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**Business Leadership Coalitions And
Public-Private Partnerships In
American Cities: A Perspective On
Regime Theory**

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Regime Theory and Public-Private Partnerships in Urban Governance

This paper explores a relatively under-examined area in regime literature, namely the nature and role of the private sector business organizations that participate in the kind of “civic cooperation” that Stone (1989) describes as informal arrangements of governance. While much of the urban studies literature acknowledges the essential role of public-private partnerships (PPPs) in the formation and operation of urban governance regimes (Pierre 1999, John & Cole 1998, Keating 1993), more attention has been devoted to the public institutions in this equation than the business sector actors. Our study aims to deepen understanding of the motivations, roles, organization, and value of these business participants in PPPs by examining the structure and functioning of Business Leadership Coalitions (BLCs), which serve as a primary institutional vehicle for business leaders to play a collective role in urban governing regimes in major American cities. Our findings suggest the need for changes in the prevailing regime theory typologies in order to capture the full richness and realities of business sector participation in PPPs.

We come from a perspective of management science with an interest in the mix of private and public resources that can be allied around shared goals of urban development and community betterment. Our studies of PPPs involving business leaders aim to enrich regime analyses of the role and functioning of cross-sectoral alliances in the life of American cities. Political and civic leaders need access to resources and expertise; business elites need access to policy makers and decision makers at city, regional or state levels. PPPs and negotiated alliances and coalitions provide structural vehicles on which governance and regime dynamics ride.

Regime theory research, and in particular its focus on PPPs and the dynamics of coalition-building, has developed a descriptive and conceptual language for articulating the role of the private sector partner in urban governance arrangements. For instance, regime theory has been used productively to develop typologies of governance models (Stone 1989, 1993, DiGaetano 1989, 1997, DiGaetano & Klemanski 1993, DiGaetano &

Lawless 1999, Sites 1997, Kantor et al. 1997, Stoker & Mossberger 1994) that describe succinctly salient features and stable characteristics of different types of governance coalitions. Within that framework, there has been the further elaboration of the notion of public-private partnerships (PPPs) as a dominant feature of governing regimes in modern American cities (Stone 1989, Keating 1993) and in other countries (Stoker & Mossberger 1994, Kantor et al. 1997, John & Cole 1998, Keating 1993, DiGaetano & Klemanski 1999). Keating (1993) concludes, after a comparative study of cities in Britain, France and the USA, that “the predominant development style in all 3 countries is the public-private partnership.”(1993, p.387)

Other relevant strands of research in urban governance and regime theory include the different patterns of public-private cooperation in cross-sectoral engagement that Stone (1989) calls “social production.” Kantor et al (1997) have characterized regimes as the “city’s linchpin” for catalyzing this process of cooperation between public and private sectors via the formation of governing coalitions in order to achieve civic goals. Regimes are vehicles for structuring and articulating a nexus of public and private interests (“bargaining environments”, in the terminology of Kantor et al., 1997), so the cultural and institutional influences shaping the dynamics of these relationships are relevant (DiGaetano & Klemanski 1999, Pierre 1999). Despite pioneering work by DiGaetano and colleagues (DiGaetano & Klemanski 1999) on the influence of differing socio-economic environments on regime operation, there have been criticisms (e.g., Kantor et al. 1997, Sites 1997, Pierre 1999) of regime theory applications that fail to specify the political, economic, and institutional contexts that shape regimes.

Regimes and PPPs from the Business Partner Perspective

Our study addresses several aspects of this debate in regime theory research regarding the ecology of partnerships, considered from the perspective of the business sector partner, particularly Business Leadership Coalitions. The better we understand BLCs, the more we will be able to comprehend the nature and dynamics of PPPs, and therefore urban governance systems. Society increasingly expects the business sector to contribute to community building. Understanding how BLCs function and what

determines their effectiveness is of growing importance to business leaders and to the government and non-profit organizations interacting with them (Austin 2000a).

When the role of the private partner is not properly represented or understood, incomplete accounts of civic partnerships may result. For example, Sites' study (1997) of the evolution of urban policy in New York City across several administrations is critical of regime theory applications which focus too narrowly on public leadership and appropriately calls for more attention to the role of private business and economic actors in constraining city governance agendas and options. Despite this recognition, even this study does not provide any details of particular corporate organizations or business associations in the discussion of urban politics in New York City, such as the New York City Partnership, which has engaged in significant community development efforts throughout New York's boroughs over the last twenty years. The report instead talks only of the private corporate sector in very general terms, as a more monolithic entity, representative of "market" forces, whose "corporate agenda" gets priority treatment from the Mayor's office. The study makes a legitimate critique of the downtown bias in the city's development policies but does not go beyond generalities to make a more nuanced differentiation among the different private sector actors and their collective actions through BLCs.

Problems & Issues

To balance this kind of under-representative account of the role of business leaders in city life, we will demonstrate how the private partners we studied maintained a "portfolio" of engagements in the civic arena which might involve both regime and non-regime undertakings simultaneously. Many of the CEOs in our BLCs were also involved in non-BLC community service activities (Austin 2000a). Thus, the BLC represents one part of a business leader's varied set of community engagements. Our findings concerning this kind of role diversity by a BLC and its members lend support to DiGaetano & Lawless's (1999) attempts to distinguish between varieties of governance structures and policy agendas, and speak to several important issues concerning the definition and generality of the regime concept in urban governance research. First, there is the characterization of "regimes" with regard to their uniqueness, frequency, and

ubiquitousness, as viewed from the perspective of the private partner. We found enough varieties of partnerships to demonstrate the co-existence of multiple partnerings and civic agendas by the members of PPPs and regimes. Next, there is the question of the rigidity or flexibility of regime typologies, and how well BLCs as private partners fit the regime model. We found more flux in the formation and operation of PPPs than regime theory might predict, and this also meant that the mix of private and public partnerings could change with circumstances. Associated with the diversity and fluidity of a BLC's partnering portfolio is a set of challenges facing PPPs.

The remainder of the paper is divided into four parts:

- Part I provides an institutional understanding of BLCs by describing their origins, membership, and operating processes;
- Part II establishes the underpinnings of the dynamics of business involvement by identifying the varieties and motivations of civic engagement by businesses;
- Part III analyzes the varieties and motivations for businesses partnering with the public sector and sets forth a distinctive approach to conceptualizing and analyzing businesses involvement in PPPs and urban regimes;
- Part IV lays out major challenges to operating PPPs.

PART I: BUSINESS LEADERSHIP COALITIONS

The BLC Sample

Our research examines business leaders who engage individually and collectively through formal institutional associations in various forms of partnership and coalitions with the public sector. The major unit of analysis is the Business Leadership Coalition (BLC) which represents a formal collective organization of business leaders in major American cities who have joined together to exercise their collective capacity to build stronger communities (Austin 2000a). A particular BLC may be unique in a city, or it may be one of several collective institutions in the private sector (like, for instance, the Chamber of Commerce) that can have a substantial impact on local or regional urban development.

Our research began with an examination of BLCs in twelve American cities
(Austin & Woerner 1998a):

- Atlanta (Central Atlanta Progress)
- Baltimore (Greater Baltimore Committee)
- Boston (The Coordinating Committee/The Vault)
- Cleveland (Cleveland Tomorrow)
- Dallas (Dallas Citizens' Council)
- Detroit (Detroit Renaissance)
- Minneapolis (Minnesota Business Partnership)
- New York (New York City Partnership)
- Philadelphia (Greater Philadelphia First)
- Phoenix (Greater Phoenix Leadership)
- Pittsburgh (Allegheny Conference on Community Development)
- San Francisco (Bay Area Council)

These BLCs are often the principal vehicle for business leaders to collaborate with the public and nonprofit sectors to address major problems and needs facing the community, and they provide a collective forum for business leaders to play an important leadership role as community-builders. As centers of corporate wealth, influence, and expertise, these BLCs represent potential partners for the kind of Public/Private Partnerships (PPPs) that are essential to the governance of American cities (Keating 1993).

The findings presented in this paper focus primarily on seven of these BLCs (see Table 1), which we examined in more depth through primary research as well as via secondary sources. This target group furnishes typical examples of business elites formally organized around an agenda of urban growth and development. They were not the only business organizations in the cities we studied, but they were usually the pre-eminent BLCs by reason of established reputation, prestige, influence, and longevity. However, most, along with their public partners, were also subject to the cyclical phenomenon of a rise and fall in fortunes over time, with the ebb and flow of political and economic circumstance. These studies were based on interviews conducted between 1997-1999, with CEOs, business leaders, business leadership organizations, heads of

civic foundations or nonprofit organizations in seven major US cities, together with documentary and secondary material. These seven include four cities also studied in recent regime research – Pittsburgh, Minnesota, Cleveland, and Detroit (DiGaetano 1989, DiGaetano & Klemanski 1993, DiGaetano & Lawless 1999), Boston (DiGaetano 1989, 1997), Atlanta (Stone 1989), and New York (Sites 1997).

