

Nonprofit Policy Forum

Volume 3, Issue 1

2012

Article 7

Nonprofit-Public Partnerships for Local Development: Social Inputs in Policy Implementation

Alejandro Natal, *Universidad Autonoma Metropolitana*
William Brichter, *University of Texas at Austin*

Recommended Citation:

Natal, Alejandro and Brichter, William (2012) "Nonprofit-Public Partnerships for Local Development: Social Inputs in Policy Implementation," *Nonprofit Policy Forum*: Vol. 3: Iss. 1, Article 7.

DOI: 10.1515/2154-3348.1027

©2012 De Gruyter. All rights reserved.

Nonprofit-Public Partnerships for Local Development: Social Inputs in Policy Implementation

Alejandro Natal and William Brichter

Abstract

This paper analyzes a partnership between a civil society organization and a local government (CPP) for development planning in an emerging democracy. The paper shows that CPPs can promote better policy design and implementation of public policy by benefiting from the strengths of both nonprofits and government. The paper answers pending questions like, ‘in which contexts are CPPs effective?’, ‘what characteristics of nonprofits improve policy implementation?’, ‘how does the reputation and public trust that local nonprofits enjoy transfer to the partnership?’ and ‘to what extent does non-profit participation create more citizens engagement?’, among others. By answering these questions the paper shows the potential benefits that local government-nonprofits partnerships can bring to the policymaking process, but it also argues that effective CPPs are fraught with challenges. The paper demonstrates the need for more inclusive and identity-sensitive local governance mechanisms, and for institutional arrangements that anticipate conflict and address increasing inequalities and community disengagement. The paper shows that effective governance is a collaborative venture in which social inputs need to be taken into account in program design; and a shared vision of the common good needs to be built-up for policy implementation.

By exposing the tensions and conflicts of this governance experiment, the paper draws lessons for nonprofits, governments, and policymakers who seek to participate or design collaborative ventures.

The case studied is the program of Pueblos Magicos in Valle de Bravo, Mexico, an instructive object of study, which lessons are not unique to this small town in central Mexico, but common to towns experiencing rapid demographic and economic growth elsewhere.

KEYWORDS: government-nonprofit partnerships, local development, citizen's participation, policy implementation, social inputs, civic engagement

Author Notes: We want to thank to our students Cristo Vazques, Marissa Beach, Jennifer De Bruyn and Miriam Taylor whose essays and conversations make us reflect on some of our ideas about the studied CPP.

INTRODUCTION

This paper analyzes a partnership between a nonprofit organization and a local government for development planning in Mexico. It draws lessons for nonprofits, governments, and policymakers who seek to participate in or design collaborative ventures between these two actors.

One of the most significant challenges local governments face is growing societal diversity. Differences between individuals, households and communities in terms of income, wealth, property ownership, health, ethnicity, employment opportunities and adaptation to environmental pressures, to name a few, are escalating (Office of the Deputy Prime Minister, 2006). These challenges create pressures to identify local variations and differences among populations' needs and aspirations, and to find ways to provide for them appropriately. In most cases, this requires a shift in the structure of local governments and governance mechanisms and in how stakeholders voice their interests and make collective choices. As a result, local governments need to develop more participative forms of decision making to address the concerns of diverse and well-organized groups of citizens that actively participate in community affairs through civil-society organizations, or nonprofits¹, that voice their interests.

However, new governments often find that agencies inherited from previous administrations are ill equipped to involve citizens, as they are organized to implement vertical decision- making. New governments often create new agencies, expecting that they will foster democratic decision-making, balance power, and encourage accountability. Since these organizational transformations involve large-scale planning and strategic and administrative changes (Abramson and Lawrence 2001), they often face environmental, cognitive, and resource constraints (Van de Ven and Poole 1995). Moreover, the short terms in office of local governments make it difficult to complete such transformations. Consequently, institutional impasses, inadequacies and mismatches in policy implementation often appear, resulting in constituents' dissatisfaction with government performance.

