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How Nonprofit Organizations Create Public Value

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PPPs: How Nonprofit Organizations Create Public Value

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Abstract

The scholarship on public value has emanated largely from the perspective of government and public management. As valuable as this conceptualization may be, we suggest that public value in the United States can be created by a combination of government, business and nonprofit actors. We argue that nonprofit organizations have been overlooked in the public value literature – an unfortunate reality that does not accurately reflect the nonprofit sector's significant contributions. In many respects, creating public value is a primary raison d'etre for the American nonprofit sector. To elaborate and support this argument, we present an in-depth analysis of five case examples of public private partnerships (PPPs) involving nonprofit organizations in Cleveland, Ohio. The five PPP cases explored offer insights to public policy-makers, who might apply new, yet familiar strategies to make use of the nonprofit sector's ability to create public value.

Keywords: nonprofit organization role in public value; Cleveland public private partnerships; civil society, public value, nonprofit, public private partnerships, PPP.

Introduction

Since the term “public value” was coined (Moore, 1995) and refined as “public values” (Bozeman, 2002, 2007), scholars of public administration and related fields have considered the concept primarily from the perspective of the public sector and for the purpose of public management (Williams and Shearer, 2011; Benington, 2011; O’Flynn, 2007; Alford and Hughes, 2007). From the public sector perspective, public value is advanced when government makes contributions to society to benefit the public good. These contributions might be tangible – infrastructure or tax collections – or intangible – increased citizen participation or awareness (Stoker, 2006). In his original conception, Moore also suggested that public may also align with the sensibilities of public administrators, managers and policy makers, whose aspirations, vision, and strategies to manage relationships with nonprofit organizations to serve the public during unsettled times (Moore, 2000). According to Jorgensen and Bozeman (2007, p. 361-362), public values are principles guiding public managers that contribute to the common good and possess elements of altruism. Public values are sustainable environmentally and financially and stimulate the public to perceive government as stable, dignified and trustworthy (Alford and Hughes, 2007; Stoker, 2006). An extensive literature review on the topic by the Warwick Business School’s Institute of Governance & Public Management (Williams and Shearer, 2010, 2011) confirms these observations. Although we recognize these contributions of the public administration/management literature, in this essay, we argue that nonprofit organizations create public value in important ways that have been largely overlooked by scholars and policy makers.

In making the case that nonprofit organizations have an important role in creating public value, we suggest public value is weighted less toward financial performance, efficiency and the "good that government can do through policy and public management innovation and entrepreneurialism" (O'Flynn, 2007; Levi, 1996; Roberts, 1992) and more toward the facilitating, intermediary and partnership contributions nonprofits make in their interactions with government, the private sector and individuals (Thomson and Perry, 2006). We also suggest that the work that nonprofit organizations perform can induce a more engaged citizenry and the inter-connections that strengthen social capital and a stronger civil society, (Mendel, 2010; Smith, 2000; Putnam, 1993; Berger and Neuhaus, 1996). By bridging the gap between public policy formulation and practical implementation (Mendel, 2003), nonprofits generate public value and honor the public values that underpin a vibrant American civil society.

In this article we suggest that nonprofit organizations contribute to the creation of public value in at least three ways: mission fulfillment, involvement in public-private partnerships, and assumption of a stewardship role. Through mission fulfillment, a nonprofit organization can produce impacts on the rest of society (Bryson, 2011; Salamon, 2002; Rojas, 2000; Herman and Renz, 1999). Public-private partnerships are a special class of relationships that nonprofits can form with government and business to pursue societal goals (Mendel and Brudney, 2012; Wettenhall 2003; Squires, 1989; Swanstrom, 1985). Finally, the stewardship role allows nonprofits to provide institutional space and constructive tension through which collaboration can incubate and thrive (Stone and Ostrower, 2007; Powell and Steinberg, 2006; Van Til, 2000; Drucker, 1990).

Although our cases emanate from a single municipality, we believe that they are representative of nonprofit activity throughout the U.S. (Mendel and Brudney, 2012). To understand the role nonprofit organizations play in public value creation, we offer a framework derived from mission achievement outcomes, involvement in PPPs that include public and private members, and nonprofit organization stewardship in providing the "third space" essential to inter-sectoral collaboration. We also consider the literature and relevant scholarly attention devoted to nonprofit organizations with respect to creating public value.

