

# The Microrelations of Urban Governance: Dynamics of Patronage and Partnership<sup>1</sup>

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The classic urban ecological paradigm envisioned the articulation of the social organization of neighborhoods with that of the city as a whole. This article offers novel empirical evidence in support of this proposition. We analyze the microrelations of governance across two key urban domains, politics and nonprofit organizations, and identify the district-based politician as a key actor linking neighborhood-based and citywide forms of social organization. Using data of contracts allocated by city council members to nonprofits in New York City, analysis of the social network system linking these two types of actors shows two distinct relational dynamics: a *patronage dynamic* characterized by exclusive and long-lasting relationships between a council member and his/her local constituency and a *partnership dynamic* characterized by citywide relationships that are short-lived and fostered by organizational differentiation and embeddedness. Furthermore, politicians and nonprofits differently accommodate the copresence of these two models of resource allocation.

## INTRODUCTION

Which forms does urban governance take in the social organization of the city? That is, how do cities make decisions that shape the opportunities

<sup>1</sup> We would like to thank Aaron Gullickson for his generous assistance with our data set. We also thank Larry Wu, Bill Sites, Florencia Torche, and the *AJS* reviewers for their input. This research was supported by the National Science Foundation Science of

and constraints faced by individuals, groups, and communities? We define urban governance as a city's processes of goal setting, steering, and implementation of collective outcomes in economic, political, and social affairs. The decisions wrought through urban governance can be highly consequential for people and places, yet the characteristics of such decision-making processes make them difficult to empirically investigate. These processes are carried out via relational exchanges among numerous public and private sector actors, under a set of formal and informal rules and conditions, and with the end result of a wide variety of goals, policies, and implementation routines (cf. da Cruz, Rode, and McQuarrie 2018; see also Galaskiewicz 1985; Swyngedouw 1996; Pierre 1999; Pacewicz 2015). Investigating this complexity poses many challenges.

To date, much of the sociological research that addresses questions of urban governance has relied on ethnographic methods to tease out the intricacies of these processes. Some studies begin with what has traditionally served as urban sociologists' fundamental unit of social organization: the neighborhood (e.g., Marwell 2004; McQuarrie 2013; Levine 2016; Vargas 2016). Others have targeted a particular governance process—such as economic development, workfare, or eviction—and traced its operations across neighborhoods and beyond the boundaries of the city itself (Pacewicz 2015; Desmond 2016; Krinsky and Simonet 2017). The urban governance perspective's ability to address both neighborhood-based and transneighborhood forms of social organization offers a theoretical opportunity to address a key empirical lacuna of sociology's dominant urban ecological paradigm (Park and Burgess 1925): how the social organization of neighborhoods articulates with that of the city as a whole. Indeed, no less a proponent of the ecological approach than Robert J. Sampson has suggested that the long-standing focus on neighborhood effects and other intraneighborhood social processes has left underexamined the latter piece of Park and Burgess's formulation. In Sampson's words, "Urban scholars have proposed but never fully realized an alternative program of research whereby neighborhoods are regarded as pieces of a larger whole of an interlocking city or metropolis" (2011, p. 330; see also Janowitz 1978; Hunter 1985; Hunter and Staggenborg 1986; Bursik and Grasmick 1993). In this article we adopt a microrelational approach to the study of urban governance to unveil how the pattern of relationships between local politicians and nonprofit organizations is constitutive of both neighborhood and citywide governance dynamics.

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In addition to this relevance for the urban ecological paradigm, an urban governance perspective has important affinities with organizational sociology, where “network governance” is a long-standing conceptual framework for understanding organizational agency and performance (e.g., Powell 1990; Jones, Hesterly, and Borgatti 1997). In fact, it was organizational sociologists who first applied network governance ideas to cities, drawing on the community power tradition (Hunter 1953; Mills 1956; Domhoff 1967) to investigate “who governs” (Dahl 1961). More recently, Sampson (2011; Sampson and Graif 2009) has used network data to document the existence of durable patterns of exchange between key urban institutional domains, including politics, community organizations, education, and religion.

Our study combines the theoretical concerns of an urban governance perspective with an empirical approach inspired by studies of urban interorganizational networks (e.g., Miller 1958*a*; 1958*b*; Aiken and Alford 1970*a*, 1970*b*; Turk 1970, 1973; Aldrich 1976; Laumann and Pappi 1976; Galaskiewicz 1979, 1985). We examine the network of relations between two key urban institutional domains: politics and nonprofit organizations. Our data construct the network between these domains at its most constituent level: the dyadic relationship between an individual politician and a nonprofit organization. We use the magnifying lens of discretionary funding contracts allocated by New York City council members to city nonprofit organizations over the period 2003–12. Our analysis thus illuminates the structure of relations created by this set of decisions linking these two important categories of governance actors.

We find evidence of two distinct types of relations between politicians and nonprofits, one that characterizes ties between politicians and nonprofits within neighborhoods, the other characterizing ties between politicians and nonprofits that cross neighborhood boundaries. In the former case, we find confirmation of Marwell’s (2004) argument that nonprofit activity may reflect patronage-type relations with neighborhood politicians. New York City council members allocate nearly half of their discretionary contracts to nonprofits located *within* their own districts. These within-neighborhood ties tend to be exclusive and long-lasting, evoking the core elements of patronage. In contrast, council members allocate the other half of their discretionary funds to nonprofits *outside* their own districts, in ways that suggest politicians and nonprofits develop partnerships in pursuit of instrumental goals that traverse the boundaries of neighborhoods. Here, politicians pursue issue similarity with nonprofits, rely on network embeddedness when forming new ties, and reward nonprofits that are capable of attracting a multiplicity of resources and have citywide prominence.

Overall, politicians and nonprofits differently accommodate the copresence of these two models of relation: while individual politicians usually balance the two types of relations in their decisions about how to allocate

their discretionary funds, nonprofits participate in one or the other of these relational forms. This differentiation clearly identifies two distinctive urban governance dynamics, as well as a specific actor—the district politician—linking neighborhood-based and citywide forms of social organization.

### THREE PILLARS OF URBAN GOVERNANCE

In 1967, Harvey Molotch put forward an idea he referred to as a “more human human ecology.” Noting that Park and Burgess’s ecological model lacked any sustained attention to how governance processes shaped urban social organization, Molotch argued that alongside the population dynamics described by Park and Burgess, formal decision-making also played a key role in how cities were organized. Molotch wrote that unlike the plants and animals that populate the biological ecology models that served as inspiration for human ecology, “Humans have an active and self-conscious interest in the future of certain land areas, perhaps because they own a portion or all of a certain land parcel . . . or perhaps because they associate certain land areas with a way of life which they either cherish or despise and thus are anxious that the area undergo a future consonant with their own value systems” (Molotch 1967, p. 337).

In other words, the characteristics of places, and the populations that move into (or out of) them, are significantly shaped by human effort to activate the city’s governance mechanisms, such as zoning regulations, the allocation of government funds, decisions made by political leaders, and so on (Molotch 1967, 1972; Hunter 1985).<sup>2</sup> This emphasis on the importance of governance processes in the varying fortunes of city neighborhoods points to the relational character of formal decision-making and its outcomes. That is, as some neighborhoods leverage governance in their favor, others lose out.

Although the framework of urban governance has been developed mostly outside of sociology, urban sociologists have paid some attention to questions of urban governance, especially following the emergence of nonprofit organizations as key players in cities. Nonprofits perform multiple roles in contemporary U.S. society, and their prevalence has grown rapidly since the 1970s (Powell 1987; Salamon and Anheier 1996; Powell and Steinberg 2006; Salamon 2012). While in much urban sociological research nonprofit organizations have been of analytical interest primarily for the role they play in community formation (Thomas and Znaniecki 1918; Wirth 1928;

<sup>2</sup> John Logan (1978) further developed these ideas into the concept of “place stratification,” arguing that political action in general played a key role in “the differentiation of places [which] implies sets of advantages and disadvantages for persons who are tied to each place and thus affects the chances for individual upward or downward mobility” (p. 404; see also Logan and Molotch 1987).

Breton 1964; Sampson, Morenoff, and Earls 1999; Small 2004), recent studies increasingly are asking how nonprofits interface with local government agencies and what role nonprofit organizational action might be playing in driving urban processes more broadly. We thus distill existing literature into three key pillars of urban governance—fragmentation, scale, and nonprofit organizational flexibility—to provide a theoretical basis for considering these developments.

### Fragmentation

Fragmentation refers specifically to the fragmentation of decision-making power. A long-standing insight of urban politics research is that governments do not hold sufficient resources or capacity to make or implement governing decisions on their own. Instead, city governments require engagement with private sector organizations of various kinds, both to set governing agendas and to implement goals (Mollenkopf 1983, 1994; Stone 1989; Pierre 1999). Early articulations of this perspective argued for a relatively narrow and stable set of players in the governing “regime” (Stone 1989)—a view that owed much to prior studies of community power structures (Hunter 1953; Mills 1956; Domhoff 1967; Laumann and Pappi 1976). More recent discussions of urban governance, however, have documented the wider variety and flexibility of actors involved.

Pierre (2014), for example, argues that cities’ efforts to encourage economic growth no longer rely on a single strategy of downtown redevelopment, as discussed by Stone (1989), wherein the mayor’s office and local corporations together deliver capital, regulatory support, and legitimacy for development projects. Instead, cities now take different approaches to economic development and involve a wider range of partners such as philanthropic foundations, strategic consultants, nonprofit organizations, and others.<sup>3</sup> A number of recent empirical studies illustrate this point.

Guthrie and McQuarrie (2008) show how the federal Low-Income Housing Tax Credit, the major government subsidy for creating new low-income housing, requires the participation of not only city governments, but also state government, tax credit syndicators, nonprofit and for-profit low-income housing developers, and philanthropic foundations. The collective action of this housing production system determines how many housing units are built, where they are located, the level of subsidy attached to them, and which families gain access to them. Levine (2016), in his study of transit-oriented economic development in Boston, describes the key roles played by philanthropic foundations, planning consultants, community organizations,

<sup>3</sup> Urban regime theory’s originator, Clarence Stone, has concurred with this perspective in his more recent writing (Stone 2015).

and federal transit and housing agencies in decisions about where to locate new public transit stations, subsidized housing, and green space. And Shrider and Ramey (2018) report that the city of Seattle catalyzed lower crime rates in high-poverty neighborhoods through both direct public investments in nonprofit organizations planning community improvement projects and the increased private mortgage lender investments in those neighborhoods that occurred in the wake of that nonprofit activity.

