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Review

A literature review of the characteristics of firms, communities and multiparty partnerships and challenges of firm-community partnerships with cases

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Today's competitive business needs partnerships in different sectors like governmental, non-governmental, firms and communities. So providing the company or organization with the advantages and disadvantages of these partnerships will help them survive in this turbulent era. This paper aims at describing some types of partnerships between governments, communities, new social movements and firms.

Key words: Partnerships, governments, communities, new social movements, firms.

INTRODUCTION

No enterprise can be good enough at everything to succeed in today's dynamic global markets (Grimsey and Lewis, 2004). The world in which humans live and work is a very big, complex place. Humans actually have to work with this huge network, called a "value network". The value network encompasses the whole world and is a hugely complicated set of interconnected "things". In today's turbulent markets, partnerships play a very significant role (Mariotti, 2001). A partnership must file an annual information return to report the income, deductions, gains, losses, etc., from its operations, but it does not pay income tax. Instead, it "passes through" any profits or losses to its partners. Each partner includes their share of the partnership's income or loss on their tax return (Internal Revenue Service, 2009). As like most large, complex things, this concept should be broken down into smaller and more manageable parts before the study try to do anything with it. Partnership has also emerged as an increasingly popular approach to privatization and government-nonprofit relations generally. While in principle, it offers many advantages, there is no consensus on what it means. As such, its practice varies (Brinkerhoff, 2002).

In 1998, the British Inland Revenue Service completed the process of relocating 2000 staff from 11 buildings in the Manchester area to a single site, and moved into new fully serviced offices in the city centre of Manchester. The building is ventilated (that is, no air conditioning), has lighting that switches itself off when people leave, contains gas-fired heating with individual thermostatically controlled radiators, double glazing, building materials made from sustainable sources and building manage-ment systems that monitor the use of resources. It was also constructed under the UK government's Private Finance Initiative (PFI) as a result of a 20-year design-build-finance-operate (DBFO) contract awarded to a private sector body as a partnership arrangement.

ADVANTAGES OF PARTNERSHIP

Depending on a person's need, setting up a partnership can have many advantages over other business entities. The main advantage a partnership has over a sole proprietorship is that you will have the availability of the assistance of your partner or partners (Alam, 2009).

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Partners can assist you with such things as money, expertise and workload. For some people, being in business alone can be lonely and hard on the nerves. It can be nice to have someone to share the responsibilities and decision-making. The primary advantage a partnership has over a limited partnership is that a partnership is usually simpler. For one thing, the partnership agreement is less complicated (Alam et al., 2009). For another, limited partnerships often get into more government regulation. Limited partnerships are generally required to:

1. Register with a state agency.
2. Pay an annual registration fee.
3. Have more complex tax requirements.
4. Come under federal and state securities regulations.

The main advantage a partnership has over a corporation is in the areas of taxes and government intervention. A corporation must pay taxes on its profit. If any of that profit is then paid to stockholders as dividends, the stockholders then pay tax on the amount they receive. In such a case, the profit of the corporation is taxed twice (for small corporations, there is a way to get around this double taxation as far as the federal tax is concerned). Additionally, in some states with no personal income tax, there is still an income tax on corporations. Also, in order for a firm to be incorporated, it must file an application with the state government. This application must generally be renewed each year (Hashim et al., 2010). This can be expensive, as most states charge a fee for applications and annual renewals.

As with the limited partnership and corporation, the limited liability company is also more complex. Registration, along with an annual fee that may be higher than for a corporation, is typically required. Also, there may be need for state corporate income taxes to be paid (Haman, 2004).

SOME DISADVANTAGES OF PARTNERSHIP

An advantage of a partnership over a sole proprietorship can also be a disadvantage. That partner who was initially nice in helping people make decisions can quickly turn into someone to argue with over how the business should be run. In a partnership, one does not always get his way, but in a sole proprietorship, one gets to make all the decisions. Only that person is responsible for success or failure. The main disadvantage of a partnership in comparison to a limited partnership, corporation, or limited liability company is the unlimited liability of a partnership (Alam et al., 2010). In a regular partnership, each partner is personally liable for the debts of the partnership. If a person's partner runs up a lot of debts for the business, or if the business loses a lawsuit, the creditors can come after that person's personal belongings to clear his partner's debts (such as one's personal bank personal bank accounts, car, boat, etc.).

However, if a person's business is incorporated or registered as a limited liability company, the creditors can only come after the money and property belonging to the business. Similarly, if a person is a limited partner in a limited partnership, creditors can only come after the property of the business or the general partners. One's personal property is safe in such circumstances. The idea of the business entities with limited liability of the owners came about as a way for the government to encourage people to start businesses to boost the economy. It is a way to go into business without risking everything one owns (Raad et al., 2010).

