

THE PRIVATE SIDE OF PUBLIC-PRIVATE PARTNERSHIPS IN RURAL DEVELOPMENT

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ABSTRACT

Public-private partnerships have become an important part of rural development efforts by major development donors like the EC and USAID and their use is growing. It is useful for practitioners and researchers alike to consider why private actors choose to be involved in such relationships, and what they do as participants. This paper examines several dimensions of partnership and three rural development projects in an attempt to determine what some of the motivations of private actors may be, and how one might determine the depth of a private actor's involvement in a given partnership.

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ABBREVIATIONS

FV – Family Violence

GDA – Global Development Alliance

LAG – Local Actor Group

PLWHA – People Living With HIV / Aids

USAID – United States Agency for International Development

INTRODUCTION

There are as many different approaches to supporting the development of rural areas as there are donors, aid agencies, bureaucracies, and communities in need. Public-private partnerships constitute an approach that has in recent years become the focus of significant effort, resources, and activity, especially among major development donors. This represents something of a shift from previous practices, such as government – to – government transfers of cash and other resources, or the financing by donor governments of their home-country non-governmental organizations to operate assistance projects abroad. Public-private partnerships ostensibly seek to bring together, in a ‘new’ way (Edwards and Hulme 1996: 6), groups of actors which under previous models generally inhabit only donor – recipient or contractor-contractee relationships.

EU and US Public-Private Partnerships.

Depending upon one’s perspective and the sector in which a public-private partnership is formed, such relationships can be presented as “a new governance tool,” “a new language in public management,” “a new way to handle infrastructure projects,” or perhaps just the regular system of contracting-out, though under a new name (Hodge and Greve 2005: 1). In the development sector, advocates of partnerships often make strong claims towards “participatory development,” or a “bottom – up approach,” as in the European Union’s Leader program (Francia et al 2005: 5). Others, such as the United States Agency for International Development (USAID), focus more on the idea that the partnerships it supports can create more effective development programs, “...by combining its strengths with the resources and capabilities of other prominent actors” (USAID 2008a). Participants in such partnerships might include, in addition to such agencies as these, any number of other actors, including local government, central government ministries, private actors such as

businesses and entrepreneurs, religious groups or officials, local NGOs or associations, and/or individuals, all focusing upon the specific problems of particular communities in which they have an interest, and most often each adding their own resources to the effort.

Rural Development

Much of the world's population is rural. In the 27 States of the European Union alone, over 56 % of the population lives in rural areas, which cover 91 % of the EU's territory. In this case, there is an explicit desire to ensure that the EU's strategies for jobs and growth, and for sustainable development, are equally as effective in rural and urban areas (European Commission 2007). The European Union's dedicated rural development program, operating since 1991, is now in its third phase, called Leader+. The EU has committed 2.2 billion Euros to it (Francia et al 2005: 6). In the case of USAID, the US Department of State outlined in 2006 a "New Direction for U.S. Foreign Assistance," in which Secretary of State Condoleezza Rice stated, "The resources we commit must empower developing countries to strengthen security, to consolidate democracy, to increase trade and investment, and to improve the lives of their people" (Rice 2006). USAID's main partnership vehicle, the Global Development Alliance, falls within this New Direction, and includes many programs focused on rural areas, working with everyone from coffee farmers in Rwanda to religion teachers in rural Romania (IOCC 2008). The Global Development Alliance facility, or GDA, "...is touted as USAID's 'business model for the 21st Century' " (Brinkerhoff 2002: 8).

Both of these approaches actively seek to involve private actors in partnership with internationally-funded development assistance projects in order to hasten the development of rural areas. Leader+ is specifically targeted toward rural development throughout the European Union, focusing on "...the protection of natural and cultural heritage, strengthening local economies to create jobs, improving the self-organizing potential of communities, and

promoting cooperation” (Francia et al 2005 p.7). These are pursued through activities which must fall under 4 main themes:

1. The use of know-how and new technologies
2. Improving the quality of life in rural areas
3. Adding value to local products
4. Making the best use of natural and cultural resources ...

(European Communities 2000: C139/8)

The GDA facility often sponsors activities concerned with rural development as well, although this is not its sole purpose:

[The] GDA mobilizes the ideas, efforts and resources of governments, businesses and civil society by forging public-private alliances to stimulate economic growth, develop businesses and workforces, address health and environmental issues, and expand access to education and technology (USAID 2008a).

These two facilities involve a wide variety of private actors, from individual farmers to global corporations, in activities just as wide-ranging. The purpose of this paper is to attempt to explore some of the possible motivations behind private actors’ involvement in public-private partnerships, and to attempt to identify some measures of the actual involvement of private actors in such partnerships. This should help to provide practitioners some insight into what helps public-private partnerships succeed.

This paper shall first briefly discuss the current literature on the subject of public-private partnerships, followed by a more in-depth description and analysis of the Leader and GDA facilities. This part of the paper draws on program documentation, academic analysis, and interviews¹ with participants in both programs. These lead to an analysis of the overall findings, implications for the future, and recommendations.

¹ PLEASE NOTE that five persons were each interviewed once in this research. Three are referred to by agency and title, but two are not given specific identifiers. These two are current members of LAGs and their Planning Groups in Hungary.

1. LITERATURE REVIEW

Much criticism has been leveled in recent years at the way the world's wealthiest have failed to raise the world's poorest out of poverty over the past decades. Global leaders like Kofi Annan have tried to lead the world towards the Millennium Development Goals. Pop stars like Bono run awareness campaigns and economists like Sachs and Easterly prescribe solutions. Amidst this jumble, some of the world's largest aid donors are beginning to focus on 'new' methods of delivering aid (Edwards and Hulme 1996: 6), focusing on the roles of NGOs in some cases, but also now involving to a greater extent public-private partnerships. Facilities based on public-private partnerships are receiving significant resources and attention. The EU employs public-private partnerships on behalf of its own rural citizens whose communities require development. The US, as described above, proclaims public-private partnerships as its business model of the 21st Century for foreign aid. Public-private partnerships in rural development are therefore, in my view, a timely issue for development professionals, researchers, policy-makers, and anyone interested in the immediate future of rural areas around the world.

Many thinkers have produced recent work on public-private partnerships and development. Several important themes directly related to the topic of this paper, the roles and motivations of private actors in public-private partnerships for rural development, are addressed. What are public-private partnerships? What are they used for? What are their key dimensions?

1.1 What are Public-Private Partnerships?

There is a bewildering array of definitions of partnership available in the literature. According to Hodge and Greve, public-private partnerships can be "...loosely defined as cooperative institutional arrangements between public and private actors... but few agree on what a public-private partnership really is..." Perhaps it is a new governance tool replacing

the more traditional contracting out of public services to private operators, a new language in public management, a new way to handle infrastructure projects, or perhaps just a new name for the regular system of contracting (Hodge and Greve 2005: 1). McQuaid offers several definitions culled from a number of authors:

... cooperation between people or organizations in the public or private sector for mutual benefit (Holland 1984). Harding (1990) sets out a similar general definition of ‘private-public partnership’ as ‘any action which relies on the agreement of actors in the public and private sectors and which also contributes in some way to improving the urban economy and the quality of life’ (Harding 1990: 110)... [and] ‘the mobilization of a coalition of interests drawn from more than one sector in order to prepare and oversee an agreed strategy for regeneration of a defined area (Bailey 1994: 293) ... (McQuaid, in Osborne 2000: 11).

