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Legitimacy. Private involvement may enhance the perceived legitimacy of an undertaking if a particular task is seen as inappropriate for government to pursue on its own. Suppose we had irrefutable evidence that persuading substance abusers to seek the aid of a higher power in overcoming their addictions would yield significant public benefits. We might still prefer government to encourage and even fund groups such as Alcoholics Anonymous to do this work, rather than establish a Department of Prayer. The legitimacy may flow in the opposite direction. A grant from the National Endowment for the Arts—while unlikely to be munificent—helps non-profit arts organizations demonstrate their gravitas to potential donors. Of course, government activities that might be quite acceptable in one culture or at one time may seem beyond bounds in another time or place. If government is held in systematically low esteem by the citizenry—as say in failed states or corrupt regimes—collaboration with the private sector can shore up legitimacy independent of any task-specific factors.

As these examples illustrate, the rationales for private involvement shift with time and locale. The potential gains from sharing responsibilities with firms or non-profits are contingent on the government's relative weaknesses, whether in resources, productivity, information, or legitimacy. As rewards at the top of the labor market have soared in the United States, for example, government has had increasing difficulty recruiting and retaining talented employees for most of the past generation, particularly for technically trained and higher-level positions (Donahue forthcoming). Were this personnel deficit somehow to be reversed, it would substantially reorder many metrics of relative capacity. The potential payoff from contracting, collaboration, or other forms of delegation will vary across tasks, over time, and from one polity to another.

4.2 Risks of Private Involvement in Public Missions

Indirect government action can expand the resources, improve the efficiency, or boost the legitimacy of an undertaking (compared to the baseline of purely governmental activity). However, it also introduces a range of potential losses, which are commonly called "agency costs." That is, the private sector agents supposedly acting at government's behest may not faithfully fulfill the public's mission. We emphatically do not mean to suggest that direct government action escapes agency costs—elected officials and government workers can and do pursue their own agendas at the expense of citizens' interests—but relationships that reach across sectoral boundaries summon distinctive categories of agency costs:

- *Diluted control.* With the exception of the simplest forms of service contracting, indirect action explicitly diminishes government's monopoly of authority for defining the mission, directing the means, or both. Beyond this open and accepted dilution of autonomy, indirect action also involves the risk of unanticipated or unrecognized losses of control.

- *Higher spending.* Indirect production can sometimes prove more costly than anticipated, and can turn out to be more expensive than direct production. This can be because of an erroneous prediction of private productivity advantages; because of transactions costs; because the dilution of control leads to a different and more costly definition of the mission; or because private actors exploit and extract resources from their governmental partner. (Only the latter two categories are agency losses, strictly speaking, but all can show up as burdens on public budgets.)
- *Reputational vulnerability.* Most forms of indirect action expose the government to some risk that the actions of its agents will adversely affect its reputation. (Private partners, of course, face similar vulnerabilities with respect to both the government and other private participants in joint undertakings.) The overstretched US military has relied extensively on private contractors for logistical, security, translation, and other functions in Iraq during and subsequent to the 2003 invasion. In legal and budgetary terms there is a clear difference between a US soldier and a US military contractor. But Iraqis and Islamic observers of the conflict make no such distinction. The vividly publicized abuse of Iraqi detainees at Abu Ghraib prison seriously damaged the United States' image in the eyes of the Islamic world, probably for decades. Multiple reports have suggested that private contractors at Abu Ghraib were responsible for at least some of the abuses (Cushman 2004).
- *Diminished capacity.* In some cases opting for indirect production may discourage or even preclude the maintenance of capacity for direct governmental action. Any contractor knows that today's contract tends to build market power on a contract for tomorrow. To the extent that government becomes dependent on private capabilities, it puts itself in a disadvantaged position in future rounds of negotiation with its agents. Whether "path dependency" presents trivial or profound barriers to reverting to a direct delivery model, and whether reliance on external capacity entails minor or major future costs, will depend on the details of each case.

