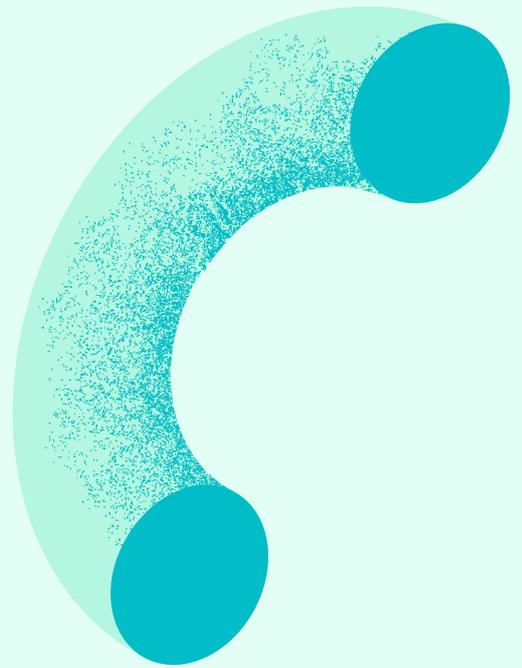


# Patterns of Possibility

in Cross-Sectoral Collaboration  
(CSO-Private Sector Collaboration)

qualitative research  
October 2022





## Disclaimer

This research is prepared within the project “Protecting Civic Space - Regional Civil Society Hub” funded by SIDA and implemented by BCSDN.

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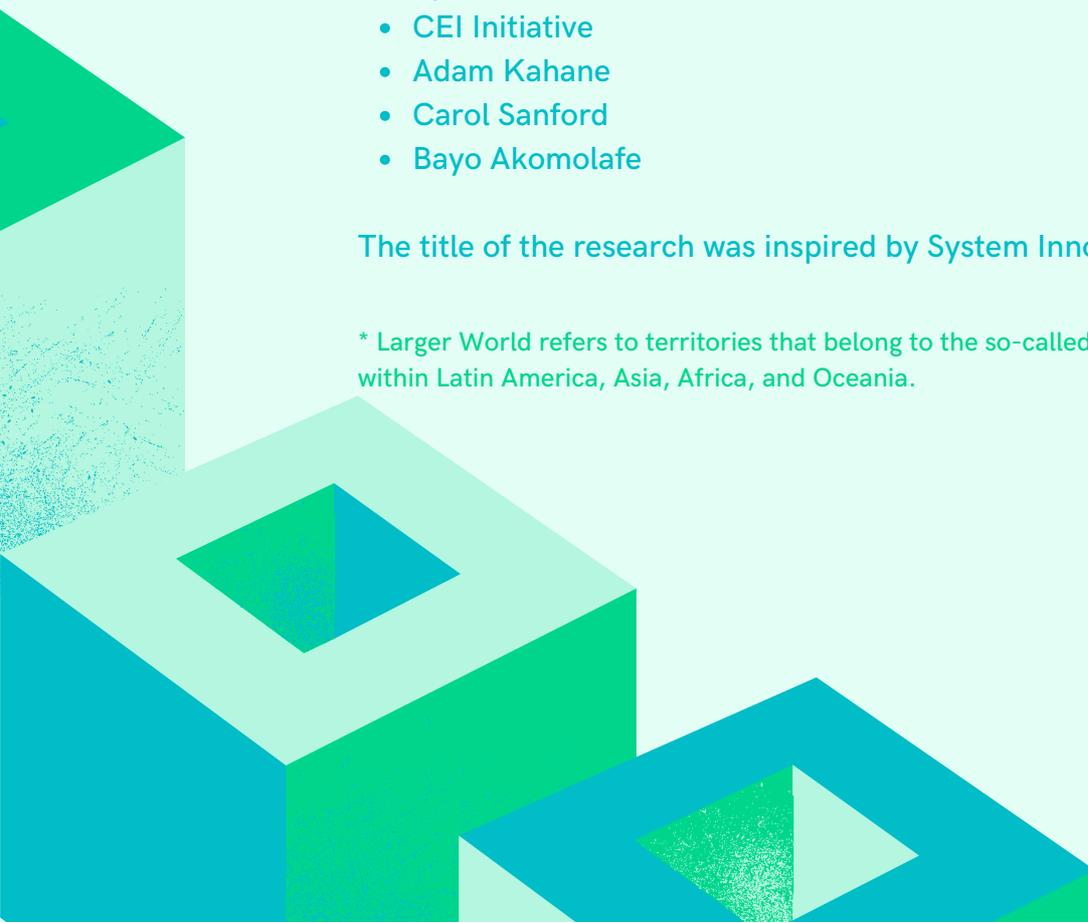
# Note from the research team

While the world is transforming on a daily basis, CSOs and businesses across the globe are increasingly highlighting the importance of building resilient practices that involve purpose, positive social impact and regeneration. At its core, this tendency requires a lot of collaboration between unlikely allies and to support that, our team started a journey of collecting, reviewing, learning and assessing existing ways of collaboration between these two sectors. In simple words: our team was looking for answers that will demystify and clarify how, when or if collaboration makes sense. In the course of this research, we interviewed and collected inputs from 24 consultations, individually and in small group discussions. Most of the respondents (83%) come from Central and Eastern Europe, while the rest come from the Larger World\*. We also relied on existing data collected from events and learning experiences in working with social entrepreneurs, startups and activists in those territories. Our findings were highly inspired, influenced and guided by several communities, practitioners, experts and authors who we want to thank:

- Regenerators Community
- Possible Futures
- Innovation for Change
- Cambio Consulting
- System Innovation Initiative
- CEI Initiative
- Adam Kahane
- Carol Sanford
- Bayo Akomolafe

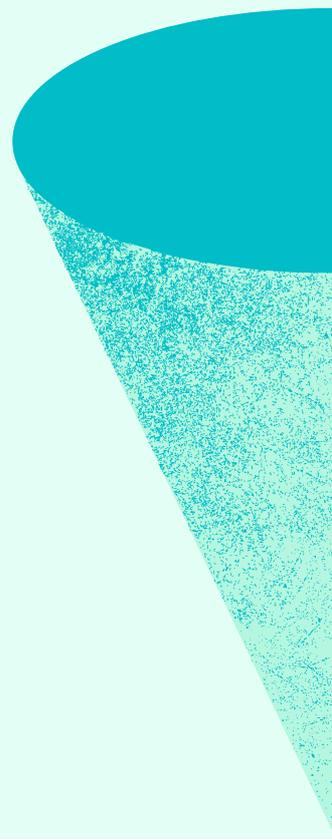
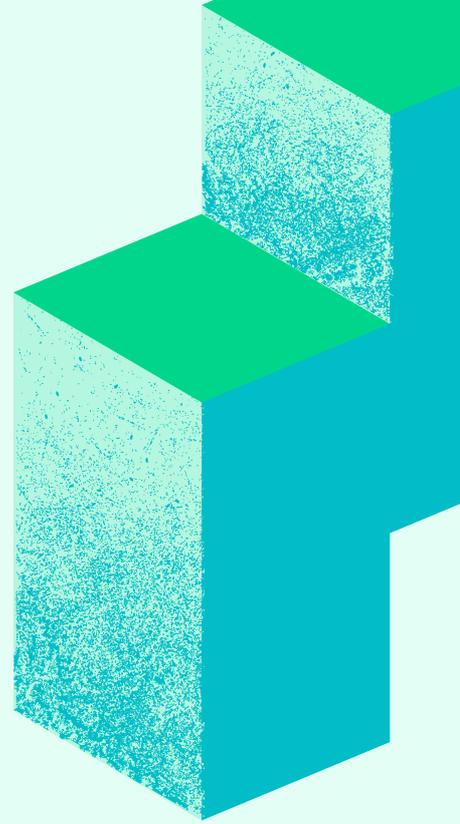
The title of the research was inspired by System Innovation Initiative.

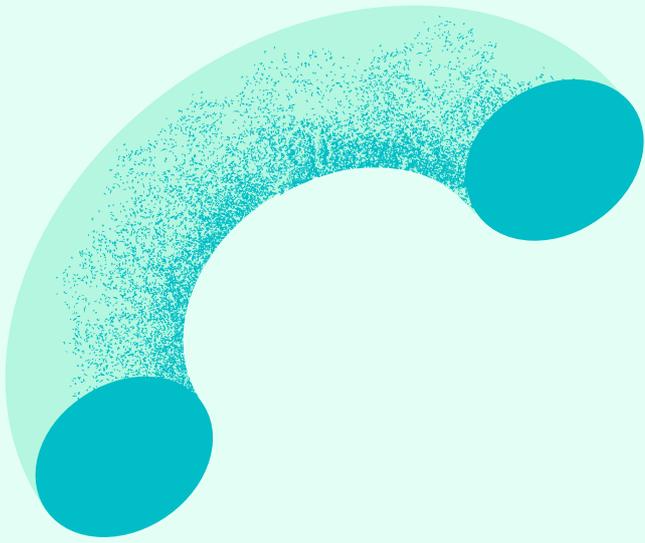
\* Larger World refers to territories that belong to the so-called "Global South" i.e regions within Latin America, Asia, Africa, and Oceania.



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# Introduction

# Introduction

The word “collaborate” comes from Latin roots. Words beginning with the prefix col- mean together, so the word implies people doing something together. The root word laborare, also from Latin, gives us many of the English words used to talk about careers and work. In fact, the word labor comes from this root word. Putting the two Latin parts of this word together, the word itself means to work together.

