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Network Legitimacy and Accountability in a Developmental Perspective

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Abstract

Public networks typically function beyond the lines of the hierarchical authorities that hold bureaucracies accountable, as is shown here in the case of a business-dominant network that exhibited ethically questionable behaviors at the expense of its community credibility. Public networks can build external legitimacy by engaging in critical organization learning processes, much the way some nongovernmental organizations respond to a diversity of stakeholders.

Introduction

Public networks have emerged as inter-organizational and multisector institutions that offer collaboration and specialization in coping with complex programmatic missions. These interdependent entities typically function beyond the lines of authority that hold traditional bureaucracies accountable to elected policymakers and other community stakeholders.[1] Thus, questions arise as to whether and under what circumstances nonhierarchical collaboration in networks circumvents democratic processes (see, e.g., de Bruijn and Ringeling 1997, 152–165; Herranz 2007, 1–31; O'Toole and Meier 2004, 681–693). The case study here depicts such a network— the Dayton Development Coalition (DDC)—that influences public appropriations for economic development in a twelve-county urbanized region in the Midwest.

This inquiry probes the problematic relationship between legitimacy and accountability in a weak-government network wherein private sector managerial norms prevail. It begins by examining the relationship between legitimacy and accountability from a capacity-building perspective that outlines how weak-government collaboratives can be more responsive to citizens' expectations. Next it summarizes a case study of a weak-government public network, the Dayton Development Coalition (DDC), that shapes economic development in an urbanized region. The conclusion analyzes the specifics of the DDC case in reference to a research agenda on public networks.

Legitimacy and Accountability in Public Networks

Taken separately, the terms "legitimacy" and "accountability" can be understood as two distinct (but desirable) qualities of an organization that may be related in some sense. For example, legitimacy could be minimally defined as "credibility" (Human and Provan 2000, 128), and accountability as "willingness to give accounts," such as reports, explanations, justifications, or even excuses (Scott and Lyman 1968, 46–47). These two concepts are closely related in a capacity-building context. From this perspective, it could be inferred that "claims to legitimacy" are essentially appeals for recognition of an organizational identity and role, and that a willingness to "account" spurs on that recognition from those outside the organization as well as those within (see Edwards and Hulme 2002, 198).

In proposing an agenda for researching public networks, Beverly Cigler (2001) raises topics for inquiry that presume a close relationship between legitimacy and accountability. Four of these topics (77) clearly address the specifics of the Dayton Development Coalition case:

- What is the basis of legitimacy for organizations that do not possess the traditional reins of government authority?

- When government is the “weak sector” within a collaboration, what are the effects on accountability traditionally defined as linkages and responsiveness to citizens?

- If new emergent organizations are examples of the building of social capital, how representative are they of the entire community, and how responsive are they to the community?

- What changes occur in the culture and operations of the existing organizations as they gain experience with collaborative partnerships?

Taken together, these questions probe accountability issues over an extended time, beginning with the fundamental question of legitimacy, weighing the possibility of creating social capital, and then anticipating subsequent adaptations in network culture and operations that could emerge.

Correspondingly, this article approaches issues of network credibility and responsiveness by drawing upon discussions of capacity building through organization learning, a predominant theme found in research on nongovernmental organizations. Conceivably, leaders of weak-government networks could utilize organization learning as a strategy to change the collaborative culture to reflect a stronger commitment to external accountability and community responsiveness. The balance of the discussion in this section probes legitimacy along with alternative accountability responses that could be directed toward the expectations placed upon public networks such as the DDC.

Logics of Legitimacy

If legitimacy depends on recognition of identity and role, then organizations need to cope with the variations in stakeholder perceptions of how the network functions. Extending this interpretation of legitimacy to issues of effectiveness, it can be reasoned that organizations (whether NGOs, networks, or bureaucracies) must amass sufficient “capacity” to strategically negotiate the legitimacy logic(s) that affirm their identities. Alan Fowler draws upon his field experience in NGOs to characterize what is meant by “capacity”:

> current uses of the term imply that capacity can be understood as a number of core abilities, together with the means and relationships through which to express them. Analysis of the NGO sector indicates that to be effective, three principal areas of ability are required. These are:
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> - An ability *to be:* that is, to maintain its specific identity, values, and mission;
>
> - An ability *to do:* that is, to achieve stakeholder satisfaction; and
>
> - An ability *to relate:* that is, to manage external interactions while retaining autonomy. (2002, 301–302)

Juxtaposing contexts, it is instructive to compare Fowler’s characterization of NGO core abilities with Provan and Milward’s (2001) strategy of probing network effectiveness at the three levels of organization/participant, the network itself, and the community, as presented in their article on evaluating public network effectiveness (414–423). There appear to be congruencies between the ability—

- to be and a network’s relevance to organization/participants (i.e., Is the network’s existence worth organizational/participants’ efforts to participate?);

- to do and a network’s administrative organization to perform at a cost reasonable for participants; and

- to relate and a network’s engagement of stakeholders at the community level.

