13

Getting the Three Sectors to Work Together

"The rashes first appeared when I was six... At school I couldn't concentrate because of the incessant itching. The children in class used to laugh at me, so I stopped going to school when I was nine. I married in 1989. My father arranged the marriage... When we met and he saw my skin, he was very angry. I lived with him for a few months and became pregnant... Despite the pregnancy, he sent me home to my parents. ...I had no support from my husband, no money for me or my baby."

—Agnes, a Nigerian mother, 1995[1]

Following treatment with the drug Mectizan®, Agnes's symptoms disappeared, and she reconciled with her husband. Their story of the devastating effects of river blindness is common, although it does not always have the same happy ending—one that depended on a global partnership with the public, private, and nonprofit sectors working together in Africa. This is what we believe it will take to address, as Bill Gates calls it, "the roughly a billion people in the world who don't get enough food, who don't have clean drinking water, and who don't have electricity—the things that we take for granted."[2]

If there is one fundamental lesson that the United Nations has learned from its more than five decades of experience in poverty alleviation, it is this: *No program for alleviating poverty can attain lasting*

success if the three sectors—government agencies, nonprofit organi-
zations, and private enterprise—do not learn to work together
effectively.

This chapter begins with a case story describing the African Pro-
gramme for Riverblindness, launched in the mid-1990s. Then we
elaborate on the nature of developing a three-way strategy and the
keys to its success.

Conquering River Blindness: It Takes a Global Partnership

The Disease

Onchocerciasis is most commonly called river blindness
because this parasitic disease causes blindness and is prevalent
around fast-flowing rivers. The disease is transmitted by the
bites of small blackflies that breed in rapidly flowing streams
and rivers. Among the 120 million people worldwide who are at
risk of contracting river blindness, more than 95% live in Africa,
with the remainder concentrated in Central and South America
and the Arabian Peninsula. Among those infected, over 6.5 mil-
lion suffer from severe itching, and 270,000 are blind.[3]

The Link to Poverty

To contract river blindness, a person typically must be bitten
hundreds of times by infected blackflies, since only a small per-
centage carry the infection. As a result, the disease is not com-
mon among travelers or visitors to endemic countries.[4] It is, in
fact, the poorest of the poor living in rural areas who lack pro-
tection from the blackflies who are at the greatest risk, with
huge socioeconomic consequences. Infected people face phys-
ical disability and social stigma. The unbearable itching and

blindness are debilitating. When blindness in a village reaches epidemic proportions, it leaves too few able-bodied people to tend the fields. Food shortages and economic collapse then force residents to abandon their homelands in fertile river valleys. Moving to higher elevations and forested areas offers some protection from further infection, but then farmers end up struggling with poor soil and water shortages on overcrowded lands. Eventually, river blindness pushes prosperous communities into poverty.[5]

The Strategy: A Global Partnership

River blindness control began in 1974 in West Africa as a large regional project called the Onchocerciasis Control Programme using the only available approach at the time—vector control, the treating of breeding sites of disease-transmitting flies with insecticides. However, the second program, APOC, introduced in the mid-1990s, is of particular interest for this case story. The core of this program is the distribution of Mectizan, the drug developed by Merck & Co. in the 1980s and then donated for river blindness. It involves influencing community and individual behaviors through what the World Bank calls *community-directed treatment systems*.[6]

As described in the World Bank case study "West Africa: Defeating Riverblindness—Success in Scaling Up and Lessons Learned," in community-directed treatment systems, the community receives training and support from cross-sector partners, including international agencies, participating country governments, NGOs, and donor countries.[7] In coordination with these partners, the communities themselves decide how to organize treatment for their citizens. They select the drug distributor, determine the timing and method of drug collection

and distribution, and report to local health providers. Authors of the case study tout that "the role of the community changes from being solely the recipient of services within the guidelines and limits set by outside providers to a position of prominence as the lead stakeholder and decision maker in community-level health services."[8] Organizers, they cite, are motivated by numerous advantages:

- Less work for local health providers
- Better treatment and geographic coverage
- Stronger ability to adapt the drug distribution and treatment program as the communities' needs and requirements change
- A greater sense of commitment to and ownership of the program, which in turn promotes sustainability and the possibility of eventual integration into the local health system