Today, collaboration is defined as the situation of two or more people working together to create or achieve the same thing.\*

This simple collaboration definition includes three parts:

1. Two or more people (team)
2. Working together (processes)
3. The same thing (aligned purpose and values).

In this research, we came across more than 50 different definitions of collaboration, especially cross-sectoral collaboration. For the purpose of our process, we used the following definition:

col·lab·o·ra·tion

noun

two or more people working together towards shared goals

\* Cambridge Dictionary, University Press, 2022



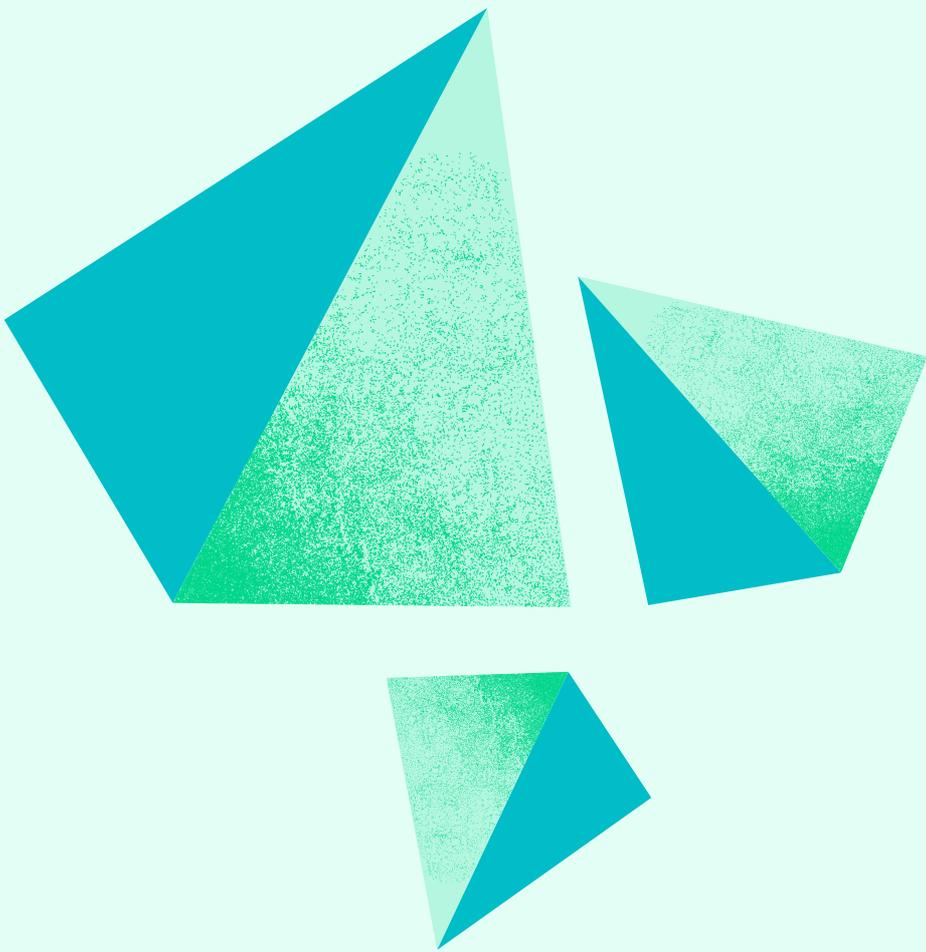
In Western Balkans there are >102 600 Civil Society Organisations (CSOs) registered, (Global Initiative, Policy Brief, 2021). The new reality did not change the fact that CSOs have been continuing to provide social services, especially for marginalized and vulnerable groups and fostering societal changes, however, there is an emerging urgent need for multi-stakeholder partnerships. CSOs-business collaboration in this sense can play a key role in improving the lives of people living in poverty in the long-term. Even more so, in view of the SDGs and the Addis Ababa Action Agenda (2015), which emphasize the importance of the private sector in implementing the 2030 Agenda. Not only can their innovations bring radical solutions, but also their investment choices determine whether economies are inclusive, environmentally sustainable, and beneficial to marginalized people.

From system innovation theory, we know that systems are often hard to change because power, relationships, and resource flows are locked together in a reinforcing pattern to serve the system's current purpose. A system is a collection of parts which come together repeatedly to achieve an outcome. In *Harnessing Complexity*, Michael Cohen and Robert Axelrod say a system creates "enduring patterns of interactions which shape the behavior of many players into a coherent whole.\*" This has proven to be true for civil society and the private sector in the CEE region.

However, systems start to change fundamentally when this pattern is disrupted and opened up so that a new configuration can emerge, serving a new purpose. In this project, we delved deeper into the four keys of system innovation, and how they are applied in the context of CSO-private sector collaboration in the CEE region. The four keys are: Purpose, Power, Resource Flows and Relationships. Based on these four keys, we captured recurring patterns, examples, lessons or good practices (where applicable), as well as designed an online manifesto that can guide CSOs and business leaders who wish to build partnerships around a common purpose.

\* Cohen, M. D. & Axelrod, R. (2001). *Harnessing Complexity*. Free Press.





2

Collaborative  
Practices

# Collaborative Practices

In order to better understand collaboration, we will look in detail into several practices, models and/or frameworks mentioned or discovered in our research. For clarity purposes, they are listed in historical order (from the earliest to the latest).



## Powhiri, an ancient ritual ceremony of collaboration

A useful collaboration model practiced for hundreds of years by Maori, the indigenous people of New Zealand, is called Powhiri. The Powhiri recognises the *mana*\* of all the participants. One of the most important values of the Maori people is *manaaki*, or caring for the mana of everyone.

The Maori word mana means the importance associated with a person. The performance of a Powhiri acknowledges the importance of a person being welcomed to an area. Powhiri in its widest context means a welcome, but within the word itself, it hides a greater understanding. Each stage of Powhiri can be easily connected to a modern-day understanding:

1. **Reo Pōwhiri – Administration:** In Māori terms stands for the first voice to be heard, it relays the intent/purpose of the *manuhiri* (participants, guests), and sets the tone for how the rest of the *pōwhiri* will go. The mainstream application of it would be: check-ins, icebreakers and introductions, outlining roles, responsibilities and expectations and setting boundaries.
2. **Reo Whakatau – Establishing Relations:** In Māori Ideology it stands for offering history about oneself, and whom you represent, making connections between self and the audience as well as reflecting upon how your history has dictated your arrival at this point. This step is allowing people to know you in good faith and get a better picture of your background. The mainstream application of it would be: transparent explanations about your intentions and purposes in collaboration, drawing upon the similarity of goals and aspirations and acknowledging the difference in perspectives, and celebrating rather than criticizing them.
3. **Wero/Taki – Establishing and/or identifying issues:** In Māori Ideology, this step is used to ensure that visitors, though they come with issues to address, all issues will be discussed in a peaceful manner. This step allowed for identifying the strength and powers of the warriors sent to perform the *wero*. Mainstream application of this step would go in the direction of allowing open, safe space to establish the presence of issues or obstacles within the collaborative space, acknowledging the different sets of skills required and/or available to address those issues, and that it'll take more than one perspective to do that.

\*Mana stands for prestige, authority, control, power, influence, status, spiritual power, charisma - *mana* is a supernatural force in a person, place or object.

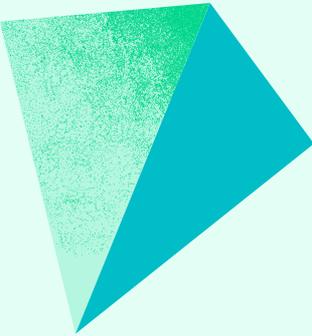
4. Tū atu Tū mai – Unpacking Issues: In Māori ideology, this is where each party gets to present a case/issue, and voice stance, opinions and possible solutions. It comes with the knowledge that standing to express your views and the views of those you represent comes with the obligation and responsibility to see out the actions behind your words. The mainstream application would include allowing everyone the chance to address the issues, acknowledge those individual concerns equally and meaningfully and accepting that consensus isn't a solution when the representatives of interests are unbalanced; collaboration as a concept is based on equal partnership.

5. Koha – Reciprocity in practice: In Māori ideology, it stands for showing compassion for each other, through an exchange of food, time, services or resources. This step recognises the commitment of a party to a *kaupapa*, and reciprocates with *koha* to show an equal commitment. In mainstream application, this would include the process of accepting and valuing each other's offerings to a cause, solutions to an issue etc. Showing a great level of commitment to a cause, which reflects the importance of *kaupapa*, as well as a respect for the efforts of organizers, and facilitators and offering services and skills to finding solutions for the cause.

6. Harirū – Networking: In Māori ideology, the Harirū is the physical sharing of breath to become one. It stands for bringing two sides together for a common cause. After brief introductions between the individuals, this step includes the physical mingling of groups in a show of unity. The mainstream application would include breaking away from usual groups to expand viewpoints, bringing different perspectives into space to benefit the cause or encouraging the commitment to allowing new interest groups to have a seat at the discussion table.

7. Hākari – Strategies and Timeframes: In Māori ideology, this is the informal part of pōwhiri where people are able to speak casually and candidly. This step is always done while eating, which is an integral part of building relationships with people (Whakanoa). In mainstream application this step would mean taking conversations out of a boardroom context and allowing a freer, less structured type of solution-focused conversation. Through informal conversation, one discovers new elements of people's backgrounds and how they shape perspectives.

8. Poroporoaki – Implementing Action Plans: In Māori ideology, this step stands for a farewell, reiterating and solidifying the relationships built, and expressing a commitment to maintaining those connections. Poroporoaki allows reflection on a *kaupapa*, and gives people the opportunity to voice new learnings, new streams of thought, gained experiences etc. The mainstream application of this would include formalizing the relationships built, connecting them to tasks and deliverables of *kaupapa* and reflecting upon the conversations and decisions made during the robust discussion. It is common that adding a timeline to the plans is common for this step.



The Powhiri is a collaborative process that is built on the value of manaaki. When the process is used as a model for collaboration in a wider context, results can be transformative, because it involves real listening and caring for each other.

## The Prisoner's Dilemma, 1950

Prisoner's Dilemma (PD) is a social dilemma in which (usually) two players simultaneously face a choice between two options: to cooperate or to defect. The prisoner's dilemma offers a paradox in decision analysis where two individuals acting in their own self-interests do not produce the optimal outcome.

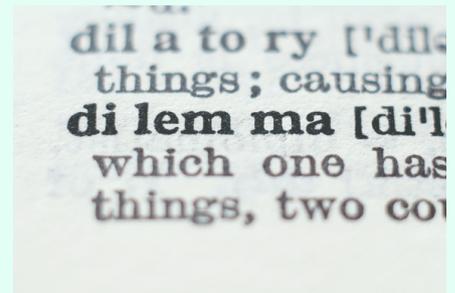
The prisoner's dilemma presents a situation where two parties, separated and unable to communicate, must each choose between cooperating with the other or not. The highest reward for each party occurs when both parties choose to cooperate. However, the typical prisoner's dilemma usually plays out with both parties choosing to protect themselves at the expense of the other participant. As a result, both participants find themselves in a worse state than if they had cooperated with each other in the decision-making process. The prisoner's dilemma is one of the most well-known concepts in modern game theory and offers a great deal of understanding of the complexity and difficulty of collaboration.

		prisoner B	
		cooperate- stay silent	betrays (defects)
prisoner A	cooperate- stay silent	both serve 1 year	A serves 3 years B goes free
	betrays (defects)	A goes free B serves 3 years	both serve 2 years

Three factors help resolve the many prisoner's dilemmas we would all otherwise face:

- the repeated patterns / prisoner's dilemmas
- formal institutions that break down prisoner's dilemmas, and
- behavioral biases that undermine "rational" individual choice in prisoner's dilemmas).

