**Partnerships Between Government and Philanthropic Foundations: Rationales and Influence on Policy**

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**Abstract**

Partnerships between government and private philanthropic foundations are very common in Israel and take different forms, from the exchange of information and knowledge through round-table discussions on particular topics to informal collaboration around particular social projects and formal partnerships in the form of joint ventures. Some of the foundations that operate in Israel consider government partnerships to be an appropriate and desirable operating strategy. Therefore, umbrella organizations promoting philanthropy in Israel pursue the joint study and development of collaboration practices within the framework of ongoing cooperation with the government and senior professional government representatives.

In the wider world as well, partnerships between government and philanthropic foundations are not a new phenomenon. However, interest in this issue has grown in light of renewed criticism of the ability of foundations to exert undue influence over government policies through these partnerships. This critique drives the effort to understand and characterize the different types of cooperation, the relative advantages they offer to each side, how the roles of the parties to these partnerships are perceived and the regulatory structures within which these partnerships exist.

Against this background, we conducted interviews with individuals who hold senior professional roles in government and with individuals who hold senior positions in philanthropic foundations involved in government–foundation partnerships in Israel. We asked our interviewees about their rationales for the existence of these partnerships (that is, the collection of reasons or logical basis that leads the parties to establish the partnerships) and how they perceive the power relations within these partnerships, particularly with regard to influence over governmental policy.

This article presents similar perceptions among the interviewees from the two sectors regarding the main rationales for these partnerships, based on the added-value and complementary advantages that each party brings to the partnership. Among the interviewees from both sectors, we also heard a strong claim that partnerships do not tend to influence governmental priorities and are managed in a way that keeps the authority and responsibility in the government’s hands. Alongside the similar claims, interviewees in senior professional government positions added that these partnerships exist within a regulatory framework that grants them legitimacy, such as processes that formally invite public involvement. Some of the interviewees even called for additional formalization of regulation in this field. Our analysis revealed a mechanism of self-warnings used by the parties as part of their efforts to cope with potential criticism regarding concerns of undue influence over governmental policy.

**INTRODUCTION**

**Background and Research Questions: “Thanks to the COVID Pandemic”**

“Philanthropy in Israel acts alongside the government and sometimes in partnership with it, to strengthen civil society and social services. The continuous blurring of the boundaries between private and public brings together philanthropy and government in different initiatives, awakening challenges regarding best practices and, in some cases complicated ethical questions as well. In a group comprised of civil servants, philanthropists professional leaders of philanthropic foundations and academics, we will examine case studies and dilemmas involving practices and ethics, in an effort to build, over time, a corpus of knowledge and experience and set out basic assumptions following an open, intelligent and structured discussion …”[[2]](#footnote-2)

 In Israel, partnerships between government and philanthropic foundations are very common.[[3]](#footnote-3) However, there is no repository that lists such partnerships, their areas of activity or their scope or duration. Even so, we can estimate that, in recent years, dozens of such partnerships had developed some short-term and very localized and some lasting years, with significant financial scope and significant influence on citizens and residents of Israel. Partnerships between government and philanthropic foundations in Israel take many forms, from the exchange of information and knowledge through round-table discussions on particular topics through informal collaboration to promote particular social projects to formal partnerships in the form of joint ventures that are anchored in official, legal agreements that include the foundation’s obligation to cover at least 50% of the cost of the project.[[4]](#footnote-4)

 Some of the philanthropic foundations that are active in Israel view partnerships with the government as an appropriate and desirable operating strategy. To that end, the philanthropy sector umbrella organizations work to identify opportunities, advantages and challenges of partnerships, and to develop models and best practices together with senior professional government representatives (Krauz-Lahav & Feit, 2022). The collaborative process, in recent years, has included different components, such as pilot projects to model optimal partnerships, the development of a range of forms of formal partnership and evaluation of the need to appoint “chief liaisons” within various governmental agencies

 As part of the learning process, a working and discussion group on Practices and Ethics in Philanthropy–Government Partnerships was established in February 2020. The work of that group led to the quote presented above.[[5]](#footnote-5) Although the participants described the inaugural meeting as important and successful, the working group’s future activities were cut off by the outbreak of the COVID-19 pandemic in Israel in March 2020 and the restrictions on gatherings that alternated for the following couple of years.

 In light of this situation, we decided to study these issues in a different way. We conducted personal interviews, over Zoom, with high-ranking individuals in philanthropic foundations and senior personnel in professional roles in government who are involved in partnerships between government and philanthropic foundations.[[6]](#footnote-6) Through these interviews, we wanted to understand the rationales offered for such partnerships (i.e., the collection of reasons or logical basis that leads the parties to engage in these partnerships), as well as how the interviewees perceive the power relations within the framework of these partnerships, with regard to influence over governmental policy.

 In the introductory framework below, I review the trends, insights and the major critique presented in the literature regarding government-philanthropic foundations partnerships. Following a brief discussion of our methodology, I will present the main findings from our interviews including a detailed description of the rationales for these partnerships and perceptions regarding power relations within those partnerships as they were described in the interviews. In the Discussion section, I shed light on the attitudes of individuals in key positions, which have surfaced in previous studies. In doing so, this work adds a new, additional layer to the growing body of research in this field. This work reveals the manner in which the rationales and perceptions of those individuals are expressed as self-warnings regarding the potential for undue influence over governmental policy, in defense of potential criticism as mentioned above.

