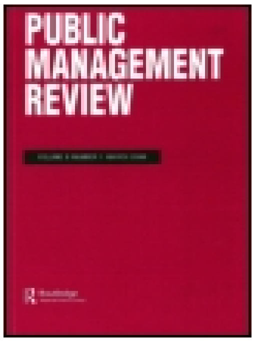

Public Management Review

ISSN: 1471-9037 (Print) 1471-9045 (Online) Journal homepage: https://www.tandfonline.com/loi/rpxm20

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To cite this article: Alex Nicholls & Simon Teasdale (2019): Dynamic persistence in UK policy making: the evolution of social investment ideas and policy instruments, Public Management Review, DOI: 10.1080/14719037.2019.1699948

To link to this article: https://doi.org/10.1080/14719037.2019.1699948

Published online: 12 Dec 2019.

PUBLIC MANAGEMENT REVIEW
https://doi.org/10.1080/14719037.2019.1699948

Dynamic persistence in UK policy making: the evolution of social investment ideas and policy instruments

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ABSTRACT

Proponents of policy instruments often have to justify them to shifting political masters. This article explores the evolution of social investment, both as a policy solution and a set of policy instruments, during a period characterized by political turbulence. Discourse analysis of texts produced by an instrument constituency shows how a constant set of policy instruments are framed as a changing solution to different political problems. This helps us develop the concept of dynamic persistence, which elaborates how the instrument constituency was able to maintain support for their policy instruments by realigning them to different ideological principles.

KEYWORDS Discourse; dynamic persistence; instrument constituency; policy solution; social investment

Introduction

Towards the end of the twentieth century, dramatic shifts were occurring in welfare state policy. In the United States and the United Kingdom (UK) Bill Clinton and Tony Blair set out visions of Third Way politics, promising a route beyond 'statist' social democracy and 'free' market capitalism (Clark 2004; Giddens 1998), one element of this being an enhanced role for the third sector in public service delivery (Phillips and Smith 2014). Relatedly, a new discourse of social investment welfare policy was emerging from Scandinavia, the premise being that allocating resources to programs that anticipated social need could yield future savings to the state (Jenson and Saint-Martin 2006; Morel et al. 2012). Meanwhile, in the world of corporate investment, analysts were focusing on socially responsible investment as a means of facilitating private financing of ethically responsible companies (Hamilton, Jo, and Statman 1993). The subsequent convergence of these three theoretically distinct ideas in the United Kingdom (UK) laid the grounds for a new social investment paradigm (Jenson 2017). This was initially marked by the launch of a Social Investment Task Force (SITF) by the (then) Labour UK Chancellor of the Exchequer, Gordon Brown in February 2000. It reached its zenith[1] thirteen years later as the (then) Conservative Prime Minister David Cameron made social (impact) investment the focal point of the UK's G8 Presidency.

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During the intervening period, and particularly from 2007–2010, the UK had experienced considerable economic and political change. The New Labour period of relative prosperity was ended by financial shocks to the global banking systems in 2007/8. In 2010, a Conservative-dominated coalition government came to power promising to sweep away the ‘Big State’ approach to government. It is striking then, given the very different political frames of reference, that Cameron, like Brown 14 years earlier, was positioning the United Kingdom at the forefront of the social investment paradigm. One might expect that the initial idea of social investment would have mutated as layers were added to the policy instruments by successive governments (Thelen 2004). However, it is particularly notable that even if the meaning of social investment had changed, consistent with the shifting nature of the problems to which it was meant to address, Cameron’s coalition government remained faithful to the specific social investment policy instruments created by New Labour. This raises questions concerning the relationship between policy instruments, policy solutions and policy problems.

The traditional problem-driven approach to policymaking treats policy instruments as ‘neutral devices’ used by policymakers to address problems (Simons and Voss 2018). Kingdon’s (1984) work on policy streams showed that policy solutions can exist independently of problems, before being connected by entrepreneurs following the opening of a policy window. Recent work on instrument constituencies, as sets of heterogeneous actors involved in ‘articulating, developing, disseminating, and implementing a particular policy instrument’ (Voss and Simons 2014, 16) develop this line of thought in seeking to explain the paradox that solutions sometimes ‘chase problems’ (Béland and Howlett 2016; Simons and Voss 2018). Effectively instrument constituencies imbue policy solutions with a life of their own:

> Through their constituencies, they can become ‘entrepreneurial’ solutions that actively seek to nurture demand and give shape to policy problems. (Simons and Voss 2018, 16).

