wellards is an information and training website for the medical and pharmaceutical industries.
- 55 EDM number 1839 in 2010–11, proposed by Valerie Vaz on 23.05.11. See www.edms.org.uk/2010-11/1839.htm, accessed 26.05.11.
- 56 KONP Campaign newsletter, (www.keepournhspublic.com) 01.08.11, accessed 01.08.11.
- 57 EHealth Insider, www.jhoeksma.wordpress.com/tag/mckesson/, accessed 20.07.12.
- 58 *An Unhealthy Business, major healthcare companies use tax havens to avoid millions in UK tax*, compiled by Corporate Watch, www.corporate.watch.com
- 59 Ibid.
- 60 In Autumn 2012, The Socialist Health Association was publicizing a European Manifesto opposing the commercialization of health systems. See www.sohealth.co.uk/2012.08.21/european-manifesto-opposing-the-commercialization-of-the-health-system/.
The Socialist Health Association can be contacted at www.sohealth.co.uk.
www.facebook.com/Socialist.Health.

All in It Together?

‘Tough but fair. Because we are all in this together’ – George Osborne, speech to the Conservative Party Conference, October 2010.

We are writing at a time of ‘austerity’, not the post-war austerity of 1945 which ushered in the welfare state, but in the aftermath of an economic crisis which the Conservative-led coalition government have used as a justification for rolling out policies which slash at the foundations of that welfare state. The cuts in public spending initiated by Thatcher, the embrace of corporate culture and of PFI and PPP by Blair and New Labour are now being taken considerably further. While in opposition, the Conservatives had argued that Thatcher had moved too slowly in her first term in office, and it is clear that this is a party rushing to implement their real agenda, in coalition with the Liberal Democrats, of withdrawing state funding from public services and ushering in a corporate presence to every aspect of the British economy. Tony Judt identified Britain as one of the ‘epicentres of enthusiasm for deregulated market capitalism . . . none has matched Britain or the United States in the unwavering thirty year commitment to the unravelling of decades of social legislation and economic oversight’ (Judt 2010, p. 13)

For those 30 years, government policy from all parties in Britain has been used to denigrate public provision and to promote the much vaunted ‘efficiency’ of the private sector, a process which has escalated under the coalition government. As Melissa Benn has pointed out:

While a British Social Attitudes survey published six months after the 2010 election found that public satisfaction with both health and education had improved dramatically over the past twenty years, elements of the Coalition Government set out ruthlessly to undermine public confidence in public services. In order to justify rapid and widespread change, it was vital to the new right that it paint an apocalyptic picture. . . . (Benn 2011, p. 13)

It was not only that the new right were, typically, concerned to undermine the achievements of three successive Labour governments but also that a

denigration of public services enabled them to implement the neo-liberal agenda of marketizing and privatizing every aspect of the welfare state. The private sector is now vaunted by the coalition government (as it was by Thatcher) as the way forward for all institutions and workers. Private enterprise, with its hostility to unions, its unstable conditions of work and its overriding concern for profit, has become the model for public services; as Chancellor George Osborne put it in the foreword to *A New Economic Model*: 'We expect productivity improvements to match the best of the private sector' (Osborne 2010, p. 5). Those who work within the public sphere have experienced greater surveillance and low morale; a situation exacerbated by a constant pressure for greater productivity (in Labour's phrase 'value for money', in the Conservative's, 'productivity improvements'), the threat of redundancy, casualization and the re-writing of terms and conditions of employment. In their 2008 report, Neil Lawson and Zoe Gannon of the left of centre Compass think-tank directly attributed this to the incursion of marketization in the public sector: 'New Labour mixed centrally driven targets and commercial forces that unfortunately served to disempower and demoralize staff and confuse users' (Lawson and Gannon 2008, p. 9).

Despite the manifest failures of the market economy in running national institutions, whether hospitals, schools, theatres, art galleries or universities – the rhetoric remains unchanged. Commercial sponsorship has been the Trojan horse that ushered in the presence of corporate logos and private capital into every area of public life, to the point where that presence is now seen as natural and inevitable. It is a process that has been largely unremarked, but the construction of entrepreneurship as a benevolent supporter of the public sphere, begun with the growth of sponsorship, has facilitated a creeping erosion of the public sector by corporate interests.

Where we are now

Writing in the aftermath of one global economic crisis and in the face of another imminently – it seems remarkable that the global corporations which have been so deeply implicated in those crises should be entrusted with the health, educational, cultural and sporting lives of the nation. In the face of the clear failures of many global companies, these businesses continue to be awarded the contracts to run schools and hospitals and welcomed as the patrons of the arts and sporting events. Despite the lack of experience and knowledge they

bring to the fields that they are ‘supporting’, these often faceless corporations have become embedded across public institutions. Given the clear potential for corruption and conflict of interest (not least among MPs of all parties, who have, throughout the expenses scandal, the Leveson enquiry and the Barclays investigation, demonstrated that they are not immune), the handing over of British publically owned assets to (often global) corporate interests should be a matter of considerable concern.

The global economic crisis has offered both a rationale for cuts in the public budget and an opportunity to push through extreme social and political measures. This is precisely the scenario that Milton Friedman advocated, and which Naomi Klein has explained as ‘The Shock Doctrine’ (Klein 2007). The financial crisis has also made it starkly clear why a reliance on sponsorship or private investment in public service is perilous.

The American model

Successive governments have retreated, for both ideological and electoral reasons, from the British model of a welfare state which provided universal care ‘from the cradle to the grave’ funded by general taxation. Thatcher turned away from the British welfare state model of public services established in 1945, and from the European model of the Scandinavian countries, in favour of low taxation and cuts in public spending. Her close relationship with her American counterpart Ronald Reagan was not only personal, but also political and ideological, as was Tony Blair’s with George W. Bush. Paul Krugman and Robin Wells have described the current American political and economic crisis as in part because of ‘the partial capture of the Democratic Party by Wall Street . . . much of the Democratic Party was close to, one might almost say captured by, the very financial interests that brought on the crisis’ (Krugman and Wells 2012, p. 6). Very much the same could be said of New Labour.

However, Judt, writing in 2010, could then argue that neo-liberalism in Britain did not have ‘comparable traction’ compared to America, because of the popularity of the welfare state. Nonetheless, he noted:

Although uncritical admiration for the Anglo-Saxon model of ‘free enterprise’, ‘the private sector’, ‘efficient’, ‘profits’ and ‘growth’ has been widespread in recent years, the model itself has only been applied in all its self-congratulatory rigor in Ireland, the UK and the USA. . . The British case is . . . interesting: it mimics

the very worst features of America while failing to open the UK to the social and educational mobility which characterized American progress at its best. (Judt 2010, pp. 27–8)

The current coalition government and Conservative party are set on course to give that ‘faith’ a similar traction as it has in America.

In late 2011, the OECD issued a report ‘Divided we Stand’ which demonstrated that income inequality had risen faster than any other first-world country since the 1970s. ‘The share of the top 1 per cent of income earners increased from 7.1 per cent in 1970 to 14.3 per cent in 2005 – that is, it had more than doubled’ (*The Guardian*, 06.12.11). The OECD – hardly a radical or left-wing organization – called for ‘increased redistribution effects’ and ‘freely accessible and high-quality public services in education, health and family care.’ The epidemiologists Richard Wilkinson and Kate Pickett mustered international data in their 2009 book *The Spirit Level* to demonstrate that the level of inequality in any nation directly correlates with its social problems (www.equalitytrust.org.uk). The expanding gap between rich and poor can be directly related to the moment of Thatcherism, and it has continued to widen ever since. Britain and America are at the top of the tables for measures of inequality. With a government now bent on evacuating the welfare state that did so much to foster equality, Britain is on course to maintain that position. Despite all the evidence on the damaging effects of inequality from *The Spirit Level* and the OECD report, which both emphasize the importance, in every aspect of society, of fairly distributed and accountable public services, the process of privatization and the rhetoric of ‘efficiency’ and ‘choice’ is escalating.

