

**FORMING IDEAL PUBLIC-PRIVATE PARTNERSHIPS FOR
EXPORT PRACTICES
CASE: EXPORTING RESOURCE WISDOM**

**Jyväskylä University School
of Business and Economics**

Master's thesis

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JYVÄSKYLÄN YLIOPISTO

Abstracts

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Abstract <p>Growing population and urbanization pose a sustainability challenge for many countries. At the same time, they also provide avenues for sustainable development and business. This Master's thesis investigates how Resource Wisdom, a sustainable regional development model, can be used as a support mechanism to export Finnish companies' services through a public-private partnership (PPP). Accordingly, the research will focus on the formation of a PPP, its leadership and management functions, and on the ways a PPP can be best governed. These aspects will be highlighted within the context of commercial export practices. A qualitative study based on semi-structured interviews with five public and five private organization decision makers was conducted to reveal the cornerstones and caveats in creating a commercial PPP based on Resource Wisdom. The results revealed that both public and private side have the motivation to form PPPs providing they remain agile, versatile, offer equal opportunities to all participants and can be governed straightforwardly. Moreover, the results suggest that public organizations are increasingly entangled in companies' export practices and development as both sides seek to create collaborative advantage to reach their own targets. This Master's thesis contributes to the research of PPPs and to the exploration of multifaceted collaboration arrangements that have unclear hierarchical structures and different leadership functions. The results can provide understanding to parties involved in profitable cross-sectoral collaboration, for instance, to the organizations that are interested in using the Resource Wisdom model for commercial purposes.</p>	
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<p>Tiivistelmä</p> <p>Väestönkasvu ja urbanisaatio luovat kestävyysaasteita, mutta myös mahdollistavat uuden liiketoiminnan ja kestävä kehityksen esiinmarssia. Tämä Pro gradu –tutkielma tarkastelee, miten kestävä aluekehityksen mallia, Resurssiviisautta, voidaan hyödyntää suomalaisten yritysten vientitukena julkisen ja yksityisen sektorin yhteistyöllä. Tutkimus keskittyy tämän yhteistyön muodostamiseen, sen johtamiseen ja ohjaamiseen kuin myös oikeaoppiseen yhteistyön hallinnointiin. Näitä aspekteja tarkastellaan etenkin kaupallisessa vientitarkoituksessa. Pro gradua varten haastateltiin viittä julkisen alan ja viittä yksityisen alan päättäjää kvalitatiivisissa tutkimuksissa, joka toi esiin yhteiskunnan ensimmäisen ja toisen sektorin mielipiteet Resurssiviisauden kaupallisen viennin kulma- ja kompastuskivistä. Tutkimus osoitti, että molemmat sektorit ovat motivoituneita aloittamaan yhteistyön, jos yhteistyö pysyy ketteränä, monipuolisena, tasa-arvoisena ja sitä voidaan hallinnoida suoraviivaisesti. Tutkimus myös todistaa, että julkinen sektori osallistuu entistä enemmän yritysten vienti- ja kehitysponnistuksiin ja molemmat osapuolet pyrkivät saavuttamaan omat tavoitteensa yhteistyön kautta. Tämä tutkielma tukee ensimmäisen ja toisen sektorin yhteistyön tutkimusta ja myös monitahoisten yhteistyökuvioiden järjestelyä, joissa hierarkia saattaa olla epävirallista ja johtamisfunktiot monipuolisia. Tutkimuksen tulokset auttavat myös monialaisen kaupallisen yhteistyön muodostamista esimerkiksi Resurssiviisauden kaltaisten palvelutuotteiden vienninedistämässä.</p>	
<p>Asiasanat</p> <p>Julkis- ja yksityissektorin yhteistyö, vientistrategia, liiketoimintakehitys, kestävä kehitys, aluekehitys, kaupallinen diplomatia, Resurssiviisaus</p>	
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List of Acronyms

CO₂E = Carbon dioxide equivalent

FDI = Foreign direct investment

FISU Network = Finnish Sustainable Communities Network

GHG = Greenhouse Gas

MoU = Memorandum of Understanding

NAO = Network Administrative Organization

NGO = Non-Governmental Organization

NETFUND = National Environmental Trust Fund

OECD = Organization for Economic Co-operation and Development

OMWG = Operational Model Working Group

PPP = Public Private Partnership

R&D = Research and Development

SDG = Sustainable Development Goals

Sitra = Suomen itsenäisyyden juhlarahasto (The Finnish Innovation Fund)

UN = United Nations

1 Introduction

As sustainability concerns affect the potential eco-social circumstances of regions and cities across the globe, more emphasis has been put on holistic, regional solutions to address issues such as climate change, social injustice and employment.