1. **Relations between Government and Philanthropic Foundations in the Research Literature**

In the wider world, partnerships between government and philanthropic foundations are also not a new phenomenon. This phenomenon is linked to changes in views of and approaches to the role of government in supplying social services, which have increased the importance of philanthropy and civil-society organizations in the public discourse (Anheier and Leat 2006; Boyle 2016). This phenomenon also expresses a new division of roles among government, civil society and the business sector (Harrow and Jung 2011). Although this phenomenon is not new, in recent years, it has attracted increased attention, in attempts to characterize the roles of philanthropy vis-à-vis the government, the different types of partnerships, the rationales that underlie those partnerships and the regulatory structures within which they are established.

 Philanthropic foundations are assumed to play four various roles, which define their relations towards government. When foundations fund initiatives and services that the government does not support, they are seen as *complementary or supplementary* to governmental activities. When foundations step into the government’s shoes to fund social services due to reduction in public budgets they are seen as *substitutes* for governmental activities. The foundations are viewed as *social-innovation leaders* when they identify, initiate and fund innovative social programs. When those programs have matured, they may be transferred to the government for wider implementation. Finally, when these foundations act to influence government policy, mainly by funding social movements and advocacy activities to promote social justice, they are seen as *adversaries or promoters of social change* (Toepler and Abramson, 2021)

 It is important to clarify and emphasize: The fact that philanthropy, in general, and philanthropic foundations, in particular, may attempt to influence public policy is not a matter of debate. On the contrary, one of the strongest arguments in favor of the existence of philanthropy and philanthropic foundations is the argument of pluralism. In this context, philanthropy and philanthropic foundations give a voice to and bring to the surface the needs of groups that are not at the centers of power or the focal point of government responses and, in doing so, influence the decentralization and diversity of social services and government budgets offered to those groups (at least through the tax benefits for philanthropy). In this way, they try to influence governmental policy and, sometimes, actively affect that policy.

 In their research, Toepler and Abramson (2021) examined the roles (among those mentioned above) played by American foundations and how they are perceived by liaison officers in the Federal government, who are responsible for developing partnerships between government and philanthropic foundations. They noted the prevalent view of foundations as substitutes for government and the tendency of liaison officers in the U.S. to view these foundations as no more than a source of funding and resources. Alongside this, they noted a growing consideration of foundations “co-designers” or “co-developers” of programs, possibly replacing the traditional “innovation” role. Toepler and Abramson’s (2021) study shows that the appointment of contracting officers may indicate the importance that the government places on philanthropy–government partnerships. This is very different from the findings of Susan Phillips (2018), who pointed to the lack of infrastructure for philanthropy-government partnerships in Canada and the differences in speed, language and operations between government and philanthropic foundations, which make it difficult to have productive partnerships.

 In practice, roles and relationships are expressed through different types of partnerships between government and philanthropic foundations. In a study conducted for the U.S. Federal government, Person et al. (2009) distinguished between different types of interactions between government and philanthropic foundations and referred to three of those relationships as “partnerships”: (1) communication partnerships, which are mainly used to exchange information or knowledge and align strategies, goals; (2) coordination partnerships, in which goals, strategies and implementation methods are aligned but are carried out separately and (3) collaboration partnerships based on a memorandum or some other formal agreement that includes agreed-upon goals and objectives, pooling of resources, joint operation of the program and a clear division of tasks. It may be that the “co-designer” or “co-developer” role noted by Toepler and Abramson (2021) exists within Person et al’s collaboration partnerships In the Israeli context, this type of relationship best describes the mechanism of joint venture which upholds many of the actual government-foundation partnerships.

 Current research illuminates the rationales for establishing partnerships between government and philanthropic foundations. These generally relate to the relative advantages of each party and the added value that each party brings to the partnership. On the one hand, philanthropic foundations are viewed as the party that brings creativity, flexibility, innovation, the ability to take risks and the ability to act according to a long-term view (Anheier & Leat 2006; Boyle 2016; Thümler 2011). These enable them to initiate, develop and implement a pilot project with the intention and expectation that, if proven successful, the project will be adopted by the government for broader implementation (Schmitt, 2015). However, the additional financial support from philanthropic foundations is considered valuable in and of itself, as shown by Toepler and Abramson (2021) with regard to the widespread perception among government liaison officers involved in partnerships between philanthropic foundations and the U.S. government. On the other hand, from the point of view of the philanthropic foundations and, especially, to the extent that they want to influence policy and actually deal with complex social problems, the leading rationale for their partnering with government is tied to the fact that it is government that sets policies in these areas and that possesses many and diverse resources (regulation, planning, data, technology, etc.) to enact those policies (Boyle, 2016; Knott and McCarthy 2007; Thümler 2011).

 Alongside the rationales for these partnerships, we also hear a critique related to the concern that philanthropic foundations may exert disproportionate influence over governmental policy. This line of criticism, seen in the American research literature, raises the concern that “he who pays the piper calls the tune” (Barkan, 2013). It is related to criticism of the power of the elite and focuses on mega-philanthropy, that is, the philanthropy of extremely wealthy individuals and foundations. These also referred to as philanthro-capitalists, are described as those whose philanthropy is guided by principles that come from the business world, such as entrepreneurship, innovation, efficiency, measurement and the evaluation of impact. The main argument is that the mega-philanthropists can intervene in governmental policies and propose and influence social services in accordance with their own personal preferences, without having been democratically elected to do so (Rogers 2015)[[7]](#footnote-7). This argument and similar arguments are mainly based on three main characteristics attributed to mega-philanthropy: (1) the tremendous scope of the capital invested in philanthropic-business strategies; (2) the moral authority attributed to mega-philanthropists, based on the respect they are given for their success in the business sector and (3) the expectation of additional, concurrent financial support for political campaigns (Goss, 2016). This criticism is mainly directed at extremely wealthy individuals and foundations, such as Gates, Bloomberg, Zuckerberg and Broad, who have acted vigorously to change policies regarding the American educational system (K–12) through different and varied strategies, including political campaigns of individuals backed by the foundations, the funding of efforts to change legislation and even grants given with the condition that certain public officials remain in their positions or promote the desired processes (Barkan 2013).