One of the solutions local governments have found to this problem is to foster citizen engagement and participation², which helps governments add

¹ We are aware of the conceptual differences between *civil society* and *third sector* and therefore of the theoretical distinctions between the concepts of *civil society organization* and *nonprofits*. We have treated this discussion elsewhere, and in this paper we will use the term nonprofit for the sake of a broader understanding and to insert ourselves within the discussion of private-public partnerships.

² We understand citizens' participation as the active involvement of the citizens of a particular territory in the processes of publicly discussing, implementing or evaluating the public policies

legitimacy to policy implementation and retain the public's trust. Citizen involvement at the local level may take a wide range of forms, from monitoring committees and watchdog mechanisms, to advisory councils and committees that design of public policies, to the direct involvement of nonprofits in policy implementation. One participatory mechanism that has become particularly appealing is the establishment of partnerships between nonprofits and local governments.

Local governments have shown an increasing interest in uniting resources and political power with nonprofits (henceforth nonprofit-public partnerships or NPP). Since at the local level, nonprofits are central actors in public affairs, they can help local governments to address institutional impasses by conferring the reputation, public trust, legitimacy and community involvement that local nonprofits enjoy. In these partnerships the local government collaborates with nonprofit(s), in a horizontally structured policymaking process based on coordination rather than administrative hierarchies. Because of this plurality and horizontality, these partnerships have the potential to bring new voices into the decision making process, to reduce the transaction costs of policymaking, to foster collective action and to stimulate economic development³.

The advantages that NPPs can bring to local policy-making have been discussed in a number of contexts. One such context is the reduction of corruption. NPPs can help mitigate misappropriations because independent nonprofits can monitor resources administration and results. Since, in general, leaders of nonprofits are strongly committed to their cause and accountable to other citizens; they have fewer incentives to pander unconstructively to narrow interest groups.

NPPs also benefit policymaking through their capacity to negotiate agreements between different socio-economic groups within the community. Where the priorities of the wealthy and poor diverge, especially in contexts where differences in wealth are paralleled by differences in culture or language, nonprofits can bring diverse voices into policymaking, particularly the voices of sectors that traditionally lack influence (see Ascher and Healy, 1990). Nonprofits are also experienced in mediating discussions among different stakeholders and in building consensus. NPPs can therefore capitalize on nonprofits' capacity to reach

that affect them. However, there are many different levels of participation and types of it (see Natal, 2002 for an ample discussion on them). Of special importance for this paper is the participation *with the* government, distinct from *lobbying* the government. The first refers to a long-term involvement within the policymaking process and may imply the creation of agencies or participatory bodies, while the second is more transitory and focused to enact certain legislation or to attend for a specific issue.

⁴ In Mexico, the term of local government offices is three years.

and negotiate with excluded groups, to dialogue with different stakeholders and to forge a common understanding of collective goals.

The incorporation of identity into policymaking represents another potential function of NPPs. A nonprofit with a strong sense of community traditions and identity can help government incorporate these intangible elements into policymaking (see Bartra, Cobo and Paz, 2004). While no nonprofit can ensure that community identity will remain forever unchanged, they can give the community a say in how it adapts to changing economic and social circumstances without losing its uniqueness.

Another area where nonprofits help policymaking is in developing a base of support for public initiatives. Since nonprofits' success depends on collaboration and cooperation, they have learned to cultivate a public image that inspires people to be a part of the organization's work. NPPs can take advantage of nonprofit's experience in cultivating community engagement and use it to construct community ownership for socially grounded initiatives, and encourage stakeholders to hold one another accountable for the success or failure of policy implementation (see Schild, 1997).

Providing project continuity across administrative terms is another contribution nonprofits can bring to policy making. Short terms in office⁴, while designed to curtail excessive power, can weaken project administration. First, they reduce politicians' incentives to undertake ambitious projects since they will not be in office to see their completion. Second, politicians often spurn policies enacted by previous parties, since some credit would accrue to their political opponents, which frequently results in discontinuity in policy implementation. NPPs combat these structural obstacles by stressing the need for ambitious policies, assisting with community engagement and, maintaining momentum for policy implementation across successive administrations (see Bolos, 2003). When public initiatives have the support of popular and respected nonprofits, governments will be less likely to abandon projects out of political considerations.

