Tomorrow's Force for Good

Finding common ground in meeting international development challenges

A literature review

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Introduction

Since the turn of the millennium a surfeit of literature has emerged concerning the capacity of corporate business to reduce global poverty. This literature largely emanates from international agencies such as the United Nations Development Program (UNDP) and the United Nations Industrial Development Organization (UNIDO), the World Business Council for Sustainable Development, as well as a number of global business think-tanks such as the International Business Leaders Forum (IBLF), the Ford Foundation, the John F. Kennedy (JFK) School of Government at Harvard University, and The Conference Board.[1] In 2008 the British government, in partnership with UNDP, also initiated a *Business Call to Action*, bringing prominent business leaders together with leaders of developing nations as a means of urgently addressing the question of global poverty. While much of this literature speaks of the need for stable regulatory frameworks and social infrastructure within developing countries as the necessary preconditions for business to achieve substantial reductions in global poverty, there is usually only brief mention of any role for development NGOs in this process.

The role of development NGOs in reducing global poverty is, however, given far greater emphasis in academic journals and book publications with a plethora of descriptive case studies from different parts of the developing world. Increasingly, over the past thirteen years, a great deal of this academic literature has been devoted to outlining examples of collaborative engagement or some form of partnership between business and development NGOs as a potent means of reducing global poverty. In the context of doing business in a particular area, NGOs already have a good knowledge of local people and conditions, which can be of enormous benefit to a company seeking to establish supply chains or offer products in that same locality. The literature outlining some form of actual partnership arrangement also often canvasses the constraints and advantages for both parties of such engagements. Some of the literature further develops possible models or forms of partnership, setting out processes or enabling conditions through which collaborative engagements may develop. In contrast to the literature emerging from UN and other private-sector agencies noted above, where partnerships between business and NGOs are at most only briefly canvassed, the academic literature largely skims over considerations of collaborative engagement between business and development NGO partners on the one hand and national governments on the other.

Both bodies of literature lack discussion about the manner in which business and development NGOs might jointly support equitable regulatory frameworks and necessary social infrastructure in developing countries, and so together enter into some form of collaboration with governments of developing nations. This is a sign of what this paper argues is an on-going block to a much more sustained and scaled up capacity for collaborative engagement between business and development NGOs. A further sign of this substantial block, despite various examples of successful partnership arrangements between business and development NGOs, is the failure of business and development NGOs (along with governments and the multilateral agencies) to make any sustainable inroads toward the reduction global poverty. For despite the UN *Millennium Development Goals Report* (2009: 7) indicating that global poverty levels had fallen from 1.8 to 1.4 billion people between 1990 and 2005, it goes on to state that the recent global economic crisis, along with rising food prices, will have negated this trend. What then do we mean by this block to greater collaborative engagement between business and development NGOs? A number of commentators have pointed out serious constraints to the possibility of collaborative engagement, not least of which concerns a deep distrust, built up over many years, of the traditional *raison d'être* of business (namely profit in the sole interest of shareholders) by NGOs, and, by business, of possible breaches of business confidentiality on the part of NGOs as well as the latter's capacity to damage a company's reputation and sales through global, media-wide criticism (Elkington and Fennell 2000: 152; Rugendyke 2010: 9-11). While many commentators have noted 'trust' as a necessary condition of engagement, 'trust' only develops through a process of on-going successful engagement. What is necessary for both parties to even begin such collaborative engagement and so build a trusting relationship is more particularly a shared understanding of the benefits that will accrue not only to both parties independently but, more significantly, to the extensive communities of poor and disadvantaged with whom they will also need to collaborate.

This argument forms the major focus of a research proposal entitled 'Tomorrow's Force for Good' put forward by Tomorrow's Company. The aspirations expressed in this proposal are

> *"to bring influential business leaders and influential leaders of NGOs together in a setting where together they can search for a common approach to human development needs which will lead to corporations, NGOs and governments working more collaboratively to realize the presently untapped potential for the private sector to contribute more positively to global human development and poverty reduction"* (2008: 2).