Table 1 Characteristics of BLCs Analyzed

City	BLC	Founded	Membership
<u>Atlanta</u>	Central Atlanta Progress (CAP)	1941/1967	+/- 180 CEOs-Only + Civic Mix
<u>Boston</u>	Boston Coordinating Committee (The Vault)	1958	+/- 40 CEOs-Only
<u>Cleveland</u>	Cleveland Tomorrow	1978	+/- 50 CEOs-Only
<u>Detroit</u>	Detroit Renaissance	1967	+/- 48 CEOs-Only
<u>Minneapolis</u>	Minnesota Business Partnership	1977	+/- 104 CEOs-Only
<u>New York City</u>	NYC Partnership (NYCP)	1979	+/- 200 CEOs-Only + Civic Mix
<u>Pittsburgh</u>	Allegheny Conference On Community Development (ACCD)	1944	30-45 CEOs-Only + Civic Mix

Origins, Membership & Operational Characteristics

DiGaetano & Klemanski claim that “urban regime analysis focuses on the formation and operation of city governing coalitions.”(1993. P. 367). Our findings address this issue of coalition formation, but at a much earlier stage, and originating on the private sector side of PPPs. We start by asking: how do BLCs get started, and once

underway, how do they recruit and retain business leaders over the long term, in order to build a sustaining presence on the urban scene? We answer this by examining BLC origins, membership, operating structure, and motivations for collaboration.

1. Origins

Most of the BLCs we studied were originally created as business-only entities often exclusively for CEOs, which provided an attractive vehicle for business leaders to meet and confer with their peers in private. BLCs can function as autonomous corporate entities that can pick and choose their spheres of civic influence, including the option of deciding to enter into PPPs as members of an alliance for urban governance. To understand the kinds of heterogeneous agendas they maintained, we can distinguish between two roles that our BLCs typically played in their communities. One is the functional or instrumental role, to promote business goals. Several of our BLCs (e.g., in Atlanta, Minneapolis, Boston) were originally created primarily to represent business interests in the civic arena, and agendas would be constructed and promoted around these interests. A BLC might engage in political lobbying at the city or state level, or it might take policy and advocacy positions on key legislative issues. The other is the social betterment role, where the BLC addresses “quality of life” issues, and works with city agencies or other civic organizations to make the community a better place to live and work.

Both roles may overlap, and Central Atlanta Progress (CAP) is a good example of the evolution and integration of both roles by a BLC in a major American city. Atlanta drew upon a long history of strong civic sense and involvement by the business community to produce a CEO-organization like CAP to respond to issues of deteriorating quality of life, housing, and security in downtown Atlanta. Building on a legacy of individual corporate citizenship, CAP was initially formed in 1941 as a private association representing the interests of businesses and downtown organizations that shared a common vision of central Atlanta as “thriving, secure, and vibrant.” As the voice for the downtown business community, CAP set the agenda for corporate involvement in the revitalization of downtown Atlanta. In the words of a long-time CAP board member, “CAP is a catalyst that can bring the business leadership into play to stimulate and

interface with the government and social service agencies.” CAP today does not implement projects, but rather identifies key issues, mobilizes resources, and convenes the appropriate players to make things happen.

Another veteran BLC, the ACCD in Pittsburgh also had its origins in the 1940s, before the end of WWII. The ACCD came to life via a unique collaboration between Pittsburgh Mayor David Lawrence and the corporate leader, philanthropist, and president of the Pittsburgh Regional Planning Association, Richard Mellon, to address the serious air pollution and deteriorating downtown conditions of the city at the end of WWII. Their initiative was soon joined by major segments of the private sector --corporations, banks, realtors, foundations, universities. A relatively “younger” BLC, Cleveland Tomorrow, was originated in 1978 via attempts by leaders of business, government, and civic organizations to turn around their city from a legacy of bankruptcy, riots, political conflict, and economic decay. The CEOs of Cleveland Tomorrow have spent the last 20 years responding to the challenge of revitalizing their city and have demonstrated a steady development, growing accomplishments, rising recognition, and an expanding agenda (Austin 1998b).

2. Membership

This discussion about BLC formation may give the impression that BLC membership was fairly homogeneous and CEO-centered. While that may have been true during the early days of these BLCs, over time challenges arose that led many of them to re-consider their operating structure and membership make-up. The main issue was exclusiveness vs. inclusiveness of membership, and our consideration here of the membership composition and structure of BLCs raises two interconnected issues: the first issue is one of learning and institutionalization --how to recruit and retain CEO leaders so that the BLC remains a center of influence; the second has to do with the challenge of balancing clout with socio-economic diversity, which may require membership changes to reflect and adapt to the changing social context in which BLCs operate.

Restricting the original membership to CEOs had advantages – it ensured institutional homogeneity and coherence of perspective, and guaranteed decision-making and resource allocating authority. Some BLCs tried to stay as business-only/CEO-only

entities, while others like Pittsburgh, Atlanta and NYC also included a mix of other civic leaders from education (e.g., university or hospital presidents) or nonprofit/philanthropic foundations, as well as leaders of cultural organizations. The leaders of several BLCs decided that they had to broaden their membership to achieve greater diversity to reflect the changing composition of their communities and to obtain support from other stakeholder groups. This growing heterogeneity of membership often slowed down decision making but increased buy in. Although Detroit's BLC, Detroit Renaissance (DR), in its early days even included honorary positions for politicians at all levels—the city mayor, the state governor, and state senators, when it restructured in 1990, it opted for a CEO-only representation in order to achieve a more sharply focused strategy of civic intervention.

Enduring BLCs, like Pittsburgh, Atlanta, the MBP in Minneapolis, or Cleveland Tomorrow, have managed to create a process of institutionalization of corporate citizenship among their members, so that new generations of CEO leaders are acculturated into the process of civic involvement as part of the social learning that they undergo when they assume corporate leadership of a major business in a city. The BLC as an enduring organization has institutionalized a set of expectations and norms regarding corporate civic involvement, which the new generation of CEO members assimilates.

3. Operating Structure and Processes

In his study of Atlanta, Stone (1989), noted that the local BLC, CAP, provided the business elite with a single organization wherein they could “discuss issues, formulate plans, and monitor policy performance with the assistance of a staff employed to promote their particular shared interests.” (1989, p.169) Understanding the role of professional staff is essential to understanding the dynamics of BLCs because of their key role in managing the interface with the government and civic organizations.

When it came to setting and implementing their agendas, BLCs varied in the organizational style of leadership employed. Some BLCs (like the ACCD in Pittsburgh) had standing committees related to each of their strategic agenda areas. Other BLCs (like Atlanta, Cleveland, Minnesota) resorted to task forces or ad hoc committees to take on

specific assignments of fixed duration. To some degree their operating “styles” could usually be characterized as “staff-driven” or “CEO-driven.” Of the seven BLCs listed in Table 1, Atlanta and Detroit described themselves as “staff-driven,” Boston, Cleveland, New York, and Pittsburgh described themselves as “CEO-driven,” while Minneapolis had more of a joint CEO/Staff style. These operating arrangements reveal two important facets of BLC functioning—the role of executive staff in developing agendas, and the significance of a professional staff for organizational vitality.

a. CEO-driven BLCs. This style of operation “works” when the CEO project champions are around to provide the consistent advocacy needed to promote agendas. It requires very active board members. In Minnesota, for instance, the commitment and energy of the BLC Chairman, Mike Bonsignore (CEO of Honeywell) was responsible for not only leading the BLC, but also for championing and driving a successful anti-crime program which improved neighborhood safety around the corporate headquarters. By contrast, in New York, for a period after the reign of its founding chairman David Rockefeller, the NYCP had a weak staff function and depended on its CEO board members to champion projects. However, given the unique size and complexity of the New York BLC, it was difficult to get consistently from CEOs of national or multi-national corporations the time commitment sufficient to maintain the necessary pace and quality of agenda promotion.

However, there were also success stories of CEO-driven initiatives within the NYCP. For example, the establishment of the “New York City Investment Fund,” in 1996 under the leadership of famed financier, Henry Kravis. He used his influence, connections, and reputation in the financial world to attract almost \$60 million in the form of interest free loans or donations from 60 companies. The goal of the fund has been to provide investment capital (and technical assistance) to fund economic development in distressed neighborhoods so as to generate jobs and expand private sector activity throughout the five boroughs of New York. Another earlier innovative NYCP program, the Housing Partnership, developed affordable housing in a very successful private-public alliance with the city to acquire derelict buildings and land in order to build

thousands of dwelling units for lower income families in the five boroughs. Both of these initiatives prospered because they had CEO champions and strong staff support.