While nonprofits can be an advantage for policy implementation, they can also profit from their alliance with governments. First, government resources can help to scale up their impact and to realize more ambitious ideas and projects. Second, by having force of law on its side, nonprofits can also influence regulation and implement programs that need not only "carrots", but "sticks" as well. Third, the alliance may enhance its standing within the community through its greater role in local governance.

While NPPs can, in theory, promote better policy design and implementation of public policy by benefiting from the strengths of both nonprofits and government, the merits of NPPs in practice have not been fully

⁴ In Mexico, the term of local government offices is three years.

evaluated (see Natal, 2002). In this paper we want to contribute to answering pending questions like, ‘Which factors make NPPs effective and which make them ineffective?’ ‘What characteristics of nonprofits improve policy implementation?’ and ‘To what extent does non-profit participation foster citizens engagement?’

In so doing we have studied a partnership between a nonprofit and a local government in central Mexico, under the federal program *Pueblos Mágicos*. For this study, we undertook participant observation from 2001 to 2003 during one term of the government of Valle de Bravo, a town in the state of Mexico. During this time we participated in a number of activities with the partnership, including workshops, meetings, and town hall meetings where the population at large exchanged their points of view and concerns. Then, we conducted 36 interviews, which included all relevant actors, NGO leaders, and local officials participating in the partnership, as well as civil society leaders and other relevant stakeholders. We returned to the town in 2006 and re-interviewed key actors (19) in total, to see how their perceptions of what had happened changed over time. We then systematized these data to explore the difficulties in project implementation with a NPP. Through this study, we intend to derive lessons for policymakers that may be not evident from the outset.⁵

To present these reflections we first introduce the program under which the partnership was formed. In a second section, we discuss contextual issues of the municipality in which the program was to be implemented and describe the main achievements and problems the partnership faced. In a third section, we analyze what went wrong in the partnership studied, and in the fourth we conclude with ideas for policy improvement.

I. PUEBLOS MÁGICOS: THE PROGRAM

In 2001, Mexico’s Federal Secretariat of Tourism instituted the program *Pueblos Mágicos* (Magical Towns), to provide funds to qualifying towns to increase infrastructure, conserve heritage, and improve local services. The objective was to make these towns destinations for national and international tourists seeking to explore Mexico’s cultural and historical heritage. Among other requirements, eligible towns must have significant historical and architectural legacy, unique

⁵ We want to thank to our students Cristo Vazques, Marissa Beach, Jennifer De Bruyn, Miriam Taylor and Nashielly Victoria whose essays and conversations make us reflect on some of our ideas about the studied NPP.

cultural traditions, infrastructure to support visitors, and effective enforcement of public safety.⁶

One key element of this program was that, in order for local governments to receive funding, they were required to partner with a nonprofit that would aid in planning, certify projects, and monitor implementation of all projects that use federal funds. The program required the nonprofit to include prominent members of the community. The partnership was meant to give local actors a voice in all levels of government and was expected to function as a forum in which relevant local stakeholders could work together to promote economic development through tourism. The partnership had substantial leeway in choosing the projects they pursued – the only stipulation was that funds be used for project implementation and not for salaries, management or planning.

II. VALLE DE BRAVO: A COMPLEX PUEBLO MAGICO

After the construction of a picturesque reservoir in the 1940s, Valle de Bravo's quiet life saw important urban and demographic changes. Since then, the native-born, lifelong residents, saw the arrival of wealthy urbanites who own or rent properties for use as weekend retreats, the so-called '*neovallesanos*' – independent young professionals who have migrated to enjoy the town's beautiful, relaxing atmosphere. The town also saw an influx of poorer and less educated migrants who came to take advantage of job opportunities (Velázquez, 2008). After more than fifty years, the heterogeneity of this population presents a fragmented social structure uncommon to small towns, and more similar to the dynamics of larger cities. In such an environment, different groups have distinct development interests and needs that converge in two forms of perceiving the town.