Our study incorporates the concept of fragmentation by empirically tracing the structure of relations between two different types of actors that these and other studies demonstrate play key roles in urban governance. Specifically, we focus on the domains of politics and nonprofit organizations. This is consistent with Sampson's (2011) finding that among the six key urban institutional domains he studied, the politics domain was most connected to the other five domains, and the heaviest concentration of domain-crossing ties existed between the politics and community organizational domains (Sampson 2011, p. 341, fig. 14.2).<sup>4</sup> It is worth noting that our category of "nonprofit organizations" includes not only Sampson's "community organizations" domain but also his "religion" domain and some of his "education" domain. Thus, the two domains contained in our analysis (politics and nonprofits) encompass much of four of the domains identified by Sampson (left out are his two smallest domains, business and law enforcement).

### Scale

The fragmentation of urban governance begs the question of whether all governing decisions are made with the same unit of social organization in mind. That is, are some issues of governance best suited to neighborhood resolution, while others require an orientation to the city at large, or to even higher-order units, such as regions, states, nations, or the globe? Urban geographers have deployed the idea of "scale" to examine this question, and scale should be understood as one of a number of concepts collected under the category of "socio-spatial relations" (Jessop, Brenner, and Jones 2008).<sup>5</sup> The basic notion of socio-spatial relations resonates with the ecological model: that social organization comprises both a relational component and a geographical component and that understanding social change requires attention to both (cf. Abbott 1997).<sup>6</sup>

<sup>4</sup> Politics, community organizations, religion, education, business, and law enforcement.

<sup>5</sup> See Jessop et al. (2008) for a synthesis of a catalog of such concepts culled from the geography literature over the last 30 years.

<sup>6</sup> Much of the geographical scholarship on socio-spatial relations is grounded in a larger study of political economy, where the key object of analysis is the transformation of capitalism over time and place. Socio-spatial relations offer a lens through which to examine these transformations, which often manifest in shifting organizational arrangements

The idea of scale has something in common with the general sociological usage of “levels” of analysis—that is, “micro,” “meso,” “macro”—in that scale often is conceived as a vertical hierarchy, as in neighborhood, city, region, nation-state, and global scales (cf. Brenner 2001; Swyngedouw 2004).<sup>7</sup> However, geographers use “scale” to understand dynamic shifts in social organization across time and space; this orientation imbues “scale” with a kind of agency that appears missing from the idea of “level.”<sup>8</sup> This emphasis on agency is clearly visible in key usages of the idea of scale such as “scale jumping” (Smith 2001; Leitner, Sheppard, and Sziarto 2008), “scale shifting” (Tarrow 2005), or “rescaling” (Swyngedouw 1996; Brenner 2005; Sites and Vonderlack-Navarro 2012). All of these imply active human and institutional efforts to recalibrate a particular economic, political, or social process to a different scale in order to resolve a problem that has become increasingly untenable at the scale at which the process currently operates.

Scale’s emphasis on agency offers a stark contrast with the urban ecological model, which has its own clear assumptions of sociospatial relations. In both classic (Park 1915, 1926) and contemporary (Sampson 2011) versions of the ecological approach, natural areas (or neighborhoods) both structure social order for the people and groups within them and relate to one another via the dynamics of population mobility. In contrast, the concept of scale imagines sociospatial relations as inherently bound up with formal governance decisions that, once implemented, produce changes in the social organization of cities. Thus, we can reinterpret Molotch’s (1967) idea of a “more human human ecology” through a scalar framework. When a neighborhood organization seeks resources controlled by political actors outside its neighborhood, this is a rescaling strategy. By obtaining influence at the city, state, and federal scales, neighborhood actors ensure key resources flow to their neighborhood rather than to others (cf. Molotch 1972; Hunter 1985; Logan and Molotch 1987; Bursik and Grasmick 1993).

There are a number of examples of recent sociological research that also can be interpreted through a scalar framework, though few explicitly invoke this or related concepts. One that does is McQuarrie (2013), who argues that community development became a widely accepted policy approach for addressing urban poverty after 1970 because it rescaled the authority for

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attempting to provide an “institutional fix” (Peck and Tickell 1994; Tickell and Peck 1995) to problems of production, reproduction, or regulation. From our perspective, whether or not scholars agree that a crisis of capitalism stands as a root cause of such organizational changes, or should be analyzed as such, the changes themselves can be empirically observed, as can their consequences (cf. McQuarrie and Marwell 2009).

<sup>7</sup> There is contention among geographers over whether scale should be confined to this notion of vertical hierarchy, or is better thought of in a “flat ontology” (Jones et al. 2017).

<sup>8</sup> Note that sociology certainly is concerned with identifying the mechanisms that connect levels—e.g., Coleman’s (1990) and others’ ongoing interest in how to establish the “micro-macro link.”

solving urban problems from the city scale—that is, via the city government apparatus—to the neighborhood scale—through neighborhood-based nonprofit community development corporations.<sup>9</sup> Other work offers an implicit usage of the idea of scale. For example, Velez, Lyons, and Santoro (2015) show that cities with favorable contexts for African-American political participation and mobilization have lower neighborhood crime rates, likely through the mechanisms of directing increased resources to African-American neighborhoods and creating a better climate for neighborhood-level anti-crime organizing. Studies like these emphasize that in negotiations among fragmented governance actors, the scale at which these actors understand problems and conceive of solutions plays a key role in how governance decisions are made.

An important variable in understanding the scale at which governance actors attempt to influence decision-making is their capacity for independent action. In the politics domain, the powers afforded to different elected positions often drive scalar assessments; for example, district-level politicians may have more influence at the neighborhood scale, while city officials—such as the mayor and staff members of mayoral agencies—may be more likely to work at the citywide scale. In the nonprofit organizational domain, although many studies in the ecological tradition assume that nonprofits always operate at the neighborhood scale, other work shows that in fact there may be significant flexibility on this issue. We discuss this in the next section.

### Nonprofit Flexibility

Recent scholarship on urban governance has drawn particular attention to nonprofit organizations, whose prevalence in U.S. cities has grown dramatically since the early 1970s. From this work, we can identify at least two different ways in which nonprofits interface with political actors, each with distinctive sociological roots. First, the ecological tradition's concern with neighborhoods as the key unit of urban social organization serves as the foundation for studies that examine how nonprofits engage in exchange relations with neighborhood-level politicians, usually in efforts to improve neighborhood conditions, encourage community formation, or improve collective efficacy. A second set of studies echoes the concerns of the classic community power tradition, which took the whole city as its object of analysis. These studies searched for durable patterns of control and influence among a city's business,

<sup>9</sup> This rescaling proved useful for local elites given several larger economic and political transformations, such as cuts to federal intergovernmental resource transfers that once had supported city governmental capacity and demands by residents of poor neighborhoods for "community control" in other domains.



governmental, and social elites. Beginning with Floyd Hunter's landmark (1953) study of Atlanta, community power studies nearly always included notables from the local nonprofit sector in their taxonomies of key elites. This approach to nonprofits thus examines their role in governance partnerships operating at the scale of whole cities, rather than specific neighborhoods.

An example of the first type of study is Marwell (2004), which shows how nonprofit organizations enabled the emergence of a "new machine politics" in urban neighborhoods, replacing the former, direct relationship between district politicians and local residents. Nonprofits now can serve as the fulcrum of a "triadic exchange" (p. 278): they work with local politicians to secure public resources for neighborhood improvement, distribute those resources to local residents in the form of jobs and services, and educate these client/voters about the connection between their votes and the politicians' ability to direct resources to the nonprofit. Vargas (2016) documents that when local politicians work to *deny* resources to nonprofits, they help create conditions for the growth of gang violence. He shows how in districts where political reform efforts based in nonprofits threatened the local Democratic Party, district boundaries were gerrymandered to strip nonprofits of their access to resources. This maneuver served to cement party control of districts but also undermined nonprofit efforts to reduce violence.

These two studies explicitly connect the work of neighborhood nonprofits to politics, shedding light on how modern forms of patronage persist in cities and showing how these relationships that pull resources into neighborhoods can be either built up or broken. Other work examines the role of nonprofits in governance processes that are not tied to specific neighborhoods. In this type of dynamic, a nonprofit's physical location may be incidental to how it conducts its work, and it is likely to play a more active role, sometimes even leading decision-making processes that affect the city at large.

Pacewicz (2015), in his study of two declining industrial cities, describes nonprofits as key to the emergence of a "partnership" orientation to urban redevelopment. He describes how nonprofits built a partnership with city government, philanthropic foundations, and local developers that transcended traditional ward politics, excluded political partisans from development decisions, and constructed the city's reputation as a place that "gets things done." Similarly, Chin's (2009) study of HIV/AIDS activism in New York City recounts how nonprofit HIV/AIDS service providers, whose clients and constituents spanned all parts of the city, banded together in a coalition that drove the development of the city's HIV/AIDS policy. Because nonprofits had recognized and organized to combat the pandemic much earlier than government actors did, nonprofits exercised—and continue to exercise—significant influence in the city's policy development and implementation.

In sum, recent scholarship depicts nonprofits as crucial actors both inside neighborhoods and in processes that span the city and recognizes that

nonprofits may play roles that are either more patronage based or more independent in their relationships with political actors. It remains to be ascertained whether individual nonprofits demonstrate this kind of flexibility—for example, simultaneously participating in within-neighborhood and cross-neighborhood governance processes—or specialize in one kind of activity or the other—for example, either supporting district-level local politicians' constituency-building and reelection efforts or leading partnership arrangements alongside citywide political actors.

#### NEIGHBORHOOD PATRONAGE AND CITYWIDE PARTNERSHIP IN URBAN GOVERNANCE

From the previous theoretical discussion, we propose two forms of urban governance emergent in the relationship between the domains of politics and nonprofits: *neighborhood patronage* and *citywide partnership*. In this section, we attempt a more analytical specification of what these two forms of governance entail. In the following section, after we have introduced our data, we will describe in greater detail our empirical operationalization of the core aspects of each form of governance.

#### Neighborhood Governance Dynamics and the Legacy of Patronage

The rapid growth of U.S. cities in the 19th century gave rise to a particular form of the Jacksonian spoils system: the urban political machine. Exchange relationships at multiple levels characterized the machine (Gosnell 1933, 1937). Party chiefs traded political favors for contributions and voter mobilization by big business, churches, the press, and the criminal underworld. At the lower level of the machine, individuals might receive a job, a professional license, help with the rent, or some other kind of material inducement in return for doing campaign work, organizing voters, or otherwise assisting the ward boss. Municipal reform movements frequently attempted to break this political exchange system (Allen 1937; Wilson 1962; Banfield and Wilson 1963), but classic party patronage survived, though diminished, well into the 1970s (Gump 1971; Guterbock 1980).

While the direct-exchange relations between politicians and voters that characterized the traditional political machine are gone, Marwell (2004) has argued that the importance of nonprofit organizations in urban neighborhoods has created the conditions for a new machine politics to emerge. A "triadic exchange" that displays key aspects of a patronage system can now exist among nonprofits, elected officials, and client/voters, given the widespread government contracting of social services to nonprofits (Smith and Lipsky 1993; Salamon 1995). What are the distinctive traits of this neighborhood-scale form of governance? We expect it to be organized around relationships

between an elected official and the nonprofits *in his or her own political district*, and with the twin goals of securing reelection for the neighborhood politician and creating a reliable source of government funds for the nonprofit. We thus expect these neighborhood-based connections between the domains of nonprofits and politics to be *long-lived* and *exclusive*, thereby fostering this mutual exchange. It remains unclear, however, the extent to which this neighborhood-scale dynamic Marwell uncovered in her ethnographic study exists beyond the one organization in which she observed it. Indeed, her study included seven other nonprofits that did not engage in the “triadic exchange,” which suggests there may be another type of governance relationship at play in cities.

