

Aspiration or ambivalence?

# The frustrated ambitions of business partnerships and the SDGs

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Critics argue that the focus on global partnerships as a key implementing tool for the 2030 Agenda has sidelined more salient investigations into how partnerships might work in national and local contexts.

The implementation of the UN 2030 Agenda for Sustainable Development presented through 17 sustainable development goals (SDGs), envisages a pivotal role for multi-stakeholder partnerships (MSPs), and in a novel twist to the global development agenda, a major contribution by the private sector. SDG 17 specifically elaborates a role for partnerships in implementing peace and development objectives. The ambition for this new breed of MSPs is to revamp collaborative cross-sectoral efforts initiated following the 2002 Johannesburg World Summit on Sustainable Development, to encourage synergies among different types of actors (public, private and civil society) in contributing to durable development outcomes (UNDESA 2018:3). The aspiration at the heart of global action to engage business in partnerships with other actors reflects an awareness within the international development community that traditional models of aid delivery have failed to make a lasting impact. This is evidenced by a failure of countries affected by violent conflict and fragility to achieve any of the Millennium Development Goals, the predecessor targets to the SDG Agenda (FAO 2018).

Global rhetoric regarding MSP contributions is particularly loaded with expectation when it comes to areas affected by violent conflict and fragility. The New Deal for Engagement in Fragile States called for partnerships to become a 'new norm' for international involvement in those countries (Lange 2015). OECD Development Report 2015 brands partnerships as 'the way forward for effective development' (OECD 2015). Compared to such enthusiasm and efforts to promote a new type of partnerships, there is evidence, noted by the UN itself, that SDG-related MSPs have been slow to get off the ground. Out of more than 3,000 sustainable development partnerships listed by the UN Partnership Platform as of 2018, just 616 are deemed to be in alignment with SDG17 (Partnership Exchange Report 2018: 29). Furthermore, empirical data of how MSPs operate, that would help substantiate some of the normative and moral argumentation behind the ambition to mainstream partnerships in order to achieve the SDGs, is modest, and nowhere more so than in conflict and fragile areas (Kolk and Lenfant 2015; Lange 2015;

Pischikova 2014; Beisheim et al 2014). There is no systematic analysis of how the private sector engages with the SDGs overall, or through MSPs specifically (Abshagen et al 2018; IPI and One Earth 2018).

Critics argue that the focus on global partnerships as a key implementing tool for the 2030 Agenda has sidelined more salient investigations into how partnerships might work in national and local contexts. They caution that the challenges inherent to partnership as a concept, and as an instrument of collaborative action, are inevitably magnified in conflict and fragile contexts, and that these challenges have been largely overlooked (Lange 2015; International Alert and Oxfam 2017). What does exist in the empirical literature shows that in such areas partnerships among broad constituencies of business, government, civil society, local communities, international organisations and other institutions are rare, and have struggled 'to achieve broad and lasting impact' (Beisheim and Simone 2018:499); that they mainly exist within the donor-recipient mode of operation, mostly operate within the scope of private businesses philanthropy, and have 'limited interaction with local communities beyond specific product or service transactions' (Kolk and Lenfant 2015: 426; Peterson et al 2013).<sup>1</sup> Nonetheless, SDG-related MSPs are envisaged as complex formations which bind corporate partners into long term collaboration to provide integrated local solutions to problems that connect development, security and governance in conflict affected and fragile areas.

Given the modest state of knowledge on partnerships in these types of environment, is the challenge facing SDG-related MSPs solely a matter of magnitude? Or are there also specific dynamics that influence their effectiveness and legitimacy and how they fare in meeting the transformative ambition enshrined in the SDGs, working to the benefit of communities affected by conflict and fragility? It appears that there is a substantial difference between vision and reality surrounding these governance arrangements at local level, and that delivering on the promise of partnerships for the SDGs requires a new analysis and new modalities of engagement with local communities.