Another possible advantage to other forms of doing business is in the area of taxes. Determining which type of business entity provides the best tax situation will depend upon many variables of the particular business in which a person is involved. This can best be determined by a Certified Public Accountant (CPA) or tax attorney. Table 1 takes another look at the advantages and disadvantages of the various types of business organizations (Haman, 2004).

GOVERNMENT-GOVERNMENT PARTNERSHIPS

The unique public-private US-Mexico Partnership for Prosperity initiative was launched in September 2001 with initiatives to target economic development in Mexico in the areas, which generate the most migrants. US-Mexico Partnership for Prosperity delivers the good part-ner award to recognize the role of the private sector in advancing social and economic development in Mexico. In 2004, the winners were General Motors de México and Comercial Mexicana de Pinturas (Consorcio COMEX). The US-Mexico Partnership for Prosperity has as a central program: The social security agreement, which promotes access to nutrition programs for the Hispanic population.

The Mothers' Union highlights the fact that it pays mere lip-service to the role of civil society, has an exclusive focus on government-government partnerships and overlooks the need for gender equality and human rights to be integral to the development process:

"Such gaps are less likely to have been missing if the commission had included people from the grassroots in Africa and in particular, more women" (Daniel, 2006).

GOVERNMENT-FIRMS PARTNERSHIPS

Partnerships between governments and private businesses are necessary in some cases for sustainability and development of micro and small enterprises. The public-private sector partnership collaboration between the Konkola Copper Mines wealth creation partnership with

Table 1. Advantages and disadvantages of the various types of business organizations.

Type of organization	Limited liability	Double taxation	Government regulation
Sole proprietorship	No	No	Minimal
Partnership	No	No	Minimal
Limited Partnership	For limited partners	No	Moderate
Corporation	Yes	Maybe	Heavy
Limited Liability Company	Yes	Maybe	Varies by state

the government and the World Bank Group, through the International Finance Corporation and other organizations, agencies and corporate partners (like British Petroleum), have a social development plan and a public-private partnership between Timberland, although the City Year of Americorps has expanded its activities to 13 regions across the country and a pilot program in South Africa. Merck has a partnership with the Gates Foundation and the Government of Botswana to support health services there.

Business partnering in a private sector partnership between the Business Council for Sustainable Energy (BCSE) and United States Agency for International Development (USAID), promote sustainable energy technologies and the reduction of greenhouse gas emissions in developing countries. Firms and governments are very interested in looking for ways to establish partnerships in Mexico and other developing countries to implement pilot projects to achieve significant reductions of emissions and bring investment opportunities to Mexico.

Community foundations

Community foundations (CFs) are public-private partnerships for grant-making towards community development, which manage resources to create wealth and improve the well-being of the community and society. Some of the characteristics of community foundations are that they are primarily grant-making foundations, but many also do their own programs, like have a broad range of donors and a diverse portfolio of local and external donors with high stability. In addition, the community, city, county and district are geographically defined in the economy of scale matters. The local board reflecting the community governing some others seeks to build a permanent endowment, an element of perpetuity and broadly define a mission “to improve the quality of life in the community“, in order “to strengthen the social capital of the community” (Alam et al., 2010).

A principal issue for community foundations that needs to be negotiated is the money being driven for the agenda. Firms and governments may provide seed capital or an agenda of the public good and the needs of the community. Among other tasks, community foundations create opportunities of cooperation between governments, firms and civil society sectors, and promote the culture of participation and social responsibility and philanthropy. In this respect, Sanz (2004) lists the community foundation tasks as:

(a) To promote the culture of participation, social responsibility and philanthropy.
(b) To bridge government with civil society sectors and create opportunity for collaboration among sectors.

Mobilizing around assets is the starting point for a community initiative to drive the process. Community foundations have to take a leadership role in the community, need to do asset mapping in order to discern what the needs and demands are, and also, they need to bring together different stakeholders and work together with other CFs to gain wider recognition. In asset mapping, it is important to distinguish between identification of assets for their own sake and identification of assets for people to generate action. Community foundations and governments are collaborating, mainly on projects, but also in more comprehensive and complex ways, which are being tried.