The argument for the participation of nonprofit organizations in creating public value is supported by an in-depth analysis of public-private partnerships (PPPs) in Cleveland, Ohio. These case examples involve public, private and nonprofit players in order to produce public value outcomes. Each case illustrates the role of nonprofit organizations in creating public value and provides lessons for public policy makers in their attempts to amplify public tax dollar investments to the greatest degree possible, insure best practice for public oversight of government-nonprofit contractual arrangements, and craft evaluative measures for nonprofit organization performance and fiscal accountability.

Public Value and the Nonprofit Sector

Although "public value" is not often recognized by this name, students of the nonprofit sector and civil society in the United States will likely recognize it as a familiar concept. In the context of the nonprofit sector, "public value" arises as an outcome of the intermediary and facilitating processes nonprofit organizations employ as they strive to achieve their organizational missions (Mendel 2003). Public value also results as nonprofits perform their work and serve constituents, form and strengthen social networks, sustain social capital, build community and nurture the bonds of trust that comprise civil society (Mendel, 2010, Bozeman 2007; Salamon 2002 and 1995). In many respects, creating public value is a primary raison d'etre for the American nonprofit sector.

Nonprofits also contribute to the conditions and attainment of public value (and values) through their relationships with the public sector. As Dennis Young (2000) explains, nonprofit organizations operate independently as supplements to, complements of, or in opposition to government. These relationships might include partnerships or mutual accountability. Through their relationships with government, nonprofits are likely to stimulate unanticipated public values and benefits in the form of "intangibles," such as positive participant feelings, improvements in the environment, or re-directed public dollars through advocacy (Benington, 2011; Mendel, 2010; Jorgensen and Bozeman, 2007; Stoker, 2006).

Nonprofits can also generate public value by serving as mission or values guardians in public-private collaboration processes. In public-private partnerships (PPPs), nonprofits often provide the formal "institution" or "home" of the endeavor, creating a "third space" for meetings and collaborative PPP arrangements (Mendel and Brudney, 2012; Van Til, 2000). Unlike public bureaucracies, nonprofit organizations can deliver contracted services to fulfill the partnership, negotiate with public and private parties, and operate in a less hindered way to attain public values. In doing so, the nonprofit enables stakeholders whose "day jobs" are in government or businesses to engage more freely in thinking, planning and implementing collaborative endeavors.

This stewardship role allows nonprofits to take responsibility for inter-sectoral collaboration processes and facilitate the incubation, development, vetting and experimentation of policy innovation in ways that better advance public value (Mendel and Brudney, 2012).

Finally, in the nonprofit literature on civil society in the United States, government, business, and nonprofit organizations advance public values by participating in the decision-making process regarding public and private resources (Benington, 2011; Mendel, 2010). If we accept Bozeman's (2007, p. 13) belief that "public values" arise through the normative consensus of individual rights and obligations, then public value is also created when public, private and nonprofit actors establish conditions for individuals to follow their interests. When nonprofits engage in and utilize advocacy to influence the creation of public policy and hold public and private actors accountable, this "push-and-pull" is a manifestation of stewardship and a public value in itself (Boris, 2006, Salamon, 1995).

Nonprofit origins of public value in the U.S.

To understand the implications for twenty first century policy makers predisposed to stimulate public value through public-private partnership with nonprofit organizations, we draw attention to the historical threads of connection between present day and the origins of the nonprofit sector in the United States (Powell and Clemens, 1998 pp. xiii-xvi; O'Connell, 1983). Beginning with the first days of European settlement on the North American continent, collaboration among individuals arose because of an urgent common purpose in physical survival. Soon after, as life in the rough countryside attained routine, the goal of achieving an economic profit directed the shared endeavors of individuals. In the absence of both local government and legitimate officially sanctioned public authority, individuals pooled resources and responsibilities for the benefit of the larger community. Although they did not refer to it in the same way we do today, the early colonists created *public value* in the collaborative, protected space they crafted to gather the materials needed for business enterprise, commerce and the achievement of personal wealth (Mendel, 2011; Hammack, 1998).