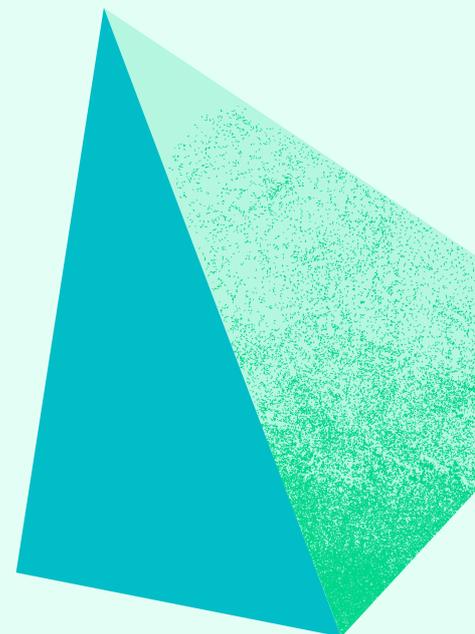
In a sense, a large proportion of social interactions can be thought of in terms of the Prisoner's Dilemma, which pits our selfish interests against the motivation to cooperate with and help others. A simple rule of the Prisoner's Dilemma is this: When we play against someone else in an iterated manner, expecting to have further interactions with that same person, we tend to be nicer than when we are playing against someone in a one-off capacity.



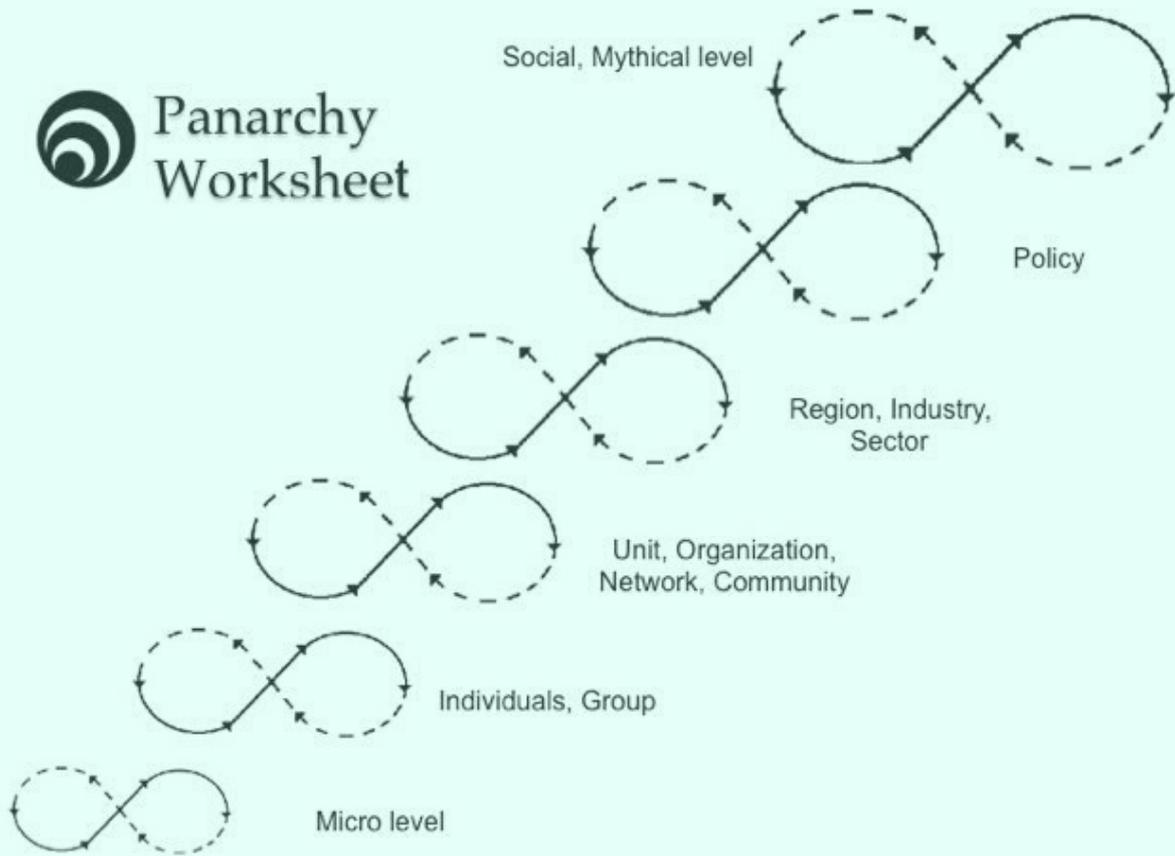
## Panarchy: ripples of a boundary concept, 2002

This framework offers a deeper understanding of transformations in systems of humans and nature more deeply and this in turn might help us to navigate more wisely into an unpredictable future. It was meant to be a conceptual tool that focussed attention on processes of destruction and reorganization, which had been neglected in comparison to those of growth and conservation. Considering these processes provides a more complex way to understand system dynamics.

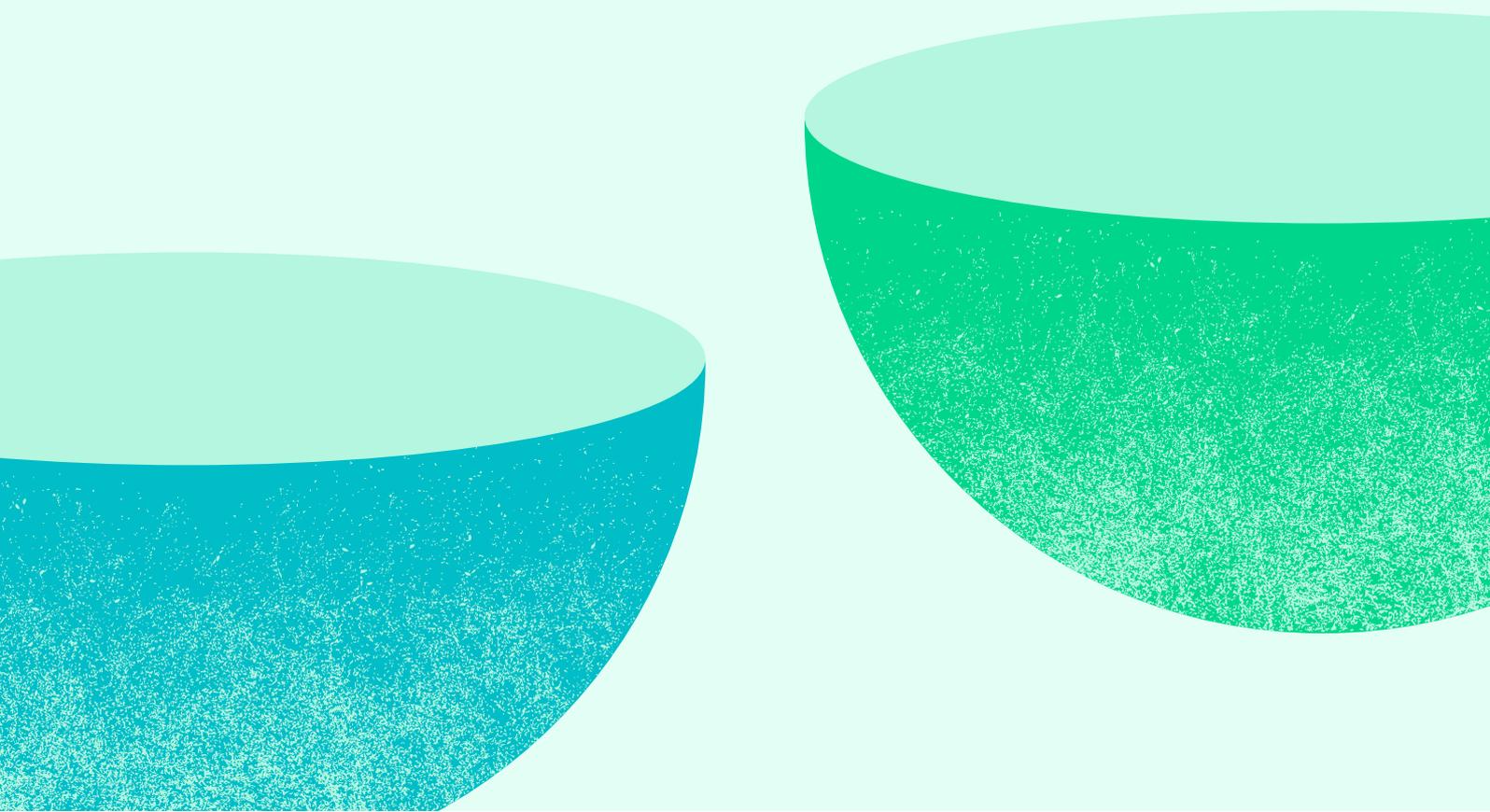
Fast-moving cycles at smaller scales are more likely to innovate and test innovations. While slow-moving cycles at larger scales "stabilize and conserve accumulated memory of past successful, surviving experiments. The whole panarchy is both creative and conserving. The interactions between cycles in a panarchy combine learning with continuity" (Resilience Alliance, 2015c). Panarchy seems to suggest that collaboration and innovation are more likely to occur at the local and regional scale, and if successful, it will spread globally (by adapting to local and regional conditions elsewhere). Transformative resilience has to be built from the bottom up and panarchy makes us understand that this requires both top-down and bottom-up collaboration and mutual support.



 Panarchy  
Worksheet



\*from Liberating Structures, <https://www.liberatingstructures.com/>



## Stretch Collaboration, 2015

Collaboration is not the only way forward, as Adam Kahane says in his book "Collaborating with the Enemy". "Collaboration is on one hand increasingly necessary and on the other hand increasingly difficult" - he highlights. Through working on wicked problems and big issues such as democracy and climate change, he has learned that our conventional understanding of collaboration - that it requires a harmonious team that agrees on where it's going, how it's going to get there and who needs to do that- may not always serve us. According to Kahane, the reality is often more complex and requires what he calls stretch collaboration: A new approach to collaboration that embraces discord, experimentation and genuine co-creation.

