

Business and civil society - growing divide or getting closer?

BUSINESS AND
CIVIL SOCIETY

What is the potential of expanding partnership for needed social change and reforms? Is there an outdated binary thinking about the two sectors that we have to break? What motivates business and civil society actors to cooperate; why do or don't they work? What is the place of CSR in all this: is it just another form of **self-promotion** and is that OK, or do companies mean good? This discussion deals with the language barriers, **stereotypes** and assumptions often coming in the way for prosperous **collaboration** between the two sides, bringing in voices from both sides.

Business are interested in working with nonprofits

Moderator Eva Varga: This is a very diverse group and I am really happy to report that as a result of a lot of enthusiasm and a lot of persistence, we have some real live business people in this group as well, because I thought it would be more than appropriate to have the other side represented as well. So we do have two bankers and one venture capitalist, which are going to be giving us their perspective. Here is my first issue: businesses are interested in working with nonprofits and with civil society to achieve social change - but it's got to help them in some way, provide a bottom line and make business sense for them. This is what I hear from business people and it seems to be the general motivation, behind [social] actions of businesses.



Participant (P): It is not the only [business] motivation

Mod: What could be other motivation?

P: It can be purely philanthropic, I guess, on the side of business people. They want to help someone who is really in need. They want to change something because they find it important and meaningful, not necessarily thinking of making higher profits.

The job of businesses is to make money, period

P: I would say that is a risky proposition in some ways, maybe to take one step back, the job of businesses is to make profit. It is to make money, period. That's what a business is set up to do. The whole debate has gotten twisted in recent years that the job of businesses is also to do socially good things, to adopt a model of H&M or Marks & Spencer who have flashy CSR programs. At the end of the day, that's not their job, that's OK and we as nonprofits, I think, need to respect the fact that they are still the ones putting food on the table for most of us. That's their job. If we can accept that even though this may not be our ideological stand, we have a lot of room for working together with business and finding ways to help businesses to exercise moral interests and become more involved. But at the end of the day, it's not their job.

Business these days often declare other things they stand for

P: I disagree in a way, because if we would look at the web pages of a lot of big companies right now, they really declare a lot of things they stand for. Among this, the usual goals of making profits, but very often they declare a lot of other things as well and this is the sphere in which NGOs and business entities can cooperate. I think there are good examples, we are cooperating with law firms [for pro bono legal advice] and although we have a lot of cases, we also have a lot of interest from law firms, in fact the amount [of offered assistance] is bigger than the number of the cases. We observe that these attorneys are really involved in what they do and trying to involve younger lawyers as well. On the other hand, we have cases in which has a lovely CSR-dedicated company according to its webpage at the same time are responsible for human rights abuse, and this is a problem.

As individuals many people working in business want to do good

P: My company has 50 000 employees in CEE and I can say that people in companies are different. There are always people and individuals behind businesses, e.g. I as an individual, think I would like to do something meaningful and not only thinking in profits. This is very important. I heard two days ago on the radio that in French Telecom which has a lot of people employed, there had recently been 23 suicides. I think it's very important for people to have a sense behind what they are doing. Social corporate responsibility may give them that sense.

Pro bono work can help with recruitment

P: I am from an NGO in Czech Republic, and I just can confirm what was just said, we have not so much experience on cooperation with business, but we started cooperation on pro bono basis with bigger law firms recently and they said that they had experienced that this new scheme helped them in recruitment. Pro bono work and CSR, people really want to do that and look for some work which makes sense so finally this may help business.

Understanding each other better

Mod: This is actually one of the key discussions here - which are the motives and then understanding the motives of the other party. The key messages that came out of the survey [posted online before the session – in two different versions for businesses and NGOs] were the need to understand each other better. When being asked the question “What do you think that the other party has benefited from cooperation?” it was really interesting to see what businesses think that the NGOs are benefitting and what we think businesses benefit from the relationship, because the views don't match.

