Public grants and the relations between NGOs: the case of Poland

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This paper presents the results of a pilot study on the relations between Polish social organizations. It focuses mainly on identifying the types of interorganizational relations (such as cooperation, collaboration, partnership, federations and competition) and the main factors that affect them, especially the public grant policy. The article deals specifically with the issue of partnerships promoted by funders and their non-correspondence with third-sector practice.

Some scholars emphasize the significance of joint activity for the effectiveness of organizations; DeGraaf notes that effective NGOs will undertake cooperation with other non-profits, rather than employing external experts, and Larance lists connecting with other organizations, i.e. potential partners, among the advantages of NGOs (DeGraaf 1986, Larance 2001 qtd. after: Clairborne et al. 2009, p. 328). Also Polish authors underscore that cooperation within the third sector is important for the improvement of their everyday functioning as well as their efficiency (Herbst, Przewłocka 2011, Kwiatkiewicz 2012).

On the other hand, Dennis Young and his colleagues argue that “the present state of knowledge about the degree of consolidation and competition across the nonprofit sector is rudimentary at best. Lacking rigorous or comprehensive studies of the degree of consolidation or competition in nonprofit industries, the present policy debate proceeds largely in ignorance of the facts on the ground” (Young et al. 2010, p. 1). According to these authors, it is difficult to speculate which of the following two factors might be more advantageous as far as NGO efficiency is concerned: competition or cooperation, the latter being promoted by funders and aimed at knowledge transfer between regions, cost-cutting, avoidance of activity overlapping, and integration of the services provided (Sharfman et al., 1991, qtd. after: Guo, Acar 2005). Thus, it is important from the point of view of shaping social policy to investigate the forms which interorganizational relations take, and to see how these relations translate into the
activity of the organizations and the fulfillment of their objectives, with the provision that cooperation and competition can coexist.

Research on the condition of the third sector in Poland has shown an increase in the rate of organizations maintaining contacts with other non-governmental organizations (66% in 2006, 71% in 2008, 78% in 2010). However, this increase results mainly from occasional contacts becoming more popular, whereas regular third-sector relations were maintained in 2010 by only 18% of organizations, less than two years before (Herbst, Przewlocka 2011). The increased occurrence of spontaneous contacts can be explained by the growing popularity of social media, which facilitate the flow of information among organizations and the simplest forms of mutual support, e.g. sharing news about organized events. But how are closer relations between NGOs shaped in Poland?

The paper offers a review of relevant literature on interorganizational relations, a description of the pilot study, a discussion of its results concerning joint activities undertaken by the Polish organizations and the phenomenon of competition between them, and a brief summary with conclusions concerning the research design of the main study.

1. Theoretical framework and main definitions

Relations between NGOs can be analyzed within a number of theoretical approaches. The present paper gives an overview of theoretical perspectives on factors influencing interorganizational relations, with a view to developing a conceptual framework for the exploratory study of the relations between Polish NGOs.

In resource dependence theory, organizations are regarded as strongly dependent on their environment, with the provision that this dependence can be neutralized by means of strategies limiting the external influence (Pfeffer, Salancik 2003). Many researchers argue that if the resources are insufficient, and the organizations are not able to generate them on their own, they are more likely to establish cooperation with other organizations (Aiken, Hage 1968, Molnar 1978, qtd. after: Foster, Meinhard 2002; Oliver 1990; Provan, Sebastian, Milward 1996, Sowa 2009). This, however, is not the only prerequisite. When organizations lack similar, and not complementary resources, and when they want to draw them from the same sources, competition rather than cooperation tends to occur (Akinbode, Clark 1976). Funding allocation based on competition schemes can strengthen such competition (Bunger 2012).
The resource dependence theory does not explain intraorganizational causes or other contextual factors which condition the establishment of relations (Guo, Acar 2005). Analyzing relations between NGOs from the perspective of resource dependence theory, Tsasis (2009) broadened it to include non-economic variables, such as the existing interpersonal relations, trust, differences in advocated values, divergence of objectives or domain consensus (i.e. agreement as to the aims of the organization and its activities), which must exist between organizations operating in a similar domain if they are to cooperate (Levine, White 1961, qtd. after: Akinbode, Clark 1976). If an organization and its environment have different expectations concerning the scope of the organization’s activity, competition tends to occur (Tsasis 2009).

Also necessary for the establishment of effective cooperation is the trust-building ability of a boundary spanner (Tsasis 2009), i.e. the person who acts as an intermediary between the organization and its environment, transmitting information or representing the organization outside (Aldrich, Herker 1977). According to the resource dependence theory, if an NGO’s resources come mainly from external sources, the persons in charge of the organization are more willing to engage in boundary spanning functions than in functions related to monitoring its internal activities (Miller-Millesen 2003 qtd. after: Clairborne et al. 2009, p. 330). Interpersonal relations and trust between boundary spanners are important for undertaking interorganizational cooperation (Tsasis 2009, Bar-Nir, Carnochan, Austin 2012), although some scholars argue that the actors’ personalities or interpersonal dynamics between them play an important role chiefly in small and young organizations (Selsky 1991). However, if one looks at Dekker’s inventory of trust-inducing conditions (Dekker 2004, qtd. after: Bar-Nir et al. 2012), it can be inferred that in the case of relatively weak control mechanisms in the third sector, it is relational trust (based on repeated interaction) and calculus-based trust (based on information from network relationships) that will occur more often and will be more important than institution-based trust based on confidence in norms, legal regulations etc.

