

Alliances for Sustainable Development

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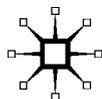
Alliances for Sustainable Development

Business and NGO Partnerships

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Foreword

The environmental crisis – the consequences of which are becoming more and more obvious to a growing number of people (soil erosion, climate change, net biodiversity loss, acid rain, decline of certain natural resources, etc.) – has systemic causes, consequences and solutions. WWF is convinced that it can only be solved through the combined efforts of all social actors: citizens, businesses and governments. At a time when the recent financial crisis is perceived by some as an opportunity to rethink a weakened economic model, companies are in need of, and actually often ask for, information, support and expertise in the environmental field.

At its beginning, in the 1960s, WWF focused solely on natural protection activities (protection of endangered species, fights against forest degradation, watershed protection, etc.). With time, it became apparent that many of the projects we were involved in could not find long-term solutions without the involvement of companies, whose natural-resources consumption and emissions (carbon, waste, toxic products) have a strong impact on the environment. After policies based mainly on confrontation (or mutual ignorance in many cases), we had to develop strategies based on dialogue with business. This led to the creation of the WWF's first 'corporate relations department' in 2001.

These partnerships were not easy to set up, considering the strong differences of the parties involved. As this book by Laurence Schwesinger Berlie shows, NGOs and companies generally possess very dissimilar missions, strategies, levers of power and cultures. Therefore, innovating dialogue and collaboration mechanisms needed to be invented to enable constructive exchanges leading to convincing results. NGOs and businesses have had to learn to know each other and to question both their views and the way they worked. When both parties fully play the game, this double reassessment leads the way to ambitious and hands-on strategies.

Working with companies enables NGOs to better understand the constraints and functioning of business in general, and of specific sectors in particular. This experience is a great asset for us, for

example, during the negotiation of international agreements (such as the Copenhagen Conference in 2009) ; we sit at the negotiation table with a solid knowledge of specific industrial sectors, which enables us to adapt our message and make it more understandable and acceptable to business, making us, therefore, more efficient.

A survey published in France on 13 May 2009* shows that 92 per cent of French people consider corporate–NGO partnerships as ‘legitimate’ and 78 per cent as ‘efficient’ to induce a slack in business environmental impact. While this is rather encouraging, another 49 per cent believe that corporate–NGO partnerships ‘are not credible’ and only lend a hand to greenwashing.

Still, it is important to stress that ‘partnership’ does not mean NGO ‘surrender of principle’, as was shown with the Lafarge project on the Isle of Harris (see Chapter 4). At the beginning of the project, WWF and Lafarge were strongly opposed at the local level, while maintaining dialogue at the international level, which finally prompted Lafarge to understand the risks involved in the project, and abandon it. For WWF, a partnership is a way to open dialogue with a company, and through cross-fertilisation of ideas, help it to develop new insights and new processes that lead to a diminishing of its ecological footprint.

We hope that this piece of research, offering a backstage analysis of corporate–NGO partnerships, will enable readers to better understand the mechanisms of these innovating partnerships, which are often criticised through lack of deep understanding. The numerous examples given by Laurence Schwesinger Berlie show the difficulties and challenges (but also the successes) that companies and NGOs face when they agree to collaborate. The way towards efficient collaboration is often arduous and requires strong will on the part of both parties, in order to overcome the obstacles and criticisms that never fail to arise.

It is now important to capitalise on the learning gained through years of experience, so that companies and NGOs wishing to collaborate can readily access tools that help them meet ambitious goals.

Rather than being an end in themselves, Corporate–NGO partnerships can be considered as one of the possible answers to the growing need to find a better economic and environmental balance.

*Conducted by Ifop, a leading survey company in France, for WWF France.