Human and Provan (2000) break down network legitimacy into three dimensions: network as form (again, related to the ability *to be*), network as entity (ability *to do*), and network as interaction (ability *to relate*). They differentiate two legitimacy-building strategies—“outside-in” (start by focusing on interaction with community stakeholders) and “inside-out” (start by attending to internal network participants and then ultimately tending to the external community). In that the two case networks in their study adopted these alternative strategies, Human and Provan’s analysis provides considerable insight into the relationships among network life-cycle stage, capacity, and legitimacy-building. As shown below, network leaders can facilitate legitimacy-building by adopting a proactive approach to accountability management that stresses organization learning.

Reactive and Proactive Accountability

Although “accountability” reflects expectations of constraint in the governing of public affairs, it is difficult to sort out precisely what the term means and how it applies to public networks. Mark Bovens offers some conceptual clarity by differentiating accountability as a social mechanism from accountability as virtue. He characterizes the first as “an institutional relation or arrangement in which an actor can be held to account by a forum . . . in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions, and the actor may face consequences” (2008, 9). Accountability mechanisms assume various forms, such as performance measurement (e.g., Pollitt 2008; Radin 2008), performance contracting (e.g., Brown, Van Slyke, and Potoski 2008; Romzek 2008), and external audits (e.g., Posner and Schwartz 2008). By contrast, Bovens’s notion of virtue accountability refers to certain normative standards for behavior that, as he concedes, are hard to define or prioritize and that may vary among cultures.

Bovens’s mechanism/virtue distinction could be adapted to a development context in terms of *reactive accountability* (in response to imposed mechanisms or other external constraints) and *proactive* strategies. Despite its generality, Bovens’s “virtue accountability” offers promise if translated as the extent of a network’s responsiveness to stakeholders—particularly as manifested through an open (or, in Argyris and Schón’s [1978] terminology, “double-loop”) learning process of engaging dialogue (also see Korten 1984). *Proactive accountability* would then include Bovens’s voluntary virtue initiatives but would also refer to any management (and development) effort “to put accountability up-front” in dealing with stakeholder expectations in the foreground of decision-making. In the NGO context, it is notable that accountability conversation typically stresses the imperative of working within an environment of multiple stakeholders, such as donors, host governments, and program beneficiaries (see, e.g., Edwards and Hulme 2002; Tandon 2002).

Case Summary

This section summarizes the case study of a weak-government public network that shapes patterns of new development in a midwestern region (see Appendix). Specifically, the Dayton Development Coalition (DDC) consists of 264 member organizations, including about thirty local jurisdictions and some fifty nonprofit organizations among a majority of private businesses. The management behaviors in this business-dominant forum offer understanding of why networks encounter legitimacy challenges and how network leaders can rely on organization learning to build public credibility

The Dayton Development Coalition takes special pride in its process for accessing federal earmarks for development undertakings in the region. Specifically, the coalition rank-orders local development proposals in terms of their merit for federal funding support as earmarks. Known as “the book,” the DDC’s list of prioritized local projects accompanies large delegations of local dignitaries and state development officials on pilgrimages each spring to lobby Capitol Hill. Congressman Mike Turner’s role is pivotal in steering the book’s proposals among the appropriate congressional leaders and subcommittee venues.

Early in 2008, the DDC’s actions came under scrutiny as the business-dominant network initiated its branding campaign to market the region’s economic development amenities to a nationwide audience. Funded by comingled private and public dollars, the branding effort became controversial as news surfaced that the coalition had awarded a no-bid contract to The Turner Effect, a public relations firm owned and operated by the congressman’s spouse. In addition, media concerns about the substantive merits of the branding message prompted attention to broader transparency issues related to how the DDC functions in the public arena.

Discussion

As mentioned earlier, four of the research questions that Beverly Cigler (2001) raised are substantive criteria for assessing legitimacy and accountability issues. Revisiting these points, it is clear that the Dayton Development Coalition is not representative of a public network universe. Nonetheless, since the DDC exemplifies a collaborative entity (in which government constitutes the *weak sector*), its behavior accentuates the tone of Cigler's governance concerns.