NGOs are skeptical to working together with top law firms

P: I am coming from an international organization that exists for more than 10 years, promoting human rights and pro bono work. We started with an assumption that we know the NGOs and we know the civil society because we work with them, especially similar NGOs to ourselves, and now we have to get to know lawyers and law firms to convince them to do pro bono. It turned out that it was a wrong assumption, the lawyers had 5-6 top reasons why they work pro bono and contribute their time and skills for free and in most cases the top one is to help as much as they can for free. However NGOs that could need some legal assistance they are extremely skeptical to working together with some big global corporate law firms and uneasy with the situation. In the end probably 75% of our time is taken up by motivating the NGO part of the equation and not the law firms. There is a need of organizations to increase understanding and bridge the gap because the gap is huge, corporations in skyscrapers don't meet grassroots organizations naturally.

NGOs don't commit enough to building bridges with business

Mod: An important question: “Do we as NGOs commit enough resources to building bridges toward businesses?” The general opinion seems to be “No, we don't. We try maybe once and if it doesn't work out, we never try again”. Another important point is about the matchmaking, are there enough mechanisms to make good matches between businesses and NGOs? Or is there a problem of not having a stock exchange where you can look up potential investment targets according to your wishes, risk and resources, you can pick in whom you are going to invest? You may have heard about the social stock exchange that was launched first in Brazil, in the Sao Paolo stock exchange as a civil society initiative, one guy persisted and there is now a list of NGOs and you can basically invest in them through this stock exchange mechanism. A question to one of our business representatives: Why would a company like CitiBank partner or work with the civil sector?

P: I am from CitiBank in Bratislava and work as public affairs officer. I cannot speak on behalf of the whole sector, but of the company's motivation and experience, and maybe add some personal observations. Back to the question about the motivation, first of all what we have to realize is that the key motivation and objective of existence for any business is to generate profit. We are doing it for our stakeholders and our main stakeholders are the share-



Our bank feels responsibility for the environment where we operate and our people live

holders, they are making the decisions. As a matter of consequence, we have the resources, which we can use for different purposes including corporate social responsibility. If I have to put it in one sentence at the bank we say that we feel responsibility for the environment in which we operate and our people live. Two key things [we like to invest in] the business in which we operate and the people who are our people. It is very important to realize that any business is somehow related to the environment in which it operates, and its employees have their own connections. The stakeholders who are very important in these difficult times are our employees. If we speak about CSR from the bottom line, about social, economic and environmental impact of what we do and translating this into different programs, currently I would say that most important is the social aspect of the social corporate responsibility, the way we treat our people, the way we speak and communicate difficult decisions we have to take. The motivation is very generally that we feel this responsibility, we operate in a world in which we live with our employees and we understand that our stakeholders are not only shareholders but also the external stakeholders including employees, and civil society players.

Funding is the main benefit for NGOs

Mod: Some more examples from the survey - it was not a statistically significant survey - but I think we got some good indications of what people are experiencing. It was emphasized on the business side when asked about the preferred nature of relationship, that giving advice to NGOs and the benefit that businesses would get from the relationship was not the money but being active in the environment, taking care of the people they're working with or that their business affects. The same thing, the same question asked to NGOs resulted in this: funding. Funding is the key benefit that NGOs see in the relationship with the business. I am challenging you to start thinking about how to change this thinking and approach because I think that in today's environment there are a lot more opportunities that businesses can offer, also they are short of money and we must be creative and providing them with solutions and giving them other opportunities as well.

Social corporate responsibility is not how much money you give but how you earn it

P: I am from Bulgaria, and I would say that social corporate responsibility is not how much money you give for it but the way you make your money. From this assumption it is obvious that civil organizations can partner with companies not only for the money, for funding but also in other aspects: help companies to operate more responsible because organizations are experts in the fields of community and social change. My observation is that there are much more problems of communication in terms of languages; organizations and companies speak totally different languages. Mechanisms would be useful for both groups to communicate better but obviously the motives for the relations for both sides are different, so it's time to be honest and put on the table what we want to achieve.