## **BUSINESS ACTORS IN CONFLICT AFFECTED AND FRAGILE AREAS: TO ENGAGE OR NOT, AND WHAT TO EXPECT?**

The private sector tends to shy away from conflict affected and fragile areas, understood as synonymous with disorder and instability-- features that are the very antithesis of business's ingrained need for some modicum of predictability based on law and order, that is typically provided by a functioning state. But given that there is often significant untapped business potential in those areas, or simply a limited choice for companies to relocate away from difficult environments, commercial incentives to remain are strong. Whether it is transnational (TNC) or local companies, their staying power is consequently considerable albeit generally poorly understood (Lamb et al 2015).<sup>2</sup> Global attention is drawn to examples of companies- mainly TNCs in extractive industries- that are entangled in the dynamics of war and violence through colluding with conflict actors to ensure they can continue to operate even despite adverse conditions. More broadly, in the recent study by International Alert and Oxfam (2017:10) it is argued that breakdowns and distortions in formal channels of engagement, may make business and civil society organisations reliant on political connections on all sides of the conflict, in order to operate. The implications of such practices for the prospects of partnering with other social actors to produce benefits in terms of the SDGs have been by and large overlooked in the debates about MSPs in conflict and fragile situations.

An important point to note is that a disorder perspective on local governance in areas affected by violent conflict and fragility is misleading. What to an outside observer may seem as disorder caused by the absence of functioning government institutions, often constitutes distinct arrangements and political economies that shape local people's experience of wellbeing, safety and security, although such arrangements may pose a significant challenge to partnership and collaboration. Far from being 'ungoverned', areas of violent conflict and fragility- sometimes also referred to as areas of limited statehood- are governed differently (Börzel, Risse and Draude 2018; Clunan & Trinkunas 2010). In effect,

a myriad of social actors on the ground exercises some form of public authority with variable levels of effectiveness and legitimacy among different sections of the local population (Risse and Stollenwerk 2018). Those actors may include besides the state, which if not absent is generally weak or failing, various armed formations, traditional authorities, faith-based and other non-governmental organisations aligned in different constellations at the local, regional and national level. Armed groups have often provided public goods amid open violence, to some sections of the local populations- alongside or instead of the state (for instance Taliban in Afghanistan; Hezbollah in Lebanon; FARC in Colombia; LTTE in Sri Lanka; NPFL in Liberia) - and some continued to do so in the aftermath of war. Typically, international non-governmental and multilateral organisations also have a strong presence and provide a variety of services to the local population. Equally variegated and nuanced is the local and international business presence in terms of its awareness of the dynamics of conflict and fragility, and how it manages associated risks to proactively contribute to mitigating the conflict context. Oftentimes, companies' engagement with the conflict parties and local elites to secure resources and guarantee a licence to operate, may be at the expense of systematic interaction and engagement with local communities. In other- albeit rarer- cases, the private sector commands a degree of legitimacy among the local population by acting as provider of employment, social services and security (Börzel and Deitelhoff 2018). A plurality of actors with diverse sources of legitimacy results in complex dynamics on the ground characterised by tangled, conflicting, often perverse and opaque relationships among prospective 'partners' in public, private and civil society domains that shape the local corporate eco system and impact on a company's potential for effective collaboration with local stakeholders.

## HOW THE ASPIRATIONS OF PARTNERSHIPS ARE CHALLENGED IN CONFLICT AND FRAGILE AREAS

The transformative potential ascribed to MSPs in the context of the SDG agenda is premised on a set of assumptions about how various social actors enter partnerships and their subsequent behaviour inside a partnership. One set of assumptions is about incentives, interests, values, perceptions and commitment to upholding universal social, human rights and environmental standards (UN A/RES/66/288; UN A/RES/70/L.1). The other is about the process aspects of partnerships as a modality of multilevel, multi-actor collaborative action, and the infrastructure required to support such initiatives, including that provided by the UN (UNDESA 2015). When considered in the context of conflict and fragility, those assumptions raise several issues which highlight the difficulties facing this vision of MSPs, and the involvement of the private sector, as tools of transformation to fulfil the ambitions of the 2030 Agenda.

### CHALLENGE #1: THE WIN-WIN LOGIC OF PARTNERING?

At the most fundamental level, the presumed win-win rationale of MSPs that involve the private sector, based on mutually beneficial interest-based arrangements between diverse partners, implies a clear distinction between public, private and civil society actors.

