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## Cooperative business-NGO partnerships in Hong Kong: NGO perspective

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**Abstract:** Over the past decade, processes of environmental reform have been increasingly shaped by cooperative management between businesses, government and NGOs. This paper provides results of extensive interviews to assess cooperative environmental relationships between businesses and NGOs in Hong Kong and the barriers and positive drivers for these partnerships. Interviews with ten partnering NGOs found most optimistic about what has been achieved. Non-partnering NGOs interviewed were also hopeful about future partnerships. Overall, NGOs expressed the need for capacity building on governance issues, on negotiating partnerships and hope that business associations and government can provide necessary support. Issues of weak economy, business dominated thinking, weak civil society and lack of top-level commitment to environment need addressing. Comparison of small and large NGOs showed similar gains and surprisingly even similar types of partnerships. This study identified *Seven Skills for Partnership Success* to build on Plante and Bendell's *Art of Collaboration*.

**Keywords:** NGO-business partnership; environmental NGOs; Asia.

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## 1 Introduction

Environmental governance is a process that is constantly being reformed, extended and redefined. The emergence of cooperative environmental management (Glasbergen, 1998; Jacobs, 1997) represents a key theme in recent transformations in the practice of environmental management. Korten (1995) and Camilleri and Falk (1992) have observed that the power of national government to set the policy agenda has weakened, a view echoed by others (such as Bendell and Murphy, 2002; Rondinelli and London, 2001). Concepts of negotiation, stakeholder engagement and consensus-building now occupy a prominent role in processes of environmental reform in many parts of the world. Their development reflects various factors including the concepts of shared responsibility, stakeholder engagement and subsidiarity, as well as broader notions of 'rolling back the state' and an interest in learning and capacity building (Ten Brink, 2002). Although cooperation is not a new concept, the idea of planned cooperation adds an important new dimension to the policy process (Meadowcroft, 1998).

Traditional sponsorship and philanthropy does have something to offer, but more significant than this is the new plethora of relationships that are two-way and where sometimes open 'warfare' has been replaced by productive, cooperative dialogue and action (Elkington and Fennell, 1998). Instead of *forcing change* (e.g. through protests and boycotts), NGOs are increasingly *facilitating change* (through partnerships) and *sustaining change* (by creating their own standards and accreditations that businesses sign up to) in business policy (Murphy and Bendell, 2001). An interesting development in 'forcing change' is through market pressure; NGOs buy a single company share and then attend investor meetings to air their grievances (Sjöström, 2006). The World Summit on Sustainable Development (WSSD) (Johannesburg, 2002) provided significant backing for Type II partnerships for sustainable development, with over 300 registered partnerships involving governments, businesses and NGOs.<sup>1</sup>

Corporations have begun realising the advantages of environmentally sound policies, including reducing NGO criticism, enhancing reputation, marketing opportunities, increasing consumer credibility on company CSR policy, increasing employee morale, accessing environmental expertise and reducing risk (e.g. with regard to boycotts and adverse publicity) as well as self-administrative advantages of warding off government regulation. Environmental NGOs on recognising that the process of legislative changes and protest was primarily yielding hesitant changes in environmental

management practices, also welcomed the change in business attitude. NGOs can gain financial resources, technical knowledge, backing to lobby issues and new donor contacts. Additional advantages of greater influence on company policy and their supply chains, improving their own management skills, volunteers and financial resources are also attractive for money-strapped NGOs (Elkington and Fennel, 1998; Schiller, 2005). The necessary elements for successful partnerships are trust and respect, shared goals, clearly defined objectives, acceptance of constraints and shared risks, as well as good communication (ADB et al., 2005; Elkington and Fennel, 1998).

Increasing number of partnerships have been forged between corporations and NGOs in the past decade. The range of activities span 'arm-length' relationships (employee volunteers, fund raising, financial donations) to more intense involvement of NGOs in in-house business processes (environmental education, environmental management practices) (Rondinelli and London, 2001). Examples of environmental projects include certification of sustainable marine fisheries (Fowler and Heap, 1998), conservation of biodiversity and environmentally sensitive areas (Kennedy and Lacher, 1998; Tully, 2004), certification of organic and fair-trade coffee (Linton, 2005), etc.

In Asia, some countries have moved slowly forward with environmental regulation (particularly People's Republic of China), economic incentives (e.g. People's Republic of China, Thailand and Philippines) and voluntary initiatives by large companies (in Taiwan, Thailand, People's Republic of China and Japan) (Welford, 2004a). Asian companies are, however, still lagging behind their counterparts in Europe and North America in having written policies on supporting third party sustainable development programs (Welford, 2005) and despite some of the good news, much Asian growth has been and continues to be fuelled by unprecedented levels of environmental and human health degradation (Welford, 2004b). Japanese and Korean companies, in comparison, are doing as well as Europe and North America in supporting third party sustainable development initiatives, while Hong Kong businesses lag way behind (Welford, 2005). An encouraging sign for Asia is greater reporting of CSR issues and increased interest in training (e.g. CSR-Asia<sup>2</sup>).