Results

The World Bank reports that in West Africa alone, 600,000 cases of blindness have been prevented, 18 million children born in the now-protected areas have been spared the risk of disease, productive labor has increased, and 25 million hectares of formerly evacuated arable lands have been made safe for settlement and agriculture. Impressively, these lands have the potential to feed an additional 17 million people per year using indigenous technologies and methods. The increased agricultural production from these lands has "transformed the region from aid-dependent to food-exporting." And in terms of return on investment, the West Africa program has achieved a 20%

economic rate of return. Elsewhere in Africa, operations that began in 1996 have achieved a 17% economic rate of return.[9]

Partners are also hopeful that the success of this community-directed distribution network and collaborative partnership approach will inspire the application of this strategy to deliver other basic health interventions in the river blindness areas, especially those that are almost exclusively remote, rural, and poor and not reached by other programs or national governments (see Figure 13.1).

FIGURE 13.1   Defeating onchocerciasis (river blindness) in Africa
Source: Merck & Co. Inc.

Developing a Three-Way Strategy

We can start by reminding ourselves of what each of the sectors is counted on to contribute to poverty reduction and what they bring to the partnership, as summarized in Table 13.1.

TABLE 13.1   The Distinct Roles of Each Sector for Poverty Reduction

Public Sector (Government Agencies)	Private Sector (Businesses)	Nonprofit Sector (Sometimes Called NGOs, NPOs, or Civil Organizations)
Build a robust economy	Corporate philanthropy	Funding
Protect and enhance public health and safety	Community volunteering	Resources and supplies
Provide basic infrastructures	Socially responsible business practices	Direct services
Educate children and youth	Cause promotions	Expertise
Provide public assistance	Cause-related marketing	Volunteering
Protect the environment	Corporate social marketing	Advocacy
Provide grants and subsidies	Develop and deliver affordable products and services	Public awareness

As we imagine the sectors partnering for poverty-reduction pro-
grams, it is apparent how important the following *seven partnership
principles* will be to maximize and leverage every needed contribu-
tion. Each principle is illustrated by revisiting case examples from
prior chapters that exemplify "practicing the principle."

1. *Agree on common goals.* Remember Uganda's dramatic success
   story in reducing AIDS from 15% to 6.5%, described in Chap-
   ter 4, "Segmenting the Poverty Marketplace"? Many who stud-
   ied the program agreed that this would not have been achieved
   without a high level of political commitment to the goal that led
   to providing support for sex education programs in schools and
   subsidies for condoms. And the commitment of private-sector
   and NGO partners to the goal resulted in the ability to offer
   same-day results for HIV tests, which decreased the need to
   travel back, and increased the availability of condoms in remote
   locations.

2. *Develop clear roles and responsibilities.* At the core of Net-Mark's effort described in Chapter 8, "Developing a Desired Positioning and Strategic Marketing Mix," to get 15 million more people covered by malaria nets was a public-private partnership founded on the premise that each sector had a unique role to play, as well as a desired benefit. For-profit businesses wanted to promote and sell nets to those who could afford them. The government wanted to be able to provide subsidies to those who could not afford the nets. The NGO, the Academy for Educational Development, worked to coordinate the approach to ensure that nets would be available and affordable even after funding disappeared.

3. *Work toward mutual respect and appreciation.* Certainly the "Condom King," mentioned in several chapters, was eventually successful in gaining the respect of other Thai politicians and the sex-trade industry by demonstrating that publicizing the AIDS crisis would help, not hinder, its business and would decrease, not increase, the spread of HIV/AIDS. His clear recognition of their real concerns and needs increased their trust in his projections that without this social marketing effort, millions were at risk of infection, and hundreds of thousands would die.

4. *Be willing to negotiate and compromise.* It seems that the government of Malawi and the World Bank understood this principle. As described in Chapter 7, "Understanding Barriers, Benefits, and the Competition for Change," in response to the World Bank and others' serious concerns about universal subsidies, the Government of Malawi and the World Bank sponsored a fertilizer workshop, bringing together all stakeholders to discuss best practices for fertilizer and to address the mistrust between the government and private-sector fertilizer suppliers. In the end, the government agreed to involve the private sector in developing workable strategies for subsidies.