Legitimacy of Weak-Government Networks

One of Cigler's research agenda items positions the problematic nature of network legitimacy front-and-center: "What is the basis of legitimacy for organizations that do not possess the traditional reins of government authority?" (2001, 77). Apart from Human and Provan's research that addresses inside-out and outside-in legitimacy (2000), the paradoxical necessity for both legitimating dynamics can be understood in more familiar terms. In weak-government public networks, it is not surprising that prevailing-sector values reinforce the collective identity and animate members' sense of control and decision processes. For example, corporate-dominant networks could be expected to value a considerable degree of decisional autonomy in pursuit of opportunism (Herranz 2007, 10). Presumably, radical departures from these norms would compromise members' allegiance to the network—especially during the earliest stage of its life-cycle. On the other hand, such networks may become forceful in the public arena as political entrepreneurs that, like elected-office seekers, promise greater "added value" than their rivals (Frant 1996). For example, the DDC could be taken as the "chosen candidate" over competitors (e.g., a regional planning commission and a county economic development agency) as the driver of regional development around Dayton.

This logic, of course, breaks down with regard to conventional notions of public accountability. An influential circle of corporate "movers and shakers" is not normally subjected to anything resembling "re-election," and the far-reaching latitude of the DDC's policy discretion does not contend with the oversight that generally reigns in a public agency. Nonetheless, one could reason that networks capable of reshaping public life ought to follow some basic standard(s) of public comportment. Perhaps conceding this point, network members could offer "demonstrated value-added" (in the case of the DDC, successful

Base Realignment and Closure [BRAC] outcomes, glowing state-level recognition of development skills, effective congressional lobbying on behalf of the region, and **dressing earmarks in respectable clothes) as added value delivered as promised.** Patrick Dobel indeed recognizes "prudence," or durable political accomplishment, as an important normative register for validating the exercise of discretion; nonetheless, it needs to balance (and be balanced against) two others, "obligation to office" and "moral responsibility" (1999, 1–22, 193–211). Although it is no easy task to specify what these standards require of weak-government networks, it is not so difficult to identify behavior (e.g., blatant conflicts of interest, contempt for outside scrutiny) that plots far outside of Dobel's public integrity model.

Intuition that networks need to enlist prevailing non–public sector values to encourage internal cohesion clearly coincides with Human and Provan's finding that inside-out legitimacy needs to solidify network membership before networks focus on gaining external legitimacy. Not so clear is why a politically influential network such as the DDC should worry about external legitimacy in the community as a developmental issue. Although public criticism could drive away member organizations, some attrition is to be expected even in successful public networks. But, as Provan and Milward suggest, organizations and jurisdictions typically join networks to enhance their own legitimacy (2001, 420). As part of the weak contingent, governmental agencies and jurisdictions need to scrutinize the actual—as well as the perceived—benefits of membership against the liability of association with network actors involved in questionable behavior (421). In the DDC case, for example, the city of Dayton copes with an especially thorny legitimacy issue of its own related to network membership. On one hand, its inner-city constituency is in dire need of job-creating development, but on the other, the DDC's focus on military-based high technology skews its accomplishments—that is, jobs and tax revenues—toward the outer-ring jurisdictions. Negative accounts of DDC conflicts of interest and indifference to public criticism increase city government's vulnerability as a network member. Thus, a critical question arises as to whether the DDC would remain influential (in the region, at the state level, and in congressional appropriations processes) if the city were to abandon the network.

Network Responsiveness to the Community

So "when government is the 'weak sector' within a collaboration, what are the effects on accountability traditionally defined as linkages and responsiveness to citizens?" (Cigler 2001, 77). In large part, the answer depends upon the nature of the collaboration—not merely in terms of which sectors are strong and weak, but also whether and/or how members visualize network development. From a static or near-term perspective, weak government's role in a network could be understood as dependency in trading-off core values in return for the pragmatics of business maximization and opportunism associated with the private sector (Herranz 2007, 27). In the DDC case, a few political elites (party leaders and elected county commissioners) "speak for" the weak-government sector in endorsing governmental dependency on corporate-sector counterparts to be part of the only (viable) game in town (or the region) for affecting regional development. From a capacity-building perspective, multisector collaboration can be understood as working partnerships that focus on accountability concerns (typically assessing a multiplicity of stakeholder expectations) as an early step in strategy formulation. Research on NGO partnerships suggests that the natural animosity between human rights organizations and multinational corporations ("do-gooders" vs. "villains") can evolve into strong working relationships that are effective in improving the quality of life (see Husselbee 2000).[2] Thus, the NGO literature offers examples of effective symbiotic partnerships between weak-sector NGOs and corporate conglomerates that facilitate durable accomplishment. These partnerships typically depend upon accountability assessment as fundamental to strategic management.

