



# **PARTNERSHIP ALCHEMY**

**New Social Partnerships in Europe**

**Jane Nelson and Simon Zadek**



The Copenhagen Centre

## **ABOUT THE COPENHAGEN CENTRE (TCC)**

The Copenhagen Centre is an autonomous, international institution established by the Danish Government, following the 1995 UN "World Summit for Social Development" and the 1997 Copenhagen Conference "New Partnership for Social Cohesion". Focusing on social cohesion as a fundamental precondition for the prosperity of society, TCC strives to promote voluntary partnerships between business, government and civil society in order to provide opportunities for the less privileged to be self-supporting, active and productive citizens. TCC Programmes:

### **The Partnerships Programme**

This programme aims at developing a focus on new social partnerships, in terms of developing a conceptual framework, research, knowledge sharing, and exchange of good practices across borders and sectors. Other than the present report *Partnership Alchemy*, the TCC has initiated a research project *Local Partnerships in Europe – Networking, Investigating and Promoting* (2000-2002) which marks a step forward in developing cross-boarder pathways and exchange of experience.

### **Governments as Partners**

- One objective is to develop and facilitate government-to-government dialogue on new social partnerships. To this effect a series of workshops is being organised to stimulate the exchange of experiences between governments.
- An in-depth investigation is being conducted in six European countries focusing on current government initiatives and prospects for future European co-operation in the area of social partnership development.
- TCC supports the business-to-government dialogue at the European level. Jointly working with the European Commission and the European Business Network for Social Cohesion (EBNSC) a series of meetings bring together high-level players from both the business and the public sector.

### **Business in Society – The Universities and Business Schools Programme**

TCC and the European Business Network for Social Cohesion (EBNSC) have joined forces to promote the issue of social responsibility of enterprises within the curricula of business schools and universities.

### **TCC's internet resource centre [www.copenhagencentre.org](http://www.copenhagencentre.org)**

A strong tool for everybody interested in corporate social responsibility and partnerships.

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# Foreword

Europe has in recent years witnessed a great variety of partnership initiatives as a means to tackle social challenges, at the local, national and regional level.

At the dawn of the new millennium we have now moved beyond the stage of experimentation. It is time to build on the momentum and to capitalise on our very diversified experiences.

Roles and responsibilities are being redefined. Social development is no longer a concern for governments alone – increasingly the business community and civil society organisations are getting involved.

Making the most of this situation is a positive challenge for all parties involved. Not least, governments should seize the opportunity by creating enabling frameworks for partnerships to flourish at all levels.

Through this report we hope to substantiate the discussion of how new social partnerships can combine public-private interests, resources and capacities. There is no doubt that working in partnership has huge potential for creating societal benefits across nations, cultures and traditions.



**Karen Jespersen**  
Minister for Social Affairs



**Lars Kolind**  
Chairman,  
The Copenhagen Centre

# Contents

<b>1. Introduction</b>	<b>5</b>
<b>2. The European Challenge</b>	<b>7</b>
New Realities	7
Responding to the New Realities	10
New Mechanisms	11
<b>3. New Social Partnerships</b>	<b>13</b>
Definitions and Principles	14
Diversity of Experiences	16
Dilemmas of Partnership	18
<b>4. Partnership Benefits</b>	<b>23</b>
The 'Added-Value' of Partnership	24
Participant and Societal Benefits	26
<b>5. Pathways to Successful Partnerships</b>	<b>31</b>
Getting the Dynamics Right	31
Context	33
Purpose	36
Participants	39
Organisation	43
Outcomes	45
<b>6. Scaling-Up and Transferring Successful Partnerships</b>	<b>49</b>
Structures for Scaling-up and Transfer	50
Tools for Scaling-up and Transfer	54
<b>7. Towards Civil Governance</b>	<b>55</b>
Governance Shifts	55
Creating an Enabling Environment	56
Building Civil Governance	60
Concluding Remarks	64
<b>8. Appendices</b>	<b>65</b>
I Acknowledgements	66
II The Copenhagen Centre Board and Advisory Forum	67
III Examples of some European 'Business in Society' coalitions and learning networks	68
IV Bibliography and references	82
V Useful websites	84

# List of boxes

1: 'ROADMAP' FOR THE REPORT	4	21: THE SOCIAL EXCLUSION UNIT: Developing a co-ordinated approach to social exclusion	57
2: EUROPE'S BALANCING ACT	8		
3: TOWARDS A NEW UNDERSTANDING OF GOVERNANCE	10	22: OPS IN THE NETHERLANDS: Towards a new planning paradigm	59
4: PRINCIPLES OF NEW SOCIAL PARTNERSHIPS	15	23: GLOBAL BRANDS MEET GLOBAL ETHICS	61
5: EXAMPLES REVIEWED FOR THE REPORT	17	24: OUR COMMON CONCERN	68
6: THE SOCIAL PARTNERS: Innovating around traditional relationships	20	25: SWEDISH JOBS AND SOCIETY FOUNDATION	70
7: LOCAL PARTNERSHIPS: Assessing the impact	25	26: SODALITAS	72
8: POTENTIAL PARTICIPANT BENEFITS	27	27: BUSINESS IN THE COMMUNITY	74
9: THE IMPORTANCE OF PROCESS GAINS	29	28: FUNDACION EMPRESA Y SOCIEDAD	76
10: PARTNERSHIP ALCHEMY	30	29: ENTREPRENDRE POUR LA CITÉ (IMH)	77
11: SUMMARY OF KEY DYNAMIC PATHWAYS	32	30: EUROPEAN BUSINESS NETWORK FOR SOCIAL COHESION	78
12: DOES CULTURE MATTER?	34	31: THE PRINCE OF WALES BUSINESS LEADERS FORUM	80
13: LEVELS OF PURPOSE	37	32: THE CECILE NETWORK	82
14: INVESTING IN DIVERSITY	38		
15: SOCIAL ENTREPRENEURS	41		
16: ILLUSTRATION OF ORGANISATIONAL STRUCTURES	43		
17: VALUING WHAT COUNTS	46		
18: SCALING-UP AND TRANSFERRING SUCCESSFUL PARTNERSHIPS	48		
19: SCALING-UP AND TRANSFERRING THROUGH INDIVIDUAL COMPANIES	51		
20: THE EUROPEAN COMMISSION: Integrating partnerships into policy and programmes	53		

**BOX 1: OUTLINE OF THE REPORT**

**The European Challenge**

Balancing social cohesion and economic competitiveness

**New Social Partnerships**

**DEFINITION and PRINCIPLES**

1. Societal aims
2. Innovation
3. Multi-constituency
4. Voluntary
5. Mutual benefit and shared investment
6. Alchemical effect based on:
  - context
  - purpose
  - participants
  - organisation
  - outcomes

**Partnership Benefits**

1. Societal benefits
2. Participant benefits

**Pathways to Successful Partnerships**

1. Understand drivers, triggers and context
2. Common purpose and agenda
3. Agreement on scope and complexity
4. Leadership
5. Resources, skills and capacities
6. Organisation and legal structure
7. Transparency, representation and accountability
8. Communication
9. Measurement and evaluation
10. Ability to adapt

**Process Gains**

**Scaling-up & Transferring Successful Partnerships**

1. Personal engagement
2. Institutional change
3. Learning networks
4. Public policy frameworks

**Towards Civil Governance**

1. Co-ordination within and across government
2. Consultation and accountability beyond government
3. Citizen participation
4. Corporate responsibility
5. Capacity building

**T**his report provides an overview of one of the most important trends emerging throughout Europe as we enter the 21st century. It describes the development of new forms of partnership between government, business, trade unions and other civil society organisations, aimed at meeting the dual challenges of social cohesion and economic competitiveness.

Building on a long European tradition of social partnership, these new alliances represent an important source of innovation in both practical action at the local level and policymaking at the European and national levels. They involve many individuals and organisations throughout Europe, covering a wide diversity of cultures and socio-economic problems and opportunities. The traditional social partners – employers’ organisations and trade unions – play an important role in many, but not all of them. National governments and the European Commission provide enabling frameworks for a large number of them. At the same time, many of these new forms of partnership are developing from the ‘bottom-up’. They are engaging new actors, such as individual companies, community organisations and social entrepreneurs, and are influencing change in local, national and international processes of governance.

The Copenhagen Centre has realised that despite growing anecdotal evidence of their increasing importance and value-added, there is relatively little research on these new public-private partnerships, except at the local level. Drawing on existing research and the findings of interviews and workshops, this report focuses on describing and understanding these new mechanisms. It aims to answer five key questions:

1. What are these partnerships and could they represent innovative approaches to dealing with social issues, wealth creation and governance?
2. Why are the different actors engaging in them?
3. What are the factors that make them successful?
4. How can successful approaches be transferred and their scale and impact increased?
5. What are the implications of this for decision-makers in the public and private sectors and what new skills, competencies and attitudes need to be developed?

In answering these questions the report aims to inspire further discussion, research and action in this increasingly important area. It recognises that public-private partnerships are not a panacea in addressing deeply rooted social problems. Nor are they always the best way to take advantage of economic opportunities. Equally, the report recognises that such partnerships are not easy to implement even when they offer significant social and economic potential. They present a variety of operational and strategic challenges which may outweigh their potential benefits. They do, however, offer creative approaches to problem solving – at both policy and practical levels – that are worthy of serious consideration.

### New Realities

Businesses, communities and individuals throughout Europe are learning to live with the realities of economic globalisation, technological transformation, demographic change and political transition. These new realities are creating unprecedented opportunities for many of Europe's citizens, but increased insecurity and inequality for others. In almost every country, it is possible to find cosmopolitan pockets of growing affluence, high technology, world class social services and increased economic competitiveness, existing side-by-side with areas of rising unemployment, inadequate skills, low incomes, poor housing, family breakdown, crime, ethnic conflict and environmental deterioration.

*To a very great extent, the success of the European Union in the coming period will be judged by its citizens on its capacity to deliver results in the areas of growth, employment and sustainable development and to ensure better economic and social cohesion.*

**Romano Prodi, June 1999**

The widening gap between those who are beneficiaries of change and those who are excluded from its benefits poses a fundamental threat to the success of European integration and enlargement. It can also undermine the long-term competitiveness and success of European companies – both large and small. Bridging this gap has therefore become a central goal for policymakers. At the same time it is moving onto the agendas of leaders in business, trade unions and the community.

Linked to the above, there is growing recognition that the balance of power is shifting between the state, the market and civil society. Traditional power hierarchies are being replaced by a more complex, multi-relational balance of power, where citizens and companies are playing an active role in shaping socio-economic change and addressing problems that were previously the sole responsibility of government.

Over the past 15 years, for example, the forces of privatisation, market liberalisation and electronic communication have resulted in a massive transfer of assets and attention to the private sector. This process has brought business to the heart of economic development and decision-making in almost every European country. At the same time, it has dramatically increased media and public attention on business activities and raised fundamental and unfamiliar questions about the wider role of business in society.

At the heart of all these developments there are a number of difficult balancing acts that need to be addressed. These are illustrated on the following page.

**BOX 2: EUROPE'S BALANCING ACT**

Europe faces the challenge in the 21st century of how to simultaneously achieve economic competitiveness and social cohesion.

There is ample evidence (see graph) that economic success does not automatically create inclusive societies.

- The USA is ranked first in the world in terms of economic competitiveness, but is at the bottom of the league of industrial nations in the UN Human Poverty Index, one measure of social exclusion.
- The UK also scores well on competitiveness and poorly when it comes to social exclusion.
- Other European countries including Sweden, Italy and Germany are lower down the competitiveness and economic wealth leagues, and yet score better in terms of education, health and other measures of social inclusion.

**ECONOMIC COMPETITIVENESS AND SOCIAL EXCLUSION**



Note: Low number indicators (a) more competitive; (b) higher level of 'composite poverty' (takes account of mortality, literacy, income inequality, long term unemployment)

SOURCES: 1) World Economic Forum (1999) *The Global Competitiveness Report 1999*, World Economic Forum, Geneva  
 2) UN Human Poverty Index – OECD countries only. Reported in United Nations (1999) *Human Development Report*, United Nations, New York.

## EUROPE'S BALANCING ACT



## Responding to the New Realities

The key European challenge is to secure social cohesion in the face of economic globalisation. The extent and urgency of this challenge varies between the different member states of the European Union, and between the EU and its other European neighbours. So does the type of response. In every country, however, one thing is certain. This challenge can best be met through continuous innovation and through creative, entrepreneurial initiatives not only in the economic realm, but also in the social and political sphere. Equally it requires an evolution in approaches to governance, in the light of the shifting balance of power and capacities between the state, the market and civil society.

### **BOX 2: TOWARDS A NEW UNDERSTANDING OF GOVERNANCE**

There is a shift taking place in our understanding and practice of governance. Governance used to be principally about what governments do. Today, the concept is increasingly about balancing the roles, responsibilities, accountabilities and capabilities of:

- Different levels of government – local, national, regional and global; and
- Different actors or sectors in society – public, private and civil society organisations and individual citizens.

Governance can be defined as the framework through which political, economic, social and administrative authority is exercised at local, national and international levels. In today's world this framework consists of a wide variety of mechanisms, processes, institutions and relationships (including partnerships) through which individual citizens, groups and organisations can express their interests, exercise their rights and responsibilities, and mediate their differences.

Source: *Creating the Enabling Environment, The Prince of Wales Business Leaders Forum*

These governance changes present fundamental challenges for companies, governments and communities. For example:

- How do **companies** reconcile their need to create shareholder value with the growing demands that they are facing to create, measure and account for wider societal value?
- How do **governments** meet the needs of their citizens by moving from traditional 'command and control' approaches to the creation of a more complex enabling environment that balances regulatory frameworks with voluntary approaches and market incentives?
- How can **communities** gain authority over, and take responsibility for ensuring, their own local development and for engaging with business within a framework of government support structures?

In addressing these challenges, the following areas of governance need to be addressed in particular:

- **Active citizen participation** adopting innovative approaches and technologies to mobilise greater citizen action at both the policy and practical level.
- **More co-ordinated and efficient approaches within and between existing government institutions** – at both European and national levels.
- **Increased dialogue and consultation between governments and non-governmental actors** in both the business and voluntary sectors.
- **Greater transparency and accountability** on the part of both government and business in terms of priorities, investments and outcomes.

## New Mechanisms

Central to each of these challenges is the need for **new forms of partnership**.

The rationale for partnership is obvious. The issues have become too complex and interdependent, and the financial and managerial resources for addressing them too scarce, for any one institution or sector to be able to effectively respond to today's socio-economic challenges. In short, new forms of partnership are needed to address societal problems where traditional, single sector approaches are proving inadequate.

Partnership is of course not new in Europe. The European social model is built on a long tradition of partnership, especially formal consultation and negotiation-based relationships between governments and the 'social partners' – the representative bodies of employers and workers, such as business associations and trade unions. Whilst these structures remain important (see next section), we are witnessing the emergence of different mechanisms and ways of working. As well as traditional social partners these new approaches also include:

1. a wide variety of other civil society organisations, alliances and networks, operating locally, nationally and across borders;
2. individual companies;
3. new 'business in society' coalitions such as the European Business Network for Social Cohesion and The Prince of Wales Business Leaders Forum, as well as a growing number of national business initiatives acting specifically and directly on social issues;
4. regional and international multilateral governmental organisations such as the European Commission (EC) and the International Labour Organisation (ILO);

5. think tanks, foundations, research institutes and academic institutions; and
6. individual citizens.

The new mechanisms that bring together these organisations and individuals are becoming a core element of practical action and policymaking at the European, national and local levels. The Copenhagen Centre has called them *New Social Partnerships*. The following report:

- defines these new partnerships and describes how they are different from traditional partnership approaches;
- assesses their benefits – both to their participants and to society;
- highlights and analyses the alchemy that makes them successful and some of the key lessons from this;
- describes how they are being replicated, transferred and scaled-up, both within countries and between them; and
- reviews their longer-term implications for governance and the relationship between the state, the market and civil society.

*A new paradigm of innovation is emerging: a partnership between private enterprise and public interest that produces profitable and sustainable change for both sides.*

**Rosabeth Moss Kantor**  
**Harvard Business Review,**  
**May 1999**

There are many kinds of partnership. Companies come together to drill for oil or to share airline codes. Non-governmental organisations (NGOs) join forces to campaign for new legislation to secure environmental improvements. Governments join with each other to fight wars and to provide humanitarian aid.

This report, however, focuses on a particular breed of partnership that engages people and organisations from the public sector, the business community and civil society in specifically addressing societal goals. These are partnerships, for example, where:

- Businesses and local government bodies join forces to re-integrate the long-term unemployed into work and society.
- Businesses work with schools to build more effective bridges for students to the workplace.
- National governments encourage business to come together with NGOs and trade unions to improve labour standards in global supply chains.
- Volunteers from business work to build the strength of, and learn from, community organisations.

These are the **New Social Partnerships**.

In each case, individuals and organisations have invested time, energy, money and other resources in trying to solve particular social problems. This has involved:

- learning how to build unfamiliar approaches to working with different people and organisations; and
- building synergy from diverse cultures, networks, and competencies.

This is the **alchemy** involved in making these partnerships more than the sum of their parts and effective in addressing both their shared societal purpose and the individual interests of those involved.

## Definitions and Principles

The **Prince of Wales Business Leaders Forum** provides the following definition of partnership:

“A cross-sector alliance in which individuals, groups or organisations agree to: work together to fulfil an obligation or undertake a specific task; share the risks as well as the benefits; and review the relationship regularly, revising their agreement as necessary”

The **World Resources Institute** offers a similar perspective in their analysis of initiatives focused on environmental issues:

“...a voluntary and collaborative effort among businesses, nonprofit groups, and government agencies working on a sustained basis to address a...challenge that is important to all the parties”

The **Ashridge Centre for Business and Society** offers a somewhat different definition:

“Three or more organisations – representing the public, private and voluntary sector – acting together by contributing their diverse resources to pursue a common vision with clearly defined goals and objectives. The objective of a partnership should be to deliver more than the sum of the individual parts.”

Drawing on these and other rich sources of experience, the **Copenhagen Centre** wishes to highlight several additional features as well as reinforcing many of those already covered in existing definitions. These are clarified in the principles opposite and in particular stress the innovative and mutually beneficial nature of new social partnerships.

On this basis, the Copenhagen Centre defines new social partnerships as:

**“People and organisations from some combination of public, business and civil constituencies who engage in voluntary, mutually beneficial, innovative relationships to address common societal aims through combining their resources and competencies.”**

Fundamental to this definition are six key principles of new social partnerships. These are summarised in Box 4.

## BOX 4: PRINCIPLES OF NEW SOCIAL PARTNERSHIPS

1

### Societal aims

Participants come together specifically to achieve societal benefits through joint actions. These benefits are understood here as meaning primarily benefits to individuals and groups who are economically and therefore often socially and politically disadvantaged, and so excluded from fully participating in and contributing to society. This is achieved in part by enabling individual partners to pursue their own interests, which may include the direct or indirect commercial interests of participating companies as well as the interests of other partners.

2

### Innovation

The partnership seeks to explore new approaches to addressing social and economic problems and opportunities. These often challenge traditional rules and patterns of interaction between different actors, even in situations where a known model is being replicated or scaled-up.

3

### Multi-constituency

Participants are drawn from two or more of the following: public bodies at the local, national, European, or international levels; private sector entities, ranging from individual companies to business associations; and civil society, ranging from local community initiatives to trade unions, academic institutions and national and international non-governmental organisations.

4

### Voluntary

Participation is voluntary in the sense that it is based on the active decision by each partner to engage, rather than the imperative of statutory compliance. Having said this, some partners may be pressured to join the partnership for reasons of risk management, conflict avoidance or peer pressure rather than an entirely self-motivated desire to participate.

5

### Mutual benefit and shared investment

There is a resource contribution and associated risks or costs (financial, human, political or social) on the part of each partner and each partner benefits in some defined way.

6

### Alchemical effect

Participants seek to achieve more than the sum of their individual parts by creating leverage and synergy based on and between key components of the partnership – context, purpose, participants, organisation, and outcomes. These five components are analysed in detail in chapter 5.

## Diversity of Experiences

There has been a dramatic increase in both the number and variety of new social partnerships throughout Europe during the past decade. They vary widely in terms of purpose, participants, organisational structure, terms of participation, resources and impact. There is no single description that fully captures this diversity of experience or dynamism of experimentation.

The examples reviewed for this report were therefore selected to capture as wide a range of partnership examples as possible in terms of participants, locations across Europe and issues addressed:

- 1. Participants** – all levels of government; individual companies in a variety of industry sectors; business associations (both traditional representative bodies and new ‘business in society’ coalitions); and a wide variety of civil society actors including trade unions, academic institutions, community groups and international non-governmental organisations.
- 2. Locations** – Pan-European partnerships; Denmark; Spain; Italy; France; Portugal; United Kingdom; Sweden; Germany; the Netherlands; Belgium; Finland; Ireland; Norway; Poland; Hungary; Bulgaria; the Czech Republic; and Russia; including initiatives in Europe that have global dimensions.
- 3. Issues addressed** – social cohesion in general; job creation; employment; ethnic diversity; disability; ethical sourcing; community development; education; health; urban regeneration.