Any one of these definitions can apply to public-private partnerships for a multitude of purposes, rural development being only one. In fact, public-private partnerships have been used for quite a number of purposes throughout history. For example, privateer shipping has, since at least 1585 when Sir Francis Drake sailed as the Queen’s Admiral, “provided defense, improved shipping, developed trade, and built up shipbuilding and a ‘race of seafarers’ (Wettenhall, in Hodge and Greve 2005: 25). Beyond privateering, public-private partnerships have, historically, raised mercenary armies; settled colonies and expanded empires; built bridges, roads, hospitals or other public infrastructure; promoted or protected strategic enterprises; operated granaries, collected taxes, etc. (Wettenhall, in Hodge and Greve 2005: 25-36).

Despite their long history however, Wettenhall contends that public-private partnerships are not necessarily suitable in every situation, due in large part to the fact that competition is antithetical to collaboration (Wettenhall, in Hodge and Greve 2005: 36), and a lack of competition may lead to the kind of inefficiency or ineffectiveness that public-private partnerships are supposed to resolve or avoid. On the other hand, true partnerships will likely benefit from, the author states in Huxham’s (1996) words, ‘collaborative advantage,’

provided that forms of organization meant to provide the conditions to achieve a true partnership are in place, such as behaviors, structures, and attitudes, rather than there being just a mix of actors (Wettenhall, in Hodge and Greve 2005: 36-7). This concept is discussed further in the examination of Brinkerhoff's "mutuality," below. Perhaps as a warning of sorts, Coghill and Woodward suggest that public-private partnerships may just be 'rebadged' privatizations (in some cases), especially in countries where privatization has a long or volatile history (Coghill and Woodward, in Hodge and Greve 2005: 81).

1.2 Why are Public-Private Partnerships Used?

Public-private partnerships are employed for a number of reasons. As mentioned in the previous chapter, USAID asserts that it uses public-private partnerships to "...stimulate economic growth, develop businesses and workforces, address health and environmental issues, and expand access to education and technology ... combining its strengths with the resources and capabilities of other prominent actors... to arrive at solutions only available through pooled efforts" (USAID 2008a). In uses other than international development, public-private partnerships may allow government several advantages. Public-private partnerships may allow it to provide services it would otherwise not have been able to provide, or to create jobs. At the same time, since the costs of financing a public-private partnership may be off-balance sheet, a government may be able to manipulate the appearance of its budget and thus a higher credit rating, thereby becoming able to borrow for other purposes more cheaply (Coghill and Woodward, in Hodge and Greve 2005: 82-3).

Coghill and Woodward note, though, that the common assumption among many proponents of public-private partnerships that the private sector is simply more efficient than the government in delivering services is not necessarily the case. They believe that some services are better provided by government "in-house." Also, they argue that certain social

values, such as equity in access to services and entitlements, avenues for redress, government accountability, and public input should not be overshadowed or outweighed by a focus on technical efficiency (Coghill and Woodward, in Hodge and Greve 2005: 88-9). It appears here that in considering the most effective ways of providing certain services, the government may be obliged to consider more than just cost effectiveness and efficiency. In keeping with this concept, we might conclude that governments must consider the social justice aspects of development assistance not just in the types, amounts, and targets, but also in determining the mode of its delivery.

Chambers provides what some may characterize as an alternative view of rural development, which he terms a “reversal,” a “putting of the last first” (Chambers 1995). In my view, Chambers’ approach serves as an indication of some of the thinking behind the emergence of public-private partnerships in development, particularly among proponents of participatory or bottom-up approaches. Chambers puts forth the view that much of what is attempted in rural development is ineffective because of the approach taken by the professionals and policy-makers involved -- those with the access to power and to resources.

One of the main issues Chambers identifies is a lack, on the part of these development actors, of contact with, and learning from, the people they are ostensibly trying to help. For example, Chambers lists six biases in this regard, which include that many development workers are headquartered geographically far away from the people they are meant to assist, that development professionals often do not travel from those places in seasons of bad weather, that they fail to seek out and engage the poorest in conversation (for fear of giving offense), that they design their work towards people rather than with them, that those towards whom projects are designed tend to be those already better off and more active, and finally that many development professionals confine themselves to the concerns of a particular specialization (Chambers 1995: 2). These biases, in Chambers’ view, prevent development

actors – researchers, policy-makers, and others with authority over development resources – from developing a clear picture of the needs of those they are meant to assist, and thus from addressing those issues most central to extreme poverty and the other problems of the rural periphery which they seek to address.

Chambers also discusses the concept of ‘cores’ versus ‘peripheries’ of knowledge (Chambers 1995: 4). The “cores” of development knowledge, in this view, are situated more in urban, industrialized, and / or high status environments like universities, aid agency headquarters, etc. Actors situated within these cores mutually attract and reinforce each other’s power, prestige, resources, training, and capacity to generate and disseminate knowledge, amongst each other (Chambers 1995: 4). The peripheries, however, are the rural, poor, low-status areas. The peripheries are where those in need are found, but, according to Chambers, “Centripetal forces draw resources and educated people away from the peripheries and in towards the cores.... Add[ing] to the mass which generates prestige and rewards and attracts yet more staff and resources” (Chambers 1995: 4).

In short, in this view, the best development actors and resources are drawn away from the areas where they can be best put to use, where the needs are best understood (Chambers 1995: 4-5). Mitigating this somewhat dismal diagnosis of the way aid works, Chambers does note that there are government staff, voluntary workers, and researchers “pushing into, clinging to, or stuck in the rural periphery” (Chambers 1995: 5), providing him hope, it appears, that all is not lost. One might conclude, again, that participatory project design approaches such as the Leader+ facility are at least in part a result of a similar sense of danger, or recognition of an ineffectiveness of prior efforts at rural development suffering those deficiencies.

Chambers also covers the tension between development academics and practitioners, describing in detail the critical or negative “academic” approach and the “positive” or

practitioner approach. Summarizing his view, we may say that the author asserts that academics may lose touch with ground level realities, while practitioners may indeed lose touch with doubt, with theory, and with the possibility of reconsidering their assumptions (Chambers 1995: 45). We might conclude that a sort of bridge between the two is necessary in order that both may best contribute. Perhaps in some circumstances, private actors may be employed in partnerships to serve this purpose.

In addition, the author notes, both practitioners and academics are often under pressure to simplify their research or understandings in order to make them more easily digestible for media dissemination, in order to fit them into a model or theory, or due to time pressure where an actionable result is needed quickly (Chambers 1995: 41). We may conclude here then, that according to this view, responses to rural problems “at the cores,” by “outsiders,” may well be based on knowledge, understandings, and assumptions suffering a certain myopia as a result of following these forms of scientific or professional orthodoxy, or the other constraints mentioned. Private actors with their own altruistic or commercial motivations, unconstrained by such orthodoxies, might be more likely to have an ability and opportunity to bridge this divide through partnership.

In response to these concerns, the author calls for a more “pluralist” approach to development, which he calls, “an ideology based on doubt, puzzlement, and agnostic openness to evidence and argument” (Chambers 1995: 44). In fact, it may appear to some that the author finds much of what has evolved in terms of approaches to development to be perhaps wasteful or even harmful, at worst (especially in terms of the quest for quantifiable data, see Chambers 1995: 51), or ineffective, at best:

The truth is that there are many causes of rural poverty; that it is difficult to judge to what extent one or more may be primary; that the balance of their significance varies over time, by season, and by country, region, community, village, household and individual; and that not only causes of poverty but also opportunities for wealth are points of departure for rural development (Chambers 1995: 43).