The resource dependence theory regards links with other entities as aimed at helping organizations to reduce the uncertainty of the environment (Tsasis 2009). Uncertain conditions cause an increase in boundary spanning functions (Aldrich 1979, qtd. after: Galaskiewicz 1985). The uncertainty of environment experienced by non-profit organizations can result from their dependence on external funding sources, from problems related to the provision of services and a growing demand for these services, or from the requirement to observe complicated top-down regulations (Blau, Rabrenovic 1991; Foster, Meinhard 2002).
However, such uncertainty does not necessarily lead to the establishment of long-term relations. As suggested by Takahashi and Smutny (2002), partnership can constitute a short-term strategy of coping with the requirements of grant donors or other kinds of pressure, and does not always translate into long-term consolidation of social services provision. According to these scholars, partnerships are created in a given context, determined i.e. by the specific problem which is to be solved, as well as the social, political and economic factors; when this context changes, partnerships often cease to exist, since they are not flexible enough to be adapted to new conditions. Partnerships are especially prone to short-livedness in small organizations, which, lacking stable budgets, are forced to establish new partnerships in order to win new funds (ibidem).

Milliken (1987) distinguishes three types of environmental uncertainty: state uncertainty, when the environment or its part is perceived as unforeseeable, effect uncertainty, when the effects of environmental changes on the organization cannot be foreseen, and response uncertainty, when the organization lacks knowledge on the possible responses to uncertainty or on the consequences of a certain response. According to Foster and Meinhard (2002), NGOs react to effect uncertainty by establishing formal cooperation with other organizations. If the environment is changing, but foreseeable, state uncertainty does not take place, but effect or response uncertainty may occur, as “the fact that environmental changes are predictable does not mean that their consequences are understood.” (Milliken 1987, p. 139).

Milliken (1987) argues that there probably exists a positive correlation between a high uncertainty level and a high level of boundary spanning functions directed at learning how other organizations respond to similar conditions. In the framework of institutional theory, such reaction to uncertainty, i.e. modeling activity on other organizations, is referred to as mimetic isomorphism (DiMaggio, Powell 1983). External contacts established by NGOs can also be analyzed with regard to the mechanisms of normative isomorphism, connected with processes of professionalization, and coercive isomorphism, connected with external requirements and pressures (ibidem). New institutionalism offers also the useful notion of decoupling, i.e. the process in which parts of the organization’s structures move away from its activities and from one another (Rowan, Meyer 1977). Supervision and assessment adopt a ceremonial character (ibidem).

Basing on a review of literature representing various theoretical approaches to interorganizational relations (IORs), Oliver (1990) defines six factors determining their emergence: necessity (the relation is forced by the law or by the requirements of a higher
instance, e.g. the government, branch organizations), asymmetry (the relation consists in domination or influence of one organization over another, and is aimed at winning control over it or over its resources), reciprocity (the relation is motivated by common goals, and is characterized by equality and mutual support), efficiency (the relation results from the intention to increase the efficiency of organizations, decrease the operational costs, time, etc.), stability (the relation is established in uncertain conditions and is motivated by the wish to ensure stability and foreseeability), and legitimacy (the relation is motivated by the need to demonstrate or improve reputation, image, prestige, or compliance with norms). The decision to establish an IOR can result from several of the above factors at the same time.

As Guo and Acar (2005) point out, none of the theoretical approaches alone is sufficient to allow a comprehensive analysis of the multifaceted phenomenon of IORS, hence the growing popularity of studies combining different approaches. The present paper falls under this category, drawing on reference literature listed above.

IOR-influencing factors can be ordered under the following conceptual framework:

![Conceptual framework for researching relations between Polish NGOs. Preliminary version.](image)

The adopted framework takes into account external relation-shaping factors present in the particular theoretical approaches. These factors include resource scarcity (Pfeffer, Salancik
environmental uncertainty (Milliken 1987) or coercive, mimetic and normative pressures (DiMaggio, Powell 2006). It also includes internal factors described in literature, such as the age of the organization (Selsky 1991), its needs (Oliver 1990) and income source (Aiken, Hage 1968), as well as interorganizational factors, including domain consensus or trust between boundary spanners (Tsasis 2009). Taken into account were also further internal factors influencing the establishment of relations: mission (can it be realized through individually carried out activities?), scope of activity (is it local, e.g. limited to one city district, or rather regional or national, which might necessitate the establishment of interorganizational contacts?), and the legal status of a Public Benefit Organization\(^1\), which increase the organization’s credibility, as well as giving it access to a new source of income, governed by strong competition. The framework is also based on my own knowledge of the third sector, especially as it functions in Poland, since experiential knowledge is an equally valid source of developing a theoretical framework (Maxwell 1996).

The framework was used to guide the pilot study, whose aim was to preliminary establish the spectrum of relations between Polish NGOs active in selected thematic domains, to identify main factors influencing particular relations, and to distinguish main problem areas relevant for Poland. I was interested to see how particular IOR-shaping factors described in literature function in Polish context, and which of them have the greatest influence on these relations. Since grant policy proved to be one of the most important factors, particular emphasis was put on analyzing its influence on interorganizational relations.