Opportunity to Build Social Capital

Another of Cigler's topics focused on the meaning of democracy in civic life: "If new emergent organizations are examples of the building of social capital, how representative are they of the entire community, and how responsive are they to the entire community?" (2001, 77). In *Bowling Alone*, Robert Putnam understands "social capital" as follows: "Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals—social networks and the norms of reciprocity and trustworthiness that arise from them" (2000, 19).

Following Putnam's definition, the DDC case provides few if any answers to Cigler's question, since reciprocity and trustworthiness do not surface as apt descriptors of the behaviors presented. By contrast, Anne Khademian offers three case studies in U.S. local settings wherein collaborative endeavors achieve success in establishing trustworthy reciprocal connections (2002). Comparable case examples can be found in the international development literature, particularly in works that chronicle organization learning activities undertaken by NGOs. One NGO management trainer, utilizing a compatibility framework that aligns "model compatibility" (relationship between management structure and management system), "culture compatibility" (management structure and management values), and "practice compatibility" (management system and management values), comments in this way on organization learning as it pertains to *connections*:

> Following the three-way compatibility framework, we will see that the combination of team-based structures and a systemically oriented performance management system calls for an alternative value system in the people concerned. For the social-systemic model to work, the conventional notions of "leadership" need to be replaced. For instance:
>
> - from authoritative to facilitative leadership;
> - from vertical, unilateral accountability within a work group to multilateral accountability, including the downward accountability of the formal leader to members of the group;
> - from a manipulative orientation to a collaborative orientation towards people in the group, and so on. "Management by participation" takes on a different meaning. It is appreciated as a desirable human process in itself, a value, rather than a management technique for better control. (Padaki 2002, 329–330)

It is noteworthy that the relationship between collaborative leadership and the development of social capital in NGOs and some public management networks—at least those described by Agranoff as "collaborarchies" (2007, 83–124)—appears similar. Further, it is revealing (if not somewhat ironic) that *non*governmental organizations intentionally factor into their learning processes an inclusive concern of this kind for accountability connections.

Change in Culture to Promote Network Learning

In response to Cigler's previous question, it could be said that if emergent organizations *are to build social capital*, then it would be prudent for them to engage in learning processes that critically assess the current status of connections with internal and external stakeholders with the intention to strengthen them over time. Although Cigler's final question asks, "What changes occur in the culture and operations of the existing organizations as they gain experience with collaborative partnerships?" (2001, 77), her query becomes hypothetical in reference to DDC behavior (presented in the case) that appears unflinching in guarding its entrepreneurial autonomy. In other words, evidence of double-loop learning is hard to find in the case study.[3] Nonetheless, the question can be modified in a couple of ways that draw upon the case to explore the human-empowerment possibilities of business-dominant public networks: "What changes *ought to* occur in the culture . . . ?" (Why?) and "What changes *could* occur in the culture . . . ?" (How?).

For the most part, the "ought" question is answered by interjecting the DDC case experience into Human and Provan's network legitimacy framework discussed above (2000). To reiterate, the DDC has in recent years succeeded in establishing *internal* credibility (i.e., legitimacy among its member private-, public-, and nonprofit-sector members) through a number of well-publicized development successes. DDC leaders ought to initiate efforts to strengthen the network's *external* legitimacy in the greater Dayton community, particularly in view of the conflict-of-interest problems connected to its financial practices (commingling public dollars with private contributions) and its recent branding campaign. Community credibility becomes especially critical with an increasing realization that city of Dayton membership supports development patterns that reward outer-tier public jurisdictions. Ostensibly, work in strengthening external legitimacy needs to extend beyond symbolic tokenism to transform an autonomous decision-making culture to one that values negotiated agendas and solutions (Herranz 2007, 10).

Finally, what changes *could* occur in the culture and operations of weak-government public networks, and how? In the case of business-led networks like the DDC, it appears unreasonable (if not ill-advised) to expect members to openly embrace the formal mechanisms of accountability placed on government bureaucracies. However, these networks could, in fact, strengthen their entrepreneurial missions by proactively factoring in a wider array of stakeholder concerns into their decision matrices. On the international scene, development banks need to appraise the leveraging (or entrepreneurial potential) of various investment proposals against an array of sensitive concerns related to donor satisfaction, host country regime values, NGO track records, and target population needs—in essence, development banks need to find ways to mediate their core values with stakeholder expectations (as do many NGOs). This less than perfect metaphor offers imagery for changes that could (and should) occur to enhance the external legitimacy of business-dominated public collaboratives. The all-important implementation challenge focuses on leadership's capability to recognize the changing logics of network legitimacy and then act with strategic finesse in facilitating "network learning" that obliges members to reexamine the individual perceptions—or fixations—that shape their attitudes about business, government, and community (see Termeer and Koopenjan 1997, 79–97). At a minimum, such learning could clear the cognitive blockages that prevent members representing different sectors from listening to one another or, in the first place, from speaking.