An executive staff role was weak or noninstitutionalized in the operation of the Boston BLC, The Vault, for most of its existence. The operating style of the Vault was frequently characterized as top-down, CEO-driven, elitist, and non-consultative (Boston Globe 1999). Although The Vault had a close relationship with Mayor Collins whom it had backed for the office in the 1950s, this access deteriorated with his successor, Kevin White. Lack of an adequate professional staff function often deprived them of the opportunity to work on their PR and project a different public image. It was not until John LaWare, President of Shawmut Bank, stepped in as Vault president in 1981, that the BLC's previous reputation as "closed door operators" began to be replaced with more openness and a reaching out to city government and city politics. Under LaWare's leadership and political savvy, downtown corporate interests began to interact with the political process, with positive outcomes for both private and public interests. However, the staff function relied more on ad hoc than permanent arrangements.

Cleveland Tomorrow is another example of a CEO-driven BLC, where the professional staff plays an important support role, working behind the scenes to facilitate process. It is clearly understood that the board sets policy and the staff executes it (Austin 1998b).

b. Staff-driven BLCs. Having a professional staff function means that there is somebody around to carry the ball between board meetings. Atlanta and Detroit both have a professional executive staff in place to support and develop proposals of the business leaders. In Atlanta, staff play a support role behind the agenda-setting leadership of their board CEOs, but projects may be initiated by either CEOs or staff. The role of staff within CAP changed during the 15-year tenure (1973-1988) of Executive Director Dan Sweat, intimate of President Jimmy Carter and popularly referred to by many as "Mr. Atlanta." Under his dynamic leadership, CAP laid the groundwork for a subsequent more influential role for the executive staff to drive the input for the board's agenda setting and policy planning.

Detroit Renaissance acknowledges that it is primarily a staff-driven operation where staff initiatives may account for as much as 80% of the agenda, although the staff polls board members for their opinions regarding the agenda. The CEOs mostly provide direction (the board has a formal responsibility to set direction for the organization twice a year) and the day to day operations and agenda implementation are managed by the staff.

c. Board-Staff Relations. Pittsburgh and Minneapolis, among others, have enjoyed in recent years highly collaborative working relations between the BLC Board and the executive staff, largely due to the strong leadership of their Executive Presidents. There is a lot of trust and confidence in the competence of the executive presidents in these two organizations, which leads to more consultation and collaboration between the board and staff than is normally encountered in CEO-driven organizations. But in Pittsburgh at least, the ACCD does not lose sight of the fact that projects need champions. There the role of the staff is to “provide the business leaders with as much information as possible to help them be effective leaders. Everything we do has a champion on the board, that is, it’s not staff-driven, it’s leadership-driven.”

The MBP in Minnesota has a similar philosophy of wanting its CEOs to take the lead, but they also pay tribute to the leadership of their executive director, Duane Benson, who is particularly credible in the cross-sectoral arena because of his background as a former state legislator. Steve Sanger, President of MBP (and CEO of General Mills), cited Benson’s outstanding staff work as a major contributor to the partnership’s effectiveness. Sanger believed that the ability of CEOs to contribute inside a BLC “is very much a function of how effectively the staff organizes their agenda and their time, and works with them.”

Regardless of the particular organizational structure and approach, the more successful BLCs had both CEOs and staff who were skilled in relating to and interacting with government and social sector leaders. As Austin (2000a) notes: “They had strong abilities to understand, empathize, and communicate with their counterparts. The resultant creation of respect and trust enabled effective partnering.” For example, a former Chairman of the ACCD in Pittsburgh noted that when he was running the BLC he

probably talked with the Mayor twice a week for three or four years, “..and even today, even though it’s been a year and a half since I left the chairmanship, I probably talk to him 3 or 4 times a month. We have that kind of relationship. I don’t think the way he does, but he is doing good for this community and so we work real hard.”

PART II: VARIETIES AND MOTIVES OF CIVIC ENGAGEMENT

Corporate Engagement in the Community:

Many Paths of Civic Activism

Now that the basic workings of a BLC are understood, we want to examine how a BLC operates as an institutional force in the community via pathways of engagement. Most of our BLCs have participated in multiple forms of civic engagement and varieties of PPPs.

CEOs can choose to become engaged in community affairs in at least three different ways—as individual leaders, or in their corporate capacity, or as members of corporate collective like a BLC. In the first two instances, they may serve personally as board members of non-profit organizations, or they may involve their whole company in a volunteer effort. Examples of the latter range from IBM dedicating and loaning staff full-time to assist with neighborhood rehabilitation in The Atlanta Project between 1991 and 1996, to Honeywell Corp. in Minnesota giving their employees work time credit for getting involved with Habitat for Humanity. Or corporations may unilaterally negotiate a formal partnership between their company and non-profit organizations, as a strategic collaboration for mutual benefit, e.g., like the alliances between Timberland Co. and CityYear, a youth community service nonprofit in Boston, or between Georgia Pacific Corp. and The Nature Conservancy (Austin 2000c), or Bell Atlantic and the Union City School System (cit: Kanter 1999, *From Spare Change to Real Change*, Harvard Business Review).

So business leaders and their companies manage to maintain a diverse set of engagements with the local community, with different civic organizations and activities, and in parallel with all of this they may also participate collectively in BLCs. For

example, the Minneapolis BLC's CEOs, collectively or individually, pursued a variety of agenda goals via multiple public-private partnerings. The whole formal BLC organization there might be participating in a corporatist/pro-growth alliance (DiGaetano & Klemanski 1999) in tandem with local, regional and state political leaders to promote an economic agenda for jobs creation in the region, while at the same time the BLC Chairman, Mike Bonsignore (CEO of Honeywell) was creating outside of the BLC, as a Honeywell initiative, a virtual coalition [footnote] to address human capital development and neighborhood quality of life. Bonsignore, in coordination with other civic officials in law enforcement, developed the H.E.A.L.S program (Hope, Education, Law & Safety) for wiping out violent crime in the neighborhood surrounding his company, and improving the security and quality of life of the whole neighborhood. Such leadership initiatives had a snowball effect, leading to the development of in-school and after-school job training programs for local youth, to facilitate the transition from school to employment. Another pertinent example was the work of other CEOs in Minneapolis starting the *Success by Six* early childhood intervention program for school readiness, which has served as a model civic investment program for other parts of the country. In the Minnesota examples, the CEOs used their main BLC as well as the United Way as main bases for collective civic action, but did not neglect opportunities for individual initiatives which deployed their own company's managerial, organizational and financial skills to community projects.

While it might be argued that such initiatives do not properly constitute regimes in either a governance sense or in an economic development sense, they do represent meaningful PPPs and working coalitions between business, civic and education leaders on behalf of community betterment, and they do affect the fabric and quality of civic life along the lines of engendering "social capital" in Putnam's (1993) sense. And those undertakings influence the overall dynamics and nature of the relationship of a BLC with its public sector partner in a regime coalition.

Motivators for Corporate Engagement in the BLC

We now examine why business leaders join a BLC in the first place. This engagement has to add value at both a corporate and individual level. The value proposition here is that collaboration produces gains from aggregation and synergism.

BLCs provide a forum for business leaders to gather, interact, exchange ideas, support, and motivate each other. Participating in a BLC is a learning experience for many CEOs who come to realize that they can leverage solutions to community problems not just with their money, but also with their brains and collective energy. Their combined resources increase their potential influence and impact. A board member in our Atlanta BLC (CAP) observed, “Major representatives from big institutions give CAP a lot of strength. It’s not that they are [not] necessarily strong enough and big enough and powerful enough in their own right to get something extraordinary done, but the fact that they are all around the table making decisions and signing off on projects makes things happen.” The BLC adds incremental value and provides a single voice for articulating common interests. So there is benefit due to aggregation.

Collaboration is also synergistic. The collective capacities assembled in BLCs are greater than the sum of the individual participating businesses. This collaboration synergy was seen by David Koch (former CEO of Graco and chair of our Minneapolis BLC, the Minnesota Business Partnership) as emerging because there are some things that a single organization cannot do by itself, and that coalitions of business leaders are valuable for “the interaction, the ideas, the can-do spirit that develops.” The institutional function of a BLC enables its members to engage in many different kinds and levels of civic participation, for a variety of purposes (social, economic, political, etc.), in what Stone (1989) calls “the informal arrangements of governance.” We use “potential” advisedly here to denote that governance arrangements are not imposed by either partner in a PPP, but need to be actualized via alliance and cooperation. As Stone (1989) pointed out in his own study of Atlanta and CAP, “the potential for a governing partnership does not guarantee that it will be realized. But trial and error moves public officials in the direction of finding suitable allies for the task of governance.”(1989, p.228) Stone adds further that, to sustain a governing coalition, “for most areas, as in Atlanta, policy effectiveness seems to depend on being able to garner business support.” We now examine the motivational construct more specifically.

1. Corporate and Personal Motives for Civic Engagement

The motivation for engagement is seen in a context of business-community relations. BLC leaders see the community as a primary stakeholder, and community building as in the interest of their shareholders. In Minneapolis, Larry Perlman, CEO of Ceridian Corp. and member of the Minnesota Business Partnership's Executive Committee, put it this way: "A corporation in this world today carries with it a responsibility broader than just running the business every day. That business in any of these communities will not endure in a society that's not functional, so in a sense it's the most effective form of long-range strategic planning you can engage in." Perlman testified before a government committee in Washington, D.C., that the best corporate strategists marry conscience and profitability in a union that builds stronger community and a better work force.