The first is inward-oriented, held by weekenders and *neovallesanos* with strong cultural and economic ties to other urban centers, particularly Mexico City, who see the identity of the town in its landscape and heritage, and equate its development with environmental sustainability and historical preservation. Supporters of this view wield substantial human and economic resources, as well as voice in the federal government, although they hold little sway in local affairs.

The other viewpoint offers a competing, outward orientation. It comprises local residents and migrants, generally poor and less educated. They associate development with employment and urbanization, and are less concerned with the environment or heritage. Advocates to this view are atomized, belonging to less cohesive interest networks. They communicate through fluid, informal channels,

⁶ See http://www.sectur.gob.mx/work/sites/sectur/resources/LocalContent/15142/16/Reglas_de_operacion.pdf

and influence policy through diffuse and unstructured advocacy with local government.

In general, the interactions among these competing views are limited and peaceful. However, in the sphere of public affairs, tension arises as each seeks to influence local government. One would expect that in this state of affairs, local government would either intend to build consensus through dialogue between conflicting views, or would adhere to the interests of powerful socio-political groups. However, contrary to expectations, local government does not respond to the wealthy weekend population or to the poorer constituency. Instead, local government exhibits social and political stagnation, due to previous administrations that did not succeed in understanding and adapting to the changing social reality of the town.

This state of affairs stems from a local political climate that is more attuned to party politics at the state and national level than local issues, and which consequently reacts to incentives and processes that are not a part of the local reality. This has caused local government to systematically lose its (a) locality because it does not respond to local interests or needs, inhibiting its capacity to participate in constructing a shared vision for the town; (b) stability, since it has been unable to mediate between different interests who affect and are affected by policy implementation; (c) social operability: since it does not connect or deal with the increasingly complex social groups in engaging support for its projects; and (d) representational capacity, since local government policies do not respond to the needs of its electorate but rather to its interactions with other centers of power.

As a result of an ineffective, misaligned local government, citizens found it difficult to participate in the policymaking process. The wealthy and well connected did so through nonprofits and other networks outside Valle de Bravo itself, achieving relative success in specific issues, but minimal influence in local policies. Poorer residents had far less voice in shaping public discourse and policy. This was compounded by the incapacity of the different groups to construct an extra-governmental space for dialogue. In a context marked by significant differences in income, opportunities, social mobility, race, language, and education, this lack of participation and dialogue led to social conflict.

The creation of a NPP was therefore an ideal opportunity to bring local government to life and help civil society to deal with their diverging views by providing a space for encounter, communication and negotiation between different networks of interest. How this partnership actually performed is the subject of next section.

Valle De Bravo, *Pueblo Magico*

Valle de Bravo started to work towards membership into the *Pueblos Mágicos* Program in 2004, primarily as the result of negotiations between *neovallesanos* and the federal government. As stipulated in the program regulations, a nonprofit was formed: *Pueblos Magicos Valle de Bravo, A.C.* This nonprofit was a complex governance structure since it included a wide representation from several nonprofits, such as the local Lions Club, Pro-Valle (a local environmental NGO), the taxi-drivers Association, the local hotels association, and the real estate agencies association, among others. Each organization had a seat on the board, with voice and vote.

In its first year of operation, the NPP sought to include the community in the decision-making process by holding two meetings to hear ideas for the development of the town. The meetings were packed with participants eager to share their ideas, producing 100 potential projects. The NPP prioritized the ten most viable projects for implementation. Nonetheless, despite the high attendance and creativity of the meetings, the NPP leaders knew that diverging views on the future of the town had been left out of the selected plans⁷. Convinced that broad community engagement was essential for success, the partnership devoted considerable energy and resources on attempts to reach out to the community. However, it was under-resourced since the federal program prohibited the use of funds for communication or for developing community engagement. Time pressures forced the NPP to start working under this state of affairs. The community did not participate in further discussion of the ten projects selected, which remained the only projects the administration would undertake.