This report does not cover the outsourcing to private operators of public administration tasks (such as data processing, procurement and human resources) and of public service delivery (such as healthcare, education, pensions, taxation and utilities). Nor does it focus on some of the increasingly sophisticated deal structures in public-private financing initiatives (PFIs) and public-private joint ventures. This is an area of growing importance which is moving from a mindset of contractual agreements to more genuine public-private partnership, driven by motivations such as cost-cutting and improved service levels. Readers interested in the drivers and success factors underpinning this type of partnership are referred to the Economist Intelligence Unit report *Vision 2010: Forging tomorrow's public-private partnerships*.

The map on the opposite page provides an overview of the examples reviewed for the report.

## BOX 5: EXAMPLES REVIEWED FOR THE REPORT



Selected websites on these examples are listed at the end of the report and more detailed profiles on some of them can be found on [www.copenhagencentre.org](http://www.copenhagencentre.org)

## Dilemmas of Partnership

New social partnerships clearly have the potential to make a significant contribution in addressing some of Europe's most intractable social problems. This potential exists, however, in the face of a wide variety of operational obstacles. Furthermore, such partnerships raise key strategic dilemmas in terms of governance, relevance and accountability. These operational obstacles and strategic dilemmas are an integral part of the evolution of new social partnerships. Some are set out below to highlight the challenges underlying the development of effective partnerships.

### a. Operational challenges

New social partnerships are not a panacea. Nor are they easy. Even when they have the potential to solve a particular societal problem or set of problems, they often fail. Establishing and sustaining a mutually beneficial partnership is rarely simple, especially with non-traditional allies. Some of the practical challenges are as follows:

- 1. Bridging diversity.** A central challenge is the need to overcome ignorance and/or mistrust between different constituencies. Beyond this there are numerous practical and cultural obstacles to overcome in building partnerships between organisations and sectors which have different characteristics, structures, methodologies, time-scales, expectations and languages. This is the case in a particular locality and becomes all the more difficult at the national and international levels.
- 2. Attracting and sustaining participant involvement.** There are a variety of problems with engaging and sustaining the interest of different participants in a long-term and meaningful way. Managing expectations is a critical element of this. Many participants enter partnerships with unrealistic expectations of the timeframe and time-related costs, for example. Most partnerships require more management time (for building trust, overcoming culture clashes, undertaking consultations etc.) and take longer to show results than expected at the outset. Some research also indicates a declining business interest in partnership except where substantial assets are involved, for example land and property, or where it provides a gateway to public resources.
- 3. Building new competencies.** New skills, attitudes and capacities are needed by all participants in order meet the partnership's aims. Added to this are the management and mediation competencies needed by those mandated to actually run the partnership.
- 4. Addressing power.** There is evidence of the unequal nature of many partnerships. For example, community groups sometimes do not get sufficient recognition by other partners and are excluded from meaningful participation in the partnership process. Often greater authority is given to the participant(s) who bring the most financial resources to the partnership, despite the fact that money is only one type of resource. Mutuality in

interests and actions is difficult to attain where participating organisations have such different levels of economic and often political strengths.

5. **Assessing value-added.** Partnership building can be extremely costly in terms of both time and money. It is therefore essential that these additional costs are demonstrably worthwhile. It is not, however, always easy to assess the value-added of a partnership over and above what would have been achieved without the participants pooling their resources and competencies.

#### **b. Strategic questions**

Apart from their operational challenges, new social partnerships also raise some interesting questions and dilemmas in terms of more strategic issues. For example:

1. **Is there a 'European-wide experience?'** Are the hundreds of new social partnerships emerging all over Europe more than simply an *ad hoc*, unconnected series of 'one-off' experiments, which are unique to their specific cultures, traditions and socio-economic circumstances? Do they actually offer collective lessons for European policymakers and decision-makers, despite the different national and cultural contexts in which they occur?
2. **Does scaling-up undermine creativity and energy?** Can the creativity and energy that often underpin success at the local level be designed into the more institutionalised process typical of public policy formation and implementation? For example, what is the role of large, traditionally bureaucratic institutions such as the European Commission in encouraging such partnerships? Can these partnerships lead to innovations in social policy and to more effective integration of social and economic policy?
3. **What is the effect of new social partnerships on the role of the state?** Can these partnerships help governments to be more effective in delivering social services and making social policy, or will they undermine the authority and capacity of government? Do they raise questions of accountability and increase the potential of a 'democratic deficit' due to the fact that they are not necessarily representative of either citizens or official business and workers' interests?
4. **What is the role of the traditional social partners?** Linked to the above point, what role can employers' organisations and trade unions play in establishing and promoting new social partnerships? How can they engage in a way that is complimentary to their existing institutionalised role and recognised representative functions?
5. **Can competitiveness be achieved with social cohesion?** In what ways and to what degree can Europe make use of the opportunities offered by these new social partnerships, in combination with its traditional social values and approaches, in addressing the dual challenges of competitiveness and cohesion?

## BOX 6: THE SOCIAL PARTNERS Innovating around traditional relationships

The European social partners – the official representative bodies of employers’ and workers – have played a critical and longstanding role in shaping Europe’s tradition of social dialogue and partnership. They represent the interests of numerous industry sectors, thousands of employers and millions of workers at the European level, as well as nationally and locally in cities and workplaces around Europe.

At the risk of oversimplification the role of the social partners has been primarily as follows:

1. SOCIAL DIALOGUE and CONSULTATION – engaging in dialogue with each other and with government to represent their members’ interests in policymaking and on occasion, offering joint opinions on particular aspects of policy.
2. NEGOTIATION and COLLECTIVE BARGAINING – reaching collective agreement and establishing contractual arrangements on the necessary conditions for social and economic cohesion.
3. DIRECT REPRESENTATION and LOBBYING – directly addressing issues of importance to their members with government and policymaking institutions.
4. ADVISORY – participating in official advisory bodies and task forces.
5. MEMBER SERVICES – including information and advice, training and capacity building, pension schemes and a growing range of other services.

In France and Belgium, the employers and unions have also been responsible for joint management of national social-security funds.

As the bodies that are most representative of Europe’s employers and workers, the social partners will continue to play a key role in both the debate and practical action linked to achieving economic competitiveness and social cohesion.

Apart from their ‘traditional’ roles, however, both employers’ federations and trade unions are recognising the need to enter into new types of dialogue and partnership at European, national and local levels. A few examples of how the social partners are engaging in new partnerships at the national level include:

- **Denmark** – where the Danish Federation of Trade Unions and Confederation of Danish Employers’ have both played a role in helping to design and implement the Ministry of Social Affairs’ campaign, **Our Common Concern**, focused on the social responsibility of companies. This has involved active dialogue and campaigning at the national level and practical partnership building and problem-solving at the regional, city and local levels. (see Box 24).
- **The Netherlands** – where the central employers’ federations and trade unions have established **STAR**, a joint consultative and co-operative body, with the aim of moving the agenda forward on labour and employment issues. This initiative has in turn been instrumental in establishing new partnerships in areas such as diversity and training.
- **Italy** – where Confindustria, the national confederation of industrial employees, is in partnership with the Minister of Education running a nation-wide **Total Quality Programme for Schools**, including managerial development for headteachers and support with new teaching technologies. It is also co-operating with the trade unions to promote large-scale educational and vocational training reform.
- **Norway** – where the Confederation of Norwegian Business, the Federation of Norwegian Commercial and Service Enterprises, and the Norwegian Confederation of Trade Unions are collaborating with a variety of industry associations, NGOs and government departments in a consultative body called **KOMPakt**. This is aimed at understanding and influencing the role that Norwegian companies play in addressing global human rights issues when they operate abroad.
- **Ireland** – where the Irish Trade Union Trust (ITUT) – the social service arm of the country’s largest trade union – developed new relationships with employers organisations, individual companies and associations for the disabled, to introduce a wide-ranging occupational integration scheme for disabled people. The initiative focused on four areas: awareness raising; creation of employment opportunities; business development and entrepreneurship; and transnational co-operation.

Do such partnerships enhance or undermine market competitiveness, for example? Some may open new market opportunities, whilst simultaneously affording privileged access to participating companies. Others may create bonds between participating companies that extend into other aspects of mutual interest in their business relationships. Is this viewed as an acceptable outcome? Can public and civil society participants accept new social partnerships as a potential source of competitive advantage for the companies that participate in these partnerships?

What about situations where companies are creating new jobs via their engagement in new social partnerships, whilst at the same time, cutting jobs due to restructuring in their efforts to maintain global competitiveness? How can these two corporate responses be reconciled by government and civil society partners? At the same time, can new social partnerships play a meaningful role in helping these companies to minimise the societal costs of restructuring and downsizing or are they merely exercises in public relations?

A report by the European Roundtable of Industrialists entitled *A Stimulus to Job Creation* illustrates the case for such partnerships. Drawing on examples from around Europe it argues that, “Restructuring will go on for ever. The pace of change and competition demands it. The only question is how to make the best of it – how to turn a problem into an opportunity... The challenge in Europe is for companies, employees, public authorities and trade unions to find ways to work together to manage the process positively for their common benefit.”

**6. Do these partnerships make a meaningful difference?** Ultimately, do these new forms of partnership really make a difference to peoples’ lives, Even if they help small numbers of socially excluded people in particular communities, can they create the scale of impact that is needed to make meaningful change on a nation-wide or European basis? Linked to this, do new social partnerships in reality lever significant additional resources, or are many of them little more than a superficial ‘front’ to gain access to existing public funds?

It is not within the scope of this report to fully answer all these questions. It is important, however, to be aware of both the practical obstacles and strategic tensions associated with new social partnerships. The long-term potential of these partnerships as a tool for problem solving and policymaking will depend critically on their ability to:

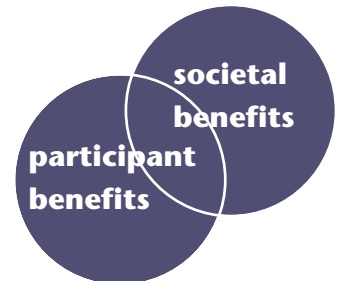
- overcome practical obstacles, by building new skills, competencies and attitudes;
- address strategic dilemmas, by learning through open and regular dialogue; and

- demonstrate that these mechanisms add-value or deliver benefits to both participants and to society, by developing rigorous tools to understand their process and impacts.

The following section looks at the potential benefits of new social partnerships.

### The 'Added-Value' of Partnership

New social partnerships seek to create a mechanism through which to achieve beneficial outcomes in a more effective and efficient way than through the participants acting alone. 'Added-value' or additional benefits over additional costs of partnership, is therefore the ultimate indicator of success or failure. This must be clearly set against two sets of parameters. Namely, the partnership's ability to:



1. meet the core common societal purpose of the partnership (**societal benefits**);
2. meet the more diverse aims or agendas of individual participating organisations, including the commercial interests of business participants (**participant benefits**).

Whilst fine in theory, in practice it is often difficult to identify, much less evaluate the actual benefits of a partnership. The desired outcomes, whether in terms of process, institutional gain or social improvements, are not always clear at the outset of the relationship. Even when they are clear and mutually agreed at the outset, they often change over time as a result of the dynamic process of interaction between the partners and /or external influences.

*A partnership does not have value per se: it is important because it contributes added value to traditional systems of regulating social interactions i.e. government bodies and the market. It provides added value because it enables partners to pool their resources in terms of references, actions and funding. Its main benefit is therefore its ability to innovate.*

**LEDA-Partnariat Association**

Some types of benefit are tangible and can be measured. Others are not. In many situations anecdote can be as valuable as quantifiable assessment, but in some cases it masks underlying costs and becomes a substitute for more rigorous assessment. The methodology for assessing partnerships can also be complicated, requiring consultative processes that are often unfamiliar, especially in the business community. Linked to this, identifying and evaluating benefits can also be time-consuming and is sometimes not worth the effort, depending on the type and time-scale of the partnership in question.

There is also the critical question of assessing benefits against costs. The evaluation framework must be one which weighs the additional costs of partnership against the additional benefits acquired as a result of the partnership. In some partnerships, the benefits are undeniable, delivering more than the

sum of the individual parts and outweighing the additional costs of partnering. Other partnerships have benefits, but they are outweighed by the unanticipated additional costs, especially time-related costs which are often underestimated at the outset. Some partnerships do not deliver more than the sum of the individual parts. One thing is certain, however, few partnerships are likely to be sustainable mechanisms for addressing either common aims or those of individual participants unless participating organisations can:

- gain an implicit or explicit sense of the value-added; and
- find ways to communicate the nature and value of these benefits to others.

Over the past two years, both the World Bank's **Business Partners for Development** programme and The Prince of Wales Business Leaders Forum **Assessing the Value** programme, have undertaken work to develop indicators and methodologies for evaluating the impacts and benefits of partnership.

In the UK, Business in the Community and the National Council on Voluntary Organisations recently completed an initiative called **Taskforce 2002** that brought together representatives from business and the voluntary sector to explore practical measures for creating and sustaining more substantial and mutually beneficial partnerships. The taskforce termed this mutual benefit the 'two-way street' and these relationships have now been promoted to

*There was a remarkable consensus amongst the community and voluntary sector partners that the real benefit of the partnership with business is not company cash, but the time, the expertise, and sometimes the political and commercial influence that business can bring. At the same time, business can learn a great deal about the way in which successful civil society organisations can motivate and enthuse volunteers and build human capital.*

**David Grayson,  
Chair, Taskforce 2002, UK**

government as a valuable approach for tackling a range of social problems. In 1999, a joint initiative called **Innovation through Partnership** was established by the UK government's Department for Trade and Industry, Business in the Community, the Institute for Social and Ethical Accountability and Local Futures. This initiative aims to analyse and develop measures for the broader and longer-term outcomes of partnership for business participants, the local communities in which partnerships are located and wider society.

On a Europe-wide basis, two recently completed action research projects have assessed the added value of local partnerships and are outlined opposite. They illustrate the possibility of achieving societal and participant benefits from local partnership, but also clearly document challenges and limitations, as well as the possibilities of failure. The Copenhagen Centre has recently initiated another action research project which will establish a learning network around a number of local partnerships in different European countries.

The actual benefits or value-added of any partnership will obviously vary widely depending on the partnership. It is possible, however, to identify some generic indicators of value-added which provide a useful framework for considering the societal and participant benefits of new social partnerships. The following section looks at some of these generic indicators.

## BOX 7: LOCAL PARTNERSHIPS Assessing the impact

*It is clear that more attention and resources need to be devoted to monitoring and evaluating the impact of local partnerships and to the 'benchmarking' and transfer of innovation and good practice.*

**Local partnership: A successful strategy for social cohesion? EFILWC, 1998**

The vast majority of new social partnerships exist at the local level, defined here as:

- regional or provincial level;
- city or town level;
- districts and neighbourhoods.

It is at this level that local, often small and medium sized companies, grassroots community organisations, public authorities, chambers of commerce, trade union groups, city or town councils and individual social entrepreneurs come together to address the socio-economic problems that are occurring around their factories and homes. It is at this level that the daily contacts are made with the people who are unemployed, the youth who are alienated from the education system, the elderly who have no families to support them, the migrant communities, and others that are socially and economically excluded.

Assessing the impact or value-added of these local partnerships is therefore critical if we are to argue that new social partnerships have a major contribution to make to Europe's progress. Their impact needs to be assessed from several perspectives:

- Firstly, in terms of the value they create at the immediate local level – for example, their tangible and intangible benefits to the communities in which they are located and to the people who are socially excluded in these communities, as well as the benefits to the different partnership participants; and
- Secondly, in terms of the impact and linkages that they have on the wider context and policy framework in which they are occurring. In Europe, many of these local partnerships are partly funded by national governments and the EC – for example, the European Social Fund. It is therefore important to understand the relationship between local outcomes and policy frameworks.

Throughout Europe there are numerous efforts underway to analyse the value-added of local partnerships. There are relatively few, however, that have analysed local partnerships on a European-wide basis to assess the strengths, weaknesses and outcomes of different approaches, and the common lessons that can be drawn across countries and cultures. Two organisations that have undertaken this challenge are:

1. The Irish-based **European Foundation for the Improvement of Living and Working Conditions (EFILWC)** which carries out research and dialogues aimed at helping to formulate policy on social and employment related issues; and
2. The Paris-based **LEDA Partenariat**, an association founded in 1995 by local development practitioners from all over Europe, wishing to exchange experience and knowledge on local partnerships.

The EFILWC carried out detailed country studies on 10 EU member states and analysed 86 local partnerships to assess their contribution to policy making, social inclusion and local development. LEDA reviewed local employment partnerships in 15 regions of the European Union – ranging from individual cities to provinces.

In both studies the research identified a wide range of beneficial impacts in terms of achieving the core societal purpose of the partnership. These were both:

- material gains, such as more income; new businesses; increased jobs; better services; and
- intangible benefits such as higher levels of community participation; development of local institutional structures, networks and capacities; personal empowerment of marginalised groups; more holistic approaches to solving complex socio-economic problems; and policy innovation.

At the same time, however, both studies concluded that:

- There were enormous differences in terms of impacts and outcomes, with some partnerships making minimal contributions relative to others. Many local partnerships fail to live up to their expectations;
- There were substantial challenges in building local partnerships which should not be underestimated;
- The timescale in which benefits are likely to be achieved is often much longer than expected at the outset.

## Participant and Societal Benefits

One of the key challenges for new social partnerships is to ensure consistency and where possible complementarity between the partnership's core social purpose and the agendas of each of its individual participants.

*The principle benefits to J&J from its investments in community healthcare have been: enhanced corporate image, including an improved profile with opinion formers; improved links with government officials; a deeper understanding of key healthcare concerns of local communities; improved cross-sectoral links among local operating companies; better customer relations with healthcare professionals; greater awareness of health needs and solutions amongst potential buyers of J&J products; employee development and involvement; a clear demonstration to investors and employees of the meaning of the company's values-based culture.*

**EBNSC case on Johnson & Johnson, extract quoted from 'Business Best Practices in Europe' by C. Marsden and A. Mohan, EBNSC, 1999**

For **public sector and private non-profit participants** reconciling the two is often straightforward, at least on the surface, since they generally embrace societal goals in their primary mission.

However, they often have other goals such as financial viability and the need to have a recognised record of success (to ensure, for example, re-election in the case of government participants and on-going funding, support and legitimacy in the case of the non-profit participants). There may well be instances where these institutions' interests do not fully reflect those of the citizens that they claim to represent or serve, and so are not fully consistent with the primary societal purpose of the partnership.

The **business participants** may also be personally committed to supporting societal goals and the fight against exclusion. The focus of business, however, is on commercial performance. Recognising the partnership's potential for enhancing this performance – either directly

or indirectly, short-term or long-term – is often a key ingredient in the success of new social partnerships. Even when companies engage in partnerships through their philanthropic or community investment activities, rather than through their core business units, there is growing recognition of the need to be able to articulate the prospective business benefits, even where these are indirect and long term.

### **a. Participant benefits**

It is common to separate 'business benefits' from the benefits gained by participants from other sectors. However, it is both possible and useful to highlight those **participant benefits** that are of potential importance to organisations from any constituency of participants: business, government or civil society. Eight types of potential benefits from participating in new social partnerships have been identified. They are illustrated opposite:

**BOX 8: POTENTIAL PARTICIPANT BENEFITS**

<b>Development of 'human capital'</b>	Creating new opportunities for training, placements, mentoring, exchanges, incentive programmes, awareness raising, volunteering and leadership development.
<b>Improved operational efficiency</b>	Achieving reduced costs, increased process efficiency and better service delivery.
<b>Organisational innovation</b>	Helping the institution to develop new ways of operating to meet complex challenges and opportunities.
<b>Increased access to resources</b>	Accessing financial, technical and managerial resources, which can help to address the common aim and also to build participating institutions.
<b>Better access to information</b>	Learning about the people or communities in which an institution (business, government or NGO) is operating and delivering products and services. This can help the institution in question to improve service delivery, but also to improve risk management and conflict prevention measures.
<b>More effective products and services</b>	Governments and NGOs, as well as businesses often provide services of one type or another. Partnerships can create openings for the more effective design and delivery of products and services.
<b>Enhanced reputation and credibility</b>	Building better relations with key stakeholder groups which are benefiting directly or indirectly from the partnership.
<b>Creation of a stable society</b>	This is a direct objective of government and many NGOs, but also critical to the long-term interests of business.

### **b. Societal benefits**

New social partnerships have the potential of creating a range of both tangible and intangible societal benefits. Depending on the social purpose of the partnership in question, these could include:

- local economic development;
- job creation;
- community infrastructure regeneration;
- improved quantity or quality of services and better access to these services;
- improvements in health and education services and standards;
- decrease in crime and violence;
- better ethnic tolerance and celebration of any or all aspects of diversity in the community and workplace;
- overall improvements in quality of life.

As well as these specific outcomes, new social partnerships can also strengthen citizens' awareness and their ability to engage individually and collectively in dialogue and negotiation on:

- the quality of their environment and relationships; and
- what they expect from the key institutions that represent them or deliver products and services critical in securing their overall quality of life.

In this sense, new social partnerships can play a critical role in regenerating meaningful citizen participation in shaping and realising their own, feasible, futures.

### **c. The importance of process**

It would be a mistake, however, to assume that such societal benefits automatically or easily accrue from partnership. In practice there is relatively little empirical research that demonstrates the systematic realisation of these wider societal benefits. Indeed, the same anecdotal evidence can be used to argue both increased societal benefits and increased costs, depending on the perspective of different participants and observers.

Having said this, societal benefits are more likely to be attained if the partnership process is one that enables a combination of greater efficiency with improved effectiveness and equity. In a four-year research programme with the World Bank and United Nations Development Programme, the Prince of Wales Business Leaders Forum identified some of the following ways in which partnership can achieve greater efficiency, effectiveness and equity.