The public sector also has a fundamental role to play in the definition of the legislative framework regulating companies. The 1987 Montreal Protocol, aimed at reducing emissions responsible for the ozone layer depletion, is one good example. The negotiations on climate change in 2009 are further indications of the need for a strong political commitment in the regulation of economic activities. During these negotiations, NGOs like WWF sit at the same table as business and seek to offer a different perspective and expertise to policy-makers. In some cases, we find ourselves disagreeing with our business partners, but this capacity to 'agree to disagree' is what enables us to go on nurturing our own respective points of view.

Finally, nothing will be achieved if citizens do not play an active role in the process, be it by electing their representatives, supporting NGOs or participating in specific activities (boycotts, demonstrations, etc.). WWF, with its 5 million members, has acquired enough legitimacy to be listened to by politicians and economic actors as a credible representative of civil society.

To conclude, the crisis of the socio-economic model we are now facing can only be tackled through joint action by all actors of society. The sum of individual actions cannot lead to the systemic answers needed to ensure the survival of the planet we live on together.

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Prologue

Sustainable development brings us face to face, perhaps for the very first time, with a concept which is of concern to all social actors, requiring us to turn our back on many of the precepts which have underpinned our current system of development and confronting us with such complex questions that they cannot be solved individually. Consequently, sustainable development can only be based on innovation, a sharing of perspectives and the search for solutions acceptable and accepted by all, from economic, social and environmental standpoints.

Business and NGO partnerships bring together two major social actors who can, because of their complementary nature and the influence they may have on each other, become a relevant driving force for sustainable development.

Businesses respond to alliances with two stages of reasoning:

1. They recognise the need to integrate sustainability into their organisational strategy.
2. They consider an alliance as a relevant tool to this end.

NGOs respond to alliances with two different stages of reasoning:

1. They realise that sustainable solutions cannot exist apart from businesses (i.e. that companies must be involved in the search for a balance between environment and development).
2. They are interested in the economic world and seek to get involved in market mechanisms.

When the subject of NGO–business alliances is raised, it always sparks interest, regardless of the circle one is in. It is a complex subject which raises many questions, the first ones being: “Why do these alliances exist? How are they useful, and why do the partners engage in them?”

Those who have had contact with both sides – the business sector and the non-governmental sector – cannot help but be aware of just

how deeply ingrained prejudices are and just how different the two types of organisation are in their ways of seeing things and working. Another question then arises: 'In view of their differences and their history of conflict, how do these organisations manage to work together? Do these differences have an impact on the success of such alliances?'

Moreover, bearing in mind that alliances can only endure and develop if they obtain results, a final major question arises: 'What is the best way to manage these alliances so they can accomplish their goals?'

These are huge, complex questions and do not necessarily respond to linear reasoning or argumentation. This book is a kind of *exploratory study* of the *whys* and *hows* of alliances. It is far from being exhaustive, and it raises at least as many questions as it answers. But it helps give a clearer understanding of why these alliances exist, who engages in them and how they can be managed.

NGO–business alliances involve a certain number of complex notions which need to be clarified. First, they are related to the concept of sustainable development, which has been readily bandied about by companies who often use it more as a communication foil than for truly changing their practices. Having seen the term so often, no one really knows what it means any more. Second, these partnerships are also linked to the notion of *cross-sector alliances*, and it is important to clarify what these are and what they contribute.

Finally, it is important to offer a working definition of the terms 'companies' and 'NGOs'.

What is sustainable development?

The concept of sustainable development was born out of the recognition that the existing economic system presents social and environmental costs which are too high.

Not only does this system have an impact on biodiversity, health, poverty and the distribution of wealth, but also, it is not sustainable. It uses up resources; it especially uses up natural resources faster than they can renew themselves. In simple terms, the system is sawing through the branch of the tree on which it is sitting.

Some consider that the environmental and social costs are unacceptable. Others are not overly concerned about this aspect, in itself,

but acknowledge that alternatives need to be found to prevent the system from self-destruction.

Both views point to the same need: the need to rebalance economic, social and environmental aspects, so that the system can meet the needs of the present generation without compromising the ability of future generations to meet theirs.¹

This requires innovation in order to find a balance between economic, social and environmental factors (Profit, People, Planet).