### Citywide Governance Dynamics and the Rise of Partnership

Local politicians, especially ambitious ones, seek other outcomes besides reelection. As such, they may seek to form ties with nonprofit organizations outside their districts whose contribution to their own reelection may be minimal but that might facilitate other goals. At the same time, as our theoretical discussion of nonprofit flexibility indicates, some nonprofits may be engaged in work that has little relevance to the neighborhoods in which they are located, but instead engages with some kind of citywide process. In their position as citywide partners, they might even acquire a role as brokers of the flow of services, legitimacy, and, ultimately, power to the local communities and politicians. Thus, these nonprofits’ calculus in forming relationships with local politicians would be driven by factors other than the creation of neighborhood-based exchange.

For example, within the fragmented governance structure of cities, certain nonprofits are recognized as powerful actors involved in important governing decisions. District-based politicians may seek to establish ties with these powerful nonprofits in order to gain access to their influence and connections. From the nonprofit side, such relationships perpetuate their position as central actors with ties to multiple players in politics, thereby facilitating future opportunities to engage in partnership relations in pursuit of various goals. A second reason politicians might establish ties with nonprofits outside their districts is if those organizations offer services that the politician’s own constituents could benefit from, even if using those services requires travel outside the neighborhood. This represents a rescaling strategy on the part of politicians: specialized constituent needs likely do not allow each neighborhood to have its own nonprofit that addresses them, and so such needs must be met at a citywide scale. By engaging in partnership relations with such nonprofits, district politicians may garner local support as well. For nonprofits whose clients come from across the city, this kind of partnership may bring political support from multiple elected officials, thereby

increasing their chances of ongoing government funding. Finally, district politicians, especially those facing term limits, may establish ties with nonprofits outside their districts in order to cultivate future opportunities for employment, including employment in higher-level elective office. Nonprofits able to provide such opportunities shore up their relative importance within the fragmented governance structure of the city as a holder of such resources.

Overall, in partnership relationships, both politicians and nonprofits exert greater agency over their actions, as they move in a space in which the script for action is not constrained by the neighborhood dynamics of patronage exchange but instead is open to the strategic reconfiguration of partnership alliances. At the same time, this range of potential goals that district politicians and nonprofits might seek to realize by building partnership relations across district lines is marked by significant uncertainty. Both politicians and nonprofits may seek to establish themselves as important potential partners in citywide governance. We thus draw on the organizational literature on for-profit firms to outline the major aspects of a citywide governance dynamic in which multiple options exist for forming partnerships across the politics and nonprofit organizational domains.

In general, within a governance dynamic of partnership we might expect that politicians and nonprofits would seek relationships with a wide range of actors outside their own neighborhoods. As both sides find themselves less dependent on neighborhood patronage dynamics for securing their status and future, politicians and organizations are free to pursue richer resources held by a wider set of actors across the city. Moreover, both sides no longer are tied to specific actors and are able to exchange with multiple partners simultaneously. This flexibility also brings greater uncertainty, however, and the security of specific political ties becomes attenuated. Politicians and organizations thus face ambiguity in how to ensure necessary financial and political resources (Galaskiewicz and Bielefeld 1998).

Organizational researchers have indicated that this kind of uncertainty results in two types of relational dynamics. In the first dynamic, actors free from long-term obligations seek to exchange with others who can assist their immediate objectives (Powell et al. 2005; Rivera, Soderstrom, and Uzzi 2010). Furthermore, independent actors facing high uncertainty tend to create relationships with others who pursue similar goals, rather than venturing into unfamiliar social domains (Ahuja, Soda, and Zaheer 2012). Thus, we would expect both politicians and nonprofits to associate more with actors engaged in the issues they are concerned with, rather than pursuing partnerships that are not related to the subjects in which they are interested. We also would expect ties to be contingent and relatively short-lived, lasting only for the duration of the specific project that motivated them in the first place. Finally, because partnership relations are created as an outcome of the activities organizations pursue, nonprofits working on a diverse set of

issues will be able to attract more ties from politicians than highly specialized nonprofits.

In the second relational dynamic created by high uncertainty, because actors in competitive environments lack close familiarity with each other, they tend to use social cues as guidance for exchanges (Rivera et al. 2010). As a result, actors often observe and follow the actions of actors similar to themselves as a way to achieve assurance (Podolny 2001; Ahuja et al. 2012). Thus, both network centrality and embeddedness should positively affect nonprofits' capacity to attract funding from politicians. We also would expect that politicians will create more partnership ties with nonprofits that have many branches across the city. These citywide federations, such as the YMCA or Legal Services, are more prominent, highly familiar to politicians, and seen as having more social clout than independent organizations that may be mostly unknown outside their own neighborhood.

In sum, when facing a governance setting where multiple options for engaging partnerships exist, politicians and nonprofit organizations are expected to engage in *short-lived, citywide* patterns of relations. In the high uncertainty of this environment, politicians are expected to pursue *issue similarity* and rely on *network embeddedness*. Finally, politicians are expected to reward nonprofits that are capable of attracting a multiplicity of ties and have citywide prominence.

The major goal of our empirical research is to assess the extent to which either or both neighborhood-scale patronage and city-scale partnership are present as governance dynamics in a single urban system. Our working hypothesis is that, while the neighborhood-scale governance relationships reminiscent of patronage may occur occasionally, the important role of nonprofits in citywide governance processes is likely to characterize most relationships between a city's politicians and its nonprofit organizations. In order to test this hypothesis, we need data that allow us to operationalize key components of these two distinct dynamics. This means data that reveal the relationships between local politicians and nonprofits and that map dynamics of urban governance both at the neighborhood and citywide scales.

## DATA AND METHODS

We study the dynamics of governance relations between key urban domains through the magnifying lens of discretionary funding contracts allocated by New York City council members to local nonprofit organizations. Discretionary control over aspects of the public budgeting process is present in many American municipalities and states (Williams and Onochie 2013; Wu and Williams 2015; Kioko and Marlowe 2017), as well as increasingly in countries around the world (Baskin 2010; Tshangana 2010; Harris and Posner 2019). Discretionary budgeting tools enable legislators to pass large

and complex budget bills by both reducing political conflicts and allowing for more flexibility in the allocation of public funds (Viteritti 1990; Dougherty, Klase, and Song 2003). As the result of prior scandal in the New York City Council's approach to discretionary spending (Cardwell 2008), the council now offers an unusual level of transparency; this is in contrast to many other jurisdictions, whose public budgeting processes often contain discretionary tools that are hidden from view.<sup>10</sup>

In New York City, approximately 10% of the city's annual budget is spent via contracts to nonprofit organizations, which provide the bulk of the city's human services.<sup>11</sup> Most of these funds are allocated through a competitive bidding process (Marwell and Gullickson 2013), where we cannot reliably detect city council members' influence over the allocation of contracts.<sup>12</sup> Their maneuvering remains behind the scenes, although ethnographic evidence suggests that elected officials have some influence within the competitive bidding process (Marwell 2004, 2007). About 10% of the city's nonprofit contracts, however, are directly allocated to individual organizations by members of the New York City Council. This latter group of contracts is commonly referred to as the council's "discretionary funding." This direct allocation of resources exposes the skeleton of the relational system that exists between the key domains of politics and nonprofit organizations (Sampson 2011). We therefore exploit this detailed information for our analysis.

The council has 51 members, each representing a single geographically defined district. This allows for a direct and unique correspondence between a council member and his/her own district. Council members receive discretionary funds every year, and the fund amount, which is determined by the council speaker, varies considerably according to status and seniority (Hernandez and McGinty 2011).<sup>13</sup> Council members have full discretion in allocating these funds. Each allocation of funds is documented in an official contract and administered by one of the city's executive branch agencies.

By filing a Freedom of Information Law request, we obtained the city council's raw data on annual funding allocations from 2003 through 2012, including the full population of discretionary contracts for the decade under

<sup>10</sup> Other discretionary tools, not easily visible, likely also exist in the New York City budget process.

<sup>11</sup> For example, in 2010, \$6 billion of the city's total \$60 billion budget was spent on contracts to nonprofits.

<sup>12</sup> In the competitive-bid process, city agencies develop a service program, issue a request for proposals from nonprofit organizations interested in delivering the service, receive proposals from various nonprofits, score the proposals based on a range of merit criteria, and determine which nonprofits receive government funds to deliver the service.

<sup>13</sup> In 2014, the council speaker amended this process to create a more equitable division of discretionary resources among council members, but our data all precede this change.

study. For each contract, we have the council member name(s), the dollar amount, the purpose, the municipal agency responsible for allocating the contract, the name of the recipient nonprofit organization, its Employer Identification Number (EIN) given by the IRS, and its address. We define unique organizations based on organizational name and address, using the EIN to identify cases where a contract recipient is affiliated with a larger formal organizational body, and organizational address to identify the city council district in which an organization is located.

For the purposes of our analysis, we consider only contracts allocated by a single council member.<sup>14</sup> There are 33,716 of these. After dropping all the cases in which basic information about the contract, the organization, or the council member is missing, we have a population of 26,864 contracts, or almost 80% of the universe of cases we are interested in. These contracts were allocated by 83 council members to 4,747 organizations over the 10-year period. Council members allocate an average of 57 yearly contracts (SD 29.81), and organizations receive, on average, 1.7 contracts per year (SD 1.86).<sup>15</sup> The average yearly contract amount is \$12,124 (SD \$42,895). The organizations that received discretionary contracts engaged in a wide range of activities, from parent-teacher associations, to community centers, local museums, ethnic cultural activities, child welfare organizations, and large institutions such as the City University of New York and the Brooklyn Public Library. The average yearly income and age of these organizations is statistically not different from the organizations that did not receive discretionary contracts from council members.

We complement this data set with additional information on both nonprofits and council members. We used the publicly available IRS Business Master File (BMF) data set to gather information on nonprofits' financial information, and we gathered sociodemographic and career information about council members using the New York City Council's web site and the yearly municipal directory (the "Green Book").

### Analytical Strategy

Figure 1 captures the basic features of our data structure: we have two types of actors, council members and nonprofits, and a unidirectional flow of money. Each arrow represents a yearly relationship. These relationships

<sup>14</sup> Contracts allocated by multiple council members represent 4.7% of our data. The mean amount of these contracts is not significantly different from contracts allocated by single council members.