 It is important to emphasize that this phenomenon of philanthro-capitalism is mainly unique to the U.S. It is not as distinct in other countries, due to the large and unique amounts of capital involved, the strong business ethos that has penetrated the U.S. philanthropic sector and the lax regulation regarding contributions to American political campaigns.

 That said, the issue of possible disproportionate influence of philanthropic foundations over government policy is not unique to the U.S. and is also relevant in other philanthropic environments. Foundations, large and small, can engage in different activities aimed at promoting policies, including conducting and disseminating policy research, influencing public opinion through traditional or social media, supporting social organizations acting to change policies through legislation or judicial processes, initiating and implementing projects that model new ways of providing social services and, in doing so, modeling policy change, and also through direct partnerships with the government that aim to change policies (Goss 2016).

 In light of all of this and the presence of many and multi-faceted partnerships between government and philanthropic foundations in Israel, we wanted to clarify how these partnerships are perceived by the two sides. What rationales do representatives on both sides offer? How do they perceive the power relations related to influence over governmental policies?

**METHODOLOGY**

We defined this study*, a priori*, as an exploratory study.[[8]](#footnote-8) We wanted to evaluate whether and to what extent individuals who play key roles in partnerships between government and philanthropic foundations face values-related tensions within those partnerships. We reasoned that one way to evaluate this would be to study the perspectives of those individuals regarding the rationales that underlie those partnerships and the power relations within them, particularly in light of potential criticism regarding their influence on government policies.

 This study was based on interviews that were conducted with individuals in senior professional positions within government ministries and senior managers within philanthropic foundations. All of the interviewees had practical experience managing partnerships between government and philanthropic foundations. The interviews were conducted between April and July of 2021, against the backdrop of the ongoing COVID-19 pandemic. Due to the pandemic, all of the interviews were conducted over Zoom. All interviews were recorded and each interview lasted approximately 45 minutes.

 Interviewees were selected with the help of informants, who were representatives of the government and the Forum for Philanthropic Foundations in Israel, who work together to promote and develop the field of government–philanthropic foundation partnerships. Each informant gave us a list of senior personnel (in the government and the foundations, based on their own respective professional backgrounds) who they believed to have experience with such partnerships and the informants even helped us to make contact with those individuals. We enjoyed impressive cooperation on the part of the potential interviewees. In the end, we interviewed 10 senior officials from different government ministries (education, welfare, health, justice, finance, etc.), some of whom had experience at more than one ministry. We also interviewed 8 individuals who held senior positions in philanthropic foundations and who managed partnerships with different government ministries, mainly in the fields of education, welfare and health.

 The study findings are based on a thematic analysis of semi-structured interviews. During the interviews, we asked the interviewees to introduce themselves and their positions and to provide a very general description of at least one partnership with which they had been involved, with a focus on structural rather than operational aspects of that partnership. Based on their descriptions, we then asked further questions focused on how they viewed their position, the distribution of authority and responsibility within partnerships they had been involved in, the advantages and disadvantages of this type of partnership and the tensions that can arise in the context of such a partnership. We also asked the interviewees how they thought that these matters were perceived by the other party to the partnership. We assumed that our interviewees had had at least some exposure to the different theoretical approaches to the distribution of roles between the sectors and the advantages and disadvantages attributed to partnerships between sectors. Therefore, we were careful to ask about the interviewees’ different perspectives, as expressed in the project or projects that they used as examples during the interviews.

 This study and the methodology used were focused on the joint-venture model, in accordance with the choice of most of the interviewees to refer to that type of partnership in their answers to our questions. Other types of partnerships (such as round tables) were referred to only in passing. This methodological limitation created at least one limitation for our study, in that we were not exposed to views of the position, the distribution of authority or the tensions and dilemmas that can arise in other types of partnerships and in social fields that were not discussed. For example, we can assume that coordination-type partnerships between government and philanthropic foundations that involve parallel allocations of budgets for healthcare institutions or cultural institutions may be associated with different approaches and perceptions regarding the distribution of roles and may give rise to different dilemmas.

**FINDINGS**

How do individuals in senior roles in government and philanthropic foundations explain the rationales for partnerships between those two sectors? How do they understand the power relations with regard to the possibility of influencing government policy through these partnerships?

1. **Rationales**

The different interviewees mentioned rationales related to the added-value inherent in the partnerships, which is expressed in the relative advantages that each side brings to the partnership.

* 1. **The Added Value for the Government: The Relative Advantages of the Foundations**

*“The government is something heavy and big and there are very strict bureaucratic rules … philanthropic foundations have more flexibility, also in terms of budgets, and with all due respect for the government, there are other actors that have knowledge ….” (#13)*

 Individuals from the government and the philanthropic foundations mentioned two main rationales for partnerships between government and philanthropic foundations: the strictness and heaviness of the government with regard to new initiatives and the limits of the existing knowledge within the government.

* + 1. **Strictness and heaviness with regard to new initiatives:** Different interviewees holding government positions noted that the government acts within a strict regulatory framework, according to particular rules and the instructions of accountants and legal advisors, which increases the burden on new initiatives and programs, as well as the lenght of time it takes before they can be implemented. They added and clarified that partnerships with philanthropic foundations allow for greater flexibility in new initiatives. The interviewees described the philanthropic foundations as more risk-tolerant, more prepared to fail or lose if an initiative is not successful, and as having greater flexibility in terms of allocating or shifting budgets toeards different parts of the initiative.