Chambers' arguments each contribute to the case now often made for the greater participation of the poorest in the identification of the causes of the conditions they experience, and in the design and implementation of responses, as a means of overcoming the shortfalls that even the most knowledgeable or best-intentioned outsiders may not be able to avoid. By extension, this feeds into the argument for a bottom-up approach to rural development, one which emphasizes the active participation of, if not leadership by, those closest to the problems that must be resolved.

In addition to these problems, Chambers points out certain seemingly perpetual misconceptions or misperceptions, "embedded errors" such as those regarding causes of and responses to famine (Chambers 1997: 16-17). He discusses also the reality of development professionals as a class (Chambers 1997: 33), the problems its members face, such as the "reconstruction of reality to suit the profession's methods and values" (Chambers 1997: 54), the idea of holding power as a disability (Chambers 1997: 76), etc. Instead of top down systems that cannot possibly be designed to meet every circumstance, he argues, one should instead seek out methods where "the rules are simple, local, bottom-up, and ...self-organizing and emergent" (Chambers 1997: 200). These arguments clearly continue to support the case for a more participatory and bottom-up approach to poverty reduction and rural development in general.

The European Commission's Leader+ program is perhaps one of the best known rural development facilities with a focus on the bottom-up approach, and is discussed in detail in the next chapter. However, it is worthwhile to note here that the EU acknowledged in 2000 that new EU accession countries' rural development would have to blend the traditional focus on agriculture with the non-agricultural parts of rural life. The new, non-agricultural elements then debated included:

The participation and empowerment of rural producers, farmers' organizations, and rural communities; better distribution and access to knowledge and information; enhanced support to women, youth and other disadvantaged groups; adequate and efficient rural financial systems; and improved financial resource flows; access to information; enhanced support for disadvantaged groups; good rural financial systems; financial resource flows; and the provision of public goods and services (Csaki and Lerman 2000).

There is clearly a place for private actors in all of these, as producers, farmers, information providers or brokers, financiers, and contractors or partners.

Despite this apparent commitment to a bottom-up approach toward rural development, Mosse notes, in providing what he describes as a caricature of an instrumental view of policy "as rational problem solving,":

Arguably, international development is characterized by a new managerialism, driven by two trends: on the one hand, a narrowing of the *ends* of development to quantified international development targets for the reduction of poverty, ill-health, and illiteracy...; but, on the other, a widening of its *means*. ... as social life is instrumentalized as 'means' in the new international public policy, donor – driven ideas such as social capital, civil society or good governance theorize relationships between society, democracy and poverty reduction so as to extend the scope of rational design and social engineering from the technical and economic realm to the social and cultural... (Mosse 2005: 3)

Mosse here draws attention to the possibility, at least, that rather than turning over decisions about development needs and responses to those closest to the problem, that in fact, policy-makers may be instead adding those "at the bottom" to their own, top-driven policy implementation systems. In contrast, Mosse also offers his 'caricature' of another conception of the role of those closest to the bottom, the critical approach. Here, Mosse describes the sense that:

Development is not policy to be implemented, but domination to be resisted. And such resistance is celebrated, for example in the activist documentation of social movements against resettlement schemes, or large dams, or the logging of the forest, or a multitude of smaller acts...(Mosse 2005: 5).

It is difficult to agree or disagree completely with Mosse's assertion that development is domination to be resisted. In my view, it is possible, even likely, that some development

actions are harmful in the near or long term to people “at the bottom,” whether or not they are truly intended to serve a “greater good,” or to provide the foundations for an improved quality of life in the future. It appears that Mosse is issuing a warning here, that a shift to a “bottom-up” approach, which engenders participation and may be employed to create space for individuals and / or private actors to join in one another’s activities, may in fact be a tactic to garner support for otherwise objectionable projects, allowing harmful projects to be undertaken with the consent of those most adversely affected. This appears a bit alarmist, in my view, but, as one of the benefits of partnerships can be the conferring of legitimacy, it may be an issue that people should keep in mind.

1.3 The Dimensions of Partnership

Jennifer Brinkerhoff provides a detailed examination of the concept and practice of partnership in international development. She examines the defining dimensions of partnership, the importance of context, partner selection criteria, and the design and implementation of partnerships in the context of the debate since the 1970s (Brinkerhoff 2002: 1) on what I believe we may aptly term the ‘evolution of development.’ Brinkerhoff contends that one of the most important factors in partnership work is striking a balance between programmatic results and the processes through which a partnership is pursued or implemented (Brinkerhoff 2002: ix), and that international development is perhaps the most complex field in which partnerships are pursued, formed, and utilized:

...nowhere is the context for partnership more complex, with myriad potential partners who have multiple and often divergent motivations, facing the most challenging development circumstance – dire poverty, entrenched social stratification, and conflicts of many sorts. These problems are so daunting that it is obvious that no actor can face them alone. ...[But] ... there is little agreement on what partnership means. ...Partnership is in danger of remaining a “feel good” panacea for governance without obtaining a pragmatic grasp of the “why” and a clearer understanding of the “how” of partnerships (Brinkerhoff 2002: 2).

In my own experience as an aid worker, the term ‘partner’ can certainly be found to denote any number of relationships, applying as commonly to contracted service providers like auto repair shops as to donor organizations or to local organizations provided sub-grants through projects. Partnership can clearly take on many different meanings, and this breadth of understanding and meaning is a key issue which Brinkerhoff addresses through a thorough examination of many important elements of partnership relations. These include environmental hostility and context, tolerance for power sharing, integration and formalization of partnership processes, partnership governance, and accountability and transparency mechanisms. Actors must take quite a number of factors into account in determining whether or not to pursue a partnership. These may also help to determine the role they will play once involved.

Brinkerhoff first discusses what she terms “the why of partnership,” providing several possible motivations towards partnerships. Among these are that partnerships can be a means of “enhancing the effectiveness and efficiency of development efforts,” “developing a strategic direction and coordination,” affording a scale and integration of interests and services otherwise impossible to achieve, and the achievement of “sustainable” development (Brinkerhoff 2002, p.3). These are, in my view, general issues of motivation which apply more towards any potential actor’s general willingness to consider a partnership -- to, in a sense, turn towards the idea.

Since the scales and interests of private actors potentially interested in public-private partnerships is so vast, ranging from individuals to global organizations, it is important first to consider these issues of general principle before turning towards the more practical and technical considerations that pragmatic actors may consider in determining whether or not to pursue involvement in such a partnership. Brinkerhoff cites Huxham (1996), Kanter (1994), and Doz and Hamel (1998) in terming these as “collaborative advantages.” While any

number of different types of private actors may believe in or even promote the idea that public-private partnerships for rural development are good in themselves (in these more general terms), I believe, that their pre-involvement assessments or assumptions regarding the demands of the technical issues, the inner workings of such relationships, whether accurate and well-informed or not, hold more sway over their involvement, and ultimately the degree of their participation, in such activities than these nevertheless essential general questions of principle may.

Brinkerhoff next discusses two important concepts in defining partnership. The first concept presented is mutuality. Citing Kellner and Thackray (1999), mutuality is defined as being:

...distinguished as horizontal, as opposed to hierarchical, coordination and accountability and equality in decision-making, rather than the domination of one or more partners. ...[and] jointly agreed purpose and values and mutual trust and respect. ...[mutuality also includes] mutual dependence and entails respective rights and responsibilities of each actor to the others (Brinkerhoff 2002: 15).

