

# **Partnership Potentials:**

## **Investigating Uganda business attitudes to partnerships with INGOs to co-create community-based innovations**

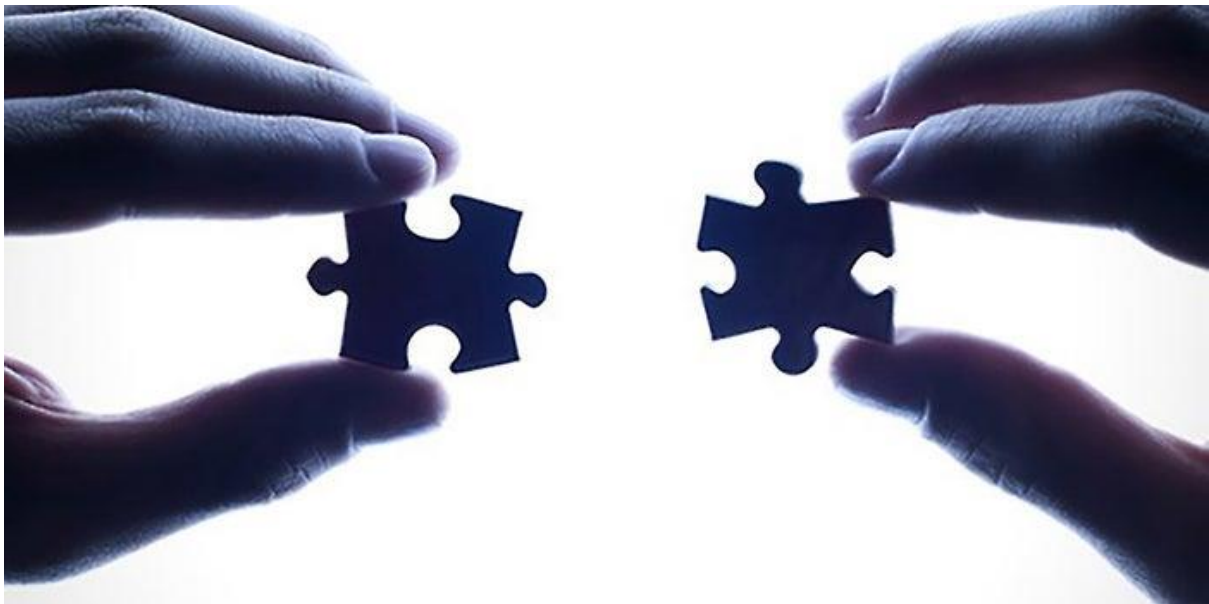


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**Report for the Response Innovation Lab – August 2020**

**Jodi Ashley Fleming**

## Executive Summary

Collaborative private sector-INGO partnerships allow both organisations to combine their valuable expertise and create contextual innovative solutions for a humanitarian and community-based response; something more essential than ever as new types of crises emerge globally. This qualitative study investigated Ugandan private sector attitudes towards partnerships with INGOs to co-create community-based innovations.

Ten semi-structured interviews were completed with Uganda business leaders. As practical research took place during the COVID-19 pandemic, interview questions were expanded to encompass any related response activities and experiences. The interview findings were thematically analysed and synthesised with existing literature.

All business leaders interviewed believed business has an obligation to the community in which it operates, and to ultimately empower people. Responses to key concepts such as essential partnership dynamics, ideal lengths of collaboration, the importance of bottom-up innovation practices, and the benefits of private sector-INGO collaborations were consistent with existing literature. However, an underlying tension remains regarding the legacy of prolonged INGO assistance in Uganda and the perceived creation of a recipient mentality in local populations. Importantly, these findings showed that private sector-INGO partnerships are still experienced as two dichotomous models: the for-profit vs the not-for-profit, however, these functional borders are becoming increasingly porous with the recent INGO sector push towards sustainability, resulting in business concern of INGO market competition.

Positioned between the private sector and humanitarian agencies, locally-based connector services are ideally positioned to facilitate cross-sector interactions. Recommendations are offered for the Response Innovation Lab, including:

- Targeted interactions and organic partnerships aligned with key stages of business growth
- Strategic engagement with businesses operating in the informal economy to assist them to enter Uganda's formal economy, shepherding change at a substantive level
- Supporting local business networks for information exchange, upskilling and x-sector synergies
- Promotion of alternate capital funding vehicles for social enterprises and small businesses

Business leaders in Uganda already consider their businesses part of the communities in which they operate, and rather than being pressured by INGOs to take an interest in societal needs, this report finds that it is the already engaged private sector waiting for the humanitarian model to catch up.

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## Abbreviations

CTP	Cash Transfer Programming
INGO	International Non-Government Organisation
MEAL	Monitoring, Evaluation, Accountability and Learning
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals (2015-2030)

## Definitions of Concepts and Terms

Definitions are taken from the Cambridge English Dictionary (1)

Corporate Social Responsibility (CSR)	the idea that a company should be interested in and willing to help society and the environment as well as be concerned about the products and profits it makes
In-Kind	(of payment) given in the form of goods or services and not money
Localisation	the process of organising a business or industry so that its main activities happen in local areas rather than nationally or internationally
Private Sector	businesses and industries that are not owned or controlled by the Government
Subsidiarity	the principle that decisions should always be taken at the lowest possible level or closest to where they will have their effect

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*This report's opinions, conclusions and messages are those of the author.*

## 1. Introduction and Study Rationale

While governments have the primary responsibility to assist people in a crisis (UN General Assembly Resolution 46/182), national resources can be quickly exceeded, necessitating external aid (2). Traditionally and historically the corresponding response has been narrowly focussed on international humanitarian actors (2), collectively referred to in this paper as INGOs. Geographical distance and associated logistical considerations affect response time to a crisis, with people and organisations from neighbouring areas functioning as first responders, and this includes the private sector (3–5). Businesses are present before, during and after humanitarian crises, and rather than avoiding need, conflict and disasters; some are striving to become part of the response (3,6).

Private sector engagement in humanitarian response can be defined as *“any role played by businesses in relief activities, whether as a supplier to aid agencies, a financial donor, a technical advisor, an innovator, or a direct provider of aid”* (4). Businesses have an intrinsic interest in an efficient and effective recovery from disaster or crisis as they require staff, transport links, access to markets and customers to survive (5,6). Some businesses may even grasp significant entrepreneurial openings in a conflict or post-disaster context, pivoting existing capabilities, products or processes to service a new demand or market (7,8). While economic opportunities are core to the activities of the private sector in a ‘do or die’ model, the capacity to earn is not the consideration for aid agencies, who look to donors for essential funding and support (9).

Other businesses, commonly known as social enterprises, are created in direct response to an identified need in the local community through a market-driven approach, their structure serving to blur the line between behaviours traditionally ascribed to for-profit actors and humanitarian organisations (10,11).

Although basic needs of vulnerable people have not changed, scenarios requiring humanitarian assistance have widened in the last 20 years, with climate change, protracted refugee crises, conflict and pandemics all contributing to an environment where multiple actors are required to collaborate to assist effectively (2,4,12). Furthermore, it is forecast that more crises will occur in middle-income countries, and large cities globally, affecting an increasing number of people due to rapid urbanisation trends (13). Improvements in the provisioning of aid, such as cash transfer programming, market-linked aid, micro-insurance, blockchain solutions, 3D printing and forecast-based financing are fast becoming the expected standard, and continued innovations and associated functional expertise will be required to keep pace with new challenges (4,14).

Recognising its insularity, the humanitarian sector has sought to embrace new technologies and alternative approaches (15). In the last two decades, UN agencies and INGOs have widely publicised their organisational values and goals, asserting an operational baseline for any potential business-INGO partnership (16,17). Bridging organisations and connector hubs have also proliferated, which aim to build cross-functional networks of supporters and proactively identify and pair solution holders to challenges in societal need (18).

