

BUSINESS – NGO PARTNERSHIPS IN HUNGARY: A LONGITUDINAL STUDY

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The purpose of this research was to examine eight business-NGO collaborations in Hungary, with the aim of evaluating their objectives, governance, and impact. In 2013, interviews were conducted with experts from the participating partners, and a thorough review of historical records, official documents, and media coverage was carried out. A follow-up evaluation of publicly accessible resources was conducted in 2023. The findings from 2013 revealed that these cross-sectoral partnerships primarily involved volunteering, with joint development and problem-solving in regional and educational sectors playing a lesser role. The partnerships varied in scope, ranging from smaller projects with short-term goals to more extensive collaborations. However, partner selection in these partnerships did not adhere to the features commonly observed in international literature and practices. By 2023, all but one of the original case study partnerships had been terminated, and there were no signs of sustained activities. Some of the NGOs involved in the partnerships underwent significant changes during this time. The termination of these partnerships was largely due to a lack of long-term strategic intent or commitment from the corporate partners. This study represents the first longitudinal research into cross-sectoral partnerships in Hungary.

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1 Introduction

The concept of cross-sector partnership gained prominence following the United Nations Conference on Environment and Development in 1992. Subsequent UN events reaffirmed the significance of collaborations between governmental, business, and non-profit sectors in contributing to global sustainability efforts, culminating in the adoption of a resolution on global partnerships in 2005. These partnerships are widely recognized as effective solutions in various fields, particularly in developing countries (Suryanto et al, 2023; Zaman, 2023). Cross-sector partnerships enhance the legitimacy of non-governmental organisations (hereinafter NGOs), promote social innovation, and enable the resolution of complex social problems (Joniškienė et al., 2020; Le Ber & Branzei, 2020). By pooling resources and addressing issues that cannot be tackled individually, collaboration between sectors allows organisations to achieve greater results. The private sector's increased emphasis on corporate social responsibility has encouraged businesses to work with NGOs to improve their reputation and take partial responsibility for social problems. In Hungary, the concepts of cross-sectoral partnership and collaboration between sectors are primarily referred to in public policy documents and political speeches. This study specifically examines partnerships between business and civil society, treating the terms “civil”, “non-profit”, “non-governmental”, and “NGO” as synonymous.

2 Theoretical background

Definition of partnerships

Partnerships have been extensively discussed in academic literature, resulting in multiple definitions being proposed (see, for instance: Hutchinson, 1998; Nelson & Zadek, 2000; Wildridge et al., 2004; Seddon et al., 2005; Selsky, 2005; Geddes, 2017). Despite efforts to clarify the conceptual confusion, there is still disagreement among scholars. However, in practice, the use of different terminology does not necessarily lead to confusion as long as the participating parties understand and document their understanding of partnership within a specific context. According to influential literature, partnerships have the following characteristics: participants come from different sectors, partnerships share a common goal that goes beyond business benefits, partnerships have a formal institutional structure, and the partnership sets

out goals and activities that would not be achievable without collaboration (Pattberg, 2004, p 56).

Forms, benefits, and objectives of partnerships

Partnerships can take on various concrete forms, ranging from simple forms like financial donations to more complex collaborations (Tennyson et al., 2008). These partnerships often evolve from small-scale, quick successes to more strategic and complex collaborations. There are two major groups of benefits for partnerships: the goals jointly defined by the partnership and the individual goals of each participant. These goals can be achieved to varying degrees. The specific objectives of partnerships vary widely, and the benefits derived from partnerships can also be diverse, including local economic development, job creation, improvement in the quality and accessibility of services, advancement of health and education services, reduction in crime and violence, enhancement of diversity, and improvement in the overall quality of life (Nelson & Zadek, 2000).

The Hungarian social context

Factors such as the regulatory environment, government initiatives, social and organisational cultures, trust, and personal involvement all interact with the characteristics of the welcoming environment. These qualities can even manifest as national peculiarities that influence specific partnerships. The Hungarian social context plays a significant role in influencing cross-sectoral partnerships. International studies have found that Hungarians are generally less trusting, less tolerant, less open-minded, more individualistic, and more competitive compared to the European average (Neumann-Bódi et al., 2008; Keller, 2009; Tóth, 2009a and 2009b; Csepeli & Prazsák, 2010). They also tend to believe that individual actors can only succeed at the expense of others. Additionally, the majority of Hungarians expect the government, rather than themselves, to bring about positive changes in their lives (Kopp & Skrabski, 2008, p 147). These values and norms present a challenge for collaboration as they do not strongly support the formation and success of partnerships (Radácsi, 2011). However, it is possible for collaborations to develop and have an impact. By achieving their goals and providing a positive experience, collaborative projects can help reduce distrust and strengthen trust

between parties. Overall, cross-sectoral collaborations have the potential to contribute to the development of a trust infrastructure in Hungary.