The description continues, to include the idea that embedded in mutuality is a strong commitment to partnership goals and objectives, and that these are consistent with each partner organization's mission and objectives (Brinkerhoff 2002: 15). In attempting to determine the depth of the involvement of private actors in partnerships discussed in this paper, it can be useful to examine how or if these concepts are expressed in the daily activities of the private actors, in the design of their more formal interactions or commitments within the partnerships, in the results of their partnership activities, etc., as one measure of the depth of their involvement. This can be achieved through an analysis of decision making structures and methods of accountability, among other factors.

Another important concept offered here is that of organization identity, which is described as being essential to the long-term success of an organization (Brinkerhoff 2002: 15). The author asserts that the maintenance of an organization identity is a measure of the

extent to which an organization has remained consistent and committed to its mission, core values, and constituencies over time (Brinkerhoff 2002: 15), and that organizations may in fact change themselves over time in response to context in order to maintain this identity, with a focus on what the author defines as their legitimate stakeholders – those constituents of the value that the organization generates that also have immediate access to power and urgency, which are often the partner organizations who control important resources or access to opportunities (Brinkerhoff 2002: 15-16). The ability of a partnership clearly to identify itself as such, and to maintain that identity at least for the duration of the agreed activity, to approach it demonstrably as a going concern, can be used as another measure of the depth of involvement of the actors. This can be examined by determining whether or not the organizations remained fully separate while working together. This means that they remained responsive to the partnership and proactive in their obligations to it on one hand, but also to their own internal hierarchies, goals, and objectives on the other. In other words, a private actor consistently self-identifying, toward legitimate (powerful) stakeholders, but remaining and behaving as a committed and integral part of the partnership, can perhaps be construed as a degree of confirmation of the reality of the relationship.

These two issues, mutuality and organization identity, clearly can provide a degree of certainty as to whether or not the relationship between individuals or organizations is actually a partnership or not. This is important because, as one may easily imagine, given the popularity of the term, some relationships called partnerships are in fact not such relationships, while others not called partnerships may well be. This is also an important notion to bear in mind when seeking to determine the motivations of private actors for joining partnerships, and in attempting to gauge the depth of their involvement.

2. PARTNERSHIPS IN ACTION

Why might private actors seek involvement in public-private partnerships for rural development? What do they do once they are involved? Insight into these questions, which may assist in the conceptualization, appropriate design, and effective implementation of such relationships, is timely. In turn, and with continuous research to keep abreast of its evolution, this knowledge should help to make rural development efforts more efficient and productive, conferring greater benefits for those involved, and perhaps helping to avoid misconceptions, inaccurate assumptions, and other pitfalls costly in terms of financing, public and political support, and, most importantly, people's faith in themselves and their futures.

2.1 EU's Leader and USAID's Global Development Alliance

This paper discusses what are arguably the two most significant approaches to fostering public-private partnerships in rural development, the European Union's Leader+ program and the United States Agency for International Development's Global Development Alliance (GDA) facility. These are two large-scale, concerted efforts at development through partnerships. Leader+, the latest phase of the EU's Leader rural development program, covers all 27 countries of the EU and is intended to foster a highly localized approach to developing rural areas, with a budget of over 2 billion Euros. The GDA facility is available globally, to partnerships of NGOs, governments, and a wide range of private actors. This is also a large-scale program, as its Annual Program Statement describes: "Since FY 2001, USAID has obligated \$2.1 billion to approximately 600 public-private alliances worldwide, and leveraged over \$5.8 billion in committed contributions from more than 1,700 distinct partners" (USAID 2008c: 5).

Leader is addressed here first. As all three phases of the Leader initiative are much discussed in the literature, only a very brief description is provided here. Two cases of Leader projects are summarized, paying particular attention to the possible motivations of

these actors' involvement. This section is followed with a more in-depth discussion of the internal workings of a public-private partnership, taking as an example a GDA that was recently completed in Romania. While projects undertaken by Leader's LAGs vary in size and are often quite small, using this GDA as an example provides insight into how a large and complex public-private partnership, which directly involves over 1200 individuals in one partner organization alone, operates internally.

2.1.1 Leader I, Leader II, Leader+

"Leader" is an acronym which stands for, "Liasion Entre Actions pour le Développement de l'Economie Rurale," meaning "Links between actions for the development of the rural economy" (Francia et al 2005: 6). The Leader program began in 1991 as a response to the gaps left unaddressed by the variety of initiatives under the Common Agricultural Policy of the European Union (Francia et al 2005: 5). As Francia and her colleagues describe,

The different development programmes appeared in different sectors till the end of the 1980's and the intersectorial harmonization was missing on the local level. In the framework of these programmes the local beneficiaries were selected in a top-down system, and separated from the integrated environment of the original idea. As a consequence, nobody paid attention if there was an interaction between the selected development projects. If so, what kind of interaction was it? Did the projects strengthen each other, were they neutral or did they actually oppose each other? Thus many subsidies were not spent properly because the different projects often negated each other's effect (Francia et al 2005: 5).

This contention appears to agree with the concerns voiced by Chambers, as discussed in the previous chapter. A lack of contact between policy makers and beneficiaries, and the design of interventions by figures in central "cores," in this case in the EU bureaucracy, *towards* people at the peripheries by functionaries at the top of a system, appear to have created a set of interventions under the Common Agriculture Policy which did not necessarily best serve the interests of those for whom they were intended. It would appear that, at the time, these interventions were not necessarily achieving an overall positive change in the EU's rural

areas, as Francia and her colleagues note: “The original goal of the [Leader] program launched in 1991 in the EU 15 was to stop the segregation of the rural areas burdened with growing poverty and aging population” (Francia et al 2005: 6).

Leader+ did not begin in its present form, however, nor has the EU remained static. Leader began in 1991 in a limited way, with 400 million ECU in 217 areas, followed by Leader II, which provided 1.7 milliard (billion) ECU to 850 projects, and then the Leader+ initiative, which anticipated at its outset over 1200 projects and a budget of approximately 2.2 milliard (billion) EUR (Francia et al 2005: 6). The first Leader initiative began with 15 member states of the EU, which produced 893 LAGs prior to the enlargement of 2004 (Leader+ Magazine 2008: 2). Of course, we now find the EU with 27 member states, several of which are countries of the former Soviet Union. One may conclude that many of these new member States’ rural areas have, in general, further to travel in their development than the average earlier entrants to the European Union had when Leader began, especially if lingering issues of transition from a planned to a market economy are considered.

The Leader initiative is meant to be a very “bottom-up” and “participatory” one, which one may conclude is a shift away from the more centralized, top-down, previous practice of EU development efforts that affected rural areas, especially with regard to agriculture. Francia and her colleagues explain that the concept and design of the Leader initiative depends on eight key aspects, enumerated and briefly described below.

1. The area-based approach
2. Bottom-up approach
3. Partnership approach and the “local action group” (LAG)
4. Specific management and financing methods
5. Innovation
6. Integrated approach
7. Networking and cooperation between areas
8. Local financing and management (Francia et al 2005: 8-9)

As these authors state, “The area-based approach enables people who perceive the region as their common home to work together, and this feeling provides the motivation necessary to keep the projects going” (Francia et al 2005: 8). This may also serve to foster the integration and formalization of the partnership process that Brinkerhoff mentions, as well as her notion of accountability and transparency mechanisms as described previously. Because of the area-based approach, these are the same people working together, perhaps for years to come, and they will certainly get to know one another as actors in the LAG as well as in their day to day lives.