<sup>15</sup> There are a few cases in which council members appear to be giving multiple contracts to the same nonprofit in the same year. This is likely to be the result of some obscure accounting procedures. We recorded these cases as a single yearly contract.



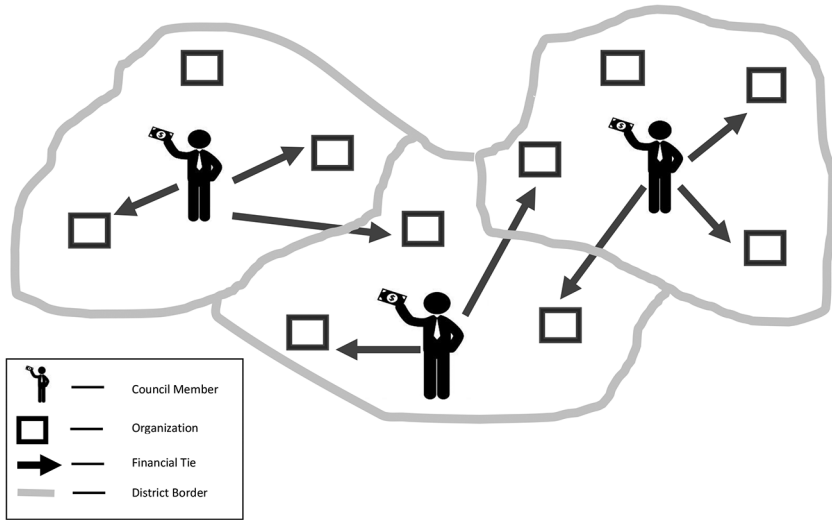


FIG. 1.—Discretionary contracts allocation process as a two-mode network structure

are spatially embedded in districts. Analytically, when a contract is allocated to an organization located in the council member’s district, we refer to it as a neighborhood tie, while if the contract goes to an organization outside the council member’s district, we call it a citywide tie. Fifty-five percent of contracts allocated by council members go to nonprofits that are not located in the council member’s own district.

Empirically, we model this network of politician-nonprofit relations at its most microconstituent level: the dyadic relationship between a council member and a nonprofit organization. Thus, our unit of analysis is the member-organization dyad in year  $t$ . Once a contract is allocated, it is quite likely to be renewed. On average, contracts are renewed for three years. For this reason, we conceptually distinguish between a council member’s decision to finance an organization for the first time and his or her decision to renew a contract in subsequent years and model the process of tie formation and tie duration/dissolution separately.<sup>16</sup>

We model both tie creation and dissolution using event history models, an analytical strategy that is well suited to handle various aspects of our data structure. First, the creation and dissolution of a tie can be properly modeled as a function of the past history of the council member, the nonprofit organization, and the specific relationship between them. Second, since both council members and organizations enter and exit the system at different

<sup>16</sup> This approach is different from other studies of interorganizational tie formation, in which scholars often do not distinguish between the first time a tie forms and the decision to continue the relationship.



times, event history models take into account the changing risk set for each member-organization dyad in year  $t$ .<sup>17</sup>

Given that our goal is to capture the dynamics driving patronage and partnership relationships, we will focus on the interaction terms between our key variables and the neighborhood tie dummy in both the tie creation and tie-dissolution models. This enables us to test whether the factors that are associated with the creation and dissolution of neighborhood ties are statistically different from those associated with ties that span across districts. We tested our results with separate models for neighborhood and citywide ties with similar outcomes. Since contracts are recorded on a yearly basis, and not continually throughout the year, we use discrete exponential piecewise models, which enable us to account for the discontinuous nature of our data (Wu 2003).

To model the hazard (probability) rate of a council member establishing a new tie with an organization in year  $t$ , we construct a risk set comprising each possible member-organization dyad that did not have an active relationship in year  $t - 1$ . That is, we assume that in any given year council members can potentially create new ties with all nonprofits active in that year. In this way we refrain from placing any a priori constraints on council members' contract allocation, enabling us to account for the factors that influence council members' decisions as variables in the models themselves. Note that we view cases where council members allocate a contract to an organization after an earlier tie was dissolved as a *renewed* relationship and treat it as a separate relationship from the original tie. We find that renewed ties are not different from new ties.

Since council members change over time and new organizations are established and dissolved, our risk set for tie creation changes with year  $t$ . We model the hazard of the creation of a new tie using distinct yearly matrices of the 51 council members active in that year and all organizations that received contracts in that year. We therefore exclude unrealistic counterfactuals such as other organizations that do not participate in the discretionary funding allocation process.

In the case of tie dissolution, for each existing dyadic relationship in year  $t - 1$ , including renewed ties, we model the hazard rate of the council member severing the tie in year  $t$ .<sup>18</sup> The model of tie dissolution will mainly serve

<sup>17</sup> Event history models also enable the inclusion of right-censored cases where the event of interest was not observed. These observations are used in estimating parameters, avoiding biases that result from eliminating censored observations, or treating censored observations as though events occur when the observation period ends. We run robustness checks to address left-censoring problems.

<sup>18</sup> Note that the risk set for these models includes only existing ties between council members and organizations. This means that, in modeling tie dissolution, we do not face the imbalance between the number of neighborhood and citywide ties that is built into the tie-formation models.

to test our hypothesis concerning the duration of neighborhood versus city-wide ties.

### Variables of Interest

In both models of tie formation and dissolution we account for the characteristics of the allocating council member, the receiving organization, and the tie between them. Table 1 reports descriptive information for all our variables.

The basic distinction between patronage and partnership relations is captured by a dummy variable, neighborhood tie, which equals 1 when council member and nonprofit are from the same district. In addition, five other variables of interest will allow us to assess whether a patronage or a partnership dynamic is at play. In general, we expect a patronage system of governance to entail long-lasting and exclusive relationships between council members and their neighborhood nonprofits, while partnerships are likely characterized by citywide relationships that are more contingent, involve multiple actors, and display service differentiation.

In the simplest terms, the exclusivity of the council member–organization relationship is captured by the number of yearly contracts—ties in our bipartite network—that a nonprofit receives. In a patronage system, council members should reward nonprofits that have fewer—or ideally no—ties to other council members. The quintessential patronage system entails organizations that have a single, exclusive tie to politicians, which signals the loyalty between nonprofit and politician. In contrast, in a partnership system, organizations should aim at attracting contracts from multiple council members, and council members will interpret the popularity of an organization as a sign of its quality. We measure this aspect with *organizational degree*, a count variable reporting organizations' overall number of ties at  $t - 1$  (left panel in fig. 2). As in many other organizational settings, degree is unevenly distributed, with most nonprofits (77%) tied to a single council member in a given year and a small portion associated with 10 or more, with a few organizations reaching as many as 29 associations in a single year.

A second relational property relevant for exclusivity concerns the extent to which the council member–nonprofit relationship is isolated, as opposed to embedded in a more complex social structure. In more specific terms, we consider whether there is an indirect path between the council member and the nonprofit organization that goes through one other council member, as shown in the right panel of figure 2. Specifically, for each council member–nonprofit dyad of interest (indicated by the dotted oval) we compute *dyadic connectedness*, a dummy variable that takes the value of 1 when a short, indirect path exists between the council member and the nonprofit at time

TABLE 1  
DESCRIPTIVE STATISTICS FOR ALL VARIABLES

	Mean	SD	Min	Max	5th Percentile	95th Percentile
<b>Variables of interest:</b>						
Neighborhood tie . . . . .	.45	.5	0	1	0	1
Organizational degree ( $t - 1$ ) . . . . .	1.45	1.4	1	29	1	3
Dyadic connectedness ( $t - 1$ ) . . . . .	.74	.44	0	1	0	1
Organizational issue diversity ( $t - 1$ ) . . . . .	1.11	.35	1	5	1	2
Issue dissimilarity . . . . .	.49	.37	0	2	.08	1.25
Organization part of a network . . . . .	.47	.5	0	1	0	1
Organization variables ( $N = 4,747$ ):						
Income (US\$) . . . . .	19,546,798	219,045,418	10	8,982,784,001	0	53,257,213
Organizational age . . . . .	23.65	18.45	0	92	2	64
Number of contracts per year . . . . .	1.71	1.86	1	40	1	4
Amount received per year (US\$) . . . . .	17,602	56,211	0	5,000,000	2,300	61,000
Number of organizations in the district . . . . .	97.04	80.51	6	455	30	293
Council member variables ( $N = 83$ ):						
Member's tenure . . . . .	5.59	2.76	1	13	2	10.4
Female (dummy) . . . . .	.32	.47	0	1	0	1
Committee status (dummy) . . . . .	.51	.5	0	1	0	1
White and Asian (dummy) . . . . .	.52	.5	0	1	0	1
Black and Caribbean (dummy) . . . . .	.27	.45	0	1	0	1
Hispanic and Puerto Rican (dummy) . . . . .	.21	.41	0	1	0	1
Number of yearly contracts . . . . .	56.69	29.81	1	172	18.6	118.4
Yearly total amount (US\$) . . . . .	628,589	648,455	3,500	12,123,341	186,016	1,203,658
Yearly number of relations . . . . .	44.67	24.05	1	133	12.55	90.9
Member issue diversity . . . . .	7.27	2.54	1	14	3	11
Relationship variables ( $N = 10,166$ ):						
Adjacent district (dummy) . . . . .	.19	.39	0	1	0	1
Same borough (dummy) . . . . .	.2	.4	0	1	0	1
Yearly number of contracts . . . . .	1.18	.62	1	16	1	2
Yearly amount in a relationship . . . . .	12,124	42,895	0	5,000,000	2,000	40,000
Year of appearance . . . . .	2007	2.87	2003	2012	2003	2011

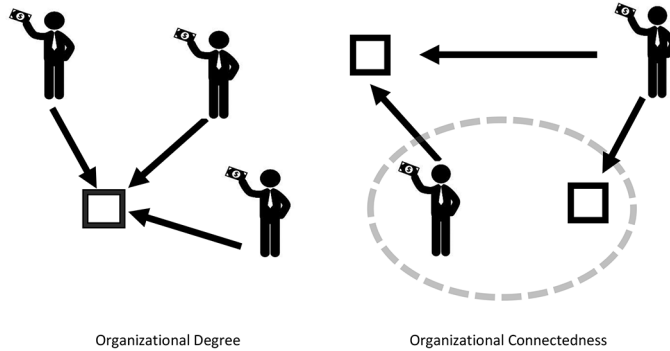


FIG. 2.—Illustrations of key relational variables

$t - 1$ .<sup>19</sup> About 74% of the potential relationships between council members and nonprofits are embedded in this type of indirect relationship. In organizational research indirect connections usually are considered conducive to the formation of new relationships because they increase information and might facilitate trust formation, thus reducing uncertainty. This would indeed be our prediction for the partnership form of governance. However, under a patronage system, indirect relationships undermine the exclusivity of the dyadic relationship and may therefore reduce the likelihood of tie formation.