 The interviewees who held senior positions in philanthropic foundations also emphasized, above all else, the flexibility of the foundations and their ability to make mistakes and to amend as advantages, in contrast to the rigidness of the government, which limits the ability to develop new initiatives and models. They described the government as lacking mechanisms for innovation and the partnerships: *“The freedom to develop, to think outside the box and to not be subject to the government’s payment rates” (#6).*

* + 1. **Knowledge limitations:** Interviewees who held government positions acknowledged that *“the government doesn’t know everything” (#11).* Particularly when it comes to dealing with complex problems: *“There’s no need to be embarrassed about this, not all of the knowledge is with us …” (#12).* In light of this, they emphasized the importance of public participation procedures in setting policies and in decision-making. They also mentioned the professional work, knowledge, experience and perspective that *“non-profits and philanthropic organizations have and the government does not” (#9, #*14) and that *“the contribution of the philanthropic organization to the process, beyond the money that they put in, which is not so significant, is really to reflect a voice that is closer to [what’s going on] the ground” (#17, #18).*

 Alongside respect for the foundations’ knowledge and experience, we identify a form of self-warning by government professionals mentioned related to the importance of hearing a variety of voices in public participation procedures in general, and a variety of philanthropic voices, in particular. Similarly, the interviewees also expressed a concern about disproportionate consideration of “the philanthropic voice” as part of public-partnership processes and the need to be aware of and attentive to that issue.

 Interviewees from the philanthropic foundations reasoned that the government recognizes the foundations’ knowledge and experience accumulated from work in the field as significant added value that those foundations bring to partnerships: *“They saw our added value … beyond the small change … it’s the presence on the ground, the connections that have been made, the opening of doors, the content that we brought ….” (#1)*.

They also emphasized — possibly against the argument of disproportionate weight of the “philanthropic voice” in influencing the government and as a cautious position — that the foundations carry out consultation processes and collect knowledge and opinions from a range of organizations and beneficiaries in the field, in order to bring all of those voices to the table.

* 1. **The Added Value for the Philanthropic Foundations: The Power of the Government**
		1. **Influence and sustainable implementation:** The interviewees from the foundations noted that partnerships with the government allow the development and long-term implementation of models of social services. They saw their role as being the ones who initiate a “pilot” or “start-up” and thought that their ability to exert influence was dependent on partnership with the government.

 The interviewees who held government positions also thought that the main advantage for philanthropic foundations in partnering with the government was the ability to exert influence and to direct governmental budgets. They also emphasized that it was important for philanthropic foundations to partner with the government in order to accomplish their goals, since the government has a *“monopoly” (#14)* and is the regulator of and has the authority and responsibility for social services. They added and explained that philanthropic foundations enjoy an additional advantage in their partnerships with the government, in the form of access to the information, knowledge, expertise and decision-making points that exist within the government, which allow for the more effective and efficient operation of an initiative: *“to make sure that the resources get to the right places” (#17)*.

* + 1. **Reputation:** The interviewees from the philanthropic foundations also noted that partnerships with the government were considered “national projects” and also served as a positive signal to the foundations’ donors. Among the interviewees from the government, we also heard a common explanation that the foundations are also interested in partnerships because they grant *“legitimacy” (#17)* and *“recognition” (#9)* to the initiative and to the foundation as it faces its donors.

**Rationales — Conclusions:** We see that both sides reasoned that partnership with the government is essential for achieving influence and for the wide and broad implementation and long-term sustainability of the initiative and the services offered as part of that initiative. Both sides expressed similar understandings of the flexibility of the philanthropic foundations as an answer to the rigidness of the government. The interviewees from the foundations placed great weight on the knowledge, unique experience and “voices from the field” that they bring with them and the interviewees from the government also referred to that knowledge and experience. The interviewees from the government referred to the knowledge and experience of non-profits and social organizations in the context of public-participation procedures, while adopting a form of self-warning against the disproportion weight philanthropic foundations may have within these procedures. The interviewees from the government also thought that the government’s information, knowledge and expertise constitute an advantage that attracts foundations to such partnerships.

1. **Power Relations in the Context of Influence over Governmental Policy**

In light of the critique in the research literature regarding possible undue influence of philanthropic foundations over governmental policy due to their financial position, moral authority and the expectation that they will contribute to political campaigns (in the American context), we were interested not only the in rationales that would be offered for these partnerships, but also whether and to what extent we would hear any reflective, critical thoughts from our interviewees about the partnerships and power relations related to influence over governmental policy.

 We did not present the interviewees with an organized list of critical positions nor did we ask them to respond to any critique that did not come up naturally in the interviews. But, sometimes, when the context was relevant, we did ask direct, but general questions about the justification for the partnership, such as “Why partner specifically with philanthropic foundations?”

Interviewees from both sides of these partnerships seriously considered the question of influence over governmental priorities as part of the partnership. In this context, they referred to aspects of authority and responsibility, to mechanisms that grant legitimacy and to the importance of the additional funding, even if it was marginal.

* 1. **Influence over priorities:** The common position heard in the interviews with the individuals who hold positions in government was very clear. They thought that partnership was possible if and only if the matter was already a priority of the ministry or unit of government. As one of them said, *“Of course the professional content needs to match the ministry’s agenda” (#17)* and also *“… If [they] want to interest me in establishing something that’s not on my agenda at the moment …. I won’t establish it… .”* In addition it was explained that the establishment of an initiative involves an ethical obligation to implement it if it is successful and that it is impossible to do that, that is, it is impossible to allocate long-term budget for a program, if it is not a governmental priority.