NGOs are also an industry

P: I am from a Capital organization, and also wanted to make this point about the resources of NGOs which they can promote, I would call it an industry. One of the points is communication which is very important, I agree that – I think the NGOs and the corporations speak different languages so one message here would will be to develop common language, to develop a matrix that each of them. Coming back to the funding perspective. Companies can provide funding but only from the profit that is generated. And this is the net profit. The allocation of this net profit is discretionary to the corporation, so there is no right for an NGO to claim part of this profit. I think that the demands of the NGOs should change - they do not participate in this net profit but could participate above this line. Participating [in generating profit] above this line in day to day business as business partners creates an opportunity for NGOs where they may provide additional values for corporations and vice versa. The corporations provide added value for NGOs if the NGO doesn't limit [the company's] growth by claiming part of this discretionary value which is the profit. I think there are number of examples where NGOs and corporations can work together also in a for-profit way, it doesn't matter what are the means of achieving a goal if the goal is the social impact, increasing life expectancy, fight poverty etc. However, by only sticking to this donor-recipient model NGOs limit their growth; by participating like business partners above the line, above the profit [necessary for growth], they can scale their businesses and achieve social impact.

More creativity needed to find new types of interactions

Mod: The business respondents in the survey were for this, saying yes, NGOs could and should work with companies, helping them to develop their core business, instead of trying to take a part of the pie which the shareholders and everyone else is also interested in. There needs to be more creativity in finding new types of interactions.

Practically how to engage business

P: I am from Lithuania and my comment is about social change and corporate social responsibility and the idea is to split these concepts a bit because they are slightly different and can mean very different things. Then about the practical aspect, how to engage businesses? One thing is when a business says that they are ready to offer a piece of advice, what does that really mean that you should necessarily need to follow it? My question is whether businesses feel the same, are they ready to offer partnership because at the end of the day I completely agree that they are oriented towards creating profit in the short, medium and long terms. How many of you have been able to persuade businesses, to actually offer human resource help?

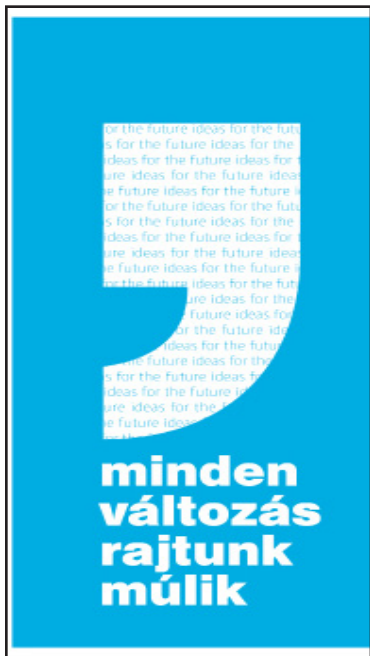
P: I am from mixed corporate and NGO background in Poland, and I would like

Small difference is a completely different thing

to draw your attention to two things that I personally find very important: first of all, we are very often victims of too high generalizations, if you go down you will find small businesses in small communities cooperating very well, because they are neighbors, all love the same vicinity and on the level of small communities the motives of small business are very close to those of NGOs. It's about cleaner water, it's about better education for the children - because basically they are also citizens of the very same community and it is easy to find obvious common goods and common goals for everybody. The problem starts with huge businesses and especially international businesses, the dilemma is that they have huge money and it is really worth looking at this money, but then the partnership and conversation is getting difficult. On the first hand the key barrier is mistrust because NGOs approaching the business are approaching it with

preset assumptions in mind of the immorality of business. The rational attitude will be to say that they have a huge budget for CSR so let us use our negotiating power, to persuade them to do something that will bring social change instead of going there saying: "You see, we are going to do something, we will not negotiate the goal with you because we are the masters of defining social goals and social values". So mistrust is one part, on the other hand there is the lack of ability to engage business, there are fantastic people in business and if they believe in you and in the presented common vision, they will go for it. We should not go to business with mediocre propositions: "give us money because there are hungry children in Poland" - this is not inspiring. We need to go to them with good diagnosis, with inspiring labels and visions, and I am sure sooner or later it will happen. So, secondly there is a barrier and lack of positive, engaging propositions.