Our paper, therefore, investigates the evolution of social investment as both an idea or policy solution, and as a set of policy instruments. Our focus is on how the SITF interacted with the partisan world of policy politics to re-position a set of policy instruments as a policy solution (social investment) that was consistent with shifting policy agendas. A processual approach leads us to investigate how the SITF re-framed the *dynamic* idea of social investment as a *persistent* solution to shifting policy problems (Cairney 2018), while holding the instruments constant.

Methodologically we treat the reports produced by the SITF as one way in which ideas are communicated upwards to policymakers. Considering these texts within the wider political context in which they were produced shows that the ways in which social investment policy instruments were framed as a policy solution has changed over time, in line with changing political frames of reference have been adapted over time. Thus, while the justification for social investment – what it is *for* – has changed, the policy instruments (such as a social investment bank) advocated by the SITF remained remarkably consistent. In essence, the ‘what’ of social investment barely changed. This insight helps us develop in this paper a more nuanced understanding of ‘dynamic persistence’ – a concept that reflects the complex relationship between policy instrument stability and political change.

Methodological approach

This research began from the observation that, despite the significant changes in the political and economic environments in recent years, a set of policy instruments developed around social investment under New Labour – most notably a wholesale social investment bank, Community Interest Companies, Social Impact Bonds, and Social Investment Tax Relief – were kept alive. We wanted to explore the processes through which this persistence was made possible. The methodological approach used here, therefore, began with an empirical puzzle for which this research sought an explanation using a form of backwards inference (Peirce 1932).

A discursive approach requires attention to be paid not simply to *what* was said, but to the *context* in which it was said (Fairclough 1992), with a particular focus on what actors say, do, and think that leads to policy change or stability. Discourse analysis aims to reveal hidden ideas and ideologies concealed within texts (Foucault 1972). This is based on the premise that: 'for things to be intelligible they must exist as part of a wider framework of meaning, that is, of a discourse' (Panizza and Miorelli 2013, 303). Discursive spaces provide a forum for different actors involved in the subject of inquiry to have their voices heard (Hardy and Maguire 2010). They might be open to all relevant actors, for example, online communities in the blogosphere (Chittenden 2010), or more tightly bounded groups of heterogeneous actors, for example, think tanks (Zimmerman 2016) or instrument constituencies. Instrument constituencies such as the SITF, can thus function (initially) as a forum for different views to be debated, and for relevant policy instruments to be developed (Simons and Voss 2018).

Our empirical focus was on a set of texts (see Table 1) produced by the SITF between 2000 and 2014. These texts can be seen as examples of communicative discourse (Schmidt 2008) that seek to transmit ideas both upwards to policymakers and downwards to practitioners. Our specific focus was on what ideas were present and how they were transmitted upwards to policymakers. While it is difficult for researchers to situate themselves within discursive spaces to watch these power struggles unfold, it is easier for us to explore the meanings of terms proscribed within such spaces. This is particularly the case where these groups produce what might be seen as *definitive* texts – effectively the end results of power struggles. Analysing such texts within the context of wider political conditions helps us understand how an

Table 1. Social investment task force reports (2000–2014).

Year	Title	Notes
2000	*Enterprising Communities: Wealth Beyond Welfare*	Report to the Chancellor of the Exchequer setting out a policy agenda
2003	*Enterprising Communities: Wealth Beyond Welfare: A 2003 Update on the Social Investment Task Force*	Progress report launched at the CDFA Conference in Cardiff, 2–3 July 2003
2005	*Enterprising Communities: Wealth Beyond Welfare: A 2005 update on the Social Investment Task Force*	Progress report launched at the CDFA Conference in Melton Mowbray, 6–8 July 2005
2010	*Social Investment Ten Years On. Final Report of the Social Investment Taskforce April 2010*	Summary report of 10 years' progress on the original 2000 policy agenda. Produced one month prior to the 2010 General election
2014	*Impact Investment: The Invisible Heart of Markets. Harnessing the Power of Entrepreneurship, Innovation and Capital for Public Good*	Social Impact Investment Task Force established under the UK's presidency of the G8 in 2013

instrument constituency interact with the partisan world of policy politics in order to reproduce and support policy instruments (Simons and Voss 2018).

