GIVING AND GOVERNANCE IN AMERICAN CITIES: THE
PHILANTHROPIC SECTOR AND COLLABORATIVE URBAN
GOVERNANCE

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Author's Declaration

I, the undersigned …Joseph Von Bergen Bilyk…………………………………….. hereby declare that I am the sole author of this thesis. To the best of my knowledge this thesis contains no material previously published by any other person except where due acknowledgement has been made. This thesis contains no material which has been accepted as part of the requirements of any other academic degree or non-degree program, in English or in any other language.

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ABSTRACT

Governance trends in American cities have shifted away from centralized planning processes, and moved towards models of collaborative governance that involve a wide range of sectors and stakeholders. The philanthropic sector, with its vast wealth and high degree of autonomy, has become an integral part of the collaborative governance ecosystem. This thesis addresses the missing connection between the literature on collaborative governance and the literature on the impact of philanthropy. The primary assertion of this thesis is that the philanthropic sector has become a nearly indispensable and widely valued component of collaborative governance regimes. But the increasing influence of philanthropy in matters of policy and agenda setting deserves careful scrutiny, particularly whether it diverts financial capital away from the public arbitration of resource allocation and into the realm of private discretion. This thesis asserts that the United States should consider policies that encourage charitable giving from a wider range of income groups, thereby giving them greater agency in policy agenda setting. By linking the philanthropic sector and collaborative governance, this thesis aims to advance the discourse of the role of philanthropy in governance.

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Introduction: Philanthropy and Collaborative Governance

Philanthropy is a powerful sector in American society. Total charitable giving in 2017 is estimated to be roughly $410 billion (Giving USA 2019), an amount higher than the total gross domestic product (GDP) of countries such as Nigeria, Norway, and Singapore (The World Bank 2019). Philanthropy supports the work of over one million nonprofit organizations in the United States of America (Bernholz, Cordelli, and Reich 2016), which, in turn, accounted for 12.3 million jobs and 10.2 percent of the total private sector labor force in 2016 (Bureau of Labor Statistics 2018).

While the overall size of the philanthropic and nonprofit sectors is significantly smaller than that of the public and private sectors, philanthropy can be seen as a complement to the private and public provision of social services, cultural and civic activity, research, and advocacy (Bernholz, Cordelli, and Reich 2016). The philanthropic sector, which is the organized distribution of private resources to benefit the general welfare of society, can be advisory, complementary, cooperative, collaborative, or even adversarial to existing governance regimes (Jung and Harrow 2015). This thesis examines the ways in which the philanthropic sector positions itself as a collaborative partner in urban governance.

To aptly bring the reader into the conversation about the philanthropic sector in collaborative governance, this thesis introduces the reader to the critical vocabulary and background concepts necessary for grappling with collaborative governance models and mechanisms. The first chapter focuses on collaborative governance theory and should be read as preparatory knowledge for understanding the prominent collaborative governance models outlined in the second chapter.

The second chapter focuses on contemporary models of collaborative governance. This chapter aims to pull the reader deeper into the conversation by highlighting key practices and describing specific strategies and mechanism for collaboration. The heavy focus on theory and models serves to prepare the reader to engage in the primary argument of this paper; that the philanthropic sector has become an established and valued component of the collaborative urban governance ecosystem, but its influence in policy and agenda setting need to be carefully examined. The third chapter illustrates the benefits of philanthropic involvement in collaborative governance by highlighting specifics strategies of philanthropic collaborative action. This chapter also pulls in critical reports that draw attention to discouraging trends in philanthropy, mainly concerning discrepancies in the use of charitable giving tax policies, and the undue exertion of influence in the public realm. This thesis aims to introduce the reader to the essential theories and models of collaborative governance in order to engage in a critical discussion of the role of philanthropy in governance.

Chapter 1: Collaborative Governance – Definitions and Theories

The reader should view this chapter as a brief synopsis of the key vocabulary and core concepts in collaborative governance theory. This chapter serves to aid understanding of the contemporary collaborative governance models presented in the Chapter 2.

In recent decades, governance trends have moved away from managerial and adversarial methods of policy creation and public administration, and towards strategies of collaborative governance (Ansell and Gash 2007). Collaborative Governance brings together a broad range of stakeholders in a consensus-oriented forum to participate in collective decision-making about policy and governance (Ansell and Gash 2007). These stakeholders come from diverse backgrounds in the public sector, private sector, nonprofit and nongovernmental sector, interest groups, civic groups, and private citizens. Stakeholders, as defined for collaborative governance, must be invested in the collaborative process, regardless of institutional background. Whether as a state or non-state institution, as an individual or an organization, it is critical that stakeholders have an invested stake in the process and in the outcome of collaboration.

Collaborative governance models insist on the deliberate and thoughtful involvement of stakeholders. Past forms of managerial governance positioned government, and its affiliated agencies, as the primary agents of governance and all other stakeholders were positioned relative to government. This meant that government's involvement with outside stakeholders were limited to tasks with low levels of engagement such as consultation, cooperation, management, and brokerage. In collaborative governance models, government is one of several critical stakeholders involved in the governance process. Governance, different than government, can be thought of as the set of rules and procedures that prescribe and enable the provision of goods and services to society (Ansell and Gash 2007) Collaborative governance requires updated

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procedures and approaches such as face-to-face dialogue, trusting building, conflict management, shared leadership, joint commitment, shared knowledge, shared learning, and shared payoffs for collaboration (Ansell and Gash 2007).

Collaborative, as defined for collaborative governance, indicates a collective, multilateral format that involves direct, deliberate, and multi-dimensional avenues of communication (Ansell and Gash 2007). The collaborative aspect of collaborative governance does not allude to an ideal that should be strived for, instead, collaborative procedures are formally built into the structural arrangement of the governance model (Ansell and Gash 2007). The collaborative structuring embedded in the collaborative governance model itself enables a form of stakeholder engagement in the governance process that is not possible in the more rigid and hierarchical models of public administration and public management.

Collaboration is not a fixed term with an absolute definition. Collaboration can be seen as part of a family of terms that indicate the nature and intensity of a partnership, along with complementary, cooperation, coordination, and complete merger (O'Leary and Vij 2012). Complementary, coordination, and cooperation have lower levels of partnership integration than collaboration, but not nearly as much as complete merger (O'Leary and Vij 2012). Collaboration implies a deeper connection and more profound stake in the individual and joint success of other partners. However, different than a merger, collaboration indicates separate and sovereign units within the structure of collaboration. Collaborative governance is not a fixed term either. It can be referred to loosely as a toolkit, as a strategy, and as an option or a choice, implying that it is just one of many techniques that can be employed as an approach to partnership (O'Leary and Vij 2012). Collaborative governance can also be referred to as a model or a structure of

governance, implying that is in itself a formal governance practice, worthy of examination and study (O'Leary and Vij 2012).

On the less integrated spectrum of collaborative governance practices are approaches with flexible structuring and a limited integration of joint-activity, such as ongoing public engagement initiatives, cross-sector strategic alliances, and network building among civic and community groups. On the more integrated spectrum of collaborative governance are Public-Private Partnerships and Multi-Stakeholder Partnerships where the structural design, rules and terms of partnership, and joint-activity are explicit and established elements in the collaborative process.