 Interviewees from the foundations also addressed the issue of influence over the government’s priorities. In this context, different interviewees noted that the state is “the authority” and “the regulator” and that it is not possible to promote an initiative in partnership with the government if the issue addressed by that initiative is not already a priority for the government. *“The existing mechanisms are sufficiently precise and professional… so the [government] clerk knows that he can’t promote something that does not fit in with his… professional priorities…” (#8).*

* 1. **Authority and responsibility:** Many of the interviewees from the government mentioned as obvious that the authority and responsibility lay in the hands of the government. *“Of course, the responsibility is the government’s” (#18); “The authority and the responsibility remain ours…”(#19).*

There was also acknowledgement that the partnerships invite thinking together and reaching decisions together through the discussion of ideas. *“There was also professional discussion about the content … things were changed by agreement” (#17)*. We also heard about the manner of negotiation and compromise (#15, #16) and that decisions were made by *“consensus”* and so, in the absence of consensus, the partnerships did not bear fruit and the sides parted ways (#12, #13, #16).

Different interviewees mentioned the importance of maintaing boundaries: *“[You] need to make sure that the government plays the game within the boundaries of authority and responsibility to which it is obligated” (#15)*.

This issue is related to the government’s obligation to the principle of equality and the understanding that the philanthropic foundations do not share that same obligation and that it is important to prevent any deviation of the government’s judgement in this context:

*“There’s a sort of structural difference … that the government’s regular considerations, which include the element of equality … so when you’re working with parties for which that’s not a formal or essential part of their role … this can lead to deviation or a slight distortion of governmental judgement … and bringing up this consideration can harm the partnership.” (#15).*

 Many of the interviewees from the government explained that, in order to keep the authority and responsibility in their hands, different regulatory measures are applied. For example, to keep the power in the government’s hands, government representatives might constitute the majority of members of different committees or they might have an explicit right to veto: *“We have the final say in the decisions that are made” (#12)*.

The interviewees also mentioned regulatory measures that require transparency and procedures regarding conflicts of interest with regard to partnerships. Finally, the government representatives acknowledged that *“the responsibility is carried out through external parties” (#14)*, alongside governmental control and supervision of the operational process:

*“We define the problem together, build a model, allocate a budget for it, put it out into the field, check …. if there’s anything that needs to be fixed and put it out into the field again, and there’s always a cycle of setting policy and implementation in the field.” (#18).*

 Among the interviewees from the foundations, we also heard full agreement that the authority and responsibility belonged to the state:

“…My view is that all of the authority and all of the responsibility are theirs. They’ll need to take the model in the end. We have in mind to work in a way that they’ll be able to implement …. They are responsible for the citizens and the residents … and they have all the authority …” (#4).

Philanthropic involvement is sometimes regarded as a catalyst to fulfill that responsibility. In some cases, the interviewees described the initiation and development of services that, *“the state must provide”* by law.: *“Together, we set the rules and the framework, what was going to be done, and we put it into action …” (#5).*

In terms of planning and operations, they described significant involvement: development of content, construction of a model, administrative management such as scheduling committee meetings and editing protocols and documents, research, measurement and evaluation, selecting operational staff, etc. In this context, some of the interviewees also emphasized symbolic aspects: They do not request credit or publicity and prefer to see the state *“lead”, “in front”* and government representatives *“at the head of the table.”*

 The interviewees from the foundations also made it clear that, within the framework of these processes, there were *“compromises” (#2, #3)* and, in cases of disagreement, the partnership was not advanced or the parties parted ways (#1, #5). Similarly, they also emphasized that even though they had operational responsibility, the government was responsible for supervision and control: *“Our feeling is that we are entrusted with a full professional mandate, yet under supervision – we feel trusted and valued - It feels good to work with them” (#8).* And: *“I may be the one responsible for the success of the project, but not the one responsible for the relevant issue in the state of Israel … and there’s a very big difference…” (#4).*

Therefore, they explained, when a partnership is formed, in the first phase, the parties make sure that they see matters *“eye to eye” (#7)* and *“from a place of broad agreement on the basics” (#5)*. The starting assumption is that, in any case, the parties have similar interests:

*“In the end, all of us, us and them, want to produce service of a very high professional level that is as accessible as it can be to all parts of Israeli society, in accordance with the government’s financial and operational abilities, and that’s [the idea] around which we all come in …” (#4).*

 In fact, the interviewees from the foundations described their model of practice: developing best practices — in which they invest thought, funding and experience in order to apply through broad government implementation mechanisms. In one case, we were told how a foundation with independent abilities was deeply undecided about whether or not to enter a partnership with the government. In that case, it was the foundation that needed to find justification to do so:

*“We thought that this would be strategic for us, that it wouldn’t happen unless there was a joint venture … It’s a discussion of constraints, principles, values … On one hand, you think about the individual who won’t get a response this year if you don’t run the initiative or broaden the impact … On the other hand, you say to yourself, ‘It’s not my job, it’s the job of the state’…” (#8).*

To ensure that it will be a process in which *“we come in and set it up and then leave,”* those holding positions in the foundations work to make sure that discussions about the partnership include up-front agreement (subject to the success of the project) regarding implementation through other means, such as improvement of a service that is already being provided or implementation through budget line items and the establishment of a public tender process for providing the service.

 Alongside the strong position that, in practice, it is not possible to distort the government’s priorities and that, in any case, the authority and responsibility remain in the government’s hands, the interviewees from the government also noted aspects of mechanisms that grant legitimacy to government-foundations partnerships.

