

## **Episode\_16\_\_Local\_Agents\_of\_Democracy.mp3**

[00:00:07] Hi, I'm Avi Green. Thanks for joining us on the Scholars Strategy Network's *No Jargon*. Each week we discuss important social problems and policy issues with one of the nation's top researchers without jargon. This week I'm joined by Colleen Casey. Colleen Casey is an associate professor of public policy and public administration at the University of Texas at Arlington. She has been studying how nonprofits fit into the urban development process and how they contribute to people's participation in democracy. This issue matters in 2016 because as we approach a presidential election, of course, pundits will be talking about all the people who will be voting. They'll be at least a hundred million American citizens who will not be voting in 2016. So the issue of who participates in our democracy is extremely apropos today. Colleen, thank you so much for being with us.

COLLEEN: Thank you, Avi. I'm happy to be here today.

AVI: Colleen, why did you decide to study the role that nonprofits play in politics and policy making.

COLLEEN: Well, most of us relate to policy, to political decision making, to our local communities. And often it's through our affiliation with the church, our affiliation with a volunteer association, our affiliation with a community based organization, that we enter change and exchange our ideas about what we feel is a— a just society. And so nonprofits in what we call, you know, what we put into a legal category become such a pi— a pivotal piece in democracy for all of us.

AVI: Can you give me a couple of examples of nonprofits that play this this role of of getting people to participate in democracy?

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COLLEEN: I think a great many examples exist in the realm of urban and community about policy. Historically we've had community-based organizations that have been instrumental in engaging residents that may have been disfranchised, may have been marginalized, may have been left out of some of our larger political decisions as it related to urban redevelopment. And they have been able to build trust in their communities and help those residents have an active voice in urban community development policymaking and the decisions that influence their communities. Simple examples exist of the community based organization, community development corporations, that exist to to rebuild our urban areas.

AVI: Tell me about one of those.

COLLEEN: So, for example that you know different cities have different— different cities have different community development corporations. In St. Louis, the Equal Housing Opportunity Alliance is one that is working to help inform policy makers about access to fair and equitable housing. In Cleveland you have the Cleveland Housing Network which is actually a large non-profit of very different neighborhood associations that come together to provide a voice to policymakers about key urban issues.

AVI: What are these— what do these nonprofits actually do to get citizens to participate? Do they spend money, do they invite the public to come to meetings...?

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COLLEEN: I think there's a whole realm of strategies that they use. Primarily what you see is they'll run the gamut from having citizens on their boards so that they can inform direct decision making for the organization, which then leads to how the organization itself sends representatives to either advocate in public hearings, to start informational campaigns to draw attention to particular issues that are facing these communities, to even negotiating agreements whereas other stakeholders in the communities such as private lending organizations or other private companies—private sector companies that can influence the outcomes for their community.

AVI: So we're talking here I guess generally about large land use decisions, the kind of thing that determines what might get built in a neighborhood, that kind of thing?

COLLEEN: It can be what gets built in a neighborhood. It can be, you know, for example, my latest publication is really looking at access to credit. So for example Community Reinvestment Act is a policy that aims to encourage lenders, financial institutions, to make loans in low income and moderate—and minority communities. Nonprofits have been engaging—nonprofits with a social mission of reducing inequality, reducing discriminate—discriminatory practices, have been negotiating agreements with these lending institutions to identify ways to provide access to credit for communities, for residents in these communities that have historically faced disinvestment.

AVI: So these nonprofits, they— they sort of negotiate with banks or with credit unions or other other lenders on— on behalf of the people in a given community. I guess my question about that is, well, well, who elected them to do that.

COLLEEN: I think that's a great question, and I think that's increasingly a question that's of concern in terms of who does the nonprofit represent. And so at face value, to say a nonprofit alone is always acting in this— in this capacity is not necessarily accurate. It really goes back to what the mission of the nonprofit is and how they actually devise a strategy to ensure that the citizens of those communities are represented in their processes and in the policy for which they advocate.

AVI: Take the inside of these nonprofits.

[00:06:06] Colleen, tell me how they— how they are governed, you know, how they get—they get set up whether or not the donors have a lot of power. How they let normal neighborhood residents have power, because it seems to me that the decisions that the nonprofits themselves make about what issues to take on and, and what they want to do about each issue is, you know, hugely important to these communities.