Finally, we consider three other dimensions concerning the distinction between exclusivity and multiplicity. First, we consider *organizational issue diversity*, namely, whether a nonprofit is involved in multiple service areas. Although council members choose which nonprofits to award their discretionary funds to, those funds must pass through the city’s administrative bureaucracy, that is, through a specific city agency that deals with the type of service provided (e.g., aging, health, education, community development). We measure organizational issue diversity as the number of different agencies from which a nonprofit received money at  $t - 1$ . On average, 90% of nonprofits are active in a single service domain, with less than 1% engaging in more than three types of service. We expect issue differentiation to be an important organizational trait underlying a partnership dynamic, making nonprofits more capable of adjusting to shifting demands and new funding opportunities, as well as the creation of new nonprofits serving new constituencies.

<sup>19</sup> Technically, we computed dyadic connectedness on the two-mode undirected network. The variable takes a value of 1 if there is a path of length 3 (i.e., geodesic distance = 3) between the council member–nonprofit dyad of interest in the previous year. Since in our data the ties always go from council members to organizations, computing a geodesic distance of 3 on the undirected two-mode network will inevitably capture a path as described in fig. 2.

Second, we consider the extent to which the nonprofit and council member are active on similar social issues by computing an index of *issue dissimilarity*.<sup>20</sup> While in a patronage system we would not necessarily expect to see a correspondence between council members' and nonprofits' vocations, in partnership dynamics we do expect council members to be attracted to nonprofits that specialize in issue areas that are important to them.

Finally, we expect nonprofits that are *part of a federation*, such as the YMCA, Legal Services, or the federation of settlement houses, to be able to tap into a citywide set of relationships on which they might draw for survival and growth. Membership in such a federation might make an individual nonprofit less dependent on contracts from its local council member. We code nonprofits as being part of a federation by exploiting the fact that they file their taxes under the same umbrella organization and thus have the same EIN.<sup>21</sup>

The goal of our analysis is to figure out to what extent patronage and partnership dynamics can account for New York City's urban governance system. To be clear, we do not think that any of our variables of interest, taken in isolation, can capture the essence of the patronage or partnership systems of governance. Instead, we expect patronage to be revealed through the entanglement of neighborhood ties that are also exclusive and long-lasting, while the partnership dynamic should involve a multiplicity of citywide relationships that are more contingent. A second important observation is that we cannot exclude, a priori, the possibility that both the patronage and partnership dynamics are simultaneously at work. Accordingly, we consider models with interaction terms between the exclusivity/multiplicity variables and whether a tie is neighborhood based or citywide. For instance, by interacting organizational degree with neighborhood tie we can test whether tie multiplicity favors the formation of new citywide relationships, while inhibiting the formation of neighborhood ties. In general, if the interaction terms turn out to be nonsignificant, it means that either a single dynamic

<sup>20</sup> Following Sorenson and Stuart (2008), we first constructed an issue profile for each organization ( $p_{ok}$ ) and council member ( $p_{ck}$ ). These issue profiles are vectors reporting the proportion of contracts allocated (or received) by each actor through the various city agencies ( $k$ ) in previous years. Second, we compute the issue dissimilarity between every member-organization pair calculating the squared deviations between these vectors:

$$\text{Issue Dissimilarity} = \sum (p_{ck} - p_{ok})^2,$$

where  $c$  and  $o$  indicate council members and nonprofits, respectively,  $k$  indicates a municipal agency, and  $p$  is the proportion of contracts allocated, or received, by the two actors through the given agency. The result is an index ranging from 0 (completely similar) to 2 (completely dissimilar).

<sup>21</sup> Unfortunately, we cannot reliably distinguish between an organization's headquarters and its local branches. However, we ran some tests coding the organization receiving the larger amount of resources as the headquarters location, and we controlled for it in our models. Model results did not change.

is prevailing (where the main effects are significant) or that no dynamic can be detected (when the main effects are not significant and do not conform to our expectations).

The best way to test whether patronage and partnership dynamics are at work is to model the formation of neighborhood and citywide relationships together and run interactions between our variables of interest and type of tie. However, in combination with our inclusive strategy to consider all possible council member–nonprofits dyads, this modeling strategy will inevitably lead to a very big estimate of neighborhood tie formation. Namely, by definition, there are many more possible out-of-district pairs (776,668) than possible within-district pairs (8,894), and thus for each council member the number of potential neighborhood ties is much smaller than the number of potential citywide ties. This aspect of our model will be absorbed by a coefficient for the neighborhood tie, thus allowing for a meaningful interpretation of the other estimates of interest. However, to address any residual doubt raised by this analytical strategy, we also present results from models in which the formations of neighborhood and citywide ties are modeled separately.

### Control Variables

We have a large set of control variables, including controls for organization-level characteristics, council member characteristics, and characteristics of the relationship between organization and council member.

We use the BMF data to control for organizational income and organizational age (based on the year of federal tax exemption).<sup>22</sup> We also control for the borough in which the organization is located, the total yearly amount of discretionary funds received by the organization, the number of organizations in the organization's own district, and the total yearly number of organizations.

For the council members, we control for relevant demographics, such as gender and ethnicity, as well as the number of years they have served in the council, the boroughs they represent, and their committee status, distinguishing between those who have served on the two most powerful committees and those who have not.<sup>23</sup> In addition, we control for the number of contracts and dollar amount allocated by a council member, number of ties, and issue diversity of the council member.

Control variables concerning the dyadic relationship include whether the organization and council member are from adjacent districts and whether

<sup>22</sup> Note that these variables are at the level the organization reports to the IRS. Thus, organizations that are part of a federation are considered as one organization.

<sup>23</sup> Of the 22 committees in the city council, two are especially important: Rules, Privileges, and Elections; and Finance. Both are considered powerful committees, influencing the city council and the municipality at large. We use membership in either of these committees to capture the political status of each council member, where 1 indicates that a council member participated in at least one of these committees in the previous year.

they are from the same borough. We also control for the number of single contracts and the total amount allocated in the dyad in the previous year. Finally, only for the tie-dissolution model, we control for whether the council member has left the council or the organization is no longer active in the system.<sup>24</sup> Table 1 reports descriptive statistics for all the variables in use.

## RESULTS

Fifty-five percent of discretionary contracts in the 2003–12 period were allocated by council members to nonprofit organizations located outside their own districts, leaving 45% going to nonprofits located within their districts. Most readers will be surprised to learn the extent to which council members allocate funds to nonprofits outside their own districts, while others may be equally puzzled to learn the extent to which politics remains hyperlocal, even in a metropolis like New York City. Indeed, the almost even allocation of contracts within and between districts helps establish the warrant for our focus on both neighborhood and citywide dynamics of political exchange.

To unveil the structure of New York City governance, we take the dyadic relationship between district politicians and nonprofits as our unit of analysis. As table 2 reports, neighborhood and citywide relationships differ substantially in important ways. Neighborhood ties are characterized by nonprofits that have exclusive relationships with their council member—their median number of ties is 1, while the mean is 1.4—and very low connectedness. In contrast, citywide relationships insist on politician-nonprofit dyads that display all the features of a partnership dynamic: on average, nonprofits with citywide ties received contracts from four different council members and are more likely to be part of a federation of other nonprofits. Both issue similarity between politicians and nonprofits and network connectedness are higher in citywide ties than in neighborhood ties. Differences exist also with respect to the type of nonprofits involved in citywide relationships: these nonprofits are, on average, bigger and likely to attract more funds than the nonprofits that receive contracts from their own council member. Interestingly, there are no differences with respect to council members' sociodemographic profiles (results not shown).

These descriptive results are consistent with some of our expectations about patronage and partnership dynamics in urban governance. In particular, we expect a patronage system to entail long-lasting and exclusive relationships between council members and nonprofits from their own districts,

<sup>24</sup> The BMF data are not a reliable source to gauge organizational demise (National Center for Charitable Statistics, n.d.). Thus, we prefer to control for the disappearance of the organization from the data instead. This variable is highly correlated (0.76) with departure from the BMF data.

TABLE 2  
DESCRIPTIVE STATISTICS BY TYPE OF TIE

	NEIGHBORHOOD TIES (= 10,243)		CITYWIDE TIES (= 12,614)		<i>t</i> Test (Significant)
	Mean	SD	Mean	SD	
<b>Variables of interest:</b>					
Organizational degree ( $t - I$ ) . . . . .	1.44	1.26	3.90	4.83	*
Dyadic connectedness ( $t - I$ ) . . . . .	.12	.21	.69	.23	*
Organizational issue diversity ( $t - I$ ) . . . . .	1.09	.27	1.27	.52	*
Issue dissimilarity . . . . .	.80	.38	.49	.36	*
Organization part of a network . . . . .	.34	.50	.55	.50	*
<b>Organization variables:</b>					
Income (US\$) . . . . .	11,259,811	110,001,047	39,262,898	386,397,115	*
Organizational age . . . . .	23.91	18.48	25.74	18.09	*
Number of contracts per year . . . . .	1.73	1.83	4.58	5.81	*
Amount received per year (US\$) . . . . .	17,388	35,038	47,075	92,320	*
Number of organizations in the district . . . . .	89.80	71.92	129.34	105.54	*
<b>Relationship variables:</b>					
Yearly number of contracts . . . . .	1.22	.73	1.14	.50	
Yearly amount in a relationship (US\$) . . . . .	10,416	22,986	11,887	53,899	
Year of appearance . . . . .	2006.43	2.83	2007.47	2.81	*
Renewed relationship . . . . .	.10	.31	.09	.29	*
Relationship length in years (right censored) . . . . .	2.60	1.90	2.19	1.65	*

\* Statistically significant difference between the means of neighborhood and citywide ties at the level of  $P < .05$ .



while a partnership system is likely characterized by citywide relationships that are more contingent, involve a multiplicity of actors, and reward service differentiation. Obviously, we need to move beyond bivariate analyses to formally test these hypotheses.

In table 3 we report results from hazard models that predict tie formation (first column). Later we will also look at tie dissolution (second column). Results report hazard ratios. As expected, we observe that council members are much more likely (271 times more likely) to form ties with nonprofits in their district than with nonprofits located outside their district. This result is induced by our decision to include in the risk set all possible council member–organization dyads.<sup>25</sup> For those readers who, despite our explanation for the huge estimate, are still troubled by it, in table 4 we report results from models in which we estimate the likelihood of forming a neighborhood and citywide tie separately. Results are the same. Since our goal is to show that the same set of variables has opposite effects depending on the type of tie, the models with interactions (table 3) are more appropriate; we thus focus on these for the remainder of the article.