## BOX 9: THE IMPORTANCE OF PROCESS GAINS

### Creating greater efficiency

- pooling scarce financial, managerial and technical resources, and so eliminating duplication of cost and effort.
- optimising “division of labour” and burden sharing.
- decreasing costs associated with conflict resolution and societal disagreement on policies and priorities.
- creating economies of scale.
- promoting technology co-operation.
- facilitating the sharing of information.
- overcoming institutional rigidities and bottlenecks.

### Improving effectiveness

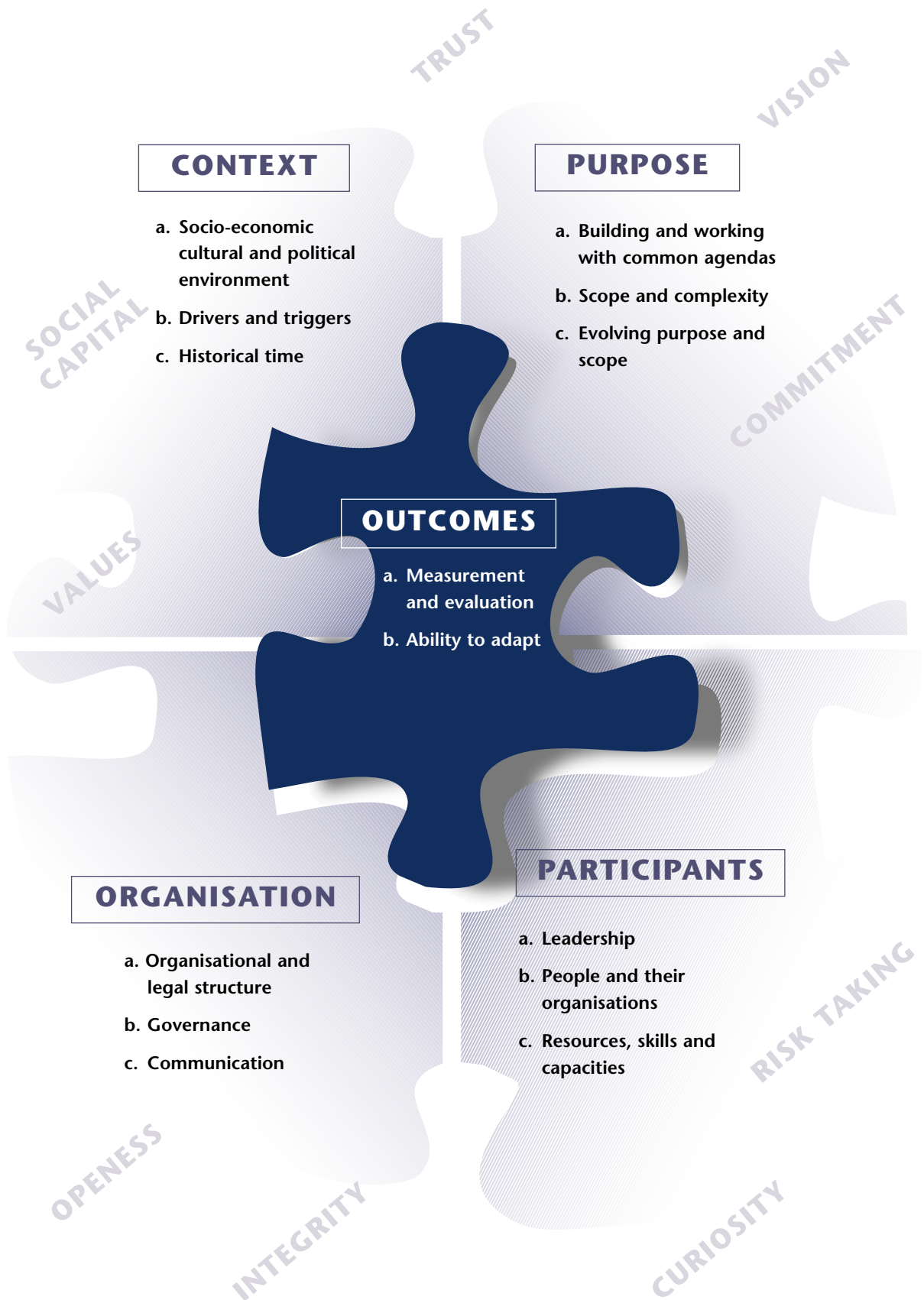
- leveraging greater amounts and a wider variety of skills and resources than can be achieved by different groups and sectors acting alone.
- accommodating broader perspectives and more creative approaches to problem solving.
- addressing complex and interdependent problems in a more integrated and comprehensive manner.
- shifting away from “command and control” to more informed joint goal-setting.
- obtaining the “buy-in” of beneficiaries and local “ownership” of proposed solutions, thereby ensuring greater sustainability of outcomes.
- offering more flexible and tailored solutions.
- speeding the development and implementation of innovative solutions.
- acting as a catalyst for policy innovation.

### Increasing equity

- improving the level and quality of consultation with other stakeholders in society.
- facilitating broader participation and empowerment in goal setting and problem solving.
- building the mutual trust needed to work through diverse, often conflicting
- building community-level institutional structures, networks and capacities to enable local control.

Source: *Business as Partners in Development: Creating wealth for countries, companies and communities. The Prince of Wales Business Leaders Forum in collaboration with the World Bank and UNDP, 1996*

## BOX 10: PARTNERSHIP ALCHEMY



*Alchemy: The chemistry of the Middle Ages and 16th century; applied distinctively to the pursuit of the transmutation of baser metals into gold.*

(Oxford English Dictionary)

## Getting the Dynamics Right

Successful partnerships unlock, combine and leverage the creativity, insight, energy and resources of their participants. It is the quality of the dynamic relationships between a partnership's: context; purpose; participants; organisation; and outcomes; (illustrated opposite) that makes the difference between success or failure.

These dynamic relationships are the essential **alchemy of partnership**.

The success or failure of new social partnerships is not pre-determined by factors such as: the ease or difficulty of the partnership context; the strengths and weaknesses, or similarities and differences between the partners; the enormity of the task; or the resource constraints or lack thereof.

These factors are all relevant, but are not the underlying success factors.

**Success of failure is determined by how the challenges and opportunities are in practice handled.** This depends on the insight and leadership of the individuals involved and their abilities to draw their respective institutions into unfamiliar terrain. Success also depends, it must be said, on often-considerable degrees of good fortune. However, even here such fortune is something that can be either taken for granted, or else recognised, valued and built on.

**New social partnerships are fundamentally a process, not a thing.** It is far more useful to conceive of them as organic systems rather than mechanical constructions. From this perspective, understanding arises by looking at their dynamic rather than their static characteristics. This chapter aims to map out some of these key dynamic features by focusing on the pathways that are taken in the design, formation, operations, and evolution of these partnerships. These dynamic pathways are summarised over the page. It is noteworthy that these pathways are not independent of each other although they are individually described. Each in practice interacts with all of the others throughout the partnership process, underpinning both the challenge in complexity and the potential for innovation and effectiveness.

## BOX 11: SUMMARY OF KEY DYNAMIC PATHWAYS

1

Acknowledgement by all the participants as to what **DRIVERS AND TRIGGERS** have brought individuals and organisations to the table and an ability to understand and reappraise on an on-going basis the **SHIFTING CONTEXT** and its influence on the partnership.

context

2

Clarity and openness about individual expectations and agendas, with mutual agreement on a **COMMON PURPOSE AND AGENDA**. In short – synergy between desired participant benefits and societal benefits.

purpose

3

Mutual agreement on the **SCOPE AND COMPLEXITY** of the partnership's intended locations and levels of action, variety of functions, range of desired outcomes and time-scales.

4

An individual or institution(s) capable of playing a **LEADERSHIP** role, acting as inspirer, mediator and/or facilitator between the partnership participants, and in many cases between the partnership and its ultimate beneficiaries.

participants

5

Understanding the **RESOURCES, SKILLS AND CAPACITIES** that are needed to meet the partnership's objectives and how to optimise both the quality and quantity of resources, skills and capacities that each partner brings to the initiative.

6

Appropriate **ORGANISATIONAL AND LEGAL STRUCTURE** to meet the common objectives of the partnership.

organisation

7

**TRANSPARENCY, REPRESENTATION AND ACCOUNTABILITY** both within the partnership and externally.

8

**COMMUNICATION** strategies and systems which facilitate clarity of language, ensure regular dialogue and feedback, provide forums for problem solving and conflict resolution, generate a shared vision and celebrate success.

9

Methodologies for **MEASUREMENT** and **EVALUATION** of partnership processes and outcomes against common and individual agendas.

outcomes

10

Flexibility and willingness to allow **ADAPTATION** of the partnership's purpose, participants or process in response to evaluation or changes in the external context.

## PATHWAY 1:

Acknowledgement by all the participants as to what DRIVERS AND TRIGGERS have brought individuals and organisations to the table and an ability to understand and reappraise on an on-going basis the SHIFTING CONTEXT and its influence on the partnership.

## Context

### a. Socio-economic, cultural and political environment

Socio-economic, cultural and/or political differences are often pervasive and deeply rooted. They not only manifest themselves in the way key institutions work, but also at the more personal level of how individuals from different parts of society see each other and the potential for collaboration. They often determine which constituencies or institutions will play a leadership role in establishing partnerships. They also have a clear influence on the types of partnership that evolve, ranging from the more structured, consensual relationships between government, business and trade unions in a country like Germany, to more fluid, task-orientated partnerships in the UK involving self-selected rather than representative institutions.

Whilst it is possible to identify clear differences in the key players and types of partnership between different countries and cultures, it is less easy to draw useful conclusions on whether one type is more likely to be successful than another.

### b. Drivers and triggers

Drivers create the conditions for a partnership to occur. They are usually a combination of underlying **systemic drivers**, which are linked to the socio-economic, political and cultural environment and **specific triggers**, which can range from a new policy initiative by government, to a leadership initiative by an individual minister or business leader, to a social or corporate crisis.

Many of the new social partnerships in Europe are being established in response to a combination of underlying systemic change, characterised by the growing consensus on the need to balance economic competitiveness with social cohesion and specific triggers. It is not possible to draw general conclusions on the impact of these two drivers on the likely success of a partnership. Anecdotal evidence, however, suggests that partnerships established in response to a crisis often attract more active engagement and resources from participants because the stakes are high and costs of failure more severe than in periods without crisis.

Equally, if the trigger comes from someone with high levels of credibility and recognition, it is more likely that the partnership will attract active participants and the resources required to enhance the prospects of success. On the other hand, partnerships emerging through crisis can be rendered unstable by being too politicised, or involving participants that are only engaged so long as the public spotlight remains focused on them.

## BOX 12: DOES CULTURE MATTER?

**Polder Model** emerged in the late 1980s and early 1990s. In simple terms, labour agreed to be more moderate, companies agreed to boost employment and governments agreed to restrict the level of regulation. It was not so much the formal institutional framework that changed, in fact it stayed more or less the same. What changed were the attitudes of the different parties. As one interviewee put it: "They decided to stop standing opposite each other and to instead stand next to each other". The approach involves formal, national-level agreements by government, business and trade unions, which each party is then responsible for implementing at the local level.

The **Danish Model** is in some ways quite similar to the Polder Model, involving a consensus-based tripartite dialogue at national level. But whereas in the Netherlands the lead has been taken by unions and business, in Denmark the lead has been from the government. More recently, there has been a move away from a pure reliance on high-level structured, representational partnerships, with greater emphasis being placed on a more Anglo-Saxon style of localised partnerships with individual businesses.

Every new social partnership is unique, and they vary considerably within broad cultural boundaries as well as between them. One partnership in one Danish city, for example, may be more similar to one in the Netherlands than in a nearby Danish community. There are some broad distinctions, however, that can be made between the institutional models in different European nations. These differences, as well as their similarities, are illustrated here using the examples of Denmark, Germany, the Netherlands and the United Kingdom.

The **Anglo-Saxon Model** is less-structured than either the Polder or Danish models. It involves a wide-range of different forms and levels of dialogue without any single, over-arching structured framework of representative dialogue. This has meant a very dense and heterogeneous web of local and regional experiments in new social partnership. A striking feature of the Anglo-Saxon context is the relatively strong role played by civil society organisations, particularly professionalised non-profit and community organisations. Linked to this is the emphasis placed on community action, whereas the Polder and Danish models focus almost exclusively on labour market issues. Recent times has seen the emergence of more strategic multi-constituency partnerships, although these tend to remain issue-specific, such as concerning health, education, or ethical trade.

The **Rhine Model** is perhaps the most well-known type of over-arching partnership model, often also called the German 'co-determination approach'. In some ways similar to the Polder Model, it involves structured, high-level dialogue between business, trade unions, and government in creating an agreed and hopefully enabling environment for regional and localised dialogue to take place. Like the Polder and Danish models, and unlike the Anglo-Saxon model, it focuses heavily on production and labour market issues. Unlike the Polder and Danish Models, it is more structured and formalised, and as a result leaves less scope for consensus to emerge rather than a 'negotiated settlement'.

### **c. Historical time**

The context of new social partnerships clearly changes over time, as do the underlying drivers, the specific triggers and even the underlying cultural norms that influence behaviour. For example:

- ⤷ The significance of new social partnerships in addressing the challenge of long-term unemployment, for example, has emerged only through the decline in the views that either 'markets solve all' or that the 'state will provide'.
- ⤷ Partnership approaches in addressing the issue of child labour in global supply chains, such as the Ethical Trading Initiative in the UK, emerged from the success of high-profile confrontational NGO campaigns aimed at retailers with high-value brands. These campaigns, accompanied by changing consumer demands, have shifted corporate attitudes towards a growing acceptance by many retailers of their responsibility for labour standards in other companies along their supply chain.
- ⤷ Alliances between telecommunications companies and disability groups have emerged as knowledge and awareness has grown on the importance of appropriate design and accessibility of communication technology in combating the social exclusion of those with physical and other disabilities.

New social partnerships are therefore historically specific responses to what are often complex social, economic, and indeed political processes. The timing of the partnership is also important in terms of whether there is existing experience to draw from the participants or from other initiatives. For example:

- ⤷ The partnerships between Suez Lyonnaise des Eaux and local authorities in France to address the challenge of long term unemployment became easier to establish over time. This was because the company developed more experience in the type of pitfalls to avoid and the most likely basis for creating a successful process. At the same time local authorities gained trust in the company through their observations of how it had worked with local authorities elsewhere across France.
- ⤷ The Ethical Trading Initiative was able to learn from the experience of the Europe-wide NGO coalition, the Clean Clothes Campaign and partnerships in the USA, such as the Apparel Industry Partnership.

In short, historical time counts.

## PATHWAY 2:

Clarity and openness about individual expectations and agendas, with mutual agreement on a **COMMON PURPOSE AND AGENDA**. In short – synergy between desired participant benefits and societal benefits.

### Purpose

#### a. Building and working with common agendas

Apart from their individual goals and expectations, participants must be able to establish a **common agenda** that addresses a mutually agreed social problem or set of problems. The degree of difficulty and risk of failure will usually be greater, the greater the differences between participants' individual agendas and the common agenda. It will also be greater if the starting point for a partnership is an issue of existing or potential conflict. In this case participants have to first overcome historically distrustful and even confrontational relationships in order to build a common agenda around this issue. The Ethical Trading Initiative and KomPakt which look at issues of ethical trade and human rights are good examples of new social partnerships which have had to tackle this challenge and are described in Box 23.

Even when participants join forces to promote what is a common goal from the outset, problems can arise if there is insufficient knowledge or understanding of individual expectations and agendas. For example, even where the driver that has brought the participants together is not necessarily contentious, such as job creation, traditional patterns of mistrust between the business community and local authorities can make it difficult to establish a common agenda to address the mutually agreed aim.

The greater the mistrust and potential conflict of interest, the more important it is for the contextual drivers and triggers to be acknowledged. The pursuit of the common aim can often be strengthened by making participant interests – even those that might lead to conflict – more transparent.

#### b. Scope and complexity

The scope or reach of a partnership depends on factors such as:

- **Intended locations of action** – for example, local, national, international
- **Intended levels of action** – for example, specific, practical action aimed at bringing direct change to individuals, groups or communities, compared to broader, policy-orientated action aimed at achieving more systemic and pervasive change. Some of the key locations and levels of action that can be distinguished are illustrated opposite.

In practice many new social partnerships address several locations and levels simultaneously. The Danish partnership campaign *Our Common Concern*, which is profiled in the appendix, is a good example of a national policy level partnership which has also provided inspiration and a support framework for learning networks and practical action at the level of cities, local communities and workplaces. Likewise the *Ethical Trading Initiative*, profiled in Box 23, operates as a global campaign with very specific and practical local applications to address labour issues in developing countries.

## PATHWAY 3:

Mutual agreement on the **SCOPE AND COMPLEXITY** of the partnership's intended locations and levels of action, variety of functions, range of desired outcomes and time-scales.

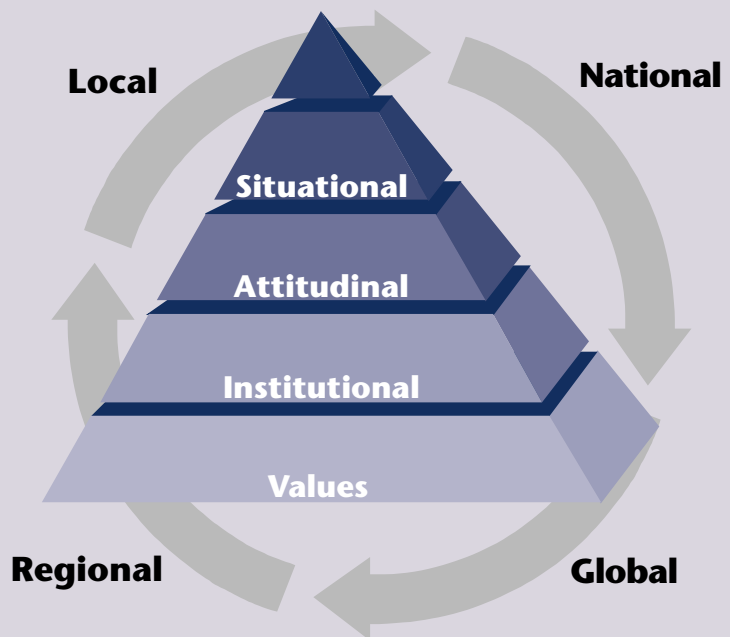
### BOX 13: LEVELS OF PURPOSE

- **Situational** refers to a specific well-defined goal that is tangible and usually one-off. A plant closes, for example, and a partnership is formed to retrain people. The situational level is more often at a local level and is time-bounded.

- An **attitudinal** level is one step more complex. A partnership for example to raise the consciousness of the business community in handling disabled people in the workplace may have situational and also attitudinal levels in its purpose.

- **Institutional** change is still more complex. This may involve new legislation, or creating new bodies for the long term to deal with the particular issues in question. This may also be local, but might well be at a national or international level.

- Finally there is the aim of changing **values**. This can be understood to be related to attitudes, but to be a deeper shift in people's beliefs and aspirations. It is normally the most difficult and lengthy type of action to undertake.



- **Variety of functional activities** – for example, delivering services or products directly to beneficiaries (ranging from training, to putting computers into schools or building physical infrastructure worth millions of ECU); acting as a broker, intermediary or facilitator in institution and capacity building; or carrying out advocacy, campaigning and awareness raising.
- **Range of intended outcomes** – for example, focused on achieving a single stated outcome (such as small business development, workplace diversity, better housing and educational improvement), or adopting a more holistic and integrated framework for action. Most community development partnerships are a good example of the latter.

In practice, even partnerships that have a single core aim usually have other societal outcomes and benefits. The examples of the new partnerships to promote diversity in Box 14, illustrate this point. Although they are coalitions targeted at tackling exclusion due to ethnicity and disability, they promote job creation and improved education as key tools for achieving this. They also operate at a variety of levels and locations and undertake a range of functional activities, from job placements to advocacy, in order to meet their core societal purpose.

## BOX 14: INVESTING IN DIVERSITY

Ethnic minorities and people with disabilities form an increasingly vital part of the social, economic, cultural and political fabric of European cities. From a business perspective, they offer untapped markets, skills and sources of creativity. Despite this, many are excluded from full participation in the labour market. In part this is a reflection of structural and institutional obstacles. More seriously, it is a reflection of direct or deliberate discrimination.

There is growing recognition among European companies that they have a direct interest in:

- **harnessing the business potential of ethnic minorities and people with disabilities – through their actions in the workplace, the marketplace and along their supply chains; and**
- **investing in greater diversity and tolerance in their countries and communities – through awareness campaigns, dialogue, education and community investment programmes.**

The following vignettes describe partnerships between groups of companies and other actors aimed at addressing these goals. The companies are engaged not only in terms of providing funding, but also work placements, employee volunteering, advice, training and other support services.

### 1. **Samen Werken – ‘Working together’ in the Netherlands**

In 1990 the Dutch ‘Labour Foundation’ STAR (a joint trade union and employers federation initiative) launched a ‘minorities agreement’ aimed at creating new jobs for immigrants and ethnic minorities. Four companies – ABN-Amro, Fokker, KBB and IBM – responded by launching the *Samen Werken* programme in Amsterdam. Since 1992 *Samen Werken* has developed into a nation-wide public-private partnership with nine regional operations and a national foundation. It brings together some 400 companies, temporary work agencies, labour offices and social service departments which provide different resources and competencies to the partnership.