David Koch, also of MBP, added, "Companies have to take an interest in the community. You can't be in a fortress and not be involved. You can't survive, you can't prosper in an area where there's chaos, crime, poverty, and where the education system is lousy." The President of Honeywell Foundation in Minneapolis, Patricia Hoven, put it succinctly: "The communities have to work or businesses can't function." Del de Windt, former CEO of Eaton Corporation and founding member of Cleveland Tomorrow, commented, "I preached in my company that business leaders had an obligation to get involved in their community. A healthy, happy community will be far more beneficial to our business than one where there's all sorts of unhappiness and conflict."

And there are also company and personal benefits to be harvested. The community-building activities of business leaders accrue competitiveness benefits to their companies. In the intensified global competition for talent, the quality of the community can be a deciding factor. Morton Mandel, former CEO of Premier Industrial Corporation and a founder of Cleveland Tomorrow, explained that the BLC's activism was "fueled by our growing concern about the image Cleveland had nationally and internationally, and the impact of that image on how people might feel about joining our companies or relocating to Cleveland." Marilyn Carlson Nelson, CEO of the \$20 billion Carlson Companies, observed, "The quality of life here in the Twin Cities and in Minnesota is the differentiator for us. It is what attracts the best and the brightest and keeps them here –

even in the month of February! In this environment we have all needed to create an extra edge for our community and ourselves. Our corporations, however global, must not be stateless or homeless. If that happens, our corporate cultures will be soulless and we will fail. We cannot continue to be a national leader in problem resolution, in creative thinking, in product development if we do not keep an eye on our quality of life.”

On a personal level, business leaders gain from community engagement. General Mills CEO Steve Sanger (MBP President, 1998-99) pointed to three benefits: “One, you find that you can really contribute; two, you meet other people in the community that you enjoy interacting with, learning about, and getting to know; three, I’ve found that the time spent on problems away from the direct business problems is helpful in giving you a broader perspective that helps you become a better leader within your organization. I tell people here all the time, we support your volunteering not just because we know you’ll help the community, but because we believe that volunteering helps you be a better leader.”

2. Crisis-Driven Engagement

Urban crises can also trigger engagement and cross-sectoral collaboration (Austin 1998b, 2000b). Although several of our BLCs were created simply to represent business interests in the civic arena, some of them were thrust into some kind of PPP or governance coalition with the public sector at one time or another during their history, where the primary catalyst for partnership was some kind of urban crisis, sometimes political, usually fiscal, but also social unrest.

New York and Boston BLCs emerged in response to the cities’ financial crises or threat of fiscal default. In Cleveland in 1978 it was outright bankruptcy and the anti-business position of Mayor Dennis Kucinich. The Detroit Renaissance BLC was formed after the 1967 riots. In all cases the business community was challenged to pool their resources to turn around the fortunes of their deteriorating communities across the spectrum of housing, education, employment and economic development. Individual businesses that were focused on their own company’s agenda were woken up by such crises, and made aware of the need for collective action to improve the larger socio-political context within which their companies operated.

These responses were driven by strong leaders stepping forward to mobilize this collective action. For example, Cleveland Tomorrow was founded by eight of the city's most powerful business leaders in response to the city's bankruptcy and political crisis. Similarly, after New York's fiscal crisis in 1979, the NYCP was founded around the leadership of David Rockefeller who could attract CEOs from major companies to coordinate and focus efforts for social change. In Pittsburgh Richard Mellon galvanized other business and government leaders into action over issues of pollution and a deteriorating downtown.

PART III: VARIETIES AND MOTIVES OF PARTNERING

In the previous section we looked at varieties of civic engagement in general. We now narrow our analytic focus further to examine the different kinds of partnerships or governance coalitions our BLCs typically participated in. As before, we consider the different types of partnering involved, and then identify some of the major motivators for a BLC to participate in cross-sectoral alliances.

Types of Partnering:

Homogeneous or Heterogeneous?

In the life cycle of a BLC we observed a proliferation of different types of cross-sectoral partnering that went well beyond the labels and categories of regime theory typologies (Stone 1989, Keating 1993, DiGaetano & Lawless 1999, Pierre 1999, Dowding et al. 1999, Kantor et al. 1997, Stoker & Mossberger 1994). While some regime typologies were relevant for categorizing some of the primary characteristics of some of the public-private coalitions that our BLC organizations participated in, we encountered a much more heterogeneous variety and assortment of public-private partnerings which did not always "fit" available regime categories. Our data showed the PPP concept to be more multi-dimensional than many regime typologies could account for, and this seemed largely due to the private sector BLC agenda being much more diverse than the typical characterization offered by regime taxonomies. Although this heterogeneity does not negate the utility of regime typology, it does suggest that the prevailing categories do not

capture the full breadth and complexity of the forms and motives of private sector involvement in PPPs.

The regime research literature may sometimes give the impression that governance coalitions between the private and public sectors revolve around one agenda, one policy, one collaboration style, and that this alleged uniformity can be captured by the use of all-purpose labels like “pro-growth” or “progressive.” Our BLC data would suggest, on the contrary, that heterogeneity rather than homogeneity of purpose is more typical, at least from the private partner perspective. We encountered many counter-examples to the general predictions of regime theory. Our findings show that BLCs could participate in different partnerships with different agencies at different times for different purposes. In a certain sense, Stone (1993) was acknowledging a similar kind of variability on the public side when he stated, “Political leaders vary in role, from caretakers who do little, through brokers who mediate conflicts, to entrepreneurs who play active parts in putting together large and complex projects.” (1993, p.6) The prevailing typologies oversimplify and rigidify reality.

The conclusions we reached with respect to varieties of cross-sectoral partnering by BLCs confirm some of the observations made earlier about the diversity of their civic engagement in general. The BLCs are able to maintain multiple partnerings with the public sector, and these can simultaneously encompass the functional role which serves somewhat narrower business and economic interests and the social betterment role which helps the community in general. Therefore, it may be more accurate and analytically powerful to recognize and examine business engagement in regimes as multidimensional in terms of functions, motives, and forms rather than narrow and monolithic as suggested by conventional typologies.

In spite of its limitations in recognizing the heterogeneity of private sector partnerings, regime theory literature (DiGaetano & Lawless 1999, Sites 1997, Stone 1993, John & Cole 1998, Pierre, 1999, Dowding et al 1999) provides helpful descriptive categories for characterizing some of these cross-sectoral relations. For instance, using Pierre’s four institutional models of urban governance (1999, Table 1, p.388) — managerial, corporatist, pro-growth, welfare—several of our BLCs’ partnerings included

participation in “pro-growth” regimes at some time or another during their existence.[footnote]

For BLCs in cities like Boston, Cleveland, Detroit, Atlanta or Pittsburgh, for instance, their governance alliances often represented a pragmatic, functional partnership consensus around economic development. They were purpose-driven, with a primary focus on particular. The governance coalition between The Vault in Boston and Mayor Collins in the 1950s, probably comes closest to what DiGaetano (1997) calls a “pre-emptive regime,” that is, a PPP that is so solidly entrenched and established that it dissuades other groups from challenging it. We would call the Boston case an example of a “Corporatist/Progrowth” regime in DiGaetano’s 1999 classification, where the union of private and public interests represented a virtually seamless organization, united in mission, goals and agenda, on behalf of economic development and reconstruction in the city.

Other examples of harmonious, regime-style, pro-growth coalitions between our BLCs and the public sector would include alliances by Cleveland Tomorrow and Mayor Voinovich in the 1980s, or by CAP in Atlanta in the decades (particularly during the tenure of Mayor Ivan Allen) up until 1973 when the political mix changed. [Footnote] Likewise, the coalition between the Pittsburgh ACCD and the office of Mayor Lawrence in the post-WWII period of downtown rehabilitation, or the pro-growth alliance between Mayor Koch and business leaders in New York (though not always necessarily via the NYCP). Detroit has a much more checkered socio-political history than any of the other cities we studied, but we agree with DiGaetano (1989) that one can identify a pro-growth governance regime operating, albeit shaky, between Detroit Renaissance and other members of the white business establishment and the administrations of Mayor Young and Mayor Archer. Detroit is an example of a city where opportunity and motive for regime formation co-existed only periodically, and where we observed fluctuating cycles of partnership between the BLC and the local political leaders. The relations between Detroit Renaissance and city hall were more collaborative during Mayor Young’s administration in the 1970s, more adversarial with the same administration during the 1980s, then more collaborative again during the first term of Mayor Archer’s administration in the 1990s (DiGaetano 1989, DiGaetano & Klemanski 1993).