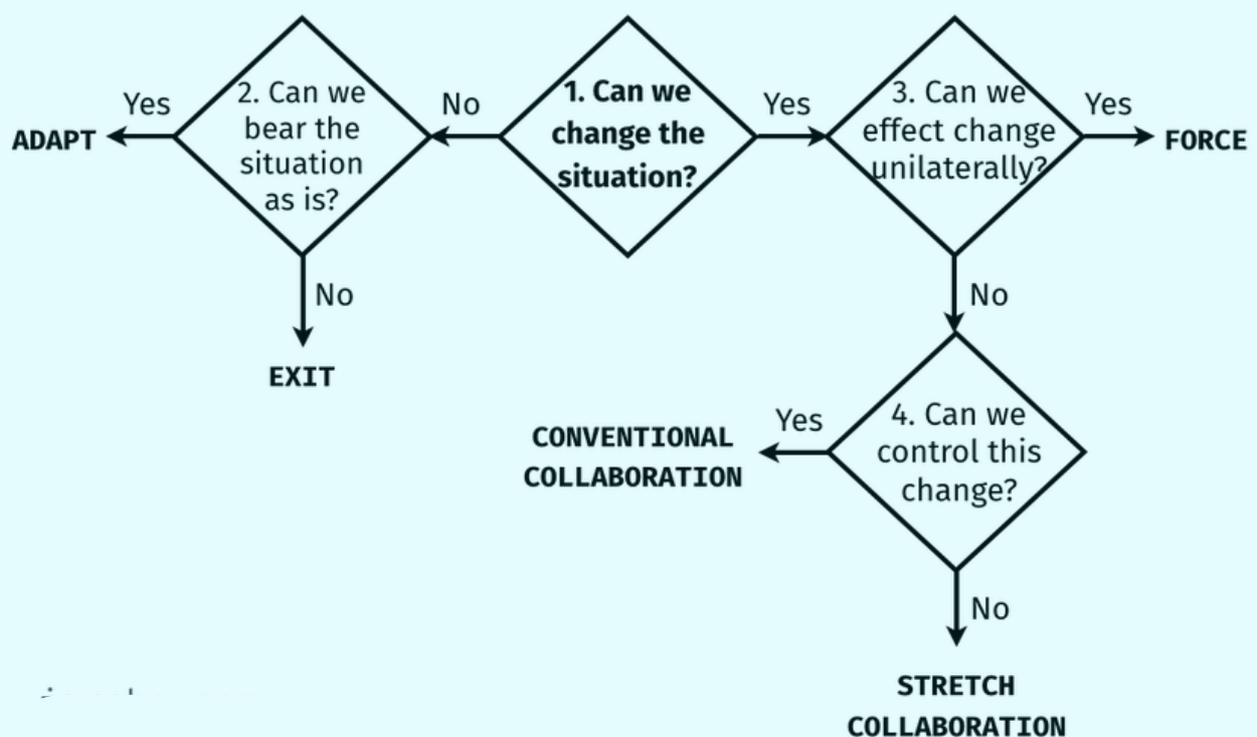
### Three archetypal approaches to dealing with the world

Approach	Assumption	Strength or opportunity	Weakness or risk
<b>Adapting:</b> doing your own thing and ignoring, avoiding, or fitting in with what is happening in your context	You cannot influence your context	This approach requires working just within your own sphere of influence	Your context may be too dangerous to adapt to
<b>Fighting:</b> pushing for what you, and your colleagues and friends think needs to be done to change your context (includes and transcends adapting)	You must influence your context and by yourself or with your colleagues and friends you can know what needs to be done and can get it done	This approach is in alignment with common habits, mindsets and structures	This approach can produce paralysis or violence
<b>Collaborating:</b> working together, not only with colleagues and friends but also with opponents and enemies, to discover and enact what you need to do to change your context (includes and transcends fighting and adapting)	You must influence your context, but by yourself or just with your colleagues and friends you cannot know what needs to be done and can get it done	This approach has the greatest potential for influencing your context	This approach is most difficult to implement

The dominant thinking about collaboration is that we have to agree on the objective, and the focus of the work, we need to be on the same team, we need to agree on what the problem is, what the solution is, the plan to implement the solution, and who is going to do what. Conventional collaboration doesn't work very often, even in organizations, and it usually never works in multi-stakeholder situations where people have different perspectives, and interests and aren't going to do what they are told. The famous saying coined by Deng Xiaoping "Crossing the river by feeling the stones" aptly describes this process. We need to step into the game by being willing to change ourselves, not trying to change others. This makes it possible to work with people even if you don't agree with them and are never going to agree with them.

## Problematic Situations

Based on: *Collaborating with the Enemy* (2017) Adam Kahane



Stretch collaboration means moving against the tide, the tide of polarization, of enemy finding and fragmentation but also moving against the tide of committing in advance to what we are going to do before we start.

## Collaborative Impact Tool, 2016

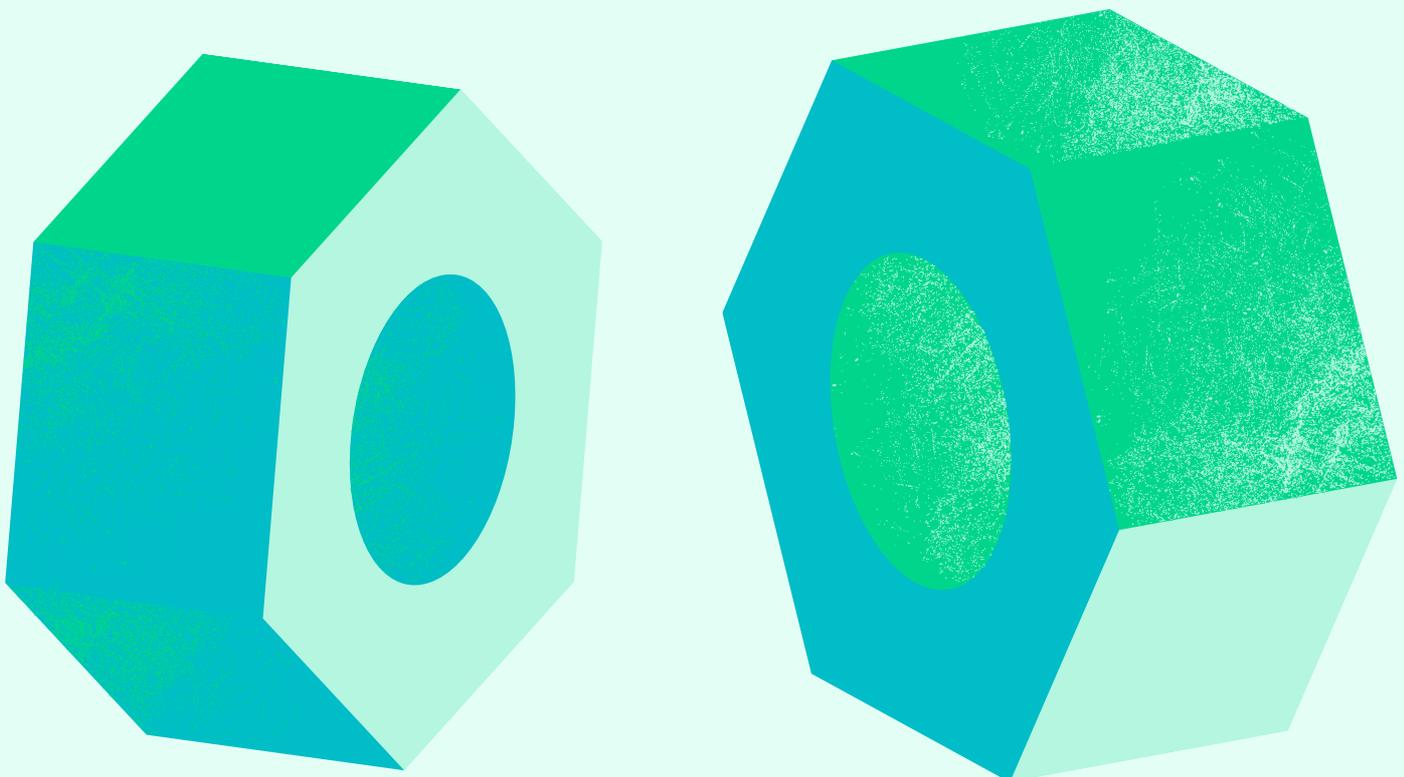
Collective Impact is "a disciplined, cross-sector approach to solving complex social and environmental issues on a large scale." First defined by John Kania and Mark Kramer of FSG: Social Impact Consultants in an article published in the *Stanford Social Innovation Review* in 2011, Collective Impact (CI) includes five conditions and three pre-conditions which, when applied in a comprehensive way, have demonstrated remarkable effectiveness in addressing a broad range of issues.

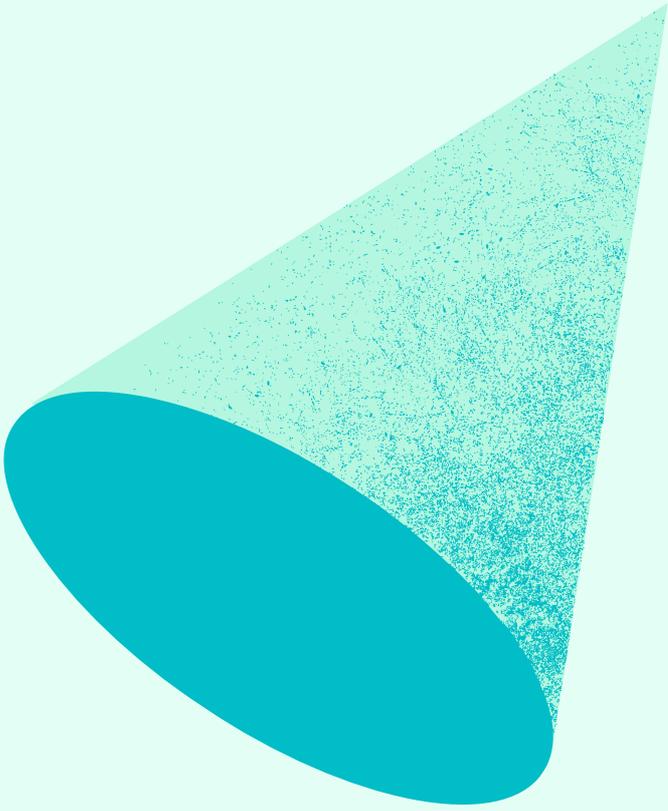
## The Collaboration Spectrum - Tool

Compete	Co-exist	Communicate	Cooperate	Coordinate	Collaborate	Integrate
Competition for clients, resources, partners, public attention.	No systematic connection between agencies.	Inter-agency information sharing (e.g. networking)	As needed, often informal, interaction, on discrete activities or projects.	Organizations systematically adjust and align work with each other for greater outcomes.	Longer term interaction based on shared mission, goals, shared decision-makers and resources.	Fully integrated programs, planning and funding.

- Have collaborative members individually access where they think the collaborative is on the spectrum.
- Are you all in the same place or in different places?
- Do you want to move to a new place?
- Have a discussion about this.

Collective Impact has garnered rapid uptake, in part due to the clear and elegant way that Kania and Kramer describe its collaborative, multi-sector approach. Collective Impact is also very much an evolving body of practice whose effectiveness is being accelerated as the growing number of practitioners who are now implementing it share their insights and experiences.





