Thoughts for a research agenda for the meeting on public-private partnerships

University of Michigan, 25 June 1999

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18 June 1999

My experience with this subject is limited mainly to developing countries, where I have done evaluation research on programs in the public and NGO sectors. My comments also pertain to the international donor community--the multilaterals (World Bank and Inter-American Development Bank particularly, and the United Nations development assistance organizations), the bilaterals (particularly USAID and some of the European donors), the foundations (Ford, Rockefeller, MacArthur, etc.), and international NGOs (Oxfam, CARE, etc.).

My observations relate in good part to (1) relations among these donor organizations (referred to increasingly as partnerships, in distinct contrast to the past); (2) relations between a donor and its client in developing countries; and (3) relations between governments and NGOs in developing countries. I have less experience with and knowledge about formal partnerships between government and business (except for the subject of a few observations toward the end of this memo), and also relatively less experience with the subject in the U.S. and Europe.

The word 'partnership' has come into considerable vogue in the last decade. It has also taken on a normatively positive meaning--not just in the sense of bringing organizations and other institutions together that previously worked separately, but also conveying a desirable change from a previous situation of no interaction between the currently partnered parties or even of hostility between them. The faddishness of the term and the phenomenon poses particular challenges for research, some of which are outlined in this memo. For one, the term has lost some of its descriptive precision, and seems to be used now to describe relations that, as detailed below, would not normally be construed as partnerships. This raises questions as to what exactly a partnership is:

Is a partnership a relationship between two or more parties, each bringing to the deal some resource or skill that the other does not have? Or is it, like the partnerships between donors discussed below, a relationship between organizations with roughly similar tasks and talents combining forces to do the same thing they have been doing in the past but on a larger scale? Is the relationship always between parties that are roughly equal in power, as distinct from the new 'partnerships' between donors and grantees in the development world? Do the parties to the partnership actually need each other in order to do what each cannot do without the other? Or are they 'partnering' because that is the thing to do--a movement in the direction of institutional isomorphism? Needing each other to get the task done does not seem to fit the partnerships among donors or between them and their clients. In the following, I give some examples and raise questions that emerge from them.

1. In recent years, major international donors, development banks, and foundations have switched from referring to developing--country governments and NGOs as "clients,"

"borrowers," "recipients," or "grantees" to calling them "partners." In some senses, this shift is consistent with, and part of a larger shift of interest to, processes like "consultation," "participation," and, more generally, democracy. These terms too have suffered from the increasing ambiguity associated with their current popularity.

One thing that is striking about the shift to the language of partnership is that it is used by organizations that are not only quite different from each other, but that in the past have seen each other as inferior or in other ways undesirable. Donors, that is, often characterized themselves as "better than" the others, and described their strengths as the flip side of the weaknesses of these others. The NGO Oxfam, for example, sees itself as at the opposite end of the spectrum of the World Bank, and is quite critical of much of the content and style of the Bank's operations; it wouldn't want to be caught dead using the same language as the Bank to describe its operating style, and particularly its relations with its grantees. Yet both these organizations have now wholeheartedly embraced the language of "partnering" to describe these relationships; in meetings, one often senses that people are going out of their way to use the word "partner" rather than "grantee" or "borrower," just as people are careful to select politically correct words with respect to gender.

This convergence of language to describe a key relationship, among institutions that seemed to pride themselves on their *differences* from others is interesting, if not strange. Why would an organization want to emphasize its sameness rather than its differentness, as translated into superiority or comparative advantage? Wouldn't a self-description involving difference be more convincing to the donors' constituents and funders, who themselves can be quite different as between organizations (at least in the case of the example of Oxfam vs. the World Bank). Is this a simple matter of institutional isomorphism?

The new terminology of partnerships is also strange to the extent that it represents a unilateral switch in terminology by only one party to the interaction. Only lenders and grant-givers, that is, use the term 'partner' for their relations with their grantees; those who are on the receiving end do not use the term or conceive of their interaction with donors this way. The latter see themselves as seeking funding and technical assistance from a more powerful, more networked, and/or more knowledgeable institution than they; at worst, they see themselves as at the financial mercy of a set of powerful institutions that dominate their destiny.

Does an inter-organizational relationship qualify as a 'partnership' if only one side sees it that way? Must there be rough equality between the power of the two sides to qualify the relation as a partnership? In this latter sense, the international donors do 'need' to have borrowers and grantees in order to exist and justify their existence. But does this imply that a relationship with any particular grantee is a 'partnership'? The 'need' of donors for grantees, moreover, has always existed, including during earlier periods when donors and foundations felt perfectly comfortable talking about clients, borrowers, recipients, and grantees.