The planned effect of the study was the revision of the initial conceptual framework before designing the main study. This included the development of the final interview scenario and a sampling matrix which would enable to differentiate between organizations in terms of the most important IOR-shaping internal factors.

2. Pilot study

The pilot study was conducted in August 2013. The method employed was focused interview, which made it possible to generate particularly rich and interesting material thanks to the use of a group discussion among representatives of various organizations, in the course of which

\(^1\) Public Benefit Organization (PBO, Polish: organizacja pożytku publicznego, OPP) - a special legal status which may be granted to a Polish NGOs active for at least two years in selected areas specified in the Public Benefit and Voluntary Work Act (i.a. welfare, protection of rights, environmental protection, culture). An organization which obtains this status has additional duties concerning reporting and transparency, and enjoys certain privileges, i.a. fiscal and legal. PBOs also have the possibility to inform about their activity in public media free of charge, and the right to receive 1% write-off from payers of the natural person income tax.
their differing opinions could be confronted, and topics which spontaneously appear during exchanges with a larger number of respondents could be taken into account.

The group discussion was conducted on the basis of a scenario centered on the following problems:

1. The kinds of relations maintained by organizations (types of relations established by organizations, formal and informal relations, relations difficult and easy to maintain, ways of establishing relations)

2. Joint activities of organizations (undertaking activities together with another organization, types of joint activity, formal and informal collaboration, advantages and disadvantages of joint activity, reasons for undertaking or not undertaking joint activity, ideal conditions for undertaking joint activity)

3. Interorganizational competition (what organizations compete for, how do they compete).

The basic research unit was the organization. Purposive sampling was employed to establish a representation of NGOs diverse in terms of legal form, age, size, scope of activity, income level and sources, as well as the thematic domain of activity. An invitation to participate in the study was directed by email, telephone, or personally to the management of every selected organization, and the participation of a decision-maker responsible in a given entity for establishing relations with other entities was requested. Seven persons of different ages took part in the group interview: six women and one man. They represented six NGOs (Table 1), three of which had the status of a Public Benefit Organization.

Table 1. Characteristics of the organizations under study

<table>
<thead>
<tr>
<th>Item</th>
<th>Legal form</th>
<th>Thematic domain of activity</th>
<th>Organization age in years</th>
<th>Organization size – number of persons engaged in its activity during last 12 months</th>
<th>Scope of activity</th>
<th>Level of income in the previous year, in Polish zlotys</th>
<th>Main sources of income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>foundation</td>
<td>education and upbringing</td>
<td>0-2</td>
<td>1-5</td>
<td>local, city-level</td>
<td>20 000 or less</td>
<td>grants from the city authorities, grants from countrywide organizations and institutions</td>
</tr>
<tr>
<td>2.</td>
<td>association</td>
<td>education and upbringing, welfare, social services</td>
<td>0-2</td>
<td>more than 40</td>
<td>local, city-level</td>
<td>20 000 or less</td>
<td>membership fees, public fundraising</td>
</tr>
<tr>
<td>3.</td>
<td>association</td>
<td>human rights</td>
<td>2-5</td>
<td>11-20</td>
<td>international</td>
<td>from 100 001 to</td>
<td>grants from the</td>
</tr>
</tbody>
</table>
The discussion lasted an hour and a half. It was tape-recorded and transcribed. In the case of unclear utterances, follow-up questions were subsequently used, or other sources of information, such as organization websites, were consulted. The material was coded using the preliminary code list, developed on the basis of research questions; the codes were subsequently revised or expanded, and new codes, defined in the course of data collection, were added (Miles, Huberman 2000).

2.1. Results and discussion

2.1.1. Types of joint activity

The ways of carrying out joint activities listed by the participants of the study can be classified under the following categories: cooperation, collaboration, partnership, and federations (Table 2). These terms were not explicitly mentioned by the respondents; in thus ordering the various kinds of interorganizational connections described by them, I took into account the different aims and courses of particular joint activities.

Table 2. Types of joint activity of organizations preliminarily established in the pilot study

<table>
<thead>
<tr>
<th>Type of relation</th>
<th>Cooperation</th>
<th>Collaboration</th>
<th>Partnership</th>
<th>Federations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relation characteristics</td>
<td>Mutual assistance aimed at achieving individual aims of the organizations, usually</td>
<td>Joint activity aimed at achieving an aim shared by both organizations; a</td>
<td>Formal cooperation on a project financed from external sources, often short-</td>
<td>Formal regional or branch associations of organizations.</td>
</tr>
</tbody>
</table>
occasional, informal activity; no permanent connections between the organizations.

long-term relation, not necessarily formalized.

term (for the duration of the project).

| Relation forms (examples of activities) | Reciprocal promotion, e.g. sharing each other’s events in social media, exchange of information via email or at meetings, following good practices, participation in each other’s events, e.g. street parties, lending premises for meetings, sharing volunteers, financial assistance or assistance in kind, e.g. lending equipment. | Coordination of activities, e.g. mutual assistance in caring for a given beneficiary, loose cooperation on carrying out projects. | Partnership on project funded from the Civic Initiatives Fund – e.g. content-related consultations. | Professional federations, organization networks. |

The present paper does not address the category of federations.