3

Purpose

# Purpose

The most powerful part of a system practice is the mindsets that propel it. To understand those mindsets, we need an insight into their driving intentions and purpose. A systemic look into a collaboration between CSOs and the private sector in CEE reveals fundamental issues about the purpose of collaboration and how it is organized to serve society. For a shift to count as a genuine change - rather than merely a "reorganization of the furniture" - three factors must come into play:

- first, the changes must shift power and purpose;
- second, that must enable enhanced learning across the system;
- third, that in turn generates better outcomes.

The purpose provides the point around which people, activities and resources are organized. Creating a new system invariably involves framing a new purpose. That process involves argument, challenge and dispute as well as imagination, vision and inspiration. Mama Organa offers a great example of that. Mama Organa is the first eco-social company in North Macedonia. Starting as a women-led initiative, this social business is now developing solutions for urban composting, directly leading to less waste in the city and overall reduction of greenhouse gasses. The process Mama Organa promotes involves a collection of bio-waste, from which later a high-quality compost is created. In all of this, the company employs and supports single mothers. About 40,000 tons of bio-waste are generated annually in Skopje. This waste is created by households, institutions and companies and represents more than 60 percent of the total municipal waste that is collected in the city. Passionate about the circular economy and supporting the employment of single mothers, the founder of Mama Organa, Natalija Burgieva, starts small but with a huge vision: to change habits and paradigms of thinking not only in individuals but also in institutions and companies in N. Macedonia. Looking at her purpose, she tested and learned the different layers of value that composting bio-waste can bring to others. Composting bio-waste leads to:

- a cleaner city and environment,
- less impact of the climate crisis,
- reduced public costs for waste transport and disposal,
- a creation of new jobs and added value (natural fertilizer),
- new opportunities for landscaping parks and public greenery in the city.
- inspiring a new narrative and way of thinking about waste.

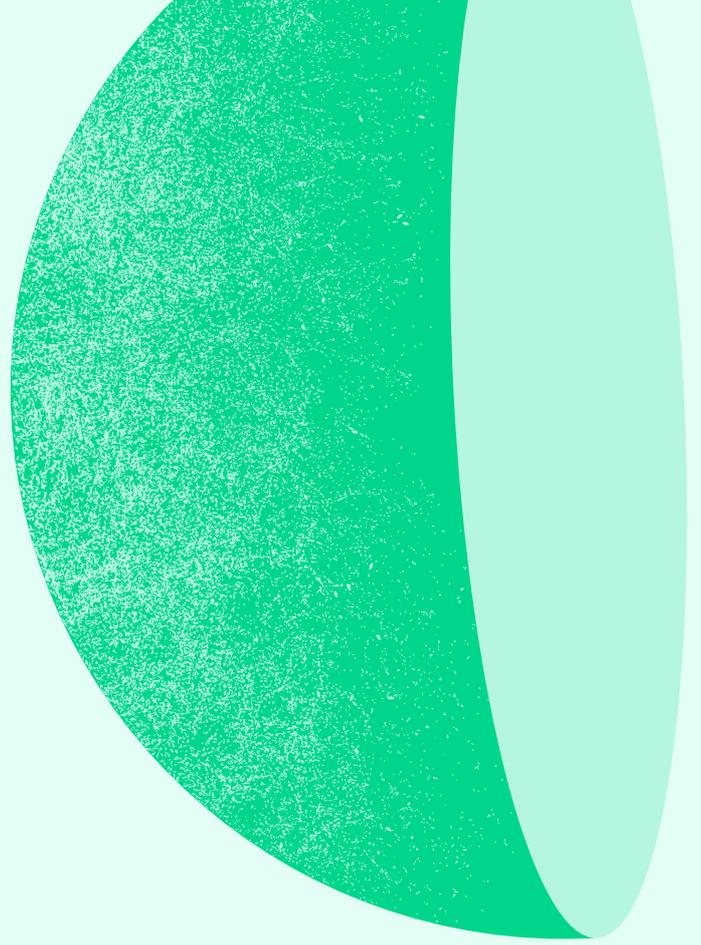
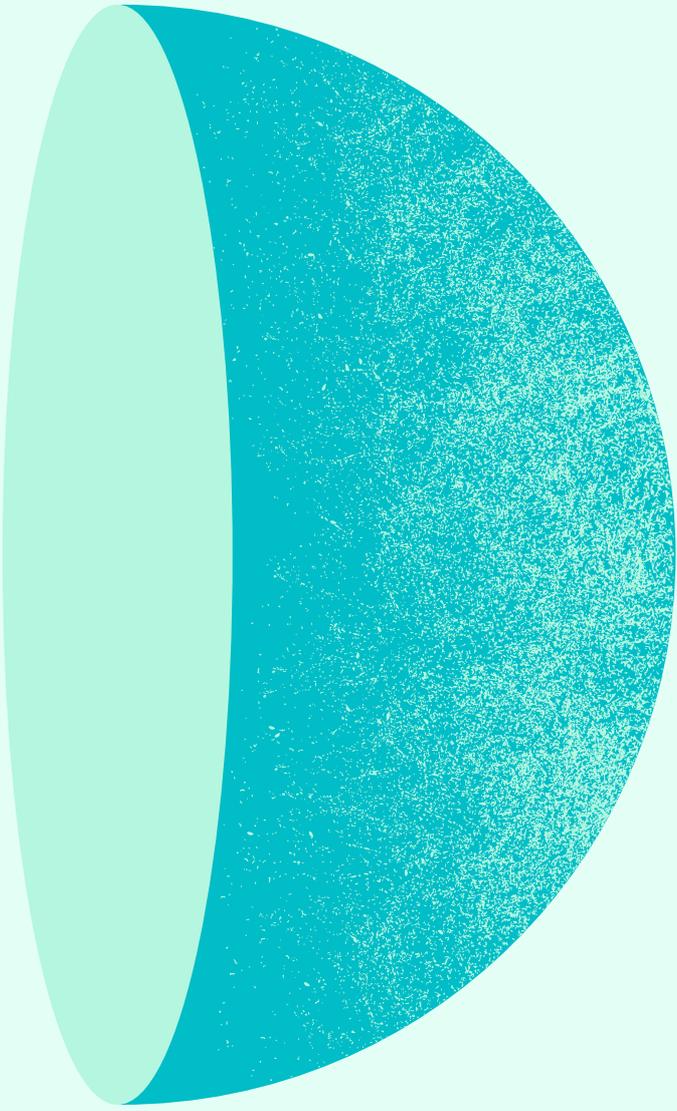


Bringing these different lenses to the table, Mama Organa manages to engage the public and private sector and in 2022, together with the city of Skopje, starts the first municipal composter. The composter collects biowaste from different restaurants or companies, enhancing their waste management and assisting them in fighting the climate crisis. The entire collaboration process is animated by this deeper purpose: not just a different goal to be reached but a different philosophy to be put into practice. That is what Mama Organa manages to do.

Fierce Women card game was developed by an organization called Common zone founded in 2005, with the goal to promote gender equality, social justice and independent culture. Common zone's most popular and regionally recognized project is nonprofit media VoxFeminae.net, active for 13 years, and its section called Fierce Women, consisting of more than 300 biographies of women who made great contributions to society was always the readers' favorite. Thinking about how to reach even more people with the stories of Fierce Women, Common zone's founder, and a big fan of board and card games, Gabrijela Ivanov, came up with the idea to develop a game. The first product was financed through a crowdfunding campaign via Indiegogo, launched on International Women's Day in 2018. Gender mainstreaming and supporting women-led initiatives was not solely a purpose dear to this NGO. Soon after, the team joined several social business programs that helped them develop and register a social enterprise called Fierce Women Ltd, in order to develop the product and distribute the game across Europe. In 2020, the board game "Fierce Women" becomes one of the five winning projects of a special contest called Bold led by IKEA and Mastercard, which supports the development of female entrepreneurship in Croatia.



Developmental psychologist Robert Kegan suggests that in dealing with an increasingly complex world we have two choices. Our first choice is to see the world as simpler. Our second choice is that we can increase the complexity of our own perspective to the extent necessary to meet the challenges. This means that we, as solution seekers, can choose to focus on a piece of the problem and tackle just that piece, or we can engage multiple stakeholders to craft solutions that are complex enough and possess the various perspectives and resources necessary to adequately address the challenges. The gift of cross-sector collaboration is that it is possible to use differences as an asset—differences in resources, experience, demographics, industry, and sector, as well as differences in perspective, all as long as the purpose is clear and joint. Although CSOs and private sector entities may have very different purposes and missions (by design), in face of the complex issues we are facing, their purpose can be united. Cross-sector leaders recognize that the most robust and sustainable solutions will come from designing with (and not just for) the communities most affected.



4

Power

# Power

Power shifts and relational shifts go hand in hand. The case for change in systems often comes from those who feel disempowered, while resistance to change often comes from incumbents, at worst cartels of those with power, who are threatened by change. A shift in relationships, power and purpose should have an explosive impact on the system's capacity for learning, both how to use resources more effectively but also how to develop a larger sense of what is possible.



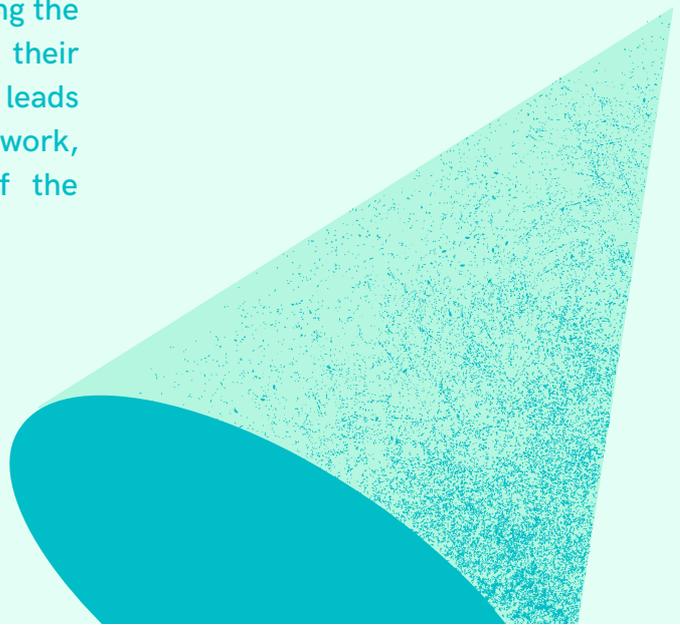
"We had to be deaf and look beyond the superiority that businesses brought to the table. Especially in the initial meetings, we were looked at as our organization is there to serve the business and provide for them what they need. Their leadership style and communication style were simply offensive." - an interviewee shares in one of the individual interviews. "But we learned to look beyond it, to state our ways of working, and open a space for different power dynamics. We found the people inside the businesses that could understand our stance and everything was easier then." - they add.