What, then, explains this shift in terminology, and why did it occur at this particular moment in time? If anything, given globalization, the post-cold-war, and the last decade's financial crises, many argue that developing countries have *less* power to determine their destinies than they had before, at least when entering into a relationship involving the transfer of capital to them from the international donor community. Is there a subset of these so-called "partnerships" that actually would qualify as such? Or does the nature of the relationship between developed and underdeveloped, including the unequal financial power between them, preclude this? Is there actually something different in the relationship than there was before, which would merit using another term for it? If not, why the extensive affinity of the donor world for the new word?

2. It has also become fashionable for donors to "partner" with each other (as distinct from their clients) in support of the same activity of a particular borrower or grantee--a research evaluation project in a particular country, for example. As part of this change, the criterion for judging whether the activity to be funded is worthwhile seems to shift subtly from a direct assessment of that activity, to an assessment of the "seriousness" of the *other donor* already involved. "Well, if Ford is involved," for example, "it must be good"; or, an important variation on this is, "if so-and-so at Ford is involved, we can feel confident about supporting it." (This latter variation reveals the importance of informal networks among funders--namely, the "partners"--in determining the substance of the partnership.)

This kind of partnering among donors has obvious justifications. It is talked of in terms of the importance of "consensus" and "cooperation" among previously fractious parties in the donor community; or in terms of the wisdom of leveraging small commitments from more than one actor into a larger total commitment--spreading the costs and augmenting the impact. This form of donor partnering also seems to represent an improvement upon the much complained-about (by grantees) multi--donor situations where each donor insists that a grantee have a single activity for which that donor could take credit--namely, an activity that is *different* from any other of that grantee's donor-funded activities.

Bringing donors together around the same activity so that they might act as one also increases their power as a unit vis-a-vis any particular grantee. This would seem to move the donor-grantee relationship further from, rather than closer to, a relationship that could be described as a partnership. The breadth of different activities (or different actors) that might be supported, moreover, would seem to decrease. Is this, then, really 'partnering.' Is it a kind of institutional isomorphism that limits innovativeness, diversity of approach, or the serving of different needs and constituencies?

As a sign of this change among donors, it is interesting to note that donors speak much more charitably of other donors than they did in the past. The World Bank often talked about USAID as second-rate and incompetent, and about the Inter-American Development Bank as a haven of pork—barreling and other clientelistic practices among Latin American governments; these organizations, in turn, described the World Bank as arrogant, over—powerful, and often wrong; foundations and other NGOs had nothing but contempt for the World Bank, and the Bank looked down on them as insignificant players--dewy-eyed and over-earnest about the development task.

Donors commonly described their strengths and defined their missions in terms that contrasted them with these alleged weaknesses of other donors. From the 196Os to the 1980s, for example, the feature of the Canadian government's foreign aid that made it most politically popular in Canada was that it was doing something *different* from what other more powerful countries were doing (vis-a-vis the United States, for example, like working with Cuba; vis-a-vis France and England, like working with African countries in a relationship that was not excolonial). Today, however, the Canadians describe their goal for their new post-cold-war foreign-assistance program as to behave "like" another set of donors--namely, to be "like the Nordics."
More generally, talk about consensus among donors has replaced these contemptuous backroom stereotypes.

Some of this partnering among donors might constitute a way of gaining more certainty over a difficult task environment. Instead of having to figure out what would be the best program to carry out in a particular country, one goes along with the judgment of others who got there first because these others are like-minded, familiar, and just around the corner. I have been increasingly struck at the international donor discussions I attend how the conversations revolve more and more around what was said and decided at other donor meetings ("so-and-so put it

very well in Geneva," "Beijing' really started it all," "now we must follow in the footsteps of the multi-donor report on X," "we really should build on what you said at the meeting in Belgium last fall...")--and less and less around the particular countries and/or particular programs they are carrying out in these countries--what's working, what isn't, what's their comparative advantage, etc.

Much of this has to do, of course, with globalization, and greater interaction among internationally located actors. But the point, with respect to the topic at hand, is that what's going on does not seem to fit the description of "partnering"--which carries a distinct concept of each party bringing different skills and strengths to an initiative. Is this latter assumption about the definition of partnerships, then, incorrect? Or are these not, really, partnerships?

3. The language of 'partnership,' as used today, often conveys something that's good because it is new and different from the past. Frequently, partnerships actually do represent something new, and a break from the past; a good example is Sagalyn's and Frieden's late 1980s description of the shift from a regulatory relationship between U.S. city governments and developers in the 1960s and 1970s, to a relationship of deal-making between these two parties (in Sagalyn/Frieden's case, with respect to downtown development). In many cases, however, the partnership, though described as new and different, actually has significant roots in the past. Research on partnerships should try to make these distinctions--to show what really is different about today's partnerships, and what represents continuity, though under a different name.