As expressed in an earlier report by Tomorrow's Company, this means that corporate business will be encouraged *"[t]o provide even better goods and services in a way that is profitable, ethical and respects the environment, individuals and the communities in which it operates"* (2007: 10). By way of further elucidation, *"[t]he report calls for companies to redefine success in ways more closely aligned with the needs of society and the planet, to embed shared human values, and to work with NGOs, other companies, governments and international organizations to ensure that enabling frameworks are created in order that business can harness its potential as a force for good"* (2008: 4).

In further exploring the basis of an argument concerning the need for a shared understanding and common approach to development issues, a useful starting point is to reflect on a discussion of changes in strategic orientation on the part of development NGOs in order to better understand the particular rationale of these groups. In light of this, the next step is to discuss some already prominent examples of business/NGO interaction, before outlining a significant impact of such collaborations in the form of industry certification agencies. The paper then considers certain typologies of change in business/NGO relations, and possible shifts in their respective organizational cultures, as a way of understanding what each might expect of the other when exploring the possibility of collaborative engagement. From here, the paper explores the advantages of collaboration and the decisive role of NGOs in achieving such advantages for business and the community more generally. Penultimately, the paper looks at forms for possible collaboration and the principal enabling conditions of collaborative engagement as presented in the current literature. By way of conclusion, the paper revisits its central argument concerning the presence of a still decisive gap in the capacity of business and development NGOs to collaborate more effectively, and maintains that what is needed, as an almost *a priori* condition of engagement, is the development of a shared understanding not only of each other's particular roles and objectives, but also of the need for a common approach to reducing global poverty.

Changing Strategies of Development NGOs

In 1987 David Korten published a seminal paper, 'Third Generation NGO Strategies: A Key to People-centered Development'. Here he referred to three strategic orientations practiced, either singly or in combination by development NGOs, namely, *"(a) relief and welfare, (b) local self-reliance, and (c) sustainable systems development"* (1987: 147). By way of redressing the limitations of short-term poverty alleviation, community development projects leading to greater local self-reliance became prominent as an NGO development strategy from the late 1970s. It soon became clear, however, that the sustainability of local community projects, whether concerning improved agricultural practices or preventative health techniques, remained at risk if not embedded within larger regional or national development policies and practices. To this end, and by way of meeting needs beyond an all too local geographical space, development NGOs began focusing on those organizations, both public and private, which exercise substantial control over national resources and policy settings. In order to influence policy and resource distribution, however:

> *"the NGO will need in-depth knowledge of the actors and organizations which define and regulate the systems being addressed. High levels of both technical and strategic competence will be required. NGOs that have historically worked independently, will need to develop skills in working collaboratively as members of larger coalitions of both public and private organizations"* (Korten 1987: 149).

This third generation strategy is also referred to as advocacy. This is not to say that relief projects and local community self-reliance projects no longer occur but that development NGOs are also, as a major strategy, concerned with addressing both international and national impediments to the reduction of poverty and long-term sustainable development (Bendell 2000a; Rugendyke 2007; Yaziji and Doh 2009). The major reason for this shift of emphasis is attributed to *"the realization that development and humanitarian relief projects will never, in and of themselves, bring about lasting changes in the structures which create and perpetuate poverty and injustice"* (Eade 2002: ix, cited in Rugendyke 2007: 7). Similarly, Sayer (2007b: 169-70) argues that *"leveraging the policy and practice of governments or international organizations on macro-economic issues such as debt, trade, aid and investment can have more impact on the lives of more poor people than most grant-making activity and community-level development programmes"*.

Since the 1990s, however, advocacy campaigns have been noted not so much for their collaborative but rather for their often adversarial style. For with the wide-spread introduction of new mass-media communication technologies, NGOs were able to galvanize large numbers of people across the globe in publicly objecting to multi-national corporate practices and the structurally embedded policies of international institutions, such as the World Bank and the IMF, which hindered the task of poverty reduction as well as that of eliminating child labor and oppressive working conditions. Examples include the Jubilee 2000 campaign, resulting in the cancellation of a $100 billion debt burden on some of the poorest nations of the world, and the Make Poverty History campaign of 2005, where consumer boycotts of products not produced under conditions of fair trade had significant impact (Rugendyke 2007: 2). Moreover, advocacy campaigns conducted against the policies and practices of multi-national corporations have in certain instances (as discussed in the following section) later given rise to forms of collaborative engagement, where both parties have been better able to achieve their particular objectives. Bendell (2000c: 242-5) argues that adversarial advocacy campaigns have often been the very catalyst for partnership. Fowler and Heap (2000: 147) make a similar, albeit not identical point, namely that *“NGOs … practic[ing] a policy of direct action can drive private sector companies into the arms of more business friendly NGOs”*. The term ‘partnership’ has become seemingly ubiquitous in the literature describing such collaborative engagements and so suggests a fourth generation strategy in addition to those outlined by David Korten.