Multifaceted Agendas & Actions

Although the above business-government collaborations in the economic and growth area fit the regime labels and the assertion that “progrowth governance is by far the most familiar abstraction of urban politics” (Pierre 1999, p.383), they do not recognize that other BLC partnering activities were occurring simultaneously and sequentially in the social arena. Our findings draw attention to the need for further refinement of the conception of PPPs, which were at the heart of Stone’s (1989) notion of public-private partnership as the main vehicle for the construction of governance coalitions on behalf of community development. Some “revisionist” or “neo-regime” research appears to be more sensitive to the kinds of distinctions we are trying to make here. The research of DiGaetano and colleagues (DiGaetano 1989, 1997; DiGaetano & Klemanski 1993, DiGaetano & Lawless 1999) provides a descriptive vocabulary and categorization of governance coalitions which is a more nuanced and valid characterization of the heterogeneity of private-public partnerings in urban politics. DiGaetano’s typology of urban governing structures is similar to Pierre’s (1999), but he makes a very useful distinction between types of governance structures and types of policy agendas. This helps to illustrate our point about the diversity of governance structures within which our BLCs tried to promote their policy agendas. [see Table 1, DiGaetano & Lawless 1999, p.549].

Our results agree with DiGaetano’s research, showing that business elites might participate in coalitions with multifaceted agendas, where progrowth agendas can co-exist with social reform policies [see DiGaetano 1997, Table 2, p. 865]. This was the case under Mayor Flynn’s more populist and pluralist style of governance in Boston during the 1980s, which attempted to balance the interests of private and public constituencies (DiGaetano 1989, 1997). This kind of co-existence of mixed strategies was also the case with Detroit during 1980-1993, when the Detroit Renaissance was trying to promote its strategic plan for Detroit [see Table 3, DiGaetano & Lawless 1999, p. 570]. DiGaetano & Klemanski (1993) noted that Detroit’s corporate elite had played an active and influential role in the city’s redevelopment efforts. Through their BLC vehicle, the Detroit Renaissance, they were able to work in close cooperation with the mayoral administration

on economic development projects, pooling money and expertise to help solve Detroit's most pressing economic problems. But it is important to point out that DR's strategic plan dealt not just with economic development, but also with crime, education, and city image. But the execution of this plan depended on a corporatist alliance between predominantly white, downtown business establishment leaders and the administration of African-American Mayor Young, and this fell victim to "racial and clientelistic politics" (DiGaetano & Lawless, 1999, p. 561).

As noted above, most BLCs did indeed participate in pro-growth regimes at one time or another in their life span, but most of our BLCs were involved in other forms of cross-sectoral partnering for community benefit beyond the regime/pro-growth model. We previously cited the case of Cleveland Tomorrow cooperating with Mayor Voinovitch to revamp city administration (Austin 1998b) to achieve cost savings and improve public service. In Pittsburgh, the ACCD worked closely with civil authorities in the 1980s and 90s to reform the cumbersome county governance process and make it more efficient. In the realm of education, the Boston BLC, The Vault, collaborated with school system representatives to develop a funding program for Boston Public Schools—25 Vault companies raised \$5 million for a scholarship program in 1986 (Boston Globe 10/20/86). During Mayor Menino's administration in the mid-90s, business leaders provided millions of dollars in matching funds for federal grants to Boston schools. They donated \$26 million in cash, equipment and services to wire the city's schools (Boston Globe 6/20/99). In Minneapolis, hundreds of businesses who are members of the Greater Minneapolis Chamber of Commerce, adopt schools in the Twin Cities, and provide mentoring programs, cash, expertise, resources, loaned employees, etc. to their wards.

In this context, the MBP in Minneapolis is a good example of an enduring and effective BLC that can create viable PPPs across different constituencies and have the vision to see that the social capital and socio-economic infrastructure created by such partnering would benefit all in the community. A good example of a large, cross-sectoral collaboration enterprise was the Phillips neighborhood revitalization project in the Minneapolis inner city in 1998. This was spearheaded by business—Alliance Health Care and Honeywell Corp. (led by its CEO, Michael Bonsignore, Chairman of MBP). These corporate initiatives spurred a follow-on effect, such that the project was joined by the

federal government, the Minnesota Community Development Agency, and other coalitions of non-profit agencies and government departments, which all joined the alliance to promote the necessary housing renewal and job creation.

A Portfolio Concept

We conclude that a more accurate characterization of business involvement in PPPs and therefore urban governance regimes would be that of an “engagement portfolio” encompassing (a) multiple motives (direct business interests and community betterment), (b) different activity foci (economic, social), and (c) various partnering configurations (local/state/federal governments, civic organizations, business groupings). The portfolio mix will vary over time depending on strategic and contextual factors and opportunities as well as the BLCs’ own institutional learning and capacity development. The heterogeneity and the management of that engagement and partnering mix can be critical to creating value and sustainability in PPPs: different activities and motives can be synergistic and reinforcing, and multiple partners can broaden the scope of action and stakeholder support. Thus, rather than resorting to a narrow label, such as progrowth, to categorize the nature of a regime or a BLC’s motivation for participation in a PPP, it would be more illuminating to recognize the heterogeneity embedded in the engagement portfolio and analyze the nature and the dynamics of the governance involvement accordingly.

Motivators for Partnering

Partnering adds value. PPPs enable society to create superior solutions to many complex problems than could ever be achieved by the individual sectors separately. The value that is created accrues to each of the collaborators individually and to society collectively. It makes business sense to collaborate, and we turn next to the motivation that makes this idea a reality.

1. Complementary Competencies

Many endeavors require the core competencies of the different sectors if they are to be carried out at all, and in other instances the fusion of resources can capture synergies and enhance effectiveness and impact. Pierre (1999) defines this kind of

collaborative governance as a process of blending and coordinating public and private interests. It is “the process through which local authorities, in concert with private interests, seek to enhance collective goals.” This process is shaped by those systems of political, economic, and social values from which the urban regime derives its legitimacy. But while these collaborative strategies may strengthen the governing capacity of local authorities, they do not come without costs: “they expose these organizations to the full thrust of political pressures from private business and civil society. Therefore, urban governance should be seen as a two-way street channeling pressures and objectives both ways across the public-private border.”(1999, p.375).[Footnote #x]

Stone (1993) also endorses this model of two-way collaboration as part of the coalition-building that regime analysis emphasizes as an integral part of the governing process: “In regime analysis, the relationship between the economy and politics is two way.” Regime analysis explores a middle ground between competing models of urban governance and recognizes the interactive dynamics in this complex process. While “it recognizes the enormous political importance of privately controlled investment....”, it assumes that “political economy is about the relationship between politics and economics, not the subordination of politics to economics.” (1993, p.2)

The BLCs that we have studied have all generally evolved towards a common understanding of this kind of political-economic nexus as a necessary condition for urban vitality. The reality for most BLCs is that there has to be a two-way street of strategic collaboration between the private and public sectors to achieve common community goals. No one entity can do it all by itself. If City Hall is too entrenched and anti-business, little will get done. Most of our BLCs (e.g., Cleveland, Atlanta, Detroit are prime examples) have suffered through the regimes of antagonistic mayors, when their development plans never got off the drawing board. If the ruling business classes are oligarchic and too elitist, cooperation with the political players at a local or state level will probably not be achieved. A backlash against this kind of elitism contributed to the demise of the Boston BLC, The Vault, during the 1980s and 1990s, once its unilateral style of governance had proved obsolete.

Two board members of the Pittsburgh BLC (ACCD) readily acknowledged the strategic value of partnering and collaborative investments: “civic engagement requires

the cooperation of governmental agencies, for they are making budgets, legislative agendas, and so on. Progress in these areas means partnering. When such partnerships are lacking very little gets done.”

2. The BLC Value Added

What makes a BLC a desirable partner for urban alliances? Our analyses here draw upon John & Cole’s (1998) notion of “enabling conditions” for partnering. A recent debate in the regime theory literature might be said to fall very roughly into two categories. First, there is the attempt to construct typologies and taxonomies that provide descriptive categories for classifying different kinds of regimes. (Stone 1989, 1993, Keating 1993, DiGaetano & Lawless 1999, Pierre 1999, Dowding et al. 1999, Kantor et al. 1997, Stoker & Mossberger 1994). The second branch of inquiry (which we call the “process and purpose” approach, after John & Cole 1998), is more concerned with the dynamics of cooperation between public and private sectors, and with identifying some of the more causative factors and enabling conditions that give rise to effective cross-sectoral partnerships: “Regimes form and stay in existence because powerful public and private actors bargain, develop trust, and mutually learn to solve problems. The defining characteristics of regimes are that they are interorganizational, sustained, coordinating and empowering.” (1998, p. 387). Citing Putnam’s (1993) notion of a prerequisite foundation of social capital, John & Cole hypothesize that “for a regime to work and to last, a tradition of political pragmatism and trust in city politics must exist that may have been generated many generations before.” (1998, p.388).