5. *Maintain open communications.* Consider the complexity of communications that must have been involved in World Vision's disaster mitigation efforts in Honduras alone, described in Chapter 11, "The Nonprofit Sector's Role in Poverty Reduction." Multiple audiences were critical to success. Local governments needed to be persuaded to take major actions, including installing early-warning systems and training citizens in basic first aid. Key individuals in communities needed to be trained in each of the essential areas of disaster management. Funders such as USAID needed progress reports and evidence for the program's ultimate efficacy.

6. *Establish systems for accountability.* The Sound Families Initiative, supported by the Bill & Melinda Gates Foundation and described in Chapter 5, "Evaluating and Choosing Target Market Priorities," helped ensure success for the homeless by establishing stringent criteria for funding. Grantees would need to demonstrate that in addition to providing housing for the poor, they would partner with social services agencies that would help the homeless families move on, decreasing their chances of returning to homelessness. In the end, this system helped many families maintain permanent housing after exiting the temporary housing program.

7. *Measure and report outcomes.* PSI's family planning program in Romania, described in Chapter 6, "Determining Desired Behavior Changes," established significant credibility with the government by taking the time to measure the impact that the workshops were having on increasing the use of contraceptives among women working in factories. A rigorous study design conducted in two factories and a control group at a third factory reported with confidence that use of contraceptives increased by more than 10%, and modern methods (such as birth control pills) increased by more than 25%.

More About How the Three-Way Relationship Works

Perhaps the importance of these seven principles will be even more apparent if you understand the nature of this three-way relationship. As shown in Figure 13.2, this relationship is made up of three two-way relationship components: the government-civil society relationship, the government-business relationship, and the civil society-business relationship.
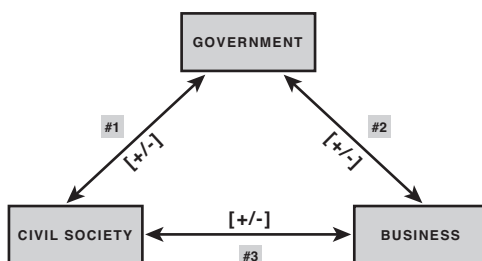

FIGURE 13.2   The three-way relationship among government, civil society, and business, with its three two-way relationships

Figure 13.2 shows that each relationship can take either of two directions, as suggested by the [+/–]. The relationship can be one of partnership (the + sign) or opposition (the – sign). We'll examine the relationship of partnership first, and then we'll discuss the negative relationship.

The Government-Civil Society Partnership

Ideally, the government and civil society organizations should find it easy to join forces to run programs to alleviate poverty. Many governments have funds to give to a cause but lack the manpower and know-how to disperse the funds efficiently and effectively. They rely on a multitude of NGOs to deliver the services to the right persons.

Yet different hurdles and misunderstandings can occur. For example, government is used to working by following to the letter the legal requirements of the partnership contract. On the other hand, most NGOs are impatient with bureaucratic procedures and like to take the most expedient path to go from point A to point B. This clash of working styles has often caused the government agency, which is attentive to the details of the partnership project, to raise questions about the NGO's sense of accountability and professionalism.

Consider the following three examples of government and civil society alliance and the lessons to be learned:

Example 1: To solve the country's unemployment problem, the Japanese government asked leading nonprofit organizations to accept a considerable amount of government money to expand NGO operations and hire more people.[10] Yet some people considered this a bad idea. The government's gesture was thought to be insulting to the NGOs on two counts. First, it treated the NGOs as if they were government "subsidiaries" that can be ordered to do what the government wants. Second, the government was telling the NGOs what it wanted them to do, not what the NGOs wanted to do. This approach to a relationship runs counter to the social marketing concept of the right way to start a partnership. You should *start from where the stakeholder (here, the NGO) is, not from where the change agent (here, the government) is.*

Example 2: A national government agency director of an antipoverty program was explaining how a partnership with one NGO went nowhere. This director said that her office had wondered from the beginning why this NGO was included among the three chosen by the government's selection committee, when another NGO was better known and had more experience. The government agency director suspected that the selected NGO had paid a bribe or benefited from favoritism. *Clearly, a partnership that starts with suspicion has nowhere to go.*