Pueblos Mágicos NPP's first project was to renovate a historic but poor neighborhood. The ambitious plan proposed to improve the neighborhood's main thoroughfare to make it more accessible and safer for residents and tourists, construct a pedestrian walkway along a stream that crossed the area, and to repair several historical bridges. The partnership also proposed to implement several sub-projects in parallel, like conducting resident-led historical tours, refurbishing of a women's health center in a historical site (formerly used as a communal laundry facility), constructing a walkway through the neighborhoods pottery workshops,⁸ and launching a Saturday crafts market that would allow artisans to sell directly to the public. This project provided social services, brought economic opportunities to poor sectors previously marginalized from the tourism industry, developed tourist destinations, while preserving local identity. The plans for the initial project embodied the characteristics that *Pueblos Mágicos* sought: to

⁷ The attendees predominantly represented wealthy weekenders. Poor citizens may have not found time available, assumed they would have little voice, or were not interested.

⁸ Pottery is the community's oldest economic activity and ateliers concentrate in this quarter.

harness the cultural and aesthetic local resources to cultivate tourism by making long-term, environmentally-friendly infrastructure investments that benefitted the entire community and strengthened connections to the town's identity.

Despite these advantages, the partnership faced a tepid, indeed at times hostile, reaction from the neighborhood's residents, who were incredulous that an organization perceived to be led by wealthy *neovallesanos*, could truly have their neighborhood's interests at heart. Suspicions arose that the weekend residents intended to appropriate the land for themselves and that the project was a government façade to divert funds for individual gain. Despite these challenges, the project succeeded in rebuilding the main thoroughfare and restoring a historical bridge. It also improved lighting, developed a public space, and achieved minor advances in the women's center. However, it did not even begin construction of the pedestrian walkway, and none of the parallel sub-projects to economically integrate the area came to fruition.

After these poor results, the partnership fully understood the importance of community engagement and hired a Director for Community Relations to foster support for projects before they began. Unfortunately, the director failed to build bridges with the very groups needed to target, since she lacked the economic or technical resources to communicate with the community at large. Consequently, the partnership's public relations campaign created more suspicions rather than spreading information.⁹

In parallel, the local government funded an *Estudiantina*, a Mexican tradition in which groups of student musicians march throughout town, serenading people in their homes and collecting donations from the accompanying crowds. This project aimed to encourage tourists and townspeople alike to move away from the "beaten track" and discover new areas of town. *Estudiantinas* were also an opportunity to integrate some groups excluded from the tourism industry, like young musicians (mostly unemployed) who could now earn an income, as well as to allow small business owners along the musicians' route to take advantage of new visitors. However, these serenades were soon discontinued because Vallesanos perceived that *Estudiantinas* were not part of their heritage, and because the events were poorly publicized.

This indifference and antagonism to Pueblos Mágicos projects had one positive outcome, however: the creation of a new nonprofit For the Defense of Vallesana Identity (PRODIVA, for its initials in Spanish). This organization emerged as a reaction to the perception that the interests of non-permanent residents had undue influence in the town's development. PRODIVA presented itself as a community development organization composed of native-born Vallesanos. The NPP saw PRODIVA as a potential partner for development, and

⁹ Beach et al., 2009, reached a similar conclusion

in that spirit, proposed to collaborate with PRODIVA on a book about Vallesana identity. Regrettably, the project did not get off the ground, as there were disagreements about the book's contents and credits, and the relationship between the NPP and PRODIVA became strained. It is probable that tensions between the (PAN) government were exacerbated by PRODIVA's close ties with the main opposition party (PRI).

After these events, the projects of the partnership would meet antagonism from different segments of the community. This rejection was the result of a social resentment, cultural differences and a lack of understanding of projects' potential benefits. Although the partnership understood this, it could not find adequate mechanisms to conduct dialogue with diverse sectors of the population, gain their support, and build a shared vision for the town's development. By 2006, it was very difficult to see any of *Pueblos Magicos*' projects as a success and there was a general consensus that *Pueblos Magicos* NPP had not lived up to its expectations.