How we got here

Since Thatcher’s unabashed and dogged celebration of Friedman free-market economics, there has been a set of ideological configurations which have attempted to synthesize neo-liberal economics with the public good. Thatcher and Blair seemed to achieve a populist hegemony and each achieved three electoral successes. Every party leader has since tried to emulate that success and has attempted to lay claim to a mythical ‘middle ground’ that is highly contested and constantly shifting. This claim appears under a variety of different political colours and names: caring capitalism, popular capitalism, enterprise culture, the stakeholder society, the Third Way and the Big Society are among them. These

could be understood as attempts to provide an acceptable interface between the brutal realities of capitalism and the ways in which people experience those realities. The titles of many of the books and movements claiming that middle ground, *The Third Way*, *Red Toryism*, *The Purple Book*, 'Blue Labour', suggest the two traditional party colours merging and a reconciliation between two opposing ideas, a reconciliation that could only ever be muddy. However, none of these movements can be understood as a Hegelian dialectic – in which conflict produces a way forward – but rather a compromise, which denies conflict and instead attempts a merging of two antithetical political positions. This centre ground can never be achieved, the differentiation between capitalism and socialism, between public welfare and neo-liberalism are precisely irreconcilable. Neither Red Toryism nor Blue Labour are practicable positions.

The Third Way (discussed in Chapter 6), the Big Society, Red Toryism, *The Purple Book*, Blue Labour and *The Orange Book* have all been big ideas that have staked a claim to the centre ground and which have been influential on New Labour, the Conservatives and the Liberal Democrats. What all these theoretical movements share is a rejection of the public sector in favour of commercial provision under the guise of localism and communitarianism, a 'mixed economy', which is promoted against the perceived monolithism of the welfare state.

The Big Society and Red Toryism

David Cameron's big idea in the 2010 election campaign was 'The Big Society'. With its echoes (and refutation) of Margaret Thatcher's notorious 1987 statement that 'there is no such thing as society', it was a term that seemed to allow the Cameron faction to firmly distance itself from the bitter memories of Thatcherism and its consequences for British society in the 1980s. The Big Society sounded like a thoroughly acceptable idea; in his campaign, Cameron talked of civil society, of people doing things for themselves, of localism and community and appeared to represent a new socially responsible and kinder version of Toryism, a version suggested in the title of Phillip Blond's 2010 book *Red Tory*. The Big Society was a central concept in the apparent reconfiguration and detoxification of the Conservative Party.

The Big Society was developed as a concept in Britain by the Tory think-tank ResPublica, and was widely credited to its head, Phillip Blond, who became the intellectual face of the Big Society and of Red Toryism (Blond has since distanced

himself from the Cameron-led coalition). In fact, there was nothing new about Red Toryism, it was an idea that came out of a Canadian Conservative tradition that dates back beyond the 1960s, and which claims G. K. Chesterton and Disraeli as its heroes. Red Toryism appears to be a contradiction in terms, as in fact it is. Red Toryism positions itself in the middle ground, as the subtitle of Blond's book suggests, *How Left and Right have Broken Britain and How we Can Fix It*. However, it becomes clear from a reading of Canadian Red Tories (see Dart 1999) that Red Toryism is less 'centrist' than it claims or appears. Religious faith is at the core of Red Toryism; their perceived enemy is 'liberalism' and they are mistrustful not only of a liberal economy, but also of liberal lifestyles and beliefs. The Red Tory rejection of the neoliberalism of Thatcher and Reagan was based on their promotion of a culture of commerce over a culture of spirituality. Blond is a committed Christian,¹ and he and Red Toryism have had a considerable influence on David Cameron, on elements in the Labour Party and more directly on Iain Duncan Smith, currently Secretary of State for Work and Pensions and head of the Conservative Centre for Social Justice.

The agenda of the Big Society and the implications of Red Toryism are now becoming starkly apparent. It is clear that the Government is intent on shrinking the public realm and the Big Society is a mechanism by which to do it; it is deployed as the justification for devolving public services to local 'groups'. While the electoral promises suggested that these would be community groups, it has become clearer and clearer that the special interest groups interested in stepping up are those of business and commerce – anxious to acquire lucrative contracts from all aspects of public services. The Big Society is a model which emphasizes community groups, while not acknowledging that it is businesses and corporations which have the funding.

The Big Society served as a license for the co-optation of charity and community groups activities by private companies. It is Serco, in association with four charity groups, who are on course to win the contract for the 'National Citizen Service' (a non-military version of National Service for young people) which the government has described as a key element in the Big Society agenda. Despite Serco's patchy record in delivering health and security services, independent research that has questioned Serco's ability to deliver the service nationally, and the vocal objections of community, volunteer groups and charities, Serco remain the 'preferred' bidder (*The Guardian*, 05.08.12). Coupled with public spending cuts, the 'localism' promoted by the Big Society forces local authorities into a position where they have to cut services, replace paid workers with volunteers and bring in private providers – while allowing the state to exempt itself from all

responsibility. This fits neatly with the Conservative drive to wrest control from what remains of local authority services and to hand it to private companies; a policy which even Conservative-led authorities have challenged.² The Big Society did not, according to Conservative campaigners, go down well on the doorstep during the election campaign and was referred to less and less as the Conservatives went into a coalition government. Nonetheless, the vision of Secretary of State Communities and Local Government, Eric Pickles is that local authorities will shrink to become mere commissioners of services provided by the private sector. Pickles' advocacy for 'Big Society' measures in local service provision has led to libraries in Buckinghamshire becoming 'community libraries' in 2011, that is, libraries staffed not by experienced and qualified librarians but by volunteers.

The Purple Book and Blue Labour

The 'Third Way' lives on beyond Blair's leadership in the New Labour think-tank Progress, and in the 2011 *The Purple Book*, supported by Progress, a set of essays written by David Miliband,³ Peter Mandelson and other figures in the Labour Party who were close to Blair. The title suggests, as in Red Toryism, the merging of Labour and Conservative colours, another attempt to steer a centrist path and to achieve the sought-after middle ground. The essays collectively argued that to become electable once more, the Labour Party needed: 'economic credibility . . . (and) a credible programme of reforms for public institutions . . . for the state to become more efficient and devolved, with more local ownership and control of local services' (www.progressonline.org.uk). *The Purple Book* did not offer a ringing endorsement of the welfare state, according to its front cover, its mission was 'Leaving the Big State behind', a phrase with distinct echoes of the Big Society. The Big Society had appealed to notions of localism and community that could not be ignored by the Labour Party; David Miliband, then standing as Labour leader, gave the Keir Hardie Memorial speech in Wales, in which he argued: 'the Big Society should be taken seriously . . . (it is) territory Labour should never have allowed the Tories to colonise' (www.davidmiliband.net).

The Purple Book was endorsed by Maurice Glasman, the academic behind the term 'Blue Labour', another attempt at a synthesis of two party colours. Glasman was critical of the neo-liberal tendencies of Labour under Tony Blair and Gordon Brown; his 1996 book *Unnecessary Suffering: Managing Market*

Utopia had advocated a 'social market' economy. Glasman and Blue Labour nonetheless had a conservative agenda in relation to ideas of community, immigration and Europe. Glasman's writing also has echoes of the Big Society agenda, in its mistrust of the welfare state as monolithic and bureaucratic and in its championing of the local and communal, and Blond and Glasman have appeared on the same platforms together. Glasman did have some influence on Labour thinking in the early days of Ed Miliband's leadership, but some ill-advised comments on immigration policy meant that neither his name nor the term Blue Labour has been much in evidence of late.

Orange Book Liberalism

The Orange Book, published in 2004, set out to 'reclaim liberalism', and clearly meant by that a liberalism that owed much to Friedman; the collection of manifestos makes the commitment to a free market across all aspects of the state very clear. Even if *The Orange Book* maintained its single party colour, it still laid claim to the centre ground. The contributors include senior figures in the Liberal Democrats, many now leading members of the coalition government, Chris Huhne, David Laws, Vince Cable and Nick Clegg. Again, many of the ideas articulated in *The Orange Book* are close to those of the Big Society agenda, Edward Davey argues in his essay for the 'localism' and decentralization of public services.

Laws outlines the Liberal Democrat commitment to economic liberalism in his essay, restating the belief in the value of free trade, open competition, market mechanisms, consumer power and the effectiveness of the private sector (Laws 2004, p. 20). Vince Cable, who would become Business Secretary in the coalition government, does eschew the Thatcherite belief in 'raw' unfettered capitalism, but goes on to advocate a 'mixed economy' and recommends considerable input from the private sector. The introduction, written before the financial crash, celebrates the free market and boldly asserts (in terms which would have pleased Friedman):

The twentieth-century experiment with state socialism and the mixed economy now looks like just an expensive interlude, and even the modern Labour Party has accepted most of the tenets of economic liberalism . . . Economic liberalism has been the guiding light for the world's most successful economy and was the victor in the Cold War. (Mason 2004, p. 1)

According to the essays of *The Orange Book*, everything can be developed through the free market; Susan Kramer's chapter on the environment is titled 'Harnessing the market to achieve environmental goals'. The Liberal Democratic Party notoriously made much of their education policy in the run up to the general election in 2010 and were pilloried in the local election polls the next year for renegeing on their election promise to abolish tuition fees for higher education. Interestingly, across the spread of policies addressed in *The Orange Book*, not one is dedicated to education.