Public-Private Partnerships are typically made between government and the private sector in order to facilitate the private provision of public goods and services. Public-Private Partnerships became popular in an era of public management when it was a trend for government bureaucracies and associated agencies to withdraw from the direct provision of public goods and services, and instead utilize the power of markets to facilitate provision. The Unites States has long preferred to facilitate markets in the provision of public goods and services rather than be the direct provider (Bryson and Crosby 2008). When markets fail to provide an optimal, or even an acceptable, efficiency in provision, the United States prefers to create policies that amend and adjust the market rather than step in to assume the role of direct provider (Bryson and Crosby 2008). Public-Private Partnerships emerged from a shift in public management preferences that perceived direct provision from public agencies and bureaucracies as expensive and inefficient, and thus favored the publicly managed provision of goods and services by the private sector. Public-Private Partnerships are now a well-established part of the governance lexicon and have become commonplace in governance regimes across the country. Public agencies have created whole departments dedicated to the management of private sector partnerships, with roles and

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procedures ingrained in the mechanics of daily operation. Public-Private Partnerships differ from less integrated forms of collaboration in the sense that roles are fixed and the expected outcomes have been mutually established over many iterations of the collaborative process. Public-Private Partnerships involve just two major stakeholders; government and private industry. This type of limited stakeholder partnership does not provide the full range of partnership possibilities in collaborative governance.

Multi-Stakeholder Partnerships are a more integrated form of collaboration that, as the name suggests, involves more than two stakeholders. Multi-Stakeholder Partnerships typically involve state institutions, private sector stakeholders, non-governmental and civil society stakeholders, advocacy and interest groups, and community organizations with private citizens. Multi-Stakeholder Partnerships aim to empower new voices in the governance process and extend problem-solving initiatives into new realms of governance. Multi-Stakeholder Partnerships are particularly important in areas where government is not necessarily the key stakeholder or the most powerful institution. For instance, in areas of advanced technology or complex industrial processes, such as natural resource extraction, government may not have the technical knowledge or institutional leverage to dictate the terms of the relationship, particularly if the other stakeholders are international players operating around the world. Precisely for this reason, Multi-Stakeholder Partnerships are critical for tackling global governance issues where power, influence, and legitimacy are not geographically bound.

Successful Multi-Stakeholder Partnerships focus deliberately on the structuring of the partnership agreement prior to engaging in joint problem-solving. In fact, the exercise of coming to the table and negotiating the terms of the partnership can actually be one of the most difficult aspects of forming a Multi-Stakeholder Partnership. Stakeholders must be willing to diminish

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their own unilateral sovereignty in decision-making in order to empower the joint decision-making process of the Partnership. This yielding of sovereign power to a partnership requires courage and trust, and the conviction that a particular issue is too difficult to manage alone. The question of exactly how much sovereignty to yield to a partnership is the most critical aspect in the formation of a Multi-Stakeholder Partnership, particularly in governance challenges that require close collaboration among stakeholders. The level of integration and the strength of the binding terms of the partnership are to be negotiated from the outset, but those terms will be relentless contested and provoked throughout the collaborative process. This is particularly true if involved stakeholders have a history of adversarial positioning against one another, or if the success of one stakeholder results in a loss for another.

Bringing new voices into the collaborative process is a noisy process. It is difficult to find successful examples of truly binding Multi-Stakeholder Partnerships that endure beyond the length of a particular project, say the construction of a major infrastructure project, and continue to exist as an ongoing governance entity. One example commonly pointed to is the ongoing success of the Extractive Industries Transparency Initiative (EITI) partnership. EITI brings together private sector stakeholders in the extractive resources sector, regulating public sector institutions, local environmental and civil advocacy groups, and international monitoring organizations. Stakeholders have established and well-known roles in the partnership. There may be ongoing friction among stakeholders, or internal institutional friction within a single stakeholder, but the EITI Multi-Stakeholder Partnership continues to endure today, working to make the global practice of resource extraction more transparent and more beneficial to society.

It is important to highlight Public-Private Partnerships and Multi-Stakeholder Partnerships to draw attention to an important collaborative theory; that collaboration is initiated only when it

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has been accepted that unilateral action by a single stakeholder or sector has failed (Bryson and Crosby 2008). Individual stakeholders and sectors have particular strengths and weakness, along with certain comparative advantages over other sectors. The comparative advantage between different sectors in managing a public need can be seen as the creation of public value in society (Bryson and Crosby 2008). The United States typically relies on a single sector, with a well-established comparative advantage over other sectors, to take responsibility for managing a particular public need (Bryson and Crosby 2008). While the existence of this sector, and its public value, may rely on the underlying support of many different sectors in society, its comparative advantage positions this single sector as the most capable to handle the direct management of a public need. Think telecommunication service provision in a particular metropolitan area. The telecommunications sector is the primary actor responsible for the provision of telecommunication services. If technological disruption or some sort of market deficiency means that the telecommunication sector fails to address the societal need, a collaborative effort by more sectors will be required. This is called failing into collaboration (Bryson and Crosby 2008).

Collaborative governance is often considered only after all other strategies have failed to produce adequate results. Counterintuitively, collaborative partnerships are often initiated out of the turbulence and frustration over failure, rather than the friendly and fertile conditions we often presume are helpful for collaboration (Bryson and Crosby 2008). The best way to ensure successful collaboration is to bring the failure that caused the need for collaboration directly into the partnership (Bryson and Crosby 2008). This enables the new partnership to embrace the primary complication as a central pillar of the collaboration. The nature of the starting conditions for collaboration are key not only for the initial formation of the partnership, but for the long-

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term capacity of it. If stakeholders are too entrenched in adversarial positions, or if mistrust runs too deep in relationships, even well-planned partnerships may never leave the drafting stage. Conversely, overcoming a certain amount of existing relational tension may produce an overall stronger partnership in the long-term compared to a relationship that has only seen sunny days and has not had a reason to deal with and overcome tension.

The relational agility to manage tension and conflict is critical for the success of a collaborative partnership. Tension may arise from certain sector-specific interests that conflicts with the interests of other stakeholders, or tension can arise simply as a natural phenomenon occurring as the collaborative process unfolds. In these cases, power dynamics and power imbalances within the partnership must be acknowledged and addressed through the formal structuring of the partnership. Navigating the nuances of tension, conflict, and power requires a thoughtful approach to organizational leadership. Leadership responsibilities should be explicitly laid out from the onset, yet there should be sufficient flexibility to allow for the natural ebb and flow of leadership change in different aspects of the partnership. Leadership dynamics between stakeholders is important, but so is the internal leadership of each individual stakeholder. Stakeholders must have a high degree of confidence in the internal structuring of other stakeholders so that there is shared trust in the collaborative partnership. For instance, if stakeholders recognize that a delegate from another stakeholder in the partnership does not have the full support of their institution, then the stakeholders will lose confidence in that stakeholder and mutual trust will be difficult to build.

Trust is an essential element of collaboration. Trust-building activities such as joint fact-finding, joint learning, and joint problem-solving, help establish mutual stakeholder trust, which is an important currency in partnership. Trust is both the lubricant and the glue that holds partnerships

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together (Bryson and Crosby 2008). Small amounts of foundational trust support the conditions for further trust-building activities, which in turn strengthen the long-term relationship among stakeholders. Trust is just one of several key components in building social capital. Social capital can be seen as the connective tissue that holds relationships together. Trust, confidence, goodwill, altruism, openness, generosity, reciprocity, recognition, and cross-sector and cross-cultural understanding are all fibers of social capital that strengthen connective tissue. Building social capital can be an explicit goal of a collaborative framework, but ultimately, stakeholders must strengthen these connective fibers overtime through thoughtful and deliberate actions that fortify and reinforce after each iteration.

