

NON-PROFIT/CORPORATE COOPERATION IN ECONOMIC DEVELOPMENT
IN THE THIRD WORLD

Report on a Survey of PVOs Conducted by the
Advisory Committee on Voluntary Foreign Aid With Assistance
From the Technical Assistance Information Clearing House

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March 22, 1982

ACKNOWLEDGEMENTS

A special world of gratitude is offered to Mary Ellen Burgess, Director, the Technical Assistance Information Clearing House (TAICH) and Wynta Boynes, TAICH Editor, for their assistance with this survey.

They worked with the review group, revised the questionnaire until it was ready for mailing, handled the mailing to all PVOs, and conducted an unremitting follow-up with PVOs to secure the fantastic response rate.

Mrs. Boynes also tirelessly and efficiently tallied the responses.

A special thank you is also given to Leon Marion, Executive Director of the American Council of Voluntary Agencies for Foreign Assistance for his cooperation and to all the TAICH staff who assisted in this effort.

REPORT ON SURVEY OF PVOs

REGARDING INTEREST IN COOPERATION WITH THE CORPORATE SECTOR ON DEVELOPMENT

I. BACKGROUND INFORMATION

Of 155 registered PVOs surveyed, 123 completed and returned the questionnaire. The spread of responses was fairly equal across the many categories of PVOs. However, there was little or no response from two major PVO interest areas, the Co-Ops and Jewish organizations.

The Advisory Committee recommended at the December 10, 1981, meeting that Committee staff conduct a survey of registered PVOs in response to the suggestion from several attendees that the topic of collaboration was not a priority concern of the general PVO community¹. These comments appeared to be contrary to high interest expressed by some PVOs at the meeting and the actual experiences of other PVOs as reported on the program of the December Advisory Committee meeting.

Shortly after the December meeting of the Advisory Committee, the Committee's Executive Director and other staff met with the TAICH Director and Editor to construct a survey. After the survey was designed, it was reviewed by several members of TAICH Advisory Committee and other agency representatives. The reviewers suggested several changes in the wording of questions. For example, there was a great deal of concern that the term "collaboration" had too many connotations and lacked sufficient definition by AID; therefore, references to this term in the questionnaire were deleted.

¹/ See page 32, Report of the Advisory Committee Meeting, December 9-10, 1981.

The questionnaire was directed to the chief staff officer of the PVOs.

II. PURPOSE OF THE SURVEY

The purpose of the survey was to ascertain whether the topic of PVO-Corporate collaboration was really relevant and of interest to the PVO community.

III. THE SURVEY QUESTION

The questionnaire was structured to get at one primary question: Is there interest in the PVO community for greater cooperation and involvement with the corporate sector? Three of the five questions were structured from several approaches to provide ample flexibility and opportunity for PVOs to express their interest in this question.

See Appendix 1 for full questionnaire.

IV. FINDINGS

Question 1: Is your organization currently involved with the corporate sector (U.S., foreign, multinational) on development projects in the Third World?

The survey revealed that more of the PVOs which responded are currently not involved with the corporate sector (66 no/57 yes). However, this means that 45% of the respondents are currently involved with corporations in some manner.

Question 2: What is your organization's level of interest in pursuing the following kinds of relationships? Low - Moderate - High

PVOs were questioned on their level of interest in pursuing relationships with corporations. Relationships were further delineated into major activities: contractual, building links; dialogue and information exchange; and, corporate support of PVOs. By far, the highest level of interest was expressed in the

areas of PVOs seeking corporate support of in-kind gifts and funding for PVO initiated projects.

This question also contained an open-ended response option of "other". In this set, only 1 PVO specifically suggested interest in partnership with corporations. One other indicated interest in working with corporations to promote corporate understanding of PVOs. One other suggested a role for PVOs in training for management of industries.

Question 3: If your organization has a moderate to high interest in establishing a relationship with the corporate sector, with which type of organization would your organization give priority to in initiating cooperation? U.S. - Foreign - Multinational: Small - Medium - Large: Other

When asked: what type of corporation they preferred to get involved with, PVOs preferred U.S. and U.S. multinationals. There were very few preferences registered for corporating with foreign corporations. PVOs also registered a preference to work with large and medium companies, in that order.

Question 4: What role should the Advisory Committee on Voluntary Foreign Aid play in the area of nonprofit/corporate cooperation?

When asked about the role of the Advisory Committee in facilitating PVO-Corporate collaborations, most respondents checked "facilitate dialogue and coordinate and disseminate information on both sectors." Only 8 out of the 123 respondents checked "encourage joint ventures." However, the majority of respondents checked "all of the above" suggesting that most PVOs felt the Advisory Committee should facilitate dialogue, coordinate and disseminate information and encourage joint ventures.

Question 5: What role should AID play in the area of nonprofit/corporate cooperation?

When asked: What role should AID play in the area of nonprofit/corporate cooperation, 21% gave no answer to this open-ended question and 6% wrote in "none".

The majority of responses to this question however, fell in the area of facilitate dialogue and communications between PVOs and corporations.

A small number or 8%, suggested that AID ought to encourage greater communication and joint ventures. Twenty-three percent of the PVOs who responded to the questionnaire gave specific suggestions for the AID role. These responses have been grouped in the following areas:

1. Fund workshops between PVOs and corporations to explore the joint venture possibilities.
2. Support PVO projects which can, in turn, be funded by corporations.
3. Provide seed monies for joint ventures.
4. Provide funding for Product Development and Market Testing particularly for LDCs.
5. Provide small grants for dialogue opportunities.
6. Provide matching grants to encourage corporate grants up to 50%.
7. Provide grant incentives to PVOs to survey corporate sector to identify incentives which would attract corporate support with PVOs.
8. AID ought to match appropriate PVOs with corporate projects.
9. Intermediary role; encourage indigenous activities.
10. Host series of workshops and receptions between corporate offices and PVO representatives.
11. Verify credibility of non-profit organizations in corporations.
12. "Honest Broker" assisting widest cooperation between PVOs and the corporate sector.