It is a challenge and the stakes are far from easy. One of the tools available in this search for solutions is a corporate–NGO alliance.

What is a corporate–NGO alliance?

The term *alliance* is inherited from academic literature on strategic management. It should therefore be taken in its scientific dimension (relating to inter-organisational relationships) and no special connotations should be looked for. In this study, the terms *alliances* and *partnerships* are used indistinctly.

A corporate–NGO alliance is an agreement between partners, which implies working *jointly* to achieve *common goals*. This collaboration is usually based on discussing, promoting and/or establishing solutions which lead to a balance between economic, environmental and/or social goals. It, therefore, goes further than the conventional notion of philanthropy, in which a company funds NGO projects.

The alliance engages the partners on an equal footing, extends beyond the financial dimension and involves the human resources (or part of them) of the organisations concerned.

The alliance may involve an NGO and a business or several NGOs and/or several companies and may be initiated by either of the partners depending on the individual case.

Why are these alliances relevant?

These alliances are one of the tools for achieving sustainable development. They are not the only one, but they are interesting because they enable a sharing of views and a development of practices, which lie at the confluence of the interests of different social sectors. They recognise both the business view and the environmental view

without condemning either of them, which is what confrontation always tends to do, whether consciously or unconsciously.

The main virtue of these alliances is that, by means of a cross-fertilisation of complementary views and resources, they enable solutions to be found which neither actor would have been able to develop alone.

Corporate–NGO alliances enable the partners to do the following:

- pool resources and capabilities
- maximise available resources for social and environmental issues
- offer innovative solutions thanks to the combining of different views
- offer a new paradigm for development integrating economic, social and environmental factors
- find solutions accepted by and acceptable to everyone
- go further than the company would go on its own²
- apply *credible* solutions for society with the NGO acting as a safeguard and guarantor of the reliability of corporate initiatives
- develop risk management and reputation management tools for the company
- meet the expectations of governments and a large part of society

This book assumes the postulate that corporate–NGO alliances are relevant from the sustainable development standpoint. But it also acknowledges that this relevance is not unanimously recognised by companies. Indeed, it is important to admit that what is relevant from the sustainable development perspective is not necessarily considered relevant from the perspective of company strategy – the two perspectives should not be confused. This means that significant systemic changes still need to be made so that economic strategy and social strategy can converge; this is a change that NGO–business alliances can help promote.

Which actors is this study interested in?

This research work examines multinational companies and environmental NGOs in particular.

Multinationals are companies which carry out their activities in several countries.

Multinationals alone account for over one quarter of the world's GNP and are tending to increase in number and size.³ Their investments dominate international capital flows. Due to their sizeable resources and their ability to work effectively on an international level, they are able to create policies which have a significant impact globally.

In addition, multinationals have a catalysing role; thanks to their network of connections and influence, they can bring about changes in the practices of other actors in the economic sphere as well as changes in management theories. Multinationals also receive extensive media coverage. Their responsible practices can serve to promote awareness and education among the general public.⁴

The definition of environmental NGOs is complex. It is not so much the complexity of the term *environmental*, which refers to organisations involved in the conservation of biodiversity and natural resources or in the search for a balance between human activities and natural systems.

It is the term *NGO* which is not always obvious to define, since NGOs are not, in themselves, a homogeneous group. They can take on multiple forms: a single-person structure versus many employees in many countries, voluntary versus professional, local versus international, supported by a simple board of directors versus backed by many members. The areas of involvement for NGOs vary, as well: the environment, human rights, or social and economic development.

What unites this heterogeneous group is that it brings together not-for-profit organisations (with no political affiliations) who are seeking to solve problems of public interest, whether local or international.

Environmental NGOs have been pioneers in strategic alliances with companies and have an important place in the debate on the much-needed balance between environmental and development issues.