The initial push for business-NGO partnerships in developing countries resulted from public pressure on European and American companies with supply chains in these countries, particularly the infamous case studies of the timber industry in Brazil, Shell Petroleum's experience in Nigeria and Nike and Reebok's involvement in child labour disputes in Asia (Murphy and Bendell, 2002). Many partnerships between large brand names and international NGOs, such as Social Accountability International (SAI), have primarily focused on workplace conditions (Bendell, 2005). An American NGO that has fostered business-NGO partnerships is The Asia Foundation. Its *NGO-Business Environmental Partnership Initiative* boasts success stories of waste conversion from mango-processing plant (into fuel and fertiliser) and various other industries including iron alloys, hotels and hospitals (Plante and Bendell, 1998).

Encouragingly, the 2005 policy address of Hong Kong's Chief Executive Tung Chee Hwa listed environmental protection as one of the 11 important issues that Hong Kong people are concerned with:<sup>3</sup>

Building a quality living environment has become the key to attracting talent from all over the world and realizing sustainable development. ... Government departments will adopt a green procurement policy to help create a market for environmentally friendly products. We will also make it a policy to implement

mandatory product responsibility schemes to ensure the recovery and recycling of the products concerned. In the long term, we need to consider the enactment of legislation on recycling to build a circular economy.

Greater public procurement of products could entail environmental NGOs providing knowledge and logistical help to businesses and government.

The Central Policy Unit of the Hong Kong SAR government commissioned two reports in 2004 to advice on government's role in Tripartite Partnerships (TPP) between public, private and the 'Third Sector'. The international benchmark report compared the Singaporean government's approach of various government projects to facilitate partnerships versus the Japanese hands-off approach that encouraged business federations to self-regulate CSR issues (Hong Kong Research Institute Ltd., 2005). The second report on Hong Kong's experience revealed that 80% of government departments have partnered with the Third Sector (Civic Exchange, 2005).

This study was designed to understand and evaluate the present situation of environmental partnerships in Hong Kong, as part of a larger research investigating the existing and potential role of partnerships and voluntary environmental agreements in the development of environmental governance in Hong Kong. The project is examining both partnerships between businesses and NGOs, as well as supply chain-based partnerships between different companies, particularly Hong Kong businesses with key production/supply operations in the adjacent Pearl River Delta Region. In this report, we present the results of NGO interviews as part of the focus on NGO-business partnerships. We try to address three questions:

- 1 What are the critical success factors in developing successful partnerships?
- 2 Where partnerships have failed or have not achieved their stated goals, can we identify factors for failure?
- 3 What is the role for government or other agencies in facilitating the development of partnerships?

Focal partnerships were selected from reports on the internet and in Hong Kong newspapers (particularly *South China Morning Post*) and from response to e-mails sent to environmental NGOs to enquire about their business partnerships. Interview questions were designed from literature review of overseas studies and issues identified in previous research in Hong Kong.

## 2 Results of NGO interviews

### 2.1 NGO profiles

Ten interviews were conducted to encompass both large and small partnering NGOs and four interviews with non-partnering NGOs were carried out. Although the sample size is small, descriptive statistics are provided to allow comparison of relative importance of various responses. Scores out of 10 are provided where the question related only to partnering NGOs and scores out of 14 for questions posed to both partnering and non-partnering NGOs.

Besides three NGOs with overseas headquarters, others are locally based. Together, they have a long history with some established as early as 1956 and four started in the past five years. While majority of the NGOs are small (less than six staff), three have

50–70 full-time office staff. Their annual financial turnover ranges widely from a few thousands to tens of millions of Hong Kong dollars. Membership fees, project-based fees, donations, government funds and educational tour fees comprise their income. One NGO is funded through a foundation making it financially independent. Half of the NGOs are equally targeting local and regional (particularly People's Republic of China) issues and two international NGOs are focusing on Southeast Asian trade issues.

## *2.2 Partnering business profiles*

Most NGOs have partnered with less than five businesses and three groups have over 30 business partners, including sectors of transport (rail and airline), public utilities (electricity generation), business associations, manufacturers of various commodities (including clothes, optics and wood products) mail courier, hotel, retailers, ecological consultants, town-planners and investment, banking and law firms.

Many NGOs approach businesses that share a common interest, for example, energy. NGOs that lack specific skills have involved experts to convince companies to partner. Although fundraising demands manpower and time, partnership has provided environmental NGOs with volunteers, employee environmental education and donations.

Businesses sometimes approach NGOs for partnership, due to the corporate vision on environmental protection or requirements by overseas headquarters or markets. Stakeholder engagement (gathering comments or responding to NGO criticism) and reaching potential consumers in NGO membership are other reasons.