* 1. **Mechanisms that grant legitimacy:**. First, a few of these interviewees noted that their position includes a formal appointment of responsibility for procedures of public and inter-sectorial partnerships. Others noted that their positions were actually derived from government decisions to serve as a bridge between the government and civil society organizations or as part of ministerial strategies to develop such partnerships. In addition, the interviewees also noted that they were aware of efforts to codify different aspects of partnerships between the government and philanthropic foundations, such as the appointment of “head liaisons” in ministries and units of government. Some of them told us that they were waiting for the results of a supervision process conducted by the Prime Minister’s Office, to build a model for optimal partnerships.
	2. **The weight of additional funding:** The interviewees from the government mentioned that the scope of the funding from philanthropic foundations is marginal in comparison with the government’s budget. However, they also generally related to that funding as an additional budget that was important for initiatives or as funding for components of programs for which it is more difficult to secure government funding (such as construction; #18). Moreover, this philanthropic funding is also seen as a driving force that allows the government or the Finance Ministry to be persuaded that the fact that a philanthropic foundation is prepared to offer funding presents an opportunity to jump-start a project and, in this manner, to anchor a long-term obligation to take on full responsibility for the project, if it is successful. In this spirit, we were told that *“Every partnership is basically positive, especially in contexts in which there is an increase in the resources that can be distributed to the benefit of the public” (#15).*

Alongside this and in support of the argument that the philanthropic funding itself is not the main issue, one of our governmental interviewees explained that, the state raises capital or investment from different and varied sources (e.g., to develop infrastructure) and that, in the context of a partnership between the government and philanthropic foundations the investment is aimed at some social services that are a matter of consensus and the philanthropic foundation invests without any intention of making a profit, as opposed to other sources of external financing.

* 1. **Power relations and influence over government policies — Conclusions:** It seems that both sectors were concerned about whether partnerships between the government and philanthropic foundations might influence the government’s priorities. In both sectors, there is a great deal of faith in the power of the government and its professional, official representatives to act according to the priorities set by the government and the belief that partnerships between the government and philanthropic foundations cannot significantly affect that order of priorities. In both sectors, there is also complete agreement that full and absolute authority and responsibility remain in the hands of the government, even if the philanthropic foundations are involved in developing content and managing the planning and operation of programs. Funding from philanthropic foundations is seen as marginal, on the one hand, but also as a component that can drive plans and initiatives and as an investment that is not aimed at generating a profit, unlike other possible sources of funding. Finally, the interviewees from the government mentioned mechanisms that grant legitimacy — the existence of key positions for the promotion of partnerships, government decisions and ministerial strategies, alongside the development of procedures and regulation of partnership models and processes to address issues of transparency and conflicts of interest. In the discussion below, I show how these perceptions serve as self-warnings against possible disproportionate influence over policy and intensify the challenge of identifying an influence as “disproportionate”.

**DISCUSSION**

The rationales that came up in the interviews with the individuals from the two sectors are fairly congruent with the rationales for establishing partnerships between government and philanthropic foundations that are mentioned in the research literature cited above. They express the added value of the partnerships: The government is described as a “heavy ship” encountering difficultues in setting up new initiatives and the philanthropic foundations are described as offering an innovative, flexible, risk-tolerant nature in response to government difficulties., The guiding rationale, which had the greatest resonance among the interviewees from the two sectors, is the desire to have a sustainable effect.

 Representatives of both sectors acknowledged the intention and the power of the philanthropic foundations to affect policy. However, alongside that acknowledgement, both sides have adopted self-warnings. While both sides see the knowledge that the foundations possess as added value, the interviewees from the government made it clear that that knowledge is accepted by the government as an inseparable part of processes of public participation and is accompanied by self-warnings about the potential disproportionate influence of the philanthropic foundations as a result of close partnerships. The interviewees from the foundations emphasized that their organizations invest efforts in bringing forth many and varied voices through consultation and the collection of opinions from a range of organizations in the field.

 The acknowledgement of the intentions and power of philanthropic foundations to affect policy and the government’s readiness to partner with those foundations despite that issue testifies to a change, as compared to the findings and conclusions from the research conducted by Almog-Bar and Zychlinski a decade ago regarding the Yaniv Initiative. Almog-Bar and Zychlinski (2010) summarized the main differences in the perceptions of the sides that led to the ending and failure of a partnership as follows:

*“The government had trouble seeing the foundations as a legitimate partner in policy development. It saw them as parties that had a lot of money and could help the government to carry out tasks, but as lacking the professional knowledge needed to make decisions regarding children and youth at risk. The foundations saw the government as a complicated organization that found it difficult to produce systemic and comprehensive solutions in social fields and, therefore, needed external help from philanthropic organizations with experience in the world of hi-tech.”*

Those researchers also mentioned that the exceptional scope of the philanthropic funding, as well as concurrent political processes and the lack of regulatory structures suitable for the partnership contributed to the final failure of that initiative. At the same time, they heard from the government that, “The correct model is for the government to set policies and for the philanthropic organizations to come in where there is a need to complement [what the government is doing]…. ” (Almog-Bar and Zychlinski 2010, p. 173).

 However, the foundations saw themselves as involved in the programs and their management. The distance between these approaches led to a lack of professional respect and a lack of trust between the parties.

 Our current study demonstrates that perceptions have changed. While interviewees from both sectors mentioned “communication” and “coordination” partnerships that fit nicely with the categorization presented by Person et al. (2009), a clear majority of the interviewees referred to joint ventures, that is, the closest type of partnership described by Person et al. (2009). The interviewees described processes of planning, agreement about the framework and the details, implementation, development according to goals and review, in a manner similar to Boyle’s (2016) description of the partnerships between Atlantic Philanthropies and the government of Ireland.

