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Viewpoint

Two Approaches to Advocacy

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Proponents of charter school expansion in Massachusetts thought that a ballot initiative was the obvious bet. They were wrong.

BY LIAM KERR & JOHN A. GRIFFIN

In February 2016, proponents of charter school expansion in Massachusetts were optimistic. A ballot initiative that could put the issue to voters in November was up by 28 points in the polls, a national advocacy group had declared that it would spend record sums of money to ensure victory, and Stanford University's Center for Research on Education Outcomes had released a report showing that Boston's charter schools were the best in the country.

Nine months later, the ballot box proved that optimism unfounded. The measure lost by 24 points in November, a 52-point swing from its polling advantage earlier in the year. Opponents of the proposal were so emboldened by their victory that they set their sights on rolling back the entire framework of education reforms that had first catapulted Massachusetts to the top of national rankings in the 1990s. The chief opponent of charter school expansion, teachers' union president Barbara Madeloni, said, "I want to thank the 'yes' campaign for bringing the fight to us because it gave us the opportunity to build the movement" opposing reform.

The cause that produced some of the country's best public schools had lost its biggest public test. How could a sector so effective at building great organizations have faltered so badly? The answer lies in a failure to apply "nonmarket strategy," a field developed to help firms—and their market-oriented leaders—navigate the more complex world outside of the marketplace.

LONG AND WINDING ROAD

Many influential philanthropists and like-minded grantees think primarily in terms of markets, due to their business experience and academic training, and often adapt for-profit frameworks to social sector challenges. This market-oriented approach focuses on tangible metrics and direct competitors to design a linear path to achieving short-term results.

Modern philanthropists have often used this narrow lens to improve the efficiency of nonprofits that provide discrete services or products. When it comes to the straightforward task of defining an outcome and then driving down the price of that outcome, such as the effort to provide mosquito bed nets to prevent malaria, business-oriented philanthropists have seen tremendous success with this mindset. But political advocacy does not follow the market-based model of defining an outcome and making the solution more efficient. In fact, adopting a market-based approach to advocacy can be detrimental.

ILLUSTRATION BY HANNA BARCZYK

Leading nonmarket frameworks from business management professors such as Stanford University's David Baron and Yale University's David Bach have been applied to prominent businesses—and should be used to bridge the gap between business instincts and political reality in advocacy. A nonmarket approach uses a broader lens that emphasizes qualitative progress and a wider range of actors to evaluate both short-term and long-term results—as well as potential adverse effects. While the market approach focuses on quantifiable metrics, such as money spent, the nonmarket approach looks to qualitative metrics, such as the strength of relationships. Whereas market thinkers analyze direct competitors, the nonmarket approach looks to third parties whose relationships and political incentives may draw them into a fight in which they have no direct stake. A nonmarket thinker takes greater account of potential negative outcomes and may often choose a less direct path to the same goal than a market-oriented counterpart, who searches for the fastest, cheapest, and most straightforward route.

Using only a market lens, it is clear why the Massachusetts ballot initiative looked so appealing: High poll numbers and a financial advantage were the most quantifiable measurements of strength, and proponents had both. In a similarly straightforward analysis of actors, the opposition's strengths appeared surmountable: The direct competitors appeared to be pro-charter advocacy groups and charter school parents on one side, with unions on the other. The linearity of the plan was also appealing to market-oriented thinkers: Unlike in the legislature, charter proponents could write the law and simply have voters approve it at the ballot box, with no chance of adverse amendments. The investment horizon was

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bright, with the vote occurring on a fixed date just months away. For around $20 million, the charter cap would effectively be abolished once and for all on November 8, 2016.

The linear, controllable, and high-return proposition was especially appealing in light of the long and winding road that led up to the state's showdown over charter expansion. Like many advocacy issues, charter school growth in Massachusetts had followed an unpredictable course—and in early 2016, the future looked equally uncertain. In 1993, a school-funding lawsuit provided billions of dollars that greased a legislative compromise for more accountability and innovation in education, including the creation of public charter schools. In 2010, the Obama administration's Race to the Top initiative provided both political and financial incentives for a legislative compromise that brought new accountability measures and more charter schools, coupled with $250 million in federal grants. In both cases, the major teachers' unions signed on to the final deal. But legislative efforts to raise the cap in 2014 and 2016 were mired in differences between the Massachusetts House and Senate.