## *2.3 Non-partnering business profiles*

Most partnering and non-partnering NGOs are particular about who they partner with. They hesitate to associate with private property developers although commenting on development projects is acceptable. Undesirable partners include tobacco firms, fur, weapon industry, shark fin traders, environmentally unfriendly businesses and large monopolising enterprises that result in global inequity and poverty. Environmental friendliness, however, does not guarantee a workable relationship with NGOs since partnering may be misconstrued as a promotional campaign; but one NGO has been loaned solar panels by a business to promote the technology to locals.

Only one of the four non-partnering NGOs has a formal policy on not accepting funds from companies or government, but even this NGO is cautiously considering partnership projects that do not involve funds. Lack of opportunity, insufficient financial and manpower resources, possibility of loss of independence and lack of network are other reasons for NGOs that have not partnered.

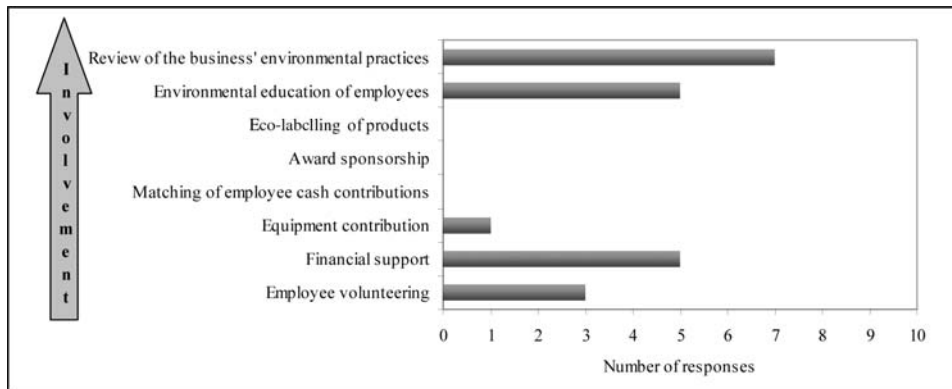
## *2.4 Target partnership details*

The target partnership refers to one case about which the partnering NGOs were interviewed at length. These included two electricity utility companies, a business association, two rail transporters, one airline, a local branch of an international bank, a local consulting and engineering company working on environmentally friendly

technologies and a local branch of an international home improvement retailer. These partnerships were formed 1–6 years ago and were ongoing with the exception of one that was terminated for various reasons.

The target partnerships grouped at the two extremes of partnership type (see Figure 1). Seven of ten partnerships included review of environmental management practices. Five of these involved commenting on environmental impacts of a specific project (primarily through formalised meetings) and one was supply chain certification. Four of these seven NGOs have actively assessed the business environmental performance, while the others' knowledge of business practices is limited to newspaper and annual reports. The environmental assessment was generally informal through examination of business past performance, usually via review of EIA project reports and site visits if the development was outdoors. One partnership involved review by international consultants in the process of environmental certification.

**Figure 1** Response of ten partnering NGOs on type of target partnership. Arrow indicates increasing NGO involvement in environmental management practices of the business



Financial support and employee environmental education were equally high on the partnership activity list. Only three businesses contributed employee skills or time and one business donated equipment. None of the companies matched employee cash contributions, sponsored awards or conducted product eco-labelling. Most partnerships investigated were bipartite with the exception of two tripartite relationships involving government departments. The NGO used the tripartite involvement to obtain funds from a business that normally does not support cross-border projects.

Overall, partnering NGOs were quite positive about the target business response to NGO suggestions on changing environmental practices and providing detailed information for review. Any arising project issues were discussed in meetings that were organised primarily on need-basis. Development projects presented the problem of inconsistent environmental practices between the developer and the subcontractor.

Non-partnering NGOs were questioned on any adversarial business relationship. Two businesses (a food chain store and a computer product manufacturer) and a government project were mentioned. Two of the opposed entities made the suggested modifications, while the changes made by the third business were considered superficial and the NGO is continuing to pressure for further improvements.

### 2.5 NGO Perspective on why businesses partner and who they partner with

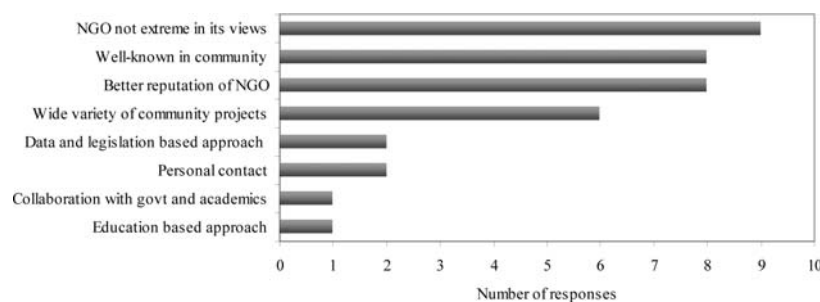
Philanthropy is the most obvious reason, although not the main driving force, for partnering according to both partnering and non-partnering NGOs; instead, raising company reputation and stakeholder engagement are more important. Sustainable practices for long-term survival, expectations of consumers, requirements of good environmental management (primarily for large multinational companies) and increasing environmental awareness of public are pressuring companies into partnering.