Innovation for Change is a global network based on the idea that a diverse set of individuals and organizations can work together to protect and defend fundamental human rights and freedoms. Helping protect human rights requires different actors to be connected to each other, in a radically human, just and regenerative way. Of utmost importance is to have physical and virtual spaces in which people can come together and develop innovative solutions, where ideas are co-created locally, then tested and scaled. I4C's codesign process offers spaces for exactly that - and builds trust by actually working together from inception, breaking the power dynamics. Methodologies like their adapted co-design ensure inclusion that leads to a stronger and connected network, challenging dynamics on all levels of the system.



INNOMOJO

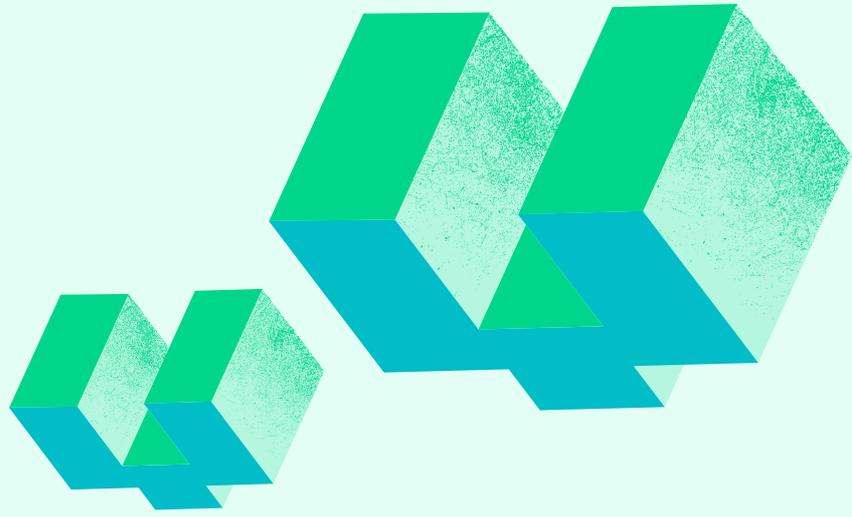
*The Spellbook for Social Change*





NGO Atina is a Belgrade-based NGO, fully dedicated to the respect and support of victims of human trafficking: enhancing their human rights, cooperation and participation of victims throughout the process of influencing root causes of trafficking, such as relations in the primary and secondary family, poverty, previous experiences of marginalization and discrimination, deprivation from basic rights, unemployment and educational deprivation. Some records dating back to the 90s war indicate to this issue, but only at the beginning of 2000 Serbian legal system recognizes the criminal offense of human trafficking. Thanks to organisations like "Atina", the first shelter for human trafficking victims was established in 2003. Continuously developing ways to offer support for victims, NGO Atina created a Bagel bakery in Belgrade, as a short-term project for offering employment to victims of violence and human trafficking. This bakery offered super tasty bagels that could be bought by individuals but also ordered by companies for their larger events and celebrations. The concept allowed for new partnerships and collaborations where victims of violence or human trafficking are able to re-enter life with dignity. This notion offered a new level of positioning for the NGO but also for Bagel Bejgl which turned into one of the most successful social businesses in the region. As Marijana Savić, founder of Bagel Bejgl stated: "Everything indicates that, in the future, community development will not be possible without mutual support and partnership of civil society organizations, private sector, government institutions, and citizens in general. Therefore, we invite you to contribute, and be a part of this story that fundamentally changes things, and allows an opportunity to those who can not do without us."

In our consultations and interviews, 60% of the participants referred to the power dynamic in collaborations between CSOs and the private sector as the most challenging element in the CEE region.



# 5

Resource Flows





## Resource Flows\*

The way power, relationships and resources work together defines the purpose of the system. To put it crudely in many well developed public systems, the purpose seems to follow power and resources. To spot, map and understand the resource flows in a cross-sector collaboration in CEE, we looked at, so called, productive stress points where the stress is felt by multiple actors and there are real opportunities for positive change.

“Philanthropy in CEE 2020” – a study conducted by Social Impact Alliance for Central & Eastern Europe and Kantar, with a previously unavailable scope and focus, estimated the philanthropic potential of the region among individual donors. It amounts to EUR 3.3 billion, with approx. EUR 2 billion has already been donated today. Currently, the largest average payments are made by donors from the Czech Republic (approx. EUR 150 EUR / CZK 3,900) and Slovakia (EUR 110). Smaller amounts are donated annually by Hungarians (approx. EUR 85 / FT 30,000) and Poles (approx. EUR 80 / PLN 350). When comparing these amounts to the average monthly salaries of CEE citizens, we can see that they donate less than 1% of their annual earnings each year. Despite the small contributions, impact is very important for almost 70% of donors – being aware of the changes brought about by their actions.

CEE citizens have high expectations of businesses. As many as two-thirds expect companies to become increasingly involved in socially responsible initiatives (66%). The fact that 44% of the region’s citizens state that they are willing to pay more for products of socially responsible brands, while 36% consider CSR activities of companies as an incentive to purchase their products or services, is an important stimulus for building cross-sectoral alliances and partnerships.

Another system pattern spotted in CEE countries is a social investment, a way of financing the growth of nonprofits and social enterprises. Social investment starts with the social needs addressed, where the success is measured by social impact achieved. The key drivers in addressing the social needs are the service delivery organizations. These can include community organizations or non-profit organizations, social enterprises, social businesses and social impact-driven businesses. Most of them apply business principles and practices, strive for financial sustainability, and reinvest their financial returns to achieve their social objectives. This trend offers a lot of new opportunities for changing the resource flows and improving the collaboration potential between CSOs and the private sector.

\* In the scope of this research, “resources” stands for money, time and knowledge.

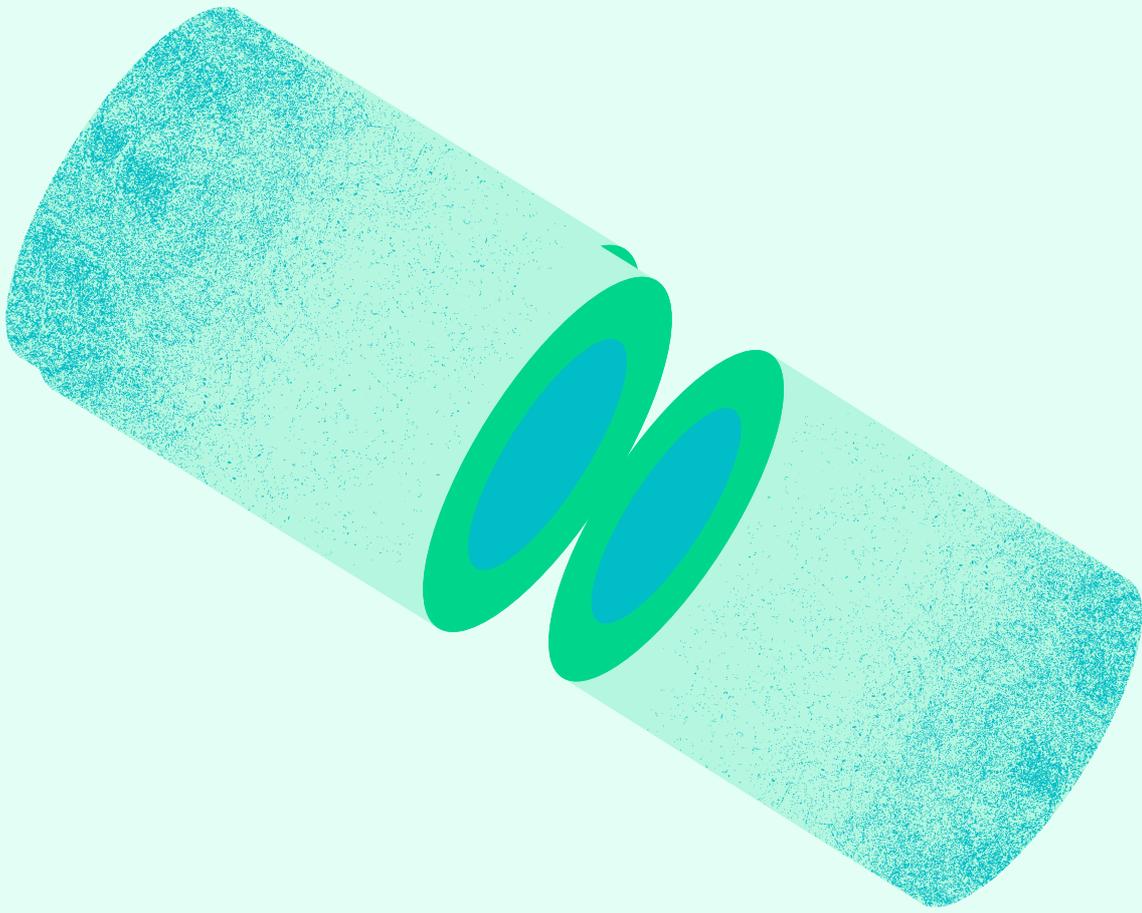
Pana is a social and green enterprise that produces unique design furniture and accessories by upcycling reclaimed wood, old pallets, and old wood furniture in Albania. The social enterprise employs people from marginalized groups (orphans, retired, Roma and Egyptian communities and people with special abilities) by giving them the possibility to have a profession and a decent life. In only 6 years, Pana became a symbol of impact recognized internationally and nationally. The founder, Pezana, says she would have never made it without collaborating with different organizations, institutes, international communities and companies.



"We have furnished and designed furniture for a couple of Bars, Restaurants, The "The Human Rights" Symbol made in old Reclaimed Wood which stays at the ministry of "Social Welfare and Youth" hall. We also have furnished a lot of Family Homes, rooms and sold a wide range of products that we have designed and created," she explains. The role of Pana is not only to provide customers with high-quality products, but also to change perceptions and narratives around marginalized communities. By working with companies and business owners, she speaks the language of success but also impact. Companies are exposed to a different environment and ways of working, establishing a different understanding of what a business can do. "I don't like the word social entrepreneur. I am an entrepreneur - just like every other business," Pezana adds. She is a founder with embedded quality of pattern spotting and reinventing resource flows that nourish a whole system. Since starting, Pana has furnished and done design work for about 130 restaurants, bars and shops in Tirana and nearby, and has provided interior design services and sold furniture for several hundred private homes. Pana also produces hand-made souvenirs — like clocks and wall hangings with Albanian themes.