*“When we start a joint venture, its usually the same formula: develop a professional model, develop metrics, develop a digitized model, attempt to implement it and hand it off to the government to continue to run it … (#18).*

These may be the features of the model outline described by Toepler and Abramson (2021) as “co-design” or “co-development.”

 The rationales given by the different interviewees in support of such partnerships and their detailed descriptions of the distribution of roles within the joint ventures demonstrate that both sectors view the philanthropic foundations as playing the role of “leaders of social innovation.”[[9]](#footnote-9) However, the matter was not mentioned explicitly by any of the interviewees.[[10]](#footnote-10) That said, an overall view of the interviews shows that the foundations are seen as partners — at least temporary partners — in the development of a successful model for new or renewed social services, in terms of planning, production, supply and control, alongside the use of a second type of self-warnings: Making it unambiguous and clear that the authority and responsibility remain the government’s, as a matter of principle.

 Almog-Bar and Zychlinski (2010) found that foundations aspired to substantial partnerships in terms of decision-making and that that aspiration may have been associated with an expectation that the perception of the foundations as supplementary within the partnership would be shattered and replaced by a perception of those foundations as playing the role of social-innovation leaders. However, our study found that over time and as experience is accumulated that aspiration is realized.

 As the foundations are perceived, by interviewees from both sectors, as playing the role of social-innovation leaders within government–foundation partnerships, questions arise concerning the foundations’ possible undue influence over government policy. In this context, we identify a third self-warning was mentioned clearly: Representatives from both sectors reasoned and emphasized that the government’s priorities cannot be easily altered. In a few cases, participants clarified that those priorities are determined at the political level and that the activities of the senior professional staff managing the partnerships with philanthropic organizations are limited by those priorities, if only because it is impossible to allocate government budgets for joint ventures that are not among the government’s priorities

 The advantages inherent in the additional funding as a driver of processes or as a supplement for meager budgets were clear to the interviewees. A few of the interviewees referred carefully, but explicitly to the privilege carried by the money:

“There’s nothing to do about it, if you have money, you have power…” (#6).

“Why can I have a greater influence than someone who doesn’t have money and recognizes a need and maybe there’s a need to compete for resources…”(#5).

“… Donations and real influence, because he who pays the piper calls the tune. Within a professional system, this is something that is problematic and I put an asterisk by it … “(#9).

However, alongside this, a fourth self-warning, is revealed byinterviewees from both sectors who stated that the funding is not the main issue. They referred to that money as “small change” and said that the government “doesn’t fundraise” and that the philanthropic foundations bring more than funding to the partnership. Another, fifth self-warning relates to mechanisms that grant legitimacy, to the joint-ventures through the processes of public participation and on the building of the partnerships with the philanthropic foundations as part of those public-participation processes or as a result of them; while additionally stating that the foundations’ capital is what allows them to accumulate experience, develop knowledge, take risks, etc. In the end, this is all expressed as: *“It’s not just that someone who has money makes the decision. It’s a necessary condition, but it’s not enough. We want to plan, to finance, and to decide together…”* (#16).

 Finally, there was an additional and final self-warning that came up among the different interviewees as a call for further formalization and regulation of the variety of mechanisms for funding partnerships between the government and philanthropic foundations.

 The overall picture painted by the interviews is that representatives of the two sectors are very reflective regarding the partnerships between the sectors. They are aware of the question of influence over the government’s policies and priorities within the framework of the joint ventures. However, while identifying this issue as deserving attention, they dismiss its importance in the same breath. It appears that they do this as they hold onto the rationales for these partnerships and their own self-warnings, as elements that justify the partnership or at least reduce the ability of the philanthropic organizations to exert undue influence over government policies. For example, the philanthropic funding is seen as both “small change” and as what allows the foundations to accumulate the knowledge and experience that are so significant to the partnerships. Moreover, this is funding does not seek a financial return, unlike funding from other sources that could influence the government’s policies and priorities. Another example of the attention to the matter and its easy dismissal is revealed through the explanation that the knowledge, experience and expertise are heard and obtained as part of public-participation processes or within the framework of the different existing mechanisms for creating legitimacy.

 In practice, the challenge lies in the identification of influence as disproportionate. This is because the premis (also in the research literature) is that philanthropic organizations aspire, among other things, to influence government policies. So, the questions arise: when and under what circumstances, in what situations and under what conditions should that influence be considered disproportionate? If a particular service is among the government’s priorities and requires development, the government–foundation partnership may, by joint agreement, focus that development on a certain target population that is *by chance* the population that is the focus of that philanthropic foundation’s activities, while other potential target populations continue to wait for the service. Is this not influence over governmental priorities? Is “undue” or “disproportionate” influence? On the other hand, is it better to prevent the development of a service for a particular target population if, in any case, it is impossible to develop the service for all of the potential consumers at the same time? Or, should the development of the service for a particular target population be seen as progress toward providing all potential target populations with that service?

 Also, “disproportionate” influence relative to what? Relative to that of an average citizen? That of social organizations? Other philanthropic organizations? Organizations from the business sector? How can we measure the degree of influence, in order to determine whether or not it is proportionate?

Government is obligated equity and equlity principles and that obligation was noted by some of the interviewees. That obligation applies not only to services offered to the public, but also with regard to inviting different parties to the table at which policies are designed. But, how can the principle of equality be applied in practice? By taking into account the considerations of experts, knowledge, experience, supplemental funding, etc.? It appears that the readiness to reflect and the openness to criticism from the interviewees can serve as an opportunity for focused work on these issues and attempts to answer the challenge of identifying disproportionate influence through open discussion, learning together and supplementary research.