Under the category of cooperation I ordered relations based on exchange (e.g. of services or information), aimed at achieving individual goals of the respective organizations, while the category of collaboration was assigned less numerous activities aimed at reaching a common goal. Collaboration can be defined as a relation which consists in exchanging resources or coordinating activities, and involves more than just exchange of information (Snively, Tracy 2000, qtd. after: Foster, Meinhard 2002). A similar distinction between collaboration and cooperation was made by Hord (1986), Polenske (2004) or Chrislip and Larson (1994, qtd. after: Chrislip 2002), who define collaboration as a relation advantageous for both sides, aimed at reaching a common goal, and one in which power and responsibility are shared. They distinguish it from cooperation, which is to help organizations in reaching their own goals.

Interactions of the cooperation type were the ones most often mentioned by the respondents, and were described as easy. This easiness consists not only in the low level of involvement needed to undertake such activity. Relations of this kind often take place between organizations which are active in different fields and are close in terms of geographical location (e.g. having offices in the same neighborhood) rather than domain of activity. Hence, between these entities there is usually no rivalry for funding. “It’s a kind of a very informal neighborly relationship. Several organizations have their seats in the same part of the building, and sometimes, you know, if there’s something going on in one, and they can hear that we are there in our office, they would come invite us to join them at their event, or
borrow something, or for instance they will collect a delivery from a courier if we aren’t there”. This opinion expressed by organization no. 5 presents everyday, short-term forms of assistance, which help manage the daily activity of both entities. The respondents said that when one organization offers to share its equipment and thus help another, more poorly equipped one, in running its office, the latter in return will get involved in the promotion and running of a local street event organized by its “neighbor”. Such mutual assistance does not necessarily imply a common substantive goal. Nor is it even required that the two organizations share a mission.

Voiced in the context of cooperation are Oliver’s (1990) determinants of reciprocity (e.g. when it comes to participation in each other’s events) and stability (e.g. lending premises or equipment). By sharing premises, organizations cope with environmental uncertainty: with a budget dependent on grants, especially those provided for short-term projects, it is difficult to take on the commitments of long-term rental.

The organization representatives taking part in the study made a clear distinction between collaboration and partnership, identifying the former as an authentic, close, informal and long-term relation, and the latter as a more short-term joint carrying out of project activities, based on a formal cooperation agreement, and ever more often demanded by grant donors.

Different are also the motivations behind undertaking these two types of relations; partnership is often associated with the determinant of necessity, and collaboration with reciprocity and efficiency (Oliver 1990). Asked about their reasons for establishing collaboration, the organization representatives mentioned the need to improve the quality of their activities and the need to learn. This is exemplified in the following statement: “If we work in a similar area, with similar people, we may encounter the same problems, right? So if somebody in another district is doing the same thing that we want to do in ours, it’s good to talk to them and ask how it went, what they think should be done differently. Or invite them to collaborate, that’s the easiest thing, isn’t it? If I don’t have experience in doing workshops on a given topic, I’m not gonna push it and conduct them myself. Better to ask an organization which is experienced, knows how to do it, does it well, let them do it, right? Then I can for instance watch them working, learn …” (organization no. 3). On the other hand, though, research conducted by Klon/Jawor Association has shown that organizations do not define their efficiency in terms of their projects’ correspondence to social needs, but rather in terms of the amount of funds obtained or number of projects carried out (Przewlocka, Adamiak, Zając 2012). Two-thirds of Polish organizations do not systematically assess the effects of
their activities or study the needs of their recipients (ibidem). Thus, collaboration might be motivated by only subjectively perceived efficiency.

The less formal character of collaboration relations was, on the whole, described as an asset, although informal connections may also be perceived as a means of exerting pressure. It sometimes happens that organization members find it difficult to refuse another entity when invited to join them in carrying out an activity, fearing that later they would be refused support when in need. Such a situation, however, may be regarded as a fair deal, based on similar principles as friendship ("it works on the same basis as swapping with a friend – I’ll babysit for you …”; organization no 3). It follows that this kind of interdependence can be considered as positive or negative. If the representatives of organizations trust each other, it will rather be perceived as a relation of reciprocity, as in the following statement by one of the respondents in Petera Tsasis’s study (2009, p. 15): „You give your support because you know it will be reciprocated when you need it. It’s that simple.”

A clearly different motivation lies behind the relation of partnership. Asked what motivated them to establish partnership, the organization representatives mentioned in the first place the necessity to comply with a grant donor’s requirements or the wish to score higher in a funding competition scheme. Partnership was described as a relation which is often non-authentic, unnecessary, and externally imposed: “from my experience it’s also rather like that, and from what I heard from organizations about their attitude to partnership – it’s more like, not that we can’t manage on our own and need to find a partner, but we are, say, on good terms with some other organization, or you can get 10 points extra, so we must have a partner, and that’s why we think up a way to write the application together, so that it holds water, so that the choice of the partner is justified” (organization no. 1). According to the representative of organization no. 3, project partnership can be experienced as something positive mainly by young organizations, which, thanks to such a relation, find it is easier to commence activity together with a more experienced organization. Referring to factors described by Oliver (1990), in this case such undertakings can be linked not only with the determinant of necessity, but also efficiency or legitimacy, as well as stability. Response uncertainty (Milliken 1987) arising from the necessity to finance activity from subsidies can be felt especially strongly by young organizations.