3 Methodology

In 2013, a thorough research was conducted by an 11-member team on eight corporate-civil partnerships. The team conducted interviews with experts from the participating partners, gathered insights from historical records, official documents, and media coverage. The findings were documented and disseminated through various publications (Radácsi, 2015a; 2015b; 2021).

In 2023, a decade after the initial research, we conducted an investigation into the long-term impact of the projects and their influence on the activities, operations, and future collaborations among the partners. To achieve this, we conducted a comprehensive evaluation of publicly accessible resources, including the websites of the past projects and subsequent news coverage. We also examined sustainability reports issued by the involved companies to determine any disparities between current and past goals. In some instances, we communicated with representatives from the partnering organisations.

4 Results

Table 1 encompasses the collaborations highlighted in the case studies conducted in the year 2013. The table comprises the collaborating entities and the objectives pursued by the partnerships.

Table 1: The 8 partnerships in the 2013 round of the projects (Radácsi, 2015b)

Project name	Revitalisation of the Liberty Island and its side-arm on the Danube
Company – NGO	Coca-Cola Hungary – WWF Hungary
Objectives	WWF initiated a LIFE+ Nature project to undertake the restoration of Liberty Island and its adjacent side-arm, located near the city of Mohács. The principal objective of the project encompassed the establishment of thriving riverine channels around the island, which would become encompassed by a naturally occurring alluvial forest.
Project name	Safety Net Programme
Company – NGO	E.on Hungary – Foundation for Our Families, Hajdú-Bihar County Family Support Service

Objectives	The objective was to provide assistance to families burdened with excessive utility debts through a comprehensive initiative that facilitates breaking free from the cycle of debt, ensuring financial stability, and acquiring the necessary skills for proficient management of family budgets.
Project name	H2O Programme¹
Company – NGO	Kürt – Digital Equality Foundation
Objectives	The objective was to diminish the segregation within schools and counteract the decline experienced by disadvantaged groups.
Project name	Green Zone Programme
Company – NGO	MOL Group – Ökotárs Foundation
Objectives	To provide support for the establishment, growth, or restoration of community-centred green spaces such as parks, public areas, and schoolyards that are accessible to all; to foster community development by actively engaging local civic organisations and stakeholders, including municipalities, businesses, and most importantly, the residents themselves.
Project name	Supported Organisation of the Year
Company – NGO	Tesco Hungary – Ability Park (AP)
Objectives	To guarantee the operation of AP, to implement and experiment with additional ideas, enhance their existing durable assets and mobile equipment; to extend the reach of AP's message to areas not previously accessible through their existing channels; to involve Tesco employees, supporting the integration of disabled workers in the workplace.
Project name	Jövő/Menő²
Company – NGO	Hungarian Telekom – Szívlapát Foundation, Environmental Social Science Research Group (ESSRG) at Szt. István University
Objectives	To demonstrate the potential for achieving the concept of sustainable development within a specific disadvantaged region, focusing on the Mezőcsáti Kistérség during the initial three-year period; to engage a diverse range of individuals from society, and implement numerous community programmes and events.
Project name	Combating corruption in the SME sector
Company	Telenor Hungary ³ – Transparency International Hungarian Chapter
Objectives	To jointly develop best practice solutions against corruption for the Hungarian SME sector; to establish electronic educational resources aimed to aid local SMEs in integrating the principles of ethical business practices into their day-to-day operations.
Project name	Community of Volunteers
Company	Vodafone Hungary – Volunteer Center Foundation
Objectives	To support employees who wanted to engage in volunteer work and encourage other employees to take on voluntary tasks.

¹ The name of the programme is derived from a Hungarian term, which refers to individuals facing disadvantages. This term consists of two words beginning with the letter 'H'. Additionally, the letter 'O' represents the Hungarian word for 'education'.