Social capital is important for collaborative resiliency. Sudden shocks test the durability of a partnership by forcing it to learn how to cope and recover from sudden and unexpected distress. A shock could occur if a core stakeholder drops out of the partnership, or a stakeholder experiences such immense internal structural change that it's positioning within the partnership needs to be renegotiated. Shocks can be external as well. Sudden changes in markets or in political environments can test the resilience of a collaborative partnership. Contingency plans for how to cope with shocks should be addressed in the structural design of the partnership, but unknown scenarios are difficult to plan for so it is important to focus on building social capital within a partnership in order to nurture the structural resilience necessary for managing unexpected shocks.

The structural design of a partnership is the most crucial element of collaboration. Structural design must be sufficiently concrete that each stakeholder is bound to its responsibilities, yet agile enough to adapt to circumstantial nuances. Structural design should encourage the germination of social capital, and support an environment that nurtures its continuous maturity.

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Structural design determines the level of integration and the degree to which the partnership is binding or non-binding. Most critically, structure design needs to address the institutional and logistical diversity of each individual stakeholder. Maybe one stakeholder is a top-down government hierarchy, another stakeholder is a horizontal association of private sector alliances, while a third stakeholder is a loose network of civic and community groups. Structural design should accommodate and empower the heterogeneity of stakeholders in a collaborative partnership. Chapter 2 will dive deeper into specific collaborative models which highlight more closely how collaborative partnerships have become an integral part of contemporary urban governance.

Chapter 2: Collaborative Governance – Contemporary Models

This chapter presents three examples of contemporary models of collaborative governance. The first model explores the dynamics of leadership in collaboration between state and civil society. The second model considers collaboration as a matter of scale, from top-down to bottom-up. The third model investigates emerging sustainable city initiatives as platforms for partnership. The reader should utilize background knowledge gathered from Chapter 1 to advance understanding of collaborative models prominent in contemporary urban governance. This chapter serves to prepare the reader for the primary discussion of this thesis; the role of philanthropy in collaborative governance.

2.1 State-Centric and Society-Led Models of Collaborative Governance

Collaboration can be initiated deliberately by a leading actor, or simply be stumbled into by participating actors. More often than not, collaboration begins at some middle point and stakeholders have to navigate dynamics of leadership as the collaborative effort unfolds. This section outlines two common models of collaborative leadership in urban governance – state-centric models led by local government, and society-led models led by civil society.

2.1.1 State-Centric Models of Collaborative Governance

Given the central role of the state in local governance, government often finds itself as the mediator of collaborative initiatives, even if it did not directly initiate the collaborative effort (Clarke 2017). Beyond government's centralized positioning in governance, local government has the democratic authority, bestowed upon it by law and legitimized by voter approval, to be official arbitrators of collaboration (Clarke 2017). This centrality means that local government

often finds itself in the position of initiating, negotiating, facilitating, and funding collaborative arrangements (Clarke 2017).

Given this responsibility of collaborative leadership, it is crucial that the state remain tethered to its democratic and legal obligations as neutral arbitrators, constrained by its formal powers (Clarke 2017). This can be difficult in a politically fragmented and polarized region (Clarke 2017). While regional consolidated political power within a single political party may seem advantageous in regional governance, it has the potential to thwart collaborative efforts as politically oppositional organizations typically take a defensive, and somewhat permanent adversarial stance towards local government.

Government can use its legitimized democratic authority to take sovereign action, for instance, using voter-approved coercive taxation to fund a social program, but it must not abuse this power by acting unilaterally, instead, it should use this authority to bolster collaborative efforts (Clarke 2017). State-centric collaborative governance is most effective when government uses its authority to facilitate collaboration between different stakeholders, not dictate the terms of collaboration. In this way, government should act as a classroom teacher, using the authority and resources of the classroom to facilitate collaborative work among students, rather than using the classroom authority to coerce students into unpopular directives that only satisfy administrative standards.

This state-centric, paternalistic strategy of collaborative governance can only be successful if collaborative methods are inclusive of civil society and public participation. Some outdated methods of public participation that are currently practiced in state-centric collaborative governance frame the public in adversarial terms, such that the public's principle strategy of participation is to push back against government power with the goal of reformation (Innes and

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Booher 2007). In this role, the public it is only constructively useful in governance through adversarial advocacy, as a passive voter, or through standardized participation forums that are mandated by law and are not effective at inclusively integrating the public in the decision-making process (Innes and Booher 2007).

This minimal, kept-at-a-distance, role of the public in the planning and decision-making process stems from the mistrust and skepticism on the part of government officials that the public cannot grapple with and arbitrate on complex and long-term governance issues (Innes and Booher 2007). The arms-length inclusion of the public in earlier forms of state-centric collaborative governance models led to wide-spread public dissatisfaction with planning and policy decision-making processes (Innes and Booher 2007). In older models, the public did not feel heard, especially marginalized populations, and citizens who did indeed participate felt alienated by the process of standardized participation avenues which discouraged genuine and thoughtful dialogue (Innes and Booher 2007). These unnerving public participation dynamics left the public feeling estranged and frustrated with government, which led planners and policy makers to begin viewing the public as grumpy and incompetent (Innes and Booher 2007). Under public pressure, dialogue concerning central issues were forced to the forefront and new participatory mechanisms emerged to be more inclusive of the public (Innes and Booher 2007) and have led to the formation of society-led models of governance that are commonplace in contemporary urban governance.

2.1.2   Society-Led Models of Collaborative Governance

Society-led collaborative models deemphasize government and business interests in the planning process, and foreground the integration of civil society and civic networks (Clarke 2017). Government and business are still key actors in society-led models, however, their roles change

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from the primary drivers of collaborative governance, to neutral coordinators in facilitating and funding collaborative projects initiated and led by civil society (Clarke 2017). In society-led models, government facilitates the creation of cross-sector networks that can operate independently of government and with the autonomy to articulate common purpose. Society-led models focus on the linking-up of individual organizations to establish networks that can create mutual agendas and coordinate joint implementation initiatives (Clarke 2017).

Society-led models are as much about establishing a culture of collective competence as they are about operation and procedure (Clarke 2017). Society-led models legitimize and normalize the belief that collective action is the natural way of operating. This is much different than state-centric models which reinforce paternalistic, top-down attitudes towards the role of society in governance. However, the state still plays an important role. The state supports the undergirding infrastructure the enables the operation of collaborative, society-led networks. The lack of supporting infrastructure to bolster collaboration is the most common reason why cross-sector collaborative networks fail (Clarke 2017). Government creates the underlying conditions for cross-sector, society-led networks to grow and thrive. This nurturing role of government enables a supportive environment where society-led collaborative networks can focus on building social capital and strengthening ties, which ultimately leads to successful joint problem-solving. A key benefit to this method is that government encourages joint future-visioning by a broad coalition of actors, rather than being the single entity charged with chartering future policies and programs.

Government still finds itself at the center of society-led models of collaborative governance, but its role has shifted from being the primary source of power and governance, to the bridging facilitator of a network of organizational. This cross-sector bridging of power and cooperation is

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referred to as horizontal and vertical collaboration. Horizontal collaboration refers to reaching across different organizations, each with their own vertical hierarchies, in order to build cross-sector networks. This scaling-up, scaling-down, and scaling-across hierarchies can create tension within networks and within individual organizations themselves (Clarke 2017). Scaling thresholds of power within and across hierarchies may cause tension in the short-term, but it is essential for the long-term health of collaborative networks (Clarke 2017).

