

BUILDING CIVIL SOCIETY: A GUIDE TO ACTION

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Preamble

The past twenty years have witnessed a remarkable upsurge of organized citizen activism throughout the world and a new recognition of the contribution that private, not-for-private organizations can make to the solution of the serious social, economic, environmental, and human rights problems that continue to plague the world community.

For all its significance, however, this development has also served to underline an important reality about what it will take to make meaningful progress on these problems; for, the institutions of the civic, or not-for-profit, sector are no more able to solve these problems on its own than was government or the business sector before it. If serious progress is to be made in reducing poverty, ensuring social justice, achieving equality of life chances, and improving the quality of life for all peoples, ways must therefore be found to forge productive alliances among the sectors. In other words, a new phase in social problem solving and sustainable development has arrived. The key to this new phase is the building of effective partnerships among government, business, and the not-for-profit sector. We can refer to this new phase as the building of a *civil society*.

The building of civil society in this sense is not without its risks, to be sure. Nonprofit organizations are rightly concerned that cooperation with the state and with business may erode their independence, co-opt their leadership, drive wedges between leaders and grass-roots communities, and blunt their opposition to structures that harm their constituents. Politicians may be concerned that strengthening nonprofit organizations can cost them political support and create rivals for citizen affections. And businesses may have concerns about legitimizing institutions that may challenge them in the future.

Despite these risks, however, the imperatives of cooperation are more compelling. Indeed, the central challenge of the future is to make such cooperation work, to build true “civil societies,” that is, societies in which the not-for-profit, business, and government sectors not only have a right to exist, but also learn to work together to solve pressing problems.

The present statement is an effort to identify some of the steps that will be needed to build such civil societies. The statement reflects the work of more than 100 nonprofit, philanthropic, government, and business leaders from over 19 countries who took part in the Eleventh Annual Johns Hopkins International Fellows in Philanthropy Conference from July 3 to 9, 1999, in Bangalore, India. Included were past and incoming participants in the Johns Hopkins International Fellows in Philanthropy Program from Europe, Asia, Africa, North America, and Latin America; Indian nonprofit, government, and philanthropic leaders; and other leaders in philanthropy and nonprofit action from around the world. The Statement is presented here in the hope that it may provide some fruitful insights to people everywhere who are concerned to build civil societies in their own countries.

I. Complementarities

It has been said that partnerships can work only where participants share a congruence of interests and a compatibility of perspectives. Such congruence and compatibility can arise, however, only where significant complementarities exist in the objectives, strengths, and limitations of the potential partners.

Fortunately, such complementarities exist in abundance among nonprofit organizations, government, and business. To be sure, these complementarities are often overlooked by the respective parties. What is more, they differ significantly in scope and scale among organizations, across countries, and over time. At the same time, without downplaying these variations, some general features of these complementarities can be identified. In particular:

Nonprofit Organizations

Strengths

Nonprofit organizations bring enormous potential attributes to cross-sectoral partnerships. Among these attributes are the following:

- 1) **Credibility.** Nonprofit organizations often enjoy a high degree of credibility and “moral authority” as legitimate voices of the disadvantaged and excluded. In many countries, nonprofit organizations are one of the major vehicles through which disadvantaged populations and overlooked issues can gain effective expression. In addition, nonprofit organizations have a reputation for relative selflessness and altruism that adds to the trust that people have in them.
- 2) **Responsiveness.** Nonprofit organizations are often close to, and therefore especially sensitive to, community needs and therefore in a position to help identify local priorities and tailor assistance to real local needs. They can also serve as effective channels for popular participation and democratic self-expression

- 3) **Innovativeness.** Because of their scale and focus, nonprofit organizations are often especially flexible and innovative in their approach to problem-solving and less bureaucratic in their operations. They can also function as agents of change, challenging established ways of doing things and bringing new issues to the fore.
- 4) **Mobilization Capacity.** Nonprofit organizations are adept at empowering people and building their capabilities, developing local leadership in the process. They thus engage citizen energies, promote participation, and mobilize untapped human potentials, all of which can enhance the prospects for success of both political and economic initiatives;
- 5) **Transparency.** Nonprofit organizations are often more transparent in their operations than are their counterparts in the other sectors. They can thus offer models of democratic practice that can carry over into political life more generally, encouraging governments to increase their own transparency and accountability.
- 6) **Knowledge and Experience.** Nonprofit organizations often have considerable knowledge and experience with social and economic problems. They can thus bring considerable professional and practical expertise to the design and implementation of effective policies and programs.
- 7) **Leverage.** By virtue of their unique position as private agencies imbued with a public purpose, nonprofit organizations often have special access both to local communities and to external sources of support, and hence to special financial, human, and political resources. They thus offer leveraging possibilities unavailable to other institutions.
- 8) **Diversity.** Nonprofit organizations provide avenues for the involvement of diverse groups and interests in the framing of public problems and the search for solutions to them. They thus keep the channels of public life open to new perspectives and excluded groups.