COLLEEN: And I think you're exactly right. So you know, again, it— it will be highly variable based on the nonprofit. But the predominant ways that we see particularly of the nonprofits that are acting in times when there— when there is a need or when there are great inequalities is that they actually have residents from the community engaged in their board. So you have the donors and you have the resources that are coming in, but it's really the mission of that nonprofit and the dedication to serving the community that guides those decision making process. And so the way we're seeing it must effectively is when those citizens and those residents are actively engaged in the decision making and at the level of board involvement.

AVI: Colleen Casey, why is it so important that citizens participate in nonprofits at the level of the board?

COLLEEN: It's really important that they participate at that level so that they actually have a real voice. One challenge we have always found in the policy process is that we will have an idea

already and then we will just try to get citizen buy-in. But putting individuals at the level of the board to actually shape the agenda and what it is that is important to our community is critical so that we avoid that just getting buy-in.

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AVI: And is it the case that that the board has the ultimate decision making authority for the nonprofit?

COLLEEN: I think that that's the case that the board has the ultimate decision making authority as well as it buildstrust with the community. Because now residents are engaged in making decisions, and they see those decisions being and being implemented. And in turn that builds trust between that nonprofit and that particular community.

AVI: You've written about nonprofits serving as democratic actors and serving as the public interest. First of all could you define the the public interest?

COLLEEN: That's always a challenging question to define. But in this sense we want to think about the public interest in terms of what is important to society. And we have many publics and we have many different definitions of what that is. And at some point through the political process we have to reach some agreement as to what it is that we want to do in terms of society from a policy perspective.

AVI: We can't just say what's good for General Motors is good for America.

COLLEEN: Correct. We want to make sure that there are enough voices informing what that public interest is through the process because we're moving towards this, you know, this complex relationship where private local governments are engaged in service delivery with nonprofit organizations, with private sector organizations. And so this question becomes what— do we lose something in terms of the Democratic anchorage. And so that means to what extent is that new arrangement still accountable to citizens.

AVI: What are the requirements for a nonprofit to serve as a democratic anchor in a way that's legitimate?

COLLEEN: I think it's a very difficult question that we're still trying to understand from a research perspective.

[00:09:52] But I think in general one way— and what I'm arguing in this particular paper is understanding the extent to which the nonprofits that participate in these private arrangements with lending institutions still represent what is historically known as civil society— society function, meaning they are mobilizing on behalf of communities that have historically been marginalized, or they're providing a voice in the policy process for those that have not been able to do so themselves.

AVI: Let's begin by zooming out for a second. Can you tell me about the Community Reinvestment Act, what it does and why there was a need to have it in the first place?

COLLEEN: So the Community Reinvestment Act was largely a response the practice of redlining. And what I mean by redlining was, back in the 60s, banks would draw a red line around areas where—

AVI: literally a red line around areas on a map—

COLLEEN: literally, a red line around areas on a map, and say those are areas that are bad investments. The— the consequences of that is those areas are often in inner city communities that were suffering disinvestment, and also tended to have residents that were largely low income or minority. And so the purpose of the Community Reinvestment Act was to encourage and require lenders to begin to invest in those particular communities. Low income and moderate— low and moderate income communities as well as the minority communities. It focuses on both homeownership access, access to credit for homeownership, as well as small businesses.

AVI: So this community reinvestment act, it's— it's helping people get mortgages, helping people get money for their businesses. How did nonprofits get involved in the implementation of this act?

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COLLEEN: So first of all, nonprofits were very instrumental in the passage of the act. So prior to there ever being a policy such as the Community Reinvestment Act, nonprofits were out there challenging lenders and saying you're no longer investing in our community. We cannot gain access to resources. We cannot gain access to credit for homeownership and our small businesses cannot access to credit.

AVI: Can you tell me what those challenges looked like where they were, you know, getting people to protest? What kinds of things that they have people do?

COLLEEN: So there are a variety of tactics but at this time there were largely picketing and protests standing and outside in front of the banks, using various informational campaigns to draw attention to lenders that they were not lending in these particular communities. Over time no— nonprofits have continued to negotiate agreements with lenders. CRA—

AVI: You mean, the Community Reinvestment Act.

COLLEEN: The Community Reinvestment Act, yes and the— the CRA does not set requirements for lenders and there's a voluntary component of it that lenders and nonprofits can negotiate agreements around this and that has been relatively successful in many communities in— in securing resources in those particular areas.

AVI: So these nonprofits are getting people to protest and to draw attention to banks that were not lending in their community.