5. Mapping Collaborative Governance

Where does collaborative governance fit within the sprawling spectrum of models for structuring collective action? Our goal is to draw boundaries that impose precision without stumbling into obscurity or marginal relevance. One step toward anchoring collaborative governance is to read "governance" as dealing with public purposes that are conventionally associated with government. The orchestration of essentially individual purposes—however valuable, however far-flung and

intricate—is something different. (There is an element of circularity in this conception, of course, since "publicness" is defined in part by reference to the capacities and shortfalls of market-based collective action.) Beyond this imprecise boundary condition there are many potential dimensions along which collaborative governance can be defined. Here are six that we find instructive:

Formality. A collaborative relationship can be institutionalized on a spectrum ranging from formal contracts (or the equivalent) through informal agreements to tacit understandings. Many important collaborative governance relationships are informal. For example, the "military-industrial complex" identified by Eisenhower capitalizes on military contracts, but its principal instruments—e.g. lobbying efforts, historical precedent, personal relationships—do not appear on paper. While collaborations cemented solely by gentlemen's agreements and implicit cultural codes may be important, they are hard to analyze, or even recognize. Hence, we focus on those characterized by some element of formality.

Duration. At one extreme are governance arrangements meant to be permanent (or at least indefinitely enduring); at the other extreme are ad hoc collaborations that dissolve as soon as a crisis is resolved or a goal achieved. Short-lived arrangements often arise in dramatic contexts and hence figure prominently in lists of familiar collaborations. Other things being equal, however, longer-lived collaborations seem more likely to prove consequential.

Focus. Collaboration can be narrowly structured to meet a single shared challenge, or can be more broadly designed to address a range of concerns common to the collaborating parties. The focus may be broadened chronologically, taking up new missions as old ones are fulfilled, or simultaneously with the pursuit of a portfolio of undertakings.

Diversity of participants. A minimum level of diversity among participating institutions—at least one public and one private player—is a threshold requirement for collaborative governance. Beyond this baseline, collaborations can display more or less internal diversity. For example, private players can be for-profit or non-profit, or (as with the US hospital sector) an assortment including both. A joint effort among "summit" institutions within a single country (the federal government, Wal-Mart, and the United Way in the USA, for example) features less diversity than, say, a collaboration among the Calcutta municipal authorities, Toshiba, and Médecins sans Frontières.

Stability. A collaboration will be stable if its members share objectives, and potentially volatile to the extent members' norms or interests diverge. In less stable collaborations, tugs of war over the division of the pie may impede enlarging the pie, implying that significant energies must be devoted to maintaining the collaboration itself.

Discretion. Whose hand is on the tiller when it comes to validating the mission, assessing results, triggering adjustment, and so on? In other words, who is leveraging whom? A two-part test seems warranted here. First, to count as collaborative *governance,* a large share of discretion must rest with a player who is answerable to the public at large. While the specification of ends is a strategically complex matter, as later sections explore, authorized units of government will normally have the final word on the objectives to be pursued and the criteria by which progress is to be assessed. Where government is absent, weak, or undemocratic (not a clean criterion,

we recognize) this condition is unlikely to hold, so that our conception of collaborative governance is chiefly a phenomenon of relatively healthy polities. Second, each of the collaborating parties must possess a degree of discretion. If private participants merely carry out government's instructions—conveyed through fully specified contracts or other means—the relationship is something other than collaborative governance.

Indeed, the allocation of discretion is the most useful discriminant for separating collaborative governance from other forms of public–private interaction. Consider, on the one hand, corporate charitable contributions. Companies enjoy broad discretion over their philanthropic giving, and their choices are presumptively defined as "the public good" for tax purposes. There are limits, to be sure. Charitable deductions cannot, under current law, exceed 10 per cent of taxable corporate income (a constraint that rarely binds). No deductions can be claimed for gifts to political parties, or to the CEO's shiftless cousin. But while shareholders might quibble over grants to the chairman's alma mater, or the local polo league, or exotic religious sects, the government has no standing to complain short of trying to discredit the charity itself. The public sector is a party to the undertaking—surrendering revenue it would have otherwise received—but is a passive and silent partner. No doubt this arrangement permits occasions of waste or triviality, but there are strong reasons for protecting donors' discretion against governmental second-guessing on the merits of the mission—for example, so that government does not find itself in the position of declaring which religions are acceptable and which are not. (The Comptroller of Texas attempted to strip Unitarianism—one of America's oldest denominations–of its status as a tax-exempt church in 2004, on the grounds of excessive heterodoxy, but reconsidered after mild local protests and louder national ridicule (Herman 2004).)

Consider, conversely, a municipal government contracting with a private waste management company. The company's mission—to pick up the garbage and dump it at the landfill—is explicit, complete, and controlled by the government, and its motive is to maximize the revenue (less costs) it receives in return. If, upon contract renewal, the government wants the garbage to be collected on Fridays instead of Wednesdays, or incinerated instead of buried, it is at liberty to alter the mandate and the company's only legitimate claim is fair payment for the work. The private player is a pure agent, and discretion rests with the government. Denying the agent initiative—e.g. the right to shop for the cheapest disposal option—obviates some of the reasons for engaging private agents in the first place. But in many arenas of public–private interaction such one-sided discretion is both customary and prudent.

We do not address the myriad complexities that attend pure voluntarism or pure contracting. Nor do we suggest that binary assignments of discretion—wholly private or wholly public—are the normal case. Our goal is to demarcate the domain within which collaborative governance resides, and to underscore that the sharing of discretion both enriches the potential of public–private interaction and renders it much more complex, not just in application but analytically, in ways we will seek to describe once a few examples introduce somewhat more concreteness into the discussion.

6. Illustrative Examples

A virtually endless list of examples could be offered of arrangements that qualify as collaborative governance. We outline a few here, selected by the rather rudimentary choice criterion that they illustrate different aspects of collaborative governance.

New York City's Park Department. By the early 1980s New York City was losing the struggle to maintain its public parks. The Parks Department—while not particularly dysfunctional, by most accounts—was overmatched by its mission. As New York's mid-1970s fiscal crisis constrained the Department's resources, squalid and often dangerous parks became symbols of a city in decline. Improvisation under pressure eventually produced a strategy of enlisting private involvement in park upgrades, maintenance, and management.

Such involvement came in a wide range of forms, including conventional voluntarism ("friends of the park" groups clearing litter or supervising playgrounds in a neighborhood park) and conventional outsourcing (contracting out particular maintenance tasks) but also more complex arrangements featuring the sharing of discretion. In New York's most famous park, informal groups of concerned citizens coalesced—with the active encouragement of Department officials—into the Central Park Conservancy, a private non-profit that was given formal responsibility for managing the park in the late 1990s. The restoration and management of Bryant Park was delegated to a "business improvement district" authorized to collect special levies from surrounding businesses. Adrian Benepe, Parks Commissioner under Mayor Michael Bloomberg, declared such "partnerships" to be the linchpin of his management strategy. He and his senior staff often spent more time orchestrating the contributions of various non-governmental actors than they did managing the Department's workforce. While New York City did not cede formal ownership of any park, it delegated much of the responsibility for managing the system to private players (Donahue 2004; Rogers 1986).

Management-based regulation. Across a range of arenas the classic approach to regulation—in which government specifies what must be done to forestall safety, environmental, or economic harms—is yielding to approaches that grant regulated firms a degree of discretion. The trend is heterogeneous and carries various labels, but Cary Coglianese's term "management-based regulation" captures the central thrust (Coglianese and Nash 2001). Government regulators' recognition that they suffer a deficit of information, relative to regulated firms, is the fundamental motive for sharing regulatory discretion with firms' managers.

In the environmental arena, a conventional regulatory approach might specify the technologies for processing waste water before it can enter a river. A management-based approach would set maximum levels for each contaminant, but allow firms to decide the best way to meet the standards. In worker safety, the federal Occupational Safety and Heath Administration (OSHA) has experimented with approaches that rely on companies to develop their own worker safety plans and tolerates technical deviations from OSHA rules in otherwise effective plans (Donahue 1999).

A comparable model for food safety regulation, the Hazard Analysis and Critical Control Point protocol released by the Food and Drug Administration in 2001, deals with the heterogeneity of the food-processing industry—and the FDA's scant familiarity with most firms' operations—by identifying generic "critical control points" but leaving it up to firms how to assure safety at each of these points (Coglianese and Lazer 2002). While flat generalizations about the broad and varied terrain of regulation are notoriously perilous, we perceive a widespread migration toward regulatory models featuring efforts to forge common goals, the sharing of discretion, and strategically charged interaction—in a word, collaboration.

Smallpox vaccinations for "first responders." The specter of "bioterrorism" surged to the forefront of American anxieties in the wake of the September 2001 terror attacks, and a deliberate release of the smallpox virus was a grim but conceivable scenario. Smallpox had been effectively eradicated roughly two decades earlier. Routine vaccinations had ceased, so most Americans were vulnerable to this highly contagious and devastating disease. Late in 2002 the Bush administration announced a plan of selective immunization to reduce the devastation should a smallpox attack occur. General immunization was rejected since vaccination carried a significant risk of complications. Instead, the administration planned to vaccinate military personnel bound for overseas conflicts and about ten million "first responders"—physicians, nurses, firefighters, police officers, and others who were both likely to be exposed early in a bioterrrorism attack and whose services would be especially critical in limiting the extent of any smallpox outbreak. The short-term goal was a million vaccinations by the end of summer 2003.

The federal government took a direct approach to vaccinating the military: Service members selected for vaccination, including the commander-in-chief, met with military physicians or nurses and rolled up their sleeves. The civilian side of the effort was considerably more complex. Rather than delivering vaccinations through the Public Health Service, Centers for Disease Control, or some other federal entity, Washington relied on hospitals and other mostly private medical organizations to nominate half a million doctors, nurses, and emergency medical technicians for the initial wave of first responder vaccinations.

Within weeks half a million military service members had been vaccinated, but the civilian campaign was slow to start and quick to stall. Hospital directors and individual medical personnel compared the aggregate and abstract benefits of readiness to respond against the more immediate and focused risks of inoculation. A doctor or nurse receiving the vaccination would almost certainly suffer some discomfort; might miss some days of work; and faced an unknown but real risk of serious health complications. Moreover, recently vaccinated health workers could pass on the vaccinia virus—the mild but not innocuous relative of smallpox used to confer immunity—to patients or family members for whom this infection could be damaging or even deadly. As private players balanced the costs of vaccination (to themselves, their families, and the missions of their organizations) against the public benefits of preparedness against terrorism, many opted against it. Some hospitals explicitly and publicly declared they would not participate in the government's

campaign. Many more private institutions and individuals quietly opted out. By midsummer fewer than 40,000 civilians had been vaccinated. Within a few months the inoculation campaign was quietly halted.

Federal programs for worker training. The Workforce Investment Act of 1998 governs the use of federal funds for a range of job training efforts, including programs for young people, workers who have been displaced by technological change or foreign competition, and currently employed workers seeking additional skills. To an even greater extent than its predecessor legislation, this law envisages a collaborative approach to human-capital investment. It embodies the presumption that government has a strong interest in worker training, but tends to be badly positioned to carry out training itself. The usual public sector operational deficiencies—amply revealed in previous attempts at federal training programs—argue against setting up a network of government training centers.

But even if government were able to deliver high-quality, low-cost training on its own, it suffers from severe informational handicaps relative to private players. Effective workforce development requires fine-grained information about current and future skill requirements, and about the potential of particular workers, that government generally lacks. Thus the Act mandates the extensive involvement of private entities, both for-profit and non-profit. Each state and locality is required to establish a governing body, with a majority of business representatives, to oversee federally funded training activities. The private sector is extensively involved not just in governance but also in delivery. Community colleges and other non-profit educational institutions are eligible to deliver training, but so are for-profit training providers. Moreover, private firms are explicitly granted eligibility to deliver on-the-job training to individual workers and (under certain circumstances) to use public money to upgrade the skills of their overall workforce. While this collaborative approach to workforce development has its strengths and weaknesses, there is an apparently durable bipartisan consensus behind this general strategy (Donahue, Lynch, and Whitehead 2000).

Program for a new generation of vehicles. During his 1992 campaign for president, Bill Clinton called for increasing federal fuel economy standards from about 28 to 40 miles per gallon, within only eight years. Clinton's election—and that of his running mate Al Gore, whose best-selling book *Earth in the Balance* had called the conventional car "a mortal threat to the security of every nation" (Gore 1992, 325)—was greatly regretted, therefore, by US automakers. The industry had narrowly managed to block legislation in the previous Congress raising mileage standards, and braced for tougher rules under Clinton. Yet the new administration preferred to avoid a head-on confrontation with the auto industry. Moreover, once in office Clinton and Gore realized that reducing climate-damaging emissions (rather than just slowing their growth) would require mileage improvements far beyond what government could force upon an unwilling industry.

A series of overtures by technical experts in government and business led to high-level discussions over collaboration to reinvent the automobile, and early in the Clinton administration the president and vice president, along with the CEOs of the

three major US automakers, formally unveiled the Partnership for the Next Generation of Vehicles. The mission was to put into production within a decade cars with up to triple the fuel economy of 1993 models with no sacrifice in cost or performance (Clinton Administration et al. 1993). The means were thoroughly collaborative. An undersecretary of commerce and senior vice presidents from Ford, GM, and Chrysler were assigned to co-chair the initiative's steering group. Working teams of government and industry scientists and technicians, with full access to the national laboratories and research facilities of the Departments of Energy and Defense, the National Aeronautics and Space Administration, and other federal agencies, would push for breakthroughs in engine design, new materials, emissions control, and alternative fuels. A new unit in the Commerce Department—with a direct line to the White House, and in consultation with industry—would coordinate roughly $300 million in annual federal research and development spending (Buntin 1997). While the Clinton administration did not promise to forgo seeking statutory increases in mileage standards, it made it clear that the Partnership was its preferred strategy for progress on clean cars.

By mid-2000 Washington had invested about $800 million in PNGV, and the auto industry nearly $1 billion. Ford, Chrysler, and GM had all developed "concept cars" that approached or exceeded the goal of 80 miles per gallon for a family sedan, though none were ready for mass production (Hyde 2000). But Honda and Toyota—which were not participants in PNGV—were preparing to market "hybrid" vehicles with mileage of around 60 mpg at a modest price premium over conventional cars. When George W. Bush defeated Al Gore in the 2000 election, the new administration announced its skepticism toward PNGV, and its first budget proposal cut funding sharply (Pickler 2001). Within a year the Bush administration cancelled PNGV, calling instead for a long-term effort to develop hydrogen-fueled cars (Garsten 2002).

We offer these illustrations not as authoritative type specimens, but simply as opportunistically selected samples from a very large population. Nor (for the moment) do we attempt to describe their dynamics or evaluate their success. Their chief purpose is to render somewhat less abstract the conceptual discussion to follow.

7. Three Forms of Discretion

We now turn to a more detailed discussion of discretion, the most useful dimension by which collaborative governance is distinguished from other forms of collective action. We call it philanthropy when private players enjoy full discretion over the definition and pursuit of the public interest. We call it contracting when discretion rests with the government, and private players are simple agents. The murky middle ground, in which both parties exercise discretion, is the domain of collaborative governance. We distinguish among three kinds of discretion—involving production,

payoffs, and preferences—that shape the potential, the risk, and the strategic complexity of collaboration.

Production discretion. A fundamental motive for indirect governmental action is the realistic prospect of efficiency gains (relative to direct provision) through engaging private capacity. This motive does not on its own call for collaborative governance; government can harness private efficiency advantages, while avoiding the complexities of shared discretion, through simple procurement contracts. If government requires a truck, a bus route, or a software package, and recognizes that acquiring it from the private sector is likely to be more efficient than producing it internally, it can specify its requirements, invite competing bids, and choose the provider who promises to deliver on the best terms (Donahue 1989). The chosen contractor is permitted a good deal of latitude over how to meet the terms of the deal. Indeed, the expectation of efficiency through flexibility in production forms much of the rationale for outsourcing. But the definition of ends remains government's prerogative. Effective contracting is not a trivial task. The government runs the risk of error in determining its requirements; of mishandling the translation of these requirements into contractual terms, the choice among competitors, or the monitoring of a provider's performance; and of deceit or incompetence on the part of providers. The challenges, however, are relatively straightforward—more tactical than strategic.

Yet it is sometimes impractical, unwise, or flatly impossible for government fully to specify its goals. For example, the Department of Homeland Security has little understanding about what combination of ambulance drivers, nurses, and emergency room technicians would be most valuable to blunting a smallpox outbreak in Muncie, Indiana, so it lets administrators at Ball Memorial Hospital set priorities for vaccinating "first responders." The Occupational Safety and Health Administration may focus on trash compactors as the greatest danger in grocery stores, but the manager of the local Safeway may know that reducing the risk of loading-dock workers' slipping on spilled produce would deliver greater safety gains. A local job-training official might prescribe on-the-job training in statistical process control for Betty, but her employer may know that Betty is bad at math but good with people—and that in eighteen months the assembly line will be moved to Pakistan while the local office concentrates on marketing. No government agency is likely to match an automaker's judgement over the relative promise of innumerable changes in fuel, engines, design, and materials to boost mileage and hold down the costs of new-generation vehicles. In these and myriad other cases, public goals can be advanced more efficiently if private players are allowed some discretion not just over the means, but over the precise ends to be pursued.

When government yields a share of such discretion, it has crossed the line from simple delegation to collaborative governance. The boundary between "means discretion" and "ends discretion" tends to be imprecise, both in theory and in practice. The distinction is a useful one, however (also both in theory and in practice), and we suspect that a significant quotient of shared discretion characterizes many of today's more consequential areas of public–private interaction. In all but the most straightforward undertakings, private agents' participation in

specifying what is to be produced greatly enhances the potential for efficiency improvements. Yet it also amplifies government's challenge of ensuring accountability, in ways to be clarified through describing two other forms of discretion that tend to be unwelcome concomitants of production discretion.

Payoff discretion. Suppose that granting production discretion to private collaborators can frequently increase the efficiency of governance and create more value than either direct government production or contractual delegation with tightly defined goals. Dealing with the *distribution* of that augmented pool of value would still ensure that shared discretion remained a troublesome issue. The allocation of payoffs is a perennial problem of collective action, of course. But with both direct government production and ends-specified delegation it is a bounded problem. Government workers would prefer higher pay and more flexible schedules; their managers prefer leaner budgets and predictable staffing. Government contractors prefer rich profit margins and broad-minded evaluations; contract officers prefer low costs and rigorous compliance with specifications. The division of payoffs is a bargaining game, with the outcome dependent on each party's negotiating skill, will, and leverage.

Matters become far more complicated when collaborations feature a choice among alternative production points that lead to different distributions of value. An automaker, for example, would favor a new-generation car campaign that relies heavily on reformulated fuel (at the oil industry's expense) rather than redesigned engines. To the extent that new kinds of engines are part of the mix, the automaker would like to maximize the government's share of the research and development investment. For a given level of priority on new engines and a given share of the spending burden, a company that has already made progress on diesel-electric hybrids would like the campaign to anchor on that design. Similarly, it may be a good thing for Betty, her employer, and society at large for Betty to be trained in marketing. But her employer's share of the payoff will be larger if the government pays the entire cost, if actual marketing assignments as well as classroom work count as "training," and if the focus is on skills peculiar to the employer's market niche instead of more general capabilities that could tempt Betty to switch jobs if she doesn't get a big raise.

When production alternatives entail different immediate distributions of value, the inevitable entanglement of payoff discretion with production discretion renders government vulnerable whenever it lacks full information about the efficiency and payoff characteristics of each alternative. At best, government must expect collaboration to yield results that are better for the private players but worse for it than would be the case if all information were fully shared. At worst, collaboration may lead to a choice of ends and a net pool in public value that are inferior to what could be obtained through direct governmental production. This risk is not unrecognized, of course, and is why governments are usually chary about sharing discretion. Unfortunately, conventional tactics for limiting government's vulnerability to payoff discretion—such as tight performance goals, ceilings on agents' payoffs, or aggressive expost auditing—frequently have the side effect of sacrificing efficiency gains available through production discretion. In theory, the government and private parties could contract around conflicts on the distribution of payoffs—agreeing to rebalance benefits through other deals—but in practice money tends to stick where it starts.

For example, if an automaker gets what turns out to be an unduly generous tax incentive to develop its new-generation car, it is unlikely to lose most of that advantage in other dealings with the government.

Preference discretion. Payoff discretion describes leverage over the distribution of value where that value is manifested in, or can be translated into monetary terms. Preference discretion is a related but broader concept, rooted in the recognition that payoffs come in various forms that collaborators may value differentially. Preference discretion arises more commonly with non-profit collaborators but is not unique to them (nor are non-profits immune to manipulating collaborations to reap narrow material payoffs.) Collaborators' preferences are rarely aligned in all respects. Even in a fond marriage you may prefer to go out to a Mexican place while your spouse would rather have sushi. It is in the very nature of the *public* missions to which collaborative governance applies that there be multiple definitions of the good and varying preference differences among collaborators, whether on the margins or at the core. Such differences come in many forms, including:

Focused philanthropy. Few lovers of mankind are wholly undiscriminating in their ardor. Even when motives are sincerely altruistic, the satisfactions of selflessness are likely to be more intense for some benefits, or some beneficiaries than for others. A donor may be more inclined to support research on a specific disease that has claimed a parent than to donate to medical science in general. A community organization may be zealous about offering effective, low-cost training to those who need it most, conditional on their belonging to the neighborhood or ethnic group that stirs the founder's loyalties. A park volunteer may be willing to devote endless hours to nature programs for preschoolers, while athletic programs for teenagers leave her cold.

Semi-private goods. Economists recognize that the notion of a "public good" is a convenient but potentially misleading shorthand. Even apparent public goods—that cleanly meet the standard criteria of non-rivalry and non-exclusivity—rarely spread their benefits uniformly. Forestalling global warming through cleaner cars is good for everyone, but benefits today's kindergarteners more than today's octogenarians. At the margin, a plant manager crafting a pollution reduction plan might care more about curbing the soot that befouls his town and his company's image than the chlorofluorocarbons that invisibly degrade stratospheric ozone. A benefactor of Central Park might esteem flower beds in general, but think most highly of those visible from her terrace.

Divergent values. Preferences can be not just different but antagonistic. It may be integral to a training provider's mission that trainees absorb religious tenets along with workplace skills, even if government funders insist on separating church and (however mediated) state. Since a recent recipient of a smallpox inoculation risks transmitting a dangerous or even fatal vaccinia infection to immuno-compromised patients, such as transplant recipients or the HIV-positive, many medical personnel saw their duty to prepare for a hypothetical smallpox attack to be in conflict with their core value of protecting their patients. Robert Goodin has observed that steadfastness with respect to value preferences can be considered the core "asset" of non-profit organizations, one that they cannot lightly compromise in joint undertakings with the state (Goodin 2003, 359–96).