This is a particular problem with respect to government-business partnerships in developing countries. Some are genuinely new forms; others are evolutions from, or variations on, things that went on in the past. The point is not merely one of semantics, but a concern that learning from the past maybe foregone by assuming that the phenomenon is new. (Clearly, this problem does not occur only in the area of partnerships; much of the "new" thinking that now goes under the name of "environmentally sustainable agriculture"--or "sustainable rural development"--is in fact a continuation of part of the old, long experience with agricultural development policies and programs; but because the latter are now seen as "tired" because they are old and, at least partly, discredited, the inclination is not to see that prior experience as relevant, and not to look back at it for lessons.)

The major ideological and paradigm shifts of the 1990s in the thinking about the role of government and markets has also contributed to the difficulty of seeing "new" things like partnerships as partly continuous with old, because the "old" is often embedded in a larger set of policies that are now discredited--even if the partnership piece is only a minor one in the larger story. In research I have been doing on local economic development in Northeast Brazil, for example, I have been finding important evidence of what could today be called government-business partnerships--formal or informal--during the prior period (1960-mid 1980s) of import-substituting industrialization and heavy state intervention, now considered to be past policy history. In several instances, these earlier partnerships contributed significantly to successful local growth experiences in the subsequent period of the 1990s. Yet the current form of these partnerships is not only described as a totally new phenomenon, but it is sometimes not as effective as the previous form.

The earlier partnerships, and the lessons they convey, are ignored not only because they belong to that earlier discredited period, but because they were not an explicit or significant part of the dominant policies and interventions of that earlier period--which was one of heavy subsidies and heavy "embeddedness" of business and government. These "lighter" and earlier involvements of business and government have tended to remain in the shadows of the more dominant paradigmatic descriptions and ideologies--both of yesterday and of today--and hence to remain

unnoticed. Research on partnerships, then, needs to look into the shadows of these earlier periods and, more generally, to distinguish between what is truly different and what represents continuity.

4. The popularity of the concept of 'partnership' today seems to represent, in a sense, a more general shift of academic and policy interest to concepts of social harmony-—namely, social capital, trust, and collective action. These concepts are used to talk about the possibility of cooperation among actors, and in situations, that were previously (1960s-1980s) seen as fraught with generic conflicts of interests and other irreconcilable problems. In earlier periods, that is, there was much scholarly and policy concern about conflicts and conflicts of interests between classes, particularly between labor and capital, and between local elites and the local poor.

In earlier periods, there was also great concern about government keeping itself at arm's length from business, in order to keep out corruption and the infiltration of regulatory structures by the very businesses that were meant to be regulated. Much of the work on the role of government in developing countries, moreover, related to the importance of government's gaining of "autonomy" from interest groups, like business, that would not be expected to act in the public interest.

In the last decade, there has been a remarkable change from this positing of generically conflicting interests, and the means to mediate them, to one of a positing of social harmony or the potential for it. In this sense, 'partnerships' and the enthusiasm about them goes along with the recent broader interest in "social capital" and "civil society." The positive spin on the latter, for example, has obscured the earlier view that some groups in civil society can be up to no good--like the Ku Klux Klan.

The shift in this underlying view of public and private spheres as containing generically conflicting interests to that of potential harmony all around is more one of emphasis than of mutually exclusive choices. Nor is it, at first blush, either good or bad. But, with respect to partnerships, it may obscure some challenges that might be better faced in ways other than partnerships. For example, some problems may be better dealt with through mediation between different groups (government-business, different business associations in a particular industry, labor vs. capital, etc.), which are recognized as having generically conflicting interests and hence are not good candidates for partnering--or from which key parties will be excluded from the partnership, as discussed below. In these situations, what may be needed is institutionalized structures of mediation by an informed *outsider,* which results in compromise rather than collective action.

One striking example comes from a remarkable effort at 'partnering' between different business associations in a footwear manufacturing cluster in southern Brazil, responsible for much of Brazil's shoe production and exports. (In 1994, Brazil was the world's largest shoe exporter, a position that it subsequently lost resoundingly to China, provoking the crisis that brought the different associations together.) The partners included associations of producers not only of shoes, but of hides, cattle, shoe-manufacturing equipment, glue, laces, grommets--all producing in the same region. They worked hard, intelligently, and long, to agree on a proposal for upgrading and meeting the crisis; the federal government made a commitment to support whatever proposal they made. (This story about the Sinos Valley in Brazil, and the point about mediation, is drawn from the writings of Hubert Schinitz at the Institute of Development Studies at the University of Sussex.)