Conclusion

The Dayton Development Coalition case illustrates how a public network's penchant for autonomous decision-making compromised its external credibility. The coalition's business-oriented leadership reacted to conflict-of-interest charges about its contracting activities and other criticisms of its branding campaign with public statements of indifference and hostility. This case suggests that network effectiveness depends upon external credibility as well as internal legitimacy among the members. Weak-government networks intent upon enhancing their external legitimacy can institute network learning processes that hold shared internal values up to critical scrutiny. If successful, this learning experience can change the collaborative culture by linking integrity norms to network effectiveness.

Appendix: Case Study

"In the Dayton area, if you have a project you think should be funded (by the federal government) you say, 'I'll take it to the Dayton Development Coalition' " ("Local System" 2007). That is how U.S. Representative Mike Turner summarized the stature and role of a high-profile network devoted to the economic future of a twelve-county region in a midwestern state. Established in 1994 as the Miami Valley Economic Coalition in 1994, the DDC has assumed leadership in articulating regional economic growth strategies and in "blessing" projects aligned with those strategies for public, and in some cases private, funding. Known as "the book," the DDC's list of prioritized local projects accompanies large delegations of local dignitaries and state development officials on pilgrimages each spring to lobby Capitol Hill. Turner's role is pivotal in steering the book's proposals among the appropriate congressional leaders and subcommittee venues.

From its inception, the coalition has marshaled its efforts as the leading advocate for the economic well-being of the Dayton region. It claims success in leveraging its influence to rectify the glaring imbalance between the region's considerable economic development resources and dire social needs. A technology-intensive Air Force base largely accounts for the region's strengths in areas such as aerospace, data management, advanced materials, and manufacturing. For the past four decades, the region, situated within the midwestern "rustbelt," has suffered a steady economic decline that has especially burdened Dayton's inner-city, minority population. Early on, the first coalition members recognized that, despite the region's economic assets, Dayton (population just over 150,000) ranked last among urban areas in per capita state-program funding. Thus, the DDC's initial efforts were to enlist area strengths in making the case for increased funding from the state legislature.

Although it aggressively pursues an outreach function, as do other public networks devoted to area development, the DDC's role is more "political"—in the sense of strategic advocacy—and less "technical" than some comparable area-outreach networks. Nonetheless, the coalition network consists of 264 members, including about thirty local jurisdictions, some fifty large and small nonprofit entities, and a balance of private businesses. The coalition is governed by a thirty-member board of trustees, with seven serving on the executive committee. On paper, the staff of eighteen looks top-heavy, as it includes the executive director, a chief operating officer, and seven vice-presidents. The staff is augmented by ten associates who serve in various support functions.

While the coalition's efforts enjoy avid support from high-profile Republicans and Democrats alike, its efforts are occasionally challenged as partisan on behalf of Republican causes. On one hand, the Dayton Development Coalition claims to be a private entity, although it maintains IRS nonprofit status. It functions on a budget in excess of $3 million, some of which is contributed by network members (including public jurisdictions), while other dollars materialize through private contributions— for example, from a family foundation established by an area entrepreneur. However, the coalition has achieved recent successes in steering state development grant money toward jobs initiatives in the areas of advanced materials, information technology, bio-life sciences, and aerospace. However, the benefits accruing from this influence are tempered by occasional local criticisms of the coalition's closed process for determining which funding avenues to pursue in Washington.

Nonetheless, the DDC's accomplishments in boosting the regional economy are impressive. Among them are the results of its efforts to protect Air Force jobs and programs—including the survival of the base's educational facility, the Institute of Technology—amid the Base Realignment and Closure (BRAC) Proceedings of 2004–2005. Indeed, the coalition's work on BRAC led to a net increase of 1,100 base jobs. And the coalition took credit for stimulating $200 million in business investment as well as either saving or creating 1,160 jobs during 2006.