Business is impatient because of this difference of communications and languages. They would like us to come to them and say "This, and that will take 3 years to do" and we're coming saying "Listen, let us do something for the good of this or that". It is important that we have these new mechanisms designed for different situations, because as I said for small business we don't really need to worry, it works well. And again, we have to forget about these moralistic assumptions we carry, because there is nothing wrong with making money, let's stop treating all business as bloodthirsty capitalists from XIX century that suck our blood. We need in addition to encourage business to change their perception of NGO as the poor relative.



The paradigm we are living in may also be changing

Mod: The trust deficit is very true and it came out of every comment and every survey we received. So the question for us will be "How do we reduce the trust deficit?" Some of you already mentioned communication, providing information, listening, speaking the same language and also looking at how the paradigm that we are working and living within might be shifting is important too. Let's not mix objectives with methods and ways to shift those objectives. When we use the word "industry" or "efficiency" or "measure", many say let's reject that because these are business terms, but these are also terms that anyone can use in their operations. The key is the objectives and what we are trying to achieve by being efficient, by measuring, or, if you wish, even by treating us like industry. It was funny, during lunch one of the business speakers said "This is all industry – look at the number of people that are attending this forum" and somebody else that said "Industry? You can't call that industry!" This was a funny little incident to illustrate this.

Approach varies greatly between small and large businesses

P: For me it is not only the communication and language, but the legitimacy mix that the NGOs should present to business. We have worked with business and the point is if you go to big corporate companies with multinational branches etc, the expectations and communication entry at the first point is much different than if you go to your local food-chain store and tell them "We need a playground for the kids in the neighborhood". The commitment and motivation mechanisms for businesses vary, and I would agree and confirm that as an NGO representative, we NGOs sometimes lack the knowledge and information about how to present to business, first to economize their time, we know that they don't have time to listen to descriptions of all the projects we do. We really have to come to the point where we meet and we are efficient, both the NGOs and the business. I think there is space for people like our guests from the business here to say "You know, we don't have time for this", this will really be improving both ours and their efficiency and making something good. We speak about the environment, people, social issues and involving people, but then again from the NGO perspective, without being extremists, there is a need for transparency and honesty when it comes to issues such as the environment and the ultimate social motives.

Also big corporations have limited budgets

P: When you go to big corporation you have to think about the fact that also big corporations have limited budgets, often a special program for the kind of projects they sponsor or invest in. This is very important I think, NGOs cannot just go and say "We have this and we do this" but also need to ask what the business intend to do and make a discussion out of it. Many people come in and you just cannot help everybody

Who was behind the donors - business

P: Today there was this question whether we understand or remember the past and how the civil society has developed over 20 years. As I am looking back and thinking about whom donors supported and who was behind the donors – business. And they supported civil society and created a whole range of civil society in our countries through NGOs. Why did they do it? Because they knew that they had to create a proper environment, - also business environment, policy, legislation, etc. That happened over this last 20 years and also from the point of view of NGOs many people are well prepared for business, for high even government positions, because of having this experience from NGOs. They had to live with an exact amount of money, they know how to put together things, how to manage it, communicate etc. Over the years this was the best preparation for whatever position they were to reach, today they are heading all kind of important institutions, even businesses. In terms of possible ways of cooperation it is worth noticing that also our businesses has started being international, going across national borders for example supported by country aid programs. Why not going out of the country together in partnership and cooperation with local NGOs, to help support social changes in other countries as it was done here by those donors and projects in the beginning of the '90?