Examples of Business / NGO Collaboration and their Impact

There are some notable examples of business/NGOs relations which have led to various forms of collaborative engagement. While far from exhaustive, these include the Rainforest Alliance Network's relations during the early 1990s with the global timber industry, resulting in an industry monitoring and accreditation body, the Forest Stewardship Council (Bendell and Murphy 2000); Greenpeace's media blitz on Shell UK's proposed disposal of The Brent Spar oil platform in the North Sea in 1996, resulting in a company seeking greater compatibility between multi-stakeholder and corporate objectives (Rodgers 2000); and Global Resistance and other NGOs' media driven boycott of Coca-Cola products in the early 2000s concerning an environmentally, life threatening over-extraction of water through its operations in India. This resulted in company policies to replace all water used through water-catching devices and a partnership with the World Wide Fund for Nature (WWF) aimed at *"conserv[ing] and protect[ing] freshwater resources"* (Yaziji and Doh 2009).

A further leading example involves Nike and an American NGO, Press for Change. The extremely poor wage and labor conditions evident in Nike's Asian supply chain network became the target of extensive protests and media criticism led by Press for Change during the 1990s. While Nike fended off criticism for almost seven years, in 1998 sales were in marked decline coupled with retail oversupply such that the CEO announced significant policy changes. The company indicated that henceforth it was *"raising the minimum ages of sneaker and apparel workers to 18 and 16 respectively, adopting U.S. clean air regulations in all of its factories, expanding monitoring and educational programs, and offering micro-loans to workers"* (Spar and Mure 2003: 91). Soon after, Nike became actively engaged in the Fair Labor Association (FLA) designed to monitor and ensure improved labor conditions in member factories throughout the developing world. In its first corporate responsibility report in 2001, the CEO stated: *"[t]he performance of Nike and every other global company in the 21st century will be measured as much by our impact on quality of life as it is by revenue growth and profit margins"* (cited in Spar and Mure 2003: 91). In partnership with the NGO Mercy Corps, Nike has since been engaged in setting up micro-finance capabilities as well as educational and vocational training programs for the rural poor in a number of South-east Asian countries. In 2004, in partnership with both Mercy Corps and the China Foundation for the Alleviation of Poverty (CFPA), Nike announced similar plans to be implemented in Fuan County, in the Fujian province of China, thus *"Programs will include purchasing and negotiation, project management and marketing classes"* (Mercy Corps: online). For Nike intends setting up

> *"[t]hirteen contract factories employing approximately 30,000 workers [to] manufacture apparel, footwear and equipment for Nike and its licensees in Fujian province. … Over the three-year period, the goal is for the initiative to evolve into an independent, self-sustaining micro-finance institution in the Fujian province. According to Mercy Corps and CFPA, it is expected the micro-lending institution will serve a client base of over 8,000 beneficiaries and aims to increase the average annual income of loan recipients by more than 85 percent by the end of the four years"* (Mercy Corps: online).

Unfortunately, no information appears to be available concerning the success or otherwise of these projects.

Yet another example, where business itself took the major initiative, concerns Unilever's engagement with the WWF and Oxfam GB. In view of Unilever's control of close to 25 percent of the European and US frozen fish market (Fowler and Heap 2000: 136), and faced with rapidly declining global fish stocks in the early 1990s, it became imperative for Unilever to find a sustainable long-term strategy. WWF had also become extremely concerned with the commercially driven extinction of a number of fish species and the associated killing of other forms of marine life. Despite critical resistance within both organizations to any purported partnership, WWF's previous experience in establishing the Forest Stewardship Council finally swayed Unilever senior management in 1996 to enter into a joint agreement to establish a Marine Stewardship Council (MSC). As Fowler and Heap noted:

> *"Key actors from each organization played a crucial role in overcoming internal political obstacles and gaining a critical mass of support for the partnership. … The objective of this business-NGO partnership was to build a new institution to generate market incentives for sustainable, responsible fishing. To do this, the new institution would have to manage three key processes relating to standards: their development and review, their implementation, and their promotion. An accreditation council model was seen as the most appropriate way of managing these processes, where standards would be developed and reviewed by interested stakeholders, implemented by accredited certification bodies, and promoted by the secretariat of the accreditation council"* (2000: 139).