Advocacy, Outreach, and Access

Although critics chided the DDC for its closed decision processes, its intent was to offer the region some effective systems for securing external government-funding resources for economic development. In other words, the coalition develops blueprints for accessing state development dollars as well as federal earmarks for community projects. To understand the logic of this system for securing earmarked dollars, one should note that the region's expansive Air Force base straddles two congressional districts. The first, which includes the urban core of Dayton and its first-ring suburbs, is represented by Republican Mike Turner. Turner's legislative style—prioritizing service to his district by influencing defense- and urban-related appropriations—serves well in facilitating the coalition's approach in securing earmarks. The second, Dave Hobson's district, encompasses some of Dayton's more remote suburbs, a smaller urban area of 60,000, as well as a considerable rural constituency. Hobson's nine terms had earned him the chair of the House Appropriations Subcommittee on Energy and Water Development until the Democratic takeover in 2006. Even after that, Hobson retained his subcommittee influence as "informal co-chair" with his close friend Democrat Pete Visclosky of Indiana.

Like Hobson, Mike Turner maintains close relations with key Democrats with clout over appropriations pertinent to DDC priorities. In particular, Turner found an unlikely ally in the person of Representative Ike Skelton of Missouri, the Democratic chairman of the House Armed Services Committee. When Turner invited Skelton to meet with a DDC delegation in Washington, the Democrat reassured coalition representatives that they still had influence on the committee despite the party turnover. Thus, it could be said that Turner and Hobson (until his retirement at the end of the 2008 session) worked in tandem—enlisting their influence on both sides of the aisle—to connect the DDC's project priorities with leverage over the relevant appropriations processes in the Congress.

By the summer of 2007, the national media had become increasingly cynical of the exponential growth of the earmark as a vehicle for funding projects of local interest. Stories of blatant pork-barrel schemes—such as the infamous "bridge to nowhere" in Alaska—fueled talk of substantive reforms that could possibly eliminate earmarked funding. Amid this national attack on earmarks, the DDC's "blueprint" for prioritizing local funding proposals to direct Turner's influence on Capitol Hill stood out as "the right way" to do earmarks—at least in the eyes of the DDC and the local media in Dayton.

In essence, the coalition was likened to a regional clearinghouse—analogous to the area planning review agencies of past decades—that strategically organized priorities ostensibly with the backing of the region. Since the DDC "book" (the priority list) was made public after it was delivered to Turner's office in the spring, the process was said to be open and transparent. An editorial in the *Dayton Daily News* a few months later argued that the DDC's (and Turner's) system on earmarks ought to serve as the model for nationwide reform. Indeed, Mike Turner announced his intention to introduce the Dayton system to the U.S. Chamber of Commerce, which might in turn encourage its local chapters to promote it in their communities. Thus, many in the region credited the Dayton Development Coalition with establishing the "high ground" from which to pursue federal funding for legitimate local needs in contrast to partisan games that brought home "pork" elsewhere.

The Branding Campaign

The Dayton Development Coalition entered the new year of 2008 with great optimism after its recent successes in effectively navigating the BRAC process, shepherding the Entrepreneurial Signature Program, and scoring a public relations coup in its approach to securing federal earmarks. At the forum's annual meeting early in January, J.P. Nauseef unveiled a new initiative to seek 10,000 additional high-tech jobs for the region by 2020. This undertaking reflected the coalition's resolve to expand and diversify its mission beyond a defense orientation and to become aggressive in attracting highly skilled talent from a national market. Specifically, the plan built upon the human services and sensors research jobs that would come to the base as a result of BRAC realignment. The executive director indicated that a retired Air Force general (a former base program commander) and a local public utility executive would serve as co-chairs of the initiative (Nolan 2008b, A8).

The DDC found resources to support its regional marketing venture among willing members of its network. The Mathile Family Foundation pledged $2 million for the campaign, and the local electric utility put forward an additional $100,000. In regard to the former, entrepreneur Clay Mathile channeled some of the proceeds from selling off his popular product line into community causes (including backing for political candidates). His foundation's contribution to the branding effort would spread the region's message and logo through the nation for the next several years. At the 2008 annual meeting, Nauseef disclosed the brand—"Get Midwest . . . We Think of Everything . . . Dayton Region" (Nolan 2008a). The "everything" in this motto alludes to community amenities as well as the relatively inexpensive housing and cost of living in the area.

The private contributions from the Mathile Foundation and the power company leveraged substantial funding from the state department of development—$940,000 allotted from 2006 through 2008—to finance Dayton's branding campaign. Two months after Nauseef's announcements of the jobs initiative and marketing campaign, news broke about two no-bid contracts that the DDC had forged months earlier in 2006 with local firms undertaking the branding effort. The first, RealArt, was part-owned by Bev Shillito, who served as a DDC trustee, although she had stepped away from that role for a year (2006–2007) and promised thereafter to recuse herself from subsequent DDC dealings with RealArt. The second, The Turner Effect public relations firm, was in fact owned and operated by Lori Turner, wife of Dayton's representative in Congress.