Improving environmental management practices might entail effort and finance and thus availability of funds is a necessary condition. NGOs believe that companies use partnerships to convince perspective buyers or clients about strong company ethics and small businesses particularly consider the incentives of free advertising via NGO's press releases, websites or newsletters. Partnerships can also lead to reduced NGO criticism along with wider community acceptance and credibility.

Several NGOs have noted a general increase in environmental awareness of Hong Kong businesses. Growth in partnerships has been influenced by previous development conflicts such as the landmark Long Valley rail case that led to increased awareness in the government and developers on involving stakeholders in the development process.

Interviewed NGOs considered their moderate views on environmental protection most important criteria for business to chose them, although some of them did not equate it to lack of strong views. In fact, some businesses have partnered with NGOs despite their strong critical voice since they are considered reliable and reasonable partners that provide solutions to business and not simply criticism. Good reputation, respectability in the community and involvement in a variety of projects were secondary criteria for the business to choose the NGO (see Figure 2). Two NGOs consider their knowledge-based approach of utilising data and legislation to back their argument as critical to their success, while another considered environmental education as the key NGO characteristic that won over businesses. Some relationships have been facilitated simply because of personal contacts with business employees or top management.

**Figure 2** NGO perception of why businesses partner with them. NGOs could choose more than one criterion



### 2.6 NGO gains and losses in partnerships

Benefits of better understanding of business practices including knowledge of partnerships, community and governmental recognition, credibility and respect were the primary NGO gains (see Table 1). Financial support is the main benefit for only half

the interviewed NGOs, sometimes provided annually as long-term relationships have developed between the partners. Funds are not acceptable to all NGOs and one group prefers the establishment of an independent fund to which businesses or government could contribute. Other NGO benefits were new business contacts interested in partnerships, acquiring new scientific results that would not have been possible without the partnership, setting precedence with a novel approach to environmental protection and ‘humanising’ of companies. Employee education generated some unexpected benefits. Employees educated the business clients about a trade related environmental problem through a newsletter, while business volunteers deliver the NGO’s education program in another case. Non-partnering NGOs suggested a similar list of possible gains including positive NGO image by business, financial support and possibility of increased contact with local and international groups.

**Table 1** Gains and losses in partnerships according to partnering NGOs. The numbers in parenthesis under *Gains* is number of NGOs (out of 10) that agreed with the response. The *Losses* are listed in no particular order, as this was an open-ended question

<i>Gains</i>	<i>Losses</i>
Better understanding of business practices (9)	Require time, effort and manpower
Greater community recognition (6)	Misrepresentation of NGO’s opinion in business reports
Greater government recognition (‘yes’ 5, ‘maybe’ 1)	Incorrect public perception of general approval of business CSR policy
Financial support (5)	Accusation of ‘green-washing’
New business contacts (5)	Public credibility on issues
Volunteers (4)	Criticism from within NGO
Awards supporting partnerships (‘maybe’ 1)	‘Tarnished by association’ if project has environmental impacts

Partnering can lead to changed attitudes. One NGO that hesitantly joined a board of stakeholders found the positive experience of the partnership led initial skepticism replaced by cautionary optimism. Another relationship that started as adversaries, turned into a partnership once the business realised the benefits. Overall, partnering NGOs unanimously thought that their target partnerships were successful and they expected continued partnerships.

None of the partnering NGOs experienced restricted independence due to partnerships. Three non-partnering NGOs, in comparison, thought partnerships might constrain them although this could be limited by choosing the partner carefully.

Partnerships do have drawbacks, particularly requirement of effort, time and manpower (see Table 1). Some businesses misrepresent NGOs in their environmental reports by simply stating that the NGO was consulted without discussing the criticisms. NGOs can be accused of ‘greenwashing’ and people might wrongly assume that the NGO approved the overall CSR policy of the company. Public might also question the NGO’s stand on an issue if they partner with someone in the sector and if the project fails, the NGO may be accused of partnering in environmental wrongs that is, ‘tarnished by association’. NGO employees that approve of partnerships may also face criticism from their co-workers. Thus, understanding the project objectives and carefully



evaluating the pros and cons is essential to protecting the NGO's image. One NGO has produced a cost-benefit analysis sheet based on environmental criteria to analyse offers for partnerships.

### 2.7 Hurdles in partnerships

Three criteria constrain partnerships. Firstly, lack of company policy on cooperation with NGOs, leading one group to depend on the cooperativeness of the project engineer, although this is project specific. This NGO finds partnerships are 'personality driven' and successful future partnerships require top-level commitment to stakeholder involvement.

A second constraining criterion is lack of independent foundation to support NGOs both financially as well as in capacity building on initiating and negotiating partnerships. One NGO considered its partnership *successful* in terms of achievement, but *skewed* because of greater NGO input of knowledge and credibility with no financial returns (as the NGO wants to remain independent). Another NGO, in comparison, found equal commitment of skills and time from top-level business managers.

