

## **PUBLIC-PRIVATE PARTNERSHIP IN COMMUNITY DEVELOPMENT. THE CASE OF ROMANIA. CONCEPT AND MANAGEMENT.**

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**Abstract:** *The public administration has a major role in partnerships establishing and operating with different community actors aiming at solving specific community problems. In the process of identifying and solving the community problems the actions of the non-governmental organisations are considered as “alternatives” to the solutions of the public administration.*

*The advantages of an on-going collaboration between non-governmental organisations, as relevant agents in the social economy, and the public authorities aiming at solving the community problems were identified and acknowledged by both sides representatives. The access to complementary resources, and implicitly, an increase in the range of actions of the partners beyond mathematical calculus, an increase in the credibility and public image of the partners, as well as the social benefit corollary to positive models established within the community, are only a few of the arguments. The question raised is why this type of a more consistent approach is not used in the current practices of solving the community issues in Romania. The following causes should be considered in response to this question: the lack of an associative culture at the level of all potential partners, the access to resources is by far too limited on behalf of any of the two parts involved, a neutral, thus, unrestrictive legislative environment, but at the same time, unstimulating towards an associative action, i.e. limited management capacities on both sides.*

*From this perspectives, this paper aims at clarifying the partnership concept (definition, typology), the public-private partnership role in solving community problems and the management issues related: partners identification, negotiation of the cooperation protocol, decision making process and resource management, assesment, etc.*

**Keywords:** *partnership, public administration, non-governmental organizations, public-private partnership, partnership management.*

**JEL Classification codes:** L33, L38

### **I. Public Administration and Partnership Practice**

Bringing supplementary resources represents the aim of the openness of the public institutions to public-private partnership, as an instrument in community problems solving process. This openness is a must considering the genuine explosion of citizens' public needs corroborated with the cronic lack of resources any public institution has to face, regardless which part of the world it functions.

### ***The Partnership Concept***

Assuming partnership as a governing principle represents, from a political point of view, a democratic option and, thus, has the significance of a political message; meantime, it implies an great effort to ensure its institutional and procedural premises and, by consequence, has the significance of a institutional development program, situation which brings advantages and risks simultaneously. Among its advantages for the public authorities are increased public support for their ongoing programs, attracting

supplementary resources compared with the ones commonly available to public authorities and an increased adaptation of the public services to the community needs (Bancila et al. 2002:42). Partnership is not a purpose in itself, but, from a methodological point of view, it is a way to approach problems, while from a managerial point of view it is an instrument used in solving problems. Partnership is the way, formal or informal, through which two or more parties act together in order to achieve a joint goal or joint objectives, based on a joint plan of action and joint dedicated resources and under a joint resources and activities management. The specific approach through which resources are jointly dedicated under a joint management makes the difference between partnership and cooperation concept while the differences between the two words are difficult to notice from a semantic point of view. In the same respect, joint management makes the difference between a partnership and a funding relation.

As far as it concern the decision process, in partnership relation, the parties must not necessarily have equal shares, but is important that they are treated as sitting on equal grounds because partnership can not be build on a subordination relation. Consequently, in a partnership, the decision power can be split between parties evenly or proportionally with their contribution (Bancila et al. 2002:40).

The partnership types can be considered based on diverse criteria, acting simultaneously or independently, which generate a relatively complex typology (Bancila et al. 2002:39). Thus, from a legal point of view, partnerships can be formal or informal. When the goal is specific enough and achieving it is not a problem, an informal partnership can be established if the parties are similar entities, knowing each other and, eventually, having a cooperation history together. In the case of a more complexe or long term or if parties are different type of entities (NGOs and public authorities, or NGOs of different nationalities), partnership

tends to be formalised. Another criteria for partnerships classification is the type of the partnership goal. Thus, one can find *representation partnerships* like federations, unions, councils, aliances, coalitions, etc. together with *operational partnerships* which implies the existance of specific projects as a reason of the venture. Partneships can be established on a long or short term, with its own funding or attracted funding, etc.

Meantime, it should be mentioned that public-private partnership, as a specific cas of partnership [1], may define an public authorities' initiative to solve community problems by involving a private partners, either from business sector, or nonprofit sector. This paper is focusing on the second category of potential private partners.

#### ***NGOs as Public Policy Subjects in Romania***

Coagulation and development of the nonprofit sector, as an alternative to the activity of the market and public institutions, creates the opportunity of an analysis of the public authorities-NGOs partnership management and, implicitly, the clarification of the nongovernmental organization concept. Comparing to the other categories of institutions which operate in the community, nonprofit nongovernmental organizations (commonly known as nongovernmental organizations - NGOs) ressamble to private commercial entities concerning the way they function, but their goals and objectives are focused on social needs approached through public interest activities, without a distribution of the profit (if does exist) among the persons involved in the activities. This brings NGOs closer to the logic of the public institutions (Andersen et al. 2010:8). There are many definitions on the nonprofit nongovernmental organization concept. According to the structural-functional definition (Salomon 1992:6), NGOs should meet couple of criteria: to have an institutional structure, to be of private nature, to do not share profit, to be self governed, to be volunteer run.