[00:13:19] Then what do they do to get the Community Reinvestment Act passed?

COLLEEN: So that eventually escalated it to the federal level and it gathered attention of the political officials, and then the bill was, you know, put forth in Congress and it was eventually passed as a— as— as seeing there is this need— there is a need for a policy to promote investment in these urban communities.

AVI: And then once the Community Reinvestment Act gets passed, how do nonprofits sort of find a new— a new role because they've got this act?

COLLEEN: Yeah. So over time that you know that the protest tactics were something that you know we saw quite a bit in the 60s. Over time it has evolved to much more of a partnership between nonprofits and lenders for several different reasons. One, lenders have found out that nonprofits have the trust in these communities, that nonprofits have a lot of knowledge about these

communities and so in many ways for lenders, it's become better business to partner with nonprofit organizations that know these communities, that work in these communities, that already have these relationships established. So it's moved from the more of the protest tactics— not those still don't exist and in some cases— to an understanding that each brings something to accomplishing this policy goal, that each has some knowledge that they can bring into these arrangements to provide greater access to credit in these communities.

AVI: So now that these nonprofits are representing community members and bringing them together with these powerful lenders, banks, and developers how do they prevent themselves from getting into the kinds of conflict of interest situations?

COLLEEN: Yeah, I think a major factor in that is size. So a smaller organization that is dependent upon the resources from a lender is going to be more susceptible to that.

AVI: You mentioned the term or you've written about the term that a nonprofit could get captured and a nonprofit should avoid being captured. Can you just tell me about that?

COLLEEN: Yeah I mean, the— the value of a nonprofit that provides that voice. That voice that can inform or influence how other actors in a particular community interact.

[00:15:41] So for them, they really want to be able to maintain that autonomy, so that they can do that and represent the interests of their community.

AVI: You've been studying how nonprofits deal with the Community Reinvestment Act. Are your findings more generalizable outside of the Community Reinvestment Act?

COLLEEN: I think in other areas that I've looked into and conducted research on, we see that nonprofits play a pivotal role in the success of entrepreneurs that are low income and low wealth. In other policy areas, I think we're seeing a lot as well in terms of environmental policy about the importance of nonprofit groups in the environmental policy landscape. So I think that these— these findings are a generalizable. I think what I would caution is that we can't just treat nonprofits as a unitary. Just because it is a nonprofit does not necessarily mean that it is guided by a mission that's focused on, on— on its role in civil society.

AVI: Colleen Casey, how have you gone about researching the nonprofit sector in the United States?

COLLEEN: I think for studying the nonprofit sector in the United States we need to both understand some of the—what I would call quantitative data, the statistics on the capacity— the resource capacity of these organizations, such as their finances, the sources of funding, how they structure their boards, the percentage of professional staff versus volunteer staff. But we also need to use what we refer to as qualitative methods. I use qualitative interview techniques, observation techniques, review of non-profit organizational websites and mission statements, because we really want to understand the totality of what nonprofits are doing and how they're representing citizens in their communities.

AVI: So thinking about 2016 and this presidential election that we've got coming up,

[00:17:49] do you believe that nonprofits have a particular role to play?

COLLEEN: I think they most definitely do. We connect as citizens to our— to our communities through many of the nonprofit associations that we are part. Through our participation in church

groups, through our participation in our homeowner associations or through our community based organizations, we engage in talking about these issues related to the political process. We engage in talking about the issues that are close to us. We also engage in understanding how our fellow citizens view issues and this is a critical component to a robust democracy.

AVI: Colleen Casey, thank you so much for joining us today.

COLLEEN: Thank you.

AVI: Colleen Casey is an associate professor of public policy and public administration at the University of Texas at Arlington. We've been talking about a forthcoming article that she has coming in the *Public Integrity Journal* about how nonprofits contribute to urban development and democracy. You've been listening to *No Jargon* from the Scholars Strategy Network. The producer of our show is Shira Rascoe. The Scholars Strategy Network is a nationwide nonprofit organization of over 600 university researchers from 170 colleges and universities nationwide. To find out more check out our website [WWW dot Scholars Strategy Network dot org](http://WWW.ScholarsStrategyNetwork.org). If you like the show, please subscribe or please give us a review on iTunes, and if you have any feedback for us ideas for future shows please email us at [no jargon at Scholars Strategy Network dot org](mailto:nojargon@ScholarsStrategyNetwork.org).