If an individual organization working within a collaborative network is accustomed to making decisions and implementing internal projects in a particularly rigid hierarchical manner, the organization might find it difficult to participate in collaborative initiatives that do not follow traditional hierarchical procedures. Success in collaborative networks relies on the capacity of individual organizations and networks to broker conflict, tension, and decision making. To facilitate this kind of brokering within networks, it is critical to have intermediary or backbone support organizations to coordinate activities that mutually reinforce network ties and problem-solving capacity (Clarke 2017). Ultimately, whether this role is filled by government or by civil society, the primary function is to facilitate the process of collaboration. The collaborative process itself, regardless of the outcome of any individual project or initiative, strengthens networks and builds capacity (Innes and Booher 2007). In multi-dimensional, society-led models of collaborative governance, the quality of the collaborative process itself is paramount because through the actual act of the collaboration, networks can learn to collectively communicate, form agendas, take action, and reinforce and reiterate collaborative processes.

Importantly, as the collaborative process evolves and improves, governance networks become more inclusive and more able to manage a wider multitude of voices and perspectives (Innes and Booher 2007). Therein lies the true power of society-led collaborative governance networks – to

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make governance more inclusive of a greater share of the voices in the society that it governs. Successful society-led collaborative networks are able to integrate marginalized communities and voices into the governance process in a way that may be absent in traditional hierarchical, state-centric models of governance. The integration of those who are governed into the governance process is the true value of society-led collaborative models of governance.

2.2   Grassroots Governance and Regional Planning in Collaborative Governance

A key aspect of collaborative urban governance is the interaction between governance mechanisms of different size and scale. Grassroots initiatives and neighborhood community development programs are critical for bringing governance down to the size and scale of daily life (Chaskin and Garg 1997). While neighborhood-scale initiatives are vital for local communities, large-scale planning projects are necessary for managing regional governance and ensuring long-term stability.

This section outlines the principles behind regional planning and its larger outgrowth, megaregional governance. Megaregional governance is a multidimensional model of governance that requires large-scale collaborative efforts over a large geographical and imaginary area (Innes, Booher, and Di Vittorio 2011). The second part of this section examines collaborative governance principles of grassroots governance and local community development at the neighborhood level.

2.2.1   Regional and Metropolitan Planning

Regional planning has had several different iterations over the last 150 years, starting with late 19th century concerns about the state of the industrial city (Wheeler 2002). Utopian thinkers of the time imaged nature and the pristine countryside as remedies to cure the ills of the industrial

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city (Wheeler 2002). Nature could be introduced directly into the city through large-scale parks, like Central Park in New York City, or conversely, the city could be brought into nature, as in Ebenezer Howard's Garden City movement.

Mid-20th century regional planning began to focus on pragmatic issues such as regional economic development, public provision, and the preservation of regional social and cultural characteristics (Wheeler 2002). National preferences for suburban lifestyles and decentralized suburban growth led to the late-20th century fracturing of regional governance (Wheeler 2002). 20th century regional planning had two major camps – The Metropolitanists and The Regionalist (Wheeler 2002). Metropolitanists favored pragmatic regional programs, such as strict land use rules and large-scale urban interventions, while Regionalists supported decentralized planning initiatives that provided space for local self-determinism in regional governance (Wheeler 2002). Metropolitanist movements were effective at implementing large-scale regional projects, but these transformative projects, known as Urban Renewal policies, often came with unintended long-term consequences that permanently changed the character of local communities. Meanwhile, the Regionalists' focus on decentralization led to the fragmented landscapes of contemporary American suburbia.

Today, regional planning initiatives focus on pulling together the fractured regional landscape, and smoothing out rough edges where jurisdictional boundaries collide. *New Regionalism*, the current iteration of regional planning, focuses on fostering equitable regional economic growth and closing social inequality gaps (Wheeler 2002). New Regionalism focuses on stitching together fragmented communities not only with roads and bridges, but with social and economic programs that address regional inequalities. Jurisdictional economic competition can fray regional ties and exacerbate inequalities among neighboring cities and communities (Wheeler

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2009). New Regionalism aims to create policies that generate mutual benefit from regional growth. New Regionalism pulls together suburban edge cities, which are clusters of residential and commercial density that populate the suburban landscape at the edges of metropolitan regions, so that local jurisdictions can work together on regional issues rather than acting apart (Wheeler 2002). As an example, to reduce unequal trends in economic development, regional planners can designate certain low-growth areas as priority funding zones to encourage investment in economically struggling communities within the region.

Beyond concerns of economic and social equity, New Regionalism aims to address a wide-range of regional challenges such as watershed management, preservation of environmental corridors, promoting cultural heritage, and supporting education, affordable housing, and public transit (Wheeler 2009). New Regionalism stems from the belief that complicated regional issues cannot be properly addressed by local government acting alone, and will require the collaborative action of government and non-governmental actors.

2.2.2 Megaregional Planning and Governance

This sense of scaled-up collaborative governance has led to the emerging idea of megaregional governance. Megaregions can be viewed as regional corridors of overlapping metropolitan areas, such as the corridor from Boston to Washington D.C, which encompass tens of millions of people and hold significant economic and cultural importance. There are several examples of megaregions in the United States, including the major metro areas of northern to southern California, and the Great Lakes region that stretches across national borders from Chicago to Toronto.

Megaregions may soon emerge as the single most important economic entity in the world system, but challenges concerning collaborative governance may hinder their political influence

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on a global stage (Wheeler 2009), particularly in megaregions that straddle multiple national borders such as in Northern Europe or East Asia. While megaregional governance answers the call for large-scale collective action on major issues, the biggest obstacle to collaborative megaregional governance stems from the decision-making processes within the different governing institutions themselves (Innes, Booher, and Di Vittorio 2011). Within a region or megaregion, differences in local jurisdictional political decision-making can make it difficult to coordinate over large geographies and over long periods of time. Additionally, non-governmental and private sector actors have their own set of internal decision-making processes. Different sectors, such as watershed management and affordable housing, will have different jurisdictions, different operational timelines, and different decision-making processes. Coordinated megaregional governance lacks incentives for various actors to work together, particularly among competitive sectors or jurisdictions (Innes, Booher, and Di Vittorio 2011).

Despite these difficulties, collaborative regional action provides immediate and long-term benefits for local and regional communities. Networks of collaborative action can establish monitoring mechanisms that provide feedback and foster an environment for learning and deeper collaboration (Innes, Booher, and Di Vittorio 2011). This kind of networked governance feedback can unite diverse, self-interested actors and create the conditions for shared information and the integration of mutual regional values (Innes, Booher, and Di Vittorio 2011). While collaborative megaregional governance is critical for tackling large-scale challenges, the concept is too distant and out of reach for individual people or organizations to effectively grapple with (Innes, Booher, and Di Vittorio 2011). People do not tend to conceive of their daily lives as connected to tens of millions of people and to dozens of complex interconnected systems. Megaregions are simply outside of the human scale and are too big to be considered as relevant

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to the average person. People are comfortable with governance provision that is visible, tangible, and relevant to their daily lives.

Governance structures need to meet people where they are and be approachable on a personal level. This underscores the importance of neighborhood-scale governance mechanisms that bring citizens into the governance process and empowers them to have a sense of deterministic power in their local communities.