Further, the discussion is focusing on only some of the NGOs, more precisely, in the meaning of this text, nongovernmental organizations or nonprofit organizations are defined as an organizational category, formed by institutionalised entities, of private nature, dedicated to social needs, independent from public institutions and not interested in political power (i.e. political parties) or profit (i.e. commercial private organizations).

In some countries, the relations between NGOs and public authorities have a long and well grounded history. For other countries, Romania included, relations without an evident political character between NGOs and public authorities represent a new type of public relations emerged in the beginning of the '90ties. They were possible only when democratic changes in former socialist countries started while previously their governments kept all private initiatives under strict surveillance and administrative control (ICNL 2000). All the governmental strategies issued in Romania after 1990 included public authorities-NGOs partnerships as a constant objective for all governments. Periodically legislative and institutional initiatives aimed to facilitate public authorities-NGOs sectoral, national and local consultations were announced (Lisețchi and Olteanu 1998:3). While the governmental interest for NGOs has a history of over 20 years, a review of the public policy on NGOs main hallmarks shows that actual period is a transitional one and Romania is still in a phase of institutional set up (Lisețchi 2006:1).

#### ***NGOs' Evaluation by Public Authorities***

In order to evaluate the NGOs' potential to be associated in the public policies elaboration, implementation and evaluation process, and, also, to apply the Romanian legal norms (O.G. 26/2000), it is useful for the public authorities to elaborate an appropriate methodology. Public perception on NGOs is an important factor in assessing this potential (Bancila et al. 2002:45). NGOs shows an

higher level of public trust comparing to authorities (FDSC 2010). Citizens' appreciation for NGOs is as increased as they: facilitate the citizens' participation, strengthen cohesion and solidarity, get involved in partnerships with the authorities and have strong local roots. NGOs seem to be less trustful if perceived as part of the public system, beneficiary and consumers of public resources, or if they are perceived as weak or centred on their own goals, if these are different from those of the community (Bancila et al. 2002:45).

#### ***Assessment Criteria of Public Policies on NGO***

In order to foster the possibility of evaluating the willingness of the public authorities to get involved with the non-governmental organizations it is necessary to employ some criteria to ensure a standardised assessment of the associative behaviour of the public administration towards potential community partners. Such criteria (Bancila et al. 2002:45-46) are as follows:

- a) existing institutionalised structures that link the public authorities to the associative sector;
- b) exiting solution grids, accurately and univocally defined, such as recurrent institutionalized processes;
- c) applying the principle of equal opportunities to any non-governmental organisations that request assistance;
- d) applying the principle of supply and demand in any public administration-NGO relation;
- e) employing accurate selection criteria of the services offered by the organizations;
- f) the access of organisations to public services contracting within equal terms as other economic agents;
- g) the registration of relevant information regarding the organisations that perform their activity within the covered geographical area;
- h) jointly designing a job description of the public clerk whose attributions should

entail the relationship with the non-governmental organisations;

- i) showing interest in raising the awareness and the sense of responsibility of the elected officials in relation to the electorate;

## **II. The Partnership between Public Administration and Non-Governmental Organisations** *The Opportunity of a Partnership between Public Administration and NGOs*

The advantages of an on-going collaboration between non-governmental organisations, as relevant agents in the social economy, and the public authorities aiming at solving the community problems, are as follows: the access to complementary resources, and implicitly, an increase in the range of actions of the partners beyond mathematical calculus, an increase in the credibility and public image of the partners, as well as the social benefit corollary to positive models established within the community, etc.

In the process of identifying and solving the community problems the actions of the non-governmental organisations are considered as “alternatives” to the solutions of the public administration. In order to render perspicuous the choice of the word “alternative”, it is necessary to explain that communities do not have to choose between the development model brought forth by the public authorities and a model suggested by the organisations, for the very reason that organisations cannot launch such an offer. Only in exceptional circumstances can NGOs entirely solve a community problem. At the same time, the way in which NGOs take action can represent a model of approaching a problematic matter, not the only way or the best way, however, most definitely efficient from the perspective of a cost/benefit analysis. This does not mean that non-governmental organisations are to replace the public administration or that they are to perform the duties of the latter. The offer of the non-governmental organisations does not represent an alternative *per se* to the

services offered by the public institutions. NGOs represent an action method complementary to the activities of the administration, through which the community becomes responsible towards solving their own issues (Lisetchi 2006:1). In this context, *the partnership can be considered a desirable principle of action* which can be found, to a certain extent, in the organizational culture and the practice of some public institutions.