Over time, the traditions of informal association and collaboration became essential for land-owning and enterprising residents of colonial North America in order to make decisions in the pursuit of their self-interests and a perceived public value. Public value of this era was marked by two characteristics. First, although individuals preferred to self-sustain, they would band together for the public good when it was in their best interest. Second, early Americans would seek public value through the actions and policies of government that rewarded individual efforts, encouraged the pursuit of wealth, and limited public authority, size, and expense (Hall, 1992; Hartz, 1955; Hofstadter, 1955).

Tracing the historical thread of connection through the 1800 and 1900s, informal private cooperation and association bridged the gap left by public policy directed institutions that were not up to the task of fulfilling the political, social and economic needs of communities of the American frontier and later, in the fast growing twentieth century American cities (Bailyn, 1992; Bremner, 1960). Individuals recognized that public governance mediated by voluntary association or what we today refer to as "social capital," was a good policy that supported the conditions to create private wealth. This combination of public and private authority comprised what we might today consider a distinctive "civil society" (O'Connell, 2000). Today, we recognize these processes as outputs of public social, economic and political policies that drive nonprofits toward the public good and the creation of public value.

Conceptual ambiguity of public value

The range of scholarship considering "public value" and "public values" is dense and not always clear. A comprehensive appraisal of 78 examples of published scholarship on the "public value" literature by Iestyn Williams and Heather Shearer (2011, 2010) acknowledges this problem. Williams and Shearer point out the heavy reliance on non-empirical case studies and vignettes as source material in research on the public value phenomenon, rather than use of more rigorously designed studies. Williams and Shearer (2010, p. 9) conclude that future research will require the development of theoretical and empirical foundations to increase understanding of "public value."

Williams and Shearer (2010) highlight that most of the public value scholarship originates from the perspective of public administration and public management. Despite the public administration-focused literature and the absence of competing theories from the for-profit and nonprofit sectors, public administration scholars have found little consensus on definition for "public value" or "public values" beyond the original, rather imprecise, concepts conceived by Mark Moore (1995, p.10) and elaborated by Barry Bozeman (2007, p. 13).

Common to the public value literature (Benington and Moore, 2011; Alford and Hughes, 2007) is emphasis on government as the primary actor and instigator in public value (Horner and Hutton, 2011). A noteworthy exception is Benington's (2011) explanation of a more complex system of public value creation that involves the overlap of civil society, the state, people, and the market, identified as “three nodes of networked governance” (Benington, 2011 pp 34-35). Aside from Benington, the literature casts nonprofits, businesses, and individuals as “second place” to government in the creation of public value. These subordinate actors make adjustments or changes in their behavior to align with government’s policy motives and actions (Crouch; 2011; Mulgan, 2011; Hartley, 2011).

The little scholarship rooted in other fields such as business management and the nonprofit sector suggests different explanations of what public value may be and how it is generated. Business theory observes public value as those values that enable business enterprises to generate wealth in a setting of quality public services, low costs, and minimum regulations (Sabidussi, Bremmers et., al., 2012, p. 121). In this literature, the role of the public sector is to enable the generation of privately held wealth by creating a stable environment where the economy might allow business owners to meet the demands of the marketplace (Domhoff, 2005; Powell and DiMaggio, 1991). Public values are realized by rewarding individual effort, the pursuit of wealth, small government, and business enterprise – principles of American political tradition (Howell and Pearce, 2001; Greenberg, 1998; Chandler, 1977; Hofstadter, 1948).

Nonprofit sector theory observes public value as less in the domain of government and more in the province of individuals (Salamon, 2002). Public value is created when individuals trust public policy makers and public institutions, have faith in the economic and justice system and thus participate to achieve a measure of wealth from their own labors (Mendel, 2003; Hartz, 1955). Nonprofit scholarship suggests that nonprofits can generate and nurture public value in both specific and general ways, via certain programs or as standing institutions. For example, nonprofits act as advocates on behalf of constituents. In the most positive perspective of advocacy work, the nonprofits are feeding information back into the cycle of public policy-making and performing a checks-and-balances function on the power-brokers of the public and private sectors. In performing advocacy, nonprofits create a tension that comprises an over-sight and accountability function. Through this lens, advocacy by nonprofits creates the conditions for trust in policies by public authority and creates public value through the action of safeguarding the rights and responsibilities of the nonprofit's constituents (Powell and Steinberg, 2006).