2.2.3 Grassroots Governance and Neighborhood-Scale Development

Grassroots, community-centered governance is based on two core convictions – that citizens having a high degree of control over their local communities is democratic, and that large-scale centralized governance is not effective at addressing local issues (Chaskin and Garg 1997). Citizen participation in local governance has an ethical function, mainly that of democratic self-determinism, and a practical function in getting citizens involved in the planning process (Chaskin and Garg 1997). Citizen involvement is critical because it gives citizens greater confidence and trust in governance mechanisms, which can reinforce greater participation and enable more precise local governance (Chaskin and Garg 1997). Participation in community governance can be seen as a democratic civic duty. It brings governance closer to the people who are governed and it allows citizens to take ownership of civic management and planning.

There is no one single model for neighborhood governance. Some cities establish neighborhood bureaus, giving neighborhoods direct access to centralized governmental resources. Other cities rely on coordinated efforts with neighborhood nonprofit organizations, civic groups, and governmental agencies. Many cities use hybrid approaches where the roles of different sectors in local governance are flexible and evolve over time as preferences change. Regardless of the specific governance model, grassroots governance requires citizens to have both political power

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and organizational capacity (Chaskin and Garg 1997). Organizational capacity means access to the tools and resources necessary to organize and assume some degree of self-governance (Chaskin and Garg 1997). This requires capacity-building programs that support neighborhood governance such as citizen planning networks, nonprofit partnerships, civic alliances, business associations, and governmental agencies.

Neighborhood organizations work in parallel with governmental agencies and offer new or alternative methods for governance provision (Chaskin and Garg 1997). Neighborhood organizations can work complementary with governmental agencies and offer different, but complementary, service and provision (Chaskin and Garg 1997). Local organization can also play an important adversarial role in governance by advocating for reform and checking government corruption (Chaskin and Garg 1997).

Neighborhood-level governance allows for relational organizing that facilitates the face-to-face and one-on-one provision of services (Sirianni 2007). This personal touch allows for the diffusion of values within a community, which builds trust and facilitates dialogue about interests, power, and stakeholder obligations (Sirianni 2007). Ownership over local governance gives communities a sense that they have power-within, rather than a sense that centralized government has power-over the community (Sirianni 2007). This enables localized, asset-based community development where local leaders and local organizations are able to build wealth within a neighborhood, rather than having outside planners and developers dictate the status of local wealth and assets (Sirianni 2007). This form of community empowerment allows for autonomous accountability where individual communities are responsible for building social capital, trust, knowledge, and the capacity to self-govern (Sirianni 2007). Bolstered by

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supportive governance tools, local communities take ownership of their success, but also must grapple with collective shortcomings.

Neighborhood-level organizations are at risk of being hijacked by local elites (Chaskin and Garg 1997). Leadership in neighborhood organizations, unlike political representation, is not democratically elected and leaders are often self-appointed or are able to easily capture and retain structural support within an organization (Chaskin and Garg 1997). Local elites, who many not represent the majority of the community in terms of interests or in terms of socio-economic status, are often able to leverage their positions of societal advantage to capture local governance mechanisms and abuse localized power for their own self-gain. Without centralized checks and balances, weak neighborhood organizations can easily become vehicles for elite cadres of localized power (Chaskin and Garg 1997). This structural weakness also allows business interests to capture local organizations. In the search for growth and resources, local leadership may be tempted to create partnerships with business interests that do not have the well-being of the community in mind. While grassroots community development may be based on the conviction that centralized, professional-class planning fails to address local needs, localized governance structures can also produce major failures if corrupted from within.

Neighborhood-scale governance can also be criticized for atomizing the provision of services (Chaskin and Garg 1997). People who require multiple different types of supportive services may lack the time or know-how to navigate multiple different types of bureaucracies to access the needed service (Chaskin and Garg 1997). Centralized provision mechanisms may be criticized for being slow, inefficient, and impersonal, but at least people know where to go for the services they need.

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Another major criticism of local governance is that it lacks the large-scale capacity to address the root causes of major issues and can end up simply treating symptoms without the ability to exert enough influence to address larger structural deficiencies (Chaskin and Garg 1997). One way to bridge the chasm between grassroots governance and centralized planning structures is to establish linking networks that can pull together the bottom-up nature of grassroots governance and the top-down nature of centralized planning (Chaskin and Garg 1997).

One such way to build these collaborative networks is to start on the neighborhood level and empower *grassroots leaders* who are anchored within local communities (Chaskin and Garg 1997). These grassroots leaders hold community knowledge and have a long-term stake in their community. Grassroots leaders can work with *bridging members* who have access to knowledge, resources, and professional and entrepreneurial networks outside of the confines of the local community (Chaskin and Garg 1997). These bridging members, whether they come from within the community or from outsides the community, are important links that provide pathways to larger planning structures and regional nodes of power.

With the assistance of governmental agencies and local non-profit organizations, many neighborhood communities create *Strategic Neighborhood Plans*, which act as blueprints for near-future local governance. These strategic plans connect the intent for local empowerment and community self-determinism, with the appropriate regional governance mechanisms. This connection to broader governance structures allows neighborhood organizations to be grassroots incubators for local programs and initiatives, without directly tasking the neighborhood organization with the responsibility of direct services provision.

There is no perfect universal equilibrium point between local and centralized power, or between local or centralized provision of services. Cities and regions must remain relentlessly open to the

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ebb and flow of power between centralized and decentralized nodes. Collective acknowledgement that local communities should have a greater say in governance encouraged Seattle to established a well-supported Neighborhood Planning Office, just to have it dismantled over a decade later by a mayor who sought to centralize city-wide planning initiatives (Sirianni 2007).

One key strategy for effective collaborative governance between structures of varying size and scale is to build pathways for collaborative and inclusive visioning of the future (Sirianni 2007). It is crucial to reframe citizen participation away from the idea that it is the obligation of citizens to collectively apply pressure on centralized power, and that centralized power has no obligation to empower local communities without being forced by the masses to relinquish power (Sirianni 2007). Instead, institutions of centralized power and planning should build pathways for citizens to become collaborators in governance structures and in the collective visioning of the future. From grassroots governance to megaregional governance, it is critical to build dynamic collaborative networks that can span across size, scale, and sector.

2.3   Sustainable Cities: Models of Collaborative Governance

Emerging models of collaborative urban governance emphasize the centrality of values in the collaborative process. Sustainable city models focus less on the technicalities of procedure in collaboration, and instead highlight and encourage the adoption of sustainability values in the planning and collaborative process. Broadly speaking, the "3 Es" of sustainable values are environment, equity, and economy (Hawkins and Wang 2012). The emphasis on environmentalism in sustainable practices stems from the belief that ecological concerns need to be at the forefront of sustainable governance initiatives (Hawkins and Wang 2012). The focus on

equity and economy can be seen as balancing social goals with development goals (Hawkins and Wang 2012).

2.3.2 Sustainable Cities as a Global Phenomenon

There is no agreed upon consensus on what constitutes a sustainable city. Instead, it is best to think of sustainable city models as a broad family of different movements and initiatives that bring the "3 Es" of sustainability into the practice of urban governance. A particular sustainable city initiative, or a particular institution spearheading a sustainable city plan, may choose to modify or emphasize the sustainable cities' values as fitting to the capacities of the institution. For instance, the United Nations' Sustainable Development Goal 11 focuses on sustainable cities by supporting the development of inclusive, safe, and resilient cities and communities (UN-Habitat 2018). These values can be seen as a modification of the original "3 Es," but with an emphasis on social and environmental goals.