Example 3: An NGO director talked about how her government agency partner was late in disbursing the funds needed to start their project. The government also was late in choosing the members of its team in the partnership. The NGO director wanted two government staff members with whom she had worked previously to be included on the team, but their names were not on the government team membership list. The NGO director decided that instead of accusing the government of incompetence, she would meet with the government partner to find out the reasons for the delayed disbursement and the two missing members of the government partnership team. The NGO director realized that she should have known from past experience that the government is normally late in filling its obligations and that she should have factored this into the project time table. She realized that she could have obtained interim funding from another source in the meantime. And she should have checked on the availability of the two government team members she wanted. She would have learned that they were committed to another government project for the next six months. *The lesson: First get the facts about the other partner's past behavior regarding timing and resource questions.*

All these examples show that relationships between any two organizations involve delicate decisions about the right course of action, the selection of appropriate personnel, and perceptions about the other party's ability to deliver effectively and on time.

The Government-Business Sector Partnership

In most developing countries, because government and business have a longer history of partnership than either one has had with NPOs, the partnership is not as difficult to start and manage over its life cycle. Both institutions have experienced what the requirements of the partnership are like. Both understand the different types and nature of the interactions of the people involved in the partnership implementation.

When government initiates the partnership, it should choose a business partner that has a good record and experience in successfully running poverty-alleviation projects. Thus, a government that wants to build housing for the poor should know which for-profit-bidding construction firms they can trust to deliver quality housing. The problem is not so much starting the relationship as sustaining it. The government may delay the housing disbursements because of more pressing financial commitments, or the construction firm may devote more time to other projects that deliver higher profits.

In a seminar on this subject, here is how one seminar participant from business explained the difficulty:

"It's different in business and government. Everyone in each partnership team has his other regular job to do. The partnership project is an extra—a second job. That's unlike in an NGO, where the partnership project is the only job for the head and his people.

"When everyone has some other things they need to do first, everyone gives to the partnership project the extra time that every now and then comes to them. And that's not the same for everyone. The free time for one team member may happen now but not for another. That's why it's so hard to have even near 100% presence of members of the two teams for follow-up and feedback partnership meetings.

"When someone is absent from one meeting but present at the next, too much time is wasted on updating those who were absent. This is true even if everyone is required to have read the minutes of the most recent meeting and to do their homework, among those asked to do something for the next meeting. That's the other problem. Suppose I've been assigned homework. Even if I want to do it in between the two meetings, it often happens that there's a rush item to attend to. So the next partnership meeting is sometimes postponed until the homework assignments are completed and can be presented and discussed. Even three or four postponements get the partnership project considerably off its timetable.

"And there's nobody to blame. The partnership project is everyone's second job. It's not your primary job."

So it turns out that government and business alliances can be started easily, but sustaining the partners' enthusiasm is sabotaged by conflicting job loyalties.

The Business-Civil Society Partnership

NPOs often initiate projects with businesses because they see businesses as having the money and other resources they need. But many NPO staffers have a cynical attitude toward business. When it was suggested to an NGO director to approach a business for help, he quickly said no. Asked why, he answered, "Businessmen don't have the right values."

Religious NPOs often hold this cynical attitude toward business. One church wanted to expand its food program for poor children. Often these children come to school hungry. So this church wanted to have a "feeding program for hunger." Someone suggested that the church should partner with a large food company like Nestlé or McDonald's. The church in need of help responded this way: "We're certain Nestlé or McDonald's would not come and help out of the pure kindness of their hearts. They'll only come and help if they can make money out of the project."

Too many NGO people are suspicious of business's motives for doing good. It would be better if they would acknowledge that business is in the business of making money for its investors but it also wants to give some support to good causes.

The next sections describe two civil society organizations and their models for working with business-oriented people to help reduce poverty.

Acumen Fund

Jacqueline Novogratz is the founder and CEO of the Acumen Fund, a venture capital firm with a philanthropic heart. Her experience told her that neither microfinance nor foreign aid are enough to make a sufficient dent in the problem of poverty. With seed money from the Rockefeller Foundation and Cisco Foundation, in 2001 she formed a "nonprofit global venture fund" dedicated to lending money to companies that aim to fight poverty by providing affordable goods and services—water, health, and housing—to the world's poorest people.