Of primary interest for our purposes is the clear pattern that emerges from the five indicators of exclusivity/multiplicity of the dyadic relationship. For each of our variables of interest, table 3 reports the main effect and its interaction with the neighborhood tie variable. A quick glance is sufficient to observe that both main effects and interactions are statistically significant and that their effects go in opposite directions. In substantive terms this means that what predicts tie formation is strongly dependent on whether we are looking at a neighborhood tie or a citywide tie. Consider the measure of organizational degree. In the case of citywide tie formation, the more relationships a nonprofit has, the more likely it is to form new ones. Namely, a one-tie increase in the number of council members an organization is connected to is related to a 20% increase in the chances of forming a new citywide tie. However, this is not the case for neighborhood ties, where the exclusivity of the relationship is rewarded. For neighborhood ties, an additional tie means a 20% decrease in the chance of forming a new tie.

Consider now dyadic connectedness. If an indirect path exists between a council member and an organization that resides outside that council member's district, they are 90% more likely to form a new tie. However, this is not the case for neighborhood ties, where dyadic connectedness reduces the likelihood of tie formation by 34%. We observe a similar pattern for issue diversity and issue dissimilarity. Organizations with a more diverse portfolio of activities are also more likely to form new citywide ties. However,

<sup>25</sup> Recall that, for each council member, the overall number of possible ties within a district is, by definition, much smaller than the number of possible ties between the council member and all the organizations active outside his/her district.

TABLE 3  
EVENT HISTORY MODELS OF TIE FORMATION AND DISSOLUTION

	TIE CREATION		TIE DISSOLUTION	
	Hazard Ratio	SE	Hazard Ratio	SE
Neighborhood tie . . . . .	271.40***	24.71	.69***	.08
Organizational degree ( $t - 1$ ) . . . . .	1.20***	.00	1.01	.01
Neighborhood tie * organizational degree ( $t - 1$ ). . . . .	.80***	.01	1.07***	.01
Dyadic connectedness ( $t - 1$ ) . . . . .	1.90***	.12		
Neighborhood tie * dyadic connectedness ( $t - 1$ ). . . . .	.66***	.04		
Organizational issue diversity . . . . .	1.45***	.04	1.28***	.05
Neighborhood tie * organizational issue diversity. . . . .	.78***	.05	.94	.07
Issue dissimilarity . . . . .	.75***	.03	.96	.04
Neighborhood tie * issue dissimilarity . . . . .	1.18**	.06	1.06	.07
Organization part of a network . . . . .	1.437***	.04	1.09*	.04
Neighborhood tie * organization part of a network . . . . .	.68***	.03	1.03	.05
Organizational income . . . . .	1.00*	.00	1.00	.00
Organizational age . . . . .	1.00	.00	1.00	.00
Amount received ( $t - 1$ ) . . . . .	1.00	.00	1.00	.00
Number of organizations in the district ( $t - 1$ ). . . . .	.10*	.00	1.00	.00
Total number of organizations. . . . .	1.00***	.00	1.00	.00
Council member tenure . . . . .	.97***	.00	.99	.01
Council member's first year . . . . .	1.06	.08		
Council member committee status. . . . .	.95*	.02	1.02	.03
Council member is female . . . . .	.99	.02	1.07*	.03
Council member is black or Caribbean . . . . .	.98	.02	1.01	.03
Council member is Hispanic or Puerto Rican . . . . .	1.16***	.04	1.01	.04
Council member number of yearly contracts. . . . .	1.00	.00	.10***	.00
Council member yearly total amount . . . . .	1.00**	.00	1.00	.00
Council member yearly number of relationships. . . . .	1.01***	.00	1.00	.00
Council member issue diversity . . . . .	1.03***	.01	1.00	.01
Organization based in the Bronx . . . . .	.32***	.02	1.03	.09
Organization based in Queens . . . . .	.27***	.01	.93	.06
Organization based in Brooklyn . . . . .	.36***	.02	1.01	.06
Organization based in Staten Island . . . . .	.38***	.03	1.08	.15
Council member based in the Bronx . . . . .	3.31***	.19	.82**	.06
Council member based in Queens . . . . .	2.98***	.16	1.08	.07
Council member based in Brooklyn. . . . .	2.48***	.13	1.07	.07
Council member based in Staten Island . . . . .	2.85***	.20	.82	.11
Adjacent district . . . . .	23.79***	.95	.88*	.05
Same borough. . . . .	8.21***	.33	.91	.05
Renewed relationship . . . . .	3.53***	.13	.92*	.04
Relationship appearance year . . . . .	.98*	.01	1.01	.01
2008-12 . . . . .	1.09	.05	1.14*	.06
Number of contracts (in the dyad at $t - 1$ ) . . . . .			.85***	.03
Total amount (in the dyad at $t - 1$ ). . . . .			1.00	.00
Council member left the council . . . . .			2.04***	.13
Organizational death . . . . .			6.24***	.17
Number of observations (ties in years). . . . .	785,562		29,666	
Number of subjects (ties) . . . . .	292,577		10,244	

\*  $P < .05$ .  
 \*\*  $P < .01$ .  
 \*\*\*  $P < .001$ .

TABLE 4  
SEPARATE EVENT HISTORY MODELS OF TIE FORMATION  
OF NEIGHBORHOOD AND CITYWIDE TIES

	NEIGHBORHOOD TIE		CITYWIDE TIE	
	Hazard Ratio	SE	Hazard Ratio	SE
Organizational degree ( $t - 1$ ) . . . . .	.94***	.01	1.21***	.01
Dyadic connectedness ( $t - 1$ ) . . . . .	.77**	.102	2.15***	.15
Organizational issue diversity . . . . .	1.03	.06	1.46***	.04
Issue dissimilarity . . . . .	.99	.14	.72***	.03
Organization part of a network . . . . .	.92***	.03	1.43***	.04
Organizational income . . . . .	1.00	.00	1.00**	.00
Organizational age . . . . .	1.00***	.00	1.00	.00
Amount received ( $t - 1$ ) . . . . .	1.00	.00	1.00**	.00
Number of organizations in the district ( $t - 1$ ) . . . . .	1.00	.00	1.00	.00
Total number of organizations . . . . .	1.00	.00	1.00	.00
Council member tenure . . . . .	.98*	.00	1.01	.00
Council member's first year . . . . .	.75**	.09	1.19	.11
Council member committee status . . . . .	.96	.04	.93**	.03
Council member is female . . . . .	1.06	.06	1.00	.03
Council member is black or Caribbean . . . . .	1.06	.04	.90***	.03
Council member is Hispanic or Puerto Rican . . . . .	1.11**	.06	1.18***	.05
Council member number of yearly contracts . . . . .	1.00*	.00	1.00*	.00
Council member yearly total amount . . . . .	1.00*	.00	1.00	.00
Council member yearly number of relationships . . . . .	1.00	.00	1.02***	.00
Council member issue diversity . . . . .	1.00	.00	1.03***	.01
Organization based in the Bronx . . . . .	1.44***	.10	.20***	.01
Organization based in Queens . . . . .	1.40***	.07	.23***	.01
Organization based in Brooklyn . . . . .	1.26***	.06	.32***	.01
Organization based in Staten Island . . . . .	1.24***	.08	.37***	.02
Council member based in the Bronx . . . . .	NA		.61***	.03
Council member based in Queens . . . . .	NA		.57***	.02
Council member based in Brooklyn . . . . .	NA		.55***	.02
Council member based in Staten Island . . . . .	NA		.50***	.03
Adjacent district . . . . .	NA		20.31***	.76
Same borough . . . . .	NA		8.11***	.31
Renewed relationship . . . . .	3.12***	.08	2.98***	.09
2008–12 . . . . .	.97	.05	.947	.04
Number of observations (ties in years) . . . . .	8,894		776,668	
Number of subjects (ties) . . . . .	5,961		286,616	

\*  $P < .05$ .  
 \*\*  $P < .01$   
 \*\*\*  $P < .00$ .

being active on a diversity of issues is a penalizing factor when it comes to forming neighborhood ties. When considering the formation of new city-wide ties, the more dissimilar a council member and organization are in their issue focus, the less likely they are to form a new tie. In contrast, issue dissimilarity does not inhibit the formation of neighborhood ties; actually, it

marginally favors it. Finally, if a nonprofit is part of a federation of organizations, it is 45% more likely to form a new citywide tie. However, being part of a federation reduces its likelihood to form a tie with its own council member by 22%. In sum, whether relational exclusivity or multiplicity is rewarded in tie formation is a function of whether the tie to be formed is neighborhood-based or citywide. This is a first, strong, finding suggesting that both patronage and partnership dynamics are simultaneously at work in New York City governance.

A second relevant dimension of differentiation between the two systems of governance concerns the stability of the relationship. To assess differences in tie duration we consider the model of tie dissolution (table 3), focusing on the effect of the type of tie. According to our expectations, we find that neighborhood ties are 30% less likely to dissolve: neighborhood ties are long-lasting, while citywide ties are more ephemeral. Figure 3 reports the hazard ratios for tie dissolution over a five-year period, distinguishing between citywide and neighborhood ties.<sup>26</sup> Almost a third of citywide ties are severed after just one year, while neighborhood ties only have a 19% chance of disappearing after one year. And of the citywide ties that survive the first year, almost 18% disappear in the second year, while only 12% of neighborhood ties are severed in the second year. In sum, citywide ties are systematically more contingent than neighborhood ones.

Taken together, these results strongly support the hypothesis of a copresence of two different governance dynamics. Neighborhood ties between politicians and nonprofits tend to be exclusive and long-lasting, evoking the core elements of a patronage system. In contrast, citywide ties respond to a partnership logic, in which relationships are short-lived and organizational diversity, capacity to attract contracts, issue similarity, and network connectedness are rewarded.

Before moving forward, a few words about the control variables. In general, organizational characteristics, such as income and age of the nonprofit organization, do not predict the likelihood of tie formation in a multivariate framework. As for council member characteristics, a member's tenure slightly decreases the chances of forming new ties, while issue diversity and number of ties slightly increase it. There is a strong borough effect, where organizations located in Manhattan are more likely to attract new contracts from council members all over the city. Ties also are more likely to be formed (and are less likely to dissolve) between council members and organizations in adjacent districts or in the same borough.

To assess the extent to which our results are sensitive to the specific model specifications we adopted, we run a multiplicity of robustness checks. In all

<sup>26</sup> More than 90% of ties are severed after five years.