There are several underlying factors at play in private sector-INGO collaborative partnerships. The limitation of a common understanding or professional language between humanitarians and business is at the nexus of both the innovation and partnership equations (19,20). The strategic addition of 'outsiders' is essential to an innovation team, as it is precisely the mix of different skills and knowledge that makes the totality greater than each part alone (12,21). Yet, this amalgamation of 'uncommon associations' (22) often holds an underlying tension, also seen in wider sector interactions, with each side not quite understanding or trusting the impetus of the other (20,23).

### **Context: Uganda**

Uganda has a long history of humanitarian assistance, with numbers of charity organisations proliferating in the 1970s after the fall of the Government. However oversight and clarity of these humanitarian operations had long proved difficult, with both the Government and humanitarians unsure of who was doing what, where (24). Under the NGO Act (2016), an NGO Bureau was established to oversee non-profit operations in Uganda (25), and in 2019, a controversial review resulted in more than 12,000 charity organisations stripped their registered status by the Government (25).

Although Uganda also experiences floods, landslides and droughts (26), the primary demand on communities and services is the burgeoning influx of refugees and asylum seekers from surrounding countries, making it host to the third-largest refugee population in the world (27). In 2017, the Ugandan Government signed the progressive Comprehensive Refugee Response Framework (CRRF) which underpins its refugee model and provides refugees with freedom of movement and access to social services, shelter, land and markets (26).

The Government aims to elevate the country from a basic economy to an upper-middle-income country through its ambitious Uganda Vision 2040 programme, however, with a median population age of 15.7 years, youth employment is critical to decreasing overall poverty in Uganda. The World Bank reports that while 700,000 young people reach working age every year, only 75,000 new jobs are created,

resulting in more than 70% of Ugandans labouring in mainly subsistence-level agriculture (27). Uganda's private sector has been recruited to play a significant role in realising the Sustainable Development Goals (28) and Vision 2040, however, the domestic business sector is in its infancy, and companies are only just beginning to adopt inclusive practices and innovative multisector partnerships to drive social and commercial outcomes (29).

As recognised, the private sector already engages in community-based assistance and brings significant expertise with them. But do they really seek to partner with INGOs to do so? And what are the underlying attitudes and experiences informing these decisions? Can a better INGO understanding of businesses in Uganda contribute to stronger and more innovative partnerships? This research will explore private sector attitudes to partnerships with INGOs to co-create innovative community-based responses in Uganda, with three specific objectives:

1. Analyse private sector-INGO partnership structures
2. Examine the innovation process for community-based responses
3. Investigate the attitudes and experiences of Ugandan business leaders towards partnering with INGOs to co-create innovative community-based responses

## 2. Literature Review

Searching for private sector-INGO partnerships for crisis response produces a substantial amount of literature on business management strategies for corporate crisis and a paucity of articles and reports aimed at humanitarian assistance (30,31). While an entire field of research has been conducted on how aid beneficiaries view INGOs (32–34), limited studies have investigated private sector attitudes to partnering with INGOs for local assistance in different cultural and geopolitical contexts (5,24,35). Certainly, from a humanitarian viewpoint, the benefits and ethical risks of engaging with the private sector have been well explored (23,36–38). Much of the current literature originates from humanitarian organisations in the form of case studies, sector reports, working papers and conference proceedings (12,18,34); however, it appears there are limited non-partisan investigations (6,39).

### 2.1. Business and the Humanitarian Imperative

The private sector has been blamed for exacerbating or even causing some humanitarian crises in a world focussed primarily on the bottom line (36). Despite this, business engagement in humanitarian and societal issues has proliferated in the last two decades (10,36). While humanitarian assistance is

not the main function for businesses, it is for INGOs, who can navigate the complexity of the multi-actor crisis response environment and utilise sectoral knowledge to adapt to changing circumstances and deliver assistance where it is most needed (39,40). As such, there is a compelling argument that the value and reach of any assistance is made that much greater when implemented through an INGO (39,41). Due in part to the complexities of navigating an entry point into the humanitarian system, many businesses choose to provide aid independently, rather than diluting their response through intermediaries (36). However, the need for strategic alliances has sparked many different initiatives and campaigns aimed at attracting private sector partners into the humanitarian model.

The UN Global Compact was established in 2000 as a voluntary initiative to help the private sector operate as 'good corporate citizens' through a principle-based framework and commitment to sustainability (42). Similarly, the Sustainable Development Goal 17 explicitly calls out multisector partnerships as an inherent way to share expertise, knowledge, technological and financial resources to progress the SDGs in all countries (43,44). The Grand Bargain, signed by large actors at the World Humanitarian Summit in 2016 also committed to a more inclusive "new way of working" (NWoW) using subsidiarity principles to champion local capabilities and decision-making power at the level of the need, rather than through external internationally-based organisations (45).

Large businesses arguably have the resources to work their way through a crisis or post-disaster scenario, however the same cannot be guaranteed of smaller businesses or start-ups, yet these businesses also function as an integral part of communities (36). Case studies have proven that if local businesses can continue to operate post-crisis, communities will also recover faster (46). Consequently, increasing business resilience will augment local capacity and speed benefits to both the local community and economy. One project, uniquely focussed on strengthening local businesses is the Connecting Business initiative (CBI), a joint OCHA-UNDP venture which develops business capacity in all stages of the disaster management cycle, and fosters responsive business networks nationally (46).

## 2.2. Partnerships: Business Motivations and Engagement Models

Business-INGO partnerships for humanitarian assistance are initiated for a variety of reasons, which can be broadly classified as philanthropic or tactical, and are delineated by social or strategic motivations (47). A business-INGO partnership is voluntarily entered into by both parties to pursue a broad agenda, or is developed in response to a specific issue (9,31). It offers many benefits for the business even aside from the 'halo effect' of doing good (48).



The relationship model employed between the two organisations will direct the subsequent activities (31). An *indirect* or purely philanthropic relationship is limited in depth and breadth and can be stereotyped as writing a business cheque and waving it at arm's length in the general direction of a crisis, leaving field operations to the INGO (49,50). Arguably the most basic form of indirect activity is the donation of money or goods/services in-kind (48,51). Such corporate social responsibility (CSR) transactions shield the business from political dynamics in complex environments and sidestep the practical issues of implementation (6), whilst publicised large donations to worthy causes serve to enhance the brand of a business (41,52).

Conversely, a *direct* partnership model entails the business actively working with the INGO to deliver humanitarian outcomes (50,53). This type of relationship is longer-term in nature and offers many advantages to the business (6,51), including opportunities to develop new capabilities, gain access to new markets, change or increase public perception, fulfil a social obligation, foster new substantive partnerships, and to attract, motivate and retain employees (5,9).

According to Austin's Collaborative Continuum, a business-INGO partnership can be placed on a continuum of three deepening levels of engagement: philanthropic -> transactional -> integrative (strategic) alluding to a possible evolution of the partnership over time (50). However, progression along the continuum is not inevitable, and it is possible to move to a less involved model as each party regularly reviews their priorities (49,50).

Before embarking on a partnership, expectations and principles of the collaboration must be clearly defined, factors which will also determine what 'success' looks like, as goals may not carry the same weight for each partner (49,50). Although some businesses have reflexively ringfenced the scope of an INGO partnership so this experimentation will not affect the central business practice (20,51), others have deliberately sought out complementary core proficiencies and used strategic partnerships to drive longer-term value (34,54).