For example, Acumen made a $600,000 equity investment in an Indian water company called Water Health International to help it build small-scale water filtration plants in Indian villages. This company now operates water filtration plants in 50 villages in India. As another example, Acumen invested $1 million worth of equity in an East African company called A to Z Textile Mills that produces durable, antimalarial bed nets made out of plastic fibers that are impregnated with an organic insecticide. The company now has 5,000 employees who manufacture about 7 million nets a year. A to Z's biggest customer is the UN, which gives away the nets. Other examples include Acumen's funding of an Indian company that sells low-cost eyeglasses, an Indian Internet kiosk company, and a Pakistan company that provides home financing to squatters in Pakistan.

Clearly, there is promise in setting up a venture fund to make investments in companies that have plans to reduce some aspect of the poverty problem.[11]

Ashoka: Innovators for the Public

Another prominent "do-gooder" organization, Ashoka, makes loans to social entrepreneurs—business "change makers" who want to contribute to such issues as poverty reduction, environmental protection, human rights, health improvement, and school improvement.

Ashoka uses a rigorous five-step process to identify the most important social-change ideas and the entrepreneurs behind them. Ashoka wants social entrepreneurs who have a big, pattern-setting new idea, creativity in goal-setting and problem-solving, entrepreneurial quality, a high expected social impact for the new idea, and ethical fiber.

Today Ashoka works with more than 2,000 leading social entrepreneurs called Ashoka Fellows in over 70 countries. Ashoka provides them with a launch stipend for an average of three years, with full freedom to pursue their civic-oriented projects. Ashoka found that five years after being selected, 90% of the fellows had seen independent institutions copy their idea, and over half had changed public policy in their nation.

One Ashoka Fellow, Seham Ibrahim, works in Egypt on the problem of street children and seeks to heal them through inclusion in the larger community. Her organization arranges medical care, psychiatric support, and training that encourages the children to gain confidence and trust themselves and the world around them. Her organization's services have benefited 11,000 children so far.

Another Ashoka Fellow, Andres Randazzo, works in Mexico's poorest rural areas to implement eco-technologies to create clean water and adequate housing. His organization has created houses, cisterns, and ovens that are 70% less expensive than their regular counterparts. The pilot projects in six regions have resulted in the installation of nearly 3,000 cisterns, ovens, houses, and fish farms, impacting nearly 100,000 people. Randazzo is helping Mexican government agencies replicate and spread his models to a much larger number of rural areas in Mexico.[12]

Back to the Three-Way Partnership

Many of the problems of starting and sustaining any of the three two-way partnership components shown in Figure 13.2 are an issue

of effective and efficient management. Managers in each sector encounter problems with which they have little experience. It would help if the managers of the partnership on both sides were given the official designation of "partnership officer." A partnership officer needs more than ordinary preparation for the job. Partnership officers must inspire respect and trust at the very start of the partnership. Over the life of the partnership project, partnership officers must manage their own interactions and those of their staff members with their counterparts in the partner agencies with objectivity and empathy.

Managing Adversarial and Opposing Institutions

We have examined the importance of partnerships and some of the issues in making them work. We now turn to the problem of handling adversarial groups who oppose the partnership. We will illustrate this with the 2001 three-way partnership project in Kerala called the "Health in Your Hands: Handwash with Soap" campaign that aimed to get citizens to wash their hands. While initially considered a success, it was later plagued with adversaries. The partners in the project did not do as good a job of anticipating sources of opposition. If they had segmented likely sources of opposition, they could have taken preventive measures.

Figure 13.3 shows one way of segmenting the opposition marketplace.[13] Five potential sources of opposition are identified:

- *Interest segments*. These are people or organizations affected positively or negatively by the partnership project. If harmed, they are probable opposition sources. If helped, they are potential opposition sources should the project turn out to be disappointing.
- *Knowledge segments*. These are people or organizations that possess critical information that can help or harm the partnership project. Universities, scientists, think tanks, and even indigenous people can constitute knowledge segments.

- *Implementer segments*. These are people who either control or provide the resources necessary to carry out the partnership project, or directly carry it out. They can become project opponents should they become unhappy with how the project is turning out.

- *Support segments*. These are individuals or organizations who share and believe in the project's vision, mission, and objectives. They can become opponents when they see that the project is unjustifiably deviating from its vision, mission, or objectives.