² A wordplay with the Hungarian words 'jövő' (future) and 'menő' (cool/trendy).

³ Now Yettel.

The outcomes of the initial case study research highlighted several key points regarding cooperative efforts between business and community organisations in Hungary, as outlined by Radácsi (2015a).

Firstly, collaborative efforts in Hungary primarily involve volunteering, with joint development and problem-solving in regional and educational sectors playing a less significant role. Among the multinational corporations engaged in these efforts, only one had a deliberate international partnership strategy, while others participated in projects on their own initiative.

Corporate actors had diverse motivations for engaging in these collaborations, including media attention, altruistic intentions, and employee involvement. However, the common practice of service and market development motivation was largely absent. Civil organisations participating in collaborations tended to have a more consistent motivation system, with fundraising for projects related to their core activities being notably prominent.

The nature of collaborations varied, with some projects having the civil organisation as the primary owner and the business acting as a supporter, while others represented a genuine collaborative identity in both content and form. Additionally, collaborations varied in scope, ranging from smaller projects with short-term goals to more extensive partnerships. Collaborations generally started with simpler goals and progressed towards more complex goal systems as a risk management consideration.

Partner selection in collaborations did not adhere to the professional features commonly observed in international literature and practices. Instead, most collaborations were based on previous positive experiences, established personal trust, and respect. The interpersonal relationships between project managers representing partner organisations played a vital role in facilitating effective communication. The professional competence of project managers also had a significant impact, especially in situations requiring specialized skills. Respecting the values and core missions of each organisation is essential for establishing successful relationships.

Developing exceptional organisational and project communication skills can confer substantial benefits upon civil organisations, thereby warranting the utmost attention to their expert handling. Furthermore, it is imperative to evaluate and respond to local particularities in every collaboration, especially for multinational corporations and international non-governmental organisations. In cases where insufficient resources have been allocated for the duration of the project, it is essential to adopt a long-term perspective in decision-making. Moreover, the potential interest of partners or their resistance should be taken into account, as their acknowledgement and endorsement can greatly contribute to achieving the project's social objectives.

According to the results of the second round of research, the alliance between Coca-Cola Hungary and WWF Hungary stands as the only enduring collaboration among the original case study partnerships. This collaboration, grounded in a pre-existing strategic partnership, centres on the preservation of aquatic habitats and has eliminated the need for Coca-Cola Hungary to seek alternative partners. The extensive international network of WWF has provided additional advantages. Other companies, such as MOL and Vodafone, have also implemented similar programmes, but with varying degrees of success. MOL has maintained its programme independently since 2015, focusing on afforestation in urban areas, while Vodafone has transferred the coordination of its corporate volunteer programme to the Vodafone Hungary Foundation, allowing employees to engage in volunteer activities for four working days per year. Telenor, after experiencing a change in ownership, continued its programme until 2015 but has not actively supported the civil organisation since then. All other original case study partnerships have been terminated, with no signs of sustained activities. Some NGOs involved in the partnerships have also undergone significant transformations and have faced challenges due to insufficient funding. The integration of project insights into future programmes by some companies is seen as positive, but in other cases, the termination of the partnerships was due to a lack of enduring corporate strategic intention or commitment to the civil partner. Factors contributing to the termination of partnerships include changes in CSR and sustainability objectives, lack of support from stakeholders, and predetermined project durations and scopes. The short-term nature of these collaborations has made civil partners vulnerable to resource limitations and has hindered long-term competence development. Overall, the findings emphasize the importance of long-term commitment, stakeholder support, and strategic intention in sustaining successful partnerships.

5 Conclusions

Based on our research findings, it appears that even among the largest Hungarian companies, partnerships that were purported to be strategic have not proven to be long-lasting. An analysis of collaboration projects from 2013 reveals that, with the exception of one exception, these partnerships have not endured. Furthermore, it is noteworthy that only a few remnants of past thematic cooperation can be observed in some companies. This suggests that such partnerships have a limited lifespan in the business context.

The lack of sustained cooperation raises doubt about the realization of the expected benefits discussed earlier, particularly with regard to achieving synergistic effects through the collaboration between commercial enterprises and civil organisations.

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Note: Various company documents, websites, leaflets, e-mail communications with the partnering organisations.