For those who had hoped that the Liberal Democrats might rein in the worst excesses of the free-market Conservatives in the coalition government (and those who had voted for the Liberal Democrats in the 2010 election out of disillusion with Labour), *The Orange Book* was a clear (and insufficiently widely read) statement that the Liberal Democrat leadership (Nick Clegg, Danny Alexander and Vince Cable) would sit very comfortably alongside David Cameron and George Osborne.

Nudge

Nudge: Improving Decisions About Health, Wealth and Happiness, published in 2008, was a breezily written, populist book⁴, which deliberately avoided academic language. It was apparently about psychology but was actually written by academics close to the Chicago Business School. The big idea of the Nudge – that people could be 'nudged' into decisions through market incentives – would become a central idea for the coalition government and would come to directly influence policy, especially in health. *Nudge* was written by Richard Thaler, an economist from the Chicago Business School, and Cass Sunstein of the Chicago Law School, and argued the case for 'libertarian paternalism'. This was an oxymoron, close to that of 'Red Toryism', or 'Blue Labour'. Like the Big Society, 'the Nudge' was presented as a new 'social movement' which challenged traditional political binaries. Thaler and Sunstein claim their principle as 'The Real Third Way' and offer it as a centrist argument acceptable to both left and right: '... we believe that the policies suggested by libertarian paternalism can be embraced by Republicans and Democrats alike. A central reason is that many of those policies cost little or nothing: they impose no burden on taxpayers at all' (Thaler and Sunstein 2008, p. 13).

The opening anecdote of the book begins with an alliance of the public and private domains in which 'Carolyn' (a director of food services in a large

American school) is in conversation with her friend, a management consultant for supermarket chains. Between them they arrive at a solution to encourage schoolchildren to choose a healthier eating option in the school canteen. Carolyn is described as a 'choice architect' – a phrase which assumes the users of the school service are consumers and that the service provider (the school) is addressing customer choice.

Thaler and Sunstein are very clear about the centrality of the market across the whole range of social policies: 'In domains ranging from environmental protection to planning for retirement to assisting the needy, markets should certainly be enlisted. In fact, some of the best nudges use markets; good choice architecture includes close attention to incentives' (Thaler and Sunstein 2008, p. 253). 'Good choice architecture' therefore depends on incentives provided by the private sector. It becomes very evident that the Nudge is based on neo-liberal economics, Thaler and Sunstein quote Milton Friedman approvingly. They insist that 'libertarian paternalism' is about choice and 'do not want to burden those who want to exercise their freedom' (Thaler and Sunstein 2008, p. 5). 'Freedom of choice' is the recurrent mantra of Nudge (a term much used by Thatcher, Blair and Cameron); for Thaler and Sunstein that means freedom from state intervention. Their construction of 'choice' is, however, within proscribed limits, and those are organized according to the edicts of the market. In language that is very close to that of the coalition government's policies on health and education, they state: 'We support greater choice in education, on the ground that competition is likely to be good for kids. We also want to increase the freedom of patients and doctors. In particular, we want to increase their ability to contract with each other . . .' (Thaler and Sunstein 2008, p. 197).

Thaler and Sunstein proclaim that their policy can be extended to all aspects of policy and will make government both smaller and more efficient:

In many domains, including environmental protection, family law, and school choice, we will be arguing that better governance requires less in the way of government coercion and constraint, and more in the way of freedom to choose. If incentives and nudges replace requirements and bans, government will be both smaller and more modest. So, to be clear: *we are not for bigger government, just for better governance.* (Thaler and Sunstein 2008, p. 14)

It might be thought that all these areas are precisely those in which government regulation and 'constraint' are necessary. The British coalition government is, nonetheless, clearly attracted to the argument, the rejection of 'big' government, the lack of cost 'to the taxpayer' and the involvement of the private sector chime

neatly with a government that has consistently argued against state provision and for the market. In its first year of office, the coalition established the 'Behavioural Insights Team', also known as the 'Nudge unit'.

The implications of 'Nudge' policy and of libertarian paternalism became much clearer when it was put into practice in the British context in 2011. The Labour government had invested £50 million in a 'Change for Life' anti-obesity initiative. Under the coalition, commercial sponsors were asked to fund all further projects in this programme and also to support similar campaigns against alcohol abuse. The PR company Freud Communications were brought in as an advisor. Freud Communications were at the time also advising Pepsico on brand promotion. Under the new funding for the anti-obesity campaign, and, on Freud Communications' advice, Pepsico sponsored breakfast clubs to educate children in 'healthy eating' and provided money-off vouchers for healthy products. Research has implicated fizzy drink as a cause of obesity (www.medicalnewstoday.com, March 2007),⁵ and Pepsico would not seem the most appropriate 'partner' in an anti-obesity campaign. This is Nudge in action, the scheme indeed cost the tax payer nothing, but the sponsorship enabled Pepsico to evade its own association with the problem of obesity while also giving the company a very visible and apparently benign presence in schools. The government's advisory committee did raise concerns over conflicts of interest – but these were ignored. One member of the committee, the head of food policy at City University, stated: 'I don't see how advertisers who have subverted public health can help us rectify the state of the nation's health' (*The Observer*, 20.03.11).

Supermarket Asda (owned by Walmart) were also recruited to the 'Change for Life' campaign by the coalition government and offered money-off vouchers for its own brand food products; an association that suggested that Asda products were healthy and endorsed by the government programme. The confectioners Mars offered a reduction on its branded wholemeal rice on presentation of a Change for Life voucher, again associating the company with healthy eating. These vouchers were offered in the newspaper *News of the World*, then owned by Rupert Murdoch. Murdoch is the father-in-law of Matthew Freud, head of Freud Communications, and both (as the Leveson enquiry dramatically demonstrated) have a particularly close association with David Cameron.

In the current coalition government, there is no question that the drive is to withdraw support from the state, citing other 'partners' as stepping in to do what the state once did. Tim Montgomerie, editor of the right-wing *Conservative Home* blog (www.conservative.home.blogs.com), articulated the position of

many Conservatives in an article for *The Guardian*, when he advocated that the coalition government go even further in their shrinking of the state. He argued: 'the state is consuming 50% of national income. In parts of the UK, government accounts for two-thirds of spending. This oxygen-eating monster leaves little room for private enterprise or independent family life - both better and more sustainable providers of income and care' (*The Guardian*, 07.12.11).

In the aftermath of the financial crash, it would seem that that it is less necessary to curb the state than to regulate financial institutions and the markets. Current news reports and statistics offer a swingeing counter to Montgomerie's argument, vividly demonstrating that neither independent family life nor private enterprise are either better or more sustainable providers of care. As the coalition government continues to reassure that the private sector will step in, corporations and companies are increasingly unwilling to fill in the gaps to jobs and public services left by the coalition's sweeping cuts.

Private sector efficiency?

One of the consistent arguments in favour of private finance has been the advocacy of the superior efficiency of the private sector. A recurrent phrase employed in arguments for austerity and privatization is that the state cannot go beyond 'what the country can afford'. This construct is a version of Thatcher's rhetoric that the government finances are analogous to those of a domestic household. Despite the arguments of Krugman and others (Krugman and Wells 2012) that no such analogy is possible, it has become a common sense. 'Efficiency' has been a recurrent term in the speeches of Cameron and Osborne, both before and after the 2010 election. Two long-serving Conservative and Labour Governments (under Thatcher and Blair) and the rather more wobbly coalition have clung tenaciously to the belief that the public sector is inefficient and unglamorous and that the private sector is sharper, cheaper and more efficient in its running of public provision. In the face of the manifest failures of the market economy in running national institutions – whether hospitals, schools, theatres or art galleries – the rhetoric remains unchanged.

In the field of education, deals with W. S. Atkins, Jarvis, Serco and Nord Anglia did not just demonstrate these companies' lack of fitness for their awarded contracts, but ended in scandal (see Chapter 9, Education, Education,

Education . . .). Each company was guilty of failing to deliver or going over budget on their contracts and had to be bailed out by local education authorities or by government. The private sector in education is currently benefiting disproportionately from public funding; public taxation is now used to subsidize what were once fee-paying schools in their conversion to 'free schools', and immensely rich public schools are financially supported in lending their names to new academy schools.

