Reflections on Engagement

LESSONS FROM PHILANTHROPIC-GOVERNMENT
RELATIONS IN POLICY REFORM

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atlas LEARNING PROJECT

Foreword

Our Founder Chuck Feeney charged The Atlantic Philanthropies with building opportunity and making lasting improvements in the lives of disadvantaged and vulnerable people. He also wanted his wealth used to make a difference in his lifetime, to address urgent problems before they become more entrenched. That often meant taking on expansive, sometimes expensive challenges, while being both strategic and opportunistic. These priorities and Chuck's limited-life, Giving While Living approach to philanthropy have consistently informed our grantmaking choices.

Atlantic's work has often involved, even required, engaging directly or behind the scenes with national and local governments around the world—in the Republic of Ireland, Northern Ireland, Australia, Viet Nam, South Africa, Bermuda, Cuba, and the United States. Often, to effect policy and lasting systems change, we supported grantees who worked with or challenged government to do more, or better. These complementary roles and diverse contexts required drawing on an array of strategies and tactics—planning, co-funding/matching, advocacy, incubation, innovation, evaluating effectiveness and promoting accountability to the people.

So that others might learn from our experiences, we asked independent author Leila Fiester to examine the different ways Atlantic engaged with government to achieve common goals. Which strategies and tactics worked? Which didn't? What obstacles did we, our grantees, and government colleagues encounter?

Fiester's analysis is presented in two documents: *Roles of Engagement* and *Reflections on Engagement.* Collectively, they point to some key lessons for funders as well as for government officials, advocates, and service providers in how to engage governments in creating and reforming systems to meet the needs of all citizens.

For funders and new profit leaders—to see new possibilities to effect lasting improvements through government, to help government set policy, shape practice, allocate resources, and protect rights.

For government officials—to see philanthropy as a potential partner in exploring and developing new approaches, leveraging additional support and expertise, and upholding their public trust.

For scholars and students—to understand the complex dynamics and practices reflected in Atlantic's experiences in working with government, both key successes and persistent challenges.

With deep gratitude to all our funder, grantee, and government partners,

Christopher G. Oechsli
President and CEO, The Atlantic Philanthropies

Reflections on Engagement

R ecent years have seen several trends related to the intersection of philanthropy and government, especially in the United States:

- The designation of offices in various levels of government to oversee philanthropic relationships, and the designation of staff within some foundations to coordinate government relationships;[i]

- The rise of collective impact coalitions and the "citizen change-maker" movement;

- Ongoing debate over the best source of evidence to inform policy making (i.e., randomized control trials, a broader universe of knowledge, or both);

- The growth of social impact networks;

- A shift in corporate social responsibility toward investing in fewer issues with greater impact;

- Expansion of the Giving While Living movement, leading philanthropy to make more big-bet, systems-changing investments; and

- The pursuit of double and triple bottom lines, which prompted development of the social finance field, in which innovation funds, impact bonds, and impact investing target root causes and the drivers of change.

Those developments, along with the knowledge gained through the experiences of Atlantic and other funders, suggest that many new opportunities exist to improve social policy through philanthropic-government engagement. In response, this learning brief provides big-picture lessons gleaned

[i] Abramson, A., Soskis, B., and Toepler, S. (2012). "Public-Philanthropic Partnerships: Trends, Innovations, and Challenges." Council on Foundations, http://www.cof.org/content/public-philanthropic-partnerships, pp. 6-7.

from *Roles of Engagement*, a descriptive "landscape scan" of the strategies and tactics used by The Atlantic Philanthropies in Bermuda, Northern Ireland, the Republic of Ireland, South Africa, the United States, and Vietnam to engage with government in achieving policy results. *Roles of Engagement* describes:

- Types of relationships between philanthropy and government, including formal partnership, informal alliance, direct interaction between representatives of philanthropy and government, and indirect interaction between government and philanthropy via grantees;

- Key roles that philanthropy and government can play, including (for philanthropy): risk taker; developer of capacity; catalyst, thought leader, convener, connector; investor in research, evaluation, data, analysis, evidence; silent partner; watchdog; challenger; and (for government): listener; thought partner on needs and solutions; vehicle to scale up solutions; data provider;

- Strategies for engaging, including: dual tracks of influence inside and outside of government; strengthening or building infrastructure; and advocacy;

- Tactics for implementing the strategies, such as: addressing root causes; working form the ground up and the top down; creating networks of organizations; promoting bipartisanship; focusing on mid-level government engagement; and leading with ideas and results, not just money;

- Challenges and pitfalls in philanthropic-government engagement, such as: the slow pace of action within government and the public sector's aversion to risk; mutual suspicion; lack of long-term public operating support to follow philanthropic seed funding; power dynamics; deeply divided advocacy organizations; sustaining partnership and results through personnel changes in government; and lack of knowledge and support for nonprofits' roles in delivering services; and

- Solutions and success factors in philanthropic-government engagement, including: cultivation of long-term personal relationships; synergy and alignment between government and philanthropic

interests; negotiation of the relationship's goals, scope, focus, and processes; combination of multiple interventions into one policy-change agenda; flexibility and adaptiveness; local staffing by senior-level philanthropic staff; and champions within and outside government, both nationally and locally.