Mod: What kind of interactions might there be between NGOs and businesses? One is donor-recipient. What else?

NGOs monitor business entities

P: It can happen that the role or even the goal of an NGO is to monitor the activity of business entities, this can be an obstacle for cooperation so this can be also a kind of interaction: monitoring, being a watchdog. These NGOs must

be independent from business entities.

Collective initiative

P: Collective initiative, our experience is working quite a bit with private donors but also with associations, with companies from particular sectors and there is an idea to start a collective initiative, social change within the sector through research, advocacy, because at the end of the day an organization alone could not do this. You need at least 4-5-6 organization for this to start. We've been successful in the pharmaceutical sector, the construction sector and it works. The thing is that obviously now [during the financial crisis] it's not a priority for most of them, the bottom line is what really matters these days.



Micro loans

P: There is one example of cooperation between an NGO and a bank, where they did a micro credit loan program for poor people, where the fallout grade of these loans is guaranteed by an NGO, whenever poor people cannot pay back the loan it is repaid to the bank by the NGO. Basically the bank is making real business and profit given that you have no defaults on the loans.

P: We had an example in Bulgaria where banks gave loans that were secured by NGOs for starting up new social enterprises.

Barter

P: Barter, meaning the sort of barter where a business provides goods or services in exchange for publicity, visibility, connections. Monetization, meaning that NGOs provide the good, or service and then it is monetized and turned into some actual cash that the organization can use. These are different than the donor-recipient relationship, because it is a write off for the business as opposed to something that they have to report on. Another example for business partnership, a bank launching a credit card that is branded, a percentage of the expenses of that credit card goes to benefit an NGO or a coalition of NGOs. It can expand the customers' base of the bank and it is actually a business partnership as the bank could be making more.

Customer acquisition

P: NGOs can bring a customer acquisition and customer retention value for the business and the business is making profit. Part of this profit can go directly to the NGO which makes the operation of this NGO more scalable than in the donor-recipient scenario.

Cooperatives

P: In this brochure there is one beautiful quote from Ferenc Miszlivetz, that the common good is one of the biggest deficits in our society. I can give you an example: businesses at local level using the experience and structures of NGOs and the civil society type of self organization, for example a local development association. Most of them are in fact NGOs uniting businesses, all type of cooperatives (cooperative is not a socialist word), local level individuals uniting for common good, all kind of credit cooperatives – there is a lot of infrastructures and organizations which are in fact interactions of business/civil society type activities. I don't mean public-private partnerships, but rather uniting individuals because the sum of individual interests is more than the interest one by one. An example: a few small producers doing something in a village, cannot buy their entry to the market themselves individually because of the cost, but united in a or with assistance from a local development organization, the cost is more reasonable in comparison with what they can achieve and this is an example of

common good. Finally I don't quite agree with this statement about the benefit from NGOs and their history in our region, I think it's rather mixed record in terms of business benefiting from people being educated through civil society activism, but interacting with businesses is beneficial for civil society organizations because businesses provide the sense of more result-based action, as they are focused on delivering things and something measurable. When analyzing this discussion, it will be very good to distinguish between types of businesses and between various types of interaction, if you are working with small businesses is one thing: if you are cooperating with big businesses it is totally different.

The interaction with business and their way of doing things is inevitable

P: Just a quick point on whether NGOs are becoming more business-like, whatever this is supposed to mean, I remember 10 years ago and even earlier, the way that donors approached NGOs and what they required from them, and compare it to nowadays, now, both in terms of goals and objectives, as well as of results and "the bottom line". I think in the development of our region and the whole society, this interaction with business and their way of doing things is almost inevitable and it might become better.