Building community foundations may take several years and maybe decades. Community foundations are not quickly fixed; they have to go through a process of demonstrating accountability and building trust. Sanz (2004) highlights the existing mistrust between government and civil society, in that communities from developing countries often lack trust in government. Mesik (2004) observed the fast growth of community foundations over the past decades, and explained that they are a specific model of public-private partnerships which can be an important vehicle for moving communities toward sustainable development. He described CFs as a combination of factors and that, financial resources, material and social assets are all important for community foundations. The policy environment, cultural traditions and economic potential are all factors, which have an impact on the development of community foundations and which affect their applicability. Community foundations have an impact on the enabling environment, but the cultural sense of values must be taken into account for any development or improvement in the life standards of a people. Organized community foundations form their own associations, which have an impact on the agenda of international NGOs, other groups and the government. There is a strong connection between the community and community foundations because typically, leaders of community foundations are people from the non-profit sector (Alam and Hoque, 2010).

Relationships between community foundations and the public sector are influenced by history and the similar characteristics they have, which can lead to positive or negative consequences. They both have broad and similar missions, act in a territory that has boundaries or a geographical focus and have similar functions. A significant difference is that law or administrative decisions define the role of the government, while the community foundation has a role that is defined by altruistic motives or incentives. However, there are incentives for them to work together (Strecansky, 2004).

For government, the incentive is often utilitarian. Local governments in less developed economies are under financed and they require support from community foundation as an instrument through which they can multiply resources for the benefit of the community. Communities need to mobilize their own assets and drive the development process, but not to the point where government does not carry out its responsibilities. More importantly, the funds are the volunteer work around community foundations and the community effort to build, for example, a playground or some small improvement in infrastructure. CFs have a strong development component, which is strengthening over time and which builds capacity and responsibility.

For community foundations, the motivation to work together with government is often recognition and effectiveness (Mulenga, 2004).

The inherited idea from the Spanish Crown that the state should provide for the satisfaction of the basic needs of the people has prevailed through history in Mexico, along with other practices that have become obstacles for civil society participation, and which have resulted in the lack of the culture of philanthropy. Several comprehensive and complex ways of collaboration between government and community foundations listed by Sanz (2004) in Mexico are:

1. A levy on local payroll taxes. In this model, the tax-collecting infrastructure helps the foundation to raise the funds. The payroll tax levy in Chihuahua is 0.2%. These resources are provided to the social sector through community trusts, which actually operate as CFs. The balance of power is kept between the government representatives and CF participants, and the governments have respected the agreement and/or have negotiated it with the foundation. The risk is that local governments may decide that this tax should be managed entirely by them, although that is not the case at present. In Mexico, there is a legal framework that allows tax credits for donations to community foundations and other civil society organizations which are recognized as entities of public interest, because of their ability to receive more public funds from the government and more recognition for their work.

2. Another model of collaboration between community foundations and government is the direct financing. Direct financing from government, in Guanajuato, has granted seed money to start the initiative.

3. A model of matching funds in Michoacan. The CF operates throughout the state in an agreement with the state and municipals governments who provide grants through matching funds. The government puts up about 65% of the total cost of the project. In the previous 18 months, they were able to mobilize 4 million dollars of which 1.4 million was contributed by civil society organizations and the rest by local and state government. Community foundations in Mexico collaborate with local and state governments mainly through specific projects such as the cooperation case of Puebla Community Foundation’s work in a very poor region named Tzoquitlan. It has brought together a group of CSOs, community groups and industry, together with the municipal government, focusing on education, health and job through productive projects (Sanz, 2004).

However, there are several obstacles in their relationship, namely: jealousy, competition for control of resources, a narrow perspective of citizen participation, lack of a clear understanding of what CFs are, low implementation capacity of civil society organizations (CSOs) and community-based organizations (CBOs), etc. (Sanz, 2004). According to Sanz (2004), community foundations in Mexico have several tasks:

(a) To promote locally the culture of participation, social responsibility and philanthropy,

(b) To find ways for bridging governments and the civil society sector, and

(c) To create spaces of collaboration among sectors in order to really achieve social development

GOVERNMENT-COMMUNITIES PARTNERSHIPS

Governments have a role in the promotion of partnerships between firms and communities. Firms across all industry sectors are forging partnerships with local and national economic development agencies, and government is pursuing partnership with community organizations in environmental sustainability. A partnership between the cities of Tijuana and San Diego facilitates the development of relationships and the exchange of important program information on vital civic issues. Local cooperatives have formed "venture partnerships" with state-owned companies to manage tourism operations and logging services. The Canadian government’s development policy promotes partnerships between First Nations and establishes forestry firms to increase the benefits of communities’ livelihoods. The Canadian Centre for Philanthropy's Imagination gives annually the “new spirit of community partnership award”, which recognizes innovative partnerships between firms and communities (www.ccp.ca/imagine). More so, the community health department of main partners with the communities provide financial assistance, staff expertise and health education, prevention and screening.