The United Nations has sustainable city initiatives embedded into many of their departments and agencies. The United Nations Department on Economic and Social Affairs contains a sustainable cities program. The United Nations Habitat program has developed a *New Urban Agenda* strategic plan which encourages more, and better sustainable cities. The United for Smart Sustainable Cities program, housed within the United Nations International Telecommunication Union, is supported by 16 United Nations agencies and provides a platform for stakeholders involved in using technology to achieve sustainable cities' goals. The World Health Organization, the World Bank, and the International Monetary Fund have all launched sustainable city initiatives with the aim to embed sustainable development principles into their global partnerships and practices.

2.3.3   Sustainable Cities as a Model of Collaborative Governance

While the world's largest and most prestigious global organizations are using sustainable city initiatives as vehicles for building international collaborative governance networks on a global scale, sustainable city models of collaborative governance are tried, tested, and implemented on a smaller scale in cities and local municipalities around the world.

One key concern in sustainable city models is a how sustainability principles are interpreted, defined, and implemented in a local context. City planners and government officials holding positions of expertise in the sectors of sustainability may try to define what local sustainability means in a particular locality through top-down citizen participation methods (Hawkins and Wang 2012). For instance, planners might use community engagement forums to inform and consult citizens about new sustainability initiatives, but not invite citizens to be genuinely involved in the decision-making process about defining what sustainability means in the local context. (Gollagher and Hartz-Karp 2013). This phenomenon leads to sustainable initiatives being primarily an elite program, kept at arms-length from true citizen participation where sustainability could be defined in a way that is more relevant and engaging to the public.

Social goals such as equity and inclusivity are central to principles of sustainability so it is critical that sustainable city models of collaborative governance be designed in ways that integrate the public into the collaborative governance process. Government officials, planners, and experts in sustainability sectors provide the technical knowledge and expertise, but the public plays an important role in guiding the intention, direction, and the on-the-ground implementation of sustainable city initiatives.

One strategy for building such collaborative practices in sustainable city initiatives is to dedicate greater resources to building the capacity of citizen participation mechanisms. Empowering

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citizen participation mechanisms means focusing on the creation of local citizen boards, investing in community visioning workshops, allocating resources to consensus-building activities, holding conflict resolution workshops, and focusing on information provision activities (Hawkins and Wang 2012). These types of participation mechanisms create a well-defined space for citizens to actively participate in the creation of sustainable city initiatives.

To ensure that these participatory mechanisms do not happen in isolation, as one-off events that exist separate from each other, it is important to establish external support networks which act as the central nodes for supporting collaborative participatory practices in local governance (Hawkins and Wang 2012). These external support networks become a central hub for the diffusion of knowledge, joint fact-finding and learning, as well as places for collective innovation and action (Hawkins and Wang 2012). Most critically, external support networks provide a space for public input to shape expert knowledges, which is key for strengthening the collaborative feedback loop between the public and experts in the sustainability sectors (Hawkins and Wang 2012).

Sustainable city models can benefit from Deliberative Collaborative Governance strategies which focus on actively and deliberately bringing the full range of interested parties, along with their perspectives and resources, into the collaborative governance process (Gollagher and Hartz-Karp 2013). Deliberative Collaborative Governance strategies meticulously find ways to include and empower the voice of the ordinary citizen (Gollagher and Hartz-Karp 2013). This emphasis on the ordinary citizen serves not only to include more voices into the collaborative process, but also as a way to check that governance mechanisms are not captured by elite interests or stymied by institutional hierarchies. The collaborative effort should be prudent and deliberate in its inclusion of the public in the collaborative process.

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This inclusive diligence is critical for achieving the aspirational "3 Es" principles of sustainability. Deliberative Collaborative Governance strategies enhance the capacity of sustainable city models to achieve these goals by insisting that a broad range of voices, with particular emphasis on marginalized voices, are included in the collaborative process. In this way, increased civic engagement and community empowerment are both an explicit goal of sustainable city models, and a direct manifestation of sustainable city models in action (Portney 2005). Increased civic engagement and a deeper inclusion of the public in governance processes is seen as itself to be a sustainable cities policy (Portney 2005).

Public engagement in collaborative governance is critical for deliberating on individual sustainable city policies. Policy makers examining sustainable policies must grapple with the fact that there are trade-offs between the "3 E" principles of sustainability, where a policy aiming to address a concern about one of the three sustainability principles may in fact stifle or reduce advancements in another principle (Feiock and Coutts 2013). For example, policies that focus on addressing ecological and health concerns, like a tax on carbon emissions or a tax on sugary beverages, may have short-term economic consequences, particularly for those who can least afford to pay the additional unit of cost it takes to advance the sustainability principles of ecologic conservation and human well-being. Conversely, policies that allow certain sectors, such as the fossil fuel industry or the sugary beverage industry, to evade fully paying for the negatives externalities they inflict on society through climate change caused by carbon emissions or to adverse health effects caused by excess sugar, means that policies are failing to live up to equitable health and ecological sustainability principles. Public engagement is crucial for honest public discourse on sustainable city policies.

Deliberative Collaborative Governance in sustainable city models is critical for creating the conditions for a genuine discussion and adjudication of the trade-offs between the "3 Es" in sustainable city policies. Sustainable city models of collaborative governance not only seek equitable collaboration as one of their explicit goals, but through the implementation of sustainable city policies over time, governance structures end up becoming more aligned with sustainability principles and thus create the conditions for more complex and more adept forms of collaborative governance.

Chapter 3: Analysis and Discussion: The Impact of Philanthropy in Governance

This chapter outlines key characteristics of philanthropy, and recalls theories and models from the earlier chapters to describe the integration of the philanthropic sector in collaborative urban governance. This chapter highlights examples of philanthropic-led problem-solving, but also draws on critical reports that scrutinize trends in contemporary philanthropy. This chapter is the staging ground for the primary assertions of this thesis.

3.1 Philanthropy and Public Provision

Philanthropy, which, broadly speaking, is the promotion of goodwill and support for human welfare (Sulek 2010), has become decidedly more organized and institutionalized in recent times. In this thesis I refer to philanthropy as a sector precisely to acknowledge the institutionalization of charitable giving, and the sector's increased role in governance and public provision.

Most philanthropic institutions are registered as tax exempt nonprofit corporations, which means that they are open to public inspection. Philanthropic institutions tend to either be public charities or private foundations. A public charity is still a private institution, but it receives its funding from a variety of sources, relying heavily on private support from the public. Churches, nonprofit hospitals, and universities are all considered public charities. Private foundations tend to be family or corporate foundations, and increasingly international foundations that focus on global initiatives. Distinctions between public charities and private foundations are mostly a matter of tax law.

Philanthropy has a long-standing tradition of public provision. Philanthropy can be complementary to existing programs of provision, serving to fill the gaps where government is lacking, or philanthropy can be adversarial and push for policy reforms that challenge the status quo (Jung and Harrow 2015). The philanthropic sector has a relationship with the public that is different than government's relationship with the public when it comes to public provision. The public may view philanthropy as high-minded and out of touch with the needs of the common man, especially given the philanthropic sector's tendency to support institutions that are focused on the long-term structural advancement of society (Jung and Harrow 2015). On the other hand, the public may appreciate support for organizations and initiatives that would not otherwise get off the ground without assistance from the philanthropic sector. Government may share this same sense of gratefulness. The philanthropic sector has the independence to pursue initiatives that government does not have the funding or political will to take up. This is particularly true of large-scale issues that are seemingly insurmountable for national governments to approach alone, such as climate change, or narrow issues that do not have broad enough political support because they only affect a small portion of the population, such as research for rare diseases.