### 2.3. Innovation: More than Technology

Creative problem solving is not a new concept in the humanitarian sector, but it has taken some time to formally recognise it as a replicational process (34). Over the last 20 years innovation has been embraced as a potent agent for change, resulting in a proliferation of innovation labs, idea incubators,

policies and funding schemes (18,55), while remaining cognisant that the purpose of humanitarian innovation is not for its own sake, but to significantly improve the quality and efficiency of aid (23). Like collaboration, innovation is strengthened by a cross-pollination of ideas and skills from disparate areas (55), such as the private sector. Many perceive innovation as only the narrow subset pertaining to ‘new’ technology-driven products, however innovation theorists argue it is a much wider field, comprising social factors, economic influences and cultural elements (56). One definition of innovation even distills it down to ‘the idea’, “*which may be a recombination of old ideas, a schema that challenges the present order, a formula or a unique approach which is perceived as new by the individuals involved*” (57)

**Business origins:** Business process economist Joseph Schumpeter (1934), first described innovation as ‘*creative destruction*’, that is, using new combinations of materials and forces to exploit or respond to external change (58). In his seminal book, *Innovation and Entrepreneurship* (1985), business guru Peter Drucker argued that innovation should be viewed as a social or economic process, rather than a technical term, and rejected the marketing mystique of ‘high tech’ which requires massive infusions of capital and resources, and protracted timeframes to realise benefits (11). Importantly, Drucker noted that often the entrepreneur does not create a new product or solution, they simply realise a new use for it or value in it.

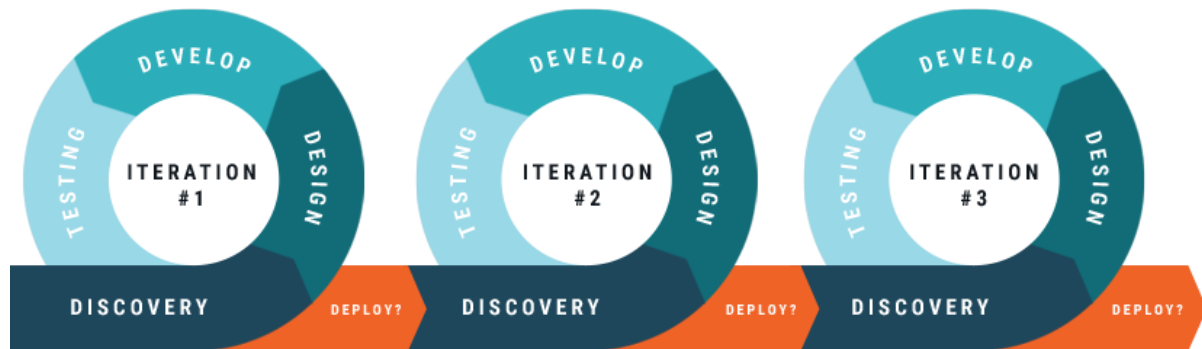
Expanding upon this concept, Francis and Bessant (2005) defined four types of innovation targeting, known as the ‘4Ps’: *Product* (new/change in the offering), *Process* (new/change in method), *Position* (new/ change in context) and *Paradigm* (new/change in the underlying model). Innovations may incorporate more than one of the ‘Ps’, as a solution will also be shaped by its intended use (59).

## 2.4. Innovation and Human Dynamics

Originating from the private sector, but used universally, *top-down innovation* has an indirect producer-consumer relationship (60). The idea is initiated and developed at an organisational level, and the solution implemented or sold to end-users via a one-way process across multiple geographic areas or contexts (60). While a product generally underpins the commercial model, and a pre-made solution can provide a quick response in disasters, a one-size-fits-all model can often prove culturally, geographically or economically inappropriate (61). Conversely, *bottom-up innovation* holds end-users at the centre of the problem-solving process, with local priorities and constraints informing the challenge to be addressed, the contextual application and the subsequent identification of further opportunities (62).

## 2.5. The Innovation Process

Innovations can be categorised as radical or disruptive (breaking away from current tradition), incremental (building in small steps), frugal (creating with limited resources) or social (seeking to change society) (63). Regardless, all innovation processes follow the same responsive 'agile' framework, derived from software development called 'sprints' (Figure 1). That is, identifying the problem,



**Figure 1. Agile Iterative Sprint Cycle (64)**

collaborative brainstorming, designing and developing the solution, testing it, tweaking it, retesting it (repeat) until a solution is fit for purpose and can be implemented outside the 'incubator' environment (63,65). The iterative experimentation towards a solution will provide the innovation team with a deeper understanding of the problem, its drivers, and how and why something might work (66).

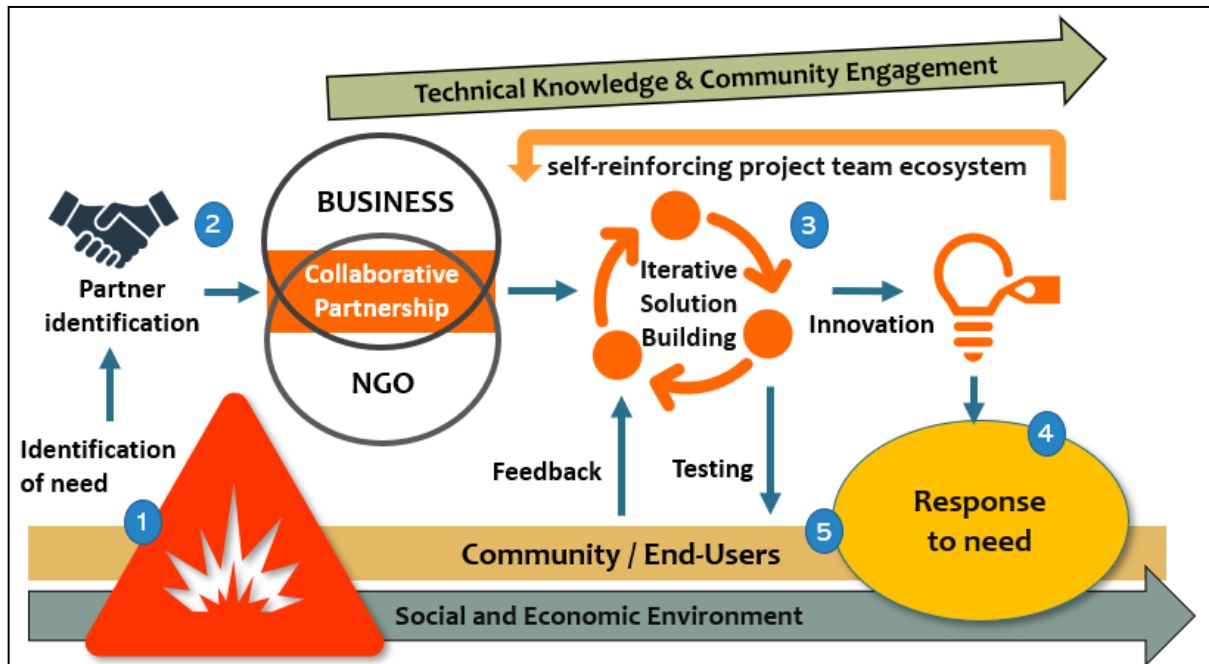
During an innovation process, the outcome is not guaranteed, making it a risky venture with no security of a real return (65,66). Innovation can therefore be seen as the sum of its environment; reliant on creative powers, collaborative ingenuity, and loaned expertise, dependant on risk appetites, resource levels, and negotiation skills, and forged solely to solve a problem in a new way (67).

## 2.6. Co-Creative Private Sector-INGO Innovation Model

The co-creative innovation framework used in this report (Figure 2) is based on the 1969 *Marquis Model for Innovation* (68), modified to include collaborative private sector-INGO partnership dynamics and a bottom-up iterative innovation methodology as discussed above. The model encompasses five key steps: needs identification, the formation of a collaborative partnership, iterative solution building, end-user based testing and acceptance, and the practical implementation of a response contextual appropriate to the need.

The outer social and economic environment grounds the model and provides the human commonality between the need and the response (60). The iterative development process uses the core capabilities

of both partners and directly engages with the end-users throughout the process to ensure any solution is contextually fit for purpose (61).



**Figure 2. Co-Creative Private Sector-INGO Innovation Model**

The project team performs solution implementation (response) in conjunction with the end-users as part of a localised self-reinforcing ecosystem (62). Broader benefits of this ecosystem include inherent social and economic growth as the underlying processes mature and increased technical skill, humanitarian and contextual expertise gained by all participants.