In the health sector, Colin Leys (2002) has pointed to the enormous transaction costs in the private provision of health services, costs that were not accrued in public provision. He points out that before the NHS was remodelled on a marketized model, its administrative costs were estimated to be 5–6 per cent of total spending. After this 'modernisation', costs stood at 12 per cent and are predicted to rise to about 17 per cent. Many of the companies currently lining up to take over the management of NHS services are American; the administrative costs of health service in the US context are an estimated 24 per cent, while in American for-profit hospitals they are a staggering 34 per cent. Leys (2002) has argued that privatization seeks to transform services into commodities, with the aim of increasing profits. He emphasizes the pressures stemming from international capitalism, whereby international capital pressurizes national governments to allow transnational corporations to run their public services. Leys insists on the need for new forms of global regulation and advocates that public services should be taken under democratic control and that new forms of accountability should be introduced at all levels.

The financial collapse of Southern Cross in social care in Britain was a dramatic illustration of what can happen when the private sector is unaccountable and unable to fulfil its contractual obligations. The local authorities, who had been required to move care home provision into the private sector, had to take over responsibility for the elderly patients in Southern Cross' care. Another case was that of A4E, a company whose considerable profits were entirely derived from government contracts to get unemployed people into work, which is currently under investigation for fraud and malpractice. In 2011, the company was invited to advise Cameron's office on future privatizations, but by 2012, Chris Grayling, then employment minister, declared that the company posed too much of a risk to be given any further contracts.

The most notorious recent case of private sector inefficiency has been that of G4S, one of the largest and most long-established companies providing services to the public sector. Less than a month before the staging of the London Olympic

Games, when it became public knowledge that G4S had comprehensively failed to muster sufficient staff or to adequately train them, the Army had to step in to cover the security needs of the Games. The case of G4S dramatized the danger of reliance on private corporations to such an extent that even some Conservative MPs have since called for a rethink on the use of private companies to deliver public services.

It is not only the potential for corruption and incompetence that is perilous in the handing over of long-established services to private capital, it is also the cost. The failures of PFI and PPPs would have been the biggest bail out of all, were these sums not dwarfed by the near collapse of the banks which had to be bailed out by public funds. PFI contracts were attractive to both Conservative and New Labour governments because they kept the figures off the current balance sheets, but the long-term costs are great, not least because of the administrative costs. The National Health Service is faced with an estimated £65 billion bill for private contractors, for hospital building costs at £11.3 billion, and 22 NHS trusts are at risk of bankruptcy because of their PFI commitments (*The Independent*, 10.09.12). Judt has calculated that over the course of the Thatcher period of privatizations in Britain:

... the deliberately low price at which long-standing public assets were marketed to the private sector resulted in a net transfer of £14 billion from the taxpaying public to stockholders and other investors. To this loss should be added a further £3 billion in fees to the bankers who transacted the privatizations. Thus the state in effect paid the private sector some £17 billion to facilitate the sale of assets for which there would otherwise have been no takers. ... This can hardly be construed as an efficient use of public resources. (Judt 2010, p. 110)

It is indeed not an efficient use of public resources, but privatization consistently has been presented as such. It is demonstrably not the case that the private sector is saving the public purse; in fact, the reverse is the case, it is public finances that are being raided to support (or often to bail out) private contractors invited to run public services. Judt has described the profound shift in Britain and America, in which the progressive developments of the post-war era were rolled back:

With the advent of the modern state (notably over the course the past century), transport, hospitals, schools, mails, armies, prisons, police forces and affordable access to culture - essential services not well served by the workings of the profit motive - were taken under public regulation or control. They are now being handed back to private entrepreneurs.

What we have been watching is the steady shift of public responsibility onto the private sector to no discernible collective advantage. (Judt 2010, p. 109)

Despite the mounting evidence that 'choice' was not a public priority in essential services, and that the private sector has proved itself to be less efficient and fiscally responsible than the public, that steady shift persists implacably.

The problems of sponsorship

Politicians have argued and continue to argue that sponsorship provides a valuable new form of revenue that enables a whole range of activities to take place and thrive; a new orthodoxy has emerged, that it is impossible to stage cultural activities without the involvement of commercial sponsors. The private sector is represented as benevolently stepping up to save the public purse from the expense of big public events. The Millennium Dome, the bicycle scheme in London⁶ and the 2012 Olympics games were all presented as though they had taken place because of the support of corporate sponsors. During the build-up to the London Olympic Games, Sebastian Coe, the chair of the organizing committee and a Conservative peer, decried those critical of the extent and impact of sponsorship on the games:

They don't understand the funding model. Many of them don't get sport. They have probably remained hermetically sealed from the reality of hard-pressed communities . . . It's fine if you live in the shires . . . The same people who don't understand the nature of sport sponsorship quite comfortably go along to the opera and don't worry about large corporates' (Coe quoted in *Evening Standard* 22.06.12)

This description constructs critics of sponsorship as rural, out of touch snobs. However, it is possible to take pleasure in both sport and the opera, to understand the funding model and still to worry about 'large corporates'. It is now clear that sponsorship as a mode of funding for both events and services has a number of serious flaws.

Sponsorship is an unstable form of funding and can appear and disappear as a result of commercial decisions which have no relation to the benefit of the public or the long-term future of the sponsored events or institutions. Income from sponsorship is not subject to planning or policy and a dependence on sponsorship makes any long-term planning difficult, as sponsorship relationships tend to last only 2 or 3 years.

Sponsorship is a form of advertising disguised as benevolence. Sponsorship promotes the apparent paternal benevolence of a company, but it is in fact advertising for commercial purposes. Sponsorship has produced a colonizing of public space by commerce, which has accustomed us to an environment which is saturated with commercial announcements. Sponsors are concerned to maximize their presence, they inevitably have a tendency to overstate the extent of their contributions, and so mask the considerable input from public funding. The sponsor will rarely be the only or the main financial provider; public bodies often provide the bulk of finance, yet fail to publicize their own input, allowing private sponsors to gain much of the credit for an event. In the arts, the power of sponsors over the programming and advertising (as was also the case with the Dome) is disproportionate to the proportion of their investment. The Arts Council, publicly funded from taxation, is given minimal coverage in its support of theatres and galleries across the country. For what is generally a very small percentage of the costs, commercial sponsors are rewarded with government gratitude, public sympathy and cultural kudos.

Sponsorship is inclined to fund certain forms of activity over others and to imperceptibly skew cultural and sporting events. The more popular theatrical works and art exhibitions, the more mainstream composers, the more successful or star-heavy sporting events, the more publicity-worthy health activities are those which will attract sponsors. Although sponsored bodies are in no position to say so, sponsorship promotes self-censorship and inevitably shapes the choice of events that can be offered by cash-strapped arts and sporting organizations. Sponsorship of cricket and tennis umpires and football referees undermines their independence, the sponsorship of arts events compromises the judgement of curators and dramaturgs. Academic and medical conferences sponsored by commercial interests are potentially compromised in their conclusions. Commercial sponsorship has increasingly come to intrude on the previously protected neutrality of officialdom and on uncompromised professional judgement.

In a more adequately funded public sphere, the need for sponsorship would not be so pressing. However, dramatic change should not be anticipated. Sponsorship is not going to wither overnight, and forms of regulation and codes of practice are necessary to limit the damage that can be caused. Public institutions should ensure that our public support of activities is made clear, and sponsors should not be allowed to hijack events, claiming the bulk of the credit, while providing a minimum of support.

Private/public partnerships?

If commercial sponsorship undermines citizenship and democracy, in that it tends to by-pass and undercut democratically accountable forms of resource allocation, the steady incursion of private capital into public services has even more serious consequences. The problems of sponsorship are exacerbated considerably when the implications of commercial and vested interests in health, welfare and education services are considered.

If sponsorship cannot be relied upon for long-term planning in the arts or in sport, the same applies to private investment in the public sector. Private capital undermines planned policymaking, and it is unregulated and unmonitored. Private corporations may not be consistent in their provision; there are substantial and demonstrable risks that they may collapse or be found wanting (as in the cases of Southern Cross, A4E and G4S), leaving behind a situation where the state has to both bail them out and take over their responsibilities. The cases of corruption, incompetence and inefficiency repeatedly demonstrated in private sector involvement in the provision of public services (some outlined in 'Our Corporate Partners') are enough to give pause for thought. There is enormous potential for conflicts of interest, as in the case of doctors whose research is sponsored, who may be on the advisory boards for pharmaceutical companies or who are involved with private medical providers. The same is the case for educators who may have investments in particular teaching materials, computer systems or reading schemes.