Market-oriented charter proponents tired of waiting for opaque, legislative dealmaking to provide an opportune moment decided to take their cause directly to voters. Nothing could match a ballot measure's linear process, clear timeline (with a set election day), and unambiguous result.

THE POWER OF RELATIONSHIPS

From a nonmarket perspective, there were significant problems with the core assumptions of the market-driven case for going to the ballot box. First, they placed too much confidence in initial polls showing voter approval for charter schools. The linear, benchmarks-oriented thinking consistent with a market mindset encouraged proponents to underestimate voters' susceptibility to new information and negative messaging.

Proponents also believed their clear financial advantage would carry them to victory, but failed to see the unions' counterbalancing strength in less quantifiable factors, such as long-standing relationships with other political organizations, which could be leveraged without spending large sums of money. The union could also deploy powerful negative messages, which they developed through national union networks and experience with other campaigns and initiatives, and they could deliver those messages through cultivated spokespeople such as teachers and local school committees—a unique asset not as easily quantifiable as money in the bank. Proponents placed a high value in the effectiveness of expensive TV ads, which have a mixed track record of success and little long-term value. Opponents, by contrast, had already invested a great deal of money and political capital over a long period of time—well before the ballot question had even been conceived—to develop relationships with school committees, advocacy groups in other sectors, and political party interests.

These other actors factored less into the pro-charter calculations on pursuing the ballot initiative, but they represented the most trusted sources of information for the public. Voters elect school committee members precisely to make education policy decisions. While fewer than 10 out of the 351 cities and towns were near the existing cap on charter schools, 211 school committees around Massachusetts held votes opposed to the ballot measure, providing hundreds of local news stories tailored directly to voters.

It is easy to see why this would puzzle a market-oriented thinker, since these districts were not directly impinged by a potential expansion of charter schools; the proposal would affect urban areas that had already reached the state-imposed cap. But a nonmarket approach, with a broad lens toward actors that could influence political advocacy, guided the union effort to organize school committees and other seemingly uninvolved entities that were nevertheless effective messengers.

The nonmarket approach also takes a longer-term view. In investment parlance, a market-oriented approach to funding advocacy has a high discount rate that de-emphasizes future returns for short-term results. A nonmarket approach, by contrast, has a comparatively stronger emphasis on the long term, leading the union to place many small bets, such as on relationships with young activists and legislators that may not yield a return for a decade or more.

This longer investment horizon for advocacy programs extends to a lower risk tolerance. For most financial investors, any specific investment has unlimited upside but limited downside. A market approach to advocacy takes the perspective that you can lose only what you put in. The case for going to the ballot used a calculation that focused almost exclusively on the upside of the investment. Risking $20 million for thousands of students in high-performing charter schools seemed like a smart bet.

The union, by contrast, took a nonmarket approach to the risks of the ballot initiative: The campaign and results could bring significant nonfinancial downside for reformers. By defeating education reformers decisively enough, the union could inflict brand damage that would cost millions of dollars to repair. Similarly, the union could build relationships—and harm reform relationships—with key individuals and organizations such as school committees, superintendents, non-education interest groups, and elected officials.

Even the most patient entrepreneurs and philanthropists may not be accustomed to the long and unpredictable slog of winning in advocacy. This is especially true of the social entrepreneurs and venture philanthropists for whom urgency and focus have been key to building and growing highly effective nonprofits.

The solution lies not in simply abandoning an approach that has built organizations worthy of advocating for, but in compensating for its weaknesses. The disciplined thinkers who dominate philanthropy will likely always need some structured frameworks to evaluate advocacy. In this vein, a nonmarket lens—and its approach to metrics, actors, flexibility, investment horizons, and risk tolerance—can overlay a market approach and compensate for its blind spots. ■