Despite the great variation possible in strategies and approaches across geographies — or perhaps because of it — the philanthropic-government engagements included in that study produced a rich set of lessons and insights, which we present here for readers in philanthropy who may not have previously engaged with government but may be interested in doing so.

The lessons here are written by independent consultant Leila Fiester based on interviews conducted with over two dozen Atlantic staff, grantees, consultants, evaluators, and former government representatives. The lessons, which are filtered through Atlantic's perspective on government-philanthropic engagement, are organized around five fundamental aspects of engagement that emerged as particularly important during this study: contextual factors, relationships, skills and capacities, strategies, and scale and sustainability.

Context

The contexts in which philanthropy and government operate directly influence the type of engagement that is possible and what it can achieve. It's important to consider context carefully when selecting and implementing engagement strategies.

The structure and theory of government, type of philanthropy involved, private- and social-sector environment, political and economic realities, social and cultural milieu, and public concerns of the day all contribute to whether a given role, relationship, or strategy for engagement will succeed or fail. Because each contextual factor varies from one jurisdiction, state/province, and country to another, and one factor may be influenced by other factors that are present in that place, the mixture of factors at a particular place and time can be just as important as the presence of any one factor. Contextual factors can be anticipated, leveraged, or avoided when philanthropic and government collaborators:

- **Learn deeply about social, political, and economic ecosystems at the country, state/province, and local levels.** Invest time and grant dollars in understanding what issues are at stake and for whom, who the key players are and what they view as priorities, which structures and individuals have the authority and capacity to take appropriate action, and what levers can be used to achieve change.

- **Unpack assumptions.** Philanthropic partners might ask themselves whether an issue is relevant in a particular place; whether the philanthropy is considered a legitimate player on the issue; and what the root cause of the problem is in the given city, state, region, or country — not just in other places where the philanthropy has

operated. And government partners might ask whether government is maintaining the status quo because it works or because it is familiar or politically expedient, and whether expectations or concerns about the engagement are based on solid experience or just perceptions.

- **Understand the opportunities and limitations inherent in various contexts.** Government may be the most practical vehicle for delivering some services to vulnerable populations, and it is better positioned than any other stakeholder to sustain reforms through public policies. But government is vulnerable to public opinion, and fierce public opposition can make action practically impossible until the uproar subsides. Similarly, a philanthropy may have great credibility engaging in the public arena on one topic but none on others; or, previous negative experiences with public-private partnership may taint the environment too much for new engagement to gain traction. Recognizing these facts up front can lead to a multi-faceted strategy that increases the chance of positive results without placing unrealistic expectations on any one collaborator.

- **Recognize that contexts change, and adapt accordingly.** The leadership context is especially important: frequent changes in political leadership, especially among senior leaders, necessitate continuous attention to rebuilding relationships and realigning priorities.

Relationships

Philanthropic-government engagements sink or swim on the back of personal and institutional relationships, which require intentional and continuous investments of time, effort, and communication to form and survive.

Relationships between philanthropy and government may be more important even than total agreement on how to solve the problem at hand. The knowledge, energy, and access conveyed through interpersonal relationships give policy-reform efforts the prominence, authority, support, and momentum needed to achieve positive results. A relationship implies mutual obligation, which increases the likelihood that something will actually happen as a result of engagement. But relationships are tricky: There is always a risk of aligning with a government or philanthropy that loses public favor; and, at least in the United States, both parties have a stake in being seen as independent of the other.

Productive relationships evolve when philanthropic and government collaborators:

- **Allow time to develop relationships.** While individual leaders within philanthropy and government may form alliances quickly, it often takes time for the employees and grantees they manage to establish the same level of trust and understanding. Forcing the situation can backfire, especially if the proposed policy change involves a major shift in thinking about government's responsibilities.

- **Trust each other.** Assuming the relationship is based on collaboration rather than conflict (which is not always the case), trust is not just about believing that one's collaborators *will* follow through but about

believing the other party is *capable* of following through and *wants* to do so. In positive relationships, philanthropic partners realize that many people in government are skilled and committed to improving outcomes, despite the limitations of the larger system. Government collaborators realize that their philanthropic colleagues are working toward a shared goal without ulterior motives, and that even if they put outside pressure on the government system they will not attack or embarrass their government allies personally.