### 3. Methodology

This qualitative study incorporates a literature review and a series of interviews which explored the attitudes and experiences of Uganda business leaders in partnering with INGOs for community based assistance. As such, it was essential to gain access at a sufficient seniority or decision-making authority. Ugandan-headquartered businesses were primarily sought in order to investigate contextual factors and decision making on a national level. A connection with the Response Innovation Lab (RIL) (69) in the planning of this research allowed the author facilitated introductions to business leaders through RIL Uganda's established links to the local private sector community and other network connectors.

**Participants:** The ten interview participants came from diverse business sectors, comprising digital entertainment, telecommunications, information technology (IT), logistics, agriculture, branch retail

and business advisory services. Six interview participants identified as the business founders, two as managing directors, and the remaining two in senior leadership positions.

Using OECD business classifications (70), the business size was evenly spread, with two micro-enterprises, three small, two medium and three large businesses. Eight businesses have their headquarters in Uganda, and four run multi-national operations. Business age was also varied, from the longest at 22 years of operation, to the youngest at ten months, with an overall mean operating age of 4.5 years. 50% of businesses had previously or were currently partnering with an INGO.

**Table 1. OECD Business Classifications (Employees)**

Business classification	# Employees
Micro-enterprises	1-9 employees
Small businesses	10-49 employees
Medium-sized businesses	50-249 employees
Large businesses	>250 employees

### 3.1. Data Collection

**Interview:** The interview comprised 15 main questions, developed in four sections, each with a particular focus: 1. Introductory; 2. COVID-19; 3. Partnerships; 4. Innovation. Semi-structured questions drew on key innovation and partnership concepts revealed by the literature review and were designed to address the main research objectives (71). Primary data was collected through recorded interviews, using Zoom videoconference instead of the originally planned in-person interviews due to COVID-19 travel restrictions.

**Ethics and Privacy:** To ensure the confidentiality of the interview participants, all direct quotes in this paper have been anonymised (Table 1). This opacity was vital as this research explores personal opinions and attitudes to the questions posed, based on the participant's experiences.

**Table 2. Interview Participant Codes**

Code	Business sector
J10L	Digital Entertainment
J11A	Technology
J12K	Business Advisory
J13T	Agriculture
J14P	Telecommunications
J15B	Technology
J16R	Branch Retail
J17C	Business Advisory
J18M	Logistics
J19D	Technology

*It is important to note the opinions and attitudes expressed do not necessarily reflect the official stance of the business interviewees work for and should not be interpreted as such.*

## 4. Findings

This section details the business leader responses when asked to reflect on the perceived value, challenges, risks and dynamics of collaborative innovative partnerships with INGOs in Uganda. Upon analysis of the interviews, three predominant themes emerged across all narratives: 1. A focus on social impact, 2. The 'two spheres' of the private sector and humanitarian sectors, and 3. Participant unease with INGOs.

### 4.1. Social Impact

**Core beliefs:** All interviewees said it was essential for businesses to engage in humanitarian or community-based assistance, with the reciprocal dynamics explained, *"the people who will keep the business running are the community around you. If you're going to make money from the community in delivering a service, it's very important to give back"* (J18M).

Participants from the two internationally headquartered companies both referenced their formal multi-country, locally driven CSR programmes, in which one partnered with a national INGO and one which allowed employees to drive the CSR activities on a country-directed basis. The two business advisory services worked to spearhead community initiatives through their practices, as *"the operations of the business sort of leave a mark, and we need to take control of it for it to be a positive kind of mark on the communities where they operate."* (J17C).

One business leader described starting his business as a purely financial opportunity, and through field operations in different communities, they have become strong local advocates, interwoven into the larger network of other private sector companies, INGOs and local government agencies. *"...we also try to identify other organisations that would be interested in these organised groups to support them, because sometimes, it's not only a training that will be needed, sometimes also resources. If you're going to train someone in tailoring then help us provide a tailoring machine. You find it comes with another extra cost which we cannot really go into, but we do advocate for these communities and then link them to other NGOs that would support them."* (J15B)

Four interviewees reported that social impact was at the core of their operations; each business created in direct response to an identified social need or capacity gap, *"I chose this [business] very specifically to answer a question in my community. I'm sure you've heard of the phrase 'change starts at home'"* (J13T).

Rather than sitting outside, these businesses had orientated themselves directly within their communities, with interlinked successes and failures.

**INGO Priorities:** All participants said the collaborative goal was one of the critical components in the economic and strategic decision to progress or pass over a potential partnership. Some businesses were approached by INGOs with the aim of broadening their operations into a particular geographic area, or to focus on a specific population. These partnerships may accelerate existing strategic plans, or push businesses to expand their scope, but all decisions must consider the risk to existing business operations (J19D, J15B). Although INGOs have funds preallocated towards a specific outcome, additional scope items will require a business to reprioritise core activities and resources, especially in lean business models such as start-ups. *“...it was a good example of something that we were planning to do, we brought forward and put in place a cost-sharing agreement with them, so they would cover part of the costs of fast-tracking this.”* (J11A)

**New markets:** 60% of participants described INGOs as playing a significant role in the establishment of new markets in rural and remote areas, *“We've seen lots of INGOs being very, very key in those areas, and they have opened the doors for businesses eventually to be able to set up shop in most of the geographical areas”* (J19D). INGOs engage the private sector to expand services and add capacities to underserved areas, and these partnerships provide a considerable advantage to the business in terms of leveraging expert knowledge (39,41).

One interviewee spoke about entering into a USAID derisking initiative in which they trialled operations in a refugee camp as a potential future market. Benefits of this project were realised on multiple levels for the business, not only in navigating the official work authorisation process for refugee camps but also in exposure to key organisations and a practical understanding of a new market and prospective sales. This particular initiative had a much larger impact as well, delivering a strategic building block for a broader regional ecosystem change, *“small industries are coming and then companies like ours with solar solutions can come in, when people have access to power, they can do stuff with that power and then you see a positive spiral in those kind of regions”* (J16R).

**Impact and Change:** Aligned with their core beliefs, all participants saw the social impact of their businesses as integral to the advancement of their wider communities, *“if we survive, then we owe it to ourselves to help others to also survive because after all, we're in this ecosystem together. It's better off for everybody if we all do well”* (J13T).

Some businesses were also able to see their influence on the underlying social and economic infrastructures of regions, reinforcing the greater benefits of their hard work. *“We’re operating in a city where there is no public transport to speak of, and we’re beginning to be able to collect data on the economic growth that we could generate, for example, the food vendors, who can now sell food through our app, because delivery costs are lower. Or the students who are able to travel to university or to school, because we’ve been able to reduce transport costs. The timesaving, the traffic-saving of having a more efficient transport network”* (J11A).

Of course, with a recognised community impact and resultant publicity, the stakes become immeasurably higher and there is a constant pressure on the business to perform, *“it’s a whole lot different having tacit knowledge of subsistence farming, growing your food versus now doing it commercially large scale, now involving everybody in the community to actually plan for”* (J13T).

Participants also spoke about their underlying drivers for getting involved in social change, with one interviewee rooting it back to the geopolitical history of Uganda, *“we are a mission to decolonise ourselves, I think. From Government to private sector, specifically to this continent...”* (J13T) Localisation principles were viewed as an external construct, as participants underscored how communities had always worked to support one another, *“Maybe it’s part and parcel of the community and society in which we are here because we don’t have a lot of the social safety nets that come with a more developed economy...it’s very normal for us to come together collectively to support each other to do things”* (J12K)

## 4.2. Two Spheres

**For-profit vs not-for-profit:** All participants spoke of the ‘two spheres’ of the private sector and INGOs as an area rife with ideological tension underpinned by very different organisational structures.

*“I think all NGOs and big donors do really need to think before they set out to do any of this. Like, are we really prepared to work with private sector? Are we happy to be funding a company that might make money? Are we happy to be funding a company that might have shareholders or investors? Who might be quite rich? And if NGOs or donors are not prepared to do that, then they certainly shouldn’t set out to work in partnership with private sector companies. I do think there are definitely cases where organizations don’t think through that, the true implications of that before they start.”* (J11A).