To see the resource flows and establish new ways of systemic collaboration, businesses and CSOs need spaces for collaboration where those involved can understand that the stresses they share are linked and the basis for a potential solution lies within their capacities. By inviting people to explore how to reconcile and heal conflicted relationships, negative cycles of distress and insecurity can become virtuous cycles of giving and receiving, praise and commitment, and growth and learning.





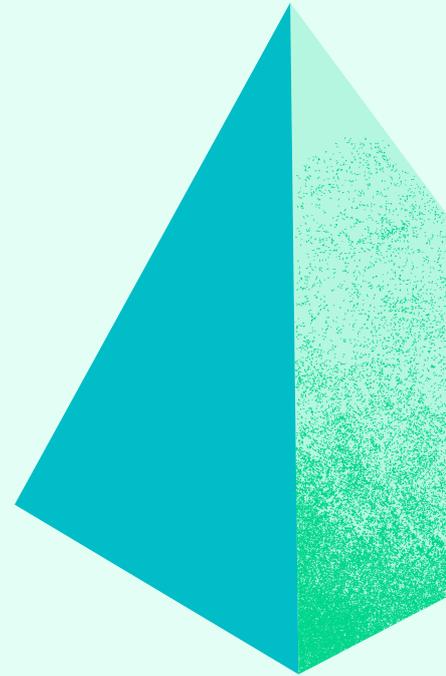
6

Relationships

# Relationships

Relational patterns give a system its character, whether it is hierarchical or mutual, centralized or decentralized, linear or circular, built around a community or a market, a platform or a value chain, open or closed. In CEE, we mapped out six basic relational patterns - hierarchy, market, network, platform, community and circularity. These basic patterns can come in many different varieties and they can be endlessly mixed and recombined. Most systems are a combination of more than one pattern.

- Hierarchies are organized through vertical relationships of deference to status and authority.
- Markets organize relationships between buyers and sellers through transactions in which goods and services are exchanged, usually for money.
- Hierarchies are vertical; networks are lateral. Hierarchies run on the hard power of instructions; networks work through the softer power of influence.
- Community-based systems are created by mutual and reciprocal relationships, bonds formed around shared identities, histories, interests and values.
- Industrial era systems, production lines and value chains were linear: they took in raw materials, made them into products and then disposed of them as waste when they were no longer wanted. Systems in the near future will be circular by design: the waste from one process becomes fuel for another.



Collaboration depends on and thrives on relationships. Understanding them better allows for stronger pillars of collaboration and a clearer purpose. Precious Plastic Universe aims to boost plastic recycling globally by making it more understandable and accessible for everyone. By focusing on the circularity of plastic waste, Precious Plastic in Slovakia shifted from a rather chaotic system to a community approach hosted by the Precious Plastic Hub, focused on circularity. They develop open-source recycling machines, products, and online collaboration tools so that anyone can become part of our alternative plastic recycling ecosystem. At the center of the Universe are our starter kits, which are packages of tools and tutorials to help people create sustainable businesses around each step of the plastic recycling value chain from plastic collection, machine manufacturing, shredding, and product production. This local network of independent organizations and companies in each city, town, or region forms a new ecosystem of plastic recycling that keeps material local and recycles it into new valuable products. It's a system which allows everyone to understand the recycling process and take an active role in plastic recycling in a way that encourages behavior change towards reducing the amount of single-use plastic consumed. It's through seeing plastic waste transformed locally into new valuable products that we can all begin to understand that plastic is precious. The Precious Plastic Universe is open source under a Creative Commons license.

In one of our regional consultations, we mapped out different relationship patterns and brainstormed around out-of-the-box possibilities that could fundamentally influence the relationships between CSOs and the private sector. Going through a variety of ideas, we discovered that 70% of the participants see collaboration as a complex process and changes in relational patterns as "too much of an effort". By designing the exercise in a way that offered very concrete steps and ideas of actions, the complexity was broken into creative ideas and open spaces for safe collaboration. Simplifying and putting together a list of steps, made the understanding of relationships less challenging.

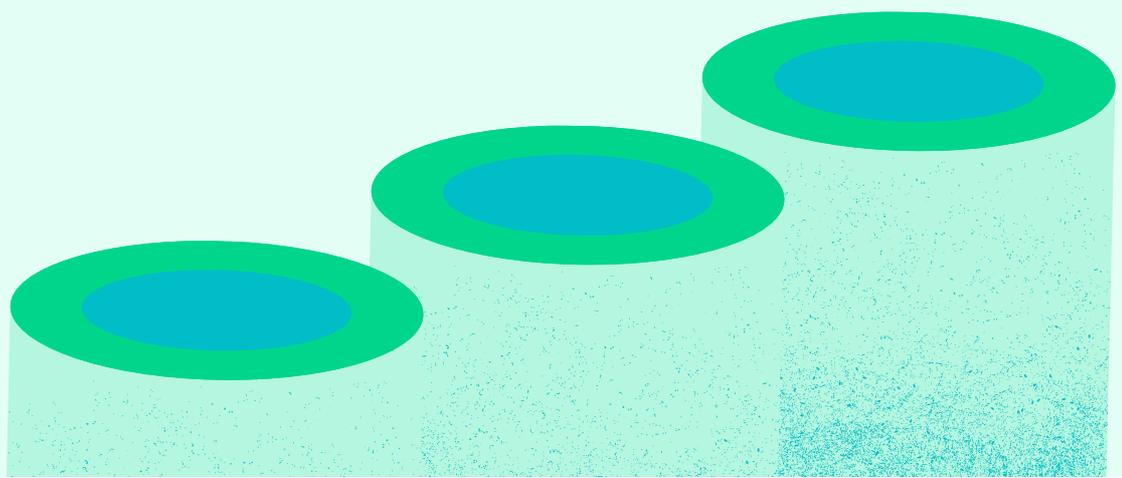
## GROUP 1

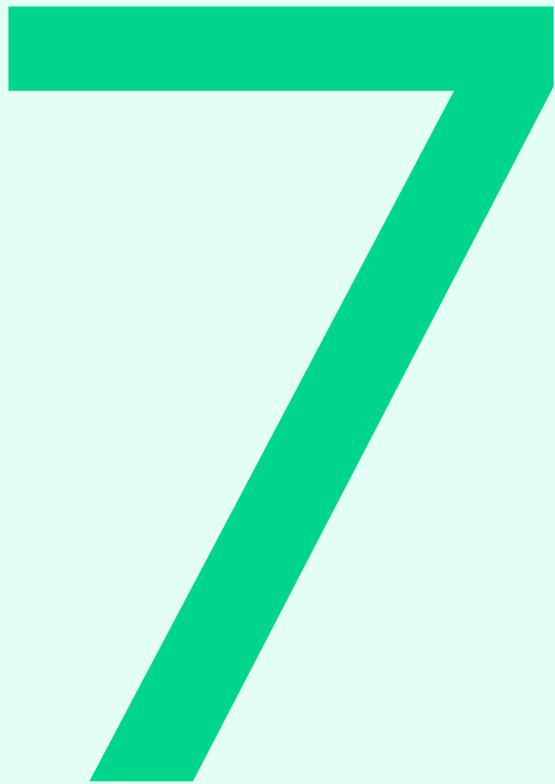
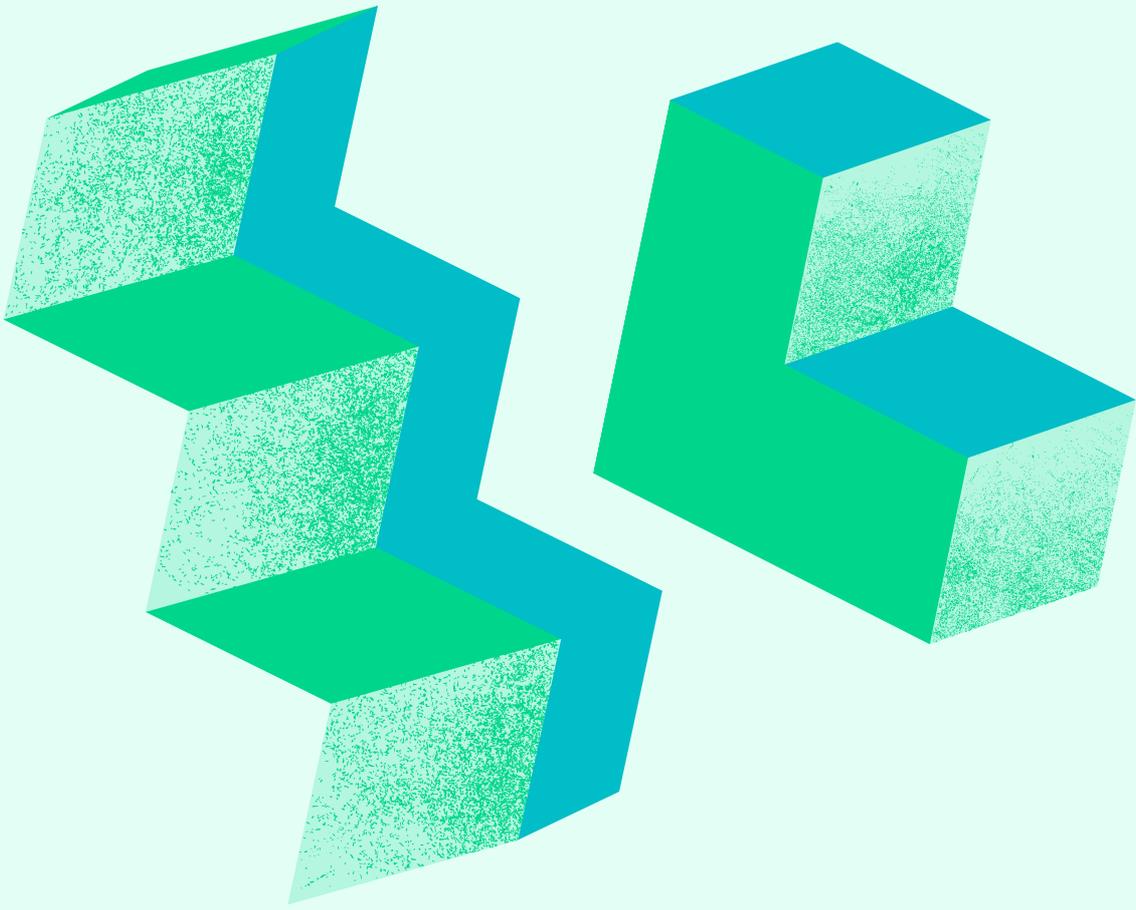
Make a personal phone call to your partner persona every 4 months	Define a transparent way of communicating with your partner that involves not only you two but your broader teams	Organize a stress-free time with your partner once or twice a year	Host a special Blog that features stories from your partners and their work	Energize your team and broader community to be open and share insights and challenges to the partner persona
Send a yearly impact report to your partner persona	Pray or meditate thinking of your partner persona	Design your next project or product by involving the partner in a full cocreation process	Send a goodwill related to your field of impact, to your partners each year	Share progress reports related to your impact by e-mail or post (snail mail)
Open a slack channel where your partners can contact you and follow what you are working on	Make it a yearly target for your team that each team member needs to implement one non-financial collaboration with a person from the partner team	Have a 24h policy for responding to any partner questions, comments or reactions.	Create a music playlist with your partners, so you can share some of the atmosphere in your offices	Host regular lunches with your partners and energize them around the cause of your partnership