Partnership was described as a difficult relation, leading to dependence on the other organization, which may cause problems, e.g. not complete activities on time or demand employing favored persons in the project. At the same time, even in such cases the relation cannot be easily broken, as organizations are obliged to maintain it due to the expectations of
the funding institution. Here, the results of the pilot study correspond to the conditions described by Snavely and Tracy (2002): the bureaucratization of procedures with strict fund spending and project evaluation instructions can discourage organizations from joint projects, since partnership makes them dependent on the behavior of other organizations, at the same time leaving them responsible for correct project clearance.

The establishment of partnership motivated by the donor’s influence can be analyzed with regard to the category of coercive isomorphism (organizations adapt their activity to the funding criteria) and mimetic isomorphism. As argued by DiMaggio and Powell (1983, p. 153), “government recognition of key firms or organizations through the grant or contract process may give these organizations legitimacy and visibility and lead competing firms to copy aspects of their structure or operating procedures in hope of obtaining similar rewards”. Awarding grants, the state administration and local self-governments require that organizations establish formal partnerships, subject to principles similar as in the case of public-social partnerships. Other organization may copy this form of regulating their mutual relations, seeing it as proper and desirable.

Drawing on data from comprehensive research, Przewłocka, Adamiak and Zając (2012) distinguish in the Polish third sector four segments of organizations, differing in terms of systematicity and formalization of activities, structure, as well as financial and staff resources. The four groups are: “spontaners”, hierarchical activists, democratic task-players, and NGO enterprises. The last category comprises 7% of organizations in the sector; they work on a daily basis, in a formalized framework, employing paid staff, yet they are in danger of excessive bureaucracy and a loss of ethos. It seems that grant awarding schemes are adjusted precisely to the specifics of NGO enterprises, and this may push organizations representing other types in the same direction. Yet the adjustment to requirements imposed by state institutions which fund social organizations poses a threat to third-sector innovativeness, spontaneity and diversity (Smith, Lipsky 1998 qtd. after: Ramanath 2009), i.e. the very qualities which are often first thought of as this sector’s advantages in carrying out public tasks. On the other hand, as Ramanath (2009) points out, organizations can react to isomorphic pressures in different ways. Factors constraining isomorphism include path dependency: organizations are not flexible, but rather attached to their values or habits. Thus, the some organizations may adopt the principles of formal partnership superficially, and this can mean not only the beginning of changes, but also the development of an apparent as opposed to actual isomorphism. Also useful in the analysis of such cases is the notion of decoupling (Meyer, Rowan 1977). A gap appears between the formal partnership regulated in
an agreement and required by funders, and the organization’s daily working practice and its more efficient, everyday ways of regulating activities carried out jointly with other entities.

Examples of Polish grant awarding schemes favoring interorganizational partnerships include the Civic Initiatives Fund or the NGO Fund of the Swiss-Polish Cooperation Program, which is co-financed at 15% from Polish budget. In the CIF Operational Program, partnership features alongside innovativeness, sustainable development and equal opportunities as a horizontal requirement. It is met if the applicant carries out the project under the framework of public-private or intrasectoral partnership. The NGO Fund not only promotes cooperation between Polish organizations and entities based in Switzerland and EU member states, but also awards extra points for “cooperation between ... NGOs from different topic areas and geographical regions” in Poland (Procedures Handbook..., p. 10). It is expected that such partnerships will increase social engagement, promote best practices and contribute to the transfer of knowledge between regions (ibidem), as well as reducing costs and activity overlap, and integrating the services provided (Sharfman et al. 1991, qtd. after: Guo, Acar 2005). Analyzing the respondents’ statements, however, we may conclude that favoring partnership does not always contribute to the development of the sector in accordance with the above-mentioned expectations of the donors.

According to the “Civic Initiatives Fund Operational Program for 2009-2013”, a document which includes a diagnosis of the NGO sector in Poland, Polish organizations face, i.a., “the threat of third sector convergence towards public and business sector, which is caused i.a. by the bureaucratization and formalization pertaining to its use of public funds”, as well the danger of “the strengthening and expansion of the role of large and rich organizations at the cost of the small and under-financed ones (the phenomenon of sector ‘oligarchization’)” (p. 33). Yet in fact the partnership-favoring funding allocation criteria employed by CIF itself can reinforce these issues.

First of all, as already mentioned, the required form of partnerships pressurizes organizations to imitate the public sector. When they have a choice, organizations shape their mutual relations in a different way, less formal than is expected by funding entities. Secondly, it is worth mentioning that when undertaking a joint activity, organizations count that it would have a positive impact on both the services provided and the organization as a whole (Sowa 2009). The latter includes enabling the survival of the organization, gaining legitimacy and improving its strategic position among other entities in the organizational field. The first of the listed motives concerned organizations with unstable resources, and the two remaining ones concerned organizations with a stable, leading position (ibidem). Jessica Sowa notes that
in financing projects carried out in partnerships, attention should be paid to the motivation of the partners – whether they are small organizations which need the resources to survive, or big organizations counting on competitive advantage and strengthening of their position. Supporting partnerships in the latter case does not contribute to the development of the third sector as a whole, but rather leads to its further stratification and, contrary to the donors’ intentions, to increased competition. Moreover, relations established in that context are often short-term and break with the end of the circumstances which invited cooperation (Takahasi, Smutny 2002).