Limitations

Despite their strengths, however, nonprofit organizations are also prone to important weaknesses that can limit the contribution they can make. Among the more important of these are the following:

- 1) **Insufficient resources.** Nonprofit organizations often lack the resources—both human and material--to carry out the programs they conceive. This limits their ability to implement their ideas on a scale that can really make a difference and makes them vulnerable to donor priorities.

- 2) **Perceived ineffectiveness.** Partly because of their limited scale, nonprofit organizations are often perceived as well-meaning but ineffectual, lacking professionalism and the managerial skills required to be fully effective and unable, because of limited resources, to attract the talent they need.
- 3) **Invisibility.** The role and functions of nonprofit organizations are generally not well understood on the part of business and the general public. There is a general lack of information about nonprofit organizations, and nonprofits are not adept at “marketing” what they do or effectively articulating their missions, objectives and goals. This creates ambiguities and uncertainties about what nonprofit organizations do and how they can fit into inter-sectoral partnerships.
- 4) **Competitiveness and fragmentation.** The nonprofit sector often suffers from internal rivalries and competitiveness, especially where resources are limited. As a result, information is sometimes not shared and opportunities for joint action not seized.
- 5) **Lack of Political Sophistication.** Nonprofit organizations are often insufficiently aware of governmental processes and how power works. In addition, they often have stereotyped views of both government and business that make it difficult for them to perceive opportunities for cooperation.
- 6) **Personalism.** Though generally dedicated to the public good, nonprofit organizations can also become personal fiefdoms of particular leaders. What is more, charismatic leaders sometimes fail to make provision for succession, leaving organizations vulnerable if they leave. This makes nonprofit organizations seem less reliable to potential partners.

Government

Strengths

Fortunately, a number of the limitations of the nonprofit sector are nicely balanced by strengths in the other sectors. In the case of government, for example, these strengths include the following:

- 1) **Resources.** Perhaps the major strength of government is its access to resources, both financial and human. By virtue of their taxing power, governments have the ability to raise and allocate public funds. They also have access to sizable numbers of professional personnel who occupy positions in government agencies. While both the financial and personnel resources of government are often more limited than is widely assumed, they are still considerable.
- 2) **Authority.** Governments also have the ability to issue authoritative rules and compel compliance with them. They can thus bring an important element of legitimacy to partnership operations and help ensure that partnership decisions are carried out.

- 3) **Access.** Governments also have their own forms of special access—to international lending agencies, to other governments, and to leading businesses. They are thus often in a position to help put partnerships together and promote their success.

Limitations

Against these strengths, however, governments too have important limitations. These include the following:

- 1) **Bureaucratization.** Though well-endowed with personnel, governments are often excessively top-down and bureaucratic in their operations, leading them to misread local needs, alienate local citizens, and miss opportunities to mobilize local energies. They also frequently operate through large-scale programs that have a high risk of failure.
- 2) **Risk-aversion.** Related to their bureaucratization, governments have a tendency to be risk-averse. This leads them to avoid innovation and to shy away from arrangements in which they may risk losing control.
- 3) **Insularity.** Governments often fail to provide the kind of transparency that fosters real trust. In far too many settings, government leaders fail to share power, choosing to consult within a very narrow circle and therefore becoming prisoners of mutually reinforcing messages. As a consequence, they engender considerable suspicion among those they might seek to help.
- 4) **Fragmentation.** Despite the opportunities they have for broad coherent approaches, governments are often highly fragmented in their operations, with policies and programs operating at cross-purposes or in isolation from each other. This makes forging partnership with government far more confusing and disjointed than it would otherwise be.

Business

Strengths

Government is not the only potential partner of nonprofit organizations in coping with public problems. Increasingly, businesses are joining in such efforts as well. In doing so, businesses bring their own unique strengths to the table. These include:

- 1) **Resources.** Business has command of exceptional human and financial resources to help in the solution of public problems. To be sure, these resources are far from unlimited and their use for social problem solving must be weighed against their use for economic investment and reward to entrepreneurs. Yet, the financial and in-kind resources that business can bring to social problem-solving are considerable.