In 2003, Unilever and Oxfam announced their intention to undertake a joint research initiative concerning the impact of Unilever's business operations on poverty levels in Indonesia, and this across the entire value-chain from suppliers to distributors. Two major conclusions from the study were firstly, that while returns were lowest for those at either end of the value-chain, those returns may be improved through

> *"a stronger negotiating position in relation to their product or service, where value chains are restructured to change the distribution of benefits, or where people can increase the value of their products or services, for example through innovation"*

and, secondly

> *"[f]or supply and distribution chains to benefit poor people even more, there need to be other social institutions and resources in place such as credit and saving schemes, marketing associations, and insurance schemes as well as diversification of income streams to reduce dependency on any single company or market."* (Clay 2005)

Unilever outlines two principal reasons for undertaking the study, namely that its business is involved with poor people both as producers and consumers in many parts of the world and that, in accord with the sustainable development goals set out at the UN Millennium and Johannesburg summits, the eradication of poverty is central to achieving those goals. In a more recent case study published under the auspices of Oxfam GB (2009), Unilever's commitment to poverty reduction and community partnership is further evident in its relations with the Black Soy Bean Farmers Development Program in Java.

Partnerships aimed at reducing poverty often concentrate on micro-finance solutions with low interest loans to poor but enterprising individuals as a means of creating for them a more sustainable future through increased income potential. The financial institution offering these loans in turn benefits through an expanding client base. Bulloch (2009: 20) refers to one such partnership between Barclays Bank, CARE International and Plan International along with the partnership broker Accenture Development Partnerships. Yaziji and Doh (2009: 170-1) refer to three further micro-finance partnerships; the one between Citibank and ACCION International, another between Grameen Foundation in the US, Citicorp Finance in India, IFMR Trust and Grameen Capital India, and yet another between MasterCard and a number of micro-finance NGOs. Yet a solution to poverty through micro-finance lending practices may appear somewhat narrow with its focus directed solely at increased incomes for the poor. For there are other issues that also need to be addressed such as access to clean water, adequate sanitation infrastructure, culturally appropriate housing and health services. Partnerships addressing these issues are often tri-sector engagements where government too plays a collaborative role. Jones (2002: 3) and Bulloch (2009: 21) both refer to the partnership between Thames Water, Unilever, CARE UK, WWF and the Indonesian government aimed at providing a clean water supply and sanitation services for the urban poor in the slums of eastern Jakarta. Jones (2002) refers to other partnerships with similar goals in specific communities within South Africa, Senegal, Columbia, Brazil and Bolivia. Yet, as Kolk *et al*. (2008: 263) indicate, such tri-partite collaborations remain very few in number.

Oxfam International (2009) has recently articulated a Poverty Footprint methodology aimed at understanding the extent to which a particular business model contributes to development and the alleviation of poverty. In so doing, the method is designed to assist businesses understand the economic, social and environmental effects of their activity, improve their model accordingly, and so too their long-term viability.