PARTNERSHIPS BETWEEN FIRMS

The "Intel Teach to the Future" partnership with Microsoft, Hewlett-Packard and other computer software and hardware manufacturers provide equipment, teacher training and technical support to primary and secondary schools. Intel de México gives a prize (the Premio Intel) to reward Mexican entrepreneurs under the frame of US Partnership for Prosperity. The Ronald McDonald House Charities of McDonlad's Corporationa is involved in a partnership with suppliers, McDonald's restaurant owner/operators and customers. The Harbor Bank of Maryland through the partnership of "stop", "shop" and "save" can compete effectively with larger chains that offer ATM/banking services in their stores. Based on this partnership, the harbor bank is expanding services into other convenience stores.

Gonzalez Design Engineering, which is the ideal group and uni boring Hispanic-owned manufacturers of major parts for the automobile industry, formed a partnership to expand operations. Salomon Smith Barney in New York City and Wildcat Services Corporation formed the Wildcat's Private Industry Partnership and a job-training program tailored to the Wall Street firm's needs. Tesco has a partnership program with accountability's innovation to explore and document the factors associated with the company's success. Clinton-based Nypro Corp., in partnership with Sealaska Corp., an Alaskan company formed to help Native American businesses, operate a joint venture in Guadalajara, Mexico. A CSR and sustainable competitiveness program run by WBI partnerships with local and multinational actors from the private sector, seeks partners to meet in order to learn development objectives. This program has a long-term partnership with Zicklin Center for Business Ethics Research at the Wharton School and Harvard Business School. Also, the program has developed a partnership with CEMEX, a Mexican based cement company.

FIRM-COMMUNITIES PARTNERSHIPS

Partnerships between firms and communities may improve business and livelihood, whereas firm-community partnerships may be a means to expand and improve employment opportunities, reduce costs, enable business diversification, increase market shares and take advantages of the local and governmental financial and logistic support. The flexible development of firm-community partnerships may allow collaboration for mutual gains and benefits to the environment and society. Firm-community partnerships may bring economic pay-offs to partners, and also benefits to local livelihoods and the public's common good. The potential for business partnerships comes from communities that are able to register as firms themselves, securing mutual rights and controls. However, a community within the partnership tends to strengthen over time.

Power may not be well balanced between firm and community partnerships in such a way that a win-win relationship may be a concession to outside demands. Workings of partnership may be overseen by representative community institutions. There are factors that encourage or prevent relationships between firm-community partnerships. The Ford Foundation Corporate Involvement Initiative reports models of wealth creating partnerships between corporations and communities, while the long term firm-community partnerships with nonprofit organizations bring benefits for both partners. However, the empirical research proves that close and long-term partnerships may not be the best model for firms and communities (Mayers and Vermeulen, 2002). Some firms create community partnership teams as part of its philanthropy programs. GlaxoSmithKline created community partnership teams as part of its philanthropy program with company representatives from North America, Europe and other parts of the world.

There is a growing partnership in forest governance. Firm-community forestry partnerships are worthy of support for community development. Forestry partnerships supported by government and non-governmental organizations bring new opportunities for community development. The IISAAK firm- community partnership in British Columbia illustrates the potential for investments, expansion of local capacity and scale of production in forest markets to benefit some of the world's poorest people. Partnerships are formed to foster community-based sustainable forest firms within rural communities in Mexico. The International Institute for Environment and Development (IIED) has examined 57 firm-community forestry partnerships in 23 countries covering a wide range of arrangement (Mayers and Vermeulen, 2002) (Table 2). Firm-community deals were undertaken in six countries that cover a range of forestry and governance contexts.

Firm-community forestry partnerships can work in any variations of property rights and communal or individual land tenure. Sometimes, partnerships serve to secure shaky land rights. Some expectations of firm-community partnerships may not be fulfilled or may simply fail to deliver. Firm-community partnerships have produced unproven or neutral impacts in areas such as poverty reduction, conditions of employment and development of collective bargaining power, and they have negative effects on both partners in problems such as: high transaction costs, misunderstandings between partners, perpetuation of low-wage labor and inequitable land distribution, negative environmental effects and exclusion of disadvantaged members.

Table 2. Characteristics of country case studies of company-community partnerships.