- 2) **Organizational Skills and Capacities.** Businesses also possess managerial skills that can usefully power social problem-solving efforts and help ensure effective results. In addition, they have stable organizational structures that can provide an institutional base for joint action.
- 3) **Access.** Business typically has solid access to government and economic elites, which can be important in stimulating government support for cooperative initiatives and in legitimizing these initiatives in government's eyes.
- 4) **Technical Knowledge.** Finally, businesses often bring important technical knowledge to collaborative efforts. This can include knowledge of finance, communications technology, marketing, and similar topics.

Limitations

Despite their considerable strengths, however, businesses also face important limitations in responding to public needs. This can translate into strong incentives for cooperation with nonprofit organizations and the state in pursuing public purposes. These limitations include the following:

- 1) **Poor Public Image.** The image of business in many countries continues to be poor. Even when they act in publicly positive ways, business motives remain suspect. This threatens the long-term viability of business enterprises and their ability to attract the most highly skilled and committed workers.
- 2) **Market Constraints.** Business is also constrained by the market system within which it functions. This mandates concern with profit as the first order of business in order to cover costs, meet shareholder expectations, and satisfy debts. While many businesses have come to recognize the importance of good community relations to the long-term success of their businesses, the tension between community and more narrowly "business" considerations remains real.
- 3) **Limited Comprehension of Community Problems.** Businesses are often isolated from the problems that communities are facing. In addition, they often have limited mechanisms for interacting with community leaders and frequently operate across a divide of considerable mistrust.
- 4) **Internal Diversity.** Finally, business is internally diverse, just as the nonprofit sector is. Some businesses may actively engage in socially responsible behavior and yet suffer from impressions created by firms with far less enlightened approaches. This makes it difficult to forge a unified business approach or ensure that positive actions will be recognized and rewarded.

Resulting Complementarities

What the pattern of strengths and limitations outlined above makes clear is that important complementarities exist among government, business, and the nonprofit sector in dealing with public problems. Limitations on the part of one sector are nicely matched by strengths of the others. Important opportunities thus exist for productive cooperation among the three. Illustrative of these “win-win” opportunities are the following:

1) *Cooperation with nonprofits can serve the needs of business by:*

- Improving business’ public image through involvement in visible, socially responsible projects;
- Helping to produce stable and “healthy” communities, which businesses need in order to promote sales and attract and retain high-skilled workers;
- Promoting trust, confidence, and social peace, which are highly conducive to business success;
- Encouraging open and honest government and helping to preserve “free spaces” for private action, which ensures fair policies for business as well as nonprofits;
- Stimulating improvements in workforce quality (e.g. through better education and nutrition).

2) *Cooperation with nonprofits can also serve the needs of governments by:*

- Identifying problems before they become more severe and helping to fashion solutions to them;
- Providing a more effective and responsive delivery system for government-financed services;
- Improving the political popularity and public image of government;
- Providing access to charitable resources, voluntary energies, and external support;
- Meeting the requirements of international funding agencies for citizen participation and civil society enablement;
- Offering links to local communities;
- Improving policy by providing information and expertise.

3) *Nonprofits, in turn, can benefit from cooperation with both business and government. Such cooperation can:*

- Offer nonprofits added resources and the capability to “scale up” pilot projects so that they come to have a national reach;
- Contribute useful in-kind assistance—space, facilities, technical assistance, marketing help—to nonprofit undertakings;
- Help give legitimacy to nonprofit activities and access to business and government elites;
- Improve the management and marketing of nonprofit activities.

III. Obstacles

While significant complementarities exist among nonprofit organizations, governments, and business, and important opportunities consequently arise for cooperative action, such action remains far more limited than it could be. The reason for this is that a variety of obstacles also stand in the way of such cooperation. Some of the more important of these obstacles include the following:

1) Mistrust and Misperceptions

Considerable mistrust still characterizes relations among the sectors. Lack of working relationships leads all sides to stereotyped views of the others. This is particularly true where corruption or lack of transparency undermines faith in one or the other of the partners. As a consequence important opportunities for cooperative action are never seized.

2) Lack of Clarity about Goals

Given the prevailing stereotypes, there is a widespread failure to perceive the commonalities in the goals of the various potential partners. Indeed, the common tendency is to believe such commonalities do not exist.