- **Codify formal cooperative relationships.** Creating a Memorandum of Understanding (MOU), including what each party will do and contribute, what role philanthropy will have as a decision maker, and mechanisms for dispute resolution—and then updating it periodically—gives both sides reassurance that the relationship is somewhat predictable and controllable. Other functions to codify may include memberships on steering committees and a process for evaluation. Spelling the relationship out may be especially useful for government collaborators, who operate under greater scrutiny and accountability than philanthropic colleagues.

- **Consider the relational implications of strategic decisions.** Philanthropy is accustomed to following its own course of action and expecting grantees to conform. Government has a different way of operating, and when the two sectors enter into a relationship there to be some give and take—usually on the part of philanthropy, which has more flexibility. Philanthropic partners may need to ask themselves, "If we give in a little on this decision, will the relationship benefit and, therefore, does that justify diverging from our normal way of doing business?

- **Plan for and recognize contexts that affect relationships.** Collaborators on both sides benefit from being ready for windows of opportunity to create or enhance the relationship, alert to the need to pivot when things don't work out as planned, and vigilant for signs that it's time to walk away.

Skills And Capacities

Philanthropy and government each can bring a valuable set of skills to engagement, without which success is unlikely—but both parties must cultivate and deploy those capacities intentionally and strategically.

For philanthropy, essential skills and capacities for engaging with government include:

- **Patience and persistence** to cultivate the slow-growing relationships that support engagement, keep pressure on decision makes, and stick with an issue or reform effort through many incremental steps.

- **Willingness** to use advocacy to pressure systems and policy makers, accept the risk of waiting several years for change to occur, and fund (or collaborate with other donors to fund) an entire movement while understanding that philanthropy cannot control the entire change process.

- **Knowledge**—not only of best practices for addressing specific issues but also of what 501(c)(3) philanthropic organizations legally can do to produce a favorable policy environment—**and courage** to exploit those tools appropriately.

- **Flexible spending**—the ability to make funds available quickly, to act on unanticipated and sometimes risky opportunities, and to support a wider variety of grantees than government can fund.

- **Staff** with the interpersonal skills needed to interact with people from different constituencies and cultures; the seniority, credibility, and long-standing relationships needed to broker connections across

sectors and units of government; and the ability to maintain a high degree of synergy among different pieces of work. When working internationally, staff should be located in-country.

- **Clear and bi-directional channels of communication,** including processes and expectations for grantees and partners to offer suggestions and criticism as part of an ongoing dialogue.

In government, useful skills and capacities include:

- **Top-level buy-in, participation, and sponsorship**—in the form of money and also senior-level involvement in planning and decision making on the issue, a willingness to advance the work through available means (e.g., internal memos and directives, public statements, legislative and administrative acts), and a high-level commitment to usher proposed changes through the governmental process.

- **A belief that change is possible** and is worth the discomfort of acknowledging problems and resolving them—not just making them disappear.

- **A deep awareness** of how the government representative's own agency or department operates, so that he or she can build support for the effort within it.

- **Willingness** to collaborate across departmental boundaries, which may involve setting up and maintaining new lines of communication.

- **Ability to implement and monitor new policies** after reforms are in place, which includes but is not limited to sustaining the changes financially.

Strategies

Effective strategies for philanthropic-government engagement are both intentional and adaptable, and they incorporate a keen awareness of contexts, relationships, skills, and capacities.

Key characteristics of effective strategies are summarized in the box at left. Strategies are most effective when philanthropic and government collaborators:

- **Are intentional and realistic,** considering opportunities and obstacles carefully (but expeditiously) before diving in. For instance, will it be necessary to build a new relationship or structure, or can existing elements be repurposed? Who are the major players already on the field, what motivates them, and what is most likely to bring them together productively? What is the appetite for the change within government, and how strong is it? If changing the narrative is a goal, how does the current narrative tap into pervasive values, and how will the proposed change better reflect those beliefs?

- **Are willing to take an unpopular position** as long as it is based on solid values and research. If the position stems from shared principles and irrefutable data, it may have more potential to unify diverse stakeholders than politically based positions do.

- **Find alignment among stakeholders' priorities.** Unless the parties share similar goals and priorities, engagement faces an uphill battle. Getting to alignment requires everyone to let go of the idea that their strategy is better than anyone else's.

- **Pair implementation strategies with investments** in developing partners' infrastructure and capacities for change, including capacity for self-advocacy, data analysis and research, community organizing, and interagency collaboration.