2.1.2. Barriers in undertaking joint activities

According to the organizations under study, collaboration and partnership relations are difficult to maintain, whereas it is easy to continue following good practices, exchange of information, contacting each other via e-mail or social media. Also competition was deemed easy, in the sense that in order to start competing, one does not need any interorganizational arrangements. Interestingly, the fact that competition is regarded as easy confirms the assertion that in the case of Polish organizations, rivalry consists in the lack of mutual trust, unwillingness to collaborate, in making each other’s activities more difficult by not revealing information which could prove helpful for others etc., rather than in improving one’s own services in order to achieve competitive advantage. If the latter option were popular, organizations would declare competition to be a difficult activity, since, just like collaboration, it would require of them boundary-span activities with respect to the rival’s activities.

Communication difficulties were listed as an important IOR-impeding factor. Participants of the group discussion described contacts established by their organizations as based on interpersonal relations with representatives of other organizations. This can constitute an advantage, since it is often easy to ask for help, there is no need to follow the formal way: “it’s all begun with us having met somewhere, we learned about each other, we have an organization. This could be a huge organization, but we meet one person and we will know that we can approach him or her” (organization no. 1). On the other hand, the respondents claimed that this dependence on particular persons might constrain the developing relations. Every person involved can have his or her own views and personal expectations, and the less formal approach to cooperation makes it difficult to put certain
commitments down in an agreement – everything can change if a representative of the partner entity simply changes his or her mind.

The representative of organization no. 4, operating on a regional level with a budget range of 500,000 to one million Polish zloty, made the following observation: “how many miles walked, how many phone calls made, how many appointments, how many contacts must be pursued to make something like this work – and in the end it’s always a Jenny So-So, who chairs that organization or company, discussing things with someone from my organization. On the one hand, these relations are very official, because they later translate into an agreement, but before that it’s always like, I know that person well and he or she will help me, or I know someone who recommended me, and so on. So these are very difficult relations, and it is very difficult to obtain such support. You need good players in your organization to make something like that work”. As can be seen, even relatively large Polish organizations, which in many respects fit in the category of NGO businesses, encounter the phenomenon of basing interorganizational relations on previously existing personal relations.

In this light, the partnership requirement contained in competition schemes, which is aimed at transferring knowledge between organizations, proves even more fictitious; an organization will often establish partnership with another organization with which it is familiar anyway through private connections, while peripheral organizations, which especially need an exchange of good practices, might not benefit from such a framework. As Galaskiewicz (1985) pointed out, organizations are not aware of all potential partners, and interact with those about which they know, even though their decision might not seem optimal from the point of view of a thorough analysis of all available options. Surprising as it may seem, in the age of online tools facilitating communication this problem is still highly relevant. The participants of the discussion agreed that lack of knowledge about potential partners active in similar thematic areas, not only in other places but even in the same city, is an important factor impeding the establishment of interorganizational relations. They suggested that a country-wide, continuously updated database of all organizations should be created, which, however, seems an impossible task. At present, some organizations create databases of entities operating in their domain for their own use, which is very time-consuming; others find the idea of establishing contact with an organization found on the Internet rather odd. An important question to ask is whether organizations base their relations on previous informal interpersonal ties because they actually lack the possibility of learning about other entities, or perhaps they refrain from establishing contact with potential partners encountered on the Internet because they got used to undertaking cooperation on the basis of
personal contacts. In other words – would the existence of the proposed database indeed significantly increase the number of jointly conducted activities?

Listed as a barrier in the development of collaboration was also insufficient operating capacity. The representatives of organizations declared that often they lack time or energy to properly nurture the relation with their partner on long-term basis.

However, the most serious barrier in undertaking joint activities by organizations with similar missions are competitive tendencies.

2.1.3. Competition between organizations

The analysis of the respondents’ statements shows that organizations compete for grants, 1% tax write-offs, volunteers, premises, and recognition.

Interorganizational competition can concern the obtaining of resources or distribution of products and services (Akinbode, Clark 1976); in the case of tasks financed from public sources, there is a considerable overlap between the two: organizations try to sell to the grant donor the services which they provide.

The potential of the Polish third sector amounts to ca. 1% GDP, while only 4% of organizations have an income of more than 1 million Polish zloty; complaints about lack of money are common in the sector (Kuczmierowska 2012). Thus, organizations operate under resource-scarce conditions, and they often draw their resources from the same sources. The major source of income for the Polish third sector is public funding (Herbst, Przewłocka 2011). With interorganizational competition for government funds, cooperation which requires an organization to support its partner’s interest is difficult (Snavely, Tracy 2002). “Because of that competition, we completely appropriate the issue, we won’t tell anyone about it” (organisation no. 3). Consequently, organizations involved in similar or complementary activities do not want to consult each other in order to plan these activities better (e.g. by splitting them into different city districts, so as to avoid the overlap of services in the same area), because they are unwilling to suggest good ideas to their competitors or share know-how with them.