3) Lack of Communication

Few regular channels of communications exist between business and nonprofits, and often between nonprofits and government. The significant inequalities in power and resources among the sectors intensifies the communication problems, making it difficult for nonprofit organizations in particular to gain the hearing they desire. This complicates the task of defusing stereotypes and makes it more difficult to locate suitable partners and enlist them in the collaboration.

4) Conflicts of Interest

Some real conflicts of interest also exist among the sectors. Thus governments and nonprofits are often in competition for funds. Nonprofits frequently pursue policies in such spheres as environmental protection and workers' rights that challenge the interests of businesses. Similarly, nonprofit mobilization of grassroots participation can often threaten entrenched political regimes. The task of partnership-building is thus to find areas of potential cooperation despite these significant conflicts.

5) Lack of Partnership Experience

Too few opportunities often exist for business, government, and the nonprofit sector to get to know each other and learn to work together. In addition, there is a dearth of guidelines and models of collaboration to explore.

III. Strategies

To overcome these barriers and take advantage of the complementarities that exist, a number of strategies are available. Based on the experiences to date, the following seem most promising:

1) Begin with Dialogue

Good partnerships begin with good communications. Given the mistrust and lack of understanding that currently exist among governments, nonprofits, and business in many parts of the world, such communication is a special priority. To achieve it, special *mechanisms* should be created to allow these potential partners to get to know each other and share common interests. These can take a variety of forms:

- Regular bilateral forums between nonprofits and their potential partners in business and government, respectively, to share information and identify possible areas of cooperation;
- Specialized working groups and task forces to explore critical issues and develop joint plans of action;
- Marketing of nonprofit programs and activities to the business sector to set the stage for potential partnerships.
- Special efforts to recruit business leaders and other influential persons to nonprofit boards so they can facilitate possible collaborations.

Underlying all of these efforts must be a sincere effort to alter mindsets on all sides, including those of nonprofits, which are often antagonistic to cooperation with business and government.

2) Identify Appropriate Partners

Partnerships are strongest when they are based on a mutuality of interests. To identify such mutualities, however, serious “homework” is needed. Nonprofits therefore cannot afford to assume that “business” or “government” in general is the appropriate partner for their efforts. Rather, careful research is needed to identify which business partners or government agencies are most likely to share the nonprofit’s objectives and concerns. This requires working at many different levels—national, regional, local—and establishing direct personal relationships with business leaders and government officials likely to be sympathetic to collaboration. It may also require the identification of potential partners *within* the respective sectors.

3) Find Common Ground

Even after appropriate partners have been identified, it is still necessary to locate the appropriate common ground for collaboration. This requires identifying *specific issues* on which cooperation might be possible. Such issues must offer “win-win” possibilities for all partners—i.e. all parties must be able to identify advantages to be drawn from the cooperation. In addition, all parties must have particular strengths that they can bring to the collaboration.

4) Clarify Objectives and Roles

Even when common ground has been identified, further efforts are needed to clarify the objectives of the collaboration and the contributions to be made by the respective partners. This is best done in advance and in as much detail as possible. All partners must be involved in collaborations from the outset so that all feel “invested” in the strategy and approach. Care must also be taken to bring considerable creativity to the definition of partner roles so as to build on the mutual comparative strengths of the partners in an effective way.

5) Provide Positive Feedback

Partnerships thrive on effective feedback among the partners, and on the mutual recognition of the contributions that the partners are making. Nonprofit organizations engaged in partnerships therefore need to acknowledge publicly the good deeds of their partners and find other ways as well to “incentivize” cooperation. This can be done in a variety of ways:

- By mobilizing the media to publicize the role that business and government is playing in joint ventures;

- By offering “good corporate citizenship” awards to businesses engaged in collaborations;
- By utilizing “challenge grants” by one set of donors to stimulate cooperation from others;
- By informing international donor agencies of the role that government agencies are playing in collaborations;
- By providing public recognition to the individuals involved in collaborations;
- By enlisting the support of universities and research bodies to lend credibility to joint ventures.

6) Jointly Evaluate Results

The results of partnership projects should be carefully evaluated and assessed. This is best done collaboratively as well, however. Joint monitoring and evaluation systems should be developed as part of partnership design and should be implemented on a collaborative basis to the extent possible.

7) Build the Foundations for Future Cooperation

Partnerships need to be specific and focused. At the same time, they need to be constructed with one eye on potential future collaborations as well. This can be done in a number of ways, including:

- Institutionalizing support for nonprofit organizations in the regular programs of governments and businesses;
- Enlisting partners in ensuring public recognition and a favorable legal environment for nonprofit activity;
- Generating support for the basic infrastructure of the nonprofit sector, including training, basic information resources, and umbrella groups;
- Establishing appropriate standards for internal nonprofit operations.