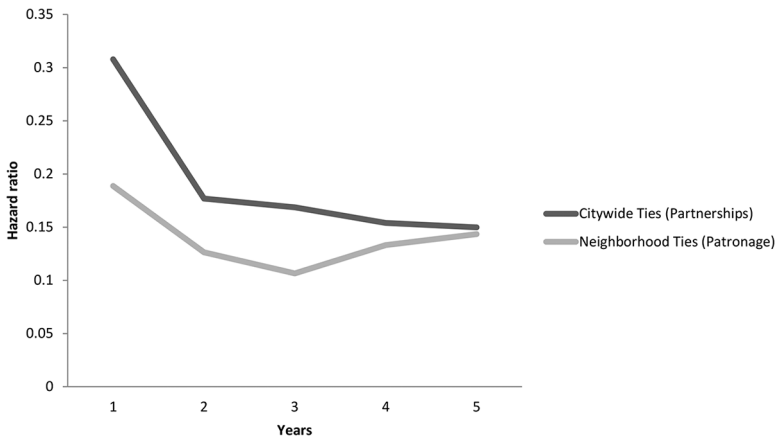


FIG. 3.—The hazard ratios of the dissolution of citywide and neighborhood ties

cases, the results remain substantively unchanged.<sup>27</sup> First, we address the left truncation problem by running models that discard relationships that appear in the first year of the data set, because we lack knowledge of when these ties formed and their actual duration. Second, we consider the possibility that contracts going to an adjacent district could also reflect a patronage dynamic, as council members may turn to neighboring organizations that could provide services to their own district constituency. We therefore run models with a more inclusive definition of neighborhood ties, which included ties to both organizations in a council member's own district and organizations in adjacent districts. Third, we sometimes observe council member–organization relationships that stop for one year and then continue. This may be an actual pattern, but it might also be due to missing data. To address this issue, we run models with a two-year window for tie dissolution. Fourth, since tie dissolution is contingent on tie formation, we run dissolution models controlling for the hazard of tie formation. Fifth, since some organizations are dropped from the analysis because they do not appear in the BMF data, we run models with all the organizations that appear in the contract data set (obviously, without organizational controls). Finally, we run models with year fixed effects.

Our dyad-level analysis of the structure of urban governance has uncovered the simultaneous presence of patronage and partnership dynamics. Importantly, no simple analysis carried out at the individual level, whether of council members or nonprofit organizations, would have unveiled this copresence. Indeed, following our research design (Marwell and Baldassarri 2014),

<sup>27</sup> Results are available from the authors upon request.

we initially pursued this route ourselves, to no avail. However, with the results of the dyadic analysis in mind, we can now move to a more informative analysis of the two sets of actors, politicians and nonprofits. In particular, we ask whether each type of actor tends to follow a single strategy or instead adopts a mixed strategy. Is there a group of council members that operates according to a patronage dynamic and a second group that instead follows the partnership dynamic? What about the nonprofit organizations? Do they play different games (Long 1958) with different council members or do they stick to a single strategy?

While no single variable can, *per se*, capture the adherence to one or the other strategy, the distinction between neighborhood and citywide ties seems to be a useful classificatory heuristic. We therefore compute, for each council member and each nonprofit, the proportion of ties that are citywide. The right panel of figure 4 reports the distribution of council members on a continuum from exclusively neighborhood ties to exclusively citywide ties. Clearly, no council member has exclusively neighborhood or citywide ties. Most of them adopt a mixed strategy in which they allocate part of their contracts within their district and part outside the district.

The distribution for nonprofit organizations could not be more different (fig. 4, left panel). The vast majority of nonprofits have either exclusively neighborhood ties, or exclusively citywide ties. In stark contrast to council members, nonprofits do show strong “specialization” in the type of governance dynamic in which they take part. And, indeed, there are some differences between nonprofits that engage exclusively in neighborhood versus citywide ties. Results from a logistic regression modeling the likelihood of being a nonprofit exclusively engaged in neighborhood versus citywide ties show that partnership organizations are, on average, bigger and more likely to be part of a federation, to receive contracts from a higher number of council members, to have higher issue similarity with their council members, and to be located in districts with a high number of nonprofits.<sup>28</sup>

These results are based on the overall structure of the politician-nonprofit network over a 10-year period. To gain more of a sense of the qualitative concerns that may be driving partnership governance relations, we examined the 20 nonprofit organizations that had the largest number of ties to council members within two five-year periods covered by the data (2003–7 and 2008–12). While these results should be considered only suggestive, we found some support for each of the three rationales that we theorized may underlie partnerships between politicians and nonprofits.

First, there are indications that certain organizations in the top 20 most connected nonprofits are linked, via their donors and board members, to specific elite segments of New York City, including the corporate sector

<sup>28</sup> Results available from the authors upon request.

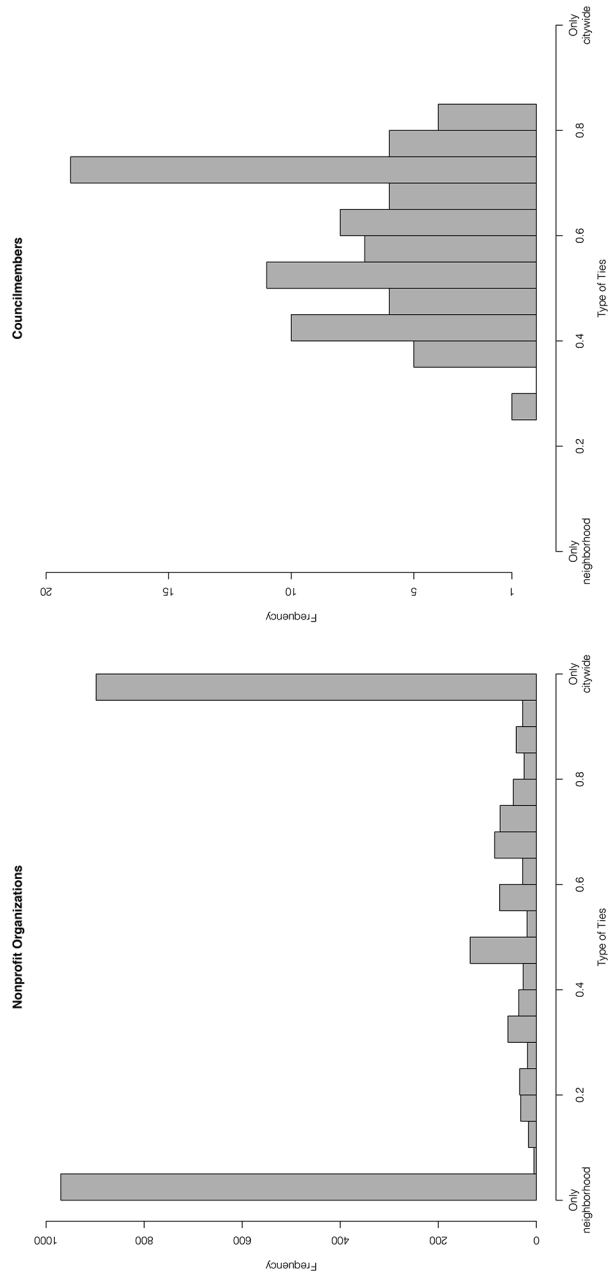


FIG. 4—Distribution of proportion of neighborhood and citywide ties held by council members (right panel) and nonprofit organizations (left panel).

(Brooklyn Arts Council, Police Athletic League), the finance sector (New York Junior Tennis League), the Catholic and Jewish communities (Catholic Charities Neighborhood Services; Jewish Association for Services to the Aged and Metropolitan Council on Jewish Poverty, respectively), or the LGBTQIA+ community (SAGE-Senior Action in a Gay Environment). This suggests that politicians may be building relationships with nonprofits outside their districts in order to access these elites' influence.

Second, many of the top 20 organizations provide services widely across the city, either via a specialized facility to which people travel (Queens Theater in the Park, Medicare Rights Center) or at multiple sites (Inside Broadway, Sports and Arts in Schools, Midori and Friends/Music Outreach). This suggests some support for the idea that council members support nonprofits outside their districts if they serve a wide range of people from multiple neighborhoods, including, potentially, their own.

Finally, data on where council members became employed after leaving the council (usually as the result of term limits) suggest that it is plausible that partnership nonprofits play a role in helping council members find new jobs either as higher-level elected officials or in nonprofit organizations. We compiled data on current employment for 71 council members who were in office for more than two years during the study period.<sup>29</sup> Thirteen are still council members, having been elected near the end of the period covered by our data. Three are deceased, one is retired, and one is unemployed. We were unable to locate current employment data for 12 council members in our data set, including five who spent time in prison and one who left the country. Of the remaining 44 council members, 22 were either elected to (20) or are running for (2) higher-level office, 10 work in the for-profit sector, 9 are employed by nonprofit organizations, and 9 more work in unelected government jobs.

While all council members used some mix of patronage and partnership in the awarding of discretionary contracts, for this analysis we categorized individual council members' discretionary giving as either predominantly patronage, predominantly partnership, or evenly split between these two strategies. A number of council members changed strategies over their time in office; in this case, we categorized their giving as the strategy that characterized the later years of their term. Using this approach, we find that post-council jobs in the for-profit sector were more likely to be held by those practicing predominantly patronage. Jobs in the government sector were equally likely to be held by council members who used any of the three strategies: patronage, partnership, or split. Finally, postcouncil jobs in nonprofits or

<sup>29</sup> Although 83 council members appear in our data set, only 71 were in office long enough (more than two years) to estimate a trend in their giving over time, which was necessary for this analysis.



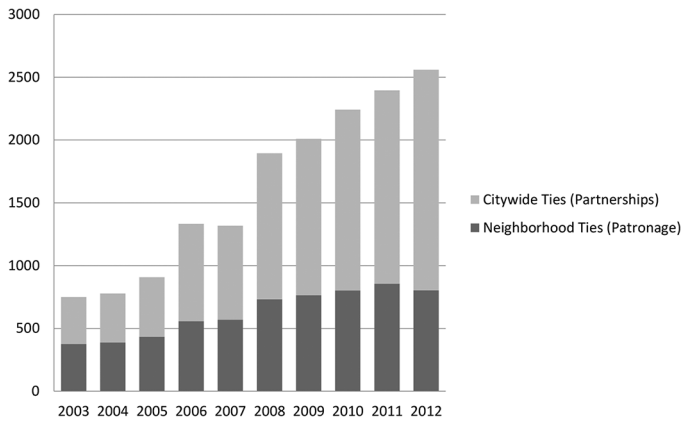


FIG. 5.—Number of neighborhood and citywide ties per year

higher-level elective office were more likely to be held by those practicing predominantly partnership. These figures, while only suggestive, indicate some face validity for the idea that politicians engage in partnership relations with nonprofits in order to further their own careers in elective office or nonprofit organizations.

All our results have pointed to the coexistence of two systems of governance and two sets of actors that embrace these governance dynamics in very different ways. While council members mix patronage and partnership in their allocation of resources, nonprofits fully embrace either one or the other. Historical accounts of the system of urban governance often suggest that patronage, although not completely gone, is on the sidelines. Our results, however, do not support this view. First of all, more than half of the organizations receiving discretionary contracts have an exclusive patronage relationship with their council member (fig. 4, right panel). Moreover, considering the time trend in the number of ties (fig. 5), we do not observe any decline in the number of neighborhood ties. All types of ties have increased in the 2003–12 period. While neighborhood ties have almost doubled, the number of citywide ties has grown 3.7 times. Neighborhood ties are therefore less predominant—while in 2003, 55% of all ties were neighborhood ties, this proportion is down to 34% by 2012—but they are still a robust one-third of all the yearly contracts.