3.2   The Philanthropic Sector and Collaboration in Global Governance

The international philanthropic community has become an integral partner in global governance initiatives aiming to address the major challenges of our time – climate change, health, education, and poverty reduction. While a small number of philanthropic institutions have taken up niche initiatives, and are the leading institutions for those specific initiatives, many philanthropic institutions join worldwide networks of organizations dedicated to solving global challenges.

Co-Impact is a collaborative of philanthropic and professional institutions committed to addressing the underlying systemic deficiencies responsible for exacerbating global issues. While an organization like Co-Impact may have a global network, the implementation of their work happens in local places all over the world. International philanthropic-based networks have become an established feature in the global governance landscape.

Global governance refers to the problem-solving of global issues. With the absence of a world government, institutional collaborations have become the primary way in which the world tackles global problems. One key area in global governance in which the philanthropic sector has been particularly active is in the advancement of sustainable city initiatives. Sustainable city initiatives provide a collaborative platform for the philanthropic institutions to partner with like-minded organizations. Sustainability platforms allow for the integration of the state sector, the private sector, and the non-governmental sector, of which philanthropy is part of, to collaborative on addressing sustainability challenges. For example, The Rockefeller Foundation funds the 100 Resilient Cities initiative which supports the collaborative work of organizations around the world in tackling the physical, social, and economic challenges of the 21st century. The Rockefeller Foundation has recently invested in the Adrienne Arsht Center for Resilience at the Atlantic Council, which also focuses on resilient cities, but its mission is more specific in the areas of climate change, migration, and security. International philanthropy is where you can see the top players in the philanthropic sector participate in large-scale collaborative problem-solving, from broad global issues, to narrower, more acute challenges such as the eradication of polio. The Bill and Melinda Gates Foundation famously partnered with World Health Assembly in the creation of the Global Polio Eradication Initiative, a worldwide institutional collaborative dedicated to eliminating polio. The philanthropic sector has become an established feature of the

global governance landscape, especially in sustainable city initiatives where philanthropy has a direct platform for addressing the world's most pressing issues in cities and local communities across the globe.

3.3   The Philanthropic Sector and Collaboration in Local Governance

The philanthropic contribution to local governance is arguably where philanthropy is most effective and most integrated into any single governance regime. The shift towards collaborative governance has empowered local community groups and the nonprofit sector in local decision-making processes (Martin 2010). This shift towards local empowerment did not necessarily include a direct allocation of funding from public sources. Instead, community groups, and the civic and nonprofit sectors must pull together a patchwork of resources through funding opportunities from government, the private sector, and grantmaking philanthropy. Direct financial support and collaborative capacity-building for the civic and nonprofit sectors are the two primary strategies for philanthropic integration into local governance.

Philanthropy is not the only funder of the civic and nonprofit sectors. Public support through government grantmaking to the civic and nonprofit sectors, as well as the public allocation of government resource to local municipal agencies, remain the primary sources of funding. Development Block Grants are massive blocks of funding issued to states by the federal government through the United States Department of Housing and Urban Development. The distribution of these block grants is managed by state-level bureaucracies that allocate funding to a wide-range of qualifying institutions, including municipal-level government agencies, for the purpose of supporting local governance in community development. While Community Development Block Grants are a critical source of funding for the civic and nonprofit sectors,

they are not nearly enough to satisfy the surge in demand for funding for community-led governance. The philanthropic sector has stepped in with financial and capacity-building resources, and thus has become a highly valued and nearly indispensable component of local governance ecosystems.

The philanthropic sector has embraced this crucial role in local governance. As the sector becomes more deeply embedded in the society-led collaborative governance landscape, it must walk the line between being paternalistic and out of touch, and being incompetent and incapable of leveraging resources for true community empowerment (Martin 2010). Some national and international philanthropic institutions believe their formula for capacity-building and leadership will work everywhere. They may have high-minded ideas of how communities ought to function, sometimes operating without an on-the-ground knowledge of the particular community they are supporting. This is philanthropic paternalism. Even place-based corporate and family foundations, which have long relationships with the cities and communities where they are located, can fall victim to philanthropic paternalism. This may happen specifically because those place-based institutions are local and have become comfortable with business-as-usual operations, or because they are caught up in local prejudices and preconceptions about communities in the area. Philanthropic institutions can also exacerbate existing divisions among community groups by attaching stipulations to funding, thus creating a competitive, rather than collaborative, environment.

However, the opposite of philanthropic paternalism is philanthropic indifference, which is also not beneficial to local communities. Funding stipulations are important for accountability and can encourage the civic and nonprofit sectors to pursue best practices. Strategic support can bridge longstanding community divisions, not exacerbate them. It is important that the

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philanthropic sector remain agile and thoughtful of its practices as to best maximize the impact of their involvement. The philanthropic sector is well-integrated into many urban governance regimes throughout the country, and its role within the collaborative ecosystem is well-established. Yet it is important that philanthropy not remain in the background as a passive funder, and instead leap out in front as a trusted, competent, inclusive, and forward-thinking sector. The next section of this chapter highlights key strategies of philanthropic collaboration in local governance.

3.4   Philanthropy in Action: Examples of Philanthropic Collaboration

The philanthropic sector is not monolithic. Within the subcategories of private foundations are corporate foundations that manage the charitable giving of the business sector, there are family foundations, there are independent foundations that independently manage the philanthropic activity of clients, there are donor advised funds which act as charitable instruments for a wide-range of individual donors, there are mission-driven grantmaking foundations that allocate and distribute philanthropic resources, and there are even collaborative philanthropic networks that strive to harness the power of the philanthropic sector to maximize the overall impact of philanthropy. This section describes three major strategies employed by the philanthropic sector as a way to highlight the importance of philanthropy in local urban governance.

3.4.1   Philanthropic Collaborative Networks: An Emerging Trend

Philanthropic collaboration networks have emerged as a way to harness the collective force of philanthropy. The strength of these networks comes from their ability to extend vertically from grassroots to national, or even international. Philanthropic collaborative networks can scale-down to the grassroots level to create meaningful partnerships and long-lasting relationships with

a specific civic organization or a specific community at the neighborhood level. These networks can also scale-up to access the shared-knowledge and collective resources of the wider philanthropic community. This ability to scale up and down the network empowers the philanthropic sector to maximize local impact by linking the collective resources at the top to its work on the ground.

The Aspen Institute's Forum for Community Solutions is a network of organizations dedicated to addressing social challenges that are too complex for any single sector to tackle alone. The Forum for Community Solutions has a few key programs, including a Youth Opportunity Forum for initiatives that support the development of young people, and a Forum for Community Empowerment for place-based community action. The Aspen Institute's Forum for Community Solutions also manages a Multi-Sector Partnership which links collaborative funding partners with community organizations and professional capacity-building firms. This kind of ongoing team effort in capacity-building is crucial for ensuring that the changes that philanthropy hopes to enact on the ground are both meaningful and lasting.

Similarly, The Collective Impact Forum is a resourced-based platform for the collaboration of a common agenda, collective action, and shared measurement among organizations working in community development.

The Neighborhood Funders Group is a network of local and national grantmaking institutions that focus on initiatives dealing with the democratization of local development, social and economic justice, and rural development.

These networks are just a few examples of an emerging trend is collaborative philanthropic-led action in local governance. These networks often intersect with each other, linking a web of

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institutions and physical localities. The gravity of these networks attracts and pulls in peripheral organizations that then also become part of the collaborative ecosystem. While shuffling through the wordy jargon of collaborative vocabulary, it's important to remember that ultimately these efforts in network-building aim to improve the quality of the work on the ground and create a lasting impact through philanthropy.