Examples of the Certification of Produce and Labor

The Forest Stewardship Council and the Marine Stewardship Council have already been mentioned as bodies established through the collaborative engagement of business and NGOs. These councils were designed as independent monitoring agencies through which member companies could have their products certified as compliant with environmentally sustainable and fair trade practices. Similarly, the US-based Rainforest Alliance, in collaboration with a number of Latin American producers, established an ECO-OK programme through which their agricultural produce (coffee beans, eggs, bananas etc.) could be certified as compliant with internationally recognized environmental standards (Bendell 2000c: 245). Through the collaborative relations of business and NGOs, such quasi-regulatory agencies have also been established to monitor wage and labor conditions. For example, the Ethical Trading Initiative (ETI) set up in 1998 is a partnership of companies, NGOs, trade unions and the UK Department for International Development and in 2009 had 59 member companies. The two major aims of the ETI are *"to encourage companies to implement codes of conduct that embody internationally agreed labor standards and human rights in the workplace [based on International Labor Organization conventions]; and to encourage the use of best practice monitoring and independent verification methods"* (Murphy and Coleman 2000: 211). Similarly, and again in 1998, the Fair Labor Association was established in the USA to monitor the Apparel Industry Partnership's Workplace Code of Conduct. Yet another accreditation agency, the Center for Responsibility in Business (CRB), previously known as the Council on Economic Priorities (CEP), offers endorsement of products and companies if they adhere to a social accountability code (SA8000) concerning ethical labor practices (Elkington and Fennell 2000: 155). According to Greffi *et al*. (2001: 58), *"[a]s of April 2001, the group certified 66 manufacturing facilities around the world that mainly make toys and apparel as SA8000 compliant"*.

Understanding Shifts in Business/NGO Relations and Organizational Culture

At this point it seems appropriate to set out both the general trajectory through which collaborative undertakings may develop and typical shifts in organizational culture. With this understanding, both sectors will better appreciate possible limitations in each other's approach and so help build further capacity for more effective collaboration. Austin (2000), for example, speaks of a cross-sector collaboration continuum moving through three stages from philanthropic, to transactional and thence to integration or partnership. Elkington and Fennell (2000: 154) set out a continuum of nine possible relational stages, which resembles Austin's account, albeit with greater complexity. A challenge to company activities leads to communicational sparring and thence to philanthropic support. This may then lead to the development of more formal communications and a joint project agenda. From here respective organizational strategies may be discussed leading to the planning of a joint venture project, which in turn gives rise to a fully integrated joint venture partnership. Reflective of this transitional process, Zadek (2004: 126-7) outlines five stages of corporate organizational learning – from defensive ("*its not our job to fix that"*), to compliance (*"we'll do just as much as we have to"),* to managerial (*"it's the business, stupid"*), to strategic (*"it gives us a competitive edge"*), and thence to civil (*"we need to make sure everybody does it").* More recently Bulloch (2009: 12-13) speaks of three evolutionary waves of organizational culture within the NGO sector itself. The first wave is referred to as foundational, characterized by loose organizational structures and a general antipathy to business and its role in development. The second wave is said to be transformational, characterized by more robust internal structures, greater degrees of professionalism and a willingness to adopt a business style of thinking. The third wave is described as collaborative, with fully integrated organizational decision-making processes, knowledge of investment rationale, and so a capacity to partner with business in a fully effective manner.

Bulloch *et al*. (2011: 3) go on to argue that what is now becoming evident is a further shift *"beyond collaboration to convergence; a convergence of issues, of interests and therefore by necessity, of solutions"*. This appears, however, to be nothing more than a rhetorical shift; for this cross-sector convergence of issues and solutions is referred to on the very next page as a *"collaboration that spans sectors"* (2011: 4). Indeed the rationale for this rhetorical 'convergence' appears to rest firstly, on the inclusion of government as an often neglected third player in the collaborative relations between business and NGOs, and secondly, on the seemingly unsubstantiated claim that convergence *"is not constrained by the original structures and behaviors of the organizations that have the resources to help"* (2011: 4). Certainly there have been organizational changes on the part of some business corporations and some NGOs, however, it remains unclear how such changes have become indicative of a convergence of issues and solutions rather than a concerned attempt to better accommodate collaborative relations.

Advantages of Collaborative Engagement

The United Nations Global Compact (UNGC), launched in July 2000, stresses the need for partnerships between business and NGOs as a central strategy for achieving a substantial reduction in global poverty levels. The vital role of business in helping achieve this goal was given particular emphasis in an address to a meeting of world leaders in 2005 by the then Secretary-General of the UN, Kofi Annan, when he stated, *"[i]t is the absence of broad-based business activity, not its presence, that condemns much of humanity to suffering. Indeed, what is utopian is the notion that poverty can be overcome without the active engagement of business"* (Annan 2005). The Ford Foundation also makes the point that *"[b]usinesses play a crucial role in establishing many of the conditions that create or hinder the opportunities for low-income people to build their assets. They do so primarily through their everyday operating practices – how they market their goods and services, who they hire and how they develop and compensate them, how they manage their supply chains, where they locate their operations, and how they influence public policies"* (Ford Foundation 2005). A further report supporting the Clinton Global Initiative states, *"[t]his challenge to business leaders – to identify with society in tackling the social and environmental problems of globalization, not just through philanthropy, but by using their innovative and creative capabilities to find business solutions that contribute to solving these problems – is the challenge of the 21st century"* (Fitzgerald and Cormack 2006: 18). Sullivan and Fiestas (2008: 9) argue that *"the integration of poverty and development issues into investment activity offers the potential to significantly improve the lives of millions of people living in poverty, while also enhancing long-term investment returns"*.