### 2. **Sweden 2000**

Sweden 2000 was established as a campaign to influence public opinion, gather information and share good practices on multi-cultural integration in society and the

labour market. Members include: major companies; public sector bodies such as the Swedish Armed Forces, Immigration, Police, Youth Affairs and Labour Market Boards; and Associations such as the Swedish Association for Local Authorities and the Federation of County Councils.

### 3. **La Fondation Agir Contre l’Exclusion (FACE) in France**

FACE was created in 1993 on the initiative of a former Minister for Labour and Social Affairs and 13 French companies to promote business involvement in distressed and ethnically excluded communities. This partnership has now developed into a national network of ‘Enterprise Clubs’, operating at the local level in some 18 cities and working with over 500 companies, local government and city officials, national employment and immigration institutions, grass-roots organisations and professional trainers.

### 4. **Race for Opportunity in the UK**

Launched as a national campaign by Business in the Community in 1995, *Race for Opportunity* aims to harness the business potential of the UK’s ethnic minority population and encourage businesses to invest in the diversity of their communities. Established with the support of 21 companies, the initiative now has over 100 private and public sector partners operating at national and local levels.

### 5. **Gaining from Diversity in Europe**

A Europe-wide campaign initiated in 1997 by The European Business Network for Social Cohesion (EBNSC) and managed by the London Enterprise Agency (LentA), with the support of a task force from eight different countries consisting of representatives from companies, business associations and experts in the field of diversity. *Gaining from Diversity* works with national business coalitions to spread good practice, develop performance standards and make the business case for diversity.

### 6. **The Employers’ Forum on Disability in the UK**

This is currently the only national employers’ association in Europe focused specifically on helping companies manage disability as a business priority. It has over 290 members, representing the employers of about 20% of the British workforce. Although essentially a business-to-business partnership, it works closely with the Trades Union Congress on advocacy issues and a group of experts in the field of disability.

### c. Evolving purpose and scope

The purposes of new social partnerships, both their common societal aims and the institutional interests of their participants, are rarely static. As the partnerships develop so do individual and collective insights into what is possible and indeed desirable. In some instances, early successes lead to more ambitious aims being formulated and acted upon, often in terms of scale (see next chapter). In other cases, ambitions are scaled down in the face of unexpected problems. This may concern the intractability of the societal problem, a lack or collapse of leadership, or a failure of promised resources to materialise.

Shifts in participants' interests over time can also strengthen or undermine the drive and effectiveness of the new social partnership in addressing its core societal aim. The initial commitment and energy of companies may decline if their short-term interests have been satisfied, for example, in offsetting the impact of negative campaigning or the prospect of new legislation. Government bodies may become more committed if the issues being addressed move up the political agenda. NGOs may become more reluctant participants if they sense that they are losing credibility or institutional support from their members because of their collaboration with business.

## Participants

The variety and combination of the characteristics, resources, skills and competencies of participants in a partnership are obviously important factors in determining success or failure. On the one hand, the wider the variety the better since this allows for distinct and complementary resources and competencies to be mobilised. On the other hand, this often creates more of a management and leadership challenge. As with other aspects of building partnerships, optimising the contribution of all participants requires clarity of understanding at the outset and ongoing assessment and adjustment. The following factors are especially important:

### a. Leadership

A particular institution and very often an individual have championed the vision and development of almost every successful partnership. The role of this **intermediary leadership** is one of the single most important factors in successful partnership building. It requires the ability to act as inspirer, mediator and/or facilitator between the different motivations, needs and resources embodied within the partnership itself and also externally.

Intermediary leadership is a role that can be played by individuals or organisations from any of the constituencies represented in the partnership. In some cases this is a **government department** or **government minister**, as was the case in establishing *Our Common Concern* in Denmark. In others, business or community organisations have been the intermediary leaders.

## PATHWAY 4:

An individual or institution(s) capable of playing a LEADERSHIP role, acting as inspirer, mediator and/or facilitator between the partnership participants, and in many cases between the partnership and its ultimate beneficiaries.

At the local level, for example, **Chambers of Commerce and Industry** have often played an intermediary leadership role. They have acted as a bridge between individual companies, employment and training agencies, universities and social welfare organisations to address a variety of social exclusion issues. Two of many examples are:

- **The Antwerp Chamber of Commerce and Industry**, which has acted as an intermediary between the Flemish Employment Agency, the Centre for basic Training, the Centre for language and migration at the Catholic University of Leuven, the trade unions and companies such as Levi Strauss, Danone, Distel Cold and Pasesc Alesa, to establish an integrated programme to provide language training and work experience for low-skilled migrants; and
- **The Milan Chamber of Commerce**, which has acted as an intermediary between local authorities, employment agencies, the media and education and training institutions, to establish about 14 over-the-counter support services for start-up enterprises. These are called *Punto Nuova Impresa* counters and have been established in Chamber of Commerce offices in Lombardy.

*Partnerships do not happen by chance. Leadership and motivation play a major role, especially in an environment where there is neither an established culture, nor an explicit policy fostering the coalition of different actors to address complex social issues.*

**Ruggero Bodo, Executive Director,  
Sodalitas, Italy**

Newly emerging '**business in society**' coalitions are also good examples of the vital leadership role that business intermediaries can play in bringing business, government and local communities together in a wide range of new social partnerships. They also illustrate the role that the intermediary can play in linking advocacy and networking activities to concrete projects on the ground.

These 'business in society' coalitions differ from other business associations, such as chambers of commerce and employers' federations, in that:

- They are not representative bodies; and
- They have a clear, primary purpose of mobilising business leadership for societal benefit, rather than focusing on direct commercial interests of business (although they are all built on a business case that links corporate social responsibility to business success).

Over the past ten years there has been a growth in these business-led social aspects organisations at both the national and international level. The Prince of Wales Business Leaders Forum and the European Business Network for Social Cohesion are two examples operating across borders in Europe.

**Brief profiles and websites for these two organisations, together with national-level 'business in society' coalitions in Denmark, Sweden, the United Kingdom, Italy, France and Spain are included in the Appendix.**

There is also growing recognition of the vital leadership role played by social entrepreneurs in helping to build new types of partnership between non-traditional allies. In some cases these people come from within one of the participating institutions. The Chairman of Suez Lyonnaise des Eaux in France has been the champion behind their work with *Mission Locales* in mentoring long term unemployed back into the workplace. A senior manager in the property division of the Dutch retailer, Aholt, provided the initiating vision and energy behind the OPS initiative. In other cases, the social entrepreneur comes from outside of the formal institutional environment, but lends their skills and experience in moulding a relationship between the formal institutions and the community, as illustrated in Box 15.

### **BOX 15: SOCIAL ENTREPRENEURS**

**The role of community-based social entrepreneurs in initiating innovative processes in support of community development has been increasingly highlighted as a critical success element of many new social partnerships. A number of the cases illustrate the critical roles played by community-based social entrepreneurs in making new social partnerships work.**

**In the town of Deventer in the Netherlands, for example, the evolution of a citywide partnership between business and the local authorities, has been attributed to the driving commitment of one particular individual. As in many other cases, it required that he broke through the traditional boundaries of what different types of organisations considered to be their roles and responsibilities. People certainly responded to him based on their institutional interests, but also from their hearts.**

*“Why did it work? Basically because of me, I just went there and told them what was going on and asked ‘will you help’. Why did they help? I looked for people who engaged with the heart, not just the head. One of them came from the run-down neighbourhoods. Another person had young children and could relate to the problems of young people in this way. When I talked to them, I had to quickly know what touched each of them.”*

#### **b. People and their organisations**

In principle, new social partnerships are usually made up of organisational members. On closer inspection of the actual partnership process, however, it turns out that they are in practice made up of individuals who have drawn their organisations into partnership relationships. These individuals are often risk-takers within their own organisations and on some occasions acknowledged ‘in-house mavericks’. There are several possible dynamics that arise from this fact. It is likely that these individuals will be:

- innovative and risk-taking in the type of initiatives and situations that they are willing to draw their respective organisations in to;
- energetic and creative in mobilising resources and commitment from their respective organisations;

## PATHWAY 5:

**Understanding the RESOURCES, SKILLS AND CAPACITIES that are needed to meet the partnership's objectives and how to optimise both the quality and quantity of resources, skills and capacities that each partner brings to the initiative.**

At the same time they may become over-identified with the partnership and 'separated' from their own organisations and as a result, start to over-individualise their role in the partnership. An implication of this is that whilst individuals 'at the table' must be encouraged to draw their organisations into innovative processes, care must also be taken to sustain a strong and healthy relationship between these individuals and the organisations they represent. Trust is often most deeply built between the active participants where each person develops and acts on an understanding of the tensions that the others face in drawing their organisations into sometimes costly processes with relatively under-defined institutional benefits.

### **c. Resources, skills and capacities**

Most partnerships are designed to unlock needed resources. In the majority of cases these are financial. There is growing recognition, however, that non-financial resources, such as managerial expertise, products, premises, community linkages and political connections can also be valuable aspects of resource mobilisation.

LEDA-Partenariat's European research programme on 'Local Partnerships for Employment Development', which covers 15 areas in Europe, identifies three different categories of 'resource' which local partners can bring to the table. These are economic, community and institutional resources. A local voluntary organisation, for example, may not have large amounts of economic resources in terms of finance or income-generating potential, but is often operating at the point closest to target beneficiaries and can play a key role in providing the 'social capital' or trust relationships needed to reach poorer communities and understand their needs.

A common downfall associated with many partnerships is either throwing too many resources at a problem or inappropriate or ineffective resources. It is therefore critical to understand:

- what are the types of resources, skills and competencies that different partners can best bring to the partnership; and
- what are the exact needs and absorption capacities of the beneficiaries (either communities, groups or individuals) at which these resources are directed?

Another challenge in partnership building is the source of funding. Although finance is only one type of resource, it is critical and often a key factor in determining partnership power dynamics. Funding closely identified to the relative interests of one or a group of participants will tend to strengthen their hand in negotiations over the design and implementation of the partnership. At the same time, funding sourced more neutrally may remove a key driver in forming and implementing the partnership.

Another challenge is encouraging all the different partners to actively participate in and contribute to the partnership. This clearly depends on their

relative skills bases and resources (time as well as money). It can be especially difficult when one partner has made a more substantial material contribution than others, or has much greater access to skills. In such a case there is the temptation to rely heavily on this partner to carry most of the responsibility for making things happen. Whilst this may be easier to get things moving in the short-term, over the longer-term the partnership is more likely to be sustained if there is a more balanced set of contributions and greater sense of ‘buy-in’ and ownership of the process by all the participants.

## PATHWAY 6:

**Appropriate ORGANISATIONAL AND LEGAL STRUCTURE to meet the common objectives of the partnership.**

### Organisation

#### a. Organisational and legal structure

Most new social partnerships are established with minimal organisational and legal infrastructure, focusing on the pragmatic needs associated with addressing the shared societal goals. Where such initiatives evolve to cover a broader set of goals, they tend to become more formalised. In some cases, for example with community development trusts, the initial design is more structured with legally binding contractual arrangements between the partners. LEDA’s research has identified four types of partnership based on organisational structure, each with different forms of agreement.

### BOX 16: ILLUSTRATIONS OF ORGANISATIONAL STRUCTURES

#### TYPE OF PARTNERSHIP

Networks

Forums

Temporary Associations

Organisations with separate legal entities

#### COMMON FORM OF AGREEMENT

a set of implied ‘rules’

a mission statement

co-operation agreements/ memoranda of understanding

articles of association

Source: LEDA – Partenariat

The key factor in determining success is clearly to choose an appropriate organisational form or legal structure for the job at hand.

Suez Lyonnaise’s initiative to combat long term unemployment, for example, involves very precise legal arrangements with local authorities as to how many people will be handled through the initiative and what will be the contributions of the various parties. The high-level business-government-union negotiations in the Netherlands under the ‘Polder Model’ similarly involved documented commitments on all sides. Yet the organisational models underlying these high levels of formality are entirely different. The former example involves the company at the heart of each contractual relationship and the latter examples are built on a more explicit trilateral, national accord. Also in the latter case, each company then has to seek ways to fulfil its individual commitments, for example to employ a certain number of people who have experienced long term unemployment, which involves a range of far less formalised initiatives at local levels across the country.

What is an appropriate organisational form will also change over time. Marks & Spencer's work with Business in the Community in the UK to develop its volunteering was in its early stages very informal. As it grew across more UK stores and then extended across Europe, the initiative became increasingly formalised, not least because it involved more institutions and public resources.

There are clearly advantages in formalising the organisational and legal underpinnings of new social partnerships, particularly where significant resources are involved and increasingly to clarify multiple-levels and directions of accountability. Against this must be set the significant disadvantages of over-formalisation, which include the additional costs of taking this route and its possible effect in slowing down decision-making and constraining innovation. Most ironic, perhaps, is that too much structure and formality can have the effect of reseparating the various participants, reducing the partnership back to its constituent parts and as a result, losing the alchemical element that is so central to their success.

## PATHWAY 7:

TRANSPARENCY,  
REPRESENTATION AND  
ACCOUNTABILITY both  
within the partnership  
and externally.

### **b. Governance**

As with organisational and legal structure, the nature of governance is likely to vary, from an open and flexible process of consensual dialogue at one end of the spectrum to a formal elected board at the other. Several factors are key in determining the most appropriate approach to partnership governance:

- What are the rights and responsibilities of each participant? Are these equal across the partnership, or are they dependent on the source of resources and other critical competencies and contributions?
- What are the most appropriate means of participating in decision-making? Is a formal representative board-type structure the most appropriate, or is direct participation through a more open, consensual based dialogue more likely to achieve the needed commitment?
- How are the 'intended beneficiaries' participating in decision-making? Is this only through the professional representation of, for example, local authorities or large welfare organisations, or is it more appropriate for a more direct style of citizen participation to build directly into the governance process?
- Who is accountable for the partnership's behaviour, for example use of resources? Ultimately who is responsible for the partnership's success or failure?

Clearly how the structure and process of governance copes with the almost inevitable imbalance of power is key in determining the legitimacy and success of the partnership. People who have been unemployed for long periods of time are rarely present in the formal governance structures of partnerships designed to assist to them. Businesses that commit significant resources often demand commensurate control over their use, even where the principal operational actors come from civil society organisations.

## PATHWAY 8:

### COMMUNICATION

strategies and systems which facilitate clarity of language, ensure regular dialogue and feedback, provide forums for problem solving and conflict resolution, generate a shared vision and celebrate success.

## PATHWAY 9:

Methodologies for MEASUREMENT and EVALUATION of partnership processes and outcomes against common and individual agendas.

Governance is therefore not a 'technical' matter. It reflects the quality of the underlying relationships. It symbolises to those inside and outside of the partnership the balance of power between its participants. Like other critical success factors, there is no single preferred approach and what is right for any particular partnership is likely to change over time.

### c. Communication

Although almost a cliché, good communication, together with good leadership, is one of the most commonly cited success factors in all the partnership research carried out in Europe and elsewhere. Establishing systems and procedures to meet the requirements outlined above is a critical investment to make at the outset of a partnership. Even when partners come together around a clearly defined common goal as opposed to addressing an issue of conflict, there is enormous potential for misunderstandings to occur due to the participants' different ways of working and terminologies. Constant vigilance on the communication front can help to address these tensions before they become a serious impediment to success.

## Outcomes

### a. Measurement and evaluation

Common societal goals of new social partnerships tend to be high-level missions such as 'alleviating unemployment'. These alone cannot be used to benchmark success. It is therefore important to invest some time and effort in setting measurable targets and to link these with a clear means for evaluating the partnership's participant and societal benefits.

Objective and target setting is an integral element of the partnership process. The clearer and more specific they are, the better grounded in general are the relationships between participants. Unclear or overly-general aims are often a sign of poor internal relationships, as it can indicate that the underlying tensions between participants have been obscured by aim-setting rather than resolved.

Measuring the impact of, and effectively communicating about, the partnership is therefore not an after-thought, but an essential element of an effective pathway for any successful partnership. It is unfortunate therefore that both measurement and communication are often *ad hoc* and inadequate in terms of both quality and timing. Box 17 sets out some of the issues that can and should be taken into account in building effective measures of partnership performance.

## BOX 17: VALUING WHAT COUNTS

Measurement plays a critical role in the evolution of new social partnerships. Partners and other stakeholders need to work together in developing relevant indicators both as a means of establishing a commonly agreed approach to assessing performance and as a means of growing mutual understanding, trust and shared working experience.

These roles can be best fulfilled if the development and use of indicators is part of a systematic framework of social accounting and reporting that embraces a real engagement between participants and other stakeholders. Recent years has seen the emergence of social and ethical accounting, auditing and reporting as a means for business in particular to measure its social, ethical and environmental performance. In the early phase, this practice involved the more unusual businesses such as Body Shop in the UK, Coop Italia, and SPAR NORD Bank in Denmark. More recently, traditional businesses have taken leadership roles in this field, including Shell in the UK and the Netherlands, Telecom Italia in Italy, and Novo Nordisk in Denmark.

Many of these initiatives have in practice build social accounting and reporting process around partnerships in which the respective companies are involved. Novo Nordisk, for example, describes in its *Social Report 1998* its partnership with Danish training centres in building the skill-base of people leaving the company and its work in Bulgaria in training doctors and nurses in the area of diabetes prevention. In a few cases, partnerships have initiated specialised social reporting processes to communicate agreed measures through period reports. Members of the Ethical Trading Initiative, for example, are obligated to report annually on progress in implementing codes of conduct covering labour standards in global supply chains.

A number of accounting and reporting standards are emerging covering social performance measurement and communication:

- the *Global Reporting Initiative* covers corporate obligations to report periodically on social, environmental and economic performance using a

broad range of consensually-developed indicators ([www.globalreporting.org](http://www.globalreporting.org));

- *AA1000* is a standard developed by the Institute of Social and Ethical AccountAbility covering the process of accounting, auditing and reporting and focused on the quality of dialogue and overall stakeholder participation, for example in the development of indicators ([www.accountability.org.uk](http://www.accountability.org.uk));
- The Council on Economic Priorities have established SA8000 as an accounting and reporting standard covering labour standards in global supply chains. ([www.cepaa.org](http://www.cepaa.org))

Interestingly, each of these and other similar social performance standards have themselves been developed through partnership processes.

### WHAT ARE INDICATORS?

Indicators are used to *simplify, measure and communicate* complex trends or events. For new social partnerships, indicators can serve several purposes, including to:

- Define measures of success to set alongside mission statements and objectives.
- Better understand efficiency and effectiveness and so manage for better partnership outcomes.
- Communicate between partners and to external stakeholders the partnership outcomes and where relevant the underlying process.

## PATHWAY 10:

Flexibility and willingness to allow ADAPTATION of the partnership's purpose, participants or process in response to evaluation or changes in the external context.

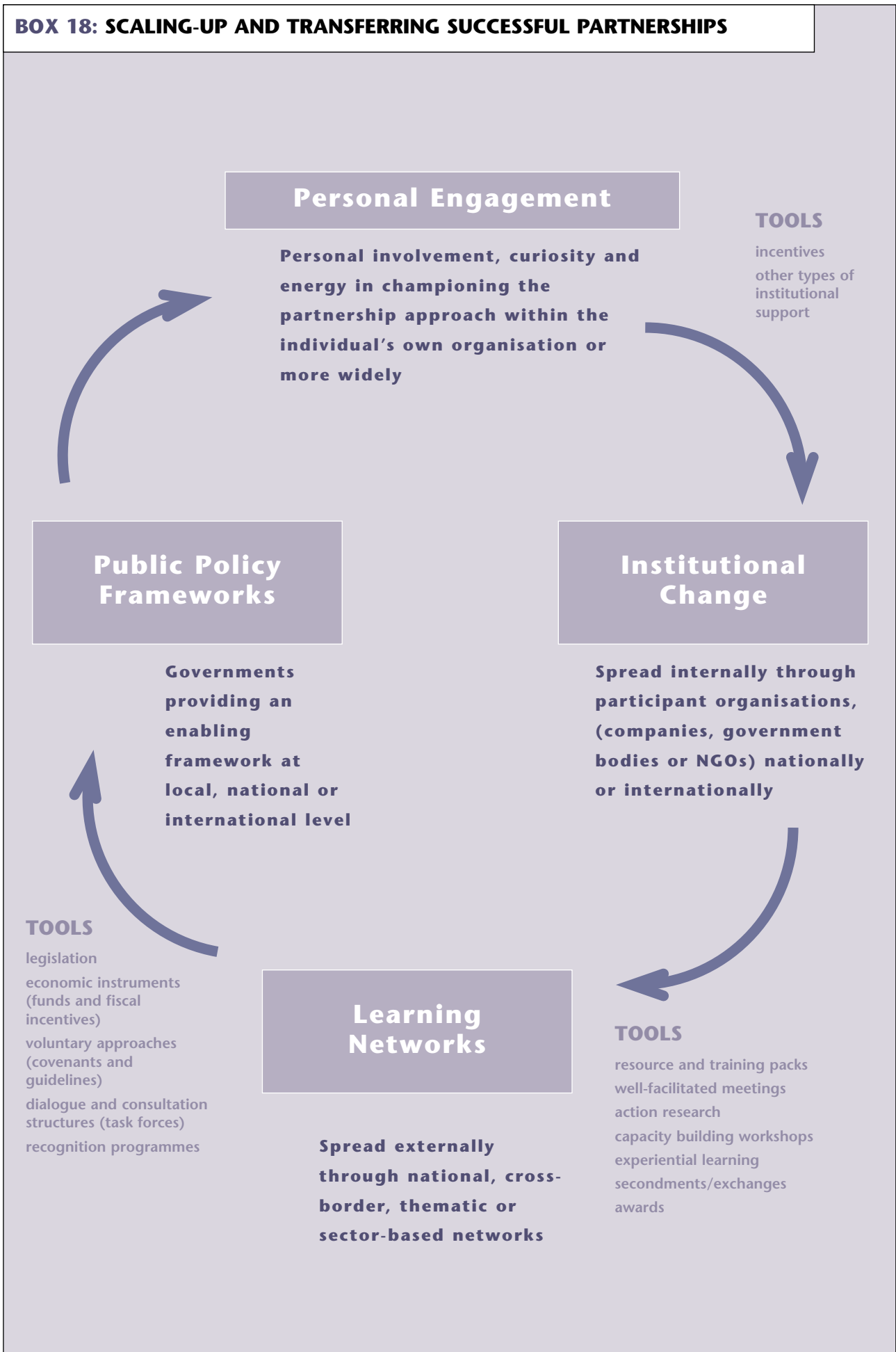
### **b. Ability to adapt**

An analysis of new social partnerships which have been in existence for more than a few years, such as Business in the Community in the UK and Swedish Jobs and Society (see Appendix III), illustrates that the ability and willingness to adapt to changing needs, capabilities and circumstances, has been a critical success factor in long-term sustainability.