The third NGO concern is insufficient government support due to lack of formalised NGO consultation and sometimes lack of government response to complaints. Two NGOs voiced the criticism that stakeholders are approached only when an EIA is required and more importantly, there is no questioning about project need. Ideally, stakeholders need to be approached at an earlier stage during the decision-making process.

### 2.8 Recipe for successful partnership

Two types of elements are required for successful partnerships: one, related to the company *personality* and second, *non-personality elements* (see Table 2). *Personality elements* include openness, commitment, accountability, ability to compromise, equality of relationship and acceptance of 'differentiated responsibilities' (i.e. realising that the two parties bring different strengths and showing willingness to input the most of one's resources). *Non-personality elements* include senior management effort, time to develop trust, someone to follow-up on the project, clear and common project objectives and for many partnerships, funding. Success of a partnership can only be retrospective depending on the outcome, according to one interviewee. As long as the NGO does not compromise itself, most interviewed NGOs consider partnerships worth the effort.

**Table 2** NGO perception of what makes a successful partnership. The elements in parentheses are equivalent descriptions that the NGOs used

<i>'Personality' ingredient</i>	<i>'Non-personality' ingredient</i>
Openness	Senior management effort
Commitment	Time to develop trust
Accountability (demonstrated honesty)	Someone to follow the project
Ability to compromise	Clear, common objectives
Equality of relationship (mutual respect, balance of interest of both parties)	Funding
'Differentiated responsibilities'	

## 2.9 Cooperation between NGOs

Most NGOs are well connected and cooperate with each other on projects with common focus, and in situations where they have different strengths of knowledge and advocacy. Environmental NGOs also cooperates with social NGOs on eco-educational activities. Cooperation with international and China-based NGOs, such as Wildlife Conservation Society, Conservation International, IUCN-China and WWF-China, is also growing on regional projects.

## 2.10 NGOs opinion of government and business associations' role

Business associations like Hong Kong Productivity Council are helping businesses develop a green mandate and better environmental management practices, according to one NGO. Most NGOs are aware of the green guides produced by Hong Kong Productivity Council and three groups utilise them as a resource base of what is being done and what needs addressing. One NGO, however, expressed doubt about their effectiveness. The *Hong Kong's Great Outdoors Guide-Map* was praised by one group as an initiative that would help protect areas from development.

Most partnering NGOs were aware of seminars organised by Business Environment Council (BEC) and some consider these as a good platform for meeting business. Non-partnering NGOs were either unaware or uninterested in these seminars because partnership was not a priority or because the seminars were not relevant to their concerns.

Some NGOs were not aware of the *Eco-business award* by Hong Kong Productivity Council while others questioned the award criteria and effectiveness in environmental protection. Awards might encourage businesses to incorporate better environmental practices in their operations, particularly in People's Republic of China, as evidenced by increasing number of awards.

As noted under the *Hurdles in Partnership* section, NGOs would like greater government support on project consultation and response to complaints. Two NGOs were upbeat about cooperation between developers and NGOs under the government-led PPP (Public-Private Partnership) programme.

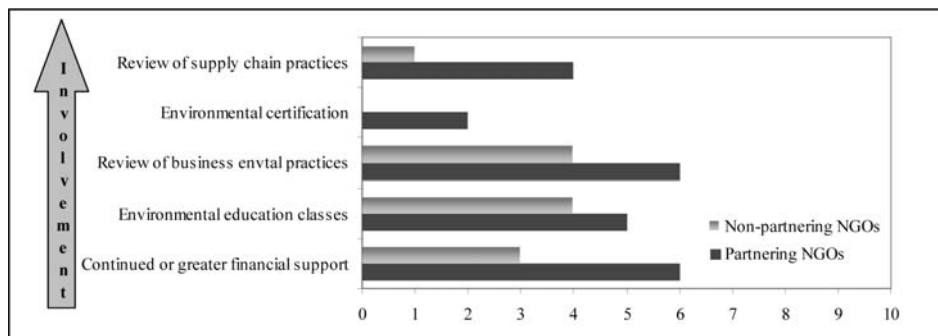
## 2.11 NGOs vision of partnerships and role of government and business associations

Partnering and non-partnering NGOs (with two exceptions) have similar goals of partnerships involving financial support, employee environmental education, participation in business environmental management, but only limited involvement in supply chains and environmental certifications (Figure 3). The advantages of financial support and creation of a positive, instead of a critical, voice are two major reasons for partnering, despite limitations of manpower and other resources. Maintaining a positive relationship and exchanging information are general goals of some NGOs.