We developed initial analyses of continuity and change from these policy documents, with a particular focus on policy instruments, policy solutions (social investment), and policy problems. Hence, during an initial coding, we began to separate instruments, ideas around social investment, and ideas around what social investment might be a solution to; and to explore patterns of continuity and change for each. As alluded to earlier, the rational problem-driven approach to policymaking would predict that the instruments would adapt to changing policy problems. However, it soon became apparent that the policy instruments remained remarkably consistent. Instead, change concerned the meaning of social investment (the policy solution) and the policy problems to which social investment became a response to. On subsequent readings, we, therefore, sought to explore the ways in which the recommendations (or policy instruments) contained within the reports were framed in accordance with shifting frames of reference in the policy agenda.

To help understand how the texts were (re)positioned within shifting frames of reference, we reinterpreted them through the conceptual lens of different academic literatures. Here particular attention was paid to two ‘critical junctures’: the election of a New Labour Government and related changes in policy frames from 1997–2000, and the subsequent election of Conservative dominated coalition government in 2010, following the 2007/8 financial crisis (Sepulveda 2015). This provided a wider context within which these texts were produced and helped to explain why discourses were communicated in particular ways. This process of *post hoc plausibilization* (Dey and Teasdale 2013) led us to new literatures, culminating in the emergent body of work on instrument constituencies. As a consequence, our findings are presented as a form of narrative synthesis that integrates our data with academic and policy literature. This offers a subjective interpretation of a set of stories contained within the policy documents produced by the SITF, informed by informal conversations held with key members of social investment groups, and refined through the abductive processes referred to above.

‘Social investment’ in the UK: the creation of an instrument constituency

Around the turn of the millennium, a new interpretation of social investment began to emerge, driven by an instrument constituency formally outside of, but well connected to, government. This new interpretation refocused attention away from prevention and early intervention towards a notion of ‘investment’ as the mobilization of private capital into public welfare policy agendas. The instrument constituency at the heart of these developments, the SITF, was established in February 2000 as an initiative of the UK Social Investment Forum, in partnership with the New Economics Foundation and the Development Trusts Association. Whilst never a government body *per se*, SITF (and its partner organizations) had close links to New Labour (Teasdale 2012) with HM Treasury having an observer status within it. The SITF’s remit was:

> To set out how entrepreneurial practices can be applied to obtain higher social and financial returns from social investment, to harness new talents and skills to address economic regeneration and to unleash new sources of private and institutional investment. In addition, the Task Force should explore innovative roles that the voluntary sector, businesses and Government could play as partners in this area (SITF 2000, 3)

The SITF originally comprised: Sir Ronald Cohen (Chairman and founder of Apax Partners & Co.); David Carrington (Chief Executive, PPP Healthcare Medical Trust); Ian Hargreaves (Journalist and academic); Philip Hulme (Chairman, Computacenter); Geraldine Peacock (Chief Executive, Guide Dogs for the Blind); Joan Shapiro (Executive Vice President, South ShoreBank, Chicago); Tom Singh (Managing Director, New Look). Many of these people were connected through 'elite networks' guided by 'investment logic' who shared similar backgrounds in corporate finance (see Morley 2015). As an instrument constituency, these actors play a central role in keeping the instrument alive (Béland and Howlett 2016; Voss and Simons 2014). The importance of Cohen in particular in the development of social investment in the UK – and globally – is profound (Harvie 2019). Over the next 20 years Cohen and the SITF consciously constructed (and reconstructed) key allegiances and networks (Cassanovas 2016), adapting the political framing of social investment in order to fit shifts in wider political philosophy and ideology (Harvie 2019; Mitropolous and Bryan 2015). The key achievements of the UK SITF and, later, the G8 SITF owe much to their actions (McHugh et al. 2013; Morley 2015; Nicholls 2010).