How can one explain the failure of a participatory program that intended to integrate the poor and marginalized sectors into local economy, while preserving their identity and heritage? Why didn't the community perceive the NPP as acting on behalf of their best interest? Were the problems above described simply a matter of social resentment, misperception or lack of proper communication? These are some of the questions we intend to answer in the next section.

III. WHAT WENT WRONG IN VALLE DE BRAVO NPP?

The case of the NPP in Valle de Bravo brings up many issues that may help us understand the benefits and pitfalls of similar partnerships elsewhere. To contribute to the discussion, we now critically review the performance of this NPP in the areas a partnership like this should have – in theory – a comparative advantage in policy implementation.

- The federal program *Pueblos Mágicos* had a strong focus on infrastructure because project designers believed that brick-and-mortar projects were less prone to corruption and could be more easily monitored by the participating nonprofit. However, the program did not budget sufficient time and resources for spreading information and building up communication channels with the community at large. This lack of communication made people in town suspect corruption, despite the transparency of project.
- The NPP made initial attempts to mediate between the divergent priorities of the town's permanent and weekend residents in the form of town-hall

meetings. However, this type of meetings is, at best, an insufficient forum for policy planning, and at worst, counterproductive to building broad consensus¹⁰. The communication mechanisms used to complement these meetings and the unsuccessful public relations campaign failed to bring the voices of different socioeconomic groups into project design and implementation. Unsurprisingly, antagonism grew and the partnership became a magnet for criticism and a symbol for social differences, rather than a forum for public dialogue.

- Although some parts of the project incorporated local identity, this idea of identity came primarily from the desks of policy planners. The NPP failed to develop a cohesive sense of identity through dialogue with the community on their different perceptions of identity. Such an approach would have allowed the NPP to develop projects that reflected the town's uniqueness, and that therefore, could have been appropriated by local residents. The failure to publish the book on Vallesana identity with PRODIVA represented a missed opportunity to build a common sense of Vallesano identity surrounding the project.

Furthermore, though some NPP's members sought to include popular local symbolism and imagery like legends or other traditions¹¹ in policy design, government officials did not incorporate these ideas into project implementation. As a result, projects were mere urban embellishments, lacking of a social component that inspired people to take ownership of the projects.

- While NPP leaders did not hide information about projects, they failed to share it with the community at large. As a result, well-designed projects were vulnerable to campaigns of misinformation about phantom projects and threats to the Vallesano identity, which often served a political agenda. More access to relevant information about projects could have encouraged greater, more intensive participation on residents' part.

¹⁰ Lacking formal structure, town-hall meetings can easily devolve into political theater. Proponents (or opponents) of a given policy can easily stack the venue distorting the views transmitted to policymakers. Furthermore, the voices of the loud or influential are the ones policymakers hear, regardless of whether they express a sound or widely held opinion.

¹¹ An example of successful incorporation of social imagery into economic development initiatives comes from another Pueblo Mágico: Tapalpa, Jalisco, where legends of each neighborhood were told in tiles plastered in strategic corners (mainly those murky and less safe) were complemented with urban furniture. This initiative reinforced identity and created safe public spaces the community appropriated.

- Most of the nonprofits involved in the NPP did not pay sufficient attention to building ties with the community or participating in community affairs beyond those that directly affected them.

IV. CONCLUSIONS

This paper has explored some of the main assumptions about the comparative advantages of partnerships between nonprofits and local governments for project implementation by analyzing one case in Valle de Bravo Mexico where the partnership could not bring greater community engagement to the policymaking process nor become a driver of long-term change, despite having proposed several innovative projects. This failure was largely the result of ignoring that a NPP may face challenges similar to those that governments face, like the need to have plural representation, and earning the public's confidence in policy implementation, while facing high costs of disseminating information and building consensus. Consequently, we found that the first tasks a partnership should undertake are to communicate, to foster dialogue among groups with diverging views, and to create a vision of development that satisfies broad sectors of society. In these concluding remarks, we will present some recommendations that we consider central for the design of similar programs and for actors involving in ventures like the here studied.