### ***Management Approach of the Public Administration - NGOs Partnership***

In an attempt to optimize the public administration-NGOs partnership, some specific aspects are to be considered:

a) *different resources*: the authorities have the possibility to allocate public funds, as well as the capacity to issue regulations, while the NGOs have the possibility of accessing private funds, respectively, the expertise to solve specific issues and the capacity to motivate/mobilise volunteers.

b) *working method*: the operation capacity of the authorities is limited by the attributions foreseen by their regulations, respectively, a slow reaction held back by bureaucracy and the propensity towards solving the general issues, while the NGOs are more flexible, faster in their reactions and the tendency to focus on specific problems.

c) *the organisational structure and culture*: the authorities are larger organisations comprising complex structures, while NGOs are smaller organisations with simpler structures (Altman-Sauer et al. 2001:34).

The differences can generate tension; the main obstacles that hinder an efficient relationship between the NGOs and the public authorities have been identified: (I) different perspectives of the two sides concerning the same matter, (II) the lack of understanding the peculiarity of the activity carried into effect by the other, (III) the particular economic and cultural effects of the community on the communication methods, on the spreading of the information and of the

decision-making and (IV) the power relations between the two parts involved (Altman-Sauer et al. 2001: 35-38). The common element that was identified by the two sides, i.e. the fact that it addresses the same group (members of the community sharing the same problems) and the capacity to find solutions for the above-mentioned obstacles, can lead to an advantageous cooperation between public administration and NGOs, that will, consequently, benefit the community.

Cooperation within a public-private partnership is facilitated in the following circumstances: collaboration should focus on a single matter, the purposes are clearly stated, public participation in the process of solving the community problems, each partner should devote time and resources to plan the cooperation, the intentions and coordinates of the partnership should be clearly established by the two parts, the necessary resources for a good cooperation within the partnership should be accurately identified, assessed and allocated, communication should be appropriate and efficient, the attributions, skills and responsibilities of each partner should be specified, a decision-making system based on the equal status of the partners should be designed (Altman-Sauer et al. 2001:34-35).

#### ***Exercising the Public Administration-NGOs Partnership in Romania***

If at the beginning of the last decade non-governmental organisations were perceived as being rather anti-governmental by the public authorities, partnerships between them being exceptional, currently things have changed considerably with the opportunities offered by the European financing programmes prior to Romania's accession to the E.U. The fact that the European Union, according to the financing programme, either imposed on the public administration the partnership with the non-governmental organisations, respectively, imposing on the public institutions the partnership with NGOs, or it granted a higher score for such

collaborations, has led to a spectacular proliferation of the number of public-private partnerships in Romania. It is worth mentioning that, as a consequence, more funders took up this approach as part of their financing policies. Given this context, towards the end of the last decade, partnerships became a purpose themselves, being assessed inconsistently in terms of the management or the results of such a process.

On the other hand, financing the projects of the non-governmental organisations by the public authorities, as a recommended practice by the community development theory, has led to an extensive employment of the term partnership in the marketing discourse. Nevertheless, such an interpretation of the financing relationship between the two types of institutions, even if valued on first sight, is abusive if compared to the concept of partnership which entails a process of co-decision in operating the tasks to be handled by the parts involved in the partnership. Regarding the above-mentioned issues, the problem raised is that the public-private partnership is deprived of its deep structure and meaning.

To bring forth a general perspective regarding the practice of the public-private partnership, it is worth mentioning that, as in the case of Romania, the current legal framework allows the development of the relations between public authorities and the non-governmental organisations (OG 26/2000). The question raised is why this type of a more consistent approach is not used in the current practices of solving the community issues in Romania. The following causes should be considered in response to this question (Lisetchi 2006:20): the lack of an associative culture at the level of all potential partners, the access to resources is by far too limited on behalf of any of the two parts involved, a neutral, thus, unrestrictive legislative environment, but at the same time, unstimulating towards an associative action, i.e. limited management capacities on both sides. Concerning the issue of the associative culture, the GLOBE

Romania research (Bibu et al. 2008) shows that in relation to the obtained score for the cultural dimension criterion, *Institutional Collectivism* (Collectivism I), Romania is situated on a scale from 1 to 7 at a relatively low level, 3.75, in comparison with the rest of the world. This number outlines the degree to which institutional practices at the social and organisational level encourage and compensate for the collective distribution of the resources and the collective action. A low number indicates less collectivism, thus, more individualism in relation to the general interest in society. Nonetheless, the score of 5.43 for the cultural dimension *Group Collectivism* (Collectivism II) is situated at a higher level on the world scale, which indicates that in Romania individual expressions of pride, loyalty and cohesion within smaller groups, such as the organisation, the family, are more recurrent. Romanian culture favours smaller groups and their interests and puts at a disadvantage the general interest in the society. Consequently, the associative factor is not favoured by the Romanian culture. The narrow interest of the group they belong to is the strongest. Perforce, it is necessary to clearly point out the common areas of the two partners in order to render the partnerships viable.