Even prior to public reaction to these no-bid contracts, the coalition took considerable heat for its significant expenditure of (private and public) dollars on an effort of questionable substance and outcome. The *Dayton Daily News* surveyed nationally known public relations experts and a marketing professor at the state's largest university for their reactions to the "Get Midwest" branding strategy. A partner in a Connecticut PR firm was quoted, "It doesn't mean anything to me. You put an ad out there and say, 'I want you to come here.' That's obvious. I'd much rather hear or see important news about what's happening in the area." Marketing professor Shashi Matta put it this way, "What's missing for me when I look at the logo is, 'What's it telling me?' It needs to be specific to Dayton. 'Think Midwest,' 'Be Midwest,' or 'Get Midwest' is way too broad for Dayton" (Nolan 2008c, A13).

Nauseef's response to these criticisms was included in the story as well—that the campaign intended to promote the midwestern values of a regional population that is "hard-working, entrepreneurial, open, humble, and hospitable" (Nolan 2008b). The director's strongest reaction was to the charge that the brand failed to capitalize on the region's aviation heritage. Nauseef's tone in defense of the "Get Midwest" brand was strident on this point: "The Coalition oversaw two years of exhaustive research, involving communications and graphics professionals and including focus groups, online exchanges and one-on-one interviews, to develop the brand. The research uncovered little evidence that the country as a whole is aware of Dayton's aviation significance" (Nolan 2008b, A8).

In contrast to the local concerns about the substance of the "Get Midwest" brand, protests over the coalition's no-bid contract with The Turner Effect stemmed from the concerns of national congressional watchdog groups. It was the appearance of impropriety—that a coalition lobbying a congressional delegation could compensate a firm owned by the spouse of the House member facilitating the earmark system—that bothered these organizations. Indeed, the legislative representative for Public Citizen's Congress Watch responded, "That's something we've seen over and over again. If a lobbyist can't find a way to funnel money to a member of Congress, they'll do it—even if it means hiring the congressman's spouse" (Beyerlein 2008a, A1).

The press picked up on the local political implications of the impropriety issues raised by the Public Citizen's Congress Watch and Citizens for Responsibility in Ethics. Specifically, reporters accessed Federal Elections Commission records to find— notwithstanding the Dayton Development Coalition's claim of nonpartisanship—that most of the network's trustees had at various times contributed to Turner's political campaigns, amounting to a total of $76,200 since 2002. Further, one entrepreneur, Clay Mathile, had alone donated more than $10,000 of that sum. The question at issue was whether the Mathile Family Foundation's generous donation for the "Get Midwest" campaign constituted a "backdoor" contribution to the congressional representative through the DDC contract with The Turner Effect—or whether it could be reasonably interpreted as such. Nonetheless, DDC officials defended their decision to contract with The Turner Effect as commonsensical.

A "No-Brainer"?

Controversy surrounding both the questionable merits of the branding campaign and The Turner Effect contract intensified throughout February 2008. To some extent, the specifics of this issue resembled the specks and markings on a Rorschach test that could be interpreted in any number of ways. Nowhere was this more evident than in the *Dayton Daily News.* While its investigative reporters were poring through Federal Elections Commission records and interviewing representatives of congressional watchdog organizations, the newspaper's publisher, Doug Franklin, defended the coalition, the branding effort, and Lori Turner in his role as a co-chair of the branding campaign. In fact, the paper's editor had weighed in with his editorial-page commentary "What's Wrong With Being Considered Hard-Working?" that justified the campaign's substance this way: "Some might see 'Midwest' as a synonym for 'boring,' but the Coalition's research indicates business leaders feel differently. … To them Midwest equates with a good place to start a business, where loyal, well-meaning, hard-working employees can have a high quality of life" (Riley 2008).

Two Democrats competing to challenge Turner in the 2008 congressional election both seized on the branding controversy to fuel their uphill campaigns. David Esrati, the perennial gadfly of Dayton politics, hyped the issue in these terms: " 'The Turner Effect' has been nothing but a slush fund and a walk-around for Mike Turner. … It's awfully odd that the Coalition chose [it], but if you see Turner's donors and the Coalition board, there's lots of overlap" (Beyerlein 2008a, A1). Jane Mitakides, the stronger challenger, was more careful in measuring her words: "I think it's very interesting that they knew this could be a conflict, talked about it, and awarded it anyway. It does seem problematic that they would recognize the implications and move ahead anyway on a no-bid contract" (Beyerlein 2008a, A1). Mike Turner easily defeated Jane Mitakides in the 2008 congressional election.