## DISCUSSION

The ecological approach to urban social organization has been a fruitful line of inquiry for nearly a century. This has been true even as competing paradigms

for urban analysis have developed. However, Park and Burgess's (Park and Burgess 1925; Park [1936] 1967) conception of how population mobility drives the formation of the city's "natural areas" lacked any sustained attention to how urban governance shaped these processes of social organization. Drawing on insights from urban politics, urban geography, and the study of nonprofit organizations, we demonstrate the utility of an urban governance perspective for addressing both neighborhood-based and transneighborhood forms of social organization, a key aspiration of the ecological paradigm. We find evidence for two distinct dynamics of urban governance operating between two key institutional domains of the city: politics and nonprofit organizations. First, in partnership governance, politicians support a large set of nonprofit organizations across the city, rely on social cues to allocate new contracts, diversify their issue base, and allow ties to organizations to lapse easily. Second, in patronage governance, nonprofits form exclusive, long-lived ties only with their own neighborhood politician, regardless of their respective policy issues of interest.

The systematic copresence of these two dynamics in a single city's governance structure has not been previously documented; our use of network data has allowed us to capture it. Focusing on patterns of dyadic relationships, rather than on a single set of actors—either politicians or nonprofits—made it possible to untangle these two systems of governance and, most importantly, to document their copresence. Interestingly, politicians and nonprofit organizations differ in the way they combine these two models of relationship: while individual politicians usually balance patronage and partnership in their allocation decisions, nonprofits participate in either one or the other of these two governance dynamics.

Unfortunately, the nature of our data makes it impossible to directly test actors' motives for their observed behavior. It also makes it difficult to assess where the locus of action is: Are local politicians "calling the shots"? Or, instead, are nonprofits becoming increasingly more important in channeling resources to specific constituencies? Although we are not in a position to address any general question concerning "Who governs?" we are inclined to believe that identifying a single locus of decision-making, or even a single set of dominant actors, may actually be harder today than when the issue of the locus of power was first raised (Dahl 1961; Domhoff 1967).

This disposition stems from our results and our qualitative knowledge of the case. The "triadic exchange" among politicians, nonprofits, and local constituencies that Marwell (2004) documents is a blueprint for the patronage system of governance we uncovered here: council members build stable, exclusive relationships with a subset of nonprofits in their own district, in order to provide services and benefits to their geographic constituencies. The exclusivity of the relationship makes local nonprofits highly dependent and vulnerable. However, on the other side of this relationship, council members

depend on local nonprofits to build and maintain support from their shared constituents.<sup>30</sup>

In contrast, this direct pattern of exchange and dependence is absent from the partnership dynamic of the system. In the latter, it is possible that allocations from council members to nonprofits are driven by a trend much discussed in the literature on nonprofit organizations: that nonprofits, somehow like firms in the market, seek primarily to reduce resource dependency and uncertainty. This orientation suggests that nonprofits will actively seek out relationships and resources from multiple sources and that council members will respond to those efforts. Such relationships are likely to be built around policy issues of common interest or to be mediated by existing relationships. In the former scenario, council members may be substituting policy gains for electoral gains as the justification for allocating funds to nonprofits located outside their own districts. In the latter scenario, nonprofits may seek to leverage existing support from council members into new funding opportunities from other council members, while council members may rely on advice from their colleagues about which nonprofits to support. We note that council members may also have their own career futures in mind when choosing their balance between patronage and partnership. In sum, the copresence of alternative governance dynamics makes it unlikely that a single set of actors, by virtue of their control over resources or structural position, can come to dominate the local political scene. In addition, both dynamics entail some extent of codependency among politicians, nonprofits, and their constituencies, thus making it hard to believe that a single type of actor may find itself in the position of univocally calling the shots.

### Will a Single Dynamic Prevail?

It is hard to tell whether a single dynamic will prevail. The descriptive analysis presented does suggest that, even though the share of contracts that respond to a partnership dynamic is growing, the number of nonprofits locked into a patronage dynamic is stable over time. It is also hard, a priori, to tell whether politicians or nonprofits have any vested interest in promoting one or the other system of governance. On the one hand, one might conclude that politicians allocate resources in a way that clearly reaffirms the boundaries between patronage and partnership affiliations: they form exclusive and long-lasting relationships with nonprofits from their own district, and they engage in multiple, more contingent exchanges with nonprofits that are

<sup>30</sup> Interestingly, we did not find evidence for an indirect form of political exchange, in which council members engage in reciprocal allocations, legislative logrolling, or other forms of exchange with other council members, as observed by Galaskiewicz (1985) in his study of corporate philanthropy (results not shown).

located outside their districts. Although some nonprofits may benefit from greater flexibility, it is not clear that all will benefit from blurring these boundaries, or from the primacy of a partnership system. Indeed, some nonprofits, especially smaller, locally oriented ones, might enjoy the long-lasting protectionist logic of patronage, which shelters them from the increasing competition characterizing the larger nonprofit context. In this sense, our results expand and shed light on the observations of Marwell (2004), embedding the triadic exchange she uncovered in a larger governance system.

#### How Should We Interpret Patronage?

The term “patronage” has a negative valence, mainly due to its depiction during the era of the 19th-century political machine. The role of the machine in urban social organization was based on a dyadic relationship between the precinct captain and the voter. With the rise of nonprofit organizations as key providers of social welfare, this dyadic relationship is replaced by the triadic exchange, in which politicians still play a key role, but as the directors of public contracts to nonprofits, which then provide jobs, services, and voter education. The current form of patronage we document in our study does not fully reproduce the meager, uneven, and personalistic form of social provision typical of the machine. However, it retains its local character and exchange principles. Whether we consider it to be negative or positive is, in the end, a matter of taste. One argument is that reciprocal relationships have no place in what should be technocratic decisions about public resource allocations. Another view is that the education of voters about the relationship between political activity and public resource allocation, and the constituency mobilization that might arise from that understanding, are legitimate forms of political participation for nonprofits, elected officials, and individual citizens.

#### What Are the Scope Conditions of Our Research?

All politics are local. Furthermore, the fragmentation of governance renders nonprofit organizations key players at the local level, deeply involved in public processes such as the provision of social welfare, local policy advocacy, and the setting of citywide goals. Accordingly, our study is local, documenting the dynamics of governance in a large municipality. New York City’s size, national prominence, and global status make it a case of interest in and of itself. However, we might wonder to what extent our findings extend to other U.S. cities and what we have learned about New York City governance that could inform policy in other places.

New York has a highly developed nonprofit sector, with many organizations serving the needs of its extremely large and diverse population. Because of the sheer volume of organizations, it may have been easier to detect the

existence of two distinct governance dynamics than it would be in a smaller city with fewer nonprofits. At the same time, however, key historical transformations have rendered nonprofits increasingly important governance actors: they perform multiple roles in contemporary U.S. society, and their prevalence has grown rapidly since the 1970s. These changes are national-level processes and thus would provide similar structural conditions across the nation's cities.

On the political side, cities without district-based systems of representation like New York and other older Eastern and Midwestern cities might not have historical legacies of patronage in urban governance. In that case, the nonprofit partnership dynamic may likely dominate the local governance structure. Researchers might find, however, that some other dynamic is also at play, related to the specific historical circumstances of political development found in at-large representational systems.

## CONCLUSIONS

### Contributions to Urban Sociology

Our research responds most directly to the growing interest among urban sociologists in the role formal organizations play in the social organization of the city. More specifically, our article advances a subset of that literature, which focuses on how organizations are productive, rather than derivative, of urban processes (McQuarrie and Marwell 2009; Marwell and Morrissey 2020). This work has raised questions about the relationship between organizations and neighborhoods, given that the latter often are treated as the primary analytic unit of urban social organization. Some urban scholars have factored organizations into their analysis but usually treat all organizations alike. Here we show that they are not. Rather than focusing on a binary measure of organizational presence or absence, we instead derive the role of organizations from their location within the social structure of the city.

This approach reveals two distinctive urban governance dynamics and two kinds of nonprofit organizations. Nonprofits with only neighborhood ties to district politicians—that is, the actors engaged in patronage governance—lend support to the claim that nonprofits contribute to a neighborhood-based form of social organization. Nonprofits with citywide ties, however, show how a partnership dynamic connects presumably neighborhood actors—nonprofits and district-based politicians—in wider webs of relations across the city. This finding speaks directly to a critical dynamic of the classical urban ecological paradigm that has remained underresearched empirically: how the social organization of neighborhoods articulates with the social organization of the city as a whole. Our study unveils the district politician as an important mechanism connecting two institutional domains of a fragmented governance structure and linking governance across scales.

While we cannot anticipate whether the partnership dynamic is replacing the patronage dynamic, such a development would have profound consequences for how we think about the connection between organizations and the neighborhoods where they are located. This offers urbanists a caution against essentializing the function of nonprofit organizations within urban neighborhoods and cities as a whole. That is, nonprofits should not be treated as a single kind of “thing,” an entity that proxies for a specific kind of social process, such as the presence of social capital. Rather, the role that nonprofits play in urban settings should be treated as an empirical question, to be won as a social fact.

#### Contribution to Organizational Literature

From the point of view of the organizational literature, our findings concerning patronage dynamics are quite counterintuitive. While most studies on organizational networks underscore the positive role of organizational degree and embeddedness in securing future organizational ties, we show that organizations that hold multiple relationships have lower probabilities of receiving ties from their local council member. In this way, we expand our understanding of organizational networks by recognizing that relational dynamics are often not only a result of organizational agency but also are shaped by historical processes and context.

Most organizational research assumes ties in a given social system are homogeneous and driven by similar organizations’ needs and expectations. In this framework, different kinds of ties (strong/weak, market/friendship) arise as a result of the interaction between the actors, which shape actors’ interests and relational obligations. On the contrary, we show that in New York’s system of governance there are two kinds of ties, each driven by different expectations of the relationship. These distinct modes of affiliation have historical legacies, which shape actors’ actions and carry moral obligations that are *a priori* to specific relations. Indeed, our results suggest organizations might be quite aware of these distinctions, as most decide either to have relations with the local council member or to venture out into the larger yet uncertain field of the city as a whole. Thus, our research pushes organizational sociologists to further consider the role of scale in shaping organizational behavior, rather than solely focusing on organizations’ immediate needs and interactions.

#### Contributions to the Literature on Nonprofit Organizations

Our study has unveiled substantial differences in the way that nonprofits relate to local politicians. On the one hand, we found support for the claim, often made in the nonprofits literature, that nonprofits have loosened their ties to particular affective constituencies and instead may be operating more

like firms in an open market, competing for council member support. We observe that a substantial set of nonprofits secure funding from multiple council members and, in so doing, minimize local neighborhood connections and become citywide actors. On the other hand, we also find that another set of nonprofits maintains exclusive, long-lasting relationships with their local politician. Taken together, these findings demonstrate the flexibility of the nonprofit organizational form, which can be harnessed for different organizational and political ends and must be understood in a wider social context. This suggests the importance of methodological diversity in the study of nonprofit organizations.

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