Country	Land tenure context	Type of scheme reviewed	Notable feature
South Africa	Some community land; some large private plantations; many small-holdings - land redistribution is taking the trend away from large-scale towards smaller-scale	Outgrower schemes - non-timber forest products and pulp Corporate social responsibility projects Joint ventures - pulp	Big companies run schemes providing significant local livelihood benefits; scheme-management in part contracted out to NGOs; cooperatives and unions also established as alternatives to big company partners; and communities forming trusts to enter into joint ventures
India	Many small-holdings and some commons; by law companies do not have any access to large tracts of land for plantations so they must source raw materials from small-scale growers	Farm forestry support - commodity wood and pulp Farm forestry crop-share - pulp	Rapid evolution of partnership schemes from free seed supplies, through bank loan contracts to looser buyer arrangements with companies concentrating on developing high-quality tree clones
Indonesia	About 75% of land is classified as state forest and under government control though most is contested; otherwise small-holdings	Outgrower scheme - commodity wood Co-management for non-timber forest products and service contracting	Schemes dependent on high levels of government support which is not always forthcoming; some progress now towards revenue sharing in the long-established tenant farmer (taungya) schemes
Papua New Guinea	97% of land is held under customary ownership - companies must negotiate with communities to operate logging concessions or plantations	Concessions leased from communities Potential joint ventures Contracts from communities - commodity wood and outgrower scheme	Communities are able to register as companies but there are problems with accountability; novel legal mechanisms exist to foster forestry development on customary land
Ghana	Most land is under customary tenure - companies must reach government-sanctioned arrangements with local owners	Corporate social responsibility policy	Workable system for participatory planning of company (and community) social responsibility built into tender process for logging permits
Canada	80% of forest reserves are under customary tenure with varying splits of rights between customary groups and central government - companies often have to negotiate with both	Joint ventures, cooperative business arrangements and forest services contracting	Communities are able to register as companies; wide-ranging deals have allowed business diversification for both partners

Fuente Mayers and Vermeulen (2002).

Firm-community partnerships in forestry fail to materialize due to specific local circumstances and other factors. They are faced with five major challenges in company-community partnerships, with examples and some general ways forward (Table 3). Firm-community partnerships may come to an end due to changes in prevailing market conditions, sources of raw materials or new opportunities. The partnership break up may come with violence, such as the case of the Boise Cascade joint venture in Mexico.

FIRMS AND NON-PROFIT ORGANIZATIONS PARTNERSHIPS

A strategy of some firms is to establish long-term relationships and partnerships with the nonprofit organizations they fund to develop an identity as being affiliated with a cause, issue or group, or to share information, resources and technological support. Long term firm and non-profit organizations partnerships related to core business interests bring benefits to both partners.

Table 3. Challenges to firm-community partnerships.

Partnership stumble	Partnership innovate	Some general ways forward
Complexity and transaction cost		
Partnerships fail in Canada owing to needs for high inputs of company staff and community time Difficulties of organization among clans in Papua New Guinea hold back development of deals	In South Africa, local grower and contractor groups achieve economies of scale while broader federations' work for small-holders' interests Joint ventures in China involve government forest bureaus as brokers	Company field staff with budget control, but working within core principles Community members form coalitions linked into local and national networks Small alliances to deal with immediate transaction costs Communities piggy-back on existing systems of collective organization Use of local brokering agents
Uncertainty and risks		
Outgrowers in India, Thailand, Indonesia and South Africa drop out of deals when yields and prices do not meet expectations Asia Pulp and Paper forced to hold back huge outgrower scheme in China owing to sudden change in government policy	Land leasing for forestry in Georgia, USA, incorporates risk prediction and management measures Contracts between Smurfit and small-holders in Colombia protect each party's investment	Schemes are introduced in phases with a learning cycle philosophy Both sides avoid becoming too dependent on a single commodity or single land use Early revenues from trimming trees, partial harvesting or inter cropping Government provides stable incentives and buffers such as soft loan and tax break Insurance companies expand their services to small-scale fiber producers or producer associations
Single versus mixed production systems		
Some South African outgrower schemes insist on monocultures Campesino groups in Honduras are able to sell only well-known timber species	Flexible fibber buying policy in India allows small-scale planting along contours and field boundaries Greater tree spacing in plantations in Indonesia gives more space for non-fibber crops	Both sides consider forestry activities other than tree growing Farmers devote only part of their land, time and capital to partnership activities Companies maintain a diversity of sources of raw materials, and remain open to the advantages of inter cropping
Conflicts, mistakes and recourse		
550 court cases against Wimco in India by dissatisfied outgrowers Squatting and violence in taungya schemes in Indonesia	Regional dispute resolution committees support corporate responsibility in Ghana Special government office acts as firewall between investors and communities in Eastern Cape, South Africa	Contracts include conditions for arbitration, and a named arbitrator Companies do not overstate predicted positive outcomes at the outset of the deal Investment in developing good personal relationships Where possible, partners develop a culture of shared learning Small claims courts are used to settle disputes more efficiently
Limits to corporate responsibility		
Logging companies in Papua New Guinea ignore retention of community benefits by elite groups Boise Cascade in Mexico ignores protests from environmentalists	Buyers from campesino groups in Honduras sponsor certification to gain market edge Prima Woods in Ghana set up agreement with local community long before legislated requirements	Effective legislation on investment rules, fiscal incentives and disclosure requirements to complement voluntary codes Support for practical rules for alternative business structures Alliances to foster equitable and effective small- and medium-scale enterprises Promoting partnerships on their own merits rather than because a company needs to demonstrate social responsibility

Fuente Mayers and Vermeulen (2002).