Now, apart from the advantages to be gained by society generally and, more particularly, by the communities where business/NGO partnerships operate as a 'force for good', the numerous advantages of collaborative engagement for corporate business in particular are widely documented. Bendell (2000b: 22-3) discusses four partnership advantages for business:

- increases intellectual capital – skills, expertise, networks;
- social capital – *"can achieve greater productivity and higher quality because of trust generated by good labor relations, and closer relations with suppliers and other stakeholders"*;
- reputational capital – NGOs lend credibility to a company's social and environmental claims; and
- mitigates the risk of losing social and reputational capital through adverse media reports.

Waddell (2000: 195) catalogues eight different functions that NGOs are providing for businesses in different industries around the world – risk management and reduction; cost reduction and productivity gains; new product development; new market development; human resources development; production chain organizing; protection of company market through distinctive image; creativity and change through new integrative strategies. Jones (2002: 3-5) argues that using partnerships to reach poor customers can bring a range of financial benefits to business: reduce both capital and operational expenditure and allow burden sharing, potentially leverage other resources, improve public acceptance of private sector participation, improve customer relations, and reduce regulatory risk. Weiser *et al*. (2006: 11) indicate that partnerships with NGOs *"can help your company reach customers, find workers, develop sources of supply, and create profitable new products and processes"*. Tennyson and Harrison (2008: 13) speak of partnerships building greater employee motivation; strengthening stakeholder relationships; creating a stronger license to operate; offering positive brand differentiation and market development; and providing a better understanding of development issues leading to organizational learning and system change. While implicitly prefaced on a partnership relation, Oxfam GB (2009: 1) sets out the following benefits to business in tackling poverty in developing countries: access to labor (supply chains), retention of best employees, improved productivity through fair wages and conditions, a growing consumer market and, through socially responsible activities, a license to operate. Yaziji and Doh (2009: 127-37) discuss four strengths NGOs bring to partnerships – they lend legitimacy to a company's operations, bring an awareness of social concerns, provide access to an informational network of other NGOs, and offer specialized technical expertise, namely through legal, policy and scientific analyses. They further highlight five benefits of collaboration – head off confrontation, accelerate innovation, foresee shifts in demand, influence legislation, and set industry standards, thereby offering competitive advantage to a partner company. Mitigating social risk, as distinct from political, technological, macro-economic and competitive risk, is also discussed at length by Yaziji and Doh (2009).

These collaborative advantages to business are again largely reflected in the research proposal 'Tomorrow's Force for Good' put out by Tomorrow's Company (2008). Here three major benefits are outlined, namely:

- *"greater corporate opportunity which derives from broadly-based and equitably distributed private-sector-led development*
- *increased earnings which can be generated from a healthier, more motivated, skilled, fairly treated, efficient and productive workforce*
- *more effective management of risk by corporations."* (2008: 5).

The proposal then notes four significant ways in which effective risk management may be carried through, namely:

- *"contributing more powerfully than before to the system conditions that are needed for the longer-term wellbeing of business and society*
- *enhancing the capacity of business and NGOs to innovate through challenging and learning from NGOs to learn from each other*
- *being seen to be more responsible*
- *avoiding condemnation for negatives such as environmental damage, climate change and failure to effectively contribute to achievement of the Millennium Development Goals."*" (2008: 6).