Critical juncture one: the election of new labour in 1997

The roots of social investment as a social policy concept can be traced to Scandinavia and the idea that welfare spending can be split between reactive spending, which addresses the consequences of social problems, and proactive spending, which seeks to prevent these social problems arising (Jenson 2017). These early ideas held considerable sway with New Labour. A prominent early example of UK social investment policy was the introduction of Children's Sure Start centres, an early intervention programme aimed at providing extra support to families in disadvantaged areas so that their children could avoid consequences associated with educational failure and subsequent social exclusion in later life (Clarke 2006).

In what is usually seen as a separate policy programme, New Labour also emphasized an enhanced role for the 'third sector' in the development of the mixed economy of welfare. The New Labour government of 1997–2010 actively engaged with the third sector via a new 'compact' (often in conjunction with the mainstream private sector) to deliver what were formerly state monopoly public services (Alcock and Kendall 2011). A related discourse, promoted by some third sector bodies, and embraced by policy-makers, was that the sector required substantial new investment if it were to be able to deliver public services at scale (Teasdale, Alcock, and Smith et al. 2012). It is notable that many Sure Start centres were structured as third sector organizations, maintained at arms-length from government. This suggests that the blurring of two theoretically distinct paradigms – focused on social investment and on third sector development – was already occurring at the level of practice (Jenson 2017). Meanwhile, within financial markets, increasing attention was being paid to ethical/social investment as a means of allowing private investors and pension funds to invest in socially beneficial corporations via socially responsible investment (Hamilton, Jo, and Statman 1993). Each of these perspectives was reflected through the blend of financiers, corporate leaders, and charity managers comprising the SITF.

In 2000 the SITF reported back to the Chancellor of the Exchequer in their first report: *Enterprising Communities: Wealth Beyond Welfare* (SITF 2000). The language and positioning are telling. First, the report positions its vision of a (new) social investment as being located in *communities*. This implicitly positioned Community Development Finance Initiatives as policy instruments to channel regeneration funding (Affleck and Mellor 2006) within wider, Third Way, frames of reference around active communities (Levitas 2000). Second, ideas of private *wealth* and *welfare* were deliberatively connected, but with the suggestion, that wealth somehow went beyond mere welfare. This was framed as congruent with both social investment states reducing reactive welfare spending and with creating long-term prosperity for the country.

The preface, addressed to Chancellor of the Exchequer Brown, set out the initial work of the SITF:

> The Task Force has been hard at work since April, responding to your request for an urgent but considered assessment of the ways in which the UK can achieve a radical improvement in its capacity to create wealth, economic growth, employment and an improved social fabric in its most under-invested, that is to say its poorest, communities. We have considered numerous ways of building upon recent initiatives … Our central conclusion is that the potential now exists to achieve a transformation of investment flows to support entrepreneurial value creation in those communities which have been most deprived of capital and management expertise (SITF 2000, 4)

The report went on to stress the need for an increased role for private capital within welfare policy:

> In some circumstances public money can discourage or crowd out private sector investment. The long-term aim of the Social Investment Task Force is to achieve a move away from this culture of philanthropy, paternalism and dependence towards one of empowerment, entrepreneurship and initiative. This cannot happen without the addition of significant private investment and management expertise (SITF 2000, 4)

Here it is possible to discern how principles of *financialised* social investment are deliberately being blurred with social policy understandings of *welfare* social investment. The financiers within the SITF had recognized the increased appetite for socially responsible investment and were building the foundations for this capital to be utilized through *private investment* to address welfare issues. This idea was framed within neoliberal and communitarian Third Way discourses (Levitas 2000) of *empowerment* and *entrepreneurship* as opposed to *paternalism* and *dependence*. This desire to attract private capital was absent from mainstream social policy conceptualizations of social investment at this time, but the importance of private capital to the agenda of the SITF became clearer still in their initial report's recommendations for five new policy instruments:

- A Community Investment Tax Credit to encourage private investment in community development.
- Community Development Venture Funds. We suggest a matched funding partnership between Government on the one hand and the venture capital industry, entrepreneurs, institutional investors and banks on the other.
- Disclosure of individual bank lending activities in under-invested communities.
- Greater latitude and encouragement for charitable trusts and foundations to invest in community development initiatives, even where these include a significant for-profit element.
- Support for Community Development Financial Institutions, including Community Development Banks, Community Loan Funds, Micro-loan Funds and Community Development Venture Funds.