Rivalry for grants often precludes collaboration between organizations with similar missions. “Very often we would like to collaborate, but it turns out for instance that we even have the same idea for a project, but for some reason we can’t apply together, or don’t want to, whatever. But we have one funding source, right? And that’s when this problem appears. Because there’s the city, there’s the CIF, there’s something, and it turns out that ‘okay, I’m
not going to write a project with you because you also want to apply, but we won’t collaborate, because we compete for the same thing, and if you get it, I won’t get it, and that would be a total disaster, no?’ It’s good if neither gets it’” (organization no. 1). These results are consistent with literature. Interorganizational competition occurs when the achievement of the goal by one organization diminishes the other organization’s chance to achieve its goal, and cooperation motivated by the scarcity of resources is limited when the organizations involved draw resources from the same sources (Akinbode, Clark 1976) or when domain consensus is lacking, i.e. the tasks of each organization are not clearly defined (Levine, White 1961, qtd. after: Akinbode, Clark 1976). The authors of the report “The everyday life of NGOs in Poland” bring up the issue of organizations adapting their activity to sponsors’ interests; 17% of organizations admit to pursuing this strategy, yet it is probably practiced by many more (Przewłocka et al. 2012). Limited resources and the necessity to survive push organizations to conducting activities which they would not undertake under different conditions. In this situation organizations which share a similar but differently defined mission, e.g. those which cater to the needs of different target groups or try to achieve a similar goal by means of different activities, cannot be sure that they would not become rivals nevertheless. They also keep in mind that cooperation with another entity contributes to the improvement of its image, and this may pose a threat. “The others don’t want to cooperate with us, because they don’t want us to be visible, to make a name, because we will become their competitors, and it’s gonna turn out that those grants that they get could go to us, right?” (organization no. 1).

From the respondents’ accounts it also follows that organizations enjoying the status of a PBO, for which resources from 1% income tax write-offs constitute a major part of the budget, are more willing to cooperate with similar organizations which are not listed as PBOs. From their point of view, other Public Benefit Organizations with similar aims are dangerous, so they do not want to increase the legitimacy of their rivals by engaging them in joint activities. Conversely, specialization among NGOs promotes cooperation and diminishes rivalry, leading to relations based on complementarity (Tsasis 2009). As has already been mentioned, an organization with a similar mission, which would seem to be a natural partner, can constitute a particular danger, especially when there is no domain consensus and some activities of the two entities overlap – each of them wants to be the taxpayer’s first choice when he or she donates money for a specific purpose. As the representative of organization no. 4 described it, “one larger organization, which is “above” us, is reluctant to work with us. They won’t allow it, because we compete with them for one percent, and this is such a sad
thing. I mean, the fact that competition precludes cooperation, unfortunately. And this is horrible. (...) They do not invite us to join them in any activities. We’re like simply nonexistent for them, right? And we know that they work with other organizations, but never with us (...)"

The competition for 1% tax write-offs is enacted mainly through campaigns, for which large organizations spend significant resources. Ten PBOs most successful in this respect receive as much as 37% of all tax money donated under this mechanism (Kuczmierowska 2012). As the representative of organization no. 4 put it, small organizations feel like ants competing with elephants. They are not able to pay for billboard advertising, and indeed they doubt whether it is appropriate to spend the organization’s own resources for 1% campaigns. Some entities obtain sponsorship for this particular aim. Rose-Ackerman (1982, qtd. after: Thornton 2006) described the dilemma faced by managers of social organizations: on the one hand, fundraising expenditure increases the amount of donations, but on the other hand the donators may be skeptical towards funding expenditure, in the conviction that the resources should be spent on statutory activity.

It is also difficult for smaller organizations to compete in different ways. The taxpayers’ choice of the organization to which they will donate their 1% is based mainly on its image in the media². Local organizations obtain little funding from the tax write-offs, because the taxpayers do not make an effort to search for an organization in their neighborhood or choose one which is particularly efficient. Increasing the efficiency does not seem to be an effective strategy in competing for these resources. Frumkin and Kim (2001) have demonstrated that the level of donations is not influenced by the ratio of expenditure on administrative management to statutory activity costs. They argue that instead of optimizing their budgets, non-profit organizations should focus on the optimization of fundraising expenditure; as far as obtaining funders is concerned, legitimacy, visibility, as well as a clearly and broadly or even aggressively communicated mission statement have a greater impact than efficiency. This is felt by PBO representatives, often causing their frustration. In the course of the discussion, it was suggested that expenditure limits should be introduced with regard to such campaigns in order to restrict the fierce competition for 1% tax write-offs.

Organizations also compete for volunteers. It is not easy to find people ready for a long-term commitment. Action volunteering coordinated by large organizations requires shorter involvement, and often makes volunteers accustomed to bonuses – sport outfits from sponsors, T-shirts etc. Smaller organizations find it difficult to meet such expectations, yet

²Another matter, which deserves a separate discussion, is the raising of 1%-resources to help particular individual beneficiaries.
they also try to present their voluntary service offers as attractive. Some of them, those dealing with less publicity-catching topics and requiring systematic, burdensome work, such as taking care of the elderly, get discouraged by their failures in recruiting and keeping new people and withdraw from competing for volunteers.

The competition for voluntary workers concerns not only their recruitment but also keeping them in the organization. Some organizations discourage their volunteers from helping elsewhere, expecting them to devote their time exclusively to one organization. NGOs fear that their volunteers would leave or that they would share confidential information with another organization.