Considerations for the Town and Its Actors

First, local actors should understand the growing social complexity of municipalities like Valle de Bravo, the networks of interest, and the increasing problems of polarization of the local society. Therefore, projects need to incorporate dialogue between the different views of what path local development should take, and what has public value. Second, local actors need to understand that new players (such as PRODIVA in the case of Valle de Bravo) not only oppose specific projects and policies, but the socio-economic setting in which policy is made. In other words, they may be antagonistic not to the projects or outcomes, but to the rules of the game, what Ackerman (1992) calls "normal versus constitutional politics." Third, the local political class needs to read the failure of the partnership as an urgent call to rethink the way local government operates. As elsewhere, local government cannot any longer exercise its authority as a sovereign body, but needs to become more inclusive and to network with other local actors to craft effective political arrangements, i.e., to govern in an expanding democracy (see Warren, 1992). Fourth, the shortcomings of the

partnership make evident the urgency of reducing the atomization of interests and fostering societal cooperation.

Considerations for Nonprofits

A nonprofit participating in ventures like the ones described needs to attend to a number of issues if the NPP is expected to benefit from its participation. First, it needs to dialogue with broad groups of society to create mutually beneficial social structures. Communication with the community at large should not be underemphasized. Second, the nonprofit should have a board of directors that represents a wide range of interests, so that most members of the community feel that they have a voice in the decision-making process. Boards should comprise representatives from particular interest groups (like the hotels association in the case studied) and social entrepreneurs with broad community support who are not identified with a particular group of interest. The participating nonprofit should demand full information from other partners, defend their role as a stakeholder and as a government advisor/monitor, and take a protagonist role in the policymaking process.

Considerations for the Partnership

The case described here shows that partnerships can only create public value if they consider the community's distinctive traditions, heritage and identity in policy design and implementation. An NPP can only succeed if it has the means and expertise to align its work with the community's needs and its perception of identity, and to subsequently build upon this identity. However, policy design based on local identity must be balanced with the need to innovate and foster change and progress, and this may imply working with the conservative impulses of tradition and identity to distribute wealth or to reorient activities of some sectors¹². Partnerships intending to create public value have to attend to this delicate balance between tradition and modernization.

¹² There can be the case that the traditions of certain sectors of society need to be reoriented for the construction of a public sense of tradition. (like in the case of traditional killing of animals, socially accepted bullying and the like). This needs time for preparation and implementation and a cautions and respectful approach.

Considerations for the Improvement of Programs

A program like *Pueblos Magicos* cannot be designed or implemented thinking only in the embellishment of a town or in mere infrastructure building. It needs to be seen as a local development process that will impact different sectors of society both socially and economically, and that may create some conflict. Therefore, policymakers should ensure that NPPs have sufficient resources to incorporate social dynamics into the policymaking process.

Policy planners should also consider the role of experts in policy design and implementation. On one hand, few local public servants of small town have the specialized skills policy planning requires; on the other, most local nonprofits cannot evaluate programs and make sound proposals, while building liaisons with the community at large. Experts must play a role in policy development and implementation, both through the involvement of government agencies and through direct hiring for the NPP. It is important, however, to consider (a) funding for expertise hiring, to avoid the need of fundraising and the risk of the NPP catering to the interests of its financial backers at the expense of the community's; and (b) as outsiders, experts will face the additional challenges of establishing trust. When there is no other option, it should be crucial to guarantee that imported expertise constructs local capabilities.

The case studied here shows that even if a project focuses on infrastructure development to reduce corruption and is committed to transparency; it cannot neglect planning and communications. An under-resourced partnership will not be able to plan, communicate, dialogue and canvass community opinion to build support for its projects. Therefore, program design should fully consider the access and use of economic and human resources for planning and communication.