Nonprofits and the creation of public value

It is well accepted that nonprofits enter into collaboration and partnership in their roles as intermediaries and facilitators with public institutions, private businesses and other nonprofits to seek effective mission achievement (Boris, 2006; Powell and Steinberg, 2002; Salamon, 2002; Smith, 2000; Young 2000). Nonprofit organizations form to accomplish specific purposes, creating temporary or permanent voluntary institutions and associations through which productive energy is marshaled. Nonprofit organizations make use of volunteers and, where resources permit, paid staff under the authority of an uncompensated board of directors. These actors together are able to create a public-civic value of camaraderie and fellowship, which also yields qualitative results within the scope of the organization's mission. Public value is created in this "third space" (Anheier, 2005; Salamon, 2002, 1995; Van Til, 2000)

Although we argue that nonprofit organizations create public value through mission fulfillment, public private partnerships, and stewardship of a "third space," we believe that a useful approach to understand and define "public value," and how it may differ from "public values" in the United States, lies in examining the way nonprofit organizations create public value through public-private partnerships PPPs describe a distinctive class of relationships involving government, businesses, and philanthropic institutions in the United States (Wettenhall 2003; Squires, 1989; Swanstrom, 1985).

The concept of PPP is closely aligned with the American political tradition in which government institutions foster an economic, political, legal, and social environment of collaboration supportive of public purposes, wealth generation, individualistic effort and smaller government (Howell and Pearce, 2001; Greenberg, 1998; Hofstadter, 1948). PPPs offer a way to focus and amplify the powers and resources of government, while mitigating the financial risks of investing in large-scale undertakings outside of the private, profit-making sector. For example, PPPs have been noted for providing a way to stimulate urban revitalization, enable complex actions such as changes in private land use and zoning, finance large public works projects using publicly-backed investment bonds, and leverage private business resources and the penchant for innovation (Jacobson and Choi, 2008; Carroll and Steane, 2000; Keating, Krumholz, Metzger, 1995). In the U.S., PPPs include contract-based service delivery. The partnerships are an expression of power: private business and civic and nonprofit leaders work in concert with government officials to plan and implement initiatives, which benefit the public good and private enterprise and build social capital (Powell and Steinberg, 2006; Putnam, 2000; Powell and DiMaggio, 1991).

Young (2006) argues that the private collaborative partners of the public sector can complement, supplement, and inform government through the delivery of services.

Other research, however, portrays partnerships as a form of leadership by public sector officials engaged in large-and small-scale projects with private business (Savas, 2005; Salamon, 2002; Waddock, 1988). To those in the private sector, PPPs offer an opportunity to shape public agendas (Glasbergen, 2007; Crane and Matten, 2004; Austin and McCaffrey, 2002). Public sector officials may justify the return-on-investment of PPPs with respect to increased business activity, employment opportunities and taxable wealth. Officials also acknowledge the sense of collective accountability and teamwork that can arise across the community through a joint participation of public, private and nonprofit interests, especially when the nonprofit organization plays a vital role in the process (Mendel, 2010 and 2003; Anheier, 2005; Himmelman, 1996).

Nonprofits, Public Private Partnership and Public Value

To substantiate our argument concerning the contribution of nonprofit organizations to creating public value, we provide a detailed analysis of five case examples of PPPs in Cleveland, Ohio. The cases involve a central nonprofit participant and demonstrate how this organization played a critical role in the attainment of public values. We focus on the activities of nonprofit organizations: in mission accomplishment, involvement in public-private partnership; and in the creation of a "third space" wherein the nonprofit provides a sanctuary retreat of time and place for public and private sector actors to engage in work to benefit individuals and their institutions. A more detailed description of the case examples can be found in Mendel and Brudney, 2012.

The Cleveland Development Foundation (CDF) provides the first case. CDF was established in 1954 by local business leaders to assist urban renewal and slum clearance efforts. Working closely with local government and the business establishment, the CDF provided financial and planning assistance for a number of urban projects in the 1950s and 1960s.