The competition for premises was described as the least active or direct kind of rivalry; this corresponds to the fact that criteria for obtaining premises from the municipality are perceived as less clear or transparent. In this area of activity, every organization tries to find its own way, without knowing how competing organizations proceed. Sometimes this results with mutual distrust.

Another field of rivalry is popularity and recognition. Organizations, or rather people in charge of them, compete for the image of the greatest expert on a given issue; this tendency can become especially strong in the case of organizations managed in the style of leadership described by Piotr Gliński (2006). The representatives of organizations taking part in the study mentioned a race – who is going to be the first to talk about a given problem in the media. This makes it difficult to get together in order to publicize major issues.

2.2. Conclusions

The conducted pilot study allowed to identify the following categories of interorganizational relations: cooperation, collaboration, partnership, participation in federations, and competition. The umbrella term of cooperation, often used with reference to any kind of joint interorganizational activity, in this way proved to encompass very diverse interactions. Joint provision of services by organizations with similar aims turned out to be a problematic issue, more difficult and less frequently undertaken than cooperation consisting in simpler exchange. Moreover, acting in partnerships, although so desired by grant donors, in many cases proved only apparent or forced, and was perceived as a limitation or an imposed way of regulating mutual contact, one which is foreign and overly formalized, especially for small organizations. A certain paradox manifested itself: although designed by the funding institutions to increase the diversity of the sector, partnerships in fact lead to isomorphism.
Apart from grant-awarding policy, also private ties and trust between the boundary spanners were revealed as another factor strongly influencing the way in which interorganizational relations are shaped. Some scholars downplay the significance of these aspects, deeming them important chiefly in small and newly established organizations (Selsky 1991). However, small organizations predominate in the Polish third sector, and as far as the organizations participating in the study are concerned, also the relatively big ones did not follow the strictly formal way of shaping relations. This might confirm the presumption that in the Polish context, given the relatively low level of trust in procedures (which are often bypassed) or legal requirements, relational trust (Dekker 2004) is more important than institution-based trust (ibidem).

Without research on the causes of the above-mentioned relations and the ways in which they are shaped, the requirement of joint interorganizational activity advocated by public administration is often non-congruent with third-sector practice. According to Kuczmierowska (2012), the diversity of Polish third sector means that supporting organizations must adapt their support strategies to different conditions. A similar principle applied in the development of funding scheme requirements could make grant donors more open towards less formal ways of conducting joint interorganizational activity so that these forms of cooperation could also be supported. The division of Polish organizations into four types: “spontaners”, hierarchical activists, democratic task-players and NGO enterprises (Przewłocka, Adamiak and Zając 2012) proved to be a useful comparative measure for analyzing IORs.

According to the NGOs under study, the scarcity of resources leads to competition for subsidies and 1% tax write-offs, rather than to cooperation: “If money is at stake, especially money on which we depend for survival, friendships end” (organisation no. 4). This phenomenon we be analyzed is greater detail is the prospective study.

How are competitive tendencies to be assessed? Could competition potentially strengthen the sector? The conclusions from the present pilot study put positive effects of interorganizational competition in doubt, as questions on competition, e.g. for grants, did not bring any answers suggesting the wish to improve the quality of services. It comes as no surprise in light of the previously cited data, according to which the majority of Polish organizations do not evaluate their own activities (Przewłocka, Adamiak, Zając 2012). The competition for 1% write-offs, in turn, leads to the oligarchization of the sector and is based to a large extent on media campaigns.
As regards the validity of a broad promotion of partnerships, it seems worthwhile to consider also possible effects of this strategy other than the expected increase in the efficiency of particular financially supported activities. Discussing cooption, i.e. the simultaneous occurrence of cooperation and competition, Alicia Bunger (2012) notes that although the leaders of organizations which compete e.g. for funds can successfully cooperate with each other (if there is mutual trust to weaken the competitive tendencies), this phenomenon may also have its negative sides: in the long run, it may lead to the fusion of partners and a gradual disappearance or marginalization of small organizations. Also Jessica Sowa (2009) points out the threats related to financing partnerships.

What has been presented in this paper still remains work in progress. Problems signaled here will be the object of further research and consideration. In analyzing the initial findings of the above-discussed pilot study, an allowance must be made for its limitations, such as the relatively small sample of organizations, in which very large and very small entities were not represented. Thus, the analyses presented here are preliminary in character. Their results served as a basis for constructing the final interview scenario, in which due attention was paid to problems such as the various ways of competing (how does competition manifest itself in Polish context and does it lead to improved quality of services?) or the questions of whether organizations make a clear distinction between collaboration and partnership. Another effect of the completed pilot study is the obtaining of guidelines for sample construction in the main study: for the comparative analysis, the division of Polish NGOs into four types distinguished in quantitative research proved more useful than the individually considered size or age of a given entity. The study also brought conclusions which led to a revision of the proposed conceptual framework. The revision consisted in particular in taking into account the considerable diversity of types of joint activity, covering public grant policy as an isomorphic pressure highly important in the national context (private philanthropy is marginal in Poland), and including the necessary analysis of reciprocal influence of joint activity on the intra- and interorganizational context.

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