It is likely that social ties and daily proximity might serve as enforcers of transparency and accountability as well or better than official procedures and rules, and that as members become accustomed to the processes and dynamics of their group, that processes will become better integrated and more efficient. In that a bottom-up process requires that local people identify opportunities, develop plans, and drive the activities within the guidelines provided by the EU, within which national governments create their own structure, the consistency that the area-based approach can provide may be key to a group’s success. Of course, individual participation is clearly a key factor in the success of a LAG. While public officials or NGO members may feel obliged by their positions to participate in LAGs, however, private actors are not. Therefore, a discussion of possible motivations for private actors to join a LAG is very important.

2.2 A Private Actor in an IT Partnership

One example can be found in Denmark, with the Danske Smaoer (Danish Small Islands) LAG. In this case, the LAG has a strong focus on the information-technology industry and workplaces: “[The] overall goal is to attract residents via new IT-based workplaces on the 27 islands that are in the LAG’s area of responsibility” (Priesholm 2007: 32). This particular project involved eight of those islands, whose populations ranged from

10 to 218 inhabitants, and which are between 30 and 60 minutes from the mainland by ferry. It sought to provide broadband internet access to these islands to help facilitate business and employment through new IT-based workplaces, and citizen's access to web-based government services as a means of encouraging people to remain on the islands and to attract new inhabitants (Priesholm 2007: 32). An entrepreneur on one of the islands was already providing wireless broadband to about 35 customers, but sought a means of expanding in order to cover his island group, which included about 300 homes and businesses (Priesholm 2007: 32).

This successful project combined financing from the EU under Leader+, other public funds, and a significant contribution of private resources to connect about 200 homes and businesses to a broadband network (Priesholm 2007: 34). In terms of private actors, it involved a large telecommunications company acting as something of a technical backstop to the main provider, and the entrepreneur's smaller telecommunications company (StryNet) acting as a main provider (Priesholm 2007: 32). StryNet, the smaller company, was chosen despite concerns regarding its operational reliability, because, "...on one of the islands they already had a local entrepreneur with a thorough knowledge of the local area, as well as local involvement which went beyond the merely commercial," as well as that it was, "...a smaller business with the necessary flexibility and the right qualifications" (Priesholm 2007: 32). For the private actors in this case, clearly there is a strong business motive, as the project expands broadband internet coverage to 200 customers, up from 35. The larger provider gains access to the network in exchange for its ability to take over the network quickly in case the smaller, more flexible company becomes unable to remain involved.

It is also worth noting, however, the mention of "...local involvement which went beyond the merely commercial." Especially in light of Leader's strong emphasis on participation and the bottom-up approach, it must not be discounted that a sense of

community dedication or spirit, for example, can play a strong role. As one LAG member commented:

... [you] need people who are willing to go into this cooperation who are a bit more forward thinking, and are very ... “local patriotic” ... it only works if you wish [not just] your own people to improve, but the whole area ... those people who don’t have this don’t really care usually.”

In the case of the Danish Small Islands, then, while the business motive is fairly clear, the idea of ‘local patriotism,’ what we may otherwise term community citizenship, may also have been at play. Without making a value judgment, however, we may consider that the business interest was likely the stronger of these motivations for the entrepreneur involved here.² The project enabled a better quality service (broadband internet) for a larger number of people, and probably helped several businesses improve (two examples are cited by Priesholm). Except for businesses reliant upon broadband’s speed, or improved by the new wireless hotspots available to the general population, or to tourist boats in the harbor (Priesholm 2007: 33), however, broadband internet could be considered a luxury item for many of those who benefit from it, among them some who did have other means of connecting to the internet (slower ADSL or dial-up modem also existed in some places) prior to the project. Thus the opportunity to act upon a sense of community citizenship may play a role, but not necessarily a key role, in motivating private actor participation in this case.

2.3 Private Actors in Accessible Tourism

Another example of private actors’ involvement in Leader initiatives can be found in Spain and Portugal. In the “Routes Without Barriers” project, four LAGs in the two countries are working to provide access for people with limited mobility, or living with other

² As noted by the LAG sekretariatsleder, the entrepreneur involved was not part of the LAG until he presented his idea, though he was in contact with the group through its coordinator from the early phase of the project (Jensen 2008).

disabilities, to tourism products in their regions. This project is framed within a social rights approach, as the project description states:

The right to recreation and leisure is very much in line with the principles of equal rights, equal opportunities and non-discrimination. However, in Spain and Portugal, as in other Member States, many people with a degree of disability or reduced mobility... have limited or no access to a number of tourist facilities and services. (Leader+ Magazine 2007: 39)

This project will help to make physical adjustments to various facilities to accommodate this target group, and provide awareness raising and training, especially for the owners and staff of the participating businesses and tourism-related organizations, but also in schools and among local authorities and the media (Leader+ Magazine 2007: 39). The project will link tourist destinations in the four LAGs' areas of the two countries into a single route of accessible destinations. The stated goals of the project are to:

1. Promote equal opportunities and facilitate the social integration of people with reduced mobility, vision or hearing, through tourism and recreational activities;
2. Diversify the tourism supply available, demonstrating the potential of this new market segment;
3. Promote tourism in the regions involved and equip them with infrastructures and facilities, contributing to a balanced and sustainable development;
4. Put together a 'model route' that can be transferred to other regions of Europe, with a view to expanding it beyond the Iberian Peninsula (Leader+ Magazine 2007: 39-40).

This case offers a number of possible motivations for the involvement of private actors, especially for tourism-related business operators. The first is clearly the notion of community citizenship. Providing accessible facilities may be viewed by many as a good in itself, without any other considerations. Again being wary of placing value judgments on factors possibly involved in the motivations of private actors in joining partnerships, several additional reasons also emerge in consideration of this project. This project includes a significant advertising or awareness raising campaign which will target schools, the media, and the tourism industry in addition to consumers (Leader+ Magazine 2007: 40). This campaign and related activities will contribute to the public relations efforts of the businesses

involved, and cast them in the positive light of enhancing the enjoyment of basic rights by those often unable to enjoy them due to circumstances beyond their control, and thus draw attention to the actors' 'good corporate citizenship.'

Participation in such a project may likely also contribute to a potential expansion of many businesses's customer base. For example, a hotel becoming wheelchair-accessible might attract not only a person who is wheelchair-bound, but also that individual's family members. The same might be said for providing aural signposting and audio tours of certain venues for the vision-impaired, sign-language interpreters for the hearing impaired, or other facilities and resources like designated transportation. These could make destinations more attractive and manageable for families or groups with members living with disabilities or with limited mobility, who would otherwise forego such destinations or avoid traveling at all, out of a sense of fairness, concerns for safety, or simple considerations of day-to-day logistics. In this case, participation may indeed assist private actors in improving their quality of service and attracting new business, as the LAG asserts.

Another motivation private actors might act upon in such a case is the opportunity for networking. Participants certainly shall have contact with related businesses, authorities, and industry professionals through this project, as well as with organizations and individuals best able to advise them on making their venues accessible, thus also benefitting, as explicitly mentioned in the project description, from expert advice on what adjustments to their facilities are necessary, and how best to provide customer service to the targeted clientele. As well, in another form of networking, this project will link various destinations in four areas across two countries, encouraging clients to travel a route that links them all. This could serve to increase the number of clients served by each of the companies involved as partners, as well as others, thus strengthening the sector overall in these communities.