CHARACTERISTICS OF EFFECTIVE STRATEGIES

Clear goals, described in very specific terms. Abstract philanthropic concepts like "defending democracy" or "improving social justice," while worthy, are more difficult for government allies to engage on than specific goals such as preventing police from using discriminatory stop-and-frisk tactics or from terrorizing asylum seekers.

A broad pool of champions, allies, and grantees. Engaging partners from multiple sectors and levels (i.e., grassroots, nonprofit, advocacy, public systems; legislative, judicial, executive government) imparts legitimacy and increases the odds of achieving results.

A nuanced approach that involves listening, learning, and co-developing new solutions rather than imposing answers. Relationships are transparent, egalitarian, and mutually respectful.

A focus on winning the overall issue. Rather than putting too much faith in one element of the approach, an effective strategy pursues multiple champions and multiple paths to success. The strategy is flexible enough to pivot when planned actions fall short or new opportunities emerge.

- **Engage the populations and constituencies most affected** by the issue at hand. Mobilizing, organizing, and amplifying the voices of these people and organizations has moral value (do *with*, not *to* people); strategic value (it builds capacity for self-advocacy while creating market demand and authentic local ownership); and practical value (it creates momentum for government to act).

- **Exchange ideas, data, and knowledge as well as money.** In successful strategies, money comes into play primarily as a tool for demonstrating approaches that government can take to scale and for building infrastructure and capacities, including knowledge and connections. The relationships deployed by these strategies are based not only on financial partnership but on finding good ideas and using them to resolve problems.

Scale And Sustainability

Scaling up and sustaining the results of engagement require an approach that embeds new expectations and practices in multiple systems, structures, and levels of government—not merely expanding the reach of a specific program.

The opportunity to scale up programs and concepts, especially those involving services and supports, is a major reason that philanthropy seeks to engage with government. This rationale is based on the assumptions that government has a role to play in addressing social issues, society has a responsibility to take care of its most vulnerable members, and philanthropic dollars alone cannot meet the need for a given service or support. Those assumptions have fostered a long-held expectation that philanthropy's role is to test approaches, develop solutions, and present them to government to adopt and sustain.

That expectation shifted in recent years as economic crises in the United States and in Atlantic's geographies of interest caused governmental budget cuts, often leaving philanthropy to pick up defunded programs. As economies recovered, new questions with implications for philanthropic-government engagement emerged: Given the disparity in resources between government and philanthropy, how influential can philanthropy be in taking a program or practice to scale? And what does it really mean to "sustain" the work accomplished through philanthropic-government engagement? The experiences of Atlantic, its grantees, and government colleagues suggest these answers:

- **Aim to change policies and structures as well as programs.** Programs, while important, can only affect a relatively small number of people. Design programmatic solutions in conjunction with efforts to

change public policy, with the goal of scaling up the intervention by embedding it into the government's permanent structure and funding streams.

- **Invest enough money to achieve the desired scale of impact.** Big goals often require big money. Often, investing at scale requires several donors to join forces with each other as well as with government.

- **Use philanthropy's assets**—especially its ability to spend flexibly, act quickly, build public will, work across sectors and fields, and (through grantee organizations) connect with the people and communities most affected—not only to demonstrate the effectiveness of reforms but also to build intellectual, social, and political capital for future policy actions.

- **Support research and evaluation** as a way to fill knowledge gaps and create proof points. Neither grantees nor government can afford the evaluations that build the base of knowledge and evidence needed to redirect public policy, but philanthropy often can. Philanthropy also can build the evaluation capacity of grantees and government partners on specific topics and in specific places, through technical assistance and infrastructure grants.

- **Set intermediate targets and measures of success,** especially those that build a platform for future reforms (e.g., improved messaging about the issue, greater cohesion among advocacy groups). One important measure of sustainability is not just whether a specific policy reform remains intact but whether it leads to reform on other topics.

- **Plan ahead:** From the outset, link strategies and timelines for implementing changes to those for institutionalizing them in public policies and funding streams. Consider seeding a fund to continue the work that draw contributions from other public, private, and individual donors to take the original funder's place in the long term. (Atlantic did this by establishing a Human Rights Fund in Northern Ireland). Engage leaders from the agencies and departments involved in implementing the policy in discussions even before the policy is approved, so they understand the intent and are less likely to water it down as they apply their own lens to implementation.

- **Focus on sustaining outcomes rather than just sustaining programs and organizations.** This shifts the emphasis of engagement from individual relationships, which ultimately may end, to a shared understanding of results that will outlast the role of a particular philanthropy, the leadership of a particular government, or the existence of a particular grantee organization. It also may mean continuing to support implementation with philanthropic dollars for some time after achieving the policy "win."