John & Cole’s observations all find a counterpart in our data. The BLCs we have studied constitute the kind of formal collectivity that has the history, the membership, the structure, the decision-making processes, the reputation, and the resources, to make them eligible (and attractive) candidate partners for PPPs. Our studies of BLC partnerings throughout the nation show that they have contributed significantly to the betterment of their communities on many fronts—economic development, city infrastructure, housing, safety, education, environment, governance, city planning. There are several value propositions at work here legitimating the BLC’s public role, and we can identify at least four components of the value that they bring to the partnering process— money, expertise, clout, and enduring presence.

a. Mobilizing Money. The most common motive cited in the literature for modern PPPs in American cities is economic development, particularly in cities with a deteriorating inner core, or suffering the decline of de-industrialization. (Stone 1993, Keating 1993, DiGaetano & Lawless 1999, DiGaetano 1997, Dowding et al. 1999, Kantor et al. 1997). Keating, for example, defines a development coalition as “ a place-based, interclass coalition devoted to economic growth in a specific location. It will include local political leadership, together with local business interests.”(1993, p.387). The drivers for this alignment of interests include:

- the need of the private sector for public powers in order to develop in cities;
- the dependence of cities on the availability and mobility of capital;
- and the need of a development coalition to attract private investment capital.

BLCs are social venture capitalists—they have a unique capacity to mobilize investment funds. BLCs have often used their entrepreneurial and financial acumen to create new types of investment fund vehicles to channel resources into new business ventures (New York City, Cleveland), downtown real estate development (Atlanta, Detroit, New York, Pittsburgh, Boston, Cleveland), housing (Minneapolis, New York, Cleveland), and sports complexes (Pittsburgh, Cleveland, Detroit).

Keating thinks that it is a distinctive feature of American cities that business has key advantages in these kinds of relations between city government and the private sector. Most of our BLCs were involved at some time during their existence in economic development partnerships. Many of them (particularly in their earlier years) pursued a “bricks-and-mortar” agenda, getting involved with city government in large-scale urban development projects in Boston (1950s and 1960s), Cleveland (1980s), Atlanta (1940s and 1950s), Pittsburgh (1945-1970). These pro-growth agendas were driven by at least two factors— first, the need to repair decaying urban infrastructure in cities like Boston or Pittsburgh, and second, the need to have some highly visible, short-term project “winners” to serve the prestige and image of the BLC as a credible partner. In addition to commercial development, BLCs also collaborated with their city governments in other forms of economic development, such as small business support, or job creation. For example, the NYCP in New York worked with Mayor Koch’s office to create a summer jobs program for city youth, while its Housing Program and Investment Fund worked

with the city to facilitate small business start-ups in conjunction with development of affordable housing in underserved neighborhoods. Similarly, the MBP in Minnesota partnered with local schools and other civic agencies to promote job creation and job training as a long-term agenda item.

As BLCs mature and evolve, they generally maintain a focus on economic development, but their style and scope of operations often changes. They go beyond bricks-and-mortar projects to policy and planning advocacy and systemic change, e.g., in public education systems. BLCs like CAP in Atlanta, or Cleveland Tomorrow focus their expertise today on being conveners of resources or catalysts for development who no longer own projects but spin them off for other organizations or agencies to manage.

b. Capacity and Expertise. BLCs bring other critical inputs besides money, particularly their entrepreneurial and organizing capacity. Robert Kiley, former President of the New York City Partnership, pointed out that the solution of major problems facing the cities require collective engagement by the business leaders: “Unless they get into it not just with their money but with their smarts and their leverage as powerful people, these problems don’t get dealt with very well.” Corporate leaders’ entrepreneurial zeal and skill in getting things done was a trait admired by politicians in all of our BLC cities

BLCs get involved in the planning and organizing of civic projects. They bring management and systems knowledge to project administration, and consult with city government on best fiscal and administrative practices, in order to make city hall a good and user-friendly place to do business with. They can have notable success—as for instance, Cleveland’s collaboration with Mayor Voinovitch in 1979 to revamp and modernize city administrative procedures, which helped create a savings of over \$40 million annually. This kind of practical collaboration launched a productive partnership for the common good, which was to last during Mayor Voinovitch’s ensuing three terms. (Austin 1998). Similarly, when the complexity of regional county government in Allegheny county surrounding Pittsburgh impeded effective collective action, the ACCD in Pittsburgh contributed to its reform, thus making it easier for new businesses to deal with government offices when looking for location sites. Or BLCs can have notable failures— like the inability of Detroit Renaissance to make meaningful inroads against

the entrenched bureaucracy of Detroit City Hall whose red tape, slowness and ineptitude discouraged new business prospects from locating in the city. (Detroit News 1997).

Mike Bonsignore, Chairman of the Minneapolis BLC, summed up the two-way value added that business leadership can provide to their civic partners in the collaborative ventures in his city: “By getting the business community to step in alongside of them, not to take responsibility away from them, but to bring management methods and communication and prioritization and structure and discipline...to allow them to function more effectively.... it ends up a huge win-win.”

c. Convener & Catalyst. BLCs represent concentrated CEO firepower. They can play major roles in community initiatives by convening the necessary resources and players, and by being a catalyst for bringing a critical mass of expertise to get a project off the ground. The CEOs in a BLC have preferred access to the rest of the business community and generally also to the major political and social leaders. This translates into clout. One example of this kind of leverage was seen in the rapid growth and financing of the NYCP’s Investment Fund which attracted \$60 million of investment capital in a short span of time to fund its initiative for small business development in neglected areas of the city.

d. Continuity of Presence. Finally, BLCs also strengthen the community-building process by bringing continuity of presence. While political leadership may turn over with each election, a BLC acquires an institutional identity in a community simply by enduring. It is a way for the business community to represent themselves in a more consistent, competent, and continuing fashion over the course of many years to assure that there is a continuity of partnership between the public and private sectors (John & Cole 1998). Several of our veteran BLCs, like Atlanta, Pittsburgh, and Cleveland, have become institutional fixtures in the urban landscape, and have endured for decades across multiple city administrations. Paul Kelman, VP of CAP in Atlanta, spoke of how his BLC addressed this issue of continuity: "CAP acts as a bridge between the public and private sectors. Businesses are typically not very good at representing themselves in their dealings with government. We provide a way for the business community to represent itself in a consistent, competent, continuing fashion over the course of many years to assure there is a working partnership with the public sector."

PART IV: CHALLENGES TO PARTNERING

For most of this paper we have considered many similarities and differences in coalition ecology across the private and public sectors. We now want to conclude by considering a set of common challenges to partnering encountered by both sets of participants in PPPs, using BLC data to provide examples. We divide our analyses roughly into internal and external challenges, and begin by looking at some of the internal harmonies and disharmonies within PPPs that render them more or less effective. We then look at a group of common external challenges which we discuss under the heading of “context, capacity, and cyclicity.”

Internal Challenges to Partnering

Using the fluctuating fortunes of the BLC in Detroit as an illustrative case, we want to introduce a notion of partnership “harmony” or “disharmony” which contributes to the more differentiated perspective we think needs to be brought to bear on the analysis of PPP functionality. While much of regime research looks at conflicts and challenges to particular governance coalitions originating from outside the regime, this idea of harmony reflects challenges to effectiveness that arise from within the partnership. It helps highlight how the viability or effectiveness of any given PPP might suffer from internal sources of dysfunction (from either partner).

All of our BLCs experienced some periods of “bilateral harmony” where the constellation of all the necessary factors was aligned on both sides to support the operation and maintenance of full-fledged regimes. But we also encountered situations of “unilateral disharmony,” on one side or the other of a partnership, which led to an implementation gap being created between policy advocacy and policy action. For example, a harmonious relationship between a BLC and a city administration could become disharmonious when there was a change of Mayor who brought a different agenda to the table, as happened in Detroit, Boston, Pittsburgh, and Cleveland at different times in their history. Or, despite the best of intentions, or even where there are agreements on policy issues between the Mayor’s office and the BLC, the route to civic action and policy implementation was impeded by an entrenched bureaucracy in the civil

service at City Hall, or obstructed by the opposition of special interest groups (like labor unions). The latter scenario represented the situation in Detroit under the administration of Mayor Archer, whom the Detroit News (1997) depicted as lacking an executive staff competent enough to effect development policies and administrative reforms favored by both Detroit Renaissance and the Mayor—e.g., getting a permit from City Hall for new businesses to build on abandoned city land was inefficient and discouraging. A similar instance of unilateral disharmony on the public partner side was encountered by our BLC in Pittsburgh, where City Hall was in synch with the ACCD on strategies for encouraging entrepreneurial startups in the Pittsburgh area, but was blocked in its implementation efforts by the maze of archaic county and regional regulations that had to be navigated by new business prospects.