The Union Bank of California (UBOC) launched a partnership with Operation Hope, Inc., a non-profit credit counseling organization and Nix Check Cashing to offer banking services to under-served neighborhoods in the inner city of San Francisco. UBOC is partnering with local non-profit organizations, United Way, Neighborhood Housing Services and Consumer Credit Counseling Service of Orange County and it is conducting financial seminars aimed at the Spanish speaking community. Stony field Farm has developed partnerships with several of the nonprofit organizations that it funds, sharing information, resources and technological support. Firms looking for new solutions in the new economy, invest in innovative partnerships with nonprofit organizations involved with community education and training.

IBM has developed its reinventing education grant-investment initiative partnering with the Houston Independent School District to develop Watch-Me!-Read technology to improve the reading and comprehension skills of youngsters. RBG Kew and UNAM's Iztacala formed a partnership to work with local communities and scientific organizations in the research of indigenous plant species' germplasm. The Mexican Foundation for Rural Development (FMDR), which is the largest rural development NGO, has a partnership with Monsato in smallholder initiatives to foster economic and social development among low-income rural families.

PARTNERSHIPS BETWEEN COMMUNITIES

Communities may aim for partnerships. Cornerstone Community Partnerships assist unified communities to preserve historic structures, cultural traditions and heritage in partnership with Hispanic and Native American communities throughout New Mexico and Northern Mexico.

PARTNERSHIPS BETWEEN NON-GOVERNMENTAL ORGANIZATIONS AND COMMUNITIES

A partnership with “Un kilo de ayuda” provides food aid packages to families in the poorest villages throughout Mexico.

PARTNERSHIPS BETWEEN NON-GOVERNMENTAL ORGANIZATIONS

Verizon Foundation promotes and supports partnerships in technology with nonprofit organizations to serve the economically and socially disadvantaged communities. Online partnerships support non-profit organizations to develop their own intranets including ‘community action network’ and also ‘ruralnet’ for rural organizations. The International Community Foundation in San Diego in partnership with FINCOMUN (Fundación Internacional de la Comunidad), in Tijuana, Mexico provides an institutional space for cross-border collaboration to support community development efforts in low-income communities. The rural coalition in partnership with Environmental and Occupational Health Sciences Institute at the University of Medicine and Dentistry in New Jersey is investigating health and environmental problems among Chicano farm workers in the border of Texas-Chihuahua. A bi-partnership between Fundación Comunitaria del Bajío and the Center of International Understanding at the University of North Carolina, which provides cross-border cooperation to communities in the State of Guanajuato, produces two way learning and support community development programs.

CRS/Mexico supports cross-border initiatives and partnerships between the Catholic dioceses and Caritas, social action, migrant ministry offices and non-governmental organizations. Also, CRS supports social movements that assist natural disasters and supports programs that assist migrants in the Northern and Southern communities of Mexico, small farmers and workers, to defend human rights and promote peace building. Partnership between U.S. and Mexican Presbyterians helped finance home repair after Hurricane Pauline for those who could do it themselves and get work crew (both local and international) into the communities of those who could not. Partnerships in Barajillas were facilitated by Barnhardt with the Presbyterian Church in America

Multiparty partnerships

There are many forms and types of partnerships among business, government, communities NGOs and aid agencies that can support the implementation of sustainable development. The National Corporate Leadership (NCL) program is designed to increase funds from the corporate community by increasing partnerships between United Ways, firms and employees. Investing in Communities (IIC) program emphasizes the role of partnerships between communities, the private sector, the public sector, NGOs and other groups. Benefits of the public-private-community partnership model include direct benefits, involvement of all stakeholders as a broader base for development, and enhance social responsibility for the private sector. Business in the Community (BITC) is a British non-profit organization that works with member firms to promote partnerships between the public and private sector, matching business resources with community needs.