Also, with regard to this project in particular, it is useful to broaden the focus slightly to take note of another set of motivations for private actor participation which is not specific to the nature of the project itself: familiarity and proximity. As the project literature states:

Another determining factor in the implementation of the project was the degree of familiarity between most of the LAGs, which was a result of working together on previous occasions. The proximity of the regions makes it possible to hold regular meetings, where the development of the project and decision-making are addressed in a systematic way, and thereby making the whole process run smoothly. (Leader+ Magazine 2007: 40).

Prior experience, the author states, has played an important role in the creation of this project. For at least some of the actors involved, this is not their first time working with each other, and the trust and sense of security this likely engenders should not be underestimated in considerations of efficient and effective cooperation between the many parties involved. As Brinkerhoff states:

Effective partnerships require both trust and confidence. The tension between trust and confidence is reflected in the trade-offs between formal and informal processes, governance mechanisms, and breadth and depth of representativeness and participation. Confidence can substitute for trust to a point, but trust can be more efficient and effective, utilizing culture governance mechanisms (the mechanism with the lowest transaction cost). ...overrelying on confidence mechanisms can potentially undermine and prevent trust building, raise transaction costs, and weaken organization commitment (Brinkerhoff 2002: 76-77).

The fact of being familiar with and trusting potential partners can clearly serve as a motivation for joining a partnership. However, it may not be a primary motivation, in my view. The suitability of the partnership's purpose, I believe, would be considered first, while the "comfort" of having worked together successfully in the past may be something of a final piece to the puzzle. In these two cases, quite a number of different motivations for the involvement of private actors in public-private partnerships within the Leader program have emerged. For example, as stipulated by the guidelines, no LAG may be composed of more than 40% public bodies. However, as a member of a LAG's planning group notes:

...we needed entrepreneurs [to join the LAG] – there were almost none in the beginning ... and for that reason there was a lot of organization to get them in. And

then when someone came, then the others came with him or with her. ...[We recruited them] ...through existing networks ... I mean, all the Mayors were in the group ... and as I said, the Mayor is a very local position in Hungary. ...[These] villages are very small, most of them are under 500 people – there are a few bigger ones, but most of them are very small, everyone knows everybody there.

Since so few entrepreneurs joined this LAG initially, a concerted effort had to be made to recruit them in order that the proportion of LAG members would be acceptable according to the requirements of the Leader+ program.³ Three potential motivations emerge here: first, the Mayors of all the villages involved were members and could ostensibly encourage or persuade private actors from their villages to get involved; second, since “everyone knows everybody,” word of mouth and the encouragement of neighbors could play a role. The “why not join the bandwagon” mentality may also factor in, as those who had decided to get involved brought others with them. Also, private actors may become involved simply for the fact that someone asked them to.

Another potential motivation could be that such activities are growing in influence over time. Hungarians have been in a position to observe the growth of Leader in other countries, and to see the Leader-like pilot activities conducted there prior to the inception of Leader itself, only recently getting underway. As this LAG member further commented:

[As the] program grew, more people got interested. Leader is much more important than its financial share in the budget; ...Leader created a lot of local networks that wouldn't have been created any other way, and also because it created or helped create the rural development lobby. The agricultural lobby is huge, but the rural development lobby is not in the same class; but there is something there already ...there are over 2000 Leader groups in the EU ...

As the Leader program gains influence in Hungary and in the EU, this respondent asserts, it will likely be more apparently in the interests of private actors in the country's rural areas to become involved in Leader as a means of having influence over local and national policies

³ Another respondent commented on the issue of entrepreneurs' initial participation as well, noting that some entrepreneurs attended the regular meetings, “... like crews gathering and waiting for the harvest, for more flexible conditions and closer ideas. Such behavior is completely understandable in the present state of business affairs. Entrepreneurs - rural ones all the more so - are fighting for survival among more and more difficult conditions...”

which affect themselves, their businesses, and their communities overall. Taking advantage of the opportunities to network, to create linkages with other parts of the EU, and to have an impact on EU policy may be attractive possibilities as well.

Finally, private actors may join these groups simply out of the desire to be involved.

As another respondent mentioned:

Our team worked really hard, and arrived to the conclusion at the end of the winter already, that even if our proposal was not to win ..., the team coming together and the strategy put together had its own value. The democratic working style made the difference.

2.3.1 Motivations – Why ‘Not’ to Join?

Having attempted to capture many of the reasons why private actors *have* joined in as partners under this program, it may be useful at this point to attempt to assess some of the reasons why private actors may choose *not* to get involved. It is important to consider here that, while politicians and community organizations may feel compelled to be involved in the LAGs, private actors, especially private individuals, are perhaps more able to choose whether or not to join.

Especially where the initiative is fairly new, private actors may face a certain degree of disorganization on the part of the authorities which may give them pause. For example, one respondent noted that the several different administrative divisions in Hungary, the statistical micro-region, the “settlement,” and the regional administrative divisions, each have their own staff involved in Leader, each reporting to a different authority, apparently competing to some degree within the context of Leader. This kind of situation may discourage private actors, especially individual entrepreneurs, from joining the group before such issues are resolved, and might be further discouraging if there is a case where different divisions have different political affiliations.

Another issue, mentioned more than once, was that there was no financial support for those involved in the planning phase. It was fairly clear, though not fully articulated, that the respondents felt the government's money would have been better spent supporting the costs to the planners in each LAG directly, rather than funding the institutional support system. Private actors would thus have to consider whether or not they would be willing to cover whatever costs they might incur in traveling to these meetings (which might include hiring temporary help to cover the business in their absence, perhaps), or the income they might forego in committing significant time to the LAG. The respondents each estimated having spent, in their planning groups of 9-12 people, a total of approximately 5,000 man-hours uncompensated in completing their respective planning processes. One respondent in fact confirmed that there were no individual entrepreneurs in that LAG.

Therefore we find that, in the case of these two LAGs in Hungary, several possible disincentives to participation, especially for private actors, emerge. The system may be disorganized in early stages, with the authorities still feeling their way forward. Political considerations may play a role in group dynamics, with private actors the most free to come and go. There may be significant costs, especially to private individuals, which are not reimbursed. There may be substantial commitments of time and energy, without much clarity as to what may result. And finally, there may be a great deal of confusion as to what the procedures are until the process is smoothed out with time and experience.

2.4 Partnership Against HIV / Aids and Family Violence in Romania

Turning now towards potential measures of the character and depth of private actors' involvement in public-private partnerships for rural development, we take as an example a fairly unique public-private partnership. While Leader limits partnerships to those within self-defined geographic boundaries or between two such entities, the GDA is more open to larger scale projects. Established through what is considered by many to be a top-down

approach to public-private partnerships in contrast to Leader's 'bottom-up approach,' the GDA between USAID, International Orthodox Christian Charities (IOCC), and the Orthodox Church of Romania (ROC) to address HIV / Aids and Family Violence (FV) provides an excellent example of how a heavily involved, national-level private actor, an American faith-based relief and development agency, and the US government can arrange and operate an effective partnership for rural development. As such a large and complex operation between large actors, taking this program as an example, in my view, provides insight into the private actors' involvement in planning and implementing a complex partnership in a way that examining the smaller scale LAG-sponsored partnerships of Leader cannot. The purpose of this project, briefly stated, according to its final report:

The project objective was to instill positive attitudes in the ROC, and equip its priests, educators, social and cultural service providers, and parish community members through training and instruction, so they become agents of social change in developing integrated parish-based community responses for the prevention of HIV/AIDS and FV [Family Violence] and the social integration of People Living with HIV/AIDS (PLWHA) and FV victims (IOCC 2008: 5-6).