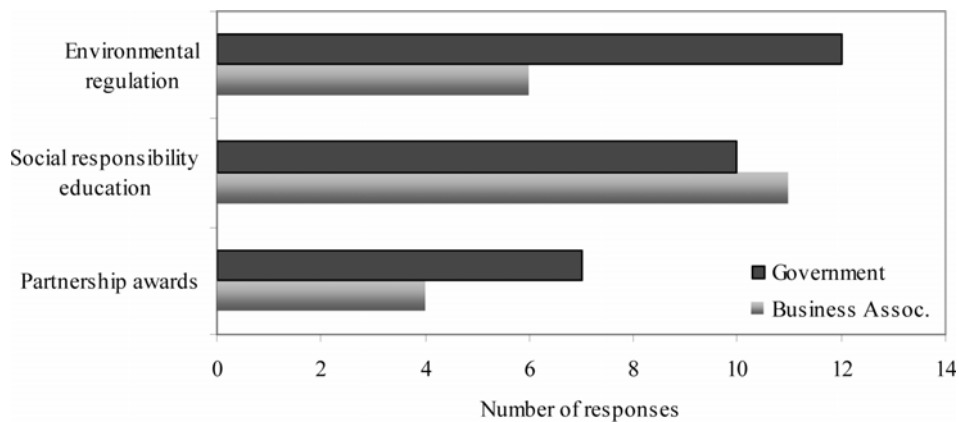
Environmental NGOs would like the government to take greater responsibility in environmental regulation, educating public and companies about their social responsibilities, and half of the interviewed NGOs would like government support on partnership awards (Figure 4). Other suggestions include providing opportunities for businesses and NGOs to meet; promoting early consultation on development projects, policy and regulation issues; providing funding for capacity building on governance

issues; promotion of sustainable resource use to businesses; buying environmentally friendly products by government itself; highlighting sustainable opportunities to businesses; passing regulation on mandatory CSR reporting; educating public that environmental protection and development can go together and enhancing basic environmental education.

**Figure 3** Future plans of ten partnering and four non-partnering NGOs for business partnerships. Arrow indicates increasing NGO involvement in environmental management practices of the business



**Figure 4** NGO's (14 interviews) expectation for role of government and business associations in promoting future NGO-business partnerships



Similarly, on the future role of business associations, NGOs would like greater involvement of associations in education, with less than half the interviewed NGOs suggesting the role of promoting environmental regulation and sponsoring awards (Figure 4). Business associations should also try to enhance dialogue between the two sides, provide training to NGOs on engaging business partners, develop sustainable development guidelines for businesses and promote environmentally friendly products and practices.

Overall, the outlook for business-NGO partnership is rosy with increased future cooperation, according to both partnering and non-partnering NGOs (11 of 14).

### 3 Discussion

#### 3.1 Overview

The global economy has led to an interconnected world where the source for raw materials, manufacturing of goods, packaging and the selling location of the final product are spread across the planet. Some researchers are of the opinion that competition between developing countries for manufacturing has led to deregulation and weakening of government role (Murphy and Bendell, 2001). This 'governance gap' can be and some argue, should be, filled by corporations as they can cross boundaries with ease and are comparatively more flexible and closer to (and part of) the problems (Welford, 2002).

The social and environmental problems associated with supply chains have led some NGOs to 'globalise solutions' via telecommunications and the internet that allow far greater accessibility to activists and supporters than before (Murphy and Bendell, 2001). Some transnational corporations have recognised the substantial damage negative reports of social irresponsibility and environmental misdemeanour can cause, along with the potential for brand boosting through cooperation with NGOs. This perception shift is resulting in increasing number of partnerships across the developed North, with Southern companies following suit. In Hong Kong, the Long Valley dispute of 1999 was a watershed case when a government owned railway company came head-to-head against environmental NGOs (both local and international) on building a rail line through one of the last unfragmented freshwater wetland areas which attracts over 200 bird species, both globally threatened and locally important ones. The court case and appeal process led the developer to produce an alternative plan of an underground tunnel. This case has opened up the environment for stakeholder consultation by large businesses and government, particularly on high environmental impact projects.

The present research found many partnering NGOs with limited experience of less than five business partnerships in the past six years. This is expected, as partnering beyond philanthropy is a relatively new situation for Hong Kong. As NGOs' experience grows and partnerships are strengthened and advertised, the situation should improve. Previous research found that two-thirds of 30 large local and international subsidiary companies in Hong Kong actively support community through employee volunteering, contribution-in-kind and financial support, although many of them lack defined company policy in these areas (Welford and Mahtani, 2004). The targeted partnerships in the present study went surprisingly further and although some classify as *Consultative Partnerships* (Civic Exchange, 2005; primarily information exchange), others were *Collaborative Partnerships* (project level consultation and implementation) and two appear to be heading towards *Strategic Partnerships* (partners considered indispensable to each other), although it might be too early to conclude this due to the short time since their launch. These partnerships fall under a similar classification of *Low to Moderate Intensity* partnerships under Rondinelli and London's (2001) system. One target partnership is a *High Intensity* type (environmental management alliances) with supply chain management.