3.4.2   Regional Foundations as Anchors to Local Philanthropy

One of the central methods of philanthropic integration into local governance regimes is to become a committed anchoring institution, and a trusted household name in a city or region. Regional foundations are typically family foundations or corporate foundations that have longstanding ties to a particular area. For example, The David and Lucile Packard Foundation and the William and Flora Hewlett Foundation are both family foundations that built their wealth from the Hewlett-Packard software business and now both foundations are established features of the Bay Area philanthropic landscape in California. The California Community Foundation is a Los Angeles-based foundation, supporting work in key areas such as education, health, immigration, and affordable housing. All of these foundations have made long-term commitments to a specific region and have established themselves as anchoring institutions in the local governance landscape. They can be counted on to make continuous investments in the region, which is essential for building trust and signaling to the community that the philanthropic sector can be a committed partner in collaborative local governance.

3.4.3   Thematic Project Funding and Support for Creative Initiatives

Different than anchoring institutions, some foundations, such as The John S. and James L. Knight Foundation, may choose to spread their impact over a larger geographic area, adding bursts of funding for specific projects, creative initiatives, and early partnership in need of

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support and structure. The Knight Foundation targets thematic areas such as journalism in the digital age, inclusive cities and communities, and support for the arts. Their support is not geographically bounded so they can add an extra dose of support to a fledgling initiative around the country that might not get off the ground without a supplementary funding source. While this strategy in philanthropy doesn't allow for an institution to fully integrate into a local governance regime, it does provide a pathway for a sudden injection of collaborative capital to a budding project.

3.5 Areas of Concern and Room for Improvement

This section pulls in critical reports on concerning trends in philanthropy, and draws on academic texts that question how these current trends in philanthropy may be undermining democratic values. The second part of this section offers policy remedies to address these concerns.

3.5.1 Worrisome Trends in Philanthropy

A 2018 report published by the Institute of Policy Studies titled "Gilded Giving: Top-Heavy Philanthropy and Its Perils to the Independent Sector and Democracy" points to some worrisome trends, citing that the number of households in the United States that have given to charity has been declining for more than a decade (Collins, Hoxie, and Flannery 2018). More alarming is that charitable giving from households on the lower end of the income distribution has been sharply declining, while at the same time there has been a notable rise in mega-donation by the ultra-wealthy (Collins, Hoxie, and Flannery 2018). The ultra-wealthy don't give like other Americans give. The ultra-wealthy tend to give to elite institutions, like elite universities and wealthy private foundations, or give to causes that interest the rich, rather than giving as a social

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obligation to benefit the welfare of society (Collins, Hoxie, and Flannery 2018). The report

deems these trends in charitable giving as dangerous enough to threaten the vibrancy and

independence of the nonprofit sector (Collins, Hoxie, and Flannery 2018).

According to the report, ultra-wealthy donors are neglecting to give sufficient attention to the

vast civic and nonprofit networks that count on the support of philanthropy. The risks to the

nonprofit sector include volatile funding streams, charitable preferences that focus on funding

special projects rather than operational support, and philanthropy that favors institutions that can

handle large gifts, which may distort institutional missions over time or divert funding away

from small organizations that support grassroots initiatives (Collins, Hoxie, and Flannery 2018).

The report points to a strong correlation between declining household charitable giving and

indicators of economic inequality and insecurity, such as declining labor force participation and

declining homeownership rates. (Collins, Hoxie, and Flannery 2018). Meanwhile, charitable gifts

of over one million dollars have been steadily rising, along with the trend of mega-donations

making up an increasingly higher portion of total annual private donations (Collins, Hoxie, and

Flannery 2018). Both trends are particularly unsettling considering our current era of vast wealth

inequalities.

The report contends that the philanthropic sector is becoming less accountable and less

democratic (Collins, Hoxie, and Flannery 2018). The authors of the report worry that tax laws

that are supposed to encourage a vibrant culture of philanthropy are instead becoming vehicles

for tax avoidance and wealth preservation (Collins, Hoxie, and Flannery 2018). Ultra-rich donors

are disregarding their obligations to society, either by tax avoidance, which starves democratic

institutions of resources that could be used to serve society, or by using elite philanthropic

institutions for personal use, and in some cases, to directly influence policy agenda setting in democratic processes (Collins, Hoxie, and Flannery 2018).

Private philanthropic foundations purportedly enhance democracy by adding to the plurality of voices and ideas, however, the philanthropic tendencies of the ultra-rich may be drowning out quieter, less wealthy voices, and influencing policy agenda setting in ways that reinforce and exacerbate existing social and economic inequalities (Goss 2016). Businesses are accountable to markets, public institutions are accountable to voters and the democratic process, but foundations are not held accountable for their behavior, even if it is unpopular (Reich 2016). Without reigned in accountability, the philanthropic sector is vulnerable to the misuse of the legal and tax instruments that are designed to empower the impact of philanthropy, not make it susceptible to exploitation.

The threat posed by these worrisome trends in philanthropy are dangerous specifically because philanthropy has become an inextricable aspect of society, especially in local collaborative governance regimes which rely on philanthropic support and depend on the dynamism of its leadership.

3.5.2 Policy Remedies to Address Philanthropic Vulnerabilities

The principle vulnerability of the philanthropic sector is the threat of elite-capture by wealthy donors. This means that ultra-rich donors are becoming such dominant players in the sector that they threaten to change the sector's character and mission. One reason for this vulnerability is that ultra-rich donors are using philanthropic tax laws as methods for avoiding taxation and preserving wealth. One remedy would be to reform philanthropic tax policies to require private foundations to spend more of the money they manage so that financial resources cannot be parked in foundations, or donor advised funds, and instead be used for philanthropic action. This

remedy encourages philanthropic resources to be put to work to benefit the welfare of society; the original mission of philanthropy.

A second remedy is a wealth tax on the ultra-rich. This policy does not directly target the philanthropic sector, though it may impact the charitable habits of the ultra-rich. The idea of this remedy is to tax the ultra-rich as a way to ensure that they pay their fair share in taxes, regardless of their charitable giving habits. Tax avoidance diverts financial capital away from the public arbitration of resource allocation, and into the realm of private discretion. A wealth tax ensures that the ultra-rich contribute to the democratic adjudication of society's resources.

Finally, to truly honor philanthropy's contribution to the plurality of voices and to the laboratory of democracy, federal tax policy should democratize charitable giving by enabling many more people to participate in charity, especially from the bottom portion of the income distribution. This could be achieved through a small annual charitable giving tax credit. A tax credit is a dollar-for-dollar reduction in tax liability. The amount could be small, maybe $250-$500, but it would enable Americans of all income groups to give to the charities of their choice and to reinvigorate the lackluster trends in household giving. More importantly, this policy would empower the charitable voices of a larger portion of the population and thus democratize agency in agenda setting.

Conclusion: Philanthropy – An Integrated Fixture of Urban Governance

The primary assertion of this thesis is that the philanthropic sector has become a nearly indispensable and highly valued component of urban governance regimes in American cities. This thesis aimed to support this assertion by demonstrating the inextricable link between collaborative governance theory and philanthropic strategies for delivering impact, particularly in the civic and nonprofit sector. While current trends in philanthropy provide reason for concern, including the heighten precarity experienced by the governance networks that face diminished philanthropic support, the diversion of resources away from the public arbitration of allocation and towards private discretion, and the increasing threat of elite-capture, and thus the undue influence of the ultra-rich in the public realm, the philanthropic sector continues to be a vital and well-established component of the urban governance ecosystem.

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