Other prominent Democrats took a more circumspect view of the branding issue, particularly as related to the Turner connection. The county chairman of the Democratic Party (and county elected recorder) tried to steer a middle course—not blatantly political but leaving the party's options open, "If the other side is going to do something we feel to be unethical, we're going to ask questions about it" (Beyerlein 2008c, A4). But County Commissioner Dan Foley, a Democrat, was unequivocal in backing the DDC's campaign: "The Coalition can hire whomever they deem appropriate, and I have no problem with that. Our biggest focus needs to be getting behind the [branding] message. I'm supportive of it, and I'm going to be part of making it work" (Beyerlein 2008b, A1).

Opinions expressed by citizens in the *Dayton Daily News* spanned the gamut of "Rorschach interpretations" from strong loyalty to the Turners to pointed criticisms of the no-bid contract and brand message. Some saw the controversy as a media witch hunt—a deliberate partisan attempt to discredit the congressman and his wife. Others called for openness and transparency in coalition operations. Still others derided the "Get Midwest" brand, proposing alternative messages, such as "Dayton … Where Opportunity Takes Flight."

Amid the mix of reactions to the controversy, coalition leaders remained stalwart in justifying their brand and their dealings with The Turner Effect. The DDC leadership was eager to disclose that it had partitioned the branding campaign into two stages—Lori Turner's firm had been selected on a no-bid basis for the first, but had successfully competed against other vendors for the second. Those speaking for the coalition were adamant that nobody was trying to curry favor with Mike Turner by hiring The Turner Effect. The executive director, J. P. Nauseef, reiterated that the coalition had been aware of the appearance of impropriety issues but explained that he had deferred to the advice of former staffer Evan Scott, who had coordinated development of the brand. In turn, Scott elaborated, "I strongly recommended The Turner Effect because I felt they were the only firm with the capacity to do the job. It's coincidental to me that she's married to Mike, and it's unfortunate in a way because it created that perception [of conflict]" (Beyerlein 2008a, A4).

In response to questions raised by local Democrats (cited above), the president of the Dayton Area Chamber of Commerce spoke on behalf of the coalition: "We are doing the best we can to add clarity to both [Democratic and Republican] party leaders to stop this thing from getting ugly and nasty." He then went on to accuse the *Daily News* of printing false information that the coalition was currying favor with Turner. To the criticisms levied by the outside congressional watch groups, the chamber president responded, "I don't think they have a clue about what happens in Dayton" (Beyerlein 2008c, A4).

Ultimately, the *Dayton Daily News* resolved its internal dissonance in its editorial "Coalition, Turners Need New Boundaries" (2008). In reviewing the ethical contours as (if it were) a detached third-party observer, the editorial asserted that the coalition "has messed up, and its insistence on defending the indefensible diminishes it. An organization that is dedicated to, among other things, selling Dayton to the politicians should itself have political instincts. It's in a hole, and it should stop digging."

Three days after the editorial appeared, Lori Turner pulled The Turner Effect out of the coalition's branding campaign. Her letter to Doug Franklin—co-chair of the campaign (and *Daily News* publisher)—expressed these sentiments: "During the past several weeks, the *Dayton Daily News* has knowingly and publicly misrepresented my involvement in the Dayton Development Coalition community branding process" (Beyerlein 2008d, A1). The DDC then began deliberations over a replacement for The Turner Effect.

Notes

1. Public network management is typically characterized as “a different kind of management” (than is found in a hierarchical bureaucracy) that seeks to build trust in maintaining network cohesion (see, e.g., Agranoff 2007, 51–65; Agranoff and McGuire 2003, 20–42; Bardach 1998, 21–51).

2. For example, a program director of Save the Children in Pakistan and Afghanistan reported on how his area-based NGO assists multinational athletic equipment conglomerates by monitoring the child-labor practices of local subcontractors that stitch soccer balls (Husselbee 2000). The executive director of the U.S.-based Center for Victims of Torture told of his career odyssey from heading the shrill Infant Formula Action Coalition that boycotted Nestlés during the 1970s to his current realization that corporate partnerships enable powerful tactics in the human rights cause (Johnson 2004, 15).

3. This conclusion is based on evidence gleaned from the print media rather than from interviews with DDC leaders.

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