Forms and Principal Enabling Conditions of Engagement

Research conducted by Tennyson and Harrison (2008) reveals many different forms of business/NGO engagement. These types of engagement are synthesized into six major forms of partnership referred to as business, advocacy, sponsorship, marketing, capacity building and brokering. However, as Tennyson and Harrison (2008: 27) go on to point out, *"often partnerships are far less intentional than these neat models imply. Many start as an open-ended conversation and with a low-level, quick-win commitment that suits both parties and requires minimal negotiation. Then, over time, as confidence in the value of the relationship grows, new elements are explored, tested out and added to the mix"*. More recent research, based on interviews with UK NGOs, reveals very similar findings (Rugendyke 2010). Seeking to change corporate behavior through critical and constructive engagement is essentially an advocacy form of partnership. Corporate philanthropy through funding and supply of goods and services is a sponsorship form of partnership. Where NGOs act as suppliers of information and research to corporations, there is a capacity building form of partnership. In their role as 'go-between', where NGOs bring local enterprises together with companies or coordinate a range of stakeholders, there exists a brokering form of partnership. A business form of partnership is evident when both parties enter into a joint venture, whether through active field partnerships in supply chain development or joint lobbying of government. What Tennyson and Harrison distinguish as a marketing form of partnership is perhaps more properly a form of business joint venture.

In an account of Unilever's partnership experiences - establishing the Marine Stewardship Council with WWF, the 'Living Lakes' clean water conservation partnership with the Global Nature Fund, and the Tea Sourcing Partnership with 13 tea-packing companies around the world - Anne Weir (2000: 118) notes three key principles to successful partnership: *"A need to engage stakeholders along the supply chain; Recognition that progress can only be made through consensus; A willingness to establish a non-competitive framework'. In stressing the need for long-term commitment to an on-going communicative engagement with all parties and 'a measured, sensitive approach to raising standards"*, she gives further substance to these enabling conditions of partnership. For what is necessary here, she indicates is:

- *"a high level of public awareness to motivate stakeholders*
- *recognition by traditional adversaries that they have common interests which*
- *will help them achieve shared objectives*
- *agreed ground rules, to include*
    - *common working principles*
    - *transparent goals*
    - *agreed boundaries – deal with non-related issues outside the partnership*
    - *an inclusive participatory approach – essential where wider stakeholder buy-in is critical*
    - *co-ordinated roll-out of solutions – discourage partners and stakeholders from seeking short-term advantage outside the partnership, such as in PR and marketing*
    - *acting as ambassadors to stakeholders immediately outside the partnership"* (Weir 2000: 123)

Fowler and Heap (2000: 146) also make the point that adequate resources need to be available so that management of the partnership does not founder. This includes both

NGOs and corporate businesses having staff able to appreciate and understand the particular goals and values of the other. It is at this very personal level that trust and a capacity for flexibility are developed. Another means of facilitating this is to engage an intermediary with a capacity for leadership and for training staff in requisite negotiating skills (Nelson 1996; Waddell 1997). Sayer (2007a: 153), while referring to the above literature, creates a not-dissimilar list of eleven considerations for successful partnership. Two other sources in which specific attention is devoted to the major principles or enabling conditions of cross-sector partnership are BOND's 'Workshop Report: NGO Futures – Partnerships with the Private Sector' (1999), although this no longer appears available, and Tennyson's 'The Partnering Toolbook: The Essential Guide to Cross-sector Partnership' (2003). While three key principles are elaborated here, namely Equity, Transparency and Mutual Benefit, Tennyson's later article with Harrison (2008: 30) goes on to note four operating principles or pre-established rules which partners need to agree on:

1) *"Rules for interacting with other participants,*
2) *Rules for communication outside the process,*
3) *Rules for managing logistics,*
4) *Rules for making decisions*."

They also make the point that partnerships thus require innovative modes of thinking to meet the challenges faced by new modes of practice.

There is perhaps one further enabling condition for successful engagement not canvassed in the literature above, and this concerns a capacity to review and assess partnership performance in a manner that reflects not only targeted results or outcomes but also the changing external and internal organizational context in which the partnership occurs. As Caplan *et al*. (2007: 3) suggest, *"[t]ightly defined data measurements may miss broader external issues, such as social and environmental change, as well as those internal to the partnership around organizational change"*. The argument is simply that without considering the mediating impact of these broader contextual issues on more quantifiable goals, the success or otherwise of partnership performance may be grossly misread. Indeed the social or environmental context, which will undoubtedly include financial, legal and institutional perspectives, is precisely that which initially drives the partners to engage and develop negotiated impacts or outcomes. These in turn are reflected in resource commitments and decision-making contributions. Caplan *et al*. go on to detail the manner in which such a qualitative assessment may be carried out; and *"if all partners are actively and effectively meeting their resource commitments and contributing to decision-making, the partnership can thereby be deemed as effective as possible"* (Caplan *et al*. 2007: 5).