The ROC considers itself to be a private entity, and is considered as such under Romanian law. The ROC is not considered to be a public organization, or an NGO⁴. The project took place between April 2005 and March 2008, encompassing 13 counties of Romania, and targeting, as primary beneficiaries, approximately 243,000 children (7-18 year old Romanians) and their families, especially in remote areas; 1,284 priests and 906 religion teachers, and 53 individuals who were trained to become trainers in their respective counties. Secondary beneficiaries included an estimated 2.06 million Romanians reached by public education and compassion messages delivered periodically through media and promotional events conducted by priests and diocese social departments. The ROC contributed over \$2 million to the project in in-kind contributions. IOCC contributed similarly (IOCC 2008: 9).

⁴ Interview: IOCC / Bucharest Project Officer

As noted in the previous section, Jennifer Brinkerhoff addresses many of the issues related to the ‘how’ of partnership, providing a useful guide for an examination of what private actors do once they are indeed involved in a public-private partnership. Brinkerhoff states, “Partnership is in danger of remaining a ‘feel good’ panacea for governance without obtaining a pragmatic grasp of the ‘why’ and a clearer understanding of the ‘how’ of partnerships” (Brinkerhoff 2002: 2). In the case of the IOCC – ROC collaboration described here, the first step was to discuss in depth the various possibilities, among the parties, long before a formal process was entered into. This took about one year, with all three parties intensely involved. The formal application and contracting process proceeded smoothly following this period.⁵

Brinkerhoff, citing Kellner and Thackray (1999), attempts to define partnership by offering the definition of mutuality discussed in the previous chapter. In the case of this partnership, mutuality was achieved in part through formal means and in part through informal ones. The initial, more formal means in this case was the creation and signature of a very clear memorandum of understanding which set forth in detail the responsibilities of all the parties to the agreement, the donor’s rules for accountability, and key details such as the benchmarks and objectives that were part of the aid agency’s agreement with the donor. As the ROC structure is fairly decentralized, IOCC also concluded additional memoranda of understanding with each diocese involved in the project. Later, things began to fall more naturally into place as work got underway.⁶

Also included in Brinkerhoff’s definition of mutuality is the idea of a “jointly agreed purpose and values, and mutual dependency” (Brinkerhoff 2002: 15). The structure of this program engendered a mutual dependency between IOCC and the ROC. IOCC was the party

⁵ Interview: IOCC Regional Director

⁶ Ibid.

legally responsible to the donor as signatory of the grant agreement⁷, but the object of the project was to reach the ultimate beneficiaries through the training and capacity-building of the personnel of the ROC. Access to these personnel and the development of strong relations with them was ultimately dependent in large part upon the ROC central administration. Thus, in the formal definition of each party's roles and responsibilities through memoranda of understanding, and the interdependence of the parties, we may conclude that Brinkerhoff's requirements for mutuality are fulfilled, and both the private actor and the NGO sides of the partnership are actively involved in the partnership in this dimension.

Brinkerhoff next offers that, where mutuality exists, a strong commitment to the goals and objectives of the partnership are embedded in each partner or partner organization (Brinkerhoff 2002: 15). In this case it is fairly easy to determine that IOCC and the ROC, as organizations of, or founded by, people of the same religious faith, follow a similar general ideology. In terms of the project activities itself, however, this may not be as clear. USAID, for example, does fund HIV / Aids programs which promote the use of contraception, a stance which the ROC does not promote. However, as part of the memorandum of understanding between the three parties, the ROC agreed to abide by USAID's requirements that they not act against the promotion of the use of contraception by USAID's other partners, while the ROC was not required to promote advice with which it did not agree in this regard.⁸ The ROC and other actors working in HIV /Aids, though perhaps with different messages, did share a common goal: to keep people alive.⁹

2.4.1 Mutuality in Leader

Returning for a moment to the Leader program, the question of mutuality seems in my view to be addressed less in the actual partnerships of a given LAG project's partners than it

⁷ Ibid.

⁸ Ibid.

⁹ Interview: IOCC / Bucharest Project Officer

is in the very design of the Leader program itself. Whereas in the GDA example we can see that there is a long negotiation of roles and responsibilities among the partners and the donor at an international level, solidified through detailed memoranda of understanding, we see in the Leader program that much of this is pre-ordained. The partnership aspect of Leader therefore, seems to occur at the LAG level or below, in my view. Above the LAG, rules, judgments, and approvals come down from the various authorities. A LAG must fit its plans into one of the four themes provided by the EC. It must create boundaries limiting itself to a certain geographic construct¹⁰ (although cooperation between LAGs is clearly possible and encouraged). In Hungary at least, a LAG must complete its strategy according to a daily schedule set by higher authorities. It does not appear that a LAG is in partnership with its main donor, according to the mutuality criteria discussed above.

At the LAG level and below, however, the construction of the Leader+ approach provides ample opportunity for mutuality to develop. According to one respondent, LAG members had to visit every settlement within their region to present the work of the LAG in public meetings, and every comment made in these meetings was carefully noted down, including the name, village, etc. of the speaker. This would likely provide ample opportunity for private actors to be informed and to join in the process. Once a LAG's strategy is approved higher up, the LAG members – ostensibly a group of local private actors, local public officials, and local NGOs – have substantial autonomy in deciding which projects to pursue, and with a significant degree of control over the resources available for their area, have the opportunity to exercise that autonomy.

However, difficulties with the planning system devised by the authorities caused a great deal of trouble for some LAGs. Frequent scheduling changes, lateness of guidance, and other frustrations caused some planners to have to forgo the “animation” aspects of their

¹⁰ LAGs may not overlap geographically, and individuals may be members of only one (Francia et al 2005 p.10)

duties in order to simply get the paperwork done on time. This lack of initial ‘extroversion’ on the part of the LAGs likely did not help in recruiting trepidatious potential members. Whether or not mutuality *does* exist within a LAG, however, will in my opinion depend upon many factors, not the least of which are the group dynamics of that assembly and the personalities of those involved. As one respondent stated, a Mayor of a village is often among the most active people living there -- in addition to being the Mayor, he or she may likely also operate the biggest enterprise(s) as well. Especially in such cases, the degree of mutuality of a group may depend in large part on the personalities of those involved.

2.5 Organization Identity

Brinkerhoff next suggests that the maintenance of the organizational identity of the partnership is another proof of true partnership. This entails each partner being responsive to the main stakeholders of the partnership and to its core constituency, without losing its core mission and values (Brinkerhoff 2002: 15-16). In other words, if a member of a partnership is no longer responsive to another partner, then the partnership no longer exists. And, if a member of a partnership is no longer true to its own purpose, it has been subsumed by the partnership and thus is no longer an effective partner but rather an extension or component of the other. In the case of the IOCC – ROC – USAID partnership, we may conclude that all partners did maintain their separate identities while remaining responsive to their core constituencies as well as to the partnership. Personnel of IOCC and the ROC, and USAID as well, each remained subject to their own separate hierarchies throughout the project, while at the same time maintaining adherence to the stipulations of their memoranda of understanding, which included the conditions of the agreement between IOCC and USAID, as well as between IOCC and the ROC.