Private investment denigrates the public sphere and valorizes private enterprise. The deregulation of public services has broken alliances and teams which have been built up over years in the interests of competition. Investment in public services allows corporations to set an agenda; schools, hospitals, care homes and surgeries, all are places where people and children are vulnerable and should be protected from commercial or religious interests. Private companies are not philanthropic; private enterprise has a profit motive before anything else and has not the experience or history of local authority and government provision. Businesses have a primary responsibility towards their shareholders, any profits made are unlikely to be invested back into the public realm, and, as many of the corporations involved are multinational, the returns are unlikely to come back to Britain. Private capital is not accountable.

The embedding of private enterprise in the public domain has given corporations the power to influence public policy. It is no longer the case that

commercial sponsors are contributing to public provision, but that sponsors are now actively invited by Government to contribute to policymaking. We are currently in a situation in which it is not private capital that contributes finance for public services, but that public funds are increasingly being used to support and encourage private (and often global) capital. Institutions which have no ethical requirements other than the profit motive are now invited to run national services that were once run in the interests of the nation.

The bad new days

Judt rightly warns against nostalgia for what might seem like a golden age; like Brecht, he understands: ‘Don’t start from the good old things but the bad new ones’ (quoted in Mitchell 1998, p. xi). We are both of the generation to have been beneficiaries of what is now constructed as a golden age of welfare provision in Britain, a generation who grew up at a time in which, as Judt puts it: ‘it was simply assumed that there were public goods and goals for which the market was just not suited’ (Judt 2010, p. 59). We were given free school milk, cod liver oil and orange juice, we went to the dentist regularly and were given spectacles – on the national health. Our university courses were free, and we were given grants to do undergraduate and postgraduate work. This generation – the baby-boomers – has been decried as overprivileged, selfish and spoilt. Linda Grant’s 2011 novel, *We Had It So Good*, suggests as much, in a narrative which traces a gilded generation who inherited wealth, acquired property cheaply and enjoyed the benefits of a free university education.

This position has become yet another common sense, positing that the generation of the 1950s and 1960s has taken all the benefits of the welfare state and has been irresponsible and unthinking of the prospects for future generations. David Willetts (Conservative Minister for Higher Education) clearly expressed the Conservative position in the title of his 2010 book, *The Pinch: How the Baby Boomers Took Their Children’s Future - and Why They Should Give It Back* (which was taken up as another big idea for the coalition government). This squarely puts the blame for the financial crisis on the generation who grew up in the period when inequalities were at their least stark in Britain: ‘The charge is that the boomers have been guilty of a monumental failure to protect the interests of future generations’ (Willetts 2010, p. xv). Willetts does not, however, suggest that that generation should ‘give it back’ through taxation; instead, he

implies that the welfare state was itself contributory to that selfishness: 'The baby boomers, having enjoyed so far a spectacularly good deal, are dumping too many problems on the younger generations. . . . At the moment it looks like a selfish giant' (Willett 2010, p. xxi).

To hold one generation to account for the failures of the economic market is to underestimate the differences within that generation, and to erase the inequalities of class, ethnicity and gender. The 'monumental failure' was not theirs, but created by an unsustainable property boom that was not of their making and by a market-driven economy and consumer culture that was rejected by many of them. For several generations, the provisions of the welfare state were understood to be rights rather than privileges; this was not just 'a spectacularly good deal' for individual members of that generation. These were rights that did not only benefit individuals, but which contributed exponentially to the health and education of the nation, and which, fundamentally, were about egalitarianism.

Those rights have steadily been eroded through the introduction of the rhetoric of the free market, choice and of competition. Judt suggests that egalitarianism came about because of the principle of universalism, the welfare state provided a universal entitlement to education, health care, pensions and maternity care:

In most cases it was achieved by the magic of 'universalism'. Instead of having their benefits keyed to income, in which case well -paid professionals or thriving shopkeepers might have complained bitterly at being taxed for social services from which *they* did not derive much advantage – the educated 'middling sort' were offered the same social assistance and public services as the working population and the poor: free education, cheap or free medical treatment, public pensions and unemployment insurance. As a consequence, now that so many of life's necessities were covered by their taxes, the European middle class found itself by the 1960s with far greater disposable incomes than at any time since 1914 (Judt 2010, pp. 52–3)

In the new austerity of the coalition government, all these principles are now under attack, and especially that of 'universalism'. And Judt was right about the consequences, the media are indeed 'complaining bitterly' at social welfare which is seen to be provided for the feckless and the scrounger. Beyond the media, there have been reports that abuse directed towards people with disabilities have risen dramatically, in a culture in which sickness benefit has been under scrutiny (www.scope.org). The last three decades have seen governments of the main three parties firmly distancing themselves from the principles of the welfare

state and declaring radical reforms – reforms which have meant an embrace of the market and the withdrawal of state support from public services. The ‘selfish giant’ is not so much the generation who grew up under the welfare state, as the governments and corporate interests which have served to undermine it.

Public good and public value

All the ideological configurations of the Third Way, Red Toryism, Orange book Liberalism and the Nudge claimed to be in the interest of the public good, to offer ‘value’ to the tax payer and to represent the centre ground. But there are other ways of understanding the public good and what represents ‘value’ which go beyond the ‘value for money’ rhetoric of Thatcher and Blair and the ‘living within our means’ of Osborne. The concept of ‘Public Value’ was developed by the American professor of public management strategy, Mark Moore, in his 1995 book *Creating Public Value* which argued that public services were a distinctive field which could not be entirely ruled by the market, that their primary allegiance is to the groups they serve and that public value cannot be measured by profit. Moore’s work was influential for think-tanks and government policymakers in both Britain and America, and, in 2002, Geoff Mulgan (then director of New Labour’s strategy unit and head of policy in the Prime Minister’s Office⁷) contributed to a discussion document for the Cabinet office which borrowed Moore’s title and used his concept as a framework for government policy on public services. While continuing to advocate a mixed economy model, they also argue that public services should be differentiated from the private sector and stress the need for accountability and trust in the public sector (Kelly, Mulgan and Muers 2002, p. 5).

The American Richard Florida argued in his 2003 book, *The Rise of the Creative Class*, that cultural amenities are valued even by those who do not use them and that public museums, galleries and stadia contribute to a community’s sense of civic pride and can contribute to a region’s economy and regeneration. Kate Oakley made use of the same argument in the local context of South-East England, in calling for public investment in the creative and cultural industries. Here, directly quoting Kelly, Muers and Mulgan, she explains ‘public value’ in these terms:

... the idea of the value created by the public realm ... the lens of public value helps to explain why, despite many predictions, Western European societies have generally retained public models of provision in health, education and

welfare. It suggests that beyond the 'consumer' experience of these services, there is value attached to their perceived equity and fairness. As research for the Institute of Fiscal Studies suggests, even in cases where people use privately funded alternatives to public provision (such as private health or education), this does not affect their willingness to support state spending on the same services. (Oakley 2004, p. 9)

Oakley specifically references the public library as a case of public value. As Oakley explains, the public value of a library goes beyond benefit to the individual:

Most evidence indicates that library usage is in decline; but the closure of any specific public library will often cause outrage in a community. This suggests that people derive value from the presence of a library (so called existence value), or from the use of the library by others (altruistic value). (Oakley 2004, p. 9)

The cuts to council budgets have meant that councils have been forced to implement cuts to local services, and libraries are perceived as softer targets than other public services; currently, the Public Libraries News website estimates that 270 libraries are closed or at threat of closure (www.publiclibraries.com)⁸. The impact of new technologies on the distribution of the written word has inevitably meant that the function of libraries has had to change, but they remain much loved institutions, often providing computer access to those without.

There are alternative models of provision for public services and cultural activities (which, as Keynes and Priestley recognized, are themselves a form of public service) that do not involve a systematic trawl for sponsorship or a surrender to the forces of private enterprise. There are opportunities to reinvent and reinvigorate the public sector. In *Back to the Future, Collectivism in the 21st Century*, John Mills and Austin Mitchell suggest that a 'sea-change' in popular attitudes and policy orientations is possible, away from free-market individualism and towards a renewed confidence in public values and collective endeavour. They argue that there is a shift in the public mood towards support for collective initiatives, which represents an opportunity for real change.