It was also interesting to note that one organization responded to this question with the following:

1. "They (AID) make everything too complicated - who knows?"

Another respondent wrote:

"AID could benefit from, as well as, contribute to, the (PVO-corporate) dialogue."

V. CONCLUSIONS

The high response rate to the questionnaire indicated PVO support for the Advisory Committee effort in conducting the survey.

Although the majority of PVOs are not currently involved with corporations, a majority reported high interest in developing relationships with corporations. Clearly, there is high interest among a significant group of PVOs to become involved with corporations. However, at the current time, this interest appears concentrated primarily in areas of traditional PVO-corporate relations; that is, the pattern of PVOs seeking corporate support for PVO initiated programs in the form of corporate giving of funds and in-kind gifts.

It was mentioned earlier that there was little or no response from the Co-ops and the Jewish organizations. It should also be noted that we were informed by one major Co-op leader that they did not respond because they felt the Co-op community was distinctly different from the PVOs. We were further advised that Co-ops, as trade organizations, are not pure non-profits. They are somewhere in between the non-profits and corporations. Co-ops by their very nature are already very involved in economic development and collaboration with corporations.

It is important to also note that there was a preponderance of responses from the Christian organizations that indicated no current involvement with the corporate sector and low interest in pursuing collaborative efforts. One such organization wrote a letter giving a very detailed explanation of the organization's responses to the questionnaire. One paragraph from that letter regarding our question on AID's involvement was quite revealing:

"AID would not have a functional role in relating to the corporations if private non-profit agencies decided to work with corporations. Our agency would be open to working with one or several selected corporations if we could agree on goals in the local community of the Third World. I would not see any need for AID if such cooperative arrangement were developed."

From this survey, there exists very little evidence in the language of the PVOs that much is occurring in the areas of collaboration, joint ventures or partnerships. There was, however, a strong response pattern encouraging both the Advisory Committee and AID to sponsor and facilitate greater dialogue and communications between the PVOs and corporate sector.

APPENDICES

NAME OF ORGANIZATION _____

RESPONDENT'S NAME & TITLE (please print) _____

1. Is your organization currently involved with the corporate sector (U.S., foreign, multinational) on development projects in the Third World?
If yes, briefly describe the nature of this involvement. Yes ___ No ___

2. What is your organization's level of interest in pursuing the following kinds of relationships?

	<u>Low</u>	<u>Moderate</u>	<u>High</u>
a. Contractual relationship with corporation to provide development project assistance	___	___	___
b. Building links - nonprofit facilitates exchange and resource flow between corp./community/government	___	___	___
c. Dialogue/information/experience exchange	___	___	___
d. Corporate support (loan of personnel)	___	___	___
e. Corporate support (loan of equipment)	___	___	___
f. Corporate support (gifts in kind)	___	___	___
g. Corporate support (funding)	___	___	___
h. Other (please specify) _____	___	___	___

3. If your organization has a moderate to high interest in establishing a relationship with the corporate sector, with which type of organization would your organization give priority to in initiating cooperation?
U.S. ___ Foreign ___ Multinational ___
Small ___ Medium ___ Large ___
Other _____

4. What role should the Advisory Committee on Voluntary Foreign Aid play in the area of nonprofit/corporate cooperation?
a. Facilitate dialogue ___
b. Encourage joint ventures in development projects ___
c. Coordinate & disseminate information to both sectors ___
d. All of the above ___
e. None of the above ___

5. What role should AID play in the area of nonprofit/corporate cooperation? _____

The brief survey on nonprofit/corporate involvement is attached.

Your response will help the Advisory Committee on Voluntary Foreign Aid determine general views within the nonprofit community regarding this topic.

RETURN COMPLETED SURVEY TO TAICH NO LATER THAN FEBRUARY 19. (Envelope enclosed)

Please feel free to make additional comments or attach any reports, documents or case studies that help to further explain your agency's viewpoint.

RETURN TO: TAICH, 200 Park Avenue South, New York, New York 10003.

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

February 1, 1982

Dear

Interest was generated at the October, 1981 meeting of the Advisory Committee on Voluntary Foreign Aid to explore the topic of nonprofit/corporate collaboration in the developing world. This subject has also received priority attention by top AID Administration officials as reflected both in statements of AID policy trends and establishment of the Private Enterprise Bureau within AID.

The December 9, 1981 sessions of the Advisory Committee meeting were devoted primarily to nonprofit/corporate collaboration. Comments from officials of nonprofit organizations reflected varying degrees of interest and concern around this subject. The Advisory Committee responded to this situation by instructing the Executive Director to conduct a brief survey of the registered organizations to determine general views within the community regarding this topic and report back to the Committee by its March 1982 meeting.

After exploratory discussion with several voluntary agencies and the Advisory Committee chairman, the attached survey was developed with the assistance of the Technical Assistance Information Clearing House (TAICH) of the American Council of Voluntary Agencies for Foreign Service, Inc.

Survey responses will be analyzed and a general summary of findings presented to the Advisory Committee at its March meeting. The summary will not include quotes or direct references to individual comments. The primary purpose of this survey is to get some systematic feedback from the nonprofit community on this subject.

Please take a few minutes of your time to respond and return it to TAICH in the enclosed envelope.

Your participation and cooperation in this matter will enable the Advisory Committee to facilitate greater two-way communications between the nonprofit sector and AID.

Thank you.

Sincerely,

Taye Byrd
Taye Brown Byrd, Ph.D. per *WB*
Executive Director