Moreover, each is conceived as a homogenous group with an appropriate set of incentives that lead it to commit to collective action, and achievement of the common good, while enjoying legitimacy from their respective constituencies. This fundamental premise however looks less clear cut where governance is contested, politics are unstable and there are competing sources of legitimacy. Not only do MSPs in such settings have to deal with a larger and more diverse body of actors and potential stakeholders, but in a fast moving political context they have to also contend with a constant stream of new (often armed) groups with different governance claims. The private sector itself is inherently heterogenous, and as mentioned earlier, companies' independence from

governing elites and their extended networks cannot be assumed in such opaque contexts.<sup>3</sup> Neither can it be taken for granted that local civil society represents local popular interests and demands, or that it operates as an independent force to hold the government (and companies) to account. Civil society itself is diverse and often polarised mirroring conflict fault-lines among some of its segments. It is also heavily geared towards funders' agendas and does not necessarily deal with more pertinent local issues. Conflict and weak governance also lead to the disarticulation of local communities. Thus, given the fluid identities of key stakeholders and their multiple and shifting interconnections, identifying the benefits of partnering for each discrete actor presents a significant initial stumbling block in the conceptualisation of novel types of MSPs .

### **CHALLENGE #2: ARRIVING AT SHARED PARTNERSHIP OBJECTIVES**

At the operational level, initiating and maintaining engagement and consensus building among stakeholders with the aim of arriving at shared partnership objectives, is inhibited by deep institutional and interpersonal mistrust that characterises conflict affected and fragile areas. Getting a consensus on shared objectives is aggravated by two further specific contextual features. One concerns the strong competition between different development and security needs which stems from often contradictory visions of governance and the state, by different groups of citizens and their political representatives. The other feature pertains to porous dividing lines between political and economic elites and their powerful alliances, and the impact this can have on predetermining partnership rules of the game as well as on power asymmetries among the partners (Fowler and Bierhart 2017). Thus there is a heightened risk that agreeing a definition of the common good so that the private sector can contribute to it- a critical aspect of partnership legitimacy - becomes deeply entangled in domestic politics and power dynamics. A further drawback can be that the room for manoeuvre

for business to ensure and preserve neutrality and impartiality in its relationships with other actors, becomes constricted and consequently it struggles to maintain its legitimacy as a credible partner in a MSP.

### **CHALLENGE #3: SYNCHRONISING ACROSS DIFFERENT LEVELS OF PARTNERSHIP ACTION**

The private sector contribution to the SDGs through MSPs presupposes there is a complementarity between local, national and international structures, policies and processes. While transformative partnerships are grounded in a company's engagement at the local level, to be effective they rely on the existence of a broader supportive structure. Companies are required to build vertical linkages among multiple stakeholders at local, regional, national and international level. Building such linkages faces unique challenges in fragile and conflict affected situations. Three are of particular significance: company-community interaction; the regulatory role of the state; and compliance with global voluntary standards.

Private sector engagement with local communities through routine as well as strategic interactions can be profoundly affected by security and other concerns which arise from complex governance arrangements on the ground. Consequently, the scope for more constructive engagement between companies and local communities to ensure meaningful participation in decision making within a partnering framework may be significantly circumscribed.

Fragmented and contested governance often renders the mechanics and politics of aligning different levels of action by companies to engage with government and other stakeholders unclear. It requires strong commitment and resources, which companies generally find difficult to justify. In the absence of such commitment, the prospect of building effective collaborations with other actors to achieve sustained impact through engaging in MSPs is severely undermined from the outset.

Working across different governance scales to harness the transformative potential of MSPs, ought

to take place within an overall framework of global norms and regimes that support the implementation of the 2030 Agenda by states and companies (for instance the norms and standards laid out by the UN Guiding Principles on Business and Human Rights). The implementation of those norms at the country level is the responsibility of national government as the foremost interlocutor in the emerging meta-governance of MSPs. However, in a context of weak governance and a culture of non-compliance associated with dysfunctional state institutions and a lack of democratic governance, this important trestle is likely to be either absent or at best unreliable. The risk is that partnerships become stranded, isolated and insufficiently embedded within a global or regional normative architecture that can anchor them in and to universal standards. On the other hand, voluntary compliance with global norms, by corporations as part of implementation of the SDGs is equally problematic. In contexts of legal fluidity where power, politics and economic opportunity mix differently than in a functioning, rule of law environment, the expectation that companies will exercise a sufficient degree of self-regulation may be more problematic than it is generally considered.<sup>4</sup> This raises two further questions. First, to what extent is an emphasis on soft law instruments such as those evoked by Business and Human Rights approaches effective in those contexts? Second—from the perspective of the operational structures required for MSPs to work and effect real transformations—how can human rights norms be applied in contexts of multiple governance systems run by non-state armed groups and other actors?