Konkola Copper Mines plc (KCM), the largest mining company in Zambia, has a social community development plan in partnership with the government and the World Bank Group, through the International Finance Corporation (IFC), other organizations and agencies and corporate partners, like British Petroleum (BP). Their projects include creating small and medium enterprises

(SME) and providing the community with incentives and technical assistance for growing cash crops as an economic diversification program. Funding of the ICF-and FIC-sponsored needs assessment and NGO profiles was made by the support of the William and Flora Hewlett Foundation, The Walton Family Foundation, Alliance HealthCare Foundation, Sempra Energy, the Reinhart Family Foundation and the Synergos Institute. The Synergos Institute, an NGO based in US with over

200 grant-making foundations globally, explores private sector-community partnerships in Mexico. Synergos works with a group of partners in Mexico, one of which is the Vamos Foundation. Synergos is also the managing partner of The U.S.-Mexico Border Philanthropy Partnership in bi-national strategic collaboration with nine corporate founders and twenty-one border community foundations dedicated to improve the quality of life of economic, social and environmental disadvantaged border communities in the rapidly growing U.S.-Mexico border region.

US-Mexico Border Philanthropy Partnership is an umbrella for Synergos collaboration in cross-border community development. The partnership has the objectives to build and strengthen the organizational leadership, programs and institutional resources of border community foundations with the goal of rooting development efforts in local participation and building local social capital. Moreover, the partnership is aimed to encourage cross-border collaboration when such collaboration is likely to result to an improved quality of life. Partnerships done to improve governance in Mexico are promoted by federal, state and local governments. These partnerships are designed and implemented at the local and regional levels, involving participation of civil society, local communities and business to foster economic, social, cultural and environmental conditions. In Mexico, there are Public/ Private Partnerships (PPP) for participatory planning such as Economic Councils (for example, CODESIN in Sinaloa), Citizen Planning Councils and Neighborhood Committees (FIDOC in Lyon).

For instance, a new program (Coplade and Compladem) designed for local needs, is instrumented through participatory planning to develop infrastructure in meso regions to foster self-reliance among the disadvantaged ones. Civil partnerships ensure the continuity of development projects. Partnerships among firms, communities, municipal water agencies and water stockholder groups promote urban water resource management and delivery in Mexican cities. Partnerships among large firms, small business enterprises, state and municipal governments and communities develop small and medium enterprises in Aguascalientes, Guanajuato and Querètaro. Manpower Mexico has the program of Caminemos Juntos (Let everyone walk together) in partnership with the Secretary of Labor, non-government organizations (NGOs), firms and educational institutions aimed to bring job opportunities to disabled people at no charge to the company. However, partnerships formed among The Mexican Secretary of the Economy, the U.S. Department of Commerce, the Mexican IT consulting firm (ASISTE) and several U.S. and Mexican companies, develop and market new technologies.

PUBLIC PRIVATE PARTNERSHIPS (PPP)

Public-private partnerships (PPPs) have recently been adopted by governments across the world as a means to organize activities in the mixed sphere between the public and private sectors (Osborne, 2000; Rosenau, 2000; Wettenhall, 2003; Grimsey and Lewis, 2004; Hammerschmid and Angerer, 2005; Hodge and Greve, 2005, 2007; Ysa, 2007). Yet, PPPs have led to very different reactions in different countries. In some cases, governments have enacted comprehensive PPP policies and regulations and signed a substantial number of major projects over the course of the last ten to fifteen years. Examples are the UK, Australia, Canada, Portugal, Italy, Spain and, more recently, Ireland. Other countries have also developed relatively comprehensive regimes, but signed a smaller number of actual PPP projects. Those included in this group are France, the Netherlands, Germany, Greece, Hungary and Poland. Finally, a group of countries have reacted with much skepticism towards the PPP concept. These countries include Denmark and the rest of Scandinavia, Austria, Belgium, Luxembourg and the vast majority of the new EU members. So, even though the concept of PPP has spread across the globe endorsed by international organizations such as the organization for Economic co-operation and development (OECD), the International monetary foundation (IMF) and the European Union (EU), the actual responses of national governments vary enormously (Petersen, 2009). The idea of designing a building to be environmentally efficient is not new. What is new is the realization that partnership arrangements such as the Private Finance Initiative (PFI) are particularly good vehicles for bringing about this objective because they emphasize value for money over the life of the building and not just the cheapest cost, but encourage a focus on the whole-life cycle costing implications. Rather than being a separate design, construction and financing, the occurrences of operations and maintenance arrangements with traditional public procurement are combined under one contractor. This integration (‘bundling’) within a long-term partnership framework provides financial motivation for the project company to think beyond the design stage and build the energy-reducing and waste-minimizing features that may initially cost more, but result later in lower operating and running costs, and so delivers cost effectiveness over time. Such ‘green’ public private partnerships are a recent manifestation of the public private partnership (PPP) agenda that has revolutionized the provision of public infrastructure-based services over the last decade. Another new development is that of social housing schemes, which involve partnerships between public sector bodies, private entities and nonprofit organizations. More familiar examples of PPPs come from toll roads, light rail systems, bridges, tunnels, waste water treatment facilities, hospitals, courts, museums, schools and private prisons.