Conclusion

As the new millenium dawns, a new approach to public problem-solving is gaining momentum throughout the world. After decades of ideological conflict pitting government against business and voluntary action as the vehicle for coping with serious public problems, the recognition is growing that collaboration among the sectors, not conflict between them, offers the best hope for effective progress. The problems facing

the world are simply too large and complex, and the resources available to any single sector too limited, to believe any other course will work.

Building such partnerships is far from simple, however, especially given the suspicions that now exist on all sides. Collaboration involves risks as well as opportunities and the balance of risks and opportunities will differ in different places and times.

Nevertheless, we are convinced that the collaboration route offers the most promising one for nonprofit organizations, as well as business and government, to pursue. It is in this way, we believe, that truly civil societies can be built.

Adopted on July 9, 1999, in Bangalore, India.

Original Signatories

The following individuals participated in the drafting of this Statement and subscribe to its basic tenets:

Argentina

Maria Candelaria Garay, CEDES
Roberto Senderowitsch, The World Bank

Australia

Helen Morris, The Sidney Myer Fund

Chile

Marcela Jimenez, Ministry of Planning

Ghana

Paul Opoku-Mensa, Norwegian University of Science and Technology

Hungary

Maria Adamik, Elte University
Arpad Barath, Janus Pannonius University

India

Yamini Atmavilas, Emory University
Shanthi Baliga, FPAI
M.K. Bhat, DSI
Shubha Chacko, CED
Sujatha de Magry, INSA
P. Sobitha Devi, All Manipur Women's Social Reformation and Development Samaj

Jacob Dharmaraj, PREPARE
Joy Elamon
Jose Fevord
Swapam Garain, TISS University
Julia Marie George, SPANDANA
Gowri Gopinath
Sudha Guru, Grama Swaraj Samithi
Edwin Jayadas
R. Laxminarayan, Aid-et-Action
Antoinette Lopez, Charities Aid Foundation
Saroj Kumar Kangiam
K.S. Krishanaswamy, R.B.I.
S.B. Uday Kumar, SVKT
Ruth Manorama, NAWO
Bhargavi Nagaraja, DSI
Satyanaratan Parranayak, Seba Jagat
Pama Puri, Charities Aid Foundation
Shobha Raghuram, HIVOS
M.C. Raj, REDS
Asha Ramesh, NIAS
Vanaja Ramprasad, GREEN Foundation
MVN Road
Jaya Roa
N.P. Samy, NCL
Vijay Sardana, Aga Khan Foundation
P. Shanthi, All India Collective for Micro-Credit Movement
Anil Singh, VANI
K. Amarendra Singh, PRIA
D.M. Sridhar, GRAMA
Bina Thomas, INASIA
J. Vimalanathan, NESAS
Zeb Waturocha
Ranjan Roa Yerdoor, NST

Israel

Ali Alasad, Lagea Development Organization

Italy

Elena De Palma, CESV Volunteer Center

Estonia

Rita Tamm, Estonia Telephone Company

Japan

Sayuri Namiki, Edogawa University/The Association of National Trusts

Mexico

Rosa Maria Fernandez, Office of the Governor of Mexico City

The Netherlands

Wino Van Veen, Vrije University

Poland

Leslaw Werpachowski, The Intermunicipal Union of the Cieszyn Region

Romania

Daniela Diaconu, European Commission

Mihai Lisetchi, Agency for Information and Development of NGO's

Russia

Elena Abrosimova, Russian Foundation for Legal Reforms

Slovakia

Dusan Ondrusek, Partners for Democratic Change

Turkey

Ayla Goksel, The Mother-Child Education Foundation

United Kingdom

Tanzeem Ahmed, Project Full Employ, United Kingdom

Norman Johnson, University of Portsmouth

Frances Myer, The Myer Foundation

Tony Myer, The Myer Foundation

Sam Obeng-Doyki, Project Full Employ

Marilyn Taylor, University of Brighton

Madhubala Thakrar, Project Full Employ

United States of America

Srilatha Batliwala, Ford Foundation, United States of America

Barbara Finberg

Bob Ramdhanie, Project Full Employ

Kristen Richardson, Catholic Relief Services

Lester Salamon, Johns Hopkins Center for Civil Society Studies

Russy Sumariwalla, The Urban Institute

Carol Wessner, Johns Hopkins Center for Civil Society Studies