While an INGO’s raison d’être is to serve the vulnerable, multiple interviewees noted that a business is by definition profit-driven, and while some may also operate as a social enterprise, regular income is necessary to keep the lights on and to pay staff.



*“We are social enterprise, the whole reason that we're doing what we're doing is because we want to transform people's lives, and the commercial entity is just a tool to achieve that overarching goal of achieving socio-economic and green change in this society. So that's rather rough to say, but in the end, the tool has to work, it has to be profitable to actually do it.” (J16R)*

Furthermore, several participants expressed as unease towards unequal partnerships where the original business motivation had become co-opted by INGO funding and strategic objectives. The business, in a sense, losing its identity in the shadow of a much more established INGO with seemingly unlimited funding. *“I think there's definitely a risk that you become, and we certainly see this particularly here, where working with donors or NGOs almost prevent companies from becoming profitable. There's certainly corrupting, and companies that would have gone bust end up being held alive by grants, and the grants disincentivize a company from seeking to build a viable business.” (J11A).*

On a practical level, participants noted key indicators are different when partnering with an INGO opposed to with another business, such as reporting the gender balance of end-users, inclusion percentages of specific target groups and reach of programmes (J15B, J16R). *“...the discussion is more how can we make money off whatever providing with the private sector, but with the INGO, it's mainly about are you meeting the standards? Are you serving every individual? Are policies driving your business?” (J15B).*

**Identifying partners for potential partnerships:** All interview participants saw value in collaborative relationships to achieve shared objectives through complementary expertise, however identifying potential partners was found to be more of an art than an exact science, requiring a knowledge of the broader socio-economic environment, with connector services, network recommendations and previous experiences all mined for information. *“In order to get to someone who has already conquered whatever struggle you're going with, it's fairly obvious you have to step out of that circle to go and talk to somebody who has already dealt with that issue” (J13T).*

This partner research comes at a cost, particularly for smaller businesses where employees already perform multiple roles. Therefore, partnership choice becomes very strategic, not only aiming for shared goals, but enough of an investment to make a difference and preclude further rounds of governance and paperwork driven by a nervous partner. *“To be honest, from 2018, 2019, we decided that it didn't really make sense for us to be working with many of these partners, because generally it was quite burdensome on management time. We had commercial investors, so we didn't need the*

*money in same way. We were able to have impact without having to prove it to anyone, which is the ideal position to be in. That's what everyone wants, right?" (J11A).*

**Length and type of partnership:** Interview participants unanimously stated a preference for longer-term partnerships over short term or thematic partnerships, in part due to the length of time needed to get a partnership up and running to deliver a collaborative solution. One participant neatly summed up how they appraise a potential partnership, saying *"...money is just easiest way of quantifying the depth or the scope."* (J11A). Four participants gave examples where the strenuous paperwork requirements of the partnership almost eclipsed the actual project (J16R, J17C, J11A, J15B), *"the turnover of this kind of project is so quick because it's always one or two years, maybe maximum three years, and we just go crazy under the red tape that it involves and then having done it all and when it's finally running, it's already over."* (J16R).

One interviewee mentioned a business's financial maturity as another factor in determining partnership length, with start-ups seldom able to plan operations more than one year in advance (J11A). In contrast, four other interview participants pointed to their partnerships as a means of both business security and a strategic runway with the option to intertwine operations further as the partnership evolved, echoing Austin's Collaboration Continuum. *"I would personally advocate for the long term, because the long term gives you the opportunity to actually get to understand who these partners are, to grow and as you learn from each other, you're able to synchronise your activities and do a lot more together"* (J19D).

Regardless of the length of the partnership, interviewees noted that in Uganda's nascent business environment it was necessary to maintain good communication with different organisations as interacting, referring and re-linking with them in the future was very likely (J17C). Within this context, one participant noted that the length of a partnership may dictate its overall impact, *"there is always growth happening, always different changes happening politically in the nation, there's always a lot of change involved, and these changes force vertical exchange"* (J15B). A longer-term partnership was therefore considered more strategic in nature, able to absorb and react to external influences and creatively shape and implement new solutions for community benefit. *"I think short term is if they give you funds to use specifically for something. And that's it. But if they are looking at the benefit, and the change of this community, it has to be over a long time."* (J15B).

**Innovation process:** Although only three interviewees described partnerships designed to innovate, these were firmly oriented from a bottom-up perspective, with the end-user communities informing

the design and usage practicalities so the eventual solution would be contextually appropriate. *“Even before you start innovating, you have to have interaction with the community, understand their problem from their perspective and see what's possible. What's within their reach, what can they actually use?”* (J19D) This approach aligns with recognised best practice (60), backed by both business and humanitarian innovation literature (23,62).

However, this study revealed challenges regarding the ownership and construction of collaborative solutions. Partnerships may be mismatched in terms of risk profile and exposure to newer technologies, with the innovative process challenging preconceived ideas of the eventual solution (65,66). *“That was a setback because we saw that this was the future and something that had lots of potential, so the fact that they were not as flexible when it came to different technologies and software pulls us back quite a bit”* (J19D).

**Partnership Collaboration Framework for Innovation:** Participant experiences were found to be contextually aligned to the Co-Creative Private Sector-INGO Innovation Model ([Figure 2](#)). Only two interviewees (J19D, J14P) described partnerships which could be mapped to this model from end-to-end however, with other businesses participating in a shortened goal-driven cycle (J16R, J15B) or stage-specific partnerships (J13T, J11A), as examples of direct and indirect partnership models (50,53).

**Benefits to the business:** Aside from an exchange in expertise and uplift in capability (J11A), participants reported other benefits of partnering with an INGO included exposure to ‘best practice’ standards (J19D, J18M), training in MEAL skills and reporting (J15B, J19D), and an introduction to new networks, markets and humanitarian processes (J19D, J17C, J12K) with attendant increased publicity for the business. *“It helps you to meet more people that you can incorporate into your market space. It helps to build traction for you as a company and business, eventually, your portfolio will, of course, be a lot heavier.”* (J19D). One participant also mentioned that partnering with an INGO had minimised their business risk in community assistance projects as the community-based partner completed the practical implementation activities, allowing each partner to focus on what they did best (J14P).

**Partnership Dynamics:** Participants experienced INGO partnerships as more complicated than when working with other businesses (lack of a common language). *“...there needs to be a lot of transparency on both ends about what exactly are we getting ourselves into? What are the aims? What are we hoping to achieve from this partnership from the very start. It's important to have that that memorandum of understanding to clearly define what everyone's role is going to be and then what we are driving*

*towards. I think that's the most important thing that you're going to have.” (J19D)* An understanding of INGO impetus and levels of trust between partners were reported to establish over time as regular interactions deepened.

At a project level, it was emphasised by participants as important to have the same key contacts within an organisation in the interests of continuity and to drive progress, as team members who joined at later stages sometimes created complications and discord, *“Varying levels of interest, re-explaining everything. Undoing each other's work. So, I think that certainly, that sort of consistency is important from the partner side and from our side as well.” (J11A)*. This finding aligns with previous research which found that partnerships started by an individual rather than at an organisational level lost momentum or changed focus when the initiating contact moved on to a different role or organisation (59).