Finally, although civil society in general may enjoy broad legitimacy and support among the public, each particular nonprofit does not necessarily enjoy such support. Its influence will be the result of a history of good stewardship and of succeeding in meeting the aims of the community. Moreover, as our case shows, nonprofits' reputation and legitimacy do not automatically transfer to the government or the partnership. Therefore, if a new nonprofit or governance structure is to be created, it must bear in mind that it will not immediately have the public support an established nonprofit would have, and that it must dedicate time and resources to cultivate such support. Program design must consider the expertise, time, resources, and instruments the NPP will need to introduce itself and build-up legitimacy among its constituents.

Concluding Remarks

The program of *Pueblos Magicos* in Valle de Bravo was an instructive object of study that is not unique to this small town in central Mexico, but common to other towns experiencing economic growth, the impacts of globalization, and demographic changes. In the case studied, we saw how interactions between government and civil society gave society more voice within policymaking, but at the same time revealed that—even in a small town—societies are complex and diverse. This case also shows that mechanisms to incorporate constituents who are generally voiceless in the process of policy-making but have a say in public affairs are not always easy to manufacture.

The recognition of social complexity and the discussion of this unsuccessful partnership should not be taken as an argument for rejecting collaboration between government and civil society. Instead, by exposing the tensions and conflicts of a particular governance experiment, we intend to show which elements are critical to better institutional design and how a government-non-profit partnership can mediate between the priorities of different stakeholders. While we remain convinced of the potential benefits that NPPs can bring to the policymaking process, the experience of Valle de Bravo shows that effective partnerships are fraught with challenges. Our case demonstrates the need for more inclusive and sensitive local governance mechanisms, and for institutional arrangements that collectively mediate conflicts, mitigate polarization, and address increasing inequalities and community disengagement. The case studied shows that effective governance is a collaborative venture that requires social input in program design and a shared vision of the common good.

V. BIBLIOGRAPHY

- Abramson, Mark, and Paul Lawrence, 2001, *Transforming Organizations*, Lanham, MD: Rowman & Littlefield.
- Ascher, William and Robert Healy, 1990, *Natural Resource Policymaking in Developing Countries*, Durham and London: Duke University Press.
- Ackerman, B. 1992, *We the people: Foundations*, Cambridge, MA: Harvard University Press.
- Bartra, Armando, Rosario Cobo, Lorena Paz, 2004, *Mexico: Tosepan Titataniske, Sociedad Cooperativa Agropecuaria Regional Tosepan Titataniske, SCL.*

- Bolos, Silvia, 2003, *Organizaciones Sociales y Gobiernos Municipales*, Mexico: Universidad Iberoamericana.
- Marissa Beach, M., J. de Bruyn, M. Taylor and N. Victoria, 200, *Controversy in the Magical Town of Valle de Bravo, Mexico A teaching case study*. Mimeo.
- Natal, A., 2002, *Participación Ciudadana y Administración del Desarrollo. Analisis histórico de la participación en el contexto de la Ayuda Internacional*. Mexico: El Colegio Mexiquense.
- Schild, Veronica, 1997, “The Hidden Politics of Neighborhood Organizations: Women and Local Participation in the Poblaciones of Chile”, in Michael Kaufman and Haroldo Dilla eds., *Community Power and Grassroots Democracy, The Transformation of Social Life*, London: Zed Books
- Velázquez, C., 2008, “La dependencia entre organizaciones de la sociedad civil en procesos de participación ciudadana”. MA Thesis. Mexico: El Colegio Mexiquense
- Van de Ven, Andrew, and Scott Poole, 1995, *Explaining Development and Change in Organizations*, *Academy of Management Review* 20 (3): 510 – 40.
- Warren, M., 1992, *Democratic Theory and Self-Transformation*, *American Political Science Review* 86(1): 8-23

OFFICIAL DOCUMENTS

- The Office of the Deputy Prime Minister: London, April 2006, *All Our Futures, The challenges for local governance in 2015*, London: The Tavistock Institute, SOLON Consultants, Local Government Information Unit.