Conclusion

The various examples of engagement presented earlier, along with numerous others not cited here, and the development of industry certification agencies, may well give the impression that a significant reduction in global poverty is underway. Accounts of evolutionary business/NGO relations and possible forms of business/NGO engagement may further heighten such an impression. Yet as Tennyson and Harrison (2008: 16) argue a significant gap still remains between partnership rhetoric and the actuality of wide-spread, fully developed instances of collaborative engagement. Such a view is confirmed by Crowley and Alzaga (2009) in their attempt to understand the actual state of play in cross-sector collaboration. For they report that philanthropic investment or sponsorship forms of partnership are still more common than capacity building partnerships. Where the latter do occur, the role of NGOs is generally limited to the delivery and implementation of services or to being a source of advice and intelligence. Nonetheless, they indicate that companies are increasingly integrating philanthropic investments with their core business objectives. In face of an apparent reluctance on the part of both sectors, however, to fully embrace any global partnership agenda, Crowley and Alzaga conclude that *"the state of collaboration is [still] in its infancy"*" (2009: 4). Indeed what drives most collaborative undertakings, they maintain, are local rather than global development issues. They further indicate that while NGOs are becoming more open to the idea that long-term social sustainability is dependent on sustainable economic growth, a good deal of internal structural adjustment is needed on the part of these organizations if the opportunities for partnership are to be fully realized.

While this is no doubt a significant constraint for many NGOs, it need not constrain them from entering into some form of preliminary engagement with a view to building greater internal capacity. In view of the prospect of significant poverty reduction in partnership with business, what is it that seemingly blocks development NGOs from becoming more substantially engaged? And in view of the advantages to business of NGO collaboration already canvassed, what is it that holds business back from more fully embracing such engagement? Furthermore, how can the level of engagement become more globally focused rather than limited to local community development issues? In effect, what is necessary to propel more extensive collaborative engagement between development NGOs and business? One of the principal conditions of collaborative engagement, as stated in the introduction and again in the section on enabling conditions, is 'trust'. In order to build trust, however, both sectors need what Tomorrow's Company (2008: 5) refers to as a 'shared understanding' concerning *"the fundamentals of sustainable systems and development towards which all are working"*. This 'shared understanding' thus performs a similar function to what philosophers refer to as an *a priori* condition, a *sine qua non*, insofar as it makes possible the realization of those other enabling conditions necessary for collaborative engagement. Indeed this shared understanding, in the words of Tomorrow's Company, "*will lead to a common view on the appropriate roles that, jointly and severally, business and government and civil society will need to play, each doing what they do best"*. Moreover, such shared understanding between business and development NGOs becomes the basis through which they may more effectively partner with the governments of developing nations in first setting up equitable regulatory frameworks and necessary social infrastructure; and this, so that business may then more effectively and extensively address the pressing need for global poverty reduction.

Appendix - Bibliography

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Notes

[1] Examples include *Business and the Millennium Development Goals: A Framework for Action* (Nelson and Prescott for UNDP and IBLF 2003 and 2008), *Unleashing Entrepreneurship: Making Business Work for the Poor* (UNDP 2004), *Business for Development: Business solutions in support of the Millennium Development Goals* (Churet and Oliver for WBCSD 2005), *Part of the Solution: Leveraging Business and Markets for Low-Income People* (Ford Foundation 2005), *The Role of Business in Society: An Agenda for Action* (Fitzgerald and Cormack for the JFK School of Government, The Conference Board, and IBLF 2006), *Building Linkages for Competitive and Responsible Entrepreneurship: Innovative partnerships to foster small enterprise, promote economic growth and reduce poverty in developing countries* (Nelson for UNIDO and the JFK School of Government 2007), and *Creating Value for All: Strategies for doing Business with the Poor* (UNDP 2008).