A high number of targeted partnerships involved review of environmental practices of Hong Kong businesses, even though they were restricted to single projects. Possible reasons of increasing pressure from overseas market or company headquarters as well as benefits of stakeholder engagement were identified by NGOs. Business benefit (lower cost, less risk and higher efficiency) was also the main driving force for 50 large European and North American multinationals (that produce environmental reports and

have annual sales over US\$3 billion) to incorporate internal environmental management practices, while long-term sustainable development was only a secondary concern (Rondinelli and London, 2001). Philanthropy and environmental education of business employees followed second after environmental management review in this study. 'External relationships' (education and donations) contribute far less to sustainable development than internal management practices of the corporations, according to Rondinelli and London's (2001).

### 3.2 Small versus large NGOs

Although the sample size of this study is small, comparison of small and large NGOs provides some interesting results (Table 3). NGO size was classified by annual financial turnovers, as four NGOs earned far less than a million Hong Kong dollars. As expected, differences between large and small NGOs lie in their area of focus (regional and international issues for large versus local and regional environmental issues for small), amount of experience (greater for larger NGOs) and number of partnerships (larger number for larger NGOs). Beyond these differences, however, small seem to have similar gains from partnerships and surprisingly, the type of partnerships they have formed as large NGOs. One small NGO is forming a strategic partnership (Civic Exchange, 2005; partners considered indispensable to each other) with a business, which happens to be an Small-Medium Enterprises (SME).

**Table 3** Summary of NGO responses by size (small versus large). 'Yes and No' in the table means that some NGOs in the category answered 'Yes', while others replied 'No'. The three categories of partnerships in the last rows are defined in Civic Exchange (2005)

	<i>Small NGO</i>	<i>Large NGO</i>
Annual financial turnover	<HK\$200,000	>HK\$1,000,000
Number of NGOs	4	6 (one NGO interviewed twice on different programs)
Issues	Local and regional	Regional and international
Type of industry	Various	Various
Max. no. of partnerships	10	>100
Target partnership	Small and large business	Large business
Launch of partnership	1–3 years	2–10 years
Business environmental assessment	None to informal	None to formal
NGO gains		
Financial support	'Yes' and 'No'	'Yes' and 'No'
Volunteers	'No'	'Yes' and 'No'
Greater community recognition	'Yes' and 'No'	'Yes' and 'No'
Greater government recognition	'Yes' and 'No'	'Yes' and 'No'
Better business understanding	'Yes' and 'No'	'Yes'
New business contacts	'Yes' and 'No'	'Yes' and 'No'
Application for award	'No'	'Yes' and 'No'
Target Partnership type		
Consultative (info exchange)	1	1
Collaborative (project level)	2	3
Strategic (indispensable partners)	1	2

Note: HK\$7.8 = US\$1.0.

### *3.3 Recommendations to NGOs interested in forming partnerships*

The partnering NGO experience has been summarised into recommendations for NGOs novice to the partnership process.

#### *3.3.1 Prepare to commit resources*

Partnerships require time, effort and manpower. Obtaining funds can be a big benefit, but it can sometimes be perceived as compromising the NGO's independence. So, carefully evaluate your goals and the pros and cons of financial support.

#### *3.3.2 Be open to learning and opportunities*

Besides funding or volunteers, some NGOs have gained business skills and greater understanding of how businesses run. This can be useful knowledge to exploit in NGO campaigns and partnership proposals. Fowler and Heap (1998) suggest that both NGOs and businesses must be open to learning and that participation, engagement and dialogue are critical for successful partnerships. Hong Kong partnerships are generally not brought about due to company policy but instead are pet projects of a company employee, as also reported by Elkington and Fennell (1998) and Welford and Mahtani (2004). Developing good relationships with business employees can help NGOs to get their foot in the door and partnering NGOs expressed the need for more forums to meet businesses. Attending seminars by business associations and government departments can provide NGOs with opportunities to meet business employees with common interests.

#### *3.3.3 Be cautious about who you partner with*

Business partnerships have not restricted independence of any of the ten partnering NGOs; however, these NGOs select partners carefully and have discussions before launching into the partnership. Approaching businesses with a common issue of interest makes the proposal more attractive. Investigation of environmental reports, newspaper articles and EIA documents can help build initial trust in the business. Some NGOs believe that the benefits of partnerships can sometimes outweigh the bad environmental record of the business; however, some businesses such as fur, tobacco and arms industry seem to be on the blacklist of all environmental NGOs. Help for businesses and NGOs in selecting the right partner is available at the 'Business-NGO-Interaction' website,<sup>4</sup> where prospective partners can input data about their expectations and experiences and determine the success factors and possible hurdles in partnerships.

#### *3.3.4 Partner with other NGOs*

All of the interviewed NGOs have worked with other groups on issues of common interest or in situations where they have complementary strengths of knowledge and advocacy. Joining forces with Northern NGOs might be useful sometimes. For environmental education related projects, cooperation with social interest NGOs is a possibility.