Responsibility and transparency also goes the other way

P: I am from a foundation working in the Balkans: Albania, Macedonia and Kosovo, and the scenario with civil society is not very well developed and there are not much business resources. I think [speaking] the point made about responsibility, that business has to be more responsible and transparent, it actually goes the other way. One of the first things I think good, solid business with good and solid CSR programs would ask an NGO is "OK, provide us with your annual financial statement, your annual report, and those things that make NGOs more business-like." That for sure will stop many NGOs which are not operating in a business fashion or in an ethical fashion to the extent that they should be.

Business-like what does it mean?

Mod: About business-like: does that mean more transparent, more efficient, more visible, and more professional, or does that mean you go after profit? I assume when we're saying more businesslike, we mean the first set of things becoming a little more compatible. Blurring the line more in the way we work, the lack of common language, that barrier can be dealt with.

Advisory function

P: I think that the role of a non-profit potentially is an advisor for business - let's say an Environmental Defense Fund can advise the businesses how to save the planet while they're saving their bottom line. It is a good role that we can play because we do have special abilities, knowledge and understanding. I am American and I like games so I am going to propose simple game, if you represent an NGO, can you raise your hand? I know who the businesses are, (I am a fundraiser, got my eye on you), how many of you NGOs are more interested in better interaction with business? Right, that's why we are all here. The final question that is nagging me though, is how many of you have more than 50% business representation on your Board of directors? 4 – and not everyone. For some people it's not an option, that's right, but it was just interesting. The business people in the room: how many of you sit on non-profit boards? The point is that looking at the future, if we want better interaction, we should bring business in our world as much as we want them to let us into theirs.

P: I am from Bosnia and Herzegovina, we are a foundation and this year we started two for-profit businesses. Making this clear distinction between us and them, neither help us, nor them. To categorize measuring efficiency as a busi-

Clear divides between us and them serves no one

ness term is in fact dangerous. If you are a non-profit and you don't measure your efficiency, you are in trouble or will be soon. Those are not business terms, those are terms of doing your job well, regardless if it brings profit or not. Speaking about bringing profit, short term, midterm or long term, and it is up to non-profit people to show that you will have more profit if you take care of your employees, the community, the environment, people in need. This is something that non-profit people somehow don't manage to say.

Corporate governance is forgotten

P: Let me demonstrate the difference of languages, first of all that it is important to mention that CSR has two fields for me: first the corporate governance and second the corporate citizenship. Corporate citizenship is easy, it's about donations, charitable activities, programs that businesses run, that NGOs run and businesses are supporting and so on. But the corporate governance aspect is often forgotten, if you take the 100 top economic entities in the world guess how many of them are national economies? – less than 1/3. 2/3 of the largest economies in the world are corporations. A lot of power is in the hands of corporations. That's why, in my view, you really have to get close to corporations, even if you do not have to or you do not like to. You have to understand the language of businesses because the power is now (unfortunately from your perspective perhaps) in the hands of corporations. It doesn't mean however, and I am on three boards, that we don't have an understanding and passion for CSR. It's not just like a hobby; it's about improving the situation. Corporate governance is about distributing the power, about understanding and holding power and this power is somehow translated or transformed into money. If we take the example of CEE countries now, for the last three decades we have seen a change of situation, however if we go back corporations have been here for centuries. In history when we track corporate social responsibility as a term, it has been used for about 10 years, if you go back and seek for NGOs or civil society organizations like Amnesty International or Green Peace you will find hardly any of them are older than 50 years. It really goes back to the 1960s, however it doesn't mean that the concept didn't exist before, it may have existed but it wasn't about learning from each other. So to us you are very young

industry, if I may use the term, to us you are a new world and a new partner that we are learning how to live with, but you also really have to demonstrate and prove that we have to cooperate with you. Being a bit critical with the risk of sounding like "the bad guy", some five years ago I made my very first CSR presentation to a local network and I said about the business sector: We see you quite often as marketing agencies, we put up some objectives and goals which we want you to meet. That's our fault but that's also your attitude towards us. Quite often we see you as a tool how to improve the image of the company, we see the poten-



TO ACTIVATE THE POPULAR BASE OF CIVIL SOCIETY, WE SHOULD WORK FOR AN EASTERN EUROPE OF HOSPITALITY. ALL CITIZENS AND IMMIGRANTS ARE PART OF CIVIL SOCIETY, AND SHOULD BE ACCORDINGLY INVOLVED, ENGAGED, AND COMMITTED. OUR PARTICIPATION IN CIVIL SOCIETY IS THE HUMAN VALUE OF HOSPITALITY TO OTHERS.