At the other end of the spectrum, one participant described an ongoing national-level collaborative partnership with the Uganda Red Cross which now functions at an almost symbiotic level. This partnership quickly created a project to collaboratively respond to the national COVID-19 situation well beyond what either side could manage alone, *“We've done a number of things with them in the past, so for us, it was a no brainer. There's already a working relationship, and because we knew from the Ministry of Health that they would be at the frontline, if we partnered with them, we would be able to achieve a lot in regard to what we wanted to do as an organisation.” (J14P)*

Rather than one side controlling the partnership and project dynamics with a heavy hand, equality in decision-making and a comparable weighting of partner influence was emphasised as essential to a healthy relationship by the majority of interviewees. Returning to levels of trust between partners, if the initiating party effectively scopes their needs at the outset and uses this understanding to engage the required expertise then innovative ways of working can be woven throughout the entire process. *“The smart thing they did is to leverage the entrepreneurial/creative spirit of the implementing entities, and that was the reason they selected who they selected. So, if that's what you want, you also have to give companies like ours that flexibility to be creative.”(J16R)*

**Funding:** Several interviewees mentioned INGO-financed partnerships came with their own challenges in terms of learning and following the INGO processes for budgeting, reporting and accessing funds, charitably referred to as *“quite burdensome on management time” (J11A)*, especially when the required format was different to the business’s own, requiring *“duplication of work” (J15B)*. Overly complicated

INGO funding selection and access processes led to one participant to conclude *“...each time, by the time you finish the documents, they're out of date, and you have to start again. And I think we'll walk away from that, it's just not worth it”* (J11A).

Grants were mentioned by several interviewees as a very useful funding opportunity, especially for early-stage social enterprises where consistent revenue streams and profits cannot be relied to provide capital. Yet of those who mentioned them, 75% *“don't really understand how to attract or even apply for those kinds of things”* (J13T). Paradoxically, grants may be one of the only options available to small businesses in Uganda, as one participant went on to say, Ugandan banks do not have funding mechanisms for socially driven businesses. *“I remember approaching the banker that we were with just to try to get a working capital loan. After six months of them trying to figure out what to do with us, they finally said we don't have a funding vehicle for you, we don't know. We can't even give you a loan. Not for \$5,000 or a million, there's no structure for us to actually give you this kind of a loan”* (J13T). Especially topical in Uganda's emerging business environment, this funding gap has prompted some business leaders to investigate foreign investment to support future business growth, which has brought into conflict strongly-held principles of local ownership and agency.

COVID-19 has certainly raised economic levers into sharp relief with only two participants able to lean into the crisis and bring forward existing plans to digitise operations. Three were able to continue operations unabated, with J18M mentioning they had never been busier, and the remaining five businesses were evaluating their next steps. *“Our risk is financial. If we don't make something work, we go bust. Right? That's same for any company”* (J11A). Despite these concerns, all interviewees mentioned they were providing practical assistance to Uganda's COVID-19 response, predominantly through goods or services in-kind, although the two multinational firms were asked by the Uganda Government Task Force to also donate cars.

### 4.3. Unease with INGOs

**Local Ownership:** All participants were strongly of the opinion that communities needed to be self-determining, and instead of an external agency coming in with ready-made solutions, any solution should be ideally created within the Ugandan national ecosystem, anchored firmly within community needs and constraints. *“That means you need to take time to really understand the problem, from the perspective of the people that are facing that problem, not necessarily from your perspective as an innovator and entrepreneur or an NGO.”* (J19D)

Accordingly, instead of an adversarial business environment, the participants in this study stressed how enmeshed their businesses are within their societies. A business cannot exist in isolation. *“This is our community, this is our society, if it does not come through this and does not survive, even us as a business will not survive”* (J12K). Rather than businesses focussing solely on financial objectives, participants asserted the need for local ownership and people’s rights to direct their own lives through initial targeted support, not ongoing assistance. *“We have to take care of the farmers because if we don't take care of the farmers, we don't have a business. Because our interest is not in owning a hundred acres, it's in engaging 100 farmers who have 100 acres. That's the way we want to scale.”*(J13T)

**Capacity Building & Agency:** 80% of interviewees unpromptedly expressed an unease towards what they saw as the legacy of years of humanitarian activities in Uganda: the perceived ‘numbing’ of communities to their own responsibilities and duties (J12K), fostering helplessness, rewarding mediocrity, and creating a recipient mentality. *“...as a private sector, you are more profit-driven and you are looking into how you can empower these communities to pay for a service. But an INGO, on the other hand, operates in a way that they're coming in and providing these different services either for free or without anything required in return. Sometimes the mindset that is created in the individuals is that they begin wanting things for free and sometimes it's very difficult for private sector to operate in these settings when this kind of mindset has been created”*. (J15B)

The legacy of humanitarian aid was seen by interviewees to have far-reaching effects past the point of assistance. One participant spoke about trying to overcome internalised community perceptions of local skills and capabilities, to set the groundwork to become a successful African business.

*“We already have a lot in terms of messaging that is already against us: we don't produce good quality, we're not trustworthy, etc, etc, etc. All of those things have been instilled in our employees that we have to reverse the expectations of what it means to deal with an African company. What kind of quality, what kind of branding, what kind of service can be expected from this company... Even for a lot of our customers in Uganda, they can't believe this is produced here in Uganda. They think this is an imported product.”* (J13T).

Eight other interviewees also mentioned providing specialised skills training programmes to their employees and wider community members as part of their broader community engagement model, including computer programming skills: *“We've been partnering with tech hubs here to try to teach people how to develop cloud and computer based technologies that run our same software so they can do their own”* (J19D),

gender mainstreaming: *"...most of our savings groups are women. This is a vulnerable kind of community of people in our country, and we have to support these women with some gender training aspects, which enable them to be empowered and also have their own source of income, which they can rely on to support their households. We do provide digital training because you cannot just give people the device without giving them any training on how to operate this kind of technology as well"*(J15B)

and financial literacy programmes: *"...here's the money that you're earning, but here's how you could earn better, how you could save better, how you could spend it better"*(J13T).

One interviewee also detailed how their business had created a high quality financial literacy syllabus, *"we have engaged different organisations and also the Bank of Uganda, so that we have a clear curriculum which is world standard and recognised nationally and internationally as well."*(J15B)

Through these grassroots trainings and interactions, some business leaders were asked by communities to assist in finding solutions to other local skills gaps, which has resulted in the development of informal networks between INGOs, small businesses and local government to further bolster community capacity. *"...they have a lot of feedback in terms of what they want to learn more, what makes sense, and understanding their side. Because we interacted with these women, they want to someone to train them in different skills, and sometimes we don't have that capacity as ourselves, so we have to always look out for organisations."* (J15B)

Using a national lens, one participant drew attention to the wider context of humanitarian involvement in Uganda, and the effect international assistance has had in allowing the Government of Uganda to continue to avoid national obligation. *"I would rather partner with the Ministry of Health than an international INGO specifically dealing with health, because I think that is a better partnership for the greater good of the country in terms of capacity building, than an INGO who essentially allows the Ministry to abdicate its responsibility in a particular area."* (J13T)

**INGO Sustainability:** Interview participants underscored the operational distinction between INGOs and businesses by pointing to the underlying funding mechanisms each relied on: businesses are tied to the national economy, and strive to profitably operate for the long term, whereas many INGOs are short-term focussed, donor-driven, and dedicated to a specific programme or objective. The overarching participant perception was that when the money ran out, so too could the INGO, leaving behind a community used to large amounts of support to survive.

*"...if you're in it for the duration of the funding, then that's someone whom you don't expect to go the long haul. You think their aspirations, or goals are more short sighted, whereas yours are to make money*

*as long as possible. So, to be able to reconcile the two. I'm not saying that the private sector does not want money, they do want money, but they always take that money and find a way to keep making more of it. So if you can get the NGOs also to appreciate that kind of mindset where they can continue to facilitate themselves, look after themselves. Yes, I think it's important.” (J17C).*

One business leader offered an alternative to the untenable example of INGOs flying in large numbers of international staff to do work in which local people already have knowledge or experience. *“I think if INGOs decided to just open up their arms and take some more local staff to improve how they understand the region, how they work and how they form partnerships, most of what we've been talking about in terms of innovation and partnerships can greatly improve the country” (J19D)*

**INGO-private sector competition:** With a pressing urgency for sustainable humanitarian activities, some participants saw the disquieting potential for a semi-commercial competitive INGO model, and as one participant expressed *“I just hope they can be very clear about what it is they think they do best compared to when they're working with commercial entities, because we run the risk then of crowding out of private entities.” (J12K)* This blurring of boundaries is predicted to raise issues in duplication of work, especially in emerging market environments where project scope and accountability to local populations will become very multifaceted and complex in an already complicated environment (J15B).