### 3.3.5 *Be realistic about what can be achieved*

The most important criteria for selecting an NGO to partner with, appears to be lack of extreme views, though this does not imply lack of strong views. Partnering NGOs mentioned that businesses partner with them despite their strong critical voice because of their reliability and rationality. Having clear and common objectives and being willing to listen, to compromise (without being compromised) and to offer alternative solutions are elements for success. Backing your argument with data and legislation is more convincing to businesses than simply an emotional case about protecting the environment. Some partnerships in this study have turned into long-term alliances, so keep the long-term goal in mind. Rondinelli and London (2001) point out that some of the NGOs that are usually classified as 'extreme' by businesses and governments, such as Greenpeace in Europe and North America, are starting to cooperate with corporations although they are still using adversarial campaigns. In fact, one of the target relationships in this study started adversarially and has turned into partnership as the business has realised the benefits of stakeholder engagement.

### 3.3.6 *Be innovative in your approach*

A multisectoral approach involving academics or a government department can sometimes be more successful than bi-sectoral projects in convincing businesses to work with you (as experienced by NGOs elsewhere) (ADB et al., 2005). Some government departments have a strong record of tripartite partnerships and getting their support can be helpful in boosting your case for partnership. The Environmental Protection Department (EPD) has formed over 1700 partnerships (>1400 of them TPP) since July 2002 (Civic Exchange, 2005). This might be particularly useful for NGOs that are trying to build their partnership portfolio and for approaching smaller businesses with limited finances. Cooperation with foreign consulates is another possibility. For example, the British Council recently conducted a campaign on ZeroCarbonCity in Hong Kong.

### 3.3.7 *Seven skills for success*

Plante and Bendell (1998) define five elements essential to the 'Art of Collaboration' including *know your enemies*, *know yourself*, *know where you are*, *know what is going on* and *know your allies*. From the comments received in this study, we can add *know where you are going* and *know how to compromise* to define the *Seven Skills for Partnership Success* for NGOs looking for partnerships.

## 3.4 *Recommendations to government and business associations to promote partnerships*

One NGO described the general Hong Kong mentality as 'sustainable development is interpreted as sustaining development'. To transform this thinking and to lead the way forward, NGOs suggest the following to the government and business associations: assist with founding an independent funding body for partnerships; involve environmental NGOs earlier in the consultative process for development projects and policy setting; provide forums for meeting businesses and to build capacity on negotiating partnerships;

encourage companies to engage in bipartite and tripartite partnerships; educate companies about advantages of partnerships and necessity for sustainable practices; listen to and act upon NGO complaints about contractors; promote greater environmental regulation and lead by example. In short, the message to government and business associations is *educate, engage and facilitate*.

### 3.5 Study limitations and challenges ahead

This study conducted ten in-depth interviews with environmental NGOs to assess their partnerships with Hong Kong businesses. A surprisingly high number of partnerships involving review of environmental management practice were encountered and partnering NGOs were unanimous in declaring their partnerships as successful. This is an encouraging finding that will hopefully persuade other NGOs to partner.

There are, however, two caveats to generalising the study results. Firstly, the case studies included are best-case projects and a more general picture for Hong Kong might be obtained from a study of 35 Hong Kong businesses (31 with ISO 14001 accreditation) which reported that 80% of them had not entered into any voluntary environmental agreement and that lack of infrastructure, low environmental education and lack of incentives have been impediments in implementing voluntary agreements on environmental issues (Lo, 2003). A survey of eight key stakeholder groups in Hong Kong indicated that there is considerable support among all groups for wider use of voluntary agreements and partnerships but that progress may be hindered by lack of understanding of how they can be engineered and operated (Hills, 2005). Similar concerns were expressed in this study.

A second caveat to the results is that only one of the target partnering business is an SME and larger businesses may be more open to partnerships, as they might be easier target of NGO campaigns. Larger businesses can generally commit more resources towards partnerships. The exceptional case of the SME delving into partnerships is in fact a supplier of environmentally friendly technology and partnering has provided it the benefit of increased sales. Many Hong Kong SMEs are unwilling to consider monitoring their environmental practices unless they are forced by legislation (Studer et al., 2006) and are, therefore, probably unlikely to partner.

Bendell and Murphy (2002) purport the partnership process as a form of civil regulation, with the government acting as a facilitator and see it offering new opportunities for sustainable development and as a better alternative to legal-compliance. The present study in Hong Kong provides hope for greater possibility for partnerships to stake new grounds in environmental management in a region that is sold out to the continuous growth paradigm. With a growing background of cases where the NGOs have formed successful partnerships or won court cases, businesses, government and developers increasingly desire collaboration with NGOs. Greater across the board success can, however, only be achieved by surmounting the hurdles of weak economy, business dominated thinking, weak civil society, lack of top level commitment for the environment and insufficient support from the government and business associations.



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## Notes

<sup>1</sup><http://www.un.org/esa/sustdev/partnerships/partnerships.htm>.

<sup>2</sup><http://www.csr-asia.com>.

<sup>3</sup><http://www.policyaddress.gov.hk/2005/eng/index.htm>.

<sup>4</sup>[http://www.bni-instrument.org/eng\\_home.php](http://www.bni-instrument.org/eng_home.php).