PUBLIC–NONPROFIT PARTNERSHIP FOR SOCIAL CAPITAL

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Contents

Summary

There is good reason to attempt to draw on existing stocks of social capital in partnerships directed to quality life improvements. It is important to recognize, however, that in settings where social capital resources are weak, it will be necessary to make a long-term commitment to public nonprofit partnerships.

The second major theme of the paper is the increasing role of networks for public administration and the differences in those networked settings in respects that matter for the conduct of administration. Public administration should attend to several types of network-focused research efforts. Each can help to craft the basis of a more informed and realistic, albeit complex, public administration.

1. Introduction

This paper examines the public-nonprofit partnership practices and the variations that exist in their applications for social capital. The paper will rely on intellectual history as its one primary source of data. Policy partnering between the public and the nonprofit sectors has been little studied. Underlying this study is a fundamental belief that newer information technologies, particularly those affording multidirection interactivity, can

become powerful tools for increasing public policy participation. The study is also premised on a belief that nonprofit organizations play a powerful role in shaping public policy and civic participation. To the extent the Internet Age can help nonprofits better engage in public policy matters will ultimately help strengthen our democratic society. Public-nonprofit partnerships have emerged, in the last couple of decades, as a new institutional arrangement through which to deal with a variety of key societal concerns, such as environmental improvement, regional and urban economic development, and educational reforms. Despite the rapid growth in their number, scope, and influence, there is still a need for considerable theoretical and empirical work exploring the nature of these multisectoral collaborative arrangements.

2. Public-Nonprofit Partnerships for Social Capital

Recent government administrative reforms (New Public Management, National Performance Review, or so-called National Partnership for Reinventing Government) have lead to significant progress in the partnership between the government and nonprofit organizations. The role of nonprofit organizations and civic culture are crucial to the prospects for development in everywhere. Programs need to be developed to encourage self-reliance and collective action on the part of individual citizens and groups of citizens working together to achieve common goals. It is observed that nonprofit and public organizations play an important role in a complex way.

Why collaboration is a valued ideal for public and nonprofit organizations? What are the main issues to consider as we select and implement opportunities for collaboration? How are partnerships relations structured? Are there some structural properties of positive public-nonprofit relations that run across the various cases? Do contexts that generate positive examples of public-nonprofit relations share identifiable properties? How do the partnership and partners' participation evolve over time? How social networks at the level of individual managers within organizations and across organizations in partnerships might affect partnership formation, dynamics, and performance?

Can social capital be increased in places where it is low? Social capital construction is difficult and slow, but it is possible, and that good program design and implementation can cultivate an environment in which it will grow more rapidly than it would if no one intervened. Putnam's study of Italy provides little evidence for the constructability of social capital. A major government intervention did little to promote social capital formation in areas where it was weak. Durkheim would agree, social structure changes very slowly and development interventions are unlikely to yield much impact. The question then, what is the role of public-nonprofit strategic policy partnership for formation of social capital? How does it work? What are the ingredients of successful collaboration? What makes the difference between successful and failure in joint projects? The extent to which the following elements (the substance of institutional networks, shared vision, mutual interest, and financial nexus) bridging social capital have developed to increase coordination and collaboration across sectors during the partnership process.

2.1. Roles of Nonprofits

When Tocqueville visited the United States in the early part of the 19th century, he was impressed by the role of civic associations and considered them as key to making democracy work. "Americans of all ages, all stations in life, and all types of disposition are forever forming associations," he wrote. "There are not only commercial and industrial associations in which all take part, but others of a thousand types—religious, moral, serious, futile, very general and very limited, immensely large and very minute... Nothing, in my view, deserves more attention than the intellectual and moral associations in America." He also wrote that "wherever at the head of some major undertaking you are sure to find the state in France or a person of wealth in England," he observed, "you will find an association in America." The deep-seated hostility to centralized authority that many immigrants brought with them from their homelands made a virtue out of this necessity, reinforcing the prevailing voluntary spirit and creating a presumption in favor of "do-it-yourself" approaches to solving public problems.

Although historical circumstances have changed considerably in the intervening 150 years, nonprofit organizations continue to play an important role in American life. Today, there are roughly 1.2 million nonprofit organizations in the country; more than 600 000 of these organizations are charities and religious institutions registered with the Internal Revenue Service, and more than 35 000 are independent, community, corporate, and operating philanthropic foundations. Nearly every American has been involved with a nonprofit, often in more than one way—as a member, volunteer, employee, contributor, or recipient of services. From soup kitchens to homeless shelters, from community development initiatives to service delivery activities, from Head Starts to colleges, and from public libraries to the arts, we recognize names such the Red Cross, Boy Scouts, YWCA, Salvation Army, and Sierra Club as essential to the American fabric. Recent Internal Revenue Service figures indicate that the sector represents US$1.9 trillion in assets and US$899 billion in revenue each year. As a percent of the Gross Domestic Product, the nonprofit sector has tripled in the past 20 years.