There is clear public unease at the privatization agenda and a growing public anger at the visible inequalities in British society. The fact that a Conservative government could not achieve a full mandate in 2010, despite the global recession, an incumbent and not entirely popular New Labour administration and (according to the national press) a very unpopular Labour prime minister in Gordon Brown, suggested that the electorate were half-hearted at best at any return to Tory rule. The election of Ed Miliband as Labour leader, over his

brother David, the New Labour candidate, also suggested that the Labour party membership and trade unions were not convinced by New Labour being quite so 'business friendly'. There have been loud protests from UK Uncut, the Occupy movement, the trades unions, students and public sector workers. A march of half a million in 2010 against public sector cuts (the largest public march in London since demonstrations against the Iraq war) demonstrated how much resistance there has been to current government policy. There is documented public support for policies which benefit the 'public good'. A 2012 report for the Fabian Society presented a poll in which 64 per cent of the public supported the proposition that 'services like health and education should not be run as businesses. They depend on the values and ethos of the public good', only 17 per cent disagreed (www.fabian.org.uk).

Hans Haake presciently warned in 1995 that what is being lost will be difficult to replace:

It is difficult to reverse the situation once the state has abdicated and the institutions have become dependent on the sponsors. Even though - in the end - that is, at the level of the national budget - the taxpayers still pay the bills, the institutions, focusing on their immediate and individual problems, see only financial relief. . . . Management prevails. (Bourdieu and Haake 1995, p. 71)

We are completing this book 2 years into a Conservative-led coalition government, at a time when 'management' would seem to prevail. But the implications of the rhetoric of the Big Society, Red Toryism and Orange Book Liberalism are becoming vividly apparent and as the marketization of all aspects of the state gathers pace, so is resistance to that privatization. Britain is currently poised for a battle over whether the private or the public sector will hold sway.

Notes

- 1 Blond is an exponent of Radical Orthodoxy, an Anglo Catholic movement, and had been a lecturer in Theology at the University of Cumbria. His earlier published book is an edited collection, *Post-Secular Philosophy: Between Philosophy and Theology* (1998), which attempts to reconcile religious faith with post-modern philosophy.
- 2 The Conservative chair of the Local Government Association, and leader of Kensington and Chelsea Council, warned the Chancellor in 2012 that further cuts to local councils would leave them unable to provide even the most basic services (www.local.gov.uk).

- 3 David Miliband was the Blairite candidate for the Labour leadership after Blair, who lost the leadership election in favour of his brother Ed, largely because of his perceived closeness to Blairite policies.
- 4 *Nudge* emulated the success of Malcolm Gladwell's 2000 *The Tipping Point: How Little Things Can Make a Big Difference* and 2005 *Blink: The Power of Thinking without Thinking*; in its use of a one-word title followed by an explanatory sentence and in its use of an apparently simple formula to discuss a complex problem, the book received similarly widespread media coverage.
- 5 In 2012, The Mayor of New York, Bloomberg, banned fizzy drinks in large containers in the city in response to the research.
- 6 The London bicycle scheme, sponsored by Barclays Bank, did not have the effect of promoting the bank as much as they must have anticipated, although covered in the Barclay's logo, the bicycles are known as 'Boris bikes' after the current Mayor of London.
- 7 Geoff Mulgan had been, with Martin Jacques (former editor of *Marxism Today*), a founder of Demos, an independent think-tank closely associated with New Labour.
- 8 The Conservative Culture Minister Ed Vaizey has said (*The Guardian*, 02.12.11) that it is not his role to intervene in the closure of libraries and that these decisions had been devolved to local councils.

Appendix: Our Corporate Partners

The growing opportunities for private capital to acquire government contracts in the United Kingdom have attracted large numbers of companies seeking new sources of profit. Some are long-established companies but many are relatively new, and some are companies with no previous experience of health or education provision. Typically, building, engineering and property companies, such as Amey, Jarvis, and W. S. Atkins, first became involved through schemes such as PFI, only to discover that even larger profits could be obtained through service provision. Some of these companies are UK-based, but many are North American or transnational corporations. The competition for service provision contracts in the United States is intense, and de-regulation, outsourcing and privatization in Europe represent a major opportunity for global expansion. Major corporations are also able to expand into this field through take-over, acquiring smaller companies who have established a track record in a particular field.

Over the course of our researches into the encroachment of corporate interests into public services, the same names have persistently appeared as the companies associated with the bidding for outsourcing contracts, or as those awarded them (we have a list of almost one hundred). These are the corporate logos found (discreetly) in schools, hospitals, libraries and road and railway signs. Whether in health, education, public infrastructure or welfare, it is the same group of (largely) multinational corporations who are regularly rewarded with contracts worth millions and, sometimes, billions.

These are the companies which are courting charities, small publishing groups, educational or health charities, in order to claim expertise in a particular field. They are in search of 'bid candy', the small organizations who are in a position to disguise the corporate motives, and to offer a fig leaf of experience and understanding of a specialist area of public service. While the coalition rhetoric has repeatedly referred to opening up public services to 'a range of providers', particularly in education and health, the same corporate names repeatedly figure in the contracts that are finally awarded. These companies are typically vague in their corporate statements as to the nature of their business.

We have selected some examples of companies whose activities were frequently encountered during our research:

A4e: Founded in 1991 by Emma Harrison to help long-term unemployed back to work. In 1997, it was awarded its first large public contract by the incoming Labour Government. Since the Conservative victory in 2010, Emma Harrison was appointed by David Cameron as a family champion, and the development of Iain Duncan Smith's Work Programme meant much more work for A4e. By 2012, they had around 12 contracts with A4e.¹ A4e is entirely dependent on public sector contracts which are worth up to £180 million per year. In 2011, Emma Harrison, the principal shareholder in A4e, paid herself a dividend of £8.6 million (*The Guardian*, 22.02.12). An Early Day Motion tabled on 23.02.12 noted this dividend with concern and urged the Government to investigate the value for money in work programme contracts.² In response to a Question in the House (16.04.12) about the cost to the Government of each jobseeker found work by A4e, figures revealed suggested that A4e could earn a maximum of £3800 for jobseekers in the 18–24 category and £4400 for those 25 and over.³ During February 2012, Fiona Mactaggart, MP, announced that she has compiled a dossier documenting malpractice at A4e; and Thames Valley Police raided A4E offices as part of a fraud investigation. By May 2012, eight people had been arrested as part of the investigation (*BBC News*, 14.05.12) but no one has been charged. The Home Office was prepared, in April 2012, to make A4e a preferred bidder.

Amey: Founded in Britain as a quarry operator in 1921, Amey went on to specialize in road construction. It co-owns the company Tube Lines, responsible for the maintenance and infrastructure of some underground lines in London and has contracts for the running of airports, schools, parks, railways and the road network. Amey is based in the United Kingdom but, from 2003, became a subsidiary of the Spanish company Grupo Ferrovial. Amey BPO Services Ltd. was set up in February 1991 to operate mainly in the public sector, targeting central and local government contracts (www.amey.co.uk). Amey formed a partnership, in 2011, with global company GEO Group, called GEOAmey, which delivers prisoner escort and custody services. The GEO Group Inc. operates worldwide in diversified custodial, justice and treatment services.⁴ Between 2001 and 2008, Amey participated with Nord Anglia Education in a joint venture called EduAction to run Waltham Forest LEA (Unison 2005). In 2012, a £900 million contract with GEOAmey, for prisoner transport, was called 'an absolute farce' by

a judge after it emerged that their new prison vans were too big to fit through court entrances (*Daily Mail*, 17.01.12).

Cambridge Education Associates (CEA): was set up in May 1987 by Brian Oakley-Smith, who was Cambridgeshire's chief inspector and deputy chief education officer.

CEA has been owned by the Mott Macdonald Group Ltd. since January 2003. It is one of the DofES-approved private sector service providers. Yet the trade union Unison was able to document a long series of issues with the quality of the companies' performance.

In Islington alone, during the early 2000s, the firm had to pay back £300,000 for missing performance indicators, faced allegations that it had deliberately kept quiet accusations of exam malpractice, was slow to react to an asbestos crisis at a school and agreed to lower primary school exam targets for 2005 (Unison 2005, p. 7). CEA was also fined more than £500,000 for missing 7 out of 11 strategic targets (*The Guardian*, 10.11.03).

Cambridge Health Network was put together by the US-based global management consultant, McKinsey, to promote exchanges between private health corporations, financial institutions and the Department of Health. Sponsors of the Network include: Halliburton, General Electric, Perot Systems, GlaxoSmithKline, BUPA, Assura (now owned by Virgin), Mott McDonald and Carillion. The *Mail on Sunday* reported (12.02.12) that McKinsey 'has earned at least £13.8 million from Government health policy since the Coalition took office – and the Bill opens up most of the current £106 billion NHS budget to the private sector, with much of it likely to go to McKinsey clients'.