**CONCLUSION**

Due to the COVID-19 pandemic, we searched for an alternative for a working and discussion group on practices and ethics in government–philanthropic foundation partnerships. We thought that a round of exploratory interviews might allow us to examine the perceptions of key figures in the government and in the philanthropic foundations that are involved in these partnerships regarding the distribution of roles, the rationales for such partnerships and the power relations associated with influence over policy within the framework of the partnerships.

 From the interviews, it appears that the perceived main role of the foundations in these partnerships is that of the social-innovation leader, although both sides work together to design and develop the relevant social service. The working model described starts with the identification of a social problem or social need by a philanthropic foundation, a ministry or another unit of government. Either side will then approach the other and ask to conduct discussions to make sure that they are “on the same page”, with each side bringing its own relative advantages to the table. In this manner, the parties go through all or some of the following stages: defining the problem, studying the situation, evaluating intervention options, determining the limits of the project, planning and budgeting for the intervention through negotiation or by consensus, agreeing on a model of cooperation and a distribution of roles, building interpersonal trust, coping with structural failures in the establishment of the joint venture, supervision and evaluation, and repairing and optimizing the program. The foundation will then hand off the project to the government, with a plan for its further implementation.

*“Everyone understands that it is in our interest for a successful model to be widely deployed and they have an interest in the development of the best model in the most flexible manner before it is widely deployed because, once it’s deployed, they become servants of the bureaucracy, of the lawyers and accountants … Almost anything is possible if there’s trust and open discussion … In the end, what are we arguing about … about professional principles that are worthy of debate and about expansion processes … how and when to deploy broadly, when to issue a tender … There’s no big gap in interests here …”* (#4).

 In our interviews, we were exposed to abundance of activity and reflection about the issues that we raised. In both sectors, there is broad agreement about the rationales for these partnerships, the relative advantages and disadvantages of each party to those partnerships and the added value that each side brings and receives. Similarly, there was notable reflection regarding the issue of influence over government policies. The depths of thinking and reflecting emanate in what we define in this paper as self-warnings, and reveal the actualchallenge of identifying “legitimate” influence as opposed to “disproportionate” or “undue” influence. As these partnerships continue, broaden and expand, with or without a process of further formalization and regulation, it would be appropriate to examine whether and how the self-warnings that we identify actually moderate the influence that philanthropic foundations exert over government policies through these partnerships and whether those self-warnings can contribute to a more precise understanding of appropriate and desirable limits of influence.

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1. Professional manager and researcher at the Institute for Law and Philanthropy, Faculty of Law, Tel Aviv University. Special thanks to student Neta Levin, whose efforts made possible the interviews on which this paper is based. [↑](#footnote-ref-1)
2. From an invitation to the first meeting of a working and discussion group on Practices and Ethics in Philanthropic Government-Foundation Partnerships that was held on 5 February 2020 under the auspices of the Institute for Law and Philanthropy, Faculty of Law, Tel Aviv University. (Invitation is in the possession of the author.) [↑](#footnote-ref-2)
3. It is important to emphasize that this article focuses on partnerships between government and philanthropic foundations in specific and does not address the broader subject of partnerships between the government and nonprofits or civil-society organizations in general. [↑](#footnote-ref-3)
4. Exempt from the requirement to issue a public tender, based on article 3(30) to the Regulations Regarding the Requirement for Public Tenders of 1993. [↑](#footnote-ref-4)
5. The group was established under the auspices of the Institute for Law and Philanthropy at Tel Aviv University. It was inaugurated in a festive event attended by the president of the university, the head of the institute, the deputy legal advisor to the government and the head of the Forum of Foundations in Israel. [↑](#footnote-ref-5)
6. Interviews were held with individuals holding high-ranking positions in each sector. In this work, anonymous individuals will be referred to as male or female independent of their actual gender. [↑](#footnote-ref-6)
7. These individuals and phenomenon are also known as “policy plutocrats” and “philanthro-policy-making” (Goss 2016). [↑](#footnote-ref-7)
8. The opportunity to conduct such an exploratory study arose when Neta Levin, a master’s degree student in Sociology and Anthropology in the Organizations and Social Change track, asked to do a research practicum at the Institute for Law and Philanthropy. [↑](#footnote-ref-8)
9. Along the edges of the interviews, we also heard about situations in which the philanthropic foundations played other roles, such as providing supplementary funding in the absence of government budgets (e.g., for construction or to cover a temporary gap that developed in a joint project or at the start of the COVID-19 crisis), roles that are congruent with the role of the philanthropic foundations as “substitutes” for the government. In two cases, we also heard about an oppositional strategy that some foundation took to promote a social change. In one case, we heard about a process in which the foundation established an advocacy organization that triggered governmental opposition and harmed the partnership. However, it is reasonable to assume that the foundations also act in a supplementary role, by funding social services provided through social organizations with which the government is not involved and which it does not support. As a rule, the interviewees did not mention these issues, probably because these activities occurred outside and beyond the scope of the partnerships that we were discussing. [↑](#footnote-ref-9)
10. Two interviewees (#6, #16) said that there is innovative thought within the government, but added that it is almost impossible to put into action without partnership with philanthropic organizations. A third interviewee addressed the idea of an innovative service that was developed by a philanthropic foundation, but which was implemented within the framework of social services that require government participation (#5). Another interviewee referred to philanthropy as “the social Hub” (#14). [↑](#footnote-ref-10)