Social capital has played a central role to these developments. Despite this increasingly strong presence, key indicators of social and political involvement are on the decline. Robert Putnam has written extensively about America's declining "social capital" and cites the facts that:

- Voter participation has declined rapidly since the 1960s (nearly 25% drop in voter turnout);
- Participation in town halls, and public or school meetings has dropped by one-third from 1973 to 1993; and
- There have been equal or greater declines in responses to questions about attending political rallies or speeches, serving on a committee of some local organization, or working for a political party.

According to Putnam, "By almost every measure, Americans' direct engagement in politics and government has fallen steadily and sharply over the last generation, despite

the fact that average levels of education—the best individual-level predictor of political participation—have risen sharply throughout this period." At the same time, membership in nonprofits has increased (although there has been increased competition among nonprofits for this membership) as has the number of nonprofits. This would seem contradictory to the Tocqueville thesis. But, as Putnam points out, giving a contribution to a nonprofit organization or joining an association and reading its newsletter does not necessarily translate into greater civic participation. Putnam also has reported that over the past few decades, the growth of the nonprofit sector has not been primarily in traditional membership groups such as the Elks or the PTA. Instead, growth has been concentrated in advocacy and service provider organizations linked to the state. Some critics charge that this trend has led to a deterioration of voluntarism and civic engagement.

Investment in social capital by attempting to increase civic participation will thereby strengthen democracy today. Because nonprofit organizations reach so many people, and because some nonprofit organizations are powerful secondary associations, we are targeting nonprofits. Nonprofits are an important source, if not the main source, for discussing critical public policy issues. Thus, nonprofits may play a unique intermediary role in helping to stimulate civic participation through a series of actions aimed at public education, research, advocacy, mobilizing, and more.

2.2. The State of the Partnership

Organizations enter partnerships when they perceive critical strategic interdependence with other organizations in their environment in which one organization has resources or capabilities beneficial to but not possessed by the other. Organizations sought out ties with partners who could help them manage such strategic interdependencies. Richardson, in a theoretical economic account, also proposed that the necessity for complementary resources is a key driver of interorganizational cooperation.

In the search for a general response to the question of what forms of public-nonprofit relations lend themselves to partnerships, two contrasting conceptualizations help frame the debate. The first builds on the conventional view of a healthy relationship between the public and private spheres. In this view, partnerships depends on complementarity. Possibilities for civic action are enhanced by the provision of public goods, but easily threatened if public agencies become more intimately involved in community affairs. A more radical view of synergy focuses on "embeddedness." It questions the assumption of distinct public and private spheres and sees trust and productive informal networks not only as a property of civil society but as spanning the public-private divide. Public administration purists see it as threatening the insulation necessary for clearheaded decisions that are in the public interest. Market advocates see it as hopelessly muddying the logic of individual incentives and rational resource allocation.

2.3. Public-Nonprofit Partnerships

Government partnership includes partnering not only with for-profit corporations but nonprofit organizations as well—organizations such as social service agencies, cultural groups, neighborhood organizations, hospitals, health organizations. The United States

is unique in the degree to which it relies these kinds of organizations to deliver social services. Alexis de Tocqueville, in touring America in 1831 and 1832, observed how different Americans were from Europeans in their enthusiasm for banding together in support of good cause, and we see the result of this cultural characteristic today. The United States went a different route from Europe in creating the American welfare state. American policymakers used the tax system and direct subsidy as a way of delivering services. The United States has created a welfare state through nonprofit organizations, the vast majority created since 1959. We are just beginning to learn about the partnerships, fiscal and contractual connectivities between the public sector and the emerging sector, the nonprofit organizations. We do know, however, that these partnerships are significant and expanding.

Public-nonprofit collaborations involve nonprofit organizations addressing local, state, and national problems through negotiated efforts or partnerships with business, government, colleges and universities, or other public or social institutions. Public organizations should look for opportunities to work together with other nonprofit organizations even with their competitors in finding solutions for increasing public problems in a timely and efficient manner. These efforts encompass several categories. First, governments often seek to execute their efforts via structures of interagency collaboration. Second, the role of not-for-profit organizations is large and growing. Third, the frequency and variety of links with for-profit firms is impressive, and government contracting remains a growth industry. Many forms of entrepreneurial government effort involve forms of networking not adequately captured in aggregate data on intergovernmental programs and contracting.

The definition of policy participation is quite broad, encompassing a wide range of nonprofit activities that attempt to strengthen civic involvement and political participation. However, our definition excludes a variety of activities that interest nonprofits. For example, nonprofits have expressed keen interest in using technology to address improvements in delivery of services, development and grantmaking work, management support, training, and more. These are laudable enterprises, but will not be reviewed or supported by this paper. Our resources will be earmarked specifically for public policy purposes, leaving other organizations, projects and activities the task of addressing these other unmet needs. In sum, public policy participation is viewed for this paper is that is to empower nonprofits to engage in policy matters directly and to encourage the public to do the same. It is mostly believed that greater public participation will improve our trust in government, make government and other powerful institutions more responsive to the needs of the public, and, ultimately, make government and other institutions more effective.

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Biographical Sketch

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