INGO-private sector competition was not only a concern for the future, with some participants finding it hard to hold their own against the resources of an INGO. Holding on to talented resources was identified as another area of tension for business leaders, as one participant recounted, *“Some of these INGOs steal your employees because they find someone effective, someone they want, and they take them up” (J19D).* Even collaborative partnerships designed to innovate hold an innate strain in regards to ownership and economic benefit of the final solution, with the business carrying less weight than a multimillion-dollar professionally resourced INGO. *“Some of these INGOs may want to permanently have this software owned by them, and they get to decide how we run and how its implemented and being that we've worked on it together that becomes a bit controversial. We would want to use software maybe to a different project. Many times, that can be a bit challenging” (J19D)*



## 5. Discussion

When this study was conceived to investigate how business leaders perceived private sector-INGO partnerships for community-based solutions, the findings were predicted to agree with prevalent humanitarian literature, that is, that the private sector would be a reluctant partner, uneducated and largely unconcerned about local need, and focused on their own benefits of partnership, namely access to INGO money and new markets (36,41,48).

This research finds that Uganda business leaders had mixed attitudes to partnerships with INGOs, acknowledging that they provided significant benefits for businesses and in terms of impact to more rural and disadvantaged communities, but also questioning the wider remit of INGOs, and the legacy protracted humanitarian intervention has left on Uganda.

### 5.1. Examination of the findings

**Trust:** In alignment with published results on the lack of a common language between the private sector and INGOs (20,23,62), these findings also illustrated an inherent unease colouring inter-sector dynamics, which was reported only to minimise over time as the partnerships grow more enmeshed (J11A, J14P), and levels of trust built between partners based on shared experiences (34,54). Equality in decision making and partner dynamics was reported by both the literature and these findings as being essential to a successful partnership (J15B, J19D). While both previous research and this study agree that longer-term partnerships hold more potential for substantial change (50,54), there is still some work to be done on reinforcing complementary principles of engagement, and working to achieve change not only to local populations but sustainably through local businesses (63,66).

Interview participants spoke of learning how to operate in the humanitarian sector, including adherence to donor-specific reporting requirements (10,72), and humanitarian standards (J15B). At the same time, INGOs did not seem to extend a reciprocal learning courtesy towards the business model, and when they did, it was from a supervisory perspective, *“One of our reservations is when INGOs or potential partners would like to have two hands on in trying to direct how the business is run”* (J11A). Such behaviour illustrates a power imbalance, attributed perhaps to a (mis)perception of local capability or standards (67). Partnerships where a local business is sought for its expertise, and simply wrangled as a tool by the INGO to achieve a mutual goal, without attempting to fundamentally understand the business side of the equation (20,53) opens questions of INGO localisation practices and serves to leave the ‘two spheres’ chasm unchanged (14,62).

**Blurring of the boundaries:** The findings of this study aligned with previous literature to reinforce the inter-connectedness of businesses within their communities (5,6), with all participants cognisant of the social impact of their business on their surrounding communities. Just as humanitarians are exploring a new more sustainable model in which to work (14,45), this study shows that businesses in Uganda are also moving towards a more hybrid model - intermixing business sensibilities and social impact goals (J11A, J16R). Findings showed that the larger companies were likely to employ a more formalised community assistance model by partnering with an organisation with the same geographical reach as that of the business operations, or by utilising their human resources through annual staff-run community programmes. These corporate-driven activities are unsurprisingly more removed than those of social enterprises, but with greater financial and human resources available, larger businesses play a vital part in a layered local assistance environment.

As highlighted in the literature review, the private sector expansion into the ‘traditionally humanitarian’ wheelhouse has spawned a multitude of reports, opinion pieces and case studies from humanitarian actors, concerned about the potential for privatisation of assistance, and a disregard for humanitarian standards in providing that aid (17,36,37). However, these findings show that in this study population, the dubious ethics (42), ‘disaster capitalism’ drivers (38) and intents to ‘instrumentalise aid’ (23) sceptically ascribed to for-profit businesses engaging in community assistance do not hold true. While business leaders in this study spoke of the benefits to the business in partnering with NGOs, the social impact to communities was equally mentioned as a significant benefit. Interviewees offered a nuanced understanding of the close interplay that exists between business and consumer, *“we see business as an extension of us as individuals and families. It's inevitable you have to participate in the community”* (J12K).

**Capacity Building & Localisation:** While some literature suggests that if the goal is primarily social, an INGO is best suited to drive change (10), the findings of this study disagree, with business leaders detailing examples of building capacity and local agency as an integral function in their community interventions (J19T, J11A, J15B). Interviewees provided examples where INGOs have provided community services for no cost, and accepted lesser quality products from local populations, in doing so, casting the role of the passive recipient (10,54,67). A practical example of correcting ‘tough love’, was provided by one interviewee with the goal of raising product standards and increasing the agency of a community, *“To say, ‘No, I won't work with you because your quality is bad’ forces them to start thinking ‘Okay, the only way he's going to purchase my products is when they're high quality’. So it changes mindsets.”* (J19T)

The wider humanitarian legacy in Uganda was questioned by all interview participants as encouraging helplessness and mediocrity in local populations, a consequence also noted in social entrepreneurship literature (10,67). Continuing handout practices, or artificially propping up local businesses with donor funds shows immediate results and prolongs INGO activities (2,33,72), but structurally, root cause issues remain unaddressed; 'aid' programmes need to evolve from assistance to support. Although not directly asked in the interview questions of this study, interviewees did not seem to discern between different INGO remits or those INGO programmes contributing to emergency/disaster relief and those with a development focus. This may be because this subtlety is difficult to delineate from outside the humanitarian sector, or because in an emergency scenario, INGO remits swell into additional activities, expanding the focus of the organisation.

**Supporters, not competitors:** These findings show that community-oriented businesses can add societal benefits over and above those provided through typical external assistance methods, by benefit of being 'of the community' (9,30). Therefore bolstering rather than duplicating or replacing local business capacities strengthens the underlying structure of communities in a circular ecosystem (36,46), also illustrated in the co-creative private sector-INGO conceptual framework ([Figure 2](#)), where the local need directs the local response following the principle of subsidiarity. Aligned to the commitments made in the Agenda for Humanity, Grand Bargain, and Charter for Change, this model provides conduits to localisation (32,45,73), and addresses need through practical goals and tools rather than ideology (2,72). An emphasis on subsidiarity would change how INGOs partner with local businesses, recognising businesses already making a difference, and building capacity at the level of the requested need, instead of activities being determined by what the INGO has to offer in a top-down model (49,50,73).

## 5.2. Study Critique

**Methodology:** Due to the COVID-19 travel restrictions put in place by both Denmark and Uganda (mid-March 2020), the author spoke with business leaders in Uganda via Zoom video calls instead of travelling to do the interviews in-person. Constraints of this virtual interview method included poor audio-visual technology connections, trying to develop effective rapport via videoconference, a paucity of field observations available via the video capture and an absence of contextual knowledge acquired from being in-country (74), such as how the businesses interact with the wider public in terms of language, advertising and presence.

Access to senior business leaders was vital for this study, however using snowball sampling to identify participants also added a potential data delimiter, as people suggested businesses of which they already had a relationship with or knowledge of. On the other side, these facilitated introductions also provided a benefit for the interview participants - the author had already been 'vetted' and the research endorsed by a mutual acquaintance in Uganda.

**Research Strengths:** Personal opinions and experiences were sought to understand how the private sector viewed partnerships with INGOs, and these views proved illuminating, much more so than if this research had been done by recording the official business positions to the questions posed. It was vital for the research to interview business leaders of adequate seniority to accurately represent their business, rather than directing these questions to the marketing or public relations department, which would only be able to provide secondary data 'canned responses' or advocate the prescribed company policies. Another strength was that the author had a common language with the participants through her business background, and this practical knowledge allowed an ease of expression and minimal explaining of business processes and terms. Although the author mentioned at the outset of the interview that a report from this data would be provided to the Uganda RIL, the participants did not appear to align the interviewer with an INGO viewpoint and felt comfortable to speak freely.