- *Communicator segments*. These include media people and organizations, elected officials, and legislators. They become project opponents when they see that the project is not delivering on its promised benefits or is in fact doing harm to the target poverty segment.
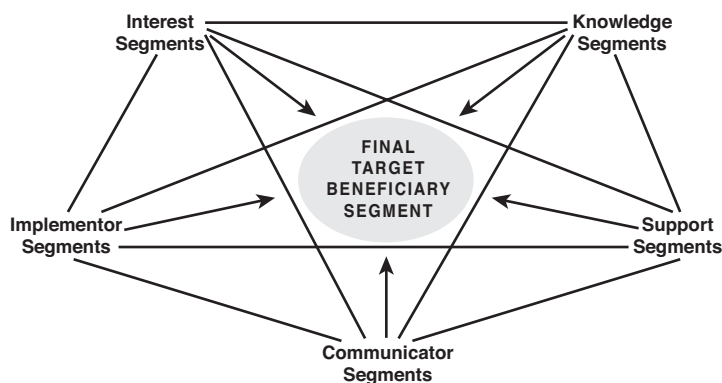

FIGURE 13.3   Potential opposition segments and their interactions

Figure 13.3 makes it clear that all potential opponent segments are interested in the good of the final target beneficiary segment. It is this common interest in the final target beneficiary segment that defines the interactions among these five potential opponent segments.

In the Kerala campaign, several opposition segments ultimately came to attack the partnership project. The attack was started in the

spring of 2002 by a knowledge segment individual, Dr. Vandana Shiva. He was a known environmental and antiglobalization activist who served as director of Kerala's Research Foundation for Science, Technology, and Natural Resource Policy. In his published attack, Dr. Shiva argued that:

> "Kerala has the highest access to safe water, highest knowledge of prevention of diarrhea because of high female literacy and local health practices such as use of *jeera* water and high use of fluids during diarrhea. The World Bank project is an insult to Kerala's knowledge regarding health and hygiene. It is in fact Kerala from where cleanliness and hygiene should be exported to the rest of the world. People of Kerala do not need a World Bank loan for being taught cleanliness."[14]

A politician and leader of the political opposition in Kerala's State Assembly (a communicator segment individual), V. S. Achuthanandran, read Dr. Shiva's *AgBioIndia* journal article. He found in it a provocative "cause" to champion as the opposition leader. He proceeded to speak out strongly against the project. The media (a communication organization) followed with adverse news and press releases.

As the attack gained momentum, World Bank officials in India asked the Kerala state government to officially respond to the growing criticism of the project. The state government decided to turn down the request. Then, the state cabinet (a support segment member) withheld approval of the project's proposal for expansion. As a consequence, the project was brought to a standstill. This forced the partnership project team to downsize the project budget from its intended $10 million over the next three years to $2 million for one year.

The lesson is clear. In a typically high-profile three-way partnership project where government is a leading partner, it is risky not to integrate into the project plan the management of opposition segments. A carefully crafted segmentation analysis of the opposition marketplace is a most helpful starting point in this integration.

Summary

This chapter was intended to strengthen the case that poverty reduction relies on a strong partnership relationship between the three sectors. Seven principles for successful partnerships were discussed: agreement on common goals, clear roles and responsibilities, mutual respect and appreciation, negotiation and compromise, open communications, systems for accountability, and measurement and reporting of outcomes. Without these practices, we imagine not only waste of scarce resources, but personal disappointments and frustrations among program managers and others involved in developing and implementing well-intended poverty-reduction programs.

Endnotes

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10 Tadashi Yamamoto, "Corporate-NGO Partnership: Learning from Case Studies," in Tadashi Yamamoto and Kim Gould Ashizawa (eds.), *Corporate-NGO Partnership in Asia Pacific* (Tokyo: Japan Center for International Exchange, 1999), pp. 13–38.

[11] This post originally appeared on MarcGunther.com.

[12] See Ashoka's booklet titled *Leading Social Entrepreneurs*, published by Ashoka in 2008.

[13] Constructed from the discussion of the five opposition segments in handout material at the Seminar-Workshop Program on Strategic Communications for Local Governance conducted by the World Bank's Development Communications Office in Delhi, India, December 2004.

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