Capio is one of the United Kingdom's largest operator of private hospitals with 22 private hospitals throughout England together with nine independent treatment centres, a dedicated eye clinic, neurological rehabilitation centres and diagnostic imaging services. Tom Mann, formerly head of the Department of Health's 'national implementation team' which imposed the first ISTC contracts, subsequently became chief executive of Capio, which won a large number of these contracts. It was acquired by Ramsay Health Care, (see below) in 2007. Ramsay is a leading provider of private healthcare in the United Kingdom. Its private hospitals offer a range of treatments such as hip replacements, knee replacement surgery, cosmetic and weight loss surgery.⁵ Ramsay Health Care was established in Australia in 1964 and has grown to become a global hospital

group operating 117 hospitals and day surgery facilities across Australia, the United Kingdom, France and Indonesia.⁶

Capita is on the DfES list of approved service providers and consultants and is one of the largest edubusiness companies, providing support services to central and local government and the private sector. Capita ran the nursery vouchers scheme for the Conservatives and the ill-fated Individual Learning Accounts for Labour. The company was set up by CIPFA (the Chartered Institute of Public Finance and Accountancy) in 1984 and in 1987, there was a management buy-out. Capita grew rapidly, partly through public sector contracts and partly through their acquisition of other companies. It has specialized in complex ICT contracts, such as setting up systems for the criminal records bureau, driving tests, London congestion charge and TV licences. Capita, which has been expanding its education involvement, also administers the Teachers Pension Agency.⁷

Care UK is a provider of health and social care services, working in partnership with local authorities and primary care trusts. John Nash (ex-chairman of Care UK) and his wife have reportedly donated more than £200,000 to the Conservative Party in recent years. Care UK have been awarded a £53 million contract for prison-based health care (*The Guardian*, 25.01.11). Care UK is owned by Bridgepoint, who have used ex-Labour Minister Alan Milburn as an advisor. In 2009, according to the annual accounts, revenue was up 20 per cent to £410 million and profits up 17 per cent to £28 million. In April 2012, it was reported that Care UK were being investigated by the health service after x-ray records of 6,000 patients were not processed at an urgent care centre run by the company (*The Guardian*, 18.04.12).

Cinven is a leading European private equity firm, founded in 1977, which acquires successful companies and helps them 'grow and develop' (www.cinven.com).

It acquired BUPA's entire hospital portfolio, including 25 hospitals. Ex-Labour Minister Patricia Hewitt has been an advisor to Cinven. It has offices in Guernsey, London, Frankfurt, Paris, Milan, Luxembourg and Hong Kong and focuses on growth in global markets, in particular, opportunities in emerging economies, including those of Asia. It focuses on six sectors: Business Services, Consumer, Financial Services, Healthcare, Industrials and Technology, Media and Telecommunications (TMT). Cinven Limited, the manager of the Cinven funds, is authorized and regulated by the Guernsey Financial Services Commission (www.cinven.com/aboutus/default.asp).

Circle Health is an 'employee co-owned partnership' running hospitals (www.circlepartnership.co.uk). In February 2012, Circle Health took over the NHS hospital Hinchingsbrooke in a deal that allows it to retain the first £2 million of any annual surplus and a percentage of further profits (*BBC News*, 03.05.12). Circle Health is owned by companies and investment funds registered in the British Virgin Islands, Jersey and the Cayman Islands (*The Guardian*, 17.03.12).

Cognita is an international company running independent schools in the United Kingdom, which was formed by Englefield Capital in 2004 (www.cognita.co.uk). One of the founders was Chris Woodhead, a vocal supporter of private investment in state schools, Woodhead is the former Chief Inspector of Schools in England. In June 2012, it was reported that the private school chain run by Sir Chris Woodhead was under investigation by the Department for Education over claims that it had defrauded the generous state-run pension scheme for teachers (*The Observer*, 10.06.12). Englefield Capital is a relatively new private equity company, launched at the beginning of 2003. Englefield identifies movements in the European business environment and analyses their potential effects, as a rationale for its investment choices. It believes the aging European demographic is likely to put pressure on traditional state provision of services and propel a shift towards the private sector (see G4S and Global Solutions, below).

Compass is one of the major companies providing hospital cleaning, catering and laundry services. The Compass Group has a turnover of £1.95 billion and 50,000 employees (www.compass-group.co.uk). In July 2000, Compass Group's UK business merged with the catering arm of Granada PLC to become the UK & Ireland division of Compass Group – the UK market leader in foodservices and hospitality. In March 2010, Compass Group acquired Vision Security Group (VSG), the United Kingdom's leading independent security services provider. Medirest, one of the major UK providers of hospital cleaning, catering and laundry services, is part of the Compass Group. Six hundred Medirest staff have recently been asked to take a pay cut to meet a £300,000 savings target after the company was offered a new contract (*Cambridge News*, 10.05.12).

Global Solutions Limited (GSL) was originally the section of Group 4 covering prison and court services, immigration detention centres, education contracts, metre readings and 'outsourced services' and works in the Private Finance

Initiative (PFI) and Public Private Partnership (PPP) sectors.⁸ In July 2004, GSL was bought by two venture capital companies, Englefield Capital and Electra Partners Europe, in a £207.5 million deal. Both companies made it clear that their interest in GSL stemmed largely from the current atmosphere of increasing privatization in many sectors which were previously publicly run. Global Solutions Ltd. (GSL) became a leading provider of outsourced services to public authorities and operators within the growing PFI and PPP outsourcing market, in the United Kingdom and internationally. By 2004, GSL had contracts with the public sector in custodial services, covering prison management, the escorting of prisoners, immigration services, custody and training and other public services in health care, education and local government. The company has continued to expand into the public sector. On its website, GSL described itself as one of the fastest growing companies in the PFI marketplace. In July 2008, G4S bought GSL back from Englefield Capital/Europa Electra Partners.

G4S, the world's largest security and cleaning services group, was formed in 2004 through the merger of Group 4, Falck and UK-based Securicor, both global security companies. Group 4 has been one of the major beneficiaries of the UK privatization policy during the 1990s. In 1991, it was awarded the contract to manage the United Kingdom's first privatized prison, Wolds in Humberside. British Gas also started a joint venture with Group 4 to provide meter readings to more than 19 million customers (they work together under the name Accuread). In May 2004, the UK facilities management division of Group 4, Falck, Global Solutions Ltd., was sold to Englefield Capital, in partnership with Cognetas LLP and Electra Partners Europe. In October 2011, it proposed to buy its largest global competitor, ISS, but in November 2011, cancelled the plan as a result of opposition from shareholders. In terms of employee numbers, G4S is four times larger than the British Army and made revenue in 2011 of about £7.5 billion.⁹ So it was ironic that when they failed to recruit sufficient staff for Olympic Security, the Army had to be called in to cover the shortfall.

Hospital Corporation of America (HCA) is one of five companies that dominate the UK private hospital market. The six HCA hospitals in central London care for around 300,000 patients per year. HCA is the largest provider of cancer care in the United Kingdom outside the NHS (www.hcahospitals.co.uk). Allyson Pollock reported that some of HCA's American hospitals are currently under investigation for refusing care and performing unnecessary procedures, including cardiac surgery (*The Guardian*, 27.08.12).

ISS is one of the big seven corporations in hospital cleaning, catering and laundry. It entered the UK marketplace in 1968 and has grown to become one of the world's largest facility service providers with a market presence in Europe, Asia, South America, North America and Australia. ISS employs more than 520,000 people.¹⁰ Launched in 1901 in Copenhagen, Denmark, as a small security company, it began in the cleaning business in 1934. In 1968, the company entered the United Kingdom and adopted the ISS name.¹¹ In August 2012, ISS cashed in part of its stake in the University College Hospital PFI project for £35 million (*Construction News*, 06.08.12).

Mediclean is one of the major UK providers of hospital cleaning, catering and laundry services. It is part of the ISS Group (see above). An audit by the UK Border Agency of a handful of health service contracts with ISS Mediclean has found that 8 per cent of its workers were illegal (*Channel 4 News*, 14.04.10).

Mitie is one of the major UK providers of hospital cleaning, catering and laundry. They manage facilities and properties for clients across the United Kingdom and beyond – everything from consulting on property and energy strategy to delivering services, employing 63,000 people (www.mitie.com/). Within a month of acquiring a contract to run a Telford Inland Revenue site, Mitie was proposing to cut about a quarter of the jobs (*BBC News*, 29.02.12).