Unilateral disharmony on the corporate side occurred with the organizational upheavals created by the industrial restructuring and mergers of the late 1980's and early 90s, which hobbled the response capacities of most of the major city BLCs. Such economic turmoil created what DiGaetano (1997) calls “power failures” in business leadership. Such times tested the resiliency and leadership and institutionalization of community service that existed among the BLCs, and while some were able to bounce back (like the MBP in Minnesota or the Pittsburgh ACCD), others, like Boston's Vault, fell into decline and never recovered. Still others have a continual struggle to maintain the interest of their “globalized” CEOs in local issues. (Kanter 1995, *World Class: Thriving Locally in the Global Economy*, New York: Simon & Schuster)

The NYCP in New York also provides another example from the private/business side, of how internal disharmony can get in the way of either forming effective cross-sectoral partnerings, or of contributing optimally inside existing coalitions. Sites (1997), in his study of regimes in New York City, characterized commercial, business interests as being monolithic power blocs in their existence, endurance, functioning and agenda bias across different city administrations in NYC. His account gives the impression that these private sector actors always operated at peak efficiency. However, our BLC data paint a different picture of a major private coalition partner in New York, the NYCP, which because of inconsistent internal leadership, was unable to get from policy to action over several stretches of its existence from the 1980s to 1990s. This stood in contrast to the

clout it had previously wielded under the leadership of its founder, David Rockefeller. Things deteriorated to the point where some of its own members were beginning to question the organization's purpose and viability. It took the arrival of a new NYCP president and an invigorated board of CEOs in the mid-90s to turn that situation around.

What the above examples point up is that, even within a PPP which has the potential to act as a regime, circumstances arise, whether on the private or the public side of the coalition, which create functional asymmetries, or constraints on effectiveness, which reduce the cooperative capacity of at least one half of the partnership. In the cases we have just cited, the original coalition ceases to be "empowering" (Stone 1993), and becomes dysfunctional instead. Some internal housekeeping may need to be done to re-optimize a partner's ability to combine advocacy with action. For example, after the Detroit Renaissance got sidetracked into becoming largely an events and public entertainment impresario in the 1980s, they did a soul-searching self-evaluation of their mission and purpose. In 1991 DR reorganized itself, its mission and future direction, and undertook to re-focus its efforts on economic and physical development as of strategic importance to the city, eschewing the events agenda.

Finally, we encounter the extreme case where there is a complete disconnect between both sides of a potential partnership, which we characterize as "bilateral disharmony." This was the case in Boston in the 1970s when Mayor White came to power, and the ruling BLC, The Vault, fell out of favor. It "went underground" according to the Boston Globe (1999). The power and influence of the Vault had "peaked" during the Collins years, and its civic "clout" gradually diminished over the subsequent decades until its eventual extinction in the mid-90s.

The Boston experience also reveals that when traditional regime partners fall out of synch, the "healthy" partner does not necessarily wait until the "weak" partner recovers or re-coalesces with the public actors; rather they may move towards the formation of other more compatible coalitions with other partners in order to effect their civic agenda. In the case of Boston's Mayor White and the Vault, the antipathy between these particular public and private elites did not mean that the Mayor's office did not forge alliances with other private groups in order to promote its pro-growth agenda. And despite the demise of the obsolete Vault in the late 1990s, collective business leadership

still flourished in Boston in the form of other organizations, like the reborn Greater Boston Chamber of Commerce, or the Private Industry Council, or the Boston Municipal Research Bureau, ready to partner with City Hall in the service of mutual goals. Thus, while a particular BLC may not survive, others will arise to fill any leadership vacuum, and become alternative prospects or partners in city governance coalitions (Austin 2000a). And in contemporary Boston, no one partner is permanently in favor. If the partnerings of Boston's current Mayor Menino are any indication, more ad hoc, business/civic/political coalitions seem to be the preferred style. These reflect contemporary priorities by seemingly managing to be pro-business, pro-growth, and pro-community all at the same time (DiGaetano 1997). In such cases, partner attributes no longer confer exclusive rights to partnering but rather, in the language of sports, might make a private partner a "special team" for a particular project.

An obverse example of the Vault/White disharmony might be the case where the private partners in an ongoing coalition remain poised and ready to implement development projects, but the public partner changes tactics. This was the situation in Detroit during the years of Mayor Young's administration, when he moved from a "Corporatist" to a "Clientelistic" regime (DiGaetano & Lawless 1999), frustrating the Detroit Renaissance's attempts to move ahead with the Detroit Strategic plan. It was not until the accession to power of the new Mayor Archer in 1994, that the private partners got another chance to reinvent a Corporatist/Progrowth regime with the public sector.

At the start of this article we raised the question of an 'internal' challenge to BLC effectiveness, namely, how does it maintain the investment and commitment of its members across generations of business leaders? This challenge points to the endurance and continuity that is needed to counteract the episodic swings of influence and participation experienced by all of our BLCs. We call this the challenge of institutionalizing the BLC role, and the more viable BLCs were the ones able to put down institutional roots to become reliable and enduring partners in urban coalitions, remaining capable of performing different functions at different times in a city's history. Cleveland and Minneapolis have managed to maintain their position and reputation as premier partnership candidates, thus limiting their experience of cyclical episodes of influence. The MBP in Minneapolis has an exceptional record of institutionalizing its mission by a

process of CEO acculturation into civic life that assures that the torch is passed from one generation of business leaders to the next. Minneapolis's tradition of community service goes back to its famous founding families, but the MBP faces the same modern challenges as other BLCs of blending "outsider" CEOs of multi-nationals into the fabric of its civic life. The MBP in Minneapolis is subject to the same cyclical forces that Detroit or NYC have faced, but it has institutionalized processes in place for assuring leadership cohesion across generations of business leaders. Granted, it does not have the same magnitude of problems of race and social class division to deal with that Detroit and NYC have, but its traditions have also meant that its participation in the formation and maintenance of regimes has been more enduring and consistent.

External Challenges: Context, Capacity, & Cyclicity

We shift our focus from internal to external challenges, and conclude by considering some of the common environmental challenges to partnership effectiveness that have been recognized both in our BLC studies and in recent scholarly research in urban political economy (Stone 1989, 1993, DiGaetano 1989, 1997, DiGaetano & Klemanski 1993, DiGaetano & Lawless 1999, Sites, 1997, Henry & Salcines 1999, Kantor et al. 1997). As Table 1 indicates, the life span of the BLCs that we studied run from 20 to 50 years and still going. Within those spans, different organizations in different cities experienced different peaks and valleys of influence, effectiveness, and impact on city life. BLCs in cities like Atlanta, Cleveland, Pittsburgh, and Minneapolis were able to maintain a long history of civic tradition, a testimony to their survival skills and ability to renew themselves across generations of CEOs and across the cycles of good times and bad times that all cities experienced. In cities like Boston and Detroit, on the other hand, the viability and influence of the local BLC waxed and waned in episodic fashion.

We identified three critical variables which impacted the operation and effectiveness of BLCs and cross-sectoral coalitions—the context which determines opportunity, the capacity that determines viability and effectiveness, and the effect of cyclicity on a coalition's endurance and survivability. These factors are not intended to

be mutually exclusive since context, capacity and cyclicalness can all interact to facilitate or inhibit effective partnering.

1. The Role of Context

The impact, leadership, effectiveness and fortunes of any given BLC may fluctuate over a period of time as a function of several interacting environmental variables. First, the political climate, and particularly the civil politics of the Mayor's office at any given time, can be a very powerful contextual determinant of the opportunities for, and the viability of, cross-sectoral partnerships. For instance, local racial politics in Atlanta from the 1970s onwards changed the local social and political climate in which CAP had been accustomed to operate, and the challenge to change its traditional way of doing things stimulated it to change tactics, broaden its membership tent, and share power in order to maintain its influence.

Second, changes in the socio-economic climate and the local, regional, or national operational context during different periods of a BLC's existence (DiGaetano & Klemanski 1999) affected all our cities. For example, in Pittsburgh, business leaders struggled with economic challenges during the 1970s, 1980s, and early 1990s, challenges which reflected changing local and national employment trends. As an old industrial city, it found itself with a large population of older workers who lacked the skills needed for the new economy. In response to this changed context, ACCD leaders like Sarni and Mehrabian led the development of long range plans during 1991-1993 which helped Pittsburgh to draw upon its university and high tech resources to reinvent and diversify its industrial base. These ACCD initiatives voiced new strategies for public-private sector partnerships and spearheaded collective efforts that drew on all sectors of the community — business, labor, government, educational and civic organizations, and foundations.

Like Pittsburgh, Detroit struggled continually with its legacy of deindustrialization and, in one sense, one might say that its operating context was predetermined by its history. An automobile recession in the early 1980s devastated its economy further, and this was exacerbated by federal cutbacks in urban aid during the 1980s. Contextual handicaps like these create opportunities as well as problems for urban alliances and, in this case, Detroit is a good example of how the civic engagement of business leaders is not only impacted by context, but also of how they themselves

contribute to context. Once a BLC enters the civic arena, they themselves become one of the contextual forces of change through their investments, lobbying, and policy advocacy. The Detroit Renaissance, along with other business leaders and politicians, played a key role in the 1990s to help Detroit secure a designation as a federal economic empowerment zone, which provided the city with financial and technical support for investment and redevelopment. This particular change of context put a feather in Mayor Archer's cap, and helped reestablish private-public sector relations that had been damaged during the previous city administration.