But these sectoral associations could not get past a basic conflict of interest between the hide producers and the shoe producers: the hide producers wanted to export semi-processed hides

abroad where they got better prices than in Brazil, and better prices than for the finished product. (This was because of newly differential tariffs imposed by the European Union on semi-processed vs. fully-processed hides; the result for the Brazilian shoe manufacturers was a drastic decline in the local availability of their major input, finished hides.) The federal government told this partnership to "work it out among yourselves and we'll support what you propose." But the partners needed (and actually wanted) the government (or another informed third party) to mediate the conflict. Since that did not happen, an otherwise remarkable story of cooperation among associations of firms in a sector came to an end.

Partnering, then, is often not the right solution to a problem. The positive spin we give to partnering sometimes assumes a harmony of interests where there is none. Or, partnering may sometimes represent an insipid approach to a situation where a different approach could actually produce more powerful results. In this era of interest in harmony, social capital, collective action, and trust, we have to be careful not to exclude those situations in which partnering may not be the best approach.

5. A related point is that public-private partnerships--in the worlds where I have observed them--often exclude important actors. Because the word 'partnership' is used so widely and carelessly, it often conveys a sense of inclusiveness--the word often appears together in the same sentence or paragraph with 'consultation,' 'participation,' and 'civil society'--when just the opposite is the case. Often, the excluded parties are the less powerful ones--workers, associations of the poor, and others who will be directly affected by the matters to be dealt with by the partnership, and who might actually contribute to a better solution to the problem that the partnership is meant to address. Partnerships may seem to work in some cases, in sum, precisely because they are exclusive--because having fewer and more compatible actors makes agreement and cooperation easier to come by.

This is an important question to keep in mind when doing research on partnerships. To what extent do they involve socially detrimental exclusions? To what extent would other kinds of approaches to the issue produce better results for the problem at hand? To what extent are the relations described not actually partnerships, but something else?

6. To return to an issue alluded to previously, the current interest in partnerships, particularly between government and business, replaces an earlier set of concerns about the corruptibility of government through less-than-arm's length relationships with business. It is not that one set of concerns is more accurate, or more important, than the other. Rather, a study of partnerships should include a set of questions that comes off this "darker side" of closeness between business and government. Mainly, how does any particular partnership get around this other host of problems associated with over-closeness?

7. A parallel set of questions relates to partnerships between government and NGOs. Consistent with the current emphasis on harmony between different groups, the discourse on NGOs and government has changed dramatically in developing countries, most of which have not had a long tradition of government's contracting out of service provision to NGOs. Previously, NGOs in developing countries portrayed government as a powerful and hostile force, to be kept away from at all costs. Many NGOs, in addition, felt that a relationship with government--whether contractual or only informal--would compromise their 'autonomy,' particularly in their role as advocates for marginalized or oppressed groups. The change in the discourse, again, is remarkable--from autonomy and fears of cooptation to partnership and harmony. Why now and not earlier? What do these partnerships actually entail? Do they, indeed, compromise the role of NGOs as advocates? Under what circumstances are NGOs actually appropriate and competent as service deliverers for the public sector?

8. Finally, the histories of partnerships between government and business, or between government and NGOs, often relates to the ebb and flow of people from these latter two sectors in and out of government. Partnering sometimes flourishes when people who have been in business or NGOs have flocked to government; the partnering results from the informal networks that these 'migrants' take with them when moving across the public-private divide. In developing countries coming out of periods of military dictatorships, for example, many people who worked in NGOs (in an anti—government mode), flock to government after the transition. This happened in Nicaragua when the Sandinistas took over from Somoza in the 1970s (and again, in the opposite direction, when the Sandinistas lost to the centrists in the 1990s); it happened in Chile when Allende took over (and again after the transition from Pinochet); and. it happened in South Africa when the ANC won the elections.

The movement of people from NGOs to government has two opposite effects. It frequently decimates NGOs, many of which are dependent on one or two strong leaders and therefore cannot survive their departure to government (the Liberation Catholic Church in Chile was decimated when Allende took over, and many flocked to government); and at the same time, it makes possible better relations between government and NGOs, because of the networks to NGO5 brought into government by those previously outside it and in the NGO sector. To make the outcome even more indeterminate, some of those who worked for a repressive and ousted government, and who are now out of favor because of their links to that prior government, themselves leave government and form NGO5; those in the new government, including particularly those 'migrants' from the old NGO sector, do not want to form links to these new NGOs, because of their different political character.

Although we think of party politics and the ideological differences that underlie them as affecting mainly government, then, they also affect, in the matter noted above, the private sphere--NGOs, their stance toward partnership, and the stance of government toward partnerships with them. (Presumably, a parallel process operates across the government-business divide.) If we think of public-private partnerships mainly as an organizational form with certain characteristics, we will miss this political dimension of the course of public-private partnerships; we also miss, as a determining factor in the ebb and flow of public-private partnerships, the role of 'migration' across the public-private divide, and the shifting informal networks that such 'migration' brings into (or takes outside of) government.