Sustainability, as its very definition dictates, also includes economic development alongside environmental and social development (United Nations Development Program, 2017). Therefore, the role of regional public decision makers and officials is not only to mitigate sustainability risks through regulation but also to create an environment where companies, organizations and private citizens can thrive sustainably.

Developed regions around the world have begun to take steps to include sustainability aspects into regional development whether it is infrastructure or economic development, for instance. Furthermore, the intersection points between sustainability and urban living has gained more political attention lately (McCormick, Anderberg, Coenen, & Neij, 2013). However, there is not a clear model as to how a region can strive for sustainable development. Therefore, this Master's thesis will explore a chosen regional operational model from Jyväskylä, Finland called Resource Wisdom and how it can be commercialized with the cooperation of public and private parties. The model is hoped to create an export practice that will generate new business for Finnish companies that can aid to develop regional sustainability at foreign contexts.

1.1 Sustainable Regional Development

The world is urbanizing at a rapid rate, and by the year 2050, United Nations Habitat (2008) forecasts that 70% of the global population will live in urban areas. This speedy urbanization will create new sustainability challenges as cities are viewed as hot spots for pollution, noise and congestion, for instance (OECD, 2012). Some of the challenges will be to provide adequate infrastructure and shelter to the people migrating to cities while enabling a good quality of life without environmental hazards and social injustice (Kacyira, 2012).

Regions intake resource from all corners of the globe. In order to maintain current developed living conditions in developed countries and to improve living conditions in developing countries, this influx of resources in terms of energy systems and overall organization of regions must be rethought (Hiremath, Balachandra, Kumar, Bansode, & Murali, 2013).

Fortunately, however, the challenges also pose a lot of potential for cities to resolve major global sustainability dilemmas (Hope, 2016). As an increasing number of population is concentrated in a smaller area, integrated solutions for societal aspects such as transportation, food production and consumption, and energy production can bring many added sustainability benefits (Kacyira, 2012). As an example of this challenge/opportunity paradox, it has been researched that urban dwellers have a smaller carbon footprints than their counterparts living in rural areas, but at the same time, cities account for approximately 80% of the global greenhouse gas (GHG) emissions (Hope, 2016; Martos, Pacheco-Torres, Ordóñez, & Jadraque-Gago, 2016)

Cities are an intricate network of different actors who play major roles in steering a society forward in four key areas for sustainable regions: ecology, economics, politics and culture (James, 2015). Most commonly, these actors are public entities, companies, universities, non-governmental organizations, and indeed, private citizens (Kanuri, Revi, Espey, & Kuhle, 2016; Michels & Van Montfort, 2013). In unison, these actors are required to make strategic choices and plans in the manners which regions are developed, organized and managed in terms of the four elements. Therefore, new ways of collaborating are tested in order to create holistic and cohesive solutions (Keast, Mandell, Brown, & Woolcock, 2004). Should all of these actors not be included in the strategic development of a city, the city will run into the risk of dissatisfaction from its key stakeholders and halted socio-economic development (McCormick et al., 2013).

As per the triple bottom line of sustainable development dictates, ecological and social issues are to be included into economic development (Azevedo, S., Barros, M., 2017; Rogers & Ryan, 2001). This makes regional development multifaceted with an almost infinite number of organizational interests and private values involved in the progress. Hence, decision making also needs to incorporate socio-cultural and political factors while, nevertheless, considering economic viability (Kacyira, 2012).

According to (Dassen, Kunseler, & van Kessenich, 2013) a sustainable city is a city that has drastically decoupled its operations from non-renewable resource exploitation and environmental damage. Moreover, the city needs to be socio-economically sustainable in the long run (Kacyira, 2012). The environmental aspects, even though important, are not to be the only indicators of a thriving sustainable city but metrics of citizens' quality of life and their possibility to actively engage regional development are also vital. In another similar definition, (Hiremath et al., 2013) have defined that urban sustainable development is the balance between infrastructure development and protection of the environment with equity being the key focus. In

essence, sustainable regions and cities are to be spaces that endorse and enable all the actors in the region to flