

## CREATING PARTNERING SPACE

### Exploring the Right Fit for Sustainable Development Partnerships

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#### Abstract

In the policy discourse on sustainable development, the positive role of cross-sector partnerships is increasingly stressed. Governments habitually frame their partnership approach in terms of ‘PPPs’ - Public-Private Partnerships. But it is not very clear whether these initiatives actually *are* a combination of ‘public’ and ‘private’, whether these initiatives actually represent a *partnership* and whether they provide solutions for what type of problems. The existing conceptual ambiguity which - combined with sometimes overly ideological expectations of partnerships - also triggers considerable criticism on the actual role of partnerships in sustainable development. Part of the criticism originates in an understanding of the necessary conditions for sustainable development – more in specific the institutional embedding of partnerships in roles and power bases. Part of the problem originates in the circumstance that partnership research has focused primarily on the dynamics of bilateral relationships, whilst for sustainable development often trilateral relationships between firms, civil society and governments are required. This additional dimension is conceptually difficult to address. Unresolved fundamental questions thereby exist around the correct interpretation of role configurations that are created by cross sector partnerships, including the extent to which individual actors can be considered legitimate participants in a partnership and its impact on sustainable development. This paper argues that this discourse can be redressed to four questions: (1) what defines the ‘space’ in which partnerships develop to address sustainable development issues and (2) what kind or relevant roles do parties bring into the partnership and (3) what does this imply for the organizational fit of the parties in partnering space and (4) how does the various degrees of fit contribute to sustainable development. Is there an ‘optimal fit’? This paper develops a taxonomy that should help in classifying roles, the resulting relationships and the degree of organizational fit needed to make the partnership meaningful for sustainable development. This exercise should also help to link the meso-level of partnerships to the macro-level (impact) of sustainable development.

## **1. Introduction: The Partnering Space for Sustainable Development**

The rationale of cross-sector social partnerships (CSSPs) suggests that collaboration has an impact for the society going beyond benefits for the individual partners and creating ‘new socio-economic developmental models’ (Googins & Rochlin, 2000: 127) in which not separate actors, but their relationships shape the relevant change (Glasbergen, 2011). This change is facilitated by ‘collaborative advantage’ (Huxham & Vangen, 2005), or the synergy that is created through organizations bundling their ‘core complementary competencies’ (Warner & Sullivan, 2004). Borrowing from resource dependency literature, we can talk of different types of ‘organizational fit’ between partners in the partnering space. ‘Organizational fit’ describes the internal match or the compatibility between organizations, taking into account “organizational processes, such as culture, human resources, policies, and administrative systems” (Kim, Sung & Lee, 2012:136, referring to Saxton, 1997). The degree of fit enables the generation of synergistic value – the better the fit, the greater the value creation (Austin & Seitanidi 2012). From a management perspective this means that the more appropriate roles are aligned, the greater the chance for value creation. From a societal perspective, organizational fit defines the preconditions for sustainable development, which requires a proper alignment between the interests of the three most important institutional spheres: state, market and civil society. The reverse argument is that the smaller the fit, the bigger the chance of misalignment, role conflicts and skewed development trajectories. In essence, CSSPs can therefore be considered as a necessary institutional innovation to address complex sustainability problems and provide new ways to govern and manage relations in societies. But they – when ill designed and ill-fitted – can also prolong problems or create new ones.

Literature on partnerships has mainly focused on bilateral interfaces, in particular on interfaces between the market and the state (PPPs); the state and civil society (nPPPs) and between the market and civil society (PnPPs). Most of these interfaces have been studied from the perspective of one actor: either the firm, the civil society organization or the government. The number of studies that actually consider the interaction (the interface) as level of analysis still remains limited. The implication of this is for instance that profit-nonprofit partnership studies concentrate on the question whether cross-sector partnerships produce ‘social good’ or

create 'shared value' without considering whether this good/value represents a 'public' or a 'private' good or value and thus a primary responsibility (source of legitimacy) for a specific actor. CSSPs, however, are potentially problematic as the partners assume roles and responsibilities that may be incompatible with their core logics (Glasbergen, 2011 referring to Wadell, 2005). As Glasbergen describes "NGOs are bound by their identification with and loyalty to civic values; the market mechanism forces businesses to act in their own economic interest; governments are responsible for the public good and need to consider implementation gaps in their policies" (2011:5). Societal identities of actors are restricted; therefore, their roles and responsibilities in a partnership should be aligned to their core complementary competencies. Finding the 'golden fit' and developing reciprocal relationships is than the only way for developing effective partnerships.

'Crowding-out' is thereby one of the most recurring effects of misconfiguration of societal roles in a partnership. Ill-conceived bilateral partnerships aim at output that is not in their direct sphere of influence or line of responsibility and legitimacy. Profit-non-profit partnerships (PnPPs) that aim at the provision of public goods may crowd out governments, with the result of inadequate governance. Public-private partnerships that (also) aim at the provision of community goods can remove important incentives of communities and citizens to take up responsibility for their own interests. Government-NGO partnerships (nPPP) aimed at the provision of private goods (often subsidized), disrupt the functioning of markets and thereby can limit efficiency. These examples of misalignment are not theoretical. The various types represent different levels of commitment to engage in mutually dependent positions resulting in different potential collaboration types along the 'collaborative continuum' by Austin and Seitanidi (2012). It can be summarized that discussing partnerships is about the debate on public and private responsibilities, profit and non-profit interests, their relationships and how to configure actors and their roles most effectively for stimulating change for sustainable development (cf. Glasbergen, 2011).

In the management literature, the argument has been put forward for the integration of resource based (power bases) and institutions based (societal position) views (Peng, 2002). In the public management and development literature comparable arguments have been used to plea for

the integration of various coordination mechanisms in society, based upon the roles taken by their most important agents of change (firms, governments, civil society organisations). Only a minor group of CSSP scholars have however linked the organizational and the institutional perspective and investigated the effects of prevailing institutional logics on the configuration of partnerships (see Vurro et al 2010). Institutional logics provide a framework of meaning for roles and actions to organizations, which “represents a source of legitimacy and appropriateness for agents to identifying with” (Vurro et al 2010:43, referring to March & Olsen, 1989). By introducing the concept of the ‘partnering space’ as a frame in which to consider the positioning games played by actors from different societal sectors in order to contribute to sustainable development, our contribution distinguishes partnership types by focusing on roles and responsibilities of societal actors in CSSPs. Understanding the basic roles of each party in cross-sector partnerships should also lead to a more fine-grained understanding on the ‘fit’ between partners and finally, the ‘synergistic relationships’ based on which partners aim to create value for sustainable development. As our framework identifies a set of different partnering types in the partnering space, we are also able to develop propositions on the possibility of partners to reach a specific stage of the ‘collaborative continuum’ (Austin & Seitanidi, 2012).

With this largely taxonomical activity we aim to contribute to a more comprehensive analytical framework in which to document the nature of the dynamic interactions between organizations (firms, NGOs, governments) and institutions (formal and informal constraints, rules, relationships and roles) in which strategic choices are created. From an analytical perspective, this exercise should make it possible to link meso-level interactions at the partnership level to macro-level assessments of their contribution to sustainable development. From a managerial perspective, this exercise should inform parties on how to create ‘organizational fit’ for effective sustainable development partnerships.

As an answer to the conceptual and theoretical ambiguities around the concept of ‘cross-sector partnerships’ this contribution first comes up with a relatively simple actor-based classification of four types of cross-sector partnerships and three types of coordination mechanisms (section 2), which consequently define what we can call the ‘partnering space’ for development relevant partnerships. The dynamics of these collaborations that develop in this

space and their function for sustainable development can be assessed in a more idealistic and more realistic manner. We argue that balancing these two angles requires a deeper understanding of the roles which societal actors adopt in a partnership (section 3). We develop a framework which leads to a more fine-grained taxonomy of partnership types which captures the natures of the dynamic interactions of organizations and institutions in collaborations for sustainable development. Specific partnerships can be expected to make different contributions to sustainable development.

## **2. Framing the Partnering Space**

Present development thinking not only acknowledges the pluralistic idea that more (institutional) ‘roads can lead to Rome’ (cf. Rodrik, 2007), but also that all relevant spheres of society (market, state and civil society) need to be involved in the process. Sustainable development represents a balancing act between the interests and positions of the various sectors, between public and private, and profit and non-profit orientations. The concept of sustainable development is therefore based on an appropriate mix of organizational forms and institutions. The balancing act thereby involves mediation between and/or combination of the interests of each sphere for instance through the creation of societal steering mechanisms, hybrid organizations and institutions and ... the introduction of partnerships. In the resulting partnering space key and related issues of sustainable development (poverty, health, education, infrastructure, and ecology) are consequently tackled.

### **2.1 Clashing Coordination Mechanisms in the Partnering Space**

Each societal sphere represents different interests, power bases and institutions (rules of the game) and organizes itself on distinct coordination and organization mechanisms (Table 1). The legitimacy of each societal sphere is thereby based on a sufficient and equitable production/provision of either public goods and values (state), private goods and values (firms) and community or ‘club’ goods and values (civil society). Sustainable development is consequently built on an intricate combination of various coordination and control mechanisms: market-based, network-based and hierarchy-based. The extent to which these various

mechanisms *complement* or *compete* with each other defines the nature – and probably also the effectiveness - of the (envisaged) change.

**Table 1: Coordination Mechanisms**

	<b>State</b>	<b>Market</b>	<b>Civil Society</b>
Primacy of...	Politics	Economics	The Social
Goods and values 'produced'	Public	Private	Club/community
Core responsibilities	Enforcement of national standards and norms	Production of goods and services	Mobilization of society
Power base: Financed by	Taxes	Profits	Donations, contributions
Power base: agency	Voters, political parties	Owners, supervisory boards	Society, members
Parameters	Coercion, codification	Competition	Cooperation, co-optation
Orientation	Public/non-profit	Private/for-profit	Private/non-profit
Coordination and control	Hierarchy-based	Market-based	Network-based

Source: based on Van Tulder with Van der Zwart, 2006: 10

Change driven by one interest (either state-driven, market-driven or civic-driven change) is not likely to create sufficient preconditions for sustained development and is prone to a number of serious 'failures' related to each sphere<sup>1</sup> (Van Tulder with Van der Zwart, 2006). Partnerships are supposed to tackle the various forms of 'failure' attached to unilateral action by either governments or donors, companies or civil society in addressing sustainable development challenges (OECD, 2006; Kolk et al., 2008; Van Tulder with Van de Zwart, 2006). The argument is that "less emphasis is put on the autonomy of the three domains and instead their interdependencies are stressed" (Glasbergen, 2011:2). The main distinguishing characteristic of such partnerships is the question whether they combine actors from different institutional backgrounds, societal orientations and therefore different power bases and sources of legitimacy, whilst aimed at providing (often pragmatic) solutions to sustainable development problems.

CSSPs are based on the idea of shared responsibility in which no single actor regulates behaviour of other actors and in which some form of cooperation is required as one actor and/or one institutional sphere cannot solve the problem alone (Selsky & Parker, 2005; Huxham &

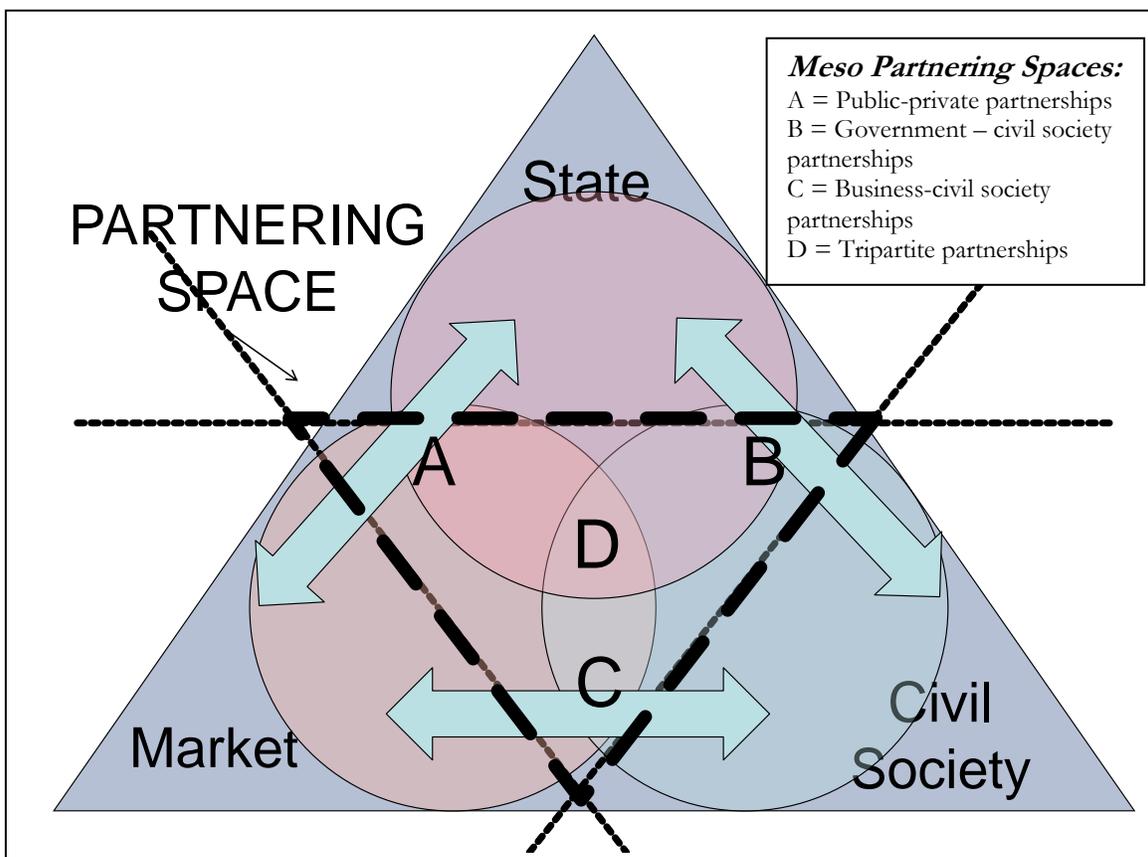
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<sup>1</sup> Knowledge institutes, semi-public or semi-private regulatory bodies and other hybrid organizations (that combine different roles and coordination mechanisms), serve as important intermediary agencies for sustainable development. If these organizations become too much attached to any one of the societal spheres, they lose their independence and their legitimacy. This happens when knowledge institutes such as universities become too commercial, or semi-private regulatory agencies get underfunded.

Vangen, 2005; Austin, 2000). A true ‘partnership’, as often intended in the sustainable development discourse, is one where both parties share comparable degrees of dependence, with substantial mutual and reciprocal influence. This description builds in specific on the idea of ‘collaborative advantage’ (Huxham & Vangen, 2005) in which partnerships have the potential to address a number of institutional voids that hamper sustainable development (Kolk et al., 2008). Partnerships can thereby broadly be conceptualized as governance arrangements, which have developed against the background of blurring boundaries between the public and the private sector. Verena Bitzer (2011:28) rightfully argues that the current field of partnership literature discusses partnerships as “manifestation of the structurally changing roles and responsibilities of societal actors in the context of sustainable development, and as a reflection of new styles of organizing the process and interaction among different stakeholders”.

An instrumental perspective of CSSPs forces us to identify the specific sectors that the partnership is supposed to bridge. The general nature of the partnership is derived from their position and origins in one of three distinctive institutional spheres in society (Figure 1).

**Figure 1: Partnering Space(s)**



Source: based on van Tulder with van der Zwart, 2006

This actor-based taxonomy distinguishes partnerships on the basis of the different nature of the actors involved (see also Selky & Parker, 2005). The societal triangle defines the shape of the *macro-economic 'partnering space'* for governments, firms and civil society organizations first because of overlapping interfaces of their primary coordination circles. These interactions are themselves based on the recognition that no single actor has sufficient potential to address the issue unilaterally. The interaction also defines the objective of the resource allocation of each actor as well as their identity vis-à-vis each other. Four types of specific *meso-partnership interfaces* for sustainable development can consequentially be distinguished:

- A) *Public-Private Partnerships (PPPs)* address in particular the inadequate provision of or underinvestment in public goods; this is also known as the policy rationale for partnerships. Neither the state nor companies invest sufficiently in general provisions that are conducive for sustainable development (Kolk et al., 2008). Key issues in this domain relate to the physical infrastructure, such as roads, water facilities or telecommunications.
- B) *Non-Profit Public Private Partnerships (nPPPs)* aim to increase participation in designing and implementing effective public policies and an adequate provision of common goods. Key development issues in this domain relate to public health (sanitation and disease control) and education (knowledge infrastructure).
- C) *Private (for profit) – Non-Profit Partnerships (PnPPs)* address in particular under-provision of relevant private goods/values (for instance in affordable goods for poor people) or the lacking creation of 'social capital' resulting from ill-organized civil societies. Key development issues in this domain relate to private health (e.g. access to medicine), empowerment (e.g. access to finance) and hunger (due to unequal distribution of food).
- D) *Tripartite Partnerships (TPPs)* aim in particular at the problems that result from the 'institutional void' that develops due to weak general governance structures (Van Tulder with Van der Zwart, 2006) which comes closest to dealing with the macro-economic problems of sustainable development. In most developed countries, tripartite (corporatist)

institutions have matured as a means to tackle generic sustainable growth issues. Key issues in this domain are poverty-related such as social security and living wages.

The partnering space is the arena, or the sum of the interfaces, where societal actors can jointly address these complex societal issues and identify opportunities by bundling their core complementary competencies to create (shared) value for sustainable development. This ‘playing field’ between societal actors is characterized by a highly dynamic nature.

## 2.2 Understanding the Dynamic Nature of the Partnering Space

How to understand this playing field? Studies on the dynamics of cross-sector partnerships have adopted a variety of perspectives of the nature of the partnering space, the arena in which the actual process of partnering takes place. Partnering space can be considered in more idealistic or more realistic terms.

(1) In more **idealistic** terms, partnering space represents...

- ... an area for *collaborative solutions* for wicked problems (Hart & Sharma, 2004) in which new sources of trust can be build up. Trust building will initially be relatively modest – because of the inherent differences between the sectors, but in later stages can develop into more deep trust relations (Austin, 2000). The greater the trust, the lower the transaction costs. The arena can also be considered a ‘value creation spectrum’ (Austin & Seitani, 2012) in which ‘collaborative value’ or ‘shared value’ (Porter & Kramer, 2006) can be created.
- ... an *area of growing interdependencies* as the result of globalization and the related ideologies of privatization, deregulation, liberalization and decentralization (Bierman et al., 2007: 288). Many studies do not look at the nature of the interdependencies, but either start from the presupposition of interdependence or implicitly suggest that partnerships are based on equality in power and an equal distribution of gains and losses.
- ... a *new institutional space* in which the common good can be advanced. New institutional arrangements experimented with in the partnering space can distribute values and resources, or can act as “sources of power to the extent that they are effective, and arenas for power-based conflicts on the distribution of values and resources” (ibid: 298).

- ...a means to *bridge the 'institutional divide'*, in particular in case of a co-existence of potentially conflicting institutions, by including multiple partners from multiple sectors (Rivera-Santos et al., 2012).
- ... a *novel approach to governance and decision-making* needed to address the 'institutional void' that appears in societies. The governance approach that is searched for is also referred to as inclusive-, meta-, transition- or hybrid governance - but with recurring problems of legitimacy and accountability (cf. Utting & Zammit, 2009) which critically depends on the problem-solving effectiveness of partnerships. In partnerships that have reached a degree of institutionalization (Gray, 2007) power relations are 'channeled' through governance mechanisms that guarantee binding decisions and compliance. How to evaluate the effectiveness of partnerships thus becomes increasingly important (Glasbergen, 2011).
- ... a '*discursive space*' in which actors collaborate to frame and reframe issues that can be considered of mutual interest. The move into the partnering space forces actors to move out of the existing frames of reference, interest-based positions or comfort zones (mindset) or homogenous institutional backgrounds. The power of framing by each actor is brought into the partnership and can lead to a constructive discourse. But this discourse develops only under specific circumstances and has limitations in effectively mitigating power relations (Deetz et al, 2007).

(2) In more **realistic** terms, the partnering space represents...

- ... a contested *political arena*. Partnerships for sustainable development have been negotiated, endorsed and implemented in a contested political arena (Mert & Chan, 2012: 21). This idea is very common in critical studies about development partnerships (Utting and Zammit, 2010; Pattberg et al., 2012). In that perspective the term partnership functions as a disguise of unequal relations between the parties (Richter, 2004).
- ... a '*bargaining arena*' (van Tulder with Van der Zwart, 2006) in which conflict and power struggles are exercised (Gray, 2007).
- ... a *network*, multiple layers of relational structures and the positions therein of actors. In order to understand the structural position of partners it is required to understand power (Ellersiek, 2011:36). In a network approach, power is generally considered as the inverse of

dependence. Influence can be derived from centrality in the network, if combined with sufficient resource to remain independent (the strength of weak ties).

- ... as *new opportunity* for the private sector to “exercise power and influence over domains that where the preserve of public-sector organizations” (Buse & Harmer, 2004:50) or as an action primarily for self-interest and secondarily for social good. Selsky & Parker (2010) in this context use the term ‘resource dependency platform’ to identify the interest base from which transactional collaborations between NGOs and business arise.
- ... an *idealized tool and discourse*, initiated in particular by multilateral agencies, that divert “attention from asymmetrical power relations, the struggle for hegemony, participation deficits and trade-off between diverging partnership goals to questions of effectiveness and efficiency” (Bäckstrand, 2012:169). Partnerships can also crowd out existing roles, functions and responsibilities of actors. Pattberg et al. (2012) argue that international development partnerships are often active in issue areas that “are already densely populated by international law and agreements” (ibid, 2012: 240).

It is easy to consider the idealist perspective on partnerships as ‘naïve’, or the realist perspective as overly skeptical. Both perspectives can and should be considered complementary. Both dimensions need to be taken into account in order to assess the function of cross-sector partnerships for sustainable development – which in itself is a process laden with trade-offs and conflicts. Either perspective of partnerships contains an assessment of the relative dependencies of each partner. Even the search for complementary resources and organizational compatibility – as a condition for co-creation of value - will probably be based on self-interest (Austin & Seitanidi, 2012). The two sets of angles – idealist and realist - towards the partnering space have a bearing on questions of the power bases of actors (as based on resources, roles and institutional background) and the power distribution in partnerships. What kind of resources and roles this is based on becomes an increasingly important question to explore.

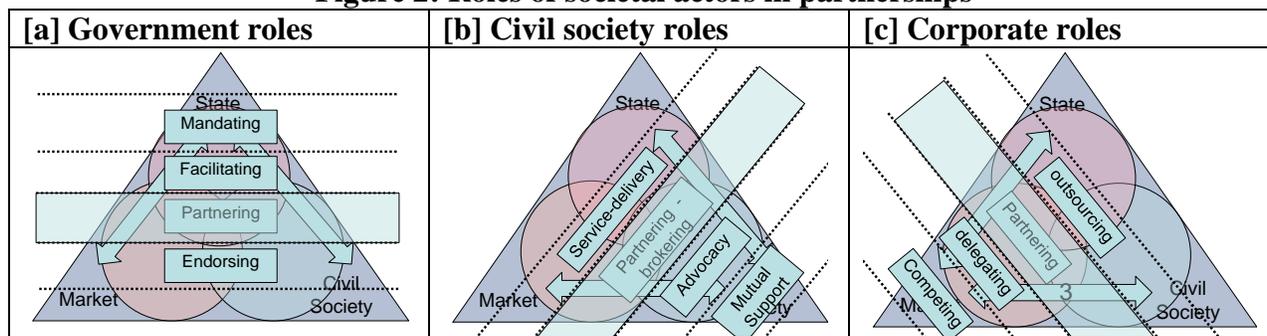
### 3. Positioning Games in the Partnering Space – Towards a Taxonomy for Understanding the ‘Perfect Fit’

As Vurro et al. (2010:48) highlight, “the institutional context dictates conditions that have to be satisfied in order for partnership to be considered appropriate”. They highlight that the institutional context provides the preconditions for deciding both to start a CSSP and to configure it according to certain criteria. Therefore, we need to distinguish between the various institutional backgrounds of participating parties (foundation of their power base), and decipher the concrete roles these actors normally have (shape of their influence).

#### 3.1 Roles in the partnering space

In society hundreds of different organizational forms exist, which can all influence the nature and effectiveness of partnerships. They generally represent a (combination of) a number of basic institutional characteristics: public or private, profit or non-profit, governmental or non-governmental, aimed at the provision of public or private goods. Each of the three actors bases their legitimacy (and power base) on a specific role in society: governments on their mandating and law enforcement role, CSOs on their mutual support role, and companies on the value they add through competition and profit-seeking (see also Table 1). The partnership space of each actor consequently presents a combination of (often accumulated) roles. Partnering space is the result of the ‘positioning games’ played by societal actors along the three societal interfaces (Figure 2a-c).

**Figure 2: Roles of societal actors in partnerships**



**Government roles.** The ideal-type government roles involve a public (governmental) organization, which is aimed at a non-profit oriented provision of public goods. This aim can be achieved by a large number of instruments, related to a variety of roles vis-à-vis business and civil society. Four basic roles are generally distinguished (Fox et al., 2002) which involve increasing levels of dependencies – implying that the effectiveness of government roles becomes dependent on the actions and reactions of the bargaining partners: (1) mandating, (2) facilitating, (3) partnering and (4) endorsing. In their *mandating* role, governments act primarily as regulators and standard-setters defining minimum behavioural norms. In the various areas of sustainable development, governments can set minimum wages (poverty alleviation), maximum emission standards (ecology), compulsory education ages or rules for public health. Governments have full autonomy over their inspectors and influence firms and civil society primarily through penalties (either legal or fiscal). Firms and civil society, on their part, can try to influence the (independent) government through lobby activities. In their *facilitating* role, governments search for more enabling instruments to create incentives for firms and citizens to move in the ‘right’ direction and build the appropriate capacities to do so. This could include the use of procurement policies focused on particular goals such as corporate social responsibility or national competitiveness. Other measures are subsidies, but also the set up of public schools (education), public hospitals (health), child support systems and the like. *Partnering* implies that governments actively seek a combination of resources and stakeholder engagement. This can be done in the form of PPPs, but also in less formal organizational forms such as stakeholder dialogues and shared monitoring activities. The partnering role of government often comes in the form of semi-private regulation and covenants. The *endorsing* role of governments is the least involved and makes governments most dependent on firms and CSOs for achieving particular outcomes. Governments can for instance endorse company initiatives in fair labelling exercises, publish ‘best practices’, support quality control schemes or health campaigns, and/or explicitly support partnerships between firms and CSOs, without providing subsidies.

**Civil society roles.** The ideal-type civil society role includes a private organization, non-profit and non-governmental oriented. Four roles of civil society organizations can be distinguished: (1) mutual-support, (2) advocacy, (3) partnering and (4) service provision. The function of civil society organizations is, first and foremost, to organise *mutual support* for groups of citizens, to

create so called ‘club’ or ‘community’ goods and social value or social capital. CSOs are basically ‘mutual support organizations’ (MSOs). All development related CSOs that want to remain independent either from states or firms have to have a solid foundation in membership, contributors or other autonomous sources of funding. Sustainable development on the basis of mutual support is founded in local communities or international CSOs that transfer money on the basis of ‘solidarity’.

The *advocacy* role of CSOs, requires as much independence as possible, but is defined by the actual influence the organization can exert over other actors. Advocacy towards governments is exerted by human rights organizations like Amnesty International. Advocacy towards firms is exerted by labour unions and other social movement CSOs like ATTAC. Hybrid advocacy CSOs like Greenpeace or Friends of the Earth, try to influence both business and governments. An interesting mixture of roles appears in case a CSO receives funds from governments to engage in advocacy towards firms, or vice versa. For the business-CSO interface the attention for this type of action and advocacy oriented organizations has prevailed in the literature (Kourula & Laasonen, 2010). Many of these CSOs actually seek confrontation and debate in order to draw attention to single issues. They see the partnering space as one of framing through ‘blaming and shaming’ campaigns to highlight corporate responsibilities and inconsistencies. There are also more moderate and less confrontational CSOs in this segment. Other roles taken by CSOs in this segment are taking a supervisory role such as GRI or quality labels. The bulk (i.e. above 50%) of NGO roles at the interface with business relates to this watchdog and discussion oriented role (Van Tulder with Van der Zwart, 2006:124; Laasonen et al., 2012).

CSOs are still experimenting with their *partnering or brokering role* at the interface with business in particular. One of the problems partnering oriented CSOs face is how their strategy is perceived by their members/constituents. A more limited degree of ‘institutionalization’ (Van Huijstee, 2010) of the partnering/brokering role in the own organization limits its power base towards the other organization. New NGOs are increasingly founded that aim at this ‘mediator’ or ‘broker’ in the face of societal conflict. The degree of independence of this NGO is generally low. Contributions of members in the form of donations and memberships fees are accepted on the condition that the donor accepts the independence of the NGO.

The most dependent position in the relationship with firms and governments represents that of *service provision*. At the two interfaces with governments and firms, two additional roles

can be discerned: first, the provision of private goods (for instance through social entrepreneurship or labelling) brings it in interaction with the market sector and gives them the identity of a non-profit organization (NPO); second, the provision of public goods defines its interaction with governments and gives them the identity of a non-governmental organization (NGO). Many development NGOs – also referred to as co-financing organizations - appeal to government to obtain additional funding for projects they carry out on behalf of civil society. These are largely local projects for the benefit of the local population. As such, NGOs are taking over part of what is traditionally regarded as government responsibilities. Companies have helped to found a number of NGOs whose sole purpose is to represent their interests. This type of CSOs shares a credibility problem, due their reliance on either government or corporate funding.