One aspect of this is the need to aim for a combination of short-term – relatively easy to achieve – outcomes, as well as longer-term and possibly more grand ambitions. There is often pressure on new social partnerships to demonstrate early success to those inside or outside of the partnership who might be sceptical or indeed hostile.

The timing of success also highlights the fact that different participants have different time-scales and this can be an important determinant of success or failure. Many partnerships, for example, cite the problem of business participants expecting results too quickly. They often get impatient with the combination of slower operational processes on the part of their public and community sector partners and/or the fact that the process of partnership building is in itself usually slow and painstaking and not always quick to yield clear benefits. This is an issue that needs to be addressed at the outset of a partnership and revisited on a regular basis.

**BOX 18: SCALING-UP AND TRANSFERRING SUCCESSFUL PARTNERSHIPS**



New social partnerships are now found throughout Europe, at every level of society, covering a wide variety of issues and partners. A growing number have demonstrated their value-added and have moved beyond the stage of experimentation. These have real potential for scaling-up or transfer. Such processes can help to spread good practice and share what works more widely. In doing so they can help to avoid 'reinventing the wheel', inspire innovation elsewhere and in some cases, help to institutionalise the process of partnership building into policy frameworks.

Several types of scaling-up and transfer can occur. These include:

- Increasing the size and/or scope of an existing partnership;
- Spreading the partnership 'model' through participant organisations – either within the same country or cross-border;
- Sharing the partnership experience with other institutions, sectors and countries;
- Reviewing other ways in which the partnership approach can be used by existing participants to tackle other issues or problems; and
- Integrating partnership approaches into public policy.

Scaling-up and transfer do not usually occur automatically. They normally require some type of intervention or support in order to proceed. This in turn requires an understanding of the motivations and dynamics of partnership, which have been discussed in previous chapters. It also requires investment in the different structures and tools which can be used for scaling-up or transfer. Some of these structures and tools are described on the following pages.

Scaling-up and transfer clearly attempt to increase the positive societal impact of a partnership. At the same time, they carry with them the risk of undermining the leadership, energy and creative processes that underpinned success in the first place. This risk highlights the interplay between operational challenges and strategic dilemmas set out in Chapter 3. However, neither the positive nor the negative potential from scaling-up and transfer are pre-determined. The outcome from such processes depend on how they are undertaken and indeed for what purpose. The pattern of dynamic pathways described in the previous chapter is as relevant to scaling-up and transfer, as it is to initial partnership building.

## Structures for Scaling-Up and Transfer

Four key types of structure or mechanism can be identified. These are as follows:

### a. Personal engagement

Personal engagement and leadership is as critical to the success of scaling-up and transfer, as it is to the success of an individual partnership. Where good practice has been transferred around Europe, often via the other mechanisms listed below, in almost every case it is possible to identify an individual who has played a key role in the process.

This requires energy and curiosity on the part of the individual, but often also institutional support. The evolution of the community assignment approach taken by the British retailer, Marks & Spencer, first in one store in the UK and now across some of its European operations, was greatly assisted by one person based at Business in the Community committed to demonstrating how scaling-up might work. At the same time, the company's commitment was crucial.

### b. Institutional change

Spreading good practice through participating organisations either in the same country or cross-border. Examples here would include cases where individual companies have spread partnership approaches through different cities or countries via their subsidiary operations.

Companies that are operating in more than one city or country can play a crucial role in helping to scale-up and transfer successful partnerships from one location to another. Multinational companies in particular, are starting to develop more co-ordinated strategies for managing their social responsibilities and partnerships. Instead of having a myriad of *ad hoc* and unconnected initiatives in workplaces and communities all over the world, some companies are attempting to develop national, regional or even global frameworks for societal engagement.

Whilst better co-ordination can enable the company to leverage its corporate competencies and interests in the most effective and efficient way, it must still allow for flexibility and adaptability at the level of local communities and workplaces. This is a difficult balancing act to achieve. It requires the combination of a clear strategic framework and operating principles supported by head office, with appropriate management processes, incentives and skills development at the local operational level. It requires both:

- internal 'champions' who are functional experts; and
- line managers who may not be experts in the areas of social responsibility and partnership, but must be able to understand and be responsible for how these relate to their daily activities.

Box 19 looks at five examples of companies that have taken different approaches to transferring their partnership models within Europe.

*As one of the world's largest groups of companies, we have opportunities to use the experience gained in one country or region to help others elsewhere*

**The Shell Report, 1999**

## **BOX 19: SCALING UP AND TRANSFERRING THROUGH INDIVIDUAL COMPANIES**

### **SUEZ LYONNAISE DES EAUX: Building a national programme for youth employment**

Over the past five years Suez Lyonnaise-des-Eaux has built a national network of relationships with local public authorities to help young people suffering long-term unemployment back into work. A dual mentoring approach was developed. The Mission Locales (local authorities) first focus on the social mentoring that increases young people's general 'employability'. Following this, SLE takes them on and provides the professional mentoring that builds specific competencies to raise their potential usefulness in the workplace. The overall programme for any one young person lasts 1-2 years. The first programme was initiated in Nantes in 1994. SLE now has 15 contracts with Mission Locales across France. This partnership approach between local government and business is an innovation in the French context. The success of SLE and others has gained recognition from the government in that some provisions of a recent regulation passed on social exclusion, the *Traget Access Emploi*, make explicit mention of the value of partnership approaches.

### **SHELL: Transferring LIVEWIRE**

Shell's international social investment programme focuses on the issues of: sustainable energy and youth enterprise development. These themes provide a framework that can be adapted in a large number of locations and countries where the company operates. At the same time, the head office provides support to transfer some of its most successful community partnership models to different countries. One of these is the LiveWire programme. First established in the United Kingdom in 1982, LiveWire encourages young people who want to start and run their own businesses. A typical scheme involves an enquiry service, personal advice, mentoring, workshops and awards to recognise success. It consists of a partnership between Shell and a variety of business support organisations, youth foundations, other companies, individual volunteers and government bodies at both the local and national level. Today, the programme is running in 8 countries, including the Netherlands, Ireland and Hungary in Europe. In the UK it is advising some 20,000 young people.

### **MARKS & SPENCER: Spreading the experience of community development assignments**

Marks & Spencer has a longstanding commitment to the concept of employee volunteering. In 1990, it established a staff development programme based on short-term assignments to community organisations. The aim was to work in partnership with local non-profit organisations and local authorities, to address mutually agreed and specific social needs, whilst also meeting the training and

personal development needs of selected M&S staff. Pilot projects were run in 6 major M&S stores in 6 different UK cities. After a couple of years the decision was taken to launch a national programme, managed at the head office level by the human resource and community affairs departments, and at the regional level by divisional training and personnel managers. Business in the Community became a key national partner, helping M&S to identify community organisations and broker assignments. Today, over 200 assignments are carried out each year by M&S employees throughout the UK. With the support of the Cecile network M&S has now transferred the programme to its operations in France, Belgium and Spain.

### **MICROSOFT: Establishing a European scholars programme**

The Microsoft European Scholars Programme uses funds recovered in anti-counterfeiting actions to help unemployed people acquire advanced skills needed to get a job in the information technology business. Established five years ago, the programme currently operates in Belgium, Denmark, France, Germany, Italy, Ireland, Holland, Portugal, Spain, Switzerland and Sweden. In its first five years over 6,000 people have been trained and it is estimated that about 90% of the programme graduates have secured employment. In most cases these people were previously unemployed. Microsoft's partners vary from country-to-country, but usually include government unemployment centres, Microsoft accredited and supported training agencies and law enforcement officers involved in the fight against software piracy.

### **LEVI STRAUSS: Sharing lessons through community involvement teams**

Levi Strauss has developed Community Involvement Teams (CIT's) in most of its affiliates and plants throughout Europe and elsewhere in the world. Each CIT consists of a cross-functional, voluntary team of Levi Strauss employees who meet on a regular basis to assess the needs of social groups in their own area and to develop fundraising strategies, employee volunteering initiatives and partnership programmes to meet these needs. The local CITs work closely with the company's global Community Partnership Programme and are encouraged to develop initiatives in the following priority areas: economic empowerment; HIV/AIDS; social justice; and youth empowerment. The organisations that these CITs have partnered with around Europe range from Amnesty International to local job centres, shelters for the homeless and projects for youth at risk. At the corporate level, the Community Partnership Programme has played a leadership role in helping to establish several pan-European networks aimed at addressing societal problems.

### **c. Learning networks**

In recent years learning networks have become a critical factor in scaling-up and transferring new social partnerships to other organisations, sectors or countries. These networks vary in their structure and scope and may be national, cross-border, thematic or sector-based.

Examples include the 'business in society' intermediary organisations profiled in Appendix III. These organisations help to facilitate increased scale and the transfer of good practice by bringing together groups of companies and leveraging their collective resources and interests. In most cases they provide a crucial intermediary or brokerage link between these companies and their community and public sector partners. The 'business in society' coalitions described in the appendix have between them mobilised several thousand European companies to address social challenges. Some of these 'business in society' organisations have cross-border and/or cross-sector learning as their primary objective. The European Business Network for Social Cohesion and the Cecile Network, for example, focus on promoting practical ways in which business can contribute to addressing problems of social exclusion and then identifying and sharing good practice on these different approaches. Business in the Community and The Prince of Wales Business Leaders Forum have both developed specific methodologies and programmes to encourage experiential learning. These are described briefly in the next section on tools.

Universities, research institutes and other learning and research organisations can also play a role in benchmarking and transferring good practice. The work of the European Foundation for the Improvement in Living and Working Conditions and LEDA-Partenariat profiled in Box 5 is a good example of this role.

### **d. Public policy frameworks**

A final mechanism which has an increasingly important role to play in scaling-up, transferring and institutionalising new social partnerships is public policy frameworks. Governments at the local, national and European level have a range of instruments they can use to encourage partnership approaches. These include: legislation; economic instruments (such as funds and fiscal incentives); voluntary approaches (such as covenants and guidelines); dialogue and consultation structures (such as public-private task forces); recognition initiatives (such as awards); 'personal' encouragement and/or pressure (for example government ministers calling on business and community leaders to get engaged in specific initiatives); or taking over the support activities developed by a corporate-community partnership.

The new round of EU structural funds offers a good example of how the concept of new social partnerships is being integrated into policy frameworks at the European level. Similar integration is happening at national levels, as demonstrated by France's 'Traget Access Emploi' regulations and the UK's New Deal for Communities.

## **BOX 20: THE EUROPEAN COMMISSION – Integrating partnerships into policies and programmes**

### **Integrating partnerships into policy and programmes**

Over the past five years the European Commission has increasingly recognised the value of new social partnerships, as an effective mechanism for:

- funding and programme delivery; and
- providing input into policy making.

The role of the social partners – UNICE, CEEP and ETUC – remains crucial at the European level. The EC is recognising, however, the need to reach beyond these actors in order to form new alliances and dialogue structures in the search for solutions to social exclusion. As a result of this, the language and practice of new social partnerships is becoming more evident in a range of European policies and programmes. This has important implications for the scaling-up and transfer of successful partnerships around the European Union and beyond. The private and voluntary sector ‘learning networks’ described in this section are innovative, agile and flexible. They are unlikely, however, to have either the reach or the resources of the European Commission when it comes to sharing and promoting what works across national borders.

The vignettes below illustrate how the EC is starting to integrate new social partnerships into its thinking and actions on employment issues:

#### **1. The EMPLOYMENT Community Initiatives**

Since 1995, the European Social Fund has supported a series of partnership-based pilot projects aimed at finding new solutions to unemployment. All the projects are funded jointly by the EC and Member States with further financial support from other public and/or private sources. Key participants have included: local and regional authorities; trade unions and other workers’ organisations; individual firms; employers’ associations; technical colleges; local development agencies; universities and research centres; training, guidance and employment centres; and community organisations. They have focused on four key target groups: women; young people without qualifications; disabled people; and others who are excluded or at the risk of being excluded from

the labour market. The aim has been to identify and support local level partnerships which are innovative and have the potential for a multiplier effect or scale-up and transfer across borders.

#### **2. Territorial Employment Pacts**

In 1996, the EC proposed a Confidence Pact for Employment resulting in the creation of some 60 Territorial Employment Pacts. These were aimed specifically at developing new approaches to tackling unemployment and demonstrating the added value of co-operation at the local level. Three key principles have underpinned the selection of these areas: partnership; innovation; and bottom-up approaches.

#### **3. The European Employment Strategy**

In 1997 EU Government leaders agreed, for the first time, on a European Employment Strategy and set of guidelines. The strategy calls for a new intensity of dialogue and partnership between the EC, social partners, companies and civil society organisations in each of the four areas below:

### **European Employment Guidelines**

#### **PILLAR ONE:**

##### **DEVELOPING ENTREPRENEURSHIP**

Engender a new climate and spirit to stimulate job creation and better jobs by: making it easier to start up and run businesses; developing markets for venture capital; making taxation more employment friendly.

#### **PILLAR TWO: IMPROVING EMPLOYABILITY**

Tackle the skills gap by modernising education and training systems and strengthening their link to the workplace, with a focus on: tackling long-term and youth unemployment; easing the transition from school to work; moving from passive to active measures; and encouraging a partnership approach.

#### **PILLAR THREE:**

##### **ENCOURAGING ADAPTABILITY**

Equip enterprises and the workforce to embrace new market conditions and new technologies by: modernising the organisation of work; and supporting adaptability in enterprises.

#### **PILLAR FOUR:**

##### **STRENGTHENING EQUAL OPPORTUNITIES**

Ensure that people can work on equal terms by: tackling gender gaps; reconciling work and family life; facilitating return to work after absences from the workforce; and promoting the integration of people with disabilities into working life.

## Tools for Scaling-Up and Transfer

The tools used for scaling-up or transferring new social partnerships will obviously vary depending on the mechanism. Apart from the policy-level tools described above, other tools would include: meetings; resource and training packs; action research programmes; capacity building workshops; secondments; exchanges; award programmes; the role of media; and experiential learning.

Two examples of experiential learning are described below.

**Seeing-is-Believing** is a programme that has been run in the UK by Business in the Community (BITC) for over five years. The programme takes senior business executives out into the community and encourages them to commit their own personal and their company's expertise and resources to make a measurable difference to schools, inner cities and community projects. Each visit is led by a business leader, with all the preparation, planning and logistics managed by BITC. The participants commit to developing an action plan and reporting back on how this has progressed after the visit. Since it was established the programme has taken more than 800 business leaders into some of the UK's most deprived communities. Detailed assessments and regular feedback from both the business and community participants indicate that it has made a real impact on meeting community needs and on changing business behaviour.

Building on some of the lessons and experiences of 'Seeing-is-Believing', The Prince of Wales Business Leaders Forum (PWBLF) has developed an international experiential learning programme called **INSIGHT**. Its aim is to tackle the challenge of transferring practical experience in the field of partnership building and corporate social responsibility between sectors and countries. The programme involves policy-makers, senior business managers and NGO leaders at local, regional and international levels. Since 1992, International INSIGHT visits have taken place in Bangladesh, Brazil, Central and Eastern Europe, the Philippines, Egypt, India, Mexico, Peru, South Africa, UK and USA. Over 200 business, government and community leaders from 28 countries have taken part in the programme with resulting evidence of either enhanced or completely new partnership initiatives, as well as significant personal and professional development. In Central and Eastern Europe and Russia over 90 partnership practitioners from business, government and civil society have participated in a three year **Learning from Experience** programme. Based on the PWBLF's concept of INSIGHT, this initiative involved workshops and pilot projects in their own countries as well as placements in over 50 UK companies, NGOs and local authorities. Follow-up evaluation estimates that the participants have subsequently shared partnership-building skills with over 7,000 people in their own countries.

## Governance Shifts

There is a major shift taking place in our understanding and practice of governance, underpinned in part by the emergence of new social partnerships. Governance is today increasingly about balancing the roles, responsibilities, accountabilities and capabilities of different:

- Levels of government – local, national, regional and global; and
- Actors or sectors in society – public, business and civil society organisations.

Traditional reliance on structured representation and the rule of law is giving way to a more fluid pattern of participation. This is characterised by communication-based forms of accountability and partnership-based forms of governance.

These shifts in the structure, process, and scope of governance emerge from deeply rooted changes in the global economy and associated shifts in organisational, technological, and political processes. These changes are still in their early stages and will continue to impact on governance as they evolve.

New social partnerships are a core element of this process – both influencing it and in turn being driven by it. At the local level, the partnership approach is increasingly embedded in designing and implementing public interest programmes and policies. At national and international levels, there has been a sharp growth in the active participation of business and civil society organisations in policy formulation. This has ranged from the development of voluntary guidelines and codes of conduct, to regulatory design.

Just as business and civil society organisations are having a growing influence on public policy and public service delivery, companies are increasingly extending their own corporate strategies beyond statutory compliance in response to the views of consumers and civil society organisations. Similarly, although with perhaps less visibility, the business community is taking a more active role in the evolution of policy and practice within civil society organisations. In part this is a result of greater interaction, trust and intimacy between these two groups and in part due to shifts in conditionality of funding, particularly in public contracts for infrastructure development, service delivery and management.

## Creating an Enabling Environment

In its report *Creating the Enabling Environment*, The Prince of Wales Business Leaders Forum identifies five principles of good governance:

- co-ordination within and across government;
- consultation beyond government;
- citizen participation;
- corporate responsibility; and
- capacity building.

These principles highlight some of the key elements needed to secure both an efficient and participative process of decision-making in this shifting social and political environment.

### **a. Co-ordination within and across government**

Traditional approaches by government to managing, for example, health, education, and employment, have unhelpfully placed issues and activity areas in separate boxes, so underestimating the importance of their relationship and the need to link public policy and practice in achieving coherent societal improvements.

New social partnerships are one expression of an approach that re-links previously boxed areas, institutions and competencies. Increased co-ordination is being sought, for example, between the European Commission and local authorities via the new round of structural funds, with a focus on partnerships as one means for making this happen.

There is also the growing thrust towards 'joined-up' government in a number of European countries, aimed at achieving better co-ordination between departments and more holistic approaches to problem solving. In some instances this initiative comes from government, such as in the case of England's Social Exclusion Unit and Ireland's National Anti-Poverty Strategy. In other cases, the initiative comes from business, such as the effect of the work of Suez Lyonnaise in bringing together different layers of French government to work on the issue of re-integrating the long-term unemployed into the workplace.

## BOX 21: SOCIAL EXCLUSION UNIT

### Developing a co-ordinated approach to social exclusion

The Social Exclusion Unit was established in 1997 with the goal of helping government to work in a more coherent, integrated way, across departmental boundaries and with all the agencies – public, private and voluntary – that can help to tackle the multi-dimensional and integrated challenges of social exclusion.

Its aim is to focus on some of the more difficult and intractable problems associated with social exclusion to:

- Improve understanding of these problems;
- Promote co-operation between government-departments;
- Increase consultation with, and participation of, other actors;
- Make recommendations on tackling social exclusion more effectively and in particular, to shift the focus of policy making towards prevention rather than dealing with problems once they occur.

As part of its commitment to increase consultation and participation, the unit's staff have been drawn from an equal mix of the civil service and external secondees. The latter have been drawn from local government, business, the police, probation services, housing organisations and the voluntary sector and have 'hands-on' experience of tackling the problems of social exclusion.

Since the unit was established in December 1997 it has produced five reports on the following areas:

- School exclusion and truancy (May 1998)
- Rough sleepers (July 1998)
- Poor neighbourhoods (September 1998)
- Teenage pregnancy (June 1999)
- Bridging the gap – 16-18 year olds not in employment or education (July 1999)

A study of Britain's poorest neighbourhoods confirmed a growing gap between these and the rest of the country. They have become relatively poorer, more prone to crime and more cut-off from the labour market. It also identified the following problems with current

programmes aimed at supporting and investing in these communities:

- Mainstreamed policies are poorly targeted and there is too little co-ordination;
- There are too many initiatives, with too many rules and too little flexibility;
- Too much emphasis is placed on physical investment rather than the social capital of the people living in these areas;
- Solutions tend to be 'parachuted in' with little genuine engagement with local residents; and
- Mechanisms for learning from and building on success and failure are not in place.