This last example is a reminder that not all PPPs have been a success. For example, the Victorian Government in Australia took back its Deer Park women's prison following poor performance of the private operator. By contrast, some other privately operated prisons like that in Bridgend, South Wales have considerable successes. Nevertheless, despite the fact that there are over 180 private correctional facilities operating internationally, they still remain one of the most widely discussed and controversial forms of partnership arrangement. Same can be said for some other applications, such as PPPs in the British National Health Service (NHS). One of the major objectives of this volume is to make an analysis of what contributes to a successful partnership and develop a framework that will assist in bringing about this result. However, first, the study needs to have a clearer meaning of PPP.

AGREEMENT IN PPP

The mechanics of the arrangements can take many forms and may incorporate some or all of the following features (Pierson and McBride, 1996):

(I) The public sector entity transfers land, property or facilities controlled by it to the private sector entity (with or without payment in return), usually for the term of the arrangement.

(II) The private sector entity builds, extends or renovates a facility.

(III) The public sector entity specifies the operating services of the facility, due to the fact that services are provided by the private sector entity using the facility for a defined period of time (usually with restrictions on operations standards and pricing).

(IV) The private sector entity agrees to transfer the facility to the public sector (with or without payment) at the end of the arrangement (Grimsey and Lewis, 2004).

TYPES OF PPPS

PPPs can take many different forms, the most usual being BOT/BOO arrangements, joint ventures (JV), leasing, contracting out or management contracts, and various forms of public-private cooperation. Some examples are:

1. BOT (Build, operate and transfer): These are contracts where the private sector takes primary responsibility for funding (financing), designing, building and operating the project. Control and formal ownership of the project is then transferred back to the public sector (Grimsey and Lewis, 2004).

2. BOO (Build, Own and Operate): In these arrangements, the control and ownership of the projects remain in private hands. With a BOO project, the private sector entity finances, builds, owns and operates an infrastructural facility effectively in perpetuity. An example comes from the water treatment plants serving parts of South Australia. These facilities, that are financed, designed, built and operated by a private sector firm, process raw water, provided by the public sector entity into filtered water which is then returned to the public sector utility for delivery to consumers (Grimsey and Lewis, 2004).

3. Leasing: Here, part of the risk is transferred to the private sector. In France, most PPPs are performed under concession contracts (essentially BOT-type contracts) or affermage (lease) contracts (which cover design and building, or operation, but do not embrace project financing). Several of the ex-French colonies in Africa (Francophone African countries) have adopted the affermage system in which a municipality has a water facility constructed and then contracts with a private firm to operate and maintain the facility (Rondinelli, 2002).

4. Joint ventures (JV) take place when the private and public sectors jointly finance, own and operate a facility. As examples, there are urban regeneration schemes in the United States in which local government authorities purchase and clear blighted areas for private developers or themselves to invest in new construction, such as a new city hall or a government office as part of the downtown redevelopments (Beauregard, 1998). A more controversial example is the Japanese 'third sector' approach introduced in the mid-1980s, bringing together the public (the 'first sector') and private sectors (the 'second sector') to form project-based companies. In 1995, there were 7580 of such entities (where the capital share contributed by the local government exceeded 25%) engaged in urban developments, leisure/resort developments, transport, telecommunications and other regional activities. Many have faced severe financial difficulties with the burst of the 'bubble economy' (Kagami, 2002).

5. Operations or management contracts: In these contracts, the private sector is only partially involved, for example, it provides a service or manages the operation. Service or management contracts allow the private sector to provide infrastructural-related services for specified periods of time. Examples are the management of state-owned agro-businesses in Senegal, Cote d'Ivoire and Cameroon, water and electricity in Guinea-Bissau and mining operations in Latin America and Africa (Rondinelli, 2002). Of the six PPPs in Canada, involving wastewater treatment facilities, two are DBFO (design, build, finance and operate) contracts, one is an OM and M (operate,

maintain and manage) contract and the other three are O and M (operate and maintain) contracts. The O and M contracts range from 5 to 10 years in length.

6. Cooperative arrangements that occur between governments and private entities are more informal than many of the equity partnerships and concession-type franchise arrangements for social housing projects. In many localities, fiscal incentives or guarantees are given to attract private capital into low-cost housing associa-tions for social housing projects. In the United States, technology partnerships embrace different degrees of public-private cooperation, whereas in Korea and many other countries, independent power producers and self-generators (in Australia, they include households with solar panels) can sell power into the national grid. In Costa Rica, the government creates and maintains national parks, while private organizations develop the eco-tourist programs and finance some of the tourist promotion campaigns (Rondinelli, 2002).

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