**Research Limitations:** It is acknowledged that interpretation and researcher bias limitations are inherent in qualitative analysis (31,74). This study included a small sample of participants (ten), all of whom said that it was important for businesses to be involved in community-based activities, and with 40% of businesses identifying as social enterprises, so these findings may not be replicated in another sample, nor represent the wider Uganda business sector.

It should also be recognised that this research was designed to explore private sector attitudes and experiences in partnering with INGOs. No specific INGO processes or drivers were investigated to provide a counterpoint to the findings reported. Furthermore, the author has not differentiated between types of INGOs and generalised them all under the heading of INGO, which (unfairly) encompasses many different organisations, originating countries, humanitarian goals, donor relationships and underlying operational mechanisms. Finally, as this study has explored the experiences and attitudes of ten business leaders in Uganda, it is problematic to generalise these findings or extend them to other cultural and geopolitical locations.

## 6. Recommendations

The findings in this study highlight how the two spheres of the humanitarian and private sector have been experienced by business leaders in Uganda. Although the businesses leaders interviewed are making a structural change in their communities, they did not identify as performing ‘humanitarian work’, but rather ‘giving back’ and serving to build their own communities, even though it can be argued the underlying philanthropy is a shared motivation for both these businesses and INGOs.

The findings of this study also highlighted an emergent issue – the increasingly porous operational borders between socially engaged businesses and a sustainable humanitarian model in regards to community based assistance. Positioned between the private sector and humanitarian agencies, locally-based bridging or connector services are ideally positioned to facilitate cross-sector interactions and contribute in this new environment. Some examples are offered below:

**Understanding the Business Ecosystem:** The private sector incorporates a huge diversity of business types, ages and models. ***A comprehensive understanding of these operational differences would enable targeted interactions and organic partnerships at different key stages of business growth, especially relevant with regard to social enterprises and start-ups.*** As previously discussed, different sizes and maturities of business offer different capacities for community based assistance, with large businesses able to offer more in terms of resources and reach, while social enterprises and start-ups may hold disruptive approaches or technologies which could be strengthened through incisive partnerships for greater impact.

In Uganda, 90% of businesses employ less than 250 employees and operate in the informal economy, without access to peripheral business administration support, specialist technical and financial skills (29). While innovation and start-up incubators have proliferated globally to facilitate solution ideation, and some have expanded to support the scaling of ideas with potential, there does not seem to be a conduit for successful local small businesses that require assistance and support to grow their businesses further. ***There is a significant opportunity for INGOs to engage with businesses operating in the informal economy and through strategic partnerships and funding at key junctures, to assist them to enter Uganda’s formal economy, shepherding change at a substantive level.***

**Funding:** Unsurprisingly, financial partnerships and funding opportunities were found to be a key concern for interview participants. ***Given the time and effort required to get a partnership off the ground and running, interviewees wanted collaborative partnerships with INGOs to be a***

**meaningful investment.** However the operating risk profiles of some INGOs have precluded this approach, and as an alternative ‘hedged their bets’, in many small but not very productive partnerships.

The grants process was mentioned as confusing and opaque by interview participants, even though grants were identified as essential funding opportunities for social enterprises and small businesses that lack capital funds and access to financial markets. *“What’s needed, the gap in the capital markets, is not so much around equity investment, it’s around grants targeted, but relatively flexible grants that enable promising young startups to get to the point where they can raise a real equity round”* (J11A). Education around grants: grant types, how to find them, and how to apply for them was found to be a significant knowledge gap for participants in this study. ***Reevaluating grant mechanisms from a bottom-up perspective may also prove useful in order to reduce bureaucracy and streamline processes. Additionally, encouraging INGO-Government collaboration to address the funding gap could provide access to alternate funding vehicles, such as loan guarantees, quasi-equity debt, and social impact bonds, backed by robust legal frameworks.***

**Translator service:** as described in the findings and the literature, both INGOs and the private sector have a contextually specialised language, which can serve as a barrier in collaborations. Connector services have the ability to be able to translate between sectors, effectively identifying and pairing need with solution holders. ***In alignment with the recognised resource differences between large business, social enterprises and start-ups, differentiated RIL activities could be offered based on the expertise required, and the ability of the organisation to pay for that service.*** Although CSR is recognised as an essential part of business today, it is recommended that relationships are nurtured between connector services and national leadership levels of these businesses – especially in multinational companies headquartered outside Uganda - in order to firmly anchor and deepen the impact of local change programmes.

**Capacity building:** While the smaller and social enterprises are already successfully forging their own paths, ***supporting business networks for information exchange and upskilling would further boost these businesses in Uganda’s nascent business environment.*** Some examples might include diverse business x business and business x INGO conversations to encourage cross-sector synergies and ideas fertilisation, key stage mentoring, workshops and conferences, plus access to legal assistance for contracts and growth-focussed financial expertise.

Using a peer-to-peer model, larger more established businesses could sponsor professional services, conferences, workshops and trainings for smaller businesses in a 'pay it forward' model.

## 7. Conclusion

This report has sought to investigate an under-researched area of the humanitarian sector, namely private sector attitudes towards partnering with INGOs to co-create innovative community-based solutions. Uganda was chosen as a country of interest due to its prolonged history of INGO activity, and the attitudes and experiences of ten local business leaders were investigated through semi-structured personal interviews.

This study has found that the decision to partner is a strategic one for business leaders where the collaborative goal and associated time, money and resources required to deliver are weighed against risk levels and cost on existing business operations. Businesses do gain many benefits from partnerships with INGOs; the main ones expressed being capacity building, access to funding, new markets, and an increase in business exposure. The findings report that a better understanding of business partners by INGOs would strengthen unions, and work towards establishing lines of trust and transformative collaborations. Longer-term partnerships were found to enable a more fundamental impact, as they become less administratively focussed (look down) and can strategically respond to changes in the wider Uganda environment (look ahead).

Importantly, the findings showed that private sector-INGO partnerships are still experienced as two dichotomous models, the for-profit vs the not-for-profit. These functional borders are becoming increasingly porous however, with local businesses increasingly engaging in social response, and the recent INGO sector push towards sustainable operations. There remains an inherent tension between the two spheres of private sector and INGO, not only in terms of ideology but, as this research has reported, also as potential competitors in regards to money and role, an especially topical issue in the context of Uganda's emerging economy.

Partnerships between the private sector and INGOs for innovative community response hold a great deal of promise, but they must be created in a system where both parties are acknowledged as providing essential complementary expertise and experience to the union. Successful cross-sector partnerships not only address community need, but can also develop business capacity and

strengthening of professional skills, which will flow into the national economy. A commitment to the principles of localisation and subsidiarity needs to drive all partnerships in a bottom-up model, with the community as active members of solution creation and implementation teams.

The unexpected finding of this research was the unease expressed by these business leaders towards the prolonged presence and remit of INGOs in Uganda, reflecting on the creation of a recipient mentality and learned helplessness in local communities. Businesses do not see themselves as humanitarians. They invest in their communities, for a greater good and to raise the level. But foremost they are businesses. As for-profit operators, they want to enable people to pay for products and services, to make their own decisions and to be empowered in a market-led model. Moreover, this study has found that businesses in Uganda are already practically engaged with their local communities, and so do not primarily look to partnerships with INGOs to provide a connection to societal need.

**Suggestions for further research:** different cultural and geopolitical contexts influence private sector attitudes to collaborative partnering with INGOs for community assistance, and this requires further exploration. As mentioned, a deeper understanding of different types and maturities of private sector businesses (spanning start-ups to social enterprises to giant multinationals) would also prove valuable to planning effective partnerships, as working in generalities does not consider the drivers, strengths and challenges held within these different business models.



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