**Corporate roles** at the interface with civil society and governments generally take four shapes: (1) competing, (2) delegating, (3) partnering and (4) outsourcing. The power basis of companies (and their related fiduciary duty and legitimacy) is derived from their profit-orientation (which generates capital) and is embedded in *competition* (Table 1). For this role to develop, society grants substantial freedom and independence – also in terms of power exertion - to companies. Governments use their facilitator role towards firms by checking whether firms do violate the basic principles of free and fair competition. Firms have started to adopt Corporate Social Responsibility (CSR) programmes in order to support their wider relationship with society. Corporations have thereby adopted (a combination of) two approaches: first to earn profits and later give part of it back to society through philanthropic initiatives, and second to integrate CSR in the core activities of the corporation. Corporate foundations were created to implement the first strategy. Corporate foundations are often legal independent entities, but their actual independence is often debated, although it has been observed that their relative independence also can create conflicts of interests with the mother company (Westhues & Einwiller, 2006). Corporate foundations are part of a ‘*delegating*’ exercise on CSR themes. Corporations also created business support organizations (BINGOs and BONGOs) to influence the public debate in favor of the company or created for tax reasons. In particular these entities pose a problem for CSSPs: should they be classified as NGOs – and thus representative of civil society – or as

corporate entities? It is suggested that in case an organization is 100% dependent on corporate funding, it should be classified as a ‘delegated’ – semi-dependent – entity of the market sphere.

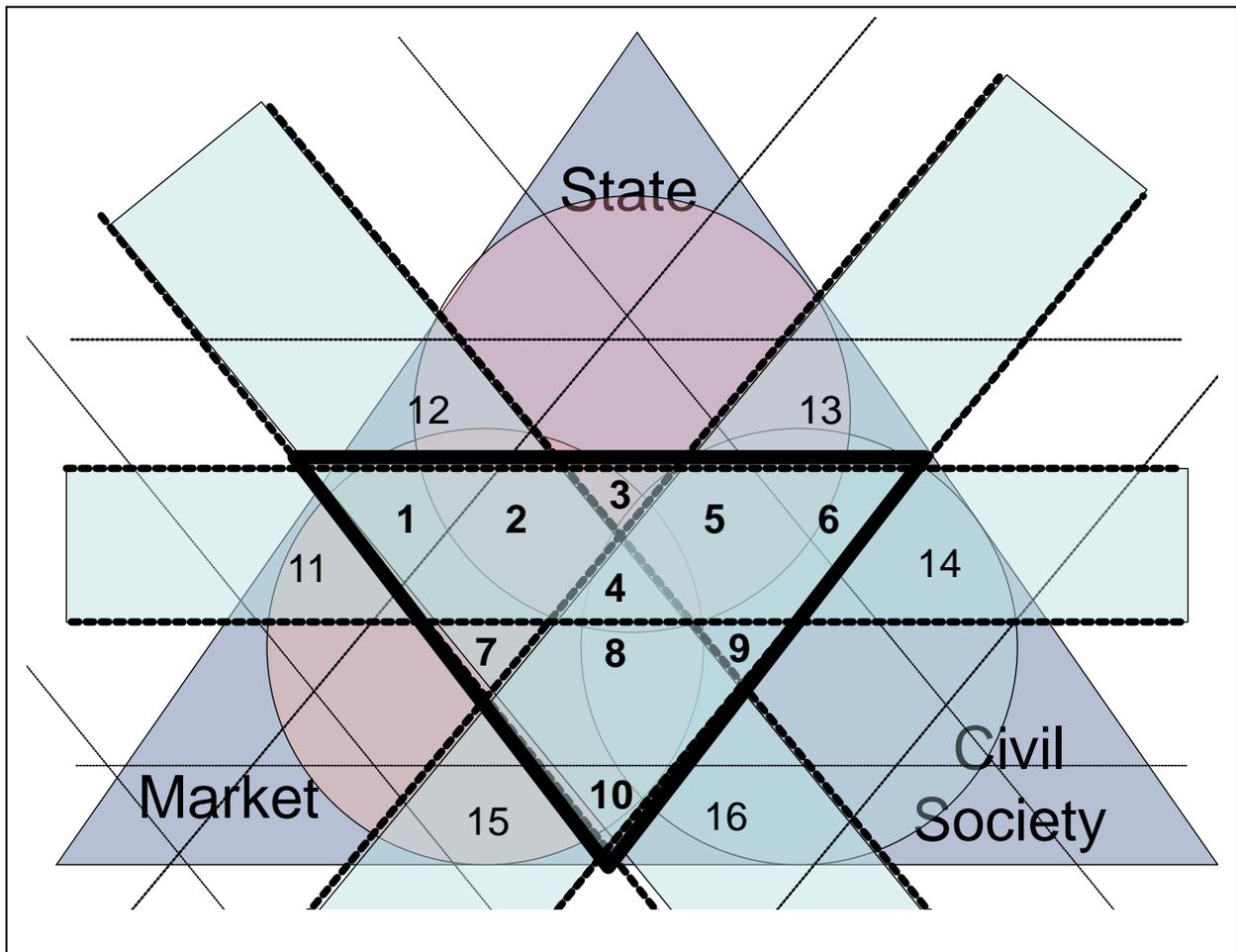
As regards the *partnering* role, it is increasingly acknowledged that partnerships of firms can only contribute to address the problems of sustainable development, in case the initiatives are directly related to the core activities of corporations. CSSPs that are initiated by the foundations of corporations represent a more philanthropic type of engagement. This is however changing because companies are increasingly trying to make their corporate foundations more strategic, which makes them more dependent upon their mother company. Most cross-sector partnerships research has not yet distinguished whether or not companies engage in partnerships through their foundations. Herlin and Thusgaard Pedersen (2012) in a case study on one Danish corporate foundation conclude that the corporate foundation has a bridging function towards NGOs (for instance by facilitating dialogues through convening, translating and mediation). Its effect on securing internal commitment to the topic of the partnership has been more influential on the corporate side than on the CSO side. This illustrates its relative bargaining position, which is stronger towards the corporation than towards the CSOs. Corporate foundations help firms in particular to move forward along the collaboration continuum (Austin, 2000; Austin & Seitanidi, 2012). But they are ‘fragile bridges’, certainly when it comes to partnerships that focus on issues linked to the core competencies of the company (Austin, 2000). They are likely to be primarily effective catalyst for partnerships that are not related to the core business. Corporations can finally *outsource* their (CSR) activities to independent actors. A large number of specialized firms have developed that support firms in their communication and CSR implementation strategies as semi-independent entities. Accountancy firms – in their advisory identity – have become important actors in this area have: they take an interesting intermediate position in society as semi-private supervising organizations. In this area also a large number of organizations function as service providers to firms, governments and CSO alike.