Tomasz Witliński / A New Dissident Civil Society: Hot Art as Activism against Poland's "Moral Majority"

Entrepreneurship: How to create the change

Need for more dialogue, exchange and feedback

tial of you as an instrument for public relations and then we push. It's really up to you to resist or to push back, it is really up to you to prove that this is incorrect approach. I miss partnerships with equal and balanced partners on both sides, I want to see more professionalism from your side, because I don't see many professionals from NGOs. Maybe in this room there are 100% of them, but in my experience of many NGOs in Slovakia, and also the broader CEE region, I can tell you there are very few professionals. You come to us with very short goals, ad hoc projects and not with strategies or well formulated concepts, this is something that we are really missing. We want professionals to come to us and say: "This is what you do and this is what we can help you to do, maybe by changing a bit of the habits that you have". Also NGOs have to change and accept us as a partner and being professionals: "Here we are and this is what we do, work with us". Not: "Please, help us, please, work with us, try to work with us", this is about an equal partnership. This is what I said 5 years ago and I still feel that it is all about the donor-recipient relationship which I think is wrong, we should be partners because we have a lot to give to each other. It's also about learning how to live with each other. I quite often miss the process of feedback. It is often: "This is a program we would like to launch, can you help us launch it and provide us with funds" we say: "OK, let's discuss" and then if we like it, we provide you with funds. When the program is over, we see the final report and then the partnership is over. There are no follow-up initiatives, no follow-up strategy or new concepts of doing something. In the midterm we are missing this true approach from the third sector - it's about professionalism and about initiatives. The situation in Slovakia also changed, ten years ago we have lots of US based funds and big funding organizations providing a lot of funds to the local NGOs, it was quite easy to live with this money. Frankly, many NGOs used this money very easily for very different programs. There was nice output from these programs, but the situation has changed and now these funds have moved. There is a new situation that you NGOs are facing and you have to learn how to live with this experience. One of the solutions maybe is to use corporate social responsibility or create a social enterprise. There is a potential, the door is open, and so it's not about a closed door or knocking on door that can't be opened.

Took us 3 years to figure out the partnership

Mod: We set up a business advisory network, which works with us, it is set of pro bono working individuals who are not just interested in our model but as individuals they want to champion a certain cause that is important to them and they are looking for somebody to partner with and somebody who can introduce them to an environment that they are not yet familiar with. It took us three years to figure out the partnership with CitiBank, so short term versus long time really matters, we needed to follow up several times and actually to start over again and again, to explain, test and pilot the idea before it became reality. Having somebody that you can rely on in the long term gives a sense of security, "ok, what I am doing is going to make sense in the longer term so it is important for businesses to experiment and gain experience". Going back for one minute to venture philanthropy - basically this is an engaged way of being philanthropic which we introduce as well and it seems to be working for some. This as well emphasizes the point that money is not everything that businesses can provide; you can get assistance with strategy, working methods, outside advice and really create win-win situations.