The second SITF report followed in 2003. In the preface, the SITF situated itself as having had a range of successes around policy development:

> The Social Investment Task Force has enjoyed considerable success in seeing its recommendations to Government implemented. This success is . . . because of Government buy-in at a high level, the continued effort of the Task Force . . . and the building up of informal partnerships to see through the implementation of the recommendations . . . . four of the five recommendations have been followed through and are now starting to increase investment into under-invested communities. This Report seeks to highlight the progress that has been made since the Task Force published its recommendations in October 2000 and to outline how the Government has worked in partnership with Task Force members and key organisations in the community development finance, charity and private sectors (SITF 2003, 2)

These achievements were presented as the result of a continuous process of interaction and collaboration across sectors led by the SITF, as well as by actively engaging with the government as co-creators of key policy outcomes (see also SITF 2005). In this way the policy instruments were presented as emerging from ideas communicated from the SITF to government and framed in a way that was consistent with wider political frames of reference.

Critical juncture two: the election of a conservative-led coalition government in 2010

The period 2008–10 marked a second critical juncture in the development of social investment policy in the UK. Two key events here were the global financial crisis from 2007 onwards and the end of the New Labour government in 2010, and the subsequent emergence of the 'Big Society'. The then opposition Conservative Party had developed the notion of a Big Society before the 2010 General Election (Alcock 2010). These sets of ideas gave primacy to localized, non-state, solutions to the welfare and other social problems with a specific focus on engaging and developing Third Sector actors in the provision of what would otherwise be public sector services (Nicholls and Teasdale 2017). As the 2010 general election approached, the Conservative Party explained their new ideological construct of a Big Society:

> The Big Society is a society with much higher levels of personal, professional, civic and corporate responsibility; a society where people come together to solve problems and improve life for themselves and their communities; a society where the leading force for progress is social responsibility, not state control. The Big Society is our positive alternative to Labour's failed big government approach, and it runs consistently through our policy programme . . . . Our public sector reform programme is designed to cut costs while improving standards, and to enable social enterprises, charities and voluntary groups to play a leading role in delivering public services . . . . we need to bring about a lasting culture change to support the work of neighbourhood groups, charities and social enterprises (Conservative Party 2010a, 1)

The SITF was quick to recognize the changing political environment and forged closer links with the Conservative Party via consultations and discussions with Opposition Ministers before the election. This engagement was seemingly successful. The Conservative Party General Election manifesto, which otherwise set out a radical programme of policy change and state deconstruction (Bostock et al. 2019), committed to *complete and extend* the key policies on social investment from the previous government: the wholesale social investment bank, now renamed as a 'Big Society Bank' (and subsequently Big Society Capital); the development of Social Impact Bonds

(Edmiston and Nicholls 2018); and the implementation of Social Investment Tax Relief (Conservative Party 2010b).

In April 2010, a time when the Conservative Party was widely expected to form the next government,[2] the SITF took stock of progress towards its original five policy objectives, 10 years on, in a new report:

> There is a critical need for sustainable investment in poorer communities if free market societies are to maintain cohesion. It is the Task Force's view that this can best be achieved through social entrepreneurship and investment effected by a powerful social sector that acts alongside government in tackling social issues (SITF 2010, 2)

Between 2005 and 2010, the SITF had grown to include a range of new members. These were: Dawn Austwick (Chief Executive of the Esmée Fairbairn Foundation); Michele Giddens (Executive Director of Bridges Ventures); Andrew Gowers (former Editor of *Financial Times*); Ben Kernighan (Deputy Chief Executive of the National Council for Voluntary Organizations); Ed Mayo (Secretary General of Co-operatives UK); David Orr (Chief Executive of the National Housing Federation); Danny Truell (Chief Investment Officer of the Wellcome Trust); Stewart Wallis (Executive Director of the New Economics Foundation). It is noticeable that many of these new members were from a finance or charitable foundation background. This heterogeneity hints at the increased emphasis on social investment as a private investment into the social sector (see Salamon 2014."Introduction). Related to these new appointments, the report also set three new policy objectives, to:

- Establish the infrastructure necessary to create a dynamic market in social investment through initiatives such as the Social Investment Bank.
- Create new tools to deliver social change through financial instruments such as the Social Impact Bond.
- Engage the financial sector to invest in disadvantaged areas through a Community Reinvestment Act.