## HOW TO FULFILL THE AMBITIONS OF MSPS?

The ambition to promote MSPs in the areas of violent conflict and fragility as a means of achieving the SDGs has to confront the reality that many assumptions and taken-for-granted conditions for building transformative partnerships are yet to be created in such contexts. For the private sector, understanding how alternative governance systems affect local societies, who the powerful stakeholders are, how they are linked, and their sources of legitimacy, are paramount in preventing such actors using a MSP framework as another way to vie for power and resources, indirectly aggravating the status quo of violent conflict and fragility. The extent and sources of knowledge companies possess on those issues, and in particular their access to local knowledge are relevant to understanding the potential of partnerships. The relationship between business and civil society deserves explicit attention given that in principle both rely on effective, accountable governance and hence share an interest to remedy its absence by working together more effectively. International aid experience shows that in pursuing this form of collaboration, it is important to build on existing practices and structures local society has established to meet its development and security needs. However collective action between companies and other actors including civil society in areas affected by violent conflict and fragility will require an exceptionally strong interlocutor/leader, who can facilitate and coordinate the involvement of multiple actors and help in reconciling their separate interests and capabilities. Far from being simply an independent facilitator, or outside party, the interlocutor has herself to actively shoulder an 'intrinsic co-responsibility for (the) collaborative process' (Fowler & Biekart *ibid*). The profile of an interlocutor will vary, depending on the context and nature of the MSP in question, but is most likely to be the UN or other international organisation with no direct stake in the conflict or development outcomes. In order for constructive relationships between the private sector and other stakeholder to develop, efforts to ensure the interlocutor's legitimacy and effectiveness will be a critical component of the partnership process.



## HOW CAN A HUMAN SECURITY APPROACH AND METHODOLOGY CONTRIBUTE TO GETTING PARTNERSHIPS RIGHT?

- ✓ The concept of human security redirects the gaze from global SDG-MSPs to a life world of corporations in their sites of operation where the interface between business and the local community is most routine, and where joint problem-solving through the framework of MSPs is best initiated and likely to be agreed.
- ✓ It provides a unifying language and a basis of engagement between companies, and other actors concerning a broad gamut of concerns, needs and expectations held by diverse groups that make up the local community. It establishes novel grounds to reconcile competing legitimacy claims and facilitate rebuilding of social fabric.
- ✓ It enables a comprehensive understanding of issues between social actors and how these link to a company's activity. It helps crystalize how each actor defines the common good in terms of the SDG agenda and thus helps determine the scope for concrete solutions, and how best to utilize each actor's comparative advantage.
- ✓ It highlights the interconnectedness of issues and processes that drive insecurity of individuals and communities. This in turn helps in understanding how best to approach various actors' partisan interests in conflict affected and fragile situations that often stymie more constructive relationships between companies and other stakeholders.
- ✓ Human security methodology provides the means to engage local communities as partners in their own right providing opportunities for both intra and inter-group stakeholder consultations and more equal participation.
- ✓ Sustained and focused dialogue within a broad circle of social groups, in ways which promote inclusiveness and mutual respect, value community knowledge, provide for direct and sustained interaction, which can replace binary arrangements between business and other actors, and in doing so create a catalytic effect, building interpersonal and institutional trust.
- ✓ With its focus on the individual and personal wellbeing, a human security perspective on partnerships with the private sector elevates 'soft ingredients' (leadership, integrity, commitment) that will ultimately determine whether new forms of collaboration and engagement will develop and contribute to the SDG Agenda.
- ✓ Partnerships in fragile contexts are also a nascent area of study Kolk and Lenfant 2013: 47.
- ✓ A notable example of the latter is a thriving business sector in Somaliland.
- ✓ A case in point is Myanmar where the separation between the private sector and the state is non-existent.
- ✓ To that end, policy guidance on how business should behave in conflict-affected and fragile areas has proliferated (Ford 2008: 40). ■

## ENDNOTES

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