Netcare is one of the dominant companies in UK private hospitals and operates the largest private hospital network in South Africa and the United Kingdom (www.netcare.co.za/6/about-us/). Netcare in the United Kingdom is owned by General Healthcare Group (GHG) (www.ghg.co.uk/GHG-PLC/about-us/our-history). The parent South African company Netcare, South Africa's largest private medical group, pleaded guilty in 2010 to performing illegal kidney transplant operations at one of its hospitals. The medical group Netcare admitted that children were recruited to donate their organs and said that the hospital had wrongly profited from the operations (*BBC News*, 10.11.10, www.bbc.co.uk/news/world-africa-11725536, accessed 10.09.12).

Nomura is a Japanese-owned global investment bank, ranked in the top 10 of the world's major international finance houses by the *Wall Street Journal* in September 1999. Nomura International has, according to the company website,

one of the largest teams dedicated to the health-care sector in Europe, including 7 equity research analysts, 15 investment bankers and 19 specialist salesmen in the United States and United Kingdom.

Six months before the IPPR Commission was announced, Nomura set up a £1 billion infrastructure fund with Serco (see below) to bid for large-scale, complex PFI/PPP projects. Nomura would provide the funding while Serco would run them.¹² In July 2012, Nomura's chief executive resigned following a damaging insider-trading scandal at the investment bank (*BBC News*, 26.07.12). In September, Nomura had to announce plans to cut £630 million in costs in an attempt to streamline its business (*BBC News*, 06.09.12).

Serco is a company which specializes in government services; it has overseen contracts in public transport, traffic control, aviation, detention centres, prisons, schools and military and nuclear weapons. It also provides management services and oversees pathology, cleaning, catering and laundry services for a number of National Health Service Trusts. Serco also runs the 'Boris bikes' scheme in London, sponsored by Barclays, for which Barclays get their name prominently displayed on the bicycles, although it only provides around 10 per cent of the costs (*BBC News*, 28.07.11). In 2012, Serco was under investigation for providing what was alleged to be an 'unsafe' out-of-hours service in Cornwall; it was also alleged that Serco had manipulated performance data (*The Guardian*, 26.05.12). Although Serco receives over 90 per cent of its business from the public sector, it still paid its CEO over £3 million in 2010. This, according to Zoe Williams, is 'six times more than the highest paid UK public servant and 11 times more than the highest paid UK local authority CEO' (*The Guardian*, 20.06.12).

Sodexo is one of the major companies involved in hospital and prison cleaning, catering and laundry. It is a French multinational company that provides a range of services, mainly catering, but also cleaning, housekeeping, building maintenance, prisons, leisure services and payment systems. In 2009, it operated in 80 countries, with 380,000 employees and sales of €14.7 billion and claims to be the 21st largest employer in the world. Over half of its business is with the public sector: 23 per cent in education, 20 per cent in health care, 11 per cent in other public services, including elderly care, prisons and military. According to the Public Service International Research Unit at the University of Greenwich, it has frequently been in dispute with unions in countries around the world over human rights violations and anti-union behaviour and criticized for the cost and quality of its services. In 2010, it was the subject of a formal complaint to the OECD for infringement of its guidelines on multinational companies.¹³

Spire Healthcare is a leading provider of private healthcare, with 37 private hospitals throughout the United Kingdom. The company was formed from the sale of BUPA Hospitals to Cinven in 2007, followed by their purchase of Classic Hospitals and Thames Valley Hospital in 2008 (www.spirehealthcare.com). Spire paid just over £3 million in tax in the last 3 years, despite making an operational profit in the last year alone of £123 million (*The Guardian*, 17.03.12). Cinven is a leading European buyout firm, founded in 1977, with offices in London, Paris, Frankfurt, Milan and Hong Kong. It acquires European-based companies that require an equity investment of €100 million or more. Cinven acquires companies and works with them to help them ‘grow and develop’ (www.cinven.co.uk).

Tribal (UK): The Tribal Group was set up in 2000 specifically, to ‘take advantage of the increasing use of the private sector in public services’ (*The Observer*, 02.07.06). Tribal Education was set up in 2001, as a wholly owned subsidiary of Tribal Group plc, to capitalize on partnership contracts with LEAs, other public sector organizations and schools. Around 97 per cent of the company’s revenue is from the public sector, and between 60 and 70 per cent of Tribal’s staff come from the public sector.¹⁴ It also established a joint venture, Ensign, with G4S. The group began with the administration of driving tests, and then moved in to schools inspections for Ofsted in 2009. It has been awarded significant contracts in the NHS and the Prison Service. The parent Tribal Group has pursued an aggressive acquisition policy since 2001, much of it within education. By 2005, it already had 25 subsidiaries.¹⁵ Tribal’s interests now extend to Australasia, the United States and the Middle East. Tribal is a provider of technology products and services to the education, training and learning markets, providing technology and service solutions to universities, colleges, healthcare providers, local and central government and employers. In 2009, it declared profits of £17 million on a revenue of £238 million (www.tribalgroup.com).

In Tribal’s response to the White Paper on Health (13.07.10), Kingsley Manning, business development director for health at Tribal, said ‘This white paper could amount to the de-nationalisation of healthcare services in England and is the most important redirection of the NHS in more than a generation, going further than any Secretary of State has gone before.’¹⁶

UnitedHealth UK is part of UnitedHealth Group – a ‘global health and well-being’ company. Since 2002, it has been working in partnership with all levels of the NHS, including Primary Care Trusts, Strategic Health Authorities, GP Commissioning Groups and the Department of Health (www).

unitedhealthuk.co.uk/). In the United States, UnitedHealth has had to pay hundreds of millions of dollars to settle mischarging allegations (*The Guardian*, 27.08.12). UnitedHealth Europe (US) employed Channing Wheeler, ex-head of the Department of Health's commercial directorate (Player and Leys 2010). The NHS hired Wheeler, even though it has subsequently emerged through a FOI request, that he informed them that he, and board members of the UnitedHealth Group, were being investigated by the US Securities and Exchange Commission for the alleged granting of backdated share options.(Mooney 2008).

Virgin Assura is the new name for Assura Medical. One of the fastest growing independent providers of NHS services, Virgin Group acquired a majority stake in Assura Medical in March 2010 and changed the name in 2012. Virgin Care provides over 80 NHS services right across the country including community-based intermediate NHS services, GP-led walk-in and health-care centres, urgent-care centres, out-of-hours services, community diagnostics and GP practices.¹⁷ The Virgin Group is owned by Richard Branson, 16th on the *Sunday Times Rich List* 2012, with an estimated wealth of £3.4 billion. Within 2 years of the take-over, Virgin Assura clinched a £500 million, 5-year contract to run community health services in Surrey (*The Daily Telegraph*, 30.03.12).¹⁸

The above companies and many similar corporations are the 'willing providers' that the Government is inviting to take over our public services. Concerned citizens would be well advised to take a close interest in this process and ask why corporations should profit from our illness and the education of our children.

Notes

- 1 Written Answers, 28.02.12, www.publications.parliament.uk/pa/cm201212/cmhansrd/cm120228/text/120228w0003.htm, accessed 17.07.12.
- 2 www.parliament.uk/edm/2010-12/2773, accessed 17.07.12.
- 3 Written answers to Parliamentary Questions, 16.04.12, www.publications.parliament.uk/pa/cm201212/cmhansrd/cm120416/text/120416w0010.htm, accessed 17.07.12.
- 4 www.geoamey.co.uk/.
- 5 www.ramsayhealth.co.uk/, www.ramsayhealth.com/news/documents/TRW_07_Dec.pdf.
- 6 www.ramsayhealth.com/about-us/default.aspx.

- 7 See www.psiru.org/companies/capita-group, accessed 24.08.12.
- 8 www.corporatewatch.org/?lid=1838, accessed 30.08.12.
- 9 BBC News, 02.08.12, www.bbc.co.uk/news/magazine-19077733, accessed 06.09.12.
- 10 www.issworld.com/about_iss.
- 11 www.uk.issworld.com/aboutiss/histor.
- 12 'Public services and the private sector: A response to the IPPR' Allyson Pollock, Jean Shaoul, David Rowland, and Stewart Player November 2001.
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- 14 Unison: 2005.
- 15 Ibid.
- 16 www.tribalgroup.com/aboutus/newsroom/Pages/TribalpublishesresponsetotheHealthWhitePape.aspx, accessed 07.04.11.
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