The second case example, University Circle Development Foundation/ University Circle Incorporated (UCDF/UCI), was formed in 1957 as the result of a study focusing on the need for future collective planning by University Circle neighborhoods and organizations in Cleveland. That same year, the nonprofit UCDF created a land bank to buy and assemble properties with the intent to turn them over to existing University Circle institutions, new organizations and private developers for retail, commercial, and residential projects benefiting the community. UCDF worked closely with the City of Cleveland and Cuyahoga County; the nonprofit assumed an important facilitating role in the administration of the region's Phase II Urban Renewal project, arising from the Housing Act of 1949, for these metropolitan governments.

The third case example was born under Cleveland Mayor George V. Voinovich. Facing default of bank loans in 1979, Mayor Voinovich organized a Task Force of local private industry executives to reduce administrative costs. These individuals donated the time, funds, and expertise of their companies to advise and reform the city bureaucracy and processes. The City re-organized ten departments and implemented a new accounting system with internal auditing capability. Tens of millions of dollars were re-allocated, and operating costs reduced.

The Task Force contributed directly to the founding of our fourth case example, Cleveland Tomorrow (CT), a private nonprofit civic organization that included chief executive officers of the largest companies of the greater Cleveland area. Drawing from the Task Force's influence and visible impact on pressing civic matters, CT was created to improve the long-term economic health of Cleveland. Capitalizing on the direct involvement of its members in local and regional economic development initiatives, CT served as an incubator for novel ideas and growth.

The fifth case, Neighborhood Progress Incorporated (NPI), was created in 1988 by Cleveland Tomorrow and area foundations. NPI is a nonprofit agency designed to focus attention, dollars, and other resources on Cleveland's neighborhood development projects, with an emphasis on housing. NPI worked closely with city and county government, private local and national funders, and businesses to preserve existing housing and to re-develop older housing stock in the urban community.

These five case examples constitute large-scale PPP initiatives in Cleveland over the past six decades. Involving public, private, and nonprofit participants. Table 1 places these cases within the framework of the three aspects of public value creation in relation to nonprofit organizations discussed above: mission fulfillment, participation in PPPs, and stewardship of a "third space."

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Analysis of the Case Examples

The executive leadership of Republic Steel Corporation set the terms and definition for the mission of the Cleveland Development Foundation (CDF). The CEO's intention was to provide clean and affordable housing for employees in a portion of the City that was riddled by crime, substandard housing, poor health, and polluted land

(Encyclopedia of Cleveland History, 1996, pp 233-234). Cleveland's Mayor at the time, Anthony J Celebrezze, encouraged policies that supported the private initiative. In forming the nonprofit CDF, Republic Steel and other private business owners convened local government leaders, and devised plans, raised funds, obtained private property through market purchases and use of the City's power-of-eminent domain. In stewardship of the working relationships between local and federal government, corporations and other stakeholders, CDF performed planning, convening, and coordinating work that no other public or private entity had the capacity, ability or mission undertake. CDF created public value through the platform it established for its partners, but also for city residents and businesses that benefited in future endeavors beyond the scope of its original mission.

In a similar manner, the UCDF/UCI case illustrates the power of nonprofit organizations. Like the CDF, the University Circle Development Foundation performed many functions in the pursuit of its mission, which led to the production of public value. The central feature of the University Circle neighborhood is a grand park open to the public in a part of Cleveland otherwise known for urban decay. In the course of mission achievement, the nonprofit UCI organization assumed many public sector responsibilities, such as land banking, institutional planning, coordination of facilities expansion, public safety, tax collection, and public works. In driving toward mission achievement, UCDF/UCI created a third space for collaborative efforts that included planning and implementing land use and acquisition, raising funds from private and public sources, and leveraging resources held by the region's major private, nonprofit, cultural, education and health institutions.

In the case of Mayor Voinovich's operations improvement Task Force, public value arose in a manner that scholars might easily recognize, through changes in public sector operating dollars, bureaucracy, procedures and program allocations. Like his predecessor Celebrezze, Voinovich encouraged policies that supported the initiative. Public value was also created through the formation of a "project team" of senior Cleveland corporate CEOs, who then used the experience to take on other major challenges such as regional economic development. Cleveland Tomorrow became their formal organization as a result of the work they performed on the Mayor's Task Force.