P: I believe that corporate social responsibility should be used as a substitute to "sustainable development", it is about limiting using the current resources for

the benefit of the future generations so that they have the same resources

The way we are putting a price to our products may change

Mod: Looking into the future, what do you expect the tendencies to be in next 10-20 years? One of the surveys gave me really interesting respond which I want to share with you: there is a shift in the paradigm in the sense that NGOs and businesses are not longer going to be distinguished by the legal form or that one is after the profit and the other is after only the social goals. They are going to be sharing objectives and working towards social change, to achieve social impact, therefore, they are going to be actors in the same market place, compete with each other or working together as partners. Secondly, the way we are putting a price to our products, our input and our impact has to change, we can no longer be measuring in terms of money and the prices of cost of production, but we will need to take in account what is the social cost of making something. Businesses will change their pricing practices and the way they look at value and this is where NGOs can be extremely helpful, because they know or should know better, how to put a price on the social value that they create.

There is suspicion towards NGOs

P: I don't think the assumption how corporations view NGOs was completely honest, by using this macro level and compare how many corporations there are in the world. When you go to the micro level, into a country or locality, and actually deal with the NGOs there, my suspicion is that a lot of corporations don't actually know what to make of NGOs, they are suspicious of what we are. They do not see us as future competitors or that we will be able to provide social services for a lower price or have a clear orientation towards profit.

It is not only that NGOs lack vision of partnership, but I'm not sure that businesses are really willing to engage in those partnerships, in any relationship there is always one part that cares more and in this case I think that NGOs care more simply because we are the new kids on the block and we want the partnership. I'm not sure how much businesses are really interested in letting us in, they are already often participating in government structures around CEE. My question is if we are not making a mistake when assuming that this will be replicated in CEE simply because we are much more corporate minded. Our society doesn't have the same structure, nobody says that our society will have a strong middle class. I don't see it happening, we have some individuals that provide sound kind of democracy, but really we don't have the accountability mechanisms in place. It is businesses that most of the times decide which law should be passed, it is businesses that in the end put in people in the government.

Are we viewed as idealists and too enthusiastic?

P: I agree that I'm not sure how businesses look at us, NGOs, and many times I see they look at us with this "Oh, you are these idealistic people, living in your own world, doing stuff which is very nice but it is not related to the real life and real problems we are dealing with". I am wondering if there is a need from us to maybe cut down our enthusiasm when we present our activities, be more serious, more frowned, impose the harsh realities of life in order to convince companies that we are also viable partners.

P: I would say "absolutely not!" particularly because I have seen the wonder in the eyes of business people that chose to do something as illogical as work for a cause. There is something nice about that, there is something comforting that there are people like us in the world who are willing to be idiots and change the world, it's a nice thing about humanity. However, we have to back it up with their language and the sale's catch has to be tempered with reality but I

Motivating staff through volunteerism

don't think you need a frown when you say it. Additionally, when talking about that paradigm shift online, it has already started. The role of business is to make profit, and businesses are becoming more aware that by participating in certain activities they are ensuring their own profit, be that by ensuring motivated staff through volunteerism, shifted GE to more green technology, etc because they know that's where the money is - wonderful! The big question is how we can assist and still be relevant; in some sectors we may even cease to be relevant. Social services have a long history because they just are not profitable. But in environment e.g. business could play a crucial role for the betterment of society.

The passion in entrepreneurs can be amazing

P: Let's not assume that idealism and enthusiasm are something specific only to NGOs, the passion I have seen in some entrepreneurs is amazing, however that this is something they will expect from us is totally true. Further we as NGOs need to do market segmentations for our donors; we always have the good guys from the corporate sector telling us that they are really interested in partnership. Just recently one of our proposals was turned down by a bank because it was too involving, even though we were able of course to negotiate the level of engagement, they really didn't want us to go so far. I think we really need to see which companies have the capacity and the desire to be our partners, which ones are really interested in mid terms engagement in a very specific issue, and which ones are only shooting for PR because they exist as well! The key is how much do you get in return and how much do you compromise.

Business people are not cold people

P: Business people are not cold people, we are also warm-hearted. We shouldn't speak about us and them, we should speak together and build partnerships which will be really helpful for both sides, and this is a goal for the future to build these partnerships more strongly.