As a result of these findings 18 multi-sector **Policy Action Teams** have been established with 'champion' ministers and chairs drawn from different government departments. At the same time, the government has announced a £800 million '**New Deal for Communities**' programme which will provide intensive support to some of the country's poorest neighbourhoods. A group of 17 Pathfinder areas have been selected to serve as test models for a more partnership-based approach to tackling social exclusion.

*Getting government to act more coherently is key... the problems of social exclusion – of failure at school, joblessness, crime – are woven together when you get down to the level of the individual's daily life, or the life of a housing estate. Yet all too often governments in the past have tried to slice problems up into separate packages. And in many areas dozens of agencies and professions are working in parallel, often doing good things, but sometimes working at cross purposes with far too little co-ordination and co-operation. Joined-up problems require joined-up solutions.*

**Prime Minister Tony Blair, 1997**

### **b. Consultation beyond government**

Some governments are recognising the need to establish more structured procedures for consulting with diverse stakeholder groups. One example is offered by recent developments in the UK. Over 300 stakeholder policy forums or multi-sector task forces have been established by the Labour government in Britain since they came to power in 1997. These new structures cover a wide range of social and economic issues and have involved over 1,000 individuals from different parts of business and civil society in regular dialogue with government officials and ministers.

Another example is the way in which local governments in the Netherlands are working systematically with companies in evolving integrated urban plans. An example is described in Box 22.

### **c. Citizen participation**

Governance is essentially a political process, although managerial efficiency is clearly necessary. The opening afforded by new social partnerships is to increase the scope and significance of citizen participation in their own affairs.

Examples given throughout this report illustrate how this is possible. Equally, however, other cases highlight the fact that this is not a necessary consequence of such partnerships. They are not inherently more or less democratic than traditional forms of governance. One of the biggest challenges of these partnerships is to ensure genuine participation, especially in the case of excluded communities.

### **d. Corporate responsibility**

The increased explicit role of business in societal issues is certainly the most marked shift in governance structures. This shift places increased pressure on business to demonstrate that it can participate effectively in these new roles. For business, this is a matter of being able to navigate a path that yields:

- commercial success; and
- an explicit contribution to society by doing business in a manner that enhances the positive social externalities and minimises the negative ones.

The case of OPS in the Netherlands illustrates how businesses, acting in their direct business interest, have sought to work with local authorities in making significant, integrated interventions into areas of high social and economic deprivation. Ethical trade, similarly, provides a clear example of business seeking to demonstrate their willingness and ability to be socially responsible, often well beyond the floor established by law, or even the existing norms in the countries in which they operate or from where they purchase. Likewise the examples of national and international 'business in society' coalitions, where companies have come together to address specific societal issues, beyond their legal obligations. Many of these coalitions have been established in the past few years and most are growing in size and scope.

## BOX 22: OPS IN THE NETHERLANDS: Towards a new planning paradigm

Programmes to tackle social exclusion in the Netherlands have shifted in recent years to the large housing estates on the outer urban rims. Most government initiatives have been focused on housing, education and health. Few have effectively addressed the systemic, deeply-rooted economic malaise apparent in these areas.

Ahold is the Netherlands' largest retailer, principally focused on food. It employs 230,000 people world-wide, about 60,000 in the Netherlands. Ahold's increasing client-focus has driven it towards a greater appreciation of the need to be sensitive to the varied requirements of different communities. Ahold are now increasingly developing smaller size units and also developing new services, such as financial services, for their customers.

Ahold saw that operating effectively in deprived urban areas would require working with government and other companies in developing an integrated approach to urban planning. This approach, in their view, would enable government to work effectively on the 'economic' piece of the puzzle. 'Overleg Platform Stedelijk Vernieuwing' (OPS) therefore came into being.

Comprising 10 non-competitive companies including Ahold, Rabobank, and MacDonalDs, its aim is to work with government in creating a sound 'investment climate' in outer rim urban areas. The design approach was for OPS to work with local authorities in creating urban development plans that would subsequently enable OPS members to make investments in these areas.

The first project was in the Dutch town of Enschede. In a high profile process, OPS worked with the local authorities for 6 months up to the end of 1998 in developing a plan for the area. *"It was a very tricky process",* reflects one of the business participants. *"There were repeated misunderstandings about roles. We had to keep reminding them that we were not here to sponsor...but to create an investment climate that would get people back to work".*

There were also real differences between the companies involved. Those involved in property development for example, tended to have a longer time frame than other companies that traditionally focus almost entirely on 'next week's turnover and profits'. Also some business members of OPS were more experienced than others in community initiative, for example Rabobank. Indeed,

such differences led to OPS creating two sub-groups, one comprising companies more able to commit time, energy and money to these experimental processes.

The first urban plan involving OPS was agreed in February 1999. In the following period there has been slow progress, but now a project officer is in place and the plan is expected to be implemented. The plan is detailed and includes investment commitments from each company – either expansions of existing or new facilities.

The OPS approach is too early in its development to reach any firm conclusions. There are, however, a number of observations that are warranted more for reflection than judgement:

- OPS is a good example of businesses moving 'up the planning chain' and taking a formal role as equal participant in an integrated approach to urban planning.
- It is also unusual in being a business-initiated group, comprising only companies, that has set out to make partnerships with government bodies.

This kind of direct involvement of companies in urban rehabilitation can be effective where they are the best judge of the local investment climate. This upward shift in the formal role of business in governance processes and structures, however, raises two inter-related concerns about:

- **Citizen participation in planning processes** – given that business participation tends to introduce an element of commercial confidentiality in the planning process that reduces the potential for open public dialogue.
- **Competition** – in that approaches to planning and resource allocation involving business clubs will tend to restrict competition, at least in the first instance.

These issues can arise through the very success of company engagement with public and non-profit partners in addressing social exclusion. Although not necessarily applicable for every partnership, the case of OPS does usefully highlight the increasingly complex relationship between the growing importance of new social partnership and matters of democratic process and competition.

A good example of how these new forms of governance and institutional structures are emerging, and the dilemmas they raise, is offered by recent developments in the field of ethical trade, as profiled in Box 23.

#### **e. Capacity building**

Good intentions and a willingness in principle to work across untraditional boundaries and with unlikely partners, are necessary but not sufficient conditions for good or effective civil governance. There must also be specific skills and capabilities to turn intentions and good will into concrete and effective activities.

Developing appropriate skills and capacity across Europe can and does take many forms. Training and exchange programmes, conferences, workshops, and new initiatives within universities and business schools are all quite explicitly targeted at capacity building. Less explicit, but equally if not more important, is the ‘learning-by-doing’ that is happening across Europe through successful and indeed failed initiatives, including the partnerships that were reviewed for this report. Particularly significant in this respect are the scaling-up processes that are described in the previous chapter. These are about intra and inter-organisation learning, particularly within and between companies and other partners.

### **Building Civil Governance**

Governance structures are changing fundamentally at all levels of society – locally, nationally and globally. The way this transition develops will have critical implications for the ability of communities and countries to address the challenges of economic competitiveness, social cohesion and sustainable development.

With these changes come new possibilities, such as new social partnerships. Equally, however, there are a range of dilemmas associated with these new forms of partnership that have important implications for governance. In particular:

1. Will *citizen participation be enhanced or undermined* by the growth in governance forms embodied in these new social partnerships?
  - ↳ Can the capacity of civil society institutions be developed to enable them to play an effective role in these new forms of governance?
  - ↳ How will these institutions evolve to ensure that they remain representative and indeed strengthen their degree of citizen representation?
2. What are the *implications for the state?* It is not accurate to assert a ‘reduced’ role and yet it is clear that the state’s structure of intervention is going through a radical transformation.
  - ↳ Can the institutions of government rise to the challenge of handling

## BOX 23: GLOBAL BRANDS MEET GLOBAL ETHICS

The treatment of workers in global supply chains has become a major issue for businesses throughout Europe, particularly large retailers with high-value brands in for example textiles and footwear, food, toys, and furniture. This has involved the development of alliances between business, NGOs, trade unions, and governments across Europe, although the high-profile issues tend to concern workers in developing countries.

The **Ethical Trading Initiative** (ETI) is an alliance of companies, non-governmental organisations (NGOs), and trade unions, actively supported by the British Government. Its participants have committed to work together in identifying and promoting good practice in the implementation of labour codes in global supply chains. Taken together, the companies currently participating in the ETI purchase from hundreds of thousands of factories, farms and plantations in 50 countries. They therefore affect the lives of millions of workers, their families, and the communities in which they live. As the British Secretary of State for International Development, Clare Short, explained in announcing her support of the ETI, “The next stop here is to agree how best to ensure that companies are effectively monitoring practice against these codes. This will require an agreed approach to monitoring and independent verification that will ensure the right quality of information, involve labour organisations and NGOs, and ultimately give the public the confidence they want that companies have put their houses in order”.

The ETI emerged from a recognition by its participants of their need to engage with each other to address the interests of workers in global supply chains. For NGOs and trade unions these interests were paramount and had underpinned their campaigns for many years. For companies, these interests were relevant both in themselves and, as businesses, in protecting and strengthening their brand, overall reputation and business performance. The common goal was therefore understood differently by the various participants. For some of them it was an end in itself and for others more of an instrumental goal.

The British government was a key sponsor of the ETI through its Department of International Development. The

government was concerned to find a way to lever changes in global labour standards for:

- development and human rights reasons; and because
- successful NGO campaigning had made the issue relevant to a significant portion of the electorate.

Its actions were, however, hampered by several things. Firstly, the government did not wish to ‘force’ companies to adopt and implement codes of conduct since this would be seen as an anti-business stance. Secondly, the World Trade Organisation’s international trading rules prohibits governments from using legislative means to discriminate between imported products and services, based on how they were produced. For the government, therefore, a new social partnership that brought the key actors to the table voluntarily was by far the preferred solution.

### Similar initiatives

The ETI, although significant in itself, is not the only initiative seeking to address this issue. In the US, the **Fair Labour Association** (FLA) is a new social partnership between some NGOs and companies. A number of private initiatives such as the labour standard and monitoring system SA8000 have also been developed by alliances of trade unions, NGOs and business. Europe has seen other initiatives emerging in the area:

- the NGO alliance, the **Clean Clothes Campaign**, operates across Europe as a lobbying and campaigning movement;
- the **European Commission** has facilitated the collaborative development of several codes of conduct through its ‘social partners’ approach; and
- increasing numbers of other national initiatives are emerging that bring together business and civil society institutions to address the issue of global labour standards and broader human rights. One example is **KOMPakt** in Norway. Established in December 1997 by the Norwegian government, KOMPakt is ‘The Consultative Body for Human Rights and Norwegian Economic Involvement Abroad’. Its purpose is to contribute towards debate and practical activities in the interface between Norway’s global economic

continued

involvement and human rights. The body comprises representatives of: the Confederation of Norwegian Business (NHO); the Federation of Norwegian Commercial and Service Enterprises (HSH); the Norwegian trade council; the oil companies' industry association (INTOSK); the Norwegian Shipowners Association; the Norwegian Confederation of Trade Unions; Amnesty International; the Helsinki Committee; the Church of Norway Council on Foreign Relations; the Forum for Development and Environment; Redd Barna (Norwegian Save the Children); the Norwegian Institute for Human Rights; other NGOs; and representatives of the Ministries of Foreign Affairs; Trade and Industry; Petroleum and Energy; and Development Co-operation (NORAD). KOMpakt meets in 5-6 plenary sessions a year, holds seminars on topical issues, and has three permanent working groups looking at policy and practical issues relating to business and human rights.

**Scaling-up and transferring learning**

These different initiatives are of course not isolated. They have learnt and often grown from each other. Many of the NGOs that sponsored the Clean Clothes Campaign were behind the formation of the ETI; the ETI learnt much from the FLA in the US, and in turn has become one place of learning for the recently initiated Canadian Taskforce on labour standards in the textiles and footwear sector. This on-going flow of information, people and learning means that these initiatives taken together are certainly more than the sum of their parts. They have both created and reflect an implicit public policy framework on the matter of labour standards in global supply chains. It is implicit in that it is:

- not documented or necessarily consistent;
- not a statutory framework, and indeed could not be for reasons given above;
- not even necessarily endorsed by governments in whose territory it is being either developed or applied, although more often than not these governments are quietly encouraging the process;
- an organic framework that is constantly evolving rather than periodically being changed;

- an approach that also offers a means of securing compliance through the potential of some of the partners – particularly NGOs – to renew their campaigning and through company-to-company peer group pressure where one company's resistance appears to endanger the benefits of the process to the wider business constituency.

**Implications for civil governance**

The role of new social partnerships like the ETI in both creating a public policy framework and a means to monitor compliance, has considerable advantages. However, there is also concern amongst civil society actors about possible negative effects underlying this process. These include:

- **marginalising the role of elected governments** in the formation and implementation of public policy;
- promoting the formation of public policy and practice through collaborative initiatives comprising **unelected organisations**, such as NGOs and business;
- **lowering the level of standards attained** and even the aspiration of what is attainable by creating a 'lowest common denominator' result through the new social partnership;
- **undermining the vitality and flexibility** of civil society organisations by drawing them into operational relationships with the business community.

An increasing number of organically-linked new social partnerships like the ETI are having a pervasive effect on the development, adoption and implementation of corporate codes of conduct covering labour standards in global supply chains. This experience, whilst still unfolding, illustrates the power of 'joined-up partnerships' in driving forward policy and practice in a major area of public interest where institutional vested interests and inertia have restricted developments to date. Most of all it highlights the potential for such partnership-webs to become significant national and international players in establishing long-term policy frameworks that often lie beyond the direct rule of law or ambit of governments.

increasingly complex, cross-sectoral relationships through the development of a more diversified, responsive culture and more integrated approaches to working?

- ↳ Can the growing and more explicit roles of business be balanced with the continued need for governments to regulate business activities?

3. Will the *business community engage in broader societal processes* with combined social and financial purposes.

- ↳ Can business develop its values to support a new understanding of how social and environmental responsibility and accountability can form the foundations for both long-term market competitiveness and contributing to meeting social aims.

The emerging forms of governance therefore present both a potential threat to participative democracy and a real opportunity to strengthen meaningful citizen involvement in decision-making and service delivery. The challenge is to ensure a form of ‘civil governance’ that effectively manages human affairs while enabling citizens to take an active role in designing the policies, institutions and programmes that shape the quality of their own lives. New social partnerships need to be measured against this yardstick in determining their underlying contribution to societal improvement, as well as measuring their specific tangible outputs and outcomes.

Linked to this, the future of new social partnerships depends critically on whether they prove capable of delivering societal benefits that cannot be achieved more effectively through other means. To be effective they will need to demonstrate clear added-value at the:

- ↳ **local level** in building sustainable livelihoods and improving quality of life, in ways that actively and practically engage local communities and beneficiary groups; and
- ↳ **strategic level** in helping national and international government bodies to create an enabling environment for more proactive and innovative approaches to addressing socio-economic problems.

New social partnerships *can* be effective at both the local and strategic level, but will not *necessarily* be so. The conditions under which they can be successful have been highlighted through our exploration of dynamic pathways and mechanisms for scaling-up. The challenge is to make it more likely that the positive dynamics will prevail. The following factors will be especially important:

- ↳ **Visionary and empowered leadership** combined with pragmatic operational processes. Leaders in business, government and civil society need to innovate, experiment and take risks today in order to build new forms of governance for tomorrow. Equally, each participant needs to mobilise and

make available its strongest and most appropriate skills, resources and competencies to give new social partnerships a chance to succeed;

- ▷ **Capacity building.** There is a need to develop new skills and to change attitudes in business, government and civil society organisations so that they are better equipped for working in partnership with each other; and
- ▷ **Rigorous evaluation and learning.** For experimentation to be useful, there is a need to recognise and understand both failure and success. This requires a careful, on-going assessment of experience as it emerges, as well as communication of the lessons that arise. A common language for such assessment will be invaluable.

## Concluding Remarks

Recent years have seen escalating support for the formation of new social partnerships to underpin a wide variety of activities and public interest agendas, ranging from health and education to large-scale urban regeneration initiatives. There is a growing recognition of the value of these partnerships. Opinion is divided, however, as to their broader impacts and potential. There are many who see the pervasive growth of such partnerships as a further retreat of public accountability. They see them as diminishing the state's rightful role to act in the public interest and to support the weak in society. From this perspective, partnerships have a well-defined and bounded role to play, but must be accompanied by democratic government that ensures that the needs of those not covered by their beneficial effects are met.

On the other hand, there are those who view the emergence of partnerships as a revitalisation of our understanding of the public interest. From this perspective, such partnerships are seen to offer a hopeful route for shaping a future where social exclusion is at least minimised and public accountability is created anew as a tangible, practical reality.

With evolving experience on the ground it is now becoming possible to distinguish success from failure and opportunity from threat. One size clearly does not fit all, and there is a need to encourage a more refined process of partnership development and implementation. Equally, there is a need to know when a partnership approach is simply not appropriate.

This report seeks to promote learning about new social partnerships and how best to encourage their successful development. Through this and its other activities, the Copenhagen Centre hopes to highlight how partnerships can be developed in appropriate ways and applied to situations where they can be effective in addressing societal goals.

# Appendices

## **I Acknowledgements**

## **II The Copenhagen Centre Board and Advisory Forum**

## **III Examples of some European 'Business in Society' coalitions and learning networks**

Box 24 Our Common Concern – Denmark

Box 25 Swedish Jobs and Society – Sweden

Box 26 Sodalitas – Italy

Box 27 Business in the Community – UK

Box 28 Fundación Empresa y Sociedad – Spain

Box 29 Entreprendre pour la Cité (IMH) – France

Box 30 European Business Network for Social Cohesion

Box 31 The Prince of Wales Business Leaders Forum

Box 32 The Cecile Network

## **IV Bibliography and references**

## **V Useful websites**

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## II The Copenhagen Centre Board and Advisory Forum

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### III Examples of some European 'Business in Society' Coalitions

#### **BOX 24: OUR COMMON CONCERN: The Danish experience**

*Local social partnerships arise not only on the basis of local problems, but in an interplay between these local problems and central political priorities. Connected to this, partnerships are often vulnerable to changes in the surrounding institutional or political structure.*

Hans Bach, Discus

The 'Danish Model' has historically involved a clear distinction between labour market and social policy, with the former being handled by the Ministry of Labour and the latter by the Ministry of Social Affairs. Throughout the 1990s, however, it became apparent that this distinction increasingly failed to engage with the actual dynamics of social exclusion that arose in large part through labour market processes. The approach evolved by the Ministry of Social Affairs after 1994 sought to re-align their scope in the light of this understanding. This approach has underpinned the rapid growth of new social partnerships, at national, regional and particularly local levels.

In January 1994, the Ministry of Social Affairs launched the campaign 'Our Common Concern – the social commitment of companies'. This initiative was an acknowledgement of the fact that social welfare is not solely the concern of the public sector, but also the responsibility of the individual citizen, the workplace and the local community. It also sought to increase awareness of the connection between developments in socio-political problems and the labour market. Since 1994 a number of initiatives have taken place in connection with this campaign, aimed at creating better co-operation between private companies and public authorities.

These initiatives have included the following:

- **National Network of Business Executives**

This was established in 1996 on the direct initiative of the Minister for Social Affairs, Karen Jespersen. The network's overall objective is to help limit social exclusion and increase integration on the labour market. It aims to achieve this goal by: acting as an advisory body to the

Minister; contributing to the debate on the social responsibility of companies; and leading by example in implementing practical initiatives in the workplace and local communities. The network currently consists of 15 business leaders from private and public companies which together employ more than 85,000 people. Although not representative of Danish companies, the network covers a range in corporate size (from 15 to 30,000 employees); lines of business (from production to service companies); and geographic location.

- **Dialogue with the social partners**

The campaign has maintained an ongoing dialogue and interaction with the social partners – the Danish Federation of Trade Unions and the Confederation of Danish Employers.

- **Regional business networks**

In 1997, as a result of a series of regional conferences hosted by the National Network of Business Executives and the Danish group of the European Business Network for Social Cohesion, five regional business networks were established. Their aim is to provide a framework for developing partnerships with other companies and public authorities at the local level in order to undertake concrete actions. These regional networks have mobilised over 120 companies and are facilitating and inspiring a variety of new social partnerships and public-private dialogues.

- **International learning and leadership**

Under the auspices of the campaign the Danish government played a key role in promoting public-private partnerships and the role of corporate social responsibility at the United Nations Social Summit in 1995. This was

followed in 1997 by the hosting of an international conference on New Partnerships for Social Cohesion and the establishment of The Copenhagen Centre, to stimulate partnerships between the public and private sectors for promoting social cohesion.

• **Supporting local level action**

The Ministry for Social Affairs and its business partners recognised the critical need to underpin campaigning and dialogue at the national level with concrete actions and examples at the local level. To support this need, the Ministry established a pool of ‘seed funding’ to act as a ‘nurse’ for new social partnerships. This funding, together with the activities of regional business networks and individual companies, has led to a variety of projects and partnerships at the local level.

One such project has been ‘**Project Job Retention – 34K**’. This project is aimed at:

- (a) increasing the level of retention of employees affected by long-term sickness or disability;
- (b) encouraging the integration into the workplace of unemployed people with reduced working ability.

It seeks to achieve this by bringing together through local partnerships the insights, competencies and opportunities afforded by key actors from the public sector and the business community.