**Choose 1 option that you will take further with your Partner Persona**

Make a personal phone call to your partner persona every 4 months	Define a transparent way of communicating with your partner that involves not only you two but your broader teams	X	Host a special Blog that features stories from your partners and their work	Energize your team and broader community to be open and share insights and challenges to the partner persona
Send a yearly impact report to your partner persona	X	Design your next project or product by involving the partner in a full cocreation process	X	Share progress reports related to your impact by e-mail or post (snail mail)
X	Make it a yearly target for your team that each team member needs to implement one non-financial collaboration with a person from the partner team	Have a 24h policy for responding to any partner questions, comments or reactions.	X	Host regular lunches with your partners and energize them around the cause of your partnership

Whenever we are given the need or wish to collaborate, we need to ask which relational architecture will generate the greatest shared learning in the name of the shared purpose.





The Who

# The Who of Collaboration

According to Uwe Gneiting\*, the private sector is increasingly seen as a central actor in development, rather than simply a source of funding. Today, the contribution of business to development is no longer confined to creating wealth, employment, transfer of technology and the provision of goods and services but is supposed to contribute proactively to sustainable development outcomes through its core business and beyond.”

The critical role in this process is played by convenors who bring together the many players involved in system change.<sup>25</sup> The power to convene system change takes a rare combination of conviction and pragmatism: a commitment to a cause combined with a recognition that solutions only emerge collaboratively through shared learning. Good convenors are able to grow creative communities joined in a shared cause to explore what is possible and to make change together. Convenors go under several guises. Some call this role system stewardship; others refer to them as system orchestrators. A system convenor is anyone who takes responsibility for remaking the relationships and interactions which comprise the system and which enable shared learning.

In all conducted interviews and small group discussions, we had almost 100% agreement that the role of system convenors for collaboration between CSOs and businesses does not exist or meet its purpose. Attempts to bring these two sectors worked only in bottom-up, grassroots approaches that came from a necessity and urgency of a social (in most cases local) problem. For a wider collaboration opportunity, international organizations have built and tested different programs and mechanisms, however, funding and resources have not been successfully deployed into building avenues for collaboration in CEE. “Noone gives you money to build a partnership and joint purpose. It is assumed that the partnerships have to work already when you apply for the grant,” one interview shared. “In most cases, we partner up for applying to that grant funding opportunity but not necessarily for continuing that partnership beyond,” they add.

The role of system convenors is crucial for building the collaboration capacities of the CEE region.

\* Uwe Gneiting, 'The Private Sector and the SDGs – Implications for Civil Society', Civil Society & the Private Sector (CIVICUS, 2017)

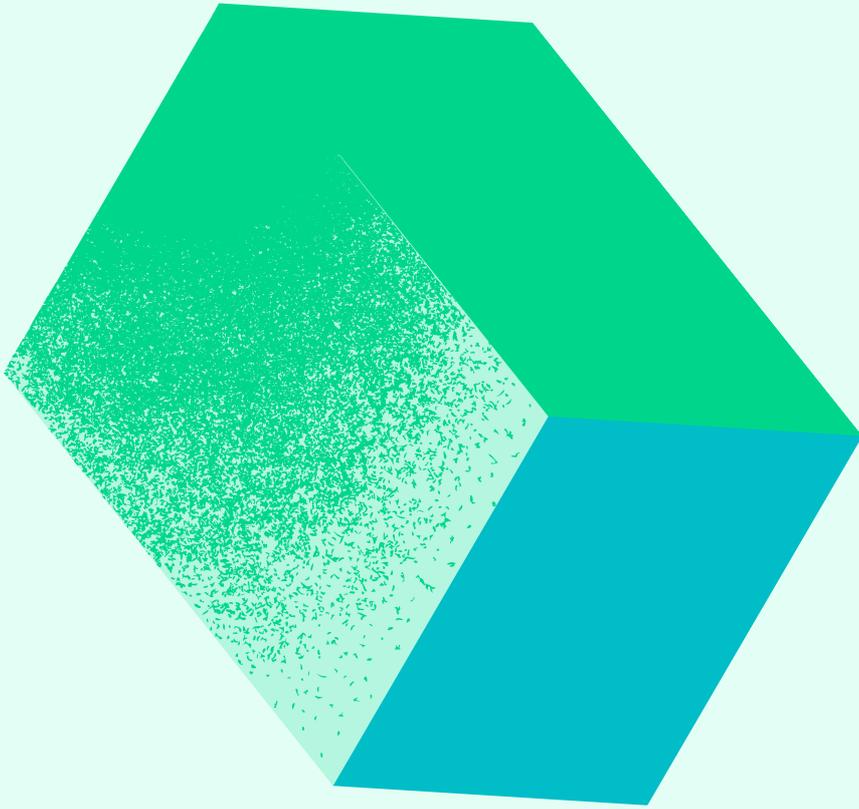


System convenors are not project managers, facilitators, visionary charismatic leaders, brokers, counsellors or mentors, although they may well deploy these skills. System convenors:



- Create an invitational narrative which attracts people to come together to explore possibilities for system change
- Help people to see the opportunity from different perspectives, which requires empathy and imagination.
- Encourage people to move across and flex boundaries of organizations, disciplines and professions to promote learning through unusual exchanges.
- Develop a shared narrative of the new alternative system which also gives each of those involved a new narrative about their own role.
- Work on power, both hard and soft, informal and formal, to shift the mindsets of those in power and to build up the influence of those with little power.

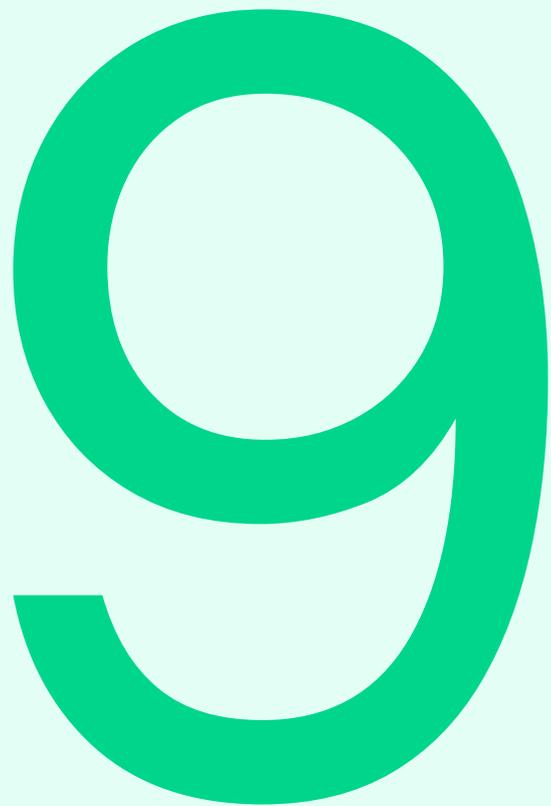
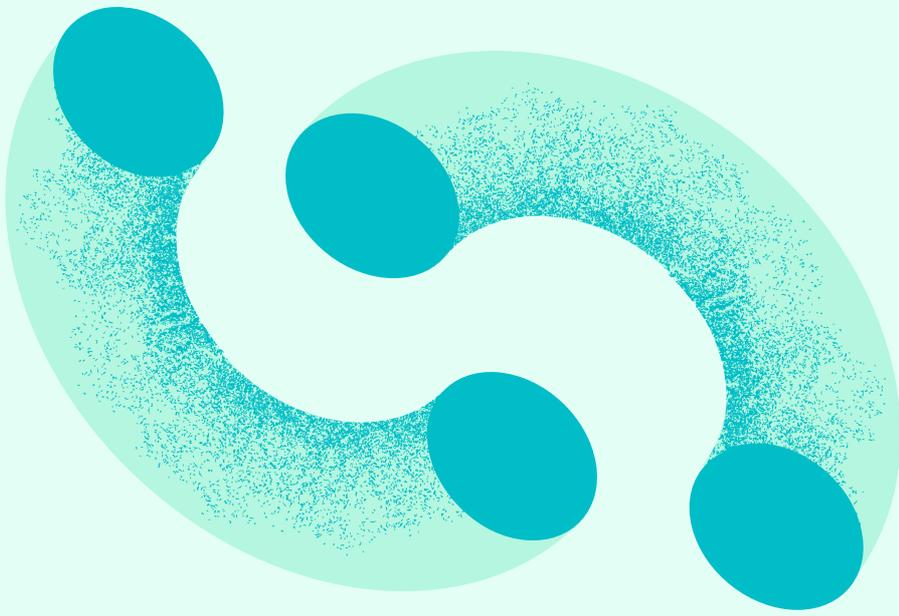
To support collaboration between CSOs and the private sector in the CEE region, the people involved need to come to see their businesses and organizations as an ecosystem, if not a movement, to bring about change in markets, social practices and public policies.



8

Conclusion





Sources &  
Further reading

## Sources and Further reading

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Meadows' work is continued by the Academy for Systems Change at <http://donellameadows.org>



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We have also been influenced over a long period by Carlota Perez, Honorary Professor, Institute of Innovation and Public Purpose, University College London. A wide range of her works on the dynamics of technological and social change are available through: <http://www.carlotaperez.org/pubs?s=tf&l=en&a=technologicalrevolutionsandfinancialcapital>

On the role of entrepreneurship and system change we have found invaluable our discussions and practical collaborations with Marc Ventresca, Associate Professor of Strategic Management at the Saïd Business School, Oxford University.

A range of his papers on how entrepreneurs shape markets and systems can be found here: <https://www.sbs.ox.ac.uk/about-us/people/marc-ventresca> . Some of the themes of Marc Ventresca's work are echoed in: Santos, Filipe and Eisenhardt, Filipe M. (2009), 'Constructing Markets and Shaping Boundaries: Entrepreneurial Power in Nascent Fields', AMJ, 52, 643-671, <https://doi.org/10.5465/amj.2009.43669892>

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