Using the model established by Cleveland Tomorrow, which demonstrated to the local philanthropic community the power of concentrated financial resources and the benefits that collaboration among local business leaders could bring, the Cleveland Foundation and the Premier Industrial Corporation Foundation created Neighborhood Progress Incorporated (NPI). NPI utilized the same principles implemented by senior executives in the Mayor's Task Force. Through Cleveland Tomorrow, NPI convened corporate leaders, city and county public sector officials, and national thought-leaders in housing, urban redevelopment, and the banking industry to address residential disinvestment in the City of Cleveland.

In each of the cases presented, a nonprofit served as a mechanism or third space through which motivated parties performed the work none could accomplish alone. Public policy setting authorities were active participants in each endeavor. Each cases offers examples of leveraged local resources with those of the national government, a locally implemented application of federal policy and demonstrable outcomes of public value creation.

Our analysis shows that public value arises from the joint activity of all three sectors of civil society, and that the actions of one sector can carry benefits for the others. The PPP case examples demonstrate public value creation through strategic alliances between business and government that are guided or "stewarded" by a nonprofit intermediary. The case examples demonstrate the importance of the partnerships in achieving public value outcomes when previously fallow or damaged land is renewed, public dollars produce infrastructure that spurs business opportunities and economic development, social services are more precisely targeted, and government operations are optimized.

In sum, our analysis suggests that public value may achieve its highest aspiration when the interests of public, private and nonprofit organizations unite in collaborative fashion to make best use of the policies, practices, and resources contributed by each member of the partnership. This view offers a departure from Moore's "Strategic triangle" (Moore, 1995, pp 70-72; Williams and Shearer, 2011 p. 5, and 2010, p. 16) in which he identifies the realm of public value confined within the intersection of strategic goals, the authorizing environment, and the operations capability of government. Rather than suggest public value arises and is realized through government actions alone, based on the case examples, we conclude that public value stems from the joint involvement of public, nonprofit and private for-profit actors. This view departs from Benington's (2011, pp. 34-37) conception of networked governance in which "civil society" is not differentiated from its nonprofit component. To the contrary, our analysis demonstrates the facilitating and intermediary roles nonprofit organizations can play in creating public value through mission achievement, participating in public-private partnerships, and offering a third space for interaction among the sectors.

Conclusions and Policy Implications

In understanding the limits on American government set in place in its earliest years and distinctive aspects of political tradition, we suggest that public value in the U.S., like civil society – an equally difficult concept to define - can arise through a combination of government, business and nonprofit actors and actions. We also note that if, as Mark Moore described, public value is an outcome of improved strategies and tactics employed by public managers (Moore, 1995, p. 4) or, as Bozeman suggests, it arises through a normative consensus (Bozeman, 2007, p 13), then defining and understanding public value theory may best be advanced if we take into account the differing perspectives of the phenomenon from all three sectors – public, private, and nonprofit.

"Public value" lies beyond the sole province of the public sector. It emanates from the allocation of public and private resources that are amplified in intended and unintended ways well beyond their original purpose through the actions of the other sector. Public value is achieved most fully when public, private and nonprofit sector players work together in making the best uses of the resources and contributions of the others in ways in which benefits arise to all.

The Cleveland public-private partnerships case examples that we have analyzed demonstrate the three aspects of the nonprofit-centric framework for the creation of public value consisting of mission achievement, involvement in PPPs, and stewardship of a third space. framework. Several features of public value are found consistently in the five PPP cases that have implications for public policy makers. First, the process of forming and carrying out the work of an initial partnership endeavor can stimulate the creation of additional successful associations uniting the actions of the public, profit, and nonprofit sectors in public value. The succeeding associations became formal nonprofit organizations in themselves that went on to carry out projects that created public value outside of the public sphere. Second, the creation of formal private, mission-driven nonprofit organizations led to the employment of dedicated professionals who served as the stewards of the PPP. The hiring and retention of staff had the concentrated technical expertise and knowledge in the PPP in ways that extended its work beyond its original aspirations. Third, the PPP enabled public sector leaders to delegate to private actors important public functions, such as land use planning, public safety, public works projects, and reforms of government bureaucracy that were important outcomes of the partnership. Fourth, as tracked by the participants and promoted in the local press, the amplification of resources by the nonprofit PPP member produced a "leveraged" return on investment for the public and private funding well in excess of the invested resources.