Operationally, this was facilitated at three levels. At the central level, there was a form of steering committee established between the senior actors, which met both regularly

and as needed, with informal communication also as needed. In each diocese a separate project team made up of trainers, priests, and religion teachers handled technical capacity and day to day local issues. Administrative liaison was handled through a separate set of relationships between representatives of each organization through their standard hierarchies. In addition, weekly meetings were held between IOCC and USAID along with the ROC liaison¹¹. With this construction, we can say that mutuality was established bureaucratically between all three parties. Also, the project teams likely helped to reinforce organization identity throughout the areas served by the project, serving as a local platform for participants in each diocese to exchange information and maintain connection with the others. As all three organizations maintained their separate identities through their members' responsiveness to their own hierarchies while still serving the partnership, however, retaining their comparative advantages and thus maintaining the partnership as such, Brinkerhoff's organization identity concept is fulfilled (Brinkerhoff 2002: 172).

2.5.1 Organization Identity in Leader

As with mutuality, LAGs are constructed in such a way as to provide opportunity for organizational identity to take root and grow. First, the area-based approach helps to ensure that people with some manner of common concerns, if not necessarily common backgrounds, are grouped together. Next, in ensuring that all interested parties have the opportunity to meet and be heard through the emphasis on participation, this sense of common purpose and vision can be reinforced and developed.

This may not always be the case in practice however, as one respondent noted. In some cases, it would appear that local budgets for things like regular maintenance of public infrastructure can be sparse, and thus the local officials may attempt to focus Leader resources on things like that. Therefore, it can be said that the design of the Leader approach

¹¹ Interview: IOCC / Bucharest Project Officer

makes space for and encourages organizational identity, but what is done within that space may depend in large part on the interests and personalities of the individuals involved.

2.6 Efficiency and Effectiveness of Public-Private Partnerships

As noted in the previous chapter, Wettenhall contends that public-private partnerships are not necessarily always the most suitable approach to a given problem since “competition is antithetical to collaboration” (Wettenhall, in Hodge and Greve 2005: 36). We may examine both the Leader approach and the GDA approach in light of this assertion. On the one hand, in the case of the Danish Small Islands LAG and their new broadband connection, it may have been more cost-effective and efficient in terms of the value of time and energy expended for the local authorities to have tendered for the services, awarding a contract to the cheapest bidder, saving the time and energy and other resources of LAG members. However, in my view, the key fact to consider is that this activity did not happen until there was a LAG, and until people had invested their time and energy in it. In this sense, the LAG was the most effective and efficient way of creating what we might consider a public good.

We might draw a similar conclusion in the case of the accessible tourist route through Spain and Portugal. The potential for such a development activity was already there, but without the partnership approach, it hadn’t happened. Neither public authorities nor private actors had invested in creating this public good independently. Once they were in partnership with the community-based organizations of people with these needs, however, that partnership became the most effective means of providing this development activity.

Finally, in the case of the HIV / Aids and Family Violence program in Romania, this partnership brought together three actors, each with distinct advantages. The ROC offered its extensive network, access, and cultural authority; IOCC brought with it technical, organizational, and management expertise and experience, and, certainly not least important, strong relationships with both the ROC on one side and USAID on the other. USAID

brought global experience, a certain political and cultural capital, technical expertise, and financial resources unlikely to be found elsewhere. The collaborative advantages to this relationship are clear, and in my estimation it is highly unlikely that such a program would have occurred at all had any of the actors attempted it individually. We may conclude that in these three cases, the public-private partnerships were crucial to providing public goods that had not been generated in their absence and would probably not have been otherwise.

2.7 The Trend

The trend in the ‘development industry’ is clear. More and more resources have been invested in public-private partnerships in recent years, as evidenced by the progress of the Leader facility to the multi-billion euro program it is today, and the multi-billion dollar budget of USAID for its GDAs. USAID’s rhetoric proclaiming public-private partnerships as their business model of the 21st Century quoted throughout this paper, and the growing number of partnerships being supported by each facility are testament to this fact. In my view, there are two main currents driving this development. The first is the continuation of the change in development philosophy that followed the Cold War, the advent of the New Policy Agenda and its push for free market and “good [democratic] governance” solutions to poverty (Edwards and Hulme 1996: 6). As part of this agenda, governments turned to NGOs as providers of a large portion of their development aid worldwide, a separate issue which cannot be described fully here, but which is still growing, with some large American aid agencies like World Vision handling up to one billion dollars of government and private foreign assistance per year.

The second driver, in my view, is the recently well-advertised dissatisfaction with the fact that efforts to raise up the world’s poorest since the Cold War have in many ways failed. Easterly (2006: Ch. 2) claims that top-down efforts have fallen flat, while Collier (2007: Pt. 2) describes the traps they have apparently fallen into. Much of these troubles are blamed on

poor governance, or in other words, poor management from the top, malignant or benign. The solution, then, as Chambers would doubtless agree, is participation – in the case of public-private partnerships in rural development, participation in efforts to improve the overall quality of life in rural areas. Although participation can be seen as a good in itself, however, large numbers of under-resourced actors, or small numbers of large under-resourced actors require assistance with organization, technical capacity, expertise, and other resources. As we've seen in the few examples cited in this paper, a new combination of these things has in many places produced public goods that had not been produced before, though they had been possible. It is quite likely that public-private partnerships will remain a popular approach.

3. CONCLUSIONS AND RECOMMENDATIONS

Through this brief study, we may draw a number of conclusions. First, private actors interested in public-private partnerships vary tremendously, ranging from the Danish islander with IT expertise and a business idea to an ancient eastern church seeking to address modern social issues in partnership with the US government. Next, while bottom-up approaches may be excellent in some circumstances, more top-down approaches do have their place as well. It would appear that rules meant to encourage equity and participation in fact can create hardship for active and interested LAG members by demanding certain proportions of different actors join the group.

Next, it is clear that motivations play a key role in private actors' participation in partnerships, but if these few cases are indicative, we can conclude that they fall generally within a spectrum between profit motive and community citizenship. However, as we see in the two Leader examples, stronger influence by one does not entirely exclude the other. In addition, we find that existing trust and familiarity can be motivating factors, though perhaps not a primary motivation. On the other hand, uncertainty caused by poor or onerous procedures, or by internal politics, can negatively motivate. Social ties and daily proximity of small groups may reinforce accountability and transparency.

In terms of what private actors do as partners, we find that Brinkerhoff's concepts of mutuality and organization identity can provide a sort of scale on which to measure an actor's participation and commitment to a partnership. We also find, however, that too great a commitment might damage a partnership, as one actor losing its 'organizational self' loses also the collaborative advantages it had offered. The example of the GDA showed that a long pre-agreement negotiation period can smooth the operations of a partnership once underway, and that altruism is still a powerful motivator for some private actors – we are reminded that the ROC invested over \$2 million in in-kind contributions in this public-service project.

Finally, we have found also that public-private partnerships may produce public goods that had been possible previously but which had not had the right mix of support until the public-private partnership was established.

Despite some frustrations, public-private partnerships have been successful in these cases and private actors played significant roles. The LAGs mentioned here now await answers on their strategies, and the IOCC – ROC collaboration has moved into a new phase, with the ROC, in part due to the partnership project, forming its own charitable federation of smaller existing organizations -- a new partnership in the works.

In terms of recommendations, several emerge from this discussion. Although public-private partnerships appear to be very effective, we must remember that no model fits all situations. Public-private partnerships may not always be the appropriate choice, despite their growing popularity, so alternatives must not be discounted. It is recommended that more research be done on the potential of the rural development lobby in the EU. Given the strength of the agricultural lobby, but the broader base of the more general rural development one, there may be significant potential there for continued, substantial improvements in the quality of life in rural areas. Finally, it is important that the lessons learned, best practices, and other valuable knowledge derived from these public-private partnership facilities be shared as widely as possible, in order that it may inform the creative and innovative solutions needed in communities throughout the world.

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