Reflecting the interests and skills of the new members of the SITF, these new objectives moved it away from a focus on proactive – preventative – spending and towards a larger agenda around growing the social investment finance market by building new, bespoke, infrastructure and developing new financial instruments. This was clearly positioned within the Big Society frames of reference:

> The SITF believes that social investment will, in time, become an established asset class. It is important that it does. Exacerbated by the recession, huge social challenges threaten the cohesion of our society and they cannot be addressed by government or the private sector alone. A powerful and effective social sector is not just desirable, it is a necessity (SITF 2010, 9)

The report went on explicitly to reposition the work of the SITF in terms of this new market for social investment:

> Over the last 10 years, the SITF has succeeded in fostering the creation of a UK social investment market. There is now an opportunity to develop a robust and sustainable market and to turn 'social investment' into a mainstream asset class. The Task Force believes that the formation of a properly capitalised Social Investment Bank (SIB) is crucial in achieving this (SITF 2010, 16)

In May 2010 a Conservative led coalition government was duly elected. Despite demonstrating a radically reformist approach to many areas of policy (Ferry, Ahrens, and Khalifa 2019), the new government continued to support social investment in the form laid out in the 2010 SITF report. The coalition government's enthusiastic support for New Labour's social investment programme manifested itself in: growing the Social Impact Bond market from the initial pilot launched by New Labour in 2010 to 16 SIBs by 2014; launching Big Society Capital with 600 m of capital in 2012; and introducing Social Investment Tax Relief in 2014.

Building on this, in January 2013, at the annual World Economic Forum meeting in Davos, Prime Minister David Cameron stated:

> I want to use our G8 presidency to push this agenda forward. We will work with other G8 nations to grow the social investment market and increase investment, allowing the best social innovations to spread and help tackle our shared social and economic challenges (G8 Social Impact Investment Taskforce 2014, i)

Somewhat ironically, the UK can be seen to have taken the original social policy concept of social investment, and repackaged it such that the core social democratic principles of state investment in preventative spending were replaced by (neoliberal) principles around attracting private investment into the social sector. As Cohen remarked in the first report of the subsequent G8 Taskforce, social impact investment (now):

> Harnesses the forces of entrepreneurship, innovation and capital and the power of markets to do good. One might with justification say that it brings the invisible heart of markets to guide their invisible hand (G8 SITF 2014, i)

In summary, the Conservative coalition government policy programme for social investment displayed startling continuity with New Labour in terms of policy instruments. However, there was a significant process of re-interpretation within the shifting frames of reference within which wider policy was situated. The SITF had successfully framed social investment as consistent with a dramatically different political agenda.

Dynamic persistence

The above analysis of the documents and texts produced by the SITF over a thirteen-year period demonstrates how an instrument constituency acted entrepreneurially to 'imbue policy solutions with their own life' (Simons and Voss 2018, 16). In essence, through the SITF, policy instruments such as Social Impact Bonds can be seen as becoming social entities in their own right (Voss 2007), such that the instrument 'becomes a part of political reality (Simons and Voss 2018). What is perhaps peculiar to our study is that rather than evolving over time to fit changing policy agendas, the instruments remained broadly constant. We would suggest that the SITF enabled this persistence through the reframing of the policy solution (which these instruments were a part of) to shifting political environments and policy problems. This allowed the policy instruments to perpetuate and – even – be expanded in scope across substantive changes in the wider political landscape. In this section we develop the concept of dynamic persistence, to illustrate a process whereby existing policy instruments can be reconciled with wider ideological disruption to make them appropriate to new policy agendas.

The SITF worked entrepreneurially as an instrument constituency across a period of political change to discursively position the notion (or policy solution) of social investment as something radically different while still maintaining its core policy instruments. Social investment in 2000 was congruent with Prime Minister Blair's Third Way and notions of a 'social investment state', but also drew on alternative notions of financialised social investment. The election of a New Labour government in 1997 and shifting policy discourses around the Third Way and the role of the third sector in public service delivery allowed the SITF to package new combinations of ideas around social investment within increasingly financialised frames of reference. Thus, social investment was presented as a solution to social policy issues around active communities and wealth beyond welfare, within a wider frame of reference guided by Third Way philosophies incorporating communitarianism, market liberalism and cross-sector hybridity.