This discussion suggests implications for policy makers, who seek ways to amplify or leverage public tax dollar investments to the greatest degree possible, insure best practice for public oversight of these government-nonprofit contractual arrangements, and devise evaluative measures for nonprofit organization performance and fiscal accountability. First, we suggest that requests for proposals (RFPs) from all three sectors take into the circumstances that can help to foster PPPs. RFPs might include, for example, recognition of the importance of alignments of operational culture among organizations; needs for mission fulfillment on the part of each nonprofit partner organization; and the balance of organizational self-interest that move collaboration to successful outcomes. Second, these funding proposals might be conceived as a cooperative strategy to achieve some long-term public value, rather than as an isolated service delivery event or transaction. Third, we suggest that public value can serve as an over-arching outcome for nonprofit organizations and their partners, presenting a way that organizations and their funders can claim the work performed leads to a larger, observable and measureable impact. A connection can thus be established that traces public investment in a private nonprofit entity leading to a large-scale contribution to the benefit of the nonprofit, its constituents, and the larger community. As demonstrated by the case examples, such linkages can stimulate additional private investments in the form of funding and volunteer expertise and support that would not otherwise occur to pursue and attain public value outcomes.

Table 1. Analysis of Case Examples of Nonprofit Organizations Contributing to Public Value

Public Value Arising Through	Mission Fulfillment	Involvement in Public Private Partnership	"Third Space" Stewardship Role	Public Value created
Cleveland Development Foundation	Succeeded in stimulating planning and concentration of $2 million of private funds to leverage federal urban renewal funds and creating conditions for private development of downtown Cleveland	Private (business) sector initiative using the powers of government to create opportunities for development that neither the market or the public sector might create alone.	Independent organization that raised private funds, obtained public urban renewal dollars, fostered the development and facilitated implementation of first phase urban renewal plans in the City of Cleveland.	Improved public infrastructure such as roads, water and sewer and health; substandard housing demolition and assembly of parcels for future residential and commercial development.
University Circle Incorporated	Succeeded in creating a private land-bank using the authority of the public sector to accumulate properties and leverage public resources for the creation of privately own space enjoyed by the general public	Private (nonprofit) sector initiative using the powers of government to create opportunities for development that neither the market or the public sector might create alone.	Independent organization that courted philanthropy, performed land use planning/acquisition, negotiated between independent nonprofits and private landowners; performed public safety services.	Preservation and development of community assets in the form of cultural, health and higher education institutions; preservation of urban parklands; flood prevention and improved water drainage.
City of Cleveland Operations Task Force	Succeeded in attaining greater operational efficiency and costs savings of public bureaucracy arising through the voluntary	Public sector initiative requiring the expertise and resources of the private sector to over-come problems of long established bureaucracy	Informal association of senior corporate civic leaders who came to institutionalize their volunteerism in a private nonprofit to further their work of strengthening the public	Lower costs of local govern-ment; improved public services; greater access to public services by residents, business owners and others; improved social capital through participation of

	work of senior leadership of the business community	and limited political flexibility.	institutions of Cleveland to stimulate economic development.	civic leadership and other constituents in planning and process implementation.
Cleveland Tomorrow	Succeeded in creating formal programs to stimulate regional economic development by building and sustaining a practice of government- business leveraged dollars and planning for large-scale projects and endeavors.	Private (business and nonprofit) sector initiative leveraging public resources to identify and implement opportunities to advance regional economic develop-ment by research of issues, planning and convening public and private sector players.	Served as institution that incubated ideas and plans for regional economic development, then repeatedly served to convene key players, plan initiatives, provide intermediary and facilitator functions to realize those plans.	Improved conditions for economic performance of local and regional business endeavors. Established framework for planning and collaboration between public and private players.
Neighbor-hood Progress Incorporated	Succeeded in planning and coordination of neighbor-hood stabilization initiatives, housing rehabilitation and new construction by linking public, private and nonprofit organizations on a large scale.	Nonprofit sector initiative of the Cleveland philanthropic community to plan and coordinate neighborhood stabilization, housing rehabilitation and new construction by linking public, private and nonprofit organizations on a large scale.	Provided leadership in urban neighborhood stabilization, revitalization and new development. Facilitated collaboration among local community development corporations, philanthropy, lenders and the public sector.	Improved housing options and property values, opportunities for commercial business endeavors serving residents. Greater choices for citizens of Cleveland.

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