One business that has engaged with 34K at a local and subsequently a national level has been **Post Danmark**, the national post company. Employing 30,000 people across the country, this soon-to-be privatised state monopoly is one of the largest single businesses in the country.

Most local partnerships in Denmark are nested within national-level agreements, similar to the approach underlying the Dutch Polder Model. So in 1995, Post Danmark, along with other state enterprises, made an agreement with the Ministry of Finance to build a ‘social chapter’ into its collective bargaining agreement. This committed the company to make an active and on-going commitment to contributing to the government’s broader labour market strategy to combat social exclusion. This obligation was subsequently passed down to the company’s various departments and regional and local

operations. In engaging with this commitment, Post Danmark first linked into the 34K project in early 1998. During the following period to date, the company established partnerships with 50 municipalities, of which 9 are actively involved in the 34K project.

A recent evaluation has sought to establish whether 34K has been effective, although the initiative has only been fully operational for a relatively short period of time. The evaluation suggested modest but significant achievements:

- Greater visibility and clarity for businesses involved as to what were the issues in relation to, and how to better handle long term sickness in building greater security for employees in the workplace.
- Specific gains in the form of a number of people with long term sicknesses being sustained in employment.
- General gains at the local level through the evolution of a partnership approach that was seen by all parties to offer potential for continued collaboration in a broadening range of areas in the future.
- Broader gains in that the learning from the partnership process has already been used in the formation of other partnerships between other municipalities and companies.

The 34K project is based on the straightforward premise that bringing previously separated people together with some limited resources to consider very specific, tangible problems will create positive change. It required no particularly exotic methodology, and in most cases the expertise that already existed at the local level was more than adequate once mobilised in a more integrated and activated manner.

It is perhaps too early to draw too many firm and more generalised conclusions from this case. One lesson that does clearly emerge, however, is the value in implementing often remarkably simple ideas that break through knowledge ghettos, and thereby catalyse people to try new approaches to solving old problems.

*Source: Extracted from Briefing Paper on Social Partnerships in Denmark (1999), prepared for the Copenhagen Centre by Hans Bach.*

## BOX 25: SWEDISH JOBS & SOCIETY FOUNDATION

### Context and purpose

The national Swedish Jobs and Society Foundation (SJS) started in 1985. Its first local project was to tackle the problems concerning the Kockums steel plant in the Swedish city of Kallinge. The plant was closed in 1985 creating job losses and the need to develop alternative sources of employment and local wealth generation. Drawing on the experiences of Enterprise Agencies in the UK, the Ronneby Enterprise Agency was established in Kallinge by Swedish Jobs and Society Foundation in 1985, with the support of Volvo, who owned the steel plant, the local authorities and local business community. Jobs and Society undertakes the following activities.

- a national network of over 80 Enterprise Agencies providing free advice for pre-business start-ups, discounted service rates and management tools for business start-ups; and
- running trade fairs and seminars on 'starting and managing a business' throughout Sweden.

### Participants

One of the unique assets of Jobs and Society is its system of interlocking networks consisting of:

- **Enterprise Agencies** – established at the local level;
- **Institutional supporters** – both local and national, corporate and public sector;
- **Individual advisers and volunteers** – drawn mainly from local business supporters and local authorities;
- **Customers** – entrepreneurs who come to the Enterprise Agencies for free advice and contacts.

At the heart of this system are the local supporters – local businesses, banks, insurance companies, chartered accountants, local and regional government authorities and other experts – who provide funding, facilities, management support, technical expertise and volunteer advisers to the local Enterprise Agencies.

### Outcomes

SJS has been successful in meeting its social aims and since 1985 has created more than 40,000 new enterprises (less than 4% of which have gone bankrupt after 5 years). Interviews with corporate supporters highlight a number of business benefits that SJS has been able to promote and deliver on. These include: improvement in the quality of local supply chains; increased demand for goods and services; improved access to and understanding of small business customers; reputation enhancement; brand differentiation; practical support in situations of downsizing and restructuring; and staff development and skills enhancement.

The following factors have contributed to SJS's ability to scale-up on a national level and to reach the number of people that it has done:

- 1) Its ability to attract and sustain **active and practical business engagement** of both large-scale and smaller companies and at both the national and local level. This has been achieved by a clear strategy of identifying, promoting and managing SJS's business benefits and by engaging the 'human capital' of companies as well as their financial capital;
- 2) Its ability to play an **intermediary role** between different partners; between local and national levels of action; and between practical 'hands-on' support and more general networking;
- 3) Clear and focused **aims and methodologies**. SJS has developed a structured framework that can be replicated and shared widely, but also tailored locally to meet different needs and situations.
- 4) **Clear operating principles**. SJS has established a set of principles that govern its operations and relationships.

**INTERNATIONAL NETWORKS**

1. Organisations that influenced the creation OF SJS
  - St Helens and London Enterprise Agencies and
  - Business in the Community in the United Kingdom;
  - The Aspen Institute in the USA
2. SJS's current international network supporting other countries
  - European Business Network for Social Cohesion
  - Bilateral linkages with countries such as Finland, Denmark, Estonia and Latvia.

**ENTERPRISE AGENCIES**

- > 80 in Sweden
- ECU 50,000 budget each
- 1-2 full-time staff and network of 40-50 volunteer advisers

**JOBS CREATED**

- Each new enterprise creates an average of 3.3 jobs.
- On this basis, SJS has supported the creation of > 100,000 jobs since 1985
- In 1999 SJS contributed to the creation of more than 20,000 new jobs.

**TRADE FAIRS AND SEMINARS**

- Initiated in 1993
- >3,000 companies have exhibited at trade fairs
- > 80,000 people have visited SJS fairs and seminars
- > 900 local seminars held in smaller cities

**INSTITUTIONAL SUPPORTERS**

- > 30 companies at the national level (listed below)
- > 2,500 local supporters
- 2/3 local business and 1/3 public authorities



**NEW ENTERPRISES**

- > 40,000 established since 1985
- > 50% in the service sector; > 30% in trade
- > 75% of business start-ups are still in existence after 5 years
- < 4% of which have gone bankrupt after 5 years

**CUSTOMERS**

- > 100,000 people have received advice since 1985
- many are previously unemployed
- approx 45% are women
- in 1999 there were over 15,000 face-to-face interviews

**INDIVIDUAL ADVISERS**

- > 3,500 volunteers from local businesses, banks, insurance companies, lawyers, public authorities

**OPERATING PRINCIPLES**

1. Activities are to be geared primarily to new business enterprises.
2. The primary activity will be consulting at no cost.
3. Consultation will be confidential.
4. Enterprise Agencies will operate through a network of consultants.
5. The financing for operations will be provided primarily by the contributions of local businesses.
6. Financing from interested organisations will be effected on an annual basis.
7. Enterprise Agencies will be neutral via-a-vis all interested parties.
8. The premises of Enterprise Agencies will be independent of other businesses.
9. The Board of Directors will consist mainly of local business representatives.
10. The Enterprise Agencies should not work outside their geographic region, except in co-operation with Jobs & Society.
11. Jobs & Society will start all Enterprise Agencies and contact nearby agencies when a new one is created.

**JOBS AND SOCIETY'S SPONSORS:** AB Svenska Shell • AB Volvo • ALMI Företagspartner AB • AMF Försäkring • Arbetsmarknadsstyrelse – AMS • Asea Brow Boveri • Astra Zeneca AB • Celsius AB • Dun & Bradstreet Sverige AB • European Business Network for Social Cohesion • FöreningsSparbanken • Företagarnas Riksgorganisation • Industrifonden • KPMG Bohlins AB • Lindebergs Revisionbyrå AB • Länsförsäkringar AB • 3M Svenska AB • Microsoft • Merita Nordbanken • Närings – och Teknikutvecklingsverket – NUTEK • Posten Sverige AB • Scania AB • Skandia • Svenska Arbetsgivarförbundet – SAF • Svenska Industritjänstmannaförbundet – SIF • SEB • Telia AB • Telinordia • Trygghetsstiftelsen • Öhrlings PricewaterhouseCoopers AB

## BOX 26: SODALITAS

*Historically, Italian companies have limited their community investment to financial support for the arts and culture. Solving Italy's social and economic problems was, until recently, seen to be the role of government or voluntary organisations. Things are now changing.*

European Policy Centre, 1999 *Job Creation through the third sector*

### Context and purpose

As companies in Italy become more actively involved in addressing social problems there is a growing need to develop the skills, linkages and capacities for them to work effectively in partnership with voluntary organisations and public authorities. In recognition of this need, Italy's largest regional employers association with some 4,700 members, Assolombarda, promoted the establishment of Sodalitas in 1995.

Sodalitas, the **Association for the Development of Entrepreneurship in the Social Economy**, is a non-profit intermediary organisation which aims to:

- Enhance the services provided by non-profit organisations in Italy by sharing managerial skills and competencies developed in the corporate sector;
- Act as an intermediary between companies, social co-operatives and voluntary associations;
- Mobilise the knowledge and experience of retired executives and professionals as voluntary consultants to non-profit organisations; and
- Encourage new forms of corporate involvement – especially partnership initiatives and employee volunteering and secondments – to enable companies to contribute to solving social problems.

### Participants

Sodalitas operates at the interface of the following partners:

- **Assolombarda** – the employer federation, which provides Sodalitas with funding, facilities, equipment, services and valuable contacts with companies, the media and policy makers;
- **Corporate members** – major Italian and international companies – which include ABB, Alcatel, Bracco, Falck S.p.A, Hewlett Packard, IBM, Ideal Standard, Levi Strauss, Magneti Marelli, Montedison, Nestlé, Pirelli, Protti, RCS Editori, Siemens, Sherine, Saras,

Snam, Telecom Italia, Unicredito, Unilever and Whirlpool – provide funding, secondees, volunteers, partnership opportunities etc.;

- **Individual members** – retired executives and professionals who commit to a minimum annual level of 50 days voluntary consultancy work to non-profit organisations every year, operating through clusters which are structured around target groups or management skills; and
- **Project partners** – companies, non-profit organisations, co-operatives, local and regional government bodies, trade unions and other business associations, which get engaged in specific projects.

### Outcomes

Since 1995 over 200 projects have been initiated and some 80 completed. These have included: advisory services to community partnerships and non-profit organisations; management training initiatives; an experimental micro-credit project and several job creation programmes.

Three examples of new social partnerships that Sodalitas has helped to create are described on the opposite page. They illustrate the added-value that different sets of skills, resources and capacities can bring to solving social problems. In these and other examples, Sodalitas has demonstrated the critical role that intermediary leadership can play in building and sustaining new social partnerships. It has:

- identified specific social problems and potential partners for addressing these;
- brokered relationships between these partners;
- provided consultancy support to help different partners develop appropriate management skills, processes and organisational structures;
- sourced seed-funding for pilot projects;
- accessed international good practice and project ideas;
- provided marketing support and awareness-raising of

new partnerships;

- encouraged member companies to get engaged in specific 'hands-on' projects; and
- developed a network to share examples and experiences in different parts of Italy.

### **1. Banking the 'unbankables' A partnership to provide microcredit to marginalised people**

Sodalitas has collaborated with Bocconi University to help establish a partnership between UniCredito – a federation of Italian banks – and Fondazione San Carlo – a charity linked to the Milan archbishop and focused on alleviating poverty in marginalised communities, with input from retired bankers and other professional volunteers.

Still in its pilot phase, with a few microcredit projects already funded, the overall purpose of the partnership will be to provide microcredit and advice to aspiring entrepreneurs from some of Italy's poorest communities. Each of the partners has contributed to the initiative in the following ways:

#### **Unicredito**

- Seed-funding of EURO 100,000

#### **Fondazione San Carlo**

- Identification of borrowers
- Management of loan funds

#### **Bank retirees and professional volunteers**

- Support to evaluation committee
- Mentoring and advice to entrepreneurs

#### **Sodalitas and Bocconi University**

- Feasibility study
- Compliance with banking regulations
- Benchmarking of similar projects in France, Belgium and the USA
- Advice on process and ongoing management and organisation issues.

### **2. From waste creation to job creation**

Sodalitas has worked with:

- Masotina, a small family-owned wastepaper recycling company; and
- CGM, a national consortium of over 500 social co-operatives; to establish a business partnership which collects and processes office wastepaper and provides work and integration opportunities for socially

excluded people, such as immigrants, ex-prisoners, ex-drug addicts and the disabled. It was initiated as a pilot project in Milan, with a contract to collect waste paper from several companies contracted by Sodalitas. The scheme has also been extended to Torino.

Sodalitas, Masotina and CGM are all represented on the project team which is responsible for supervising operations, evaluating results, developing and expanding the initiative. Masotina provides the necessary skills training and facilities for the collection and processing of wastepaper and benefits from a new, low cost source of materials. CGM operates the whole collection to transport cycle, from placing special containers in the offices to delivery to Masotina. Sodalitas helped to establish the partnership by drawing on the experience of Whirlpool, one of its corporate members. The project was designed along similar lines to a programme run by Whirlpool in the USA. Sodalitas also provides ongoing management and advisory support to the project team and encourages its corporate members to participate in the programme.

### **3. Solidarity Agency A partnership to promote work integration of prisoners**

The 'Solidarity Agency' was created in 1998 to break the cycle of crime-prison-unemployment and to develop new paths for social integration through vocational training, work experience and easier access to the job market for ex-offenders. The initiative is a partnership between: manufacturer associations (Sodalitas on behalf of Assolombarda, API to represent small and medium enterprises); craftsmen or handicraft associations (Confartigianato, CAN and APA); trade Unions (CGIL, UIL, CISL); social co-operatives (Lega, Confcooperative, AGCI); Caritas Ambrosiana; and city and provincial authorities.

Each partner provides different support services and resources focused around two key areas of:

- vocational training to improve employability; and
- enterprise development projects, including the creation of new social co-operatives both inside and outside the jails. The 'Solidarity Agency' currently works in three prisons in the Milan province, with a total population of about 3,000 inmates. At a later date it hopes to serve as a model for other prisons and cities in Italy.

## BOX 27: BUSINESS IN THE COMMUNITY

*The engagement of these companies in a wide range of activities is taking place against the backdrop of a Government which recognises the central role of business in promoting social development and cohesion in their communities.*

Sir Peter Davis, Chairman The Prudential and Business in the Community

### Context and purpose

In the early 1980s inner-city riots ripped through several of Britain's major cities, causing severe injuries and millions of pounds worth of damage. This sent a strong message to business leaders on the connections between economic prosperity and social cohesion (a concept rarely used 15 years ago). Business in the Community (BITC) was established in 1982 partly in response to this message, with the aim of mobilising companies to help tackle socio-economic problems in communities around the UK.

Over the past 16 years, BITC's core purpose has remained the same, but its means for achieving it have evolved in response to changing economic, social and political circumstances.

### Participants and organisation

BITC's core support and direction comes from a corporate membership of about 400 companies, including 80% of the country's top 100 corporations. It operates through a national office and 11 regional offices. Although essentially a business-to-business partnership, BITC has placed increasing emphasis on building new social partnerships with government bodies and voluntary organisations at the national, regional and local levels. Almost every single one of its campaigns and local action initiatives consists of close working relationships, and in many cases formalised partnerships, between business and these other sectors. These range from government officials and community leaders who serve on BITC's leadership teams, to funding agreements and joint service delivery at the local level.

### Outcomes

Over the past 15 years Business in the Community has mobilised thousands of companies and other actors around a wide variety of campaigns and local projects.

Although not possible to detail all these in this profile, the diagram on the opposite page gives some idea of:

- the range of socio-economic issues which the organisation addresses; and
- the leverage impacts of its ability to work with a range of private, public and voluntary sector partners at local, regional, national and international levels.

Recognising the growing importance of being able to measure outcomes and impacts, BITC has recently launched a major initiative called 'Impact on Society' aimed at improving business practice on measuring and reporting their societal impacts and relationships.

BITC has followed many of the pathways to success outlined in this chapter:

- It has developed and retained a clear **common purpose** and been effective in mobilising business and other partners around this purpose. It has achieved this by being increasingly clear on understanding and communicating the business, societal and process benefits of partnership;
- Its use of cross-sector **leadership teams** has ensured a sense of personal and organisational 'buy-in' and an 'ownership of outcomes' by some of the country's most respected business, public and voluntary sector leaders;
- Its commitment to operate at both **a national and local level** and to combine both **policy and practice**, has enabled it to achieve scale, without losing local relevance and delivery capabilities;
- Its ability to **adapt** its working methodologies, organisational structure, communications and measurement processes to meet changing demands and realities has also been key.

## The leverage of a partnership network

- OVER 400 MEMBER COMPANIES
- PRIVATE, PUBLIC AND CIVIC LEADERSHIP TEAMS
- INTERNATIONAL LINKAGES with EBNSC and its national affiliates in Europe; the Prince of Wales Business Leaders Forum and its global affiliates; and Business for Social Responsibility and its members in the USA.



### NATIONAL CAMPAIGNS AND PROGRAMMES

Hundreds of companies working with each other and with government departments and national voluntary organisations to: raise awareness; build capacity and leadership skills; promote the business case; influence policy; achieve scale; and translate to delivery at the regional or local level.

- LEADERSHIP DEVELOPMENT 'Seeing-is-believing' for senior managers  
Partners in leadership with headteachers over 600 senior managers engaged  
Twinning with business and voluntary CEOs
- EDUCATION  
Aim High – quality improvement in schools.  
Time to Read – new national campaign to support successful reading schemes
- DIVERSITY  
Opportunity Now (women in the workplace) over 300 companies  
Race for Opportunity (ethnic diversity) over 100 private and public partners
- ENVIRONMENT  
Business in the Environment engaging 74 of top 100 Companies/ helping suppliers and SMEs
- EMPLOYMENT  
Welfare-to-work and New Deal with the government  
Close links with other programmes outlined
- HOMELESSNESS  
Joint campaign with CRASH, government departments and other major social welfare and housing organisations
- DRUGS  
Business, government, schools and youth organisations
- COMMUNITY INVESTMENT  
Principles, awards, advice and percent club (300 members)
- MARKETING  
Principles and advice on cause-related marketing
- VOLUNTEERING  
National initiatives such as UK Cares with local delivery

### REGIONAL AND LOCAL ACTION

Thousands of local companies and subsidiaries of national members working with local authorities, schools, enterprise agencies, community organisations and individual volunteers to ensure strong delivery partnerships and practical outcomes at the local level.

- REGENERATION ACTION AREAS  
40 areas for local action
- PROFESSIONAL FIRMS GROUP  
Over 500 firms giving free legal, accounting and other advice
- LOCAL INVESTMENT FUND  
Loan finance for community Enterprises, leveraged with banks
- BUSINESS BRIDGE  
Linkages between large and small businesses via business links network
- BETTER TOWNS  
Support for small rural towns
- REGENERATION THROUGH HERITAGE  
Finding economic uses for vacant heritage buildings
- COMMUNITY ENTERPRISE AWARDS  
Financial awards to community and social entrepreneurs

## BOX 28: FUNDACIÓN EMPRESA Y SOCIEDAD

### Context and purpose

The word 'partnership' does not appear in Spanish dictionaries. Nor do profit-making, private enterprises have much of a tradition of engagement in social affairs in Spain, beyond philanthropic donations to the arts and sport. In the past the Catholic church and related community organisations have been largely responsible for supporting the socially excluded. There have been few linkages between these organisations and the business world. There is, however, growing evidence in Spain of the practice of corporate social responsibility and new social partnerships between business and the public and voluntary sectors. One organisation that is playing a key role both in gathering this evidence, and in promoting increased societal engagement on the part of business, is Fundación Empresa y Sociedad (FES).

Established in 1995, FES's mission is to encourage and promote corporate community involvement in Spain. In particular, it aims to leverage the technical, financial and human resources that companies can provide to marginalised groups in society and to build a business case for doing so.

### Participation and outcomes

FES is a membership-based organisation and currently has about 35 corporate members, with another 45 companies supporting specific projects and 5 professional services firms offering free advice to community organisations.

It operates through a programme of:

- general awareness raising – including research, publications, award schemes, cause-related marketing and public-private dialogues; and
- direct advice and operational assistance – to companies and other actors wanting to get engaged in concrete community partnerships.

An example of the latter is the "Employment for Integration" partnership in Madrid. Carried out in co-operation with the public authorities, local training institutions and companies – this programme aims to help unemployed people make the link between training and the workplace.

FES acts as the day-to-day co-ordinator of the project. It identifies unemployed people who have been on public training programmes for a year and helps them to get interviews with companies in FES's network. If employed, professionals in FES then monitor their progress for the first few months. If the company and employee are satisfied after a three month testing period, then a work contract is signed. If not, FES works with both parties to identify training and skills deficiencies and helps the employee back into training to address these. Although the project is still small, it illustrates an important development in Spain where public sector training institutions are developing more co-operative links with the business world. FES is playing a critical intermediary role in building the bridges to make this happen. It is able to utilise its network of corporate supporters to arrange interviews and job placements. It can also provide feedback from the companies on whether the public training system is meeting the needs of the workplace. Equally, it understands the training system and can help both the companies and unemployed job-seekers locate appropriate courses and services.

## BOX 29: ENTREPRENDRE POUR LA CITE (IMH)

### Background

IMH was established in 1986 by a group of company executives with the aim of encouraging and helping businesses to develop their corporate citizenship activities. It acts as an intermediary organisation between its member companies and other partners from government and civil society with the core aims of:

- Providing advice and support to companies setting up corporate citizenship programmes;
- Serving as a forum for debate and the exchange of experiences and good practices to facilitate the transfer of innovative initiatives;
- Participating in national and international networks that are promoting corporate citizenship; and
- Liaising with the media to increase general awareness of corporate citizenship issues and provide recognition for the companies that are playing a leadership role.