In Boston an economic downturn in the early 1990s not only constrained the response capacities of business leaders, but it also changed the context and priorities for Mayor Menino's administration, which had come to office riding on the wave of populist government sentiment generated by his predecessor Mayor Flynn. Menino had to shelve some of his grass roots agenda in favor of pro-growth development initiatives, so the nature and purpose of public-private coalitions during that period changed accordingly to reflect the new social and economic realities.

Thirdly, changes in the external environment which adversely affect the partnering capacity of the private sector can create internal changes in the BLC. A significant example of this was the corporate and economic changes in business practices during the business crises of the late 1980s and early 90s, when takeovers, mergers and restructurings radically altered many companies and industries, completely transforming some and obliterating others. Not all BLCs were well prepared to weather these economic storms. Many CEOs found themselves working for multi-national corporations that replaced local concerns with global ones. Such climatic changes challenged the internal fortitude of BLCs and their capacity for self-renewal and endurance. The shift from a "local" to a "global" corporate focus raised questions amongst our BLCs, as it did for DiGaetano & Klemanski (1993) in their study of Detroit, about the loyalty of new generations of business leaders. The New York City Partnership was particularly hard hit by such corporate restructuring. Its size and complexity make New York City different, and it had always been difficult for the local BLC to appeal to a disparate group of CEOs about their civic responsibility and their sense of civic engagement in local issues. The radical transformations of corporate life in the city after the late 1980s only exacerbated

the problem. It was a constant challenge for the recent president of NYCP, Robert Kiley, to get a share of his CEOs' scarce time, and to maintain member commitment and loyalty to New York issues.

In sum, context creates interdependencies and contingencies which determine how reactive, proactive, or even inactive a given BLC might be during different periods in its history. We might say that social, economic and political context operates as an "opportunity factor" which influences how successful a BLC can be as an agent for civic change. Because of such interdependencies, DiGaetano & Klemanski concluded that "the political-economic context of a city defines the tasks of urban governance" (1993, p.370).

2. The Role of Capacity.

The notion of capacity, that is, access to or control of organizational resources, determines how readily BLCs, or PPPs, or regimes, can get from policy to action. These resources and capacities can be external to a PPP or to potential individual participants in a PPP. Our BLC cities showed similarities and differences in their abilities to muster the resources necessary for implementing their policy agendas. In addition, quality of leadership was important for effecting the critical transition from blueprints to projects that impacted city life. A lot of attention has been paid recently in the urban studies literature to the related notions of capacity generation and resource identification and mobilization (DiGaetano & Klemanski 1993, DiGaetano 1989, 1997, Stone 1989, 1993, Keating 1991, Pepper 1997). Leadership cohesion, or "civic cooperation" (Stone 1989), is not deemed sufficient by itself to ensure adequate governing capacity whenever the task of maintaining and coordinating a regime becomes more difficult. A regime also needs to generate the right mix of organizational resources to address its tasks of agenda implementation.

Jon Pepper (1997), an editor for the Detroit News, conducting a review of urban revival in Detroit, identified the resources, or "organizational capacity" (DiGaetano 1989, 1997), that need to be assembled to sustain the emerging renaissance of his city:

“Some in government don't recognize that Detroit lacks the public resources to deal with the problems left by decades of abandonment. It must actively court and process more private resources or the renaissance will collapse. A real rebirth is a matter of strategic thinking, collaboration, investment, political reform and a more frank discussion of where we really are. It's an extremely fragile process that can break into bitterness and distrust under slight pressure.”
(Detroit News, 5/4/97)

Pepper provides us here with a list of the minimal competencies and resources required to make public-private partnerships work on behalf of civic enterprise. Stone (1993) and Keating (1991) have similarly identified some of the content of the “basket” of resources that need to be controlled by effective alliances. For Stone’s “Development Regime” type (1993, p.19), the necessary resources include “legal authority, private investment monies, development expertise, transaction links within the business sector, and public funds for various forms of subsidy.”[Footnote] When the challenge is the restructuring of a deindustrializing urban economy (like Cleveland, Detroit, or Pittsburgh), capacity for solution means drawing on nongovernment resources and enlisting nongovernment actors. When it comes to capacity for governance, BLCs qualify as necessary and essential partners who bring capacity generation and considerable resources to the municipal table, as Cleveland Tomorrow did by pulling together expertise and funding to be a catalyst for civic policy agendas that rehabbed deteriorating downtown areas.

As a BLC matures and its civic role evolves, so too does the nature of the organizational resources it requires to engage in civic ventures. Instead of running development projects, capacity building may come to mean the acquisition of expertise to enhance the BLC’s role as policy advocate. An example was Detroit Renaissance’s hiring of Paul Hillegonds, ex-speaker of the Michigan House of Representatives, to be its new President in 1997. Such relationship managers add a lot of extra capacity to a BLC—they bring with them their network of liaisons in the public sector, and their understanding of, and credibility with, that community. Working out of a BLC, they can influence state legislation that might determine the attractiveness of a city or a region for outside investors, e.g., by lobbying for tax breaks for new investments, or (as in Detroit’s case)

working with federal and state regulators to create an economic empowerment zone for their city.

The Detroit case shows that not only do governing coalitions require the creation of partnerships that cut across public and private sectors, but also that the control of adequate and appropriate resources depends on leveraging a network of resources across actors and agencies (John & Cole 1998). Another example of acquiring access to a network of multi-sector resources was Dan Sweat, known popularly as “Mr. Atlanta”, who worked in an executive capacity on behalf of two major Atlanta BLCs—CAP (President), and Jimmy Carter’s The Atlanta Project (Executive Director) between 1973 and 1994—and was a major architect of many effective PPPs in that city.

3. The Cyclical Nature of BLC Partnerings

We conclude this discussion of challenges to effective partnering by considering our third determining factor, namely, the apparently cyclical nature of cross-sectoral governance arrangements, mirrored in the rise and fall of BLC fortunes in different cities, showing upswings and downswings of viability and effectiveness across the years of their existence (Rigos & Paulsen 1996). In their study of Detroit, DiGaetano & Klemanski (1993) raised this issue when they posed a question about the lack of consistent commitment across new generations of economic leaders which could create discontinuities in governance alliances. They noted that the cohesiveness of Detroit’s governing coalitions could show signs of deterioration over time and suggested that new generations of business leaders may not always share the same civic values and concerns as their forebears. The fortunes of a given city BLC (and any associated PPP) in our study cohort could fluctuate widely across decades, across city administrations, and across cycles of economic upswings and downturns, for a variety of reasons. For example, Pittsburgh’s ACCD has gone through at least three self-styled “Renaissances” to denote the fact that its fortunes slipped at certain periods in its life-span for political or economic reasons. Each time it has engineered a comeback by forging a different kind of leadership cohesion, by redefining its agenda, and by aggregating a different mix of organizational resources.

We do not want to create the impression that BLCs turn on or off as agents in the civic arena at different times during their history. When we speak of the cyclical nature of

BLC and/or regime operations, we are talking about periods or episodes of peaks or troughs of influence in civic life. We invoke our previous distinction between a BLC's civic engagement in general (Part II), and its participation in particular PPPs or regimes for urban governance purposes (Part III), to make the point that the phenomenon of cyclicity really applies mainly to the latter situation where participation in governance alliances could fluctuate during a BLC's life span. By contrast, nearly all of our BLCs managed to demonstrate less episodic variation, and more stability and longevity, in their heterogeneous, multi-purpose civic engagements. [Footnote]

It is obviously difficult to separate cyclical episodes from the other two factors of context and capacity that we have been discussing, particularly regarding economic and political contexts. The political election cycle brings new players and new agendas to city hall and these can disrupt continuity of relationships with the private sector. We already saw, for instance, how relations changed between City Hall and The Vault in Boston, when Mayor White came to power. But as the doors of opportunity clanged shut for the Vault, they opened for other business leadership organizations. And when Ray Flynn succeeded White as Mayor he created opportunities for yet another, different mix of public and private partnerings which added neighborhood and community group representation to the negotiating table.

The survivability of BLCs and regimes alike depend on adaptability, and we agree completely with DiGaetano and Klemanski's finding that "long-standing regimes... must constantly be adjusted and renewed." (1993, p. 382). The ability of political, economic, and business elites to forge progrowth regimes demonstrates a minimal level of start-up competence. After that, whether a regime will have "legs" or not depends on a whole host of contextual factors, over which all the public and private players in the governing coalition may have limited control. In addition to elements like "commitment to community" and "civic pride", PPPs need to add "flexibility" and "stamina" to their viability equation.

CONCLUSION

Regime theory has contributed important frameworks and insights for understanding urban governance. Our hope is that this article has enriched the analytical frameworks and deepened the insights by providing a fuller understanding of the business sector's involvement in Public Private Partnerships, and hence, in urban governance regimes. Business Leadership Coalitions play important roles in American Cities. By amplifying regime theory typologies and analyses to encompass the heterogeneous engagement portfolio of businesses and their BLCs, we will be able to attain a richer and more realistic comprehension of the dynamics and contributions of PPPs. And that understanding, hopefully, will contribute to the realization of their full potential for contributing to the vitality of our cities.

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