The successful introduction of social investment is, however, just a small part of this story. More relevant are the ways in which social investment was repositioned by the SITF as an instrument constituency to exploit shifting policy agendas and discourses in order to remain relevant. In particular, it is notable that the main policy instruments (a wholesale social investment bank, Social Impact Bonds, and Social Investment Tax Relief) within the social investment policy programme not only remained intact but were actually accelerated despite the significant shift in political frames of reference from New Labour to the coalition government and onwards to the Conservative majority government elected in 2015.

Policy development is typically a dynamic, multi-level process that aims to reconcile existing policy programmes with ideological change and disruption (Béland 2005). Policy solutions can act as 'weapons of mass persuasion' appropriate to new political agendas (Béland and Hacker 2004). From this perspective, instrument constituencies can manipulate the symbolic meanings of policy solutions, such as social investment, to new ideological aims, drawing selectively on the institutional material of key policy instruments to reframe policy objectives and, in the process, provide a rationale for new policy initiatives (Rein and Schon 1993). The data here suggest that through this process of dynamic persistence, the SITF was able to draw upon institutional material, seemingly stripped of ideology to provide legitimation for their policy instruments by adapting to changes in the wider policy environment in a self-reflexive process with policymakers. Thus, under the coalition government, the same (or similar) policy instruments were repositioned away from the third sector and towards any 'social sector' organization that could deliver governmental objectives, with a specific aim of growing the social investment market itself as part of an attempt to increase the role of private capital in welfare.

This was achieved at the micro-level by positioning social investment as somehow *beyond* ideology – as a pragmatic programme that could help any government achieve its goals. Under the coalition government, this necessitated demonstrating how social investment might further the privatization and marketization of welfare. New Labour's *third* sector construct was repositioned as the *social* sector, with a focus on what an organization does rather than its legal governance structure. Similarly, Social Investment was repositioned as a Social Impact Investment. This permitted investment in for-profit companies delivering social (welfare) objectives. From a purely pragmatic perspective, the SITF – and the wholesale social investment bank Big Society Capital in particular – had struggled to find sufficient third sector organizations ready and willing to accept investment in the form of market rate loans. For the policy instrument to work, it needed to be able to invest in a wider 'market' of social sector organizations. This had the dual benefit of positioning social (impact) investment as close to the coalition government's Big Society approach, while also ensuring that Big Society Capital would be able to invest all of its capital, and more significantly, have it returned over time with interest. Although the original approach towards investing in third sector organizations to achieve long-term social value resonated with the ideas of 'welfare' social investment, it was never likely to prove attractive to investors or, more importantly, a Conservative-led coalition government operating at a time of severe financial constraints and biting austerity.

This re-positioning made social investment consistent with the ideological imperatives of different governments at different points in time. Social investment was, thus, realigned with the Conservative Party's ideological vision of the marketization of welfare services (Hall, Alcock, and Millar 2012). The Conservative-led coalition government was able to integrate social investment policy instruments into its Big Society agenda of government retrenchment and new localism. On a pragmatic level, the relatively small sum of private dormant accounts extracted from the UK banks (£600 m) that was allocated to Big Society Capital could, thus, help persuade voters that the coalition government was serious about investing in social issues just as austerity cut public sector budgets. The SITF provided the coalition government with the means to retrofit policy instruments to new ideological principles (Geertz 1964). From this perspective, social investment provided the coalition government with an existing set of policy instruments by which to enact its own, radical, new agenda.

It is important here to differentiate the mobilization of dynamic persistence by an instrument constituency from the concept of layering developed by Thelen (1999), which generally describes crafting new elements (rules, processes or actors) onto a stable institutional framework in order to explain gradual change (Thelen 2004). Dynamic persistence as described here, involved the engagement of new actors within the SITF instrument constituency. But what is striking is that the rules and processes (or policy instruments) of social investment remained remarkably consistent. This is not, then, a story of adding new elements – or layering – but rather of socializing new ideological principles around the same policy instruments.