Although IMH's main focus is on France, it also provides support to French companies that are operating internationally.

### Participants and activities

IMH has over 80 members consisting of both French companies and multinationals operating in France, drawn from a range of industry sectors. Its board is currently chaired by the president of Group AXA, one of the world's leading insurance companies.

The organisation also works with other partners, including the following:

- European intermediary organisations – The European Business Network for Social Cohesion; the Cecile Network; Business in the Community and the Copenhagen Centre;
- Government bodies – such as the Ministries of Employment and Foreign Affairs and the inter-ministerial delegation on the social economy and social innovation;
- AMF – the association of mayors in France (recognising the critical leadership role played by mayors at the local level);

- MEDEF – the French employers' federation which represents the interests of French business.

IMH's activities are focused on the following issues: workplace policies; entrepreneurship; community affairs; communication instruments and measurement of corporate responsibility impacts; employee involvement; and education.

It spends about 60% of its time and resources focused on helping companies with specific projects and issues; about 20% on events aimed at raising awareness, skills and contacts; 10% on research and 10% on lobbying activities.

One of IMH's key activities is organising a nation-wide conference called "HUMAGORA" which is held every two years. This trade show draws together companies working on programmes to tackle social exclusion. It aims to foster information exchange between corporate responsibility players and encourage more corporations to become involved in community issues. The third HUMAGORA took place in February 1999 and was attended by more than 2000 people. These included: business leaders (Presidents, human resources managers, corporate affairs managers); members of government ministries and public sector bodies; leaders of associations; and the media. The conference provides an opportunity for company Presidents to speak about their strategic reflections on corporate responsibility, their motivation for involvement and the results of their actions. At the same time it facilitates workshops for business managers on how to develop practical corporate citizenship projects with local partners and provides an opportunity for learning about new issues and different kinds of community engagement from the perspective of different industry sectors and company sizes. The conference also raises awareness on strategic trends in corporate responsibility elsewhere in Europe.

Other business in society initiatives in France include: FACE (Fondation Agir Contre l'Exclusion) which is described briefly on page 38 and CIME (Comiti & Information et de Mobilisation pour l'Emploi). Information on these and other 'business in society' coalitions can be obtained from the EBNSC resource centre.

## BOX 30: THE EUROPEAN BUSINESS NETWORK FOR SOCIAL COHESION

*The voluntary and public commitment of business leaders is needed to show that they are working both in the interests of individual companies and society-at-large. The financial markets must also be convinced that combating social exclusion and not concentrating resources solely on improved productivity and competitiveness is in the interest of all.*

Etienne Davignon, Chairman, Société Générale de Belgique and EBNSC

In January 1995 a group of 20 of Europe's leading companies signed an unusual statement. *The European Declaration of Business Against Exclusion* was not a negotiated document or a binding agreement. It was a message from a group of business leaders to their peers aimed at heightening awareness of, and involvement in, business action against social exclusion. The declaration recommended five areas in which action could be taken by the signatory companies and other private enterprises:

- Promoting integration in the labour market;
- Helping to improve vocational training;
- Avoiding exclusion within the business, minimising redundancies and providing for appropriate measures when they were inevitable;
- Promoting the creation of new jobs and businesses; and
- Contributing to social integration in particularly deprived areas and of particularly marginalised groups.

Further dialogue on these issues led to the establishment of the European Business Network for Social Cohesion (EBNSC) in 1996. Today, the network is a business-led membership organisation, operating at the hub of the growing corporate responsibility movement in Europe.

Supported by some of Europe's leading companies, EBNSC has established a network of national partner organisations in 11 countries. This group of organisations, ranging from private organisations to non-profit 'business in society' coalitions, have been working in this subject area for varying lengths of time. They each focus on issues specific to their own countries, but all have a common interest in:

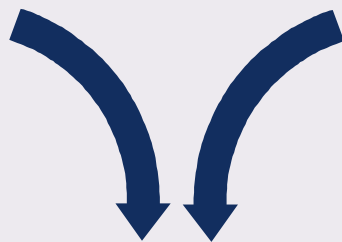
- mobilising business resources and competencies specifically for social purposes; and
- building new types of partnership between companies and between the business sector, government bodies and civil society.

EBNSC operates as a campaigning, capacity building and information sharing network for both its corporate members and its national partners. It provides a resource centre on corporate social responsibility on the internet and organises conferences and policy dialogues at the EC level. Currently it runs six learning programmes in the following areas: Gaining from Diversity (see Box 14); societal marketing; entrepreneurship; and moving 'business in society' issues onto the teaching and research agendas of European universities and business schools, a programme being run in partnership with the Copenhagen Centre. Unlike its national partners, EBNSC does not broker community level partnerships, but plays a valuable role in identifying good practice and sharing this with different industry sectors, countries, policy makers, academics and the social partners.

## Corporate Members

### COMPANY MEMBERS currently include:

BT  
FRANCE TELECOM  
IBM  
J&J  
LEVIS  
AER RIANTA  
BAYER  
BP AMOCO  
COCKERILL SAMBRE  
DIAGEO  
EDF  
FALCK  
GENERALE  
HONEYWELL  
L'ORÉAL  
NIKE  
PORTUGAL TELECOM  
RABOBANK  
RANDSTAD  
SHELL  
SPAR NORDBANK  
TELECOM ITALIA  
VW  
DIOGUARDI  
GLAVERBEL



**EBNSC** is a business-led membership network with national partner organisations, whose mission is to:  
Encourage and help companies to prosper in ways that stimulate job growth, increase employability and prevent social exclusion, thereby contributing to a sustainable economy and more just society.



## Other partners and observers

The European Commission  
The Social Partners – UNICE, ETUC and CEEP  
The Copenhagen Centre  
The Prince of Wales Business Leaders Forum  
Business for Social Responsibility in the USA  
The World Bank  
Cecile Network

## National Partner Organisations

### Fundación Empresa y Sociedad in Spain

Founded in 1995 an independent initiative supported by companies and professional firms.

### Discus in Denmark

Carrying out research and building relationships between companies, local authorities, government ministries and labour market organisations.

### Swedish Jobs and Society in Sweden

Established in 1985 with the support of Volvo, local authorities and local business to promote job creation at a local level.

### Business in the Community in the UK

Set up in 1982 to increase the business contribution to social and economic regeneration, now has over 400 member companies.

### Fondation Agir Contre 'Exclusion in France

Created in 1993 through a business and ministerial initiative to facilitate business involvement in deprived communities. Now with over 550 corporate members and partnerships with public institutions and grassroots organisations.

### Belgium Enterprise Network for Social Cohesion

Launched in 1998 by six companies to raise awareness of social cohesion and support job creation. It is supported by over 30 companies and various business associations and social organisations.

### Enterprises dans la Cité in Switzerland

A private initiative to promote corporate citizenship and partnership between companies and non-governmental organisations.

### CIME in France

Founded in 1993 to support local job creation initiatives, supported by major public sector companies, private companies and individuals.

### IMH – Entreprendre pour la Cité in France

A non-profit organisation created in 1986 to serve as a think-tank and information exchange on the 'corporation and the community' and to provide advice to over 100 corporate members.

### Sodalitas in Italy

Established in 1995 by Assolombarda, the largest employer's federation in Italy, with 14 founding companies and a group of volunteer consultants. It aims to build the capacity of social economy organisations and partnerships between these and business.

### Samenleving & Bedrijf (Community & Business) in the Netherlands

the national network for social responsibility in the Netherlands, established by representatives of business, government and NGOs, which provides the exchange of knowledge and experience of partnerships for social cohesion.

### SMAER in Italy

Founded in 1982 by the co-operative movement, to help enterprises improve their social and environmental performance, measurement and accountability.

### Parcerias Empresariais e Consultadoria (PEC) in Portugal

A private consultancy created in 1997 to increase understanding of corporate citizenship and build bridges between companies and their communities.

### Talentum in Portugal

A business network for private companies and public enterprises to promote the business case for tackling social exclusion.

### Stakes in Finland

Originally a government research agency. STAKES has now formed into a consortium concentrating on disseminating innovative models.

## BOX 31: THE PRINCE OF WALES BUSINESS LEADERS FORUM

*As new boundaries and opportunities have opened up to business across Europe, so new responsibilities emerge for those who shape communities and economies within a free market. If every international investor took some measure, supported at least one project to assist the wider community and played their role in partnerships with local business leaders and communities, just imagine what could be achieved in our common enterprise of building a new Europe.*

HRH The Prince of Wales, President, PWBLF

### Background

In February 1990, a few months after the Berlin Wall had come down, HRH The Prince of Wales convened a meeting of chief executives from British and American companies to discuss corporate social responsibility. The business leaders at the meeting saw the potential of working together to find practical ways in which the private sector could contribute to social and environmental, as well as economic development in the world's newly emerging markets and fragile democracies. The Prince of Wales Business Leaders Forum (PWBLF) was established to take these ideas forward. Ten years later the PWBLF is an international non-profit organisation that campaigns globally and works locally to promote socially responsible business practices and cross-sector partnerships that benefit both business and society.

### Participants and Activities

The PWBLF has a membership of chief executives, chairmen and directors from 50 international companies who form the Board and Council of the Forum. It works with several hundred other companies through local 'business in society' coalitions in many of the countries in which it operates. Over the past ten years the forum has also established strategic partnerships with the United Nations, World Bank and UK-based Department for International Development and works with hundreds of other public-sector bodies and non-governmental organisations at local, national and international levels.

The forum has three over-riding objectives:

- To promote continuous improvement in socially responsible business practices as an integral element of international business;
- To develop issue and location-based partnerships between business, government and civil society organisations; and
- To help create an enabling environment for corporate responsibility and cross-sector partnerships.

The activities of the organisation range from global public policy dialogue to practical partnership projects in specific locations covering issues such as enterprise development, health, education and training, the environment and the arts. The PWBLF operates in Central and Eastern Europe, the Former Soviet Union, Asia, Africa, Latin America and the Middle East. Its activities in Europe are a critical component of the PWBLF's work and some of these are profiled below.

### Outcomes in Europe

Susan Simpson, the PWBLF's director for regional operations, describes how the legacy of the centrally planned economies in Central and Eastern Europe and Russia has resulted in:

- a shortage of trained and experienced commercial managers, although there is a skilled workforce and a technically well-educated younger generation;
- institutional inadequacies in legal, financial and regulatory systems and a need for substantial public sector reform and more favourable business climate;
- inadequate physical infrastructure in rural areas and poor urban districts;
- environmental problems;
- a need for privatisation and restructuring of uncompetitive state-owned industries;
- high social costs, such as unemployment, corruption, rising crime, lack of social provision for vulnerable groups; and
- health problems, including a decline in the quality and scale of healthcare, falling life expectancy, and an unhealthy workforce.

There has been a dramatic growth in the non-governmental sector and a growing emphasis on the role of business. In many cases there is still mistrust of large corporations and foreign investors and a lack of

understanding on how business can add value to the transition process. Within this context the PWBLF has undertaken a variety of activities to build understanding and practical partnerships between business, government and civil society aimed at addressing societal challenges. These activities have included the following:

#### **Advocacy – Skills Building – Leadership Development**

- Over 100 roundtables, seminars and partnership-building workshops across the region to build awareness of the role of business in development and to stimulate action.
- International and local action learning programmes in the USA, UK, Bulgaria, Czech Republic, Hungary, Poland and Slovakia for leading individuals from all sectors in CEE. This has encouraged direct exchange of experience, encouraging replication and scale-up.
- Publication of case studies and methodologies highlighting socially responsible business practice and partnerships.
- 90 trained partnership practitioners, from all sectors, now acting as catalysts towards business:community action throughout CEE and St Petersburg. They estimate they have already provided over 7,000 more individuals with key skills and information about working with other sectors.
- 22 local organisations from Czech Republic, Hungary, Poland and Slovakia are developing projects with 'seed funding' from a small grants programme being administered by the PWBLF on behalf of Charles Stewart Mott Foundation.

#### **Demonstration Programmes and Projects, developed through local affiliate organisations and partners:**

- 'Autokreacja' (Poland) – a self-development programme for unemployed and disadvantaged young people in collaboration with the Polish National Labour Office.
- 'Manager Shadowing' (Bulgaria, Czech Republic, Hungary, Poland) – a programme offering final-year university students opportunities to shadow a senior business manager for a 2-week period.
- 'Strategies for Survival' (Russia) – a 4 year programme uniting top international museum professionals with senior specialists in St Petersburg and the Moscow, Archangel and Leningrad regions to transfer skills for

managing Russia's cultural heritage in the market economy.

- Youth entrepreneurship programmes, eg 'Romany Youth Entrepreneurship' (Czech Republic); 'Eletpalya - LiveWire' project, providing young entrepreneurs with small business advice and mentoring (Hungary).
- Master Classes (Poland, Hungary) – workshops for small and medium-sized enterprises to discuss ideas and practice with senior managers of big businesses.
- Japanese Executive Management Training for Young Leaders from Eastern Europe – supported by Japanese companies and the Japanese government. Since 1992 it has provided training and work experience in Japan for almost 100 young managers (from Bulgaria, Czech Republic, Hungary, Poland, Slovakia).
- Environmental initiatives – eg 'Green Business Club' (Poland) and the 'Environmental Task Force' (Hungary) looking at promoting greater environmental awareness and sound practices and products; the 'Czech Environmental Award' for Czech and joint venture companies to show the best measurable improvement of working conditions, health and environment in the community.

#### **Examples of Business Involvement**

- A regional network of 'champions', 'intermediaries', 'associates' and mechanisms for mobilising business, eg Business Leaders Forums in Bulgaria, Czech Republic, Hungary, Poland, Ukraine; and the cross-sector Kraków Development Forum.
- At national level, the promotion of projects undertaken by individual companies, such as: Levi Strauss – Romany Entrepreneurship Project (Czech Republic); BOC Welding School (Poland); United Biscuits – Győr Business Advice Centre (Hungary); IDV – Student Master Class (Poland); Shell – youth enterprise initiative (Hungary); ABB – management development centre (Poland); BP Amoco – advisory services for small and medium-sized enterprises to improve environmental management practices (Poland).
- At the local level small businesses are actively involved in nearly 80% of the 49 community based projects which resulted from the PWBLF's partnership-building workshops in 8 towns in Bulgaria (1995-96).

## BOX 32: THE CECILE NETWORK

*Employee community involvement helps voluntary and community organisations to tackle social issues more effectively. It supplements their stretched resources and gives them access to new skills and new ways of approaching problems. Building practical links between community organisations and companies also breaks down barriers, allowing both sectors to work together, understand each other's needs and appreciate the contribution each makes to building a stable and prosperous society...When companies support and encourage their employees to become personally active in the local community, this does not just help to tackle real social needs; it can benefit the company too, in better human resource management and an enhanced reputation, while also addressing the personal interests and concerns of individuals.*

**Michael Tuffrey, Involving European Employees, 1998**

### Background

There has been growing recognition by companies throughout Europe of the value of employee community involvement. In their 1998 report *Involving European Employees*, the UK-based Corporate Citizenship Company defines this as, 'the voluntary activity of employees encouraged and supported by their employers, in their local communities. When this happens during paid company time, it is usually called secondment, and when in the employees' own time, it is known as volunteering.' They describe a range of options including: development assignments, career transition secondments, team challenges, the provision of management and technical assistance and serving as trustees, governors and mentors.

There is great potential to increase the scale and quality of these activities in companies and communities throughout Europe. In 1996, Marks and Spencer, Grand Met (now Diageo) and Levi Strauss Europe supported the establishment of some pilot projects in France and Spain and the identification of organisations around Europe with the capability of delivering employee involvement projects.

Further funding support from the European Commission DG XXIII, led to the creation of the European-wide Cecile Network, aimed at co-ordinating employee community involvement links in Europe and increasing corporate investment in society through these links.

### Participants and activities

The initiative consists of a network of leading voluntary organisations and specialist agencies, including a number of the 'business in society' coalitions described in this report. It is supported by a consortium of private and public sector organisations which includes: the European Commission DGXXIII; Diageo; BP Amoco, British Telecom, IBM Europe; Kellogg, Kimberly-Clark Europe; KPMG; Levi Strauss Europe; Marks and Spencer; Sedgwick (now Marsh McLaren), SmithKline Beecham; United Biscuits; Vivendi and Zurich Financial Services. With logistical support from Business in the Community and the Corporate Citizenship Company, Cecile has established a network of intermediary organisations in 14 countries.

The key role of the network is to work with the corporate sector to:

- convey the business case for employee community involvement;
- identify ways in which employees can be involved in specific community projects to mutual benefit;
- broker and manage these involvement opportunities; and
- share what works in different situations and cultural contexts.

It carries out a wide range of learning activities including the organisation of study visits, seminars and conferences, the training and development of CECILE members, the creation of good practice manuals and promotional literature, a newsletter and an Internet website.

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## V Useful websites

Business for Social Responsibility	<a href="http://www.bsr.org">www.bsr.org</a>
Business in the Community	<a href="http://www.bitc.org.uk">www.bitc.org.uk</a>
Cecile Network	<a href="http://www.cecile.net">www.cecile.net</a>
Confederation of Danish Employers	<a href="http://www.da.dk">www.da.dk</a>
Confederation of Norwegian Business	<a href="http://www.nho.no">www.nho.no</a>
Confindustria, Italy	<a href="http://www.confindustria.it">www.confindustria.it</a>
Danish Federation of Trade Unions	<a href="http://www.lo.dk">www.lo.dk</a>
David Grayson	<a href="http://www.davidgrayson.net">www.davidgrayson.net</a>
Discus	<a href="http://www.discus.dk">www.discus.dk</a>
ETUC (European Trade Union Confederation)	<a href="http://www.etuc.org">www.etuc.org</a>
Fundacion Empresa Y Sociedad	<a href="http://www.f-empresaysociedad.es">www.f-empresaysociedad.es</a>
Innovation through Partnerships Project (DTI, BITC, ISEA and Local Futures)	<a href="http://www.innovation-partnership.org">www.innovation-partnership.org</a>
International Labour Organisation (ILO)	<a href="http://www.ilo.org">www.ilo.org</a>
LEDA-Partenariat Association	<a href="http://www.leda-partenariat.org">www.leda-partenariat.org</a>
Levi Strauss	<a href="http://www.levistrauss.com">www.levistrauss.com</a>
London Enterprise Agency (LentA)	<a href="http://www.lenta.co.uk">www.lenta.co.uk</a>
Marks & Spencer	<a href="http://www.marks-and-spencer-co.uk">www.marks-and-spencer-co.uk</a>
Microsoft	<a href="http://www.microsoft.com">www.microsoft.com</a>
Post Danmark	<a href="http://www.postdanmark.dk">www.postdanmark.dk</a>
Shell	<a href="http://www.shell.com">www.shell.com</a>
Simon Zadek	<a href="http://www.zadek.net">www.zadek.net</a>
Social Exclusion Unit	<a href="http://www.cabinet-office.gov.uk/seu">www.cabinet-office.gov.uk/seu</a>
Sodalitas, Italy	<a href="http://www.sodalitas.it">www.sodalitas.it</a>
Suez Lyonnaise des Eaux, France	<a href="http://www.suez-lyonnaise.com">www.suez-lyonnaise.com</a>
The Ashridge Centre for Business and Society	<a href="http://www.ashridge.com">www.ashridge.com</a>
The Copenhagen Centre	<a href="http://www.copenhagencentre.org">www.copenhagencentre.org</a>
The Council of Economic Priorities	<a href="http://www.cepa.org">www.cepa.org</a>
The Ethical Trading Initiative (ETI), UK	<a href="http://www.ethicaltrade.org">www.ethicaltrade.org</a>
The European Business Network for Social Cohesion (EBNSC)	<a href="http://www.ebns.org">www.ebns.org</a>
The European Commission DG-V	<a href="http://europa.eu.int/comm/dg05">http://europa.eu.int/comm/dg05</a>
The European Foundation for the improvement of living and working conditions	<a href="http://www.eurofound.ie">www.eurofound.ie</a>
The European Roundtable of Industrialists	<a href="http://www.ert.be">www.ert.be</a>
The Federation of Norwegian Commercial and Service Enterprises	<a href="http://www.hsh-org.no">www.hsh-org.no</a>
The Global Reporting Initiative	<a href="http://www.globalreporting.org">www.globalreporting.org</a>
The Institute of Social and Ethical Accountability	<a href="http://www.accountability.org.uk">www.accountability.org.uk</a>
The National Swedish Jobs and Society Foundation (SJS)	<a href="http://www.jobs-society.se">www.jobs-society.se</a>
The Norwegian Confederation of Trade Unions	<a href="http://www.lo.no">www.lo.no</a>
The Prince of Wales Business Leaders Forum	<a href="http://www.pwblf.org">www.pwblf.org</a>
The World Bank	<a href="http://www.worldbank.org">www.worldbank.org</a>
The World Resources Institute	<a href="http://www.wri.org">www.wri.org</a>
UNDP	<a href="http://www.undp.org">www.undp.org</a>
UNICE (Union of Industrial and Employers' Confederation)	<a href="mailto:main@unice.be">main@unice.be</a>
United Nations	<a href="http://www.un.org">www.un.org</a>
World Economic Forum	<a href="http://www.weforum.org">www.weforum.org</a>

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