### **3.2 Organizational Fit in Partnering Space**

Combining these roles creates ten possible positions of partnerships within the core triangle of the partnering space, and six additional combinations in the periphery (Figure 3). In practice all these combinations can and are probably dubbed as ‘cross-sector partnerships’, but from the

previous discussion it can be derived that their logic, their dynamics and their contribution to sustainable development will be substantially different. As our framework identifies a set of different partnering types in the partnering space, we are also able to come up with propositions on the possibility of partners to reach a specific stage of the ‘collaborative continuum’ as introduced by James Austin and May Seitanidi (2012): philanthropic, transactional, transitional and transformational. By doing so, this taxonomy emphasises the fit between partners based on the role(s) they can adopt in partnerships based on their societal position. The degree of fit defines the conditions of success of partnerships for sustainable development. The better the fit, the more appropriate roles and dependencies are aligned; or the smaller the fit, the bigger the change of misalignment and role conflicts.

**Figure 3** Positing games in partnering space



1. *Full trilateral fit*: there is only one position in which all relevant societal actors combine wholehearted their partnership strategies (#4). For all parties concerned this involves a first order partnership, in which none of the parties can mix up intentions and roles. The conditions for such a partnership type are first, that all the parties acknowledge that their failure to address a specific issue is part of the problem. Second, parties are willing to become really interdependent in their approach to the issue. We can hypothesize from the discussion in section one, that sustainable development can best materialize in case we find important representatives of the three societal spheres that are willing to operate in this societal segment and that understand for instance that this type of partnering requires an attitude beyond endorsing or facilitating (governments), delegating or outsourcing (firms), advocacy and service delivery (CSOs). This type of partnership requires important institutional and legal facilitative frameworks. It can be expected that this partnership type – when successfully established - has most capacity to develop a *transformational relationship* between the partners, because the commitment to engage in a mutually dependent relationship with each other is highest.
2. *Partial trilateral fit*: three partnering strategies represent two parties that are fully engaged, while one party that is less so: #2 #5 and #8. Take for instance position #5: the partnership represents the willingness to partner from the CSO and the government, but only an effort to outsource from the corporate perspective. This position mirrors a typical educational partnership, in which firms support the project because of ‘good corporate citizenship’ considerations, but not because they consider themselves dependent upon the outcome of the partnership. We can hypothesize that the latter party will be the least loyal and will experience greater pressure for free-ridership. In case the two other parties have based the feasibility of the partnership on the financial support of the firm, the continuity of the partnership might be hampered. In these configurations, partners will be able to create transition, but will only be able to reach a transformational stage in case they focus on key development issues that can be tackled at this specific societal interface with relatively limited involvement of the third party, for instance: hunger (#8), sanitation (#5) or ecology (#2). The “third party” then serves as support group or sponsor of the bilateral partnership – provided they are also aware of this role.

3. *Weak trilateral fit*: three strategies present a particular challenge for the party that has most capacity to effectively engage in the partnership. In positions #3, #9 and #7, the interdependent strategy of one party is combined with the least dependent position of two other actors. In case of #3, the willingness of the government to partner, is linked to ‘outsourcing’ (firm) and a ‘service-delivery’ (CSOs) strategy. In position #9, the willingness of civil society to partner, is coupled with an ‘outsourcing’ strategy (firm) and an ‘endorsing’ role of the government. It can be hypothesized, that all three positions – in order to be effective – require substantially strict governance measures in order to handle the sizable free-riding possibilities of this partnership. Due to the mixed motives and limited partnership orientation of the majority of the players, it can be expected that these partnership types will develop either a philanthropic or a transactional relationship. Reaching a transformative stage will be very challenging because one or the partners will not be willing to commit for a higher level of interdependency.

4. *Optimal bilateral fit*: Bilateral partnerships that have the least risk of ‘crowding out’ are those partnerships that do not represent any major role for the third party. This includes partnerships #1 (no role beyond service-delivery for CSOs), #6 (no role for firms beyond outsourcing) and #10 (no role or responsibilities for governments beyond endorsing). These three bilateral partnership types represent the ideal-typical PPP (#1), nPPP (#6) and PnP (#10) as defined in section 2. We can hypothesize that bilateral partnerships can only be effective for sustainable development – i.e. without compensatory governance measures - in case they belong to this particular constellation of dependencies and roles. These partnerships have the capacity to create an integrative or a transformational collaboration. They are not dependent on the input of the ‘third societal sector’, and have the capacity to reach bilaterally a high level of synergistic value in key areas of sustainable development like infrastructure (#1), private health (#10) and public education (#6).

5. *Partial bilateral fit*. Positions #11-16 represent bilateral partnerships in which only one party is fully committed to the partnership. Positions #12 and #13 for instance show partnerships with the government in which the latter only wants to facilitate the project, rather than act as

a partner. This position is taken in partnerships where the government is subsidising the partner rather than giving up part of its independence to come to a more shared outcome. The danger of misalignment of roles and expectations looms large in this type of ‘partnership’. In fact it would be analytically unjust to characterise this project as a partnership. For positions #16 and #14 the ‘partnership’ reveals a more limited ambition to partner for the CSO (that will use the partnership as part of an advocacy strategy), for position #11 and #15, the limited ambition is with the firm (that will probably use the partnership for reputational reasons). It can be expected that these partnership types will mainly develop a philanthropic or a transactional relationship between the parties. Achieving an integrative or a transformational collaboration will be almost impossible for these types of ‘partnerships’.

#### **4. Conclusion – Towards an optimal fit?**

Social issues differ not only for their intrinsic characteristics and challenges but also in terms of the logics of intervention. Organizations are challenged to adopt approaches to partner appropriately for achieving results for sustainable development (Vurro et al., 2010). In particular the appropriate configuration of actors to address a social issue most effectively is a key challenge in CSSPs. Or with other words – to develop the ‘perfect fit’ between societal actors remains a scant issue in partnership management.