In the textual analysis presented here, it can be seen that an important set of policy instruments demonstrated *functional persistence* and *meaning change* simultaneously – the meaning of social investment was repositioned by the SITF instrument constituency in order to avoid change to their policy instruments. This enabled the remaking of a policy legacy within new political frames of reference: what in the larger context of significant policy change might have been expected to be a 'performance crisis' was enacted, instead, as dynamic persistence. Thus, the SITF instrument constituency adapted the institutional material that constructed the symbolic meanings (March and Olsen 2005) of social investment and co-opted policymakers into its own socialized universe to allow its re-interpretation across a General Election and Financial Crisis that otherwise led to radical policy change in most key policy areas.

Conclusion

This paper set out to explore how a set of policy instruments perpetuated across a substantial change in the political landscape and adapted to a new policy agenda. Our analysis has demonstrated how the SITF formed as an instrument constituency not to shape new policy instruments but, rather, to perpetuate existing instruments in a new political context, helping to shape policy that fits these instruments (Simons and Voss 2018).

We have unpacked the more complex ways in which policy instruments may persist while being adapted to changing ideological frames of reference. A broadly consistent set of policy instruments centred upon attracting private investment into welfare spending was ideologically framed by the SITF within the Third Way under a New Labour government, and, subsequently, was repositioned within a Big Society frame of reference under a Conservative-led coalition government. The SITF instrument constituency, thus, facilitated the dynamic persistence of its social investment policy programme by carefully recasting the meanings of social investment policy instruments to new political agendas. While the policy instruments of social investment have always been consistent with neoliberalism, the meanings of social investment have only more recently become aligned with a neoliberal agenda (Dowling and Harvie 2014). The development of social investment in the UK is not simply a story of political actors seeking to constrain radical action and favour the status quo (Pierson 2000). Despite the success of the SITF instrument constituency in terms of perpetuating its policy instruments the co-opting of policymakers required fluidity in the meanings of social investment across radical agendas under different governments (Harvie 2019). Subsequently, this pragmatism in terms of perpetuating policy instruments designed for social impact has generated some criticism of the SITF for 'selling out' (Cassanovas 2016).

Although the 2017 Conservative government in the UK largely detached itself from notions of using public spending to reduce social problems, the underlying idea that preventative public spending now can reduce the future scale (and the public sector costs) of social problems was given significant policy support through the development of 'payment-by-results' contracts (Edmiston and Nicholls 2018). The most notable example of these is Social Impact Bonds that bring private capital to fund welfare spending with the expectation of an impact-linked return (McHugh et al. 2013). Nevertheless, it seems clear that the Conservative government's interest in social investment was pragmatic as much as ideological – it potentially offered a way to transfer some of the immediate cost of welfare spending to private investors. Thus, it appears that the UK has turned the original principles of a social investment state upside down. Using the same policy instruments for different ideological purposes leads to very different outcomes.

Our paper is exploratory in nature and its analysis has been confined to the single example of social investment in one country. These are clearly significant limitations in terms of the generalizability of its conclusions at the level of theory. However, our temporal analysis of the function of a specific instrument constituency has revealed a new theoretical construct in terms of dynamic persistence. This contribution may have wider validity, since social investment policy instruments and their fluid meanings are increasingly popular in the policy agendas of welfare reform and social change globally. More, specifically, today, the role of social (and social impact) investment within policy discourses is also of significance in more than 21 countries (Global Steering Group for Impact Investment 2019). It is, therefore, the case that the central conclusion of this paper – that instrument constituencies can act to perpetuate policy instruments via processes of encouraging meaning fluidity in order to fit shifting political agendas – has wider relevance. We have also suggested that such processes of dynamic persistence may involve risks and down-sides. Our hope is that this paper makes a distinctive new contribution to the ongoing development of theory surrounding instrument constituencies and may spur on further research into the, sometimes hidden, social processes across various policy actors that develop and perpetuate policy instruments.

Notes

1. For clarity, we refer to the SITF throughout this paper. However, from 2013, SITF refers to the renamed Social Impact Investment Task Force.
2. https://www.express.co.uk/news/uk/167718/David-Cameron-is-odds-on-favourite-to-win-General-Election-2010.

Disclosure statement

No potential conflict of interest was reported by the authors.

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