In practice there are naturally more differences in approaching the way in which the authorities and NGOs relate to community problems. Public administration tends to unfold partnerships in especially in certain fields: unemployment, social care, local development, citizen-public administration relation, health, SMEs, environmental care, education, the non-profit associative sector, the protection of the disabled, tourism development, child care, regional development, culture (Bancila et al. 2002:42).

In establishing the partnership vocation of the NGOs, the representatives of the administration tend to employ, in this very same order, the following indicators: the objectives of the organisation, the target-

group, the resources of the organisation, the impact, the level the public participation. There is a considerable difference between this evaluation grid and the one carried into effect by the financing foundations (for example, the small amount of importance given to the impact), which can be explained through the different experience in terms of evaluation of an organisation and its programmes.

In Romania, according to the public administration representatives, the following major obstacles stand in the way of the administration-NGO partnership: deficiencies in the functioning of the authorities 29%, inadequate institutional and legislative environment 22%, authority resources 15%, disfunctions in the running of the NGO 15%, lack of information 10% (Bancila et al. 2002:44). In effect, it was noticed that in the past few years in Romania, falling beyond an existing theory concept and favourable narrative discourse, there still exists an unequal involvement of the two potential partners in the development of the collaboration. Naturally, there are also many cases of partnerships between non-governmental organisations and public institutions, this fact being registered positively. The truth of the matter is that, on the background of the opening declarations of the public authorities on the common actions, there is a passive attitude towards this type of approach on behalf of most of the institutions (Lisetchi 2006:21-22). The initiative regarding the common resolution of the problems of public interest continues to be to a great extent in the hands of non-governmental organisations. Needless to say, not all organisations can be included in our analysis, as well as not all public institutions are part of this discussion. Nuances of the discourse should be observed in the context of a reality in which not all non-governmental organisations should take a role in the public welfare, insomuch as the assertion above does not mean that all public institutions should collaborate with non-governmental

organisations in order to deal with community problems. NGOs are, in general, the ones who request the collaboration of the public authorities according to various conditions: individual priorities, willingness to work in a partnership, the public relations image of the organisation, etc. The public administration accepts or refuses to be involved in such actions. At a surface level, the normality of the situation described above cannot be refuted. The problem, though, that should be raised revolves around the attitude towards the responsibility of solving the community issues of the two potential partners. If, for the public administration, this type of responsibility is legally regulated, having a binding character, imposed, and, eventually, it represents the reason to be of a public institution, for the non-governmental organisations, as structures of private initiative, taking this kind of responsibility is the result of the individual willingness, motivated by the interest in the public welfare of a private group. (Lisetchi 2006:22).

### ***Recommendations Regarding the Public Administration-NGO Partnership***

The problem of the partnership between the public administration and the non-governmental organisations represented an interest point for the Romanian nongovernmental sector even from the period of the first mandate of The Group for the Implementation of the Resolution of the NGO National Forum (GIR) formed in 1998. Thus, some general recommendations that make direct reference to the current discussion can be enlisted among the mentioned activities within the context of a GIR proposition regarding the future actions of the associative sector:

a) The reinforcement of the local and central public administration capacities to work with the civil society, manifested through public authorities agreement procedures of the non-governmental organisations as service providers and organisers of citizen consulting centres

b) Involving the citizen in the public decision-making on the basis of pre-arranged procedures

Altman-Sauer, Henderson and Whitaker (2001:37-38) have a couple of recommendations for the two parts involved in the promotion of the NGO-public administration partnership:

What can the non-governmental organisations do?

1. Inform the relevant authorities throughout the year about their progress, not only in the case of the partnership launching or fund raising.
2. Attach importance to the functioning of the entire community, not only to the organisation target group.
3. They should be responsible and fair and bring proof of that to the public eye.
4. To reinforce the trust of the public in the organisation by presenting a trustworthy and professional image.
5. To help the community learn how to manage the problems that the organisation tries to solve and into which they have not gained an insight yet.

What can the public authorities do?

1. Diminish the frustrations, tensions and mistrust in the NGO.
2. Ensure an overt management of the financial requests which come on behalf of the NGOs.
3. Tackle the problems and needs of the community as being part of it, not only the ones of the NGOs.
4. Recognise the potential of the NGO as a serious investment.

What can the non-governmental organisations and the public authorities do together?

1. Exchange information during their common work relations, as well as in general.
2. To commonly use certain resources.
3. To develop clear guidelines about each part's expectations and work on this to reach a common balance ground.