In order to address this issue, this contribution introduced a taxonomy which describes more fine-grained partnership types based on the roles of societal actors. The taxonomy therefore enhances existing classifications based on an actor perspective (Selsky & Parker, 2005) with a relationship perspective (Austin, 2000; Austin & Seitanidi, 2012). Our ‘relationship perspective’ is mainly based on what is often titled the ‘politics of partnerships’. Compared to the original – rough – typology of four cross-sector social partnerships, we now have a more sophisticated taxonomy that can result in a more critical approach towards each type of partnership. It allows us to come up with propositions on the capacity of the partnership type to reach a transformational stage of collaboration and contribute to various domains of sustainable development. For instance as regards the classical public-private partnership for infrastructure

(type A in Figure 1), we now have identified three different types of elaboration of which only one (#1) can be considered an ideal-type in terms of roles and mutual dependencies. The theoretical and taxonomical expose on possible positions and their origins in societal partnering space, illustrates how important it is to check for the motivations of parties and their role adoption in a ‘partnership’, whatever its definition is. The taxonomy also makes it clear that some alliances cannot be considered real partnerships, or only skewed partnerships in which only one of two of the three partners also have the intention to partner. This should make parties aware that there can exist a difference between ‘perception’ and ‘reality’ in case they aim at a partnership, but are (only) prepared to adopt one of their possible roles. A government that aims at an equal partnership, but additionally uses its mandating power to influence the parties, creates a less than optimal fit. A firm that uses its philanthropical (delegating) role for an alliance, but presents this as ‘core business’ creates confusion with its partners. A CSO that uses its partnership (with a firm for instance) as input for an advocacy role towards governments is playing with fire.

The extent, to which roles are complementary or conflicting, depends on the governance arrangements chosen for each partnerships. Defined as such, the governance arrangements can take power inequalities into account, because they affect the relative dependency positions of each actor. The taxonomy of Figure 3 shows that different governance arrangements can be needed for each of the five different types of ‘fit’. More fine-grained governance studies will have to take specific issues into account and will distinguish at least 16 different types of partnerships for development.

### **Box 1: Questions for Reflection**

#### **Questions for Reflection**

- [1] Do different development issues require different types of partnerships?
- [2] In case parties adopt different roles at the same time, can this negatively influence the partnership?
- [3] Can roles change over time in partnerships and how does this affect the effectiveness of the partnership?
- [4] Does the degree of fit also define the level and type of governance needed to make the partnership a success?
- [5] Different roles involve different dependency relations; do partnerships always involve

‘equal’ parties and ‘mutual dependence’; if not, under what conditions can a skewed partnership be also successful?

[6] In case in particular governments talk about Public-Private-Partnerships, what would your first remark be?

## Box 2: Reimagining your partnership

### A Role Play for Creating Effective Partnerships for Development

The taxonomy developed in this contribution can be simulated in a role play in which different parties bring specific 'role cards' to the table. From a game theoretical perspective, it then can be considered under what conditions optimal development outcomes can be achieved. This role play supports reflection on role configurations in cross-sector partnerships, the resulting relationships and the degree of organizational fit needed to make the partnership meaningful for sustainable development.

**Situational sketch:** three parties are represented around the negotiation table – a government, a firm, a development CSO

**Occasion:** the parties come together to solve a major sustainable development issue – for instance, poverty, health, education or infrastructure

**Input:** each can choose to bring in one – or a combination - of its roles to address the issue; in case the party chooses to go for a 'partnership' role, it should consider what type of complementarities it searches with the other parties

**Core competency:** each party defines the extent to which it considers itself responsible for the issue: either being part of the problem and/or part of the solution

**Dynamics:** each party should try to anticipate what its answer will be in case the other party(ies) either mix up roles, or come up with a role that they would consider less optimal for the partnership

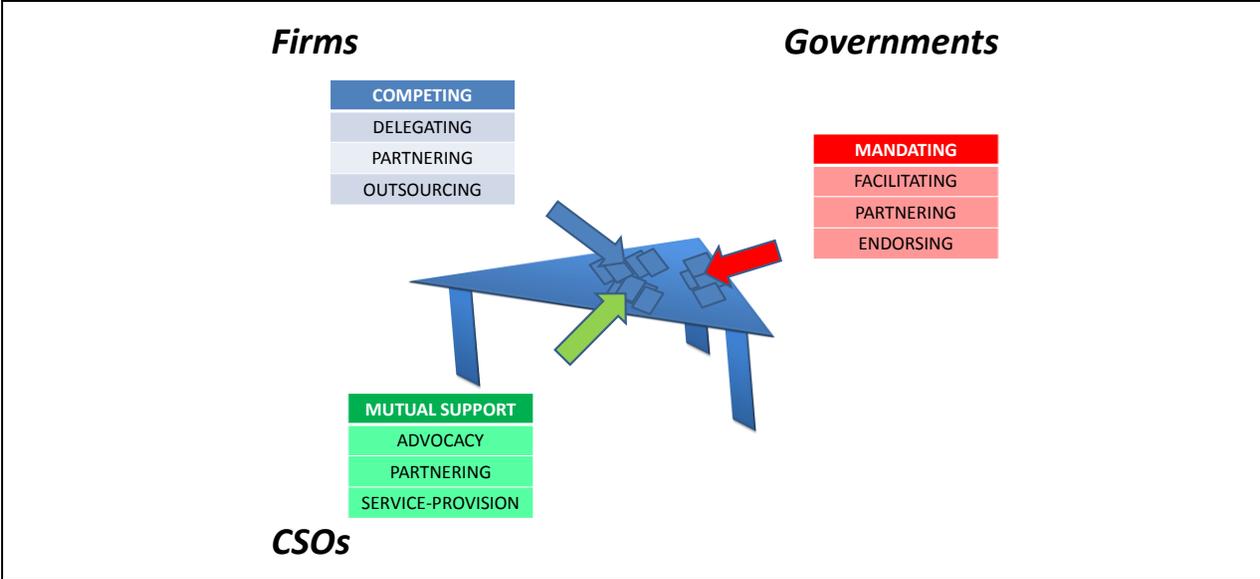
**Play:** a moderator chairs the session, which will be organized in four rounds:

[a] Opening statements: what cards (roles) do the parties want to bring to the table and why (failure assessment, dilemma sharing)

[b] Round 1: discuss what is needed to solve the issue at hand; to what extent do the parties consider themselves part of the problem or of the solution (define input and the degree of commitment)?

[c] Round 2: define the optimal type of partnership that the parties can design, discuss the governance structure needed to manage the variety of inputs and define output and outcome ambitions next to the conditions under which parties can 'exit' the alliance (establish the degree of organizational 'fit' needed to effectively address the issue)

[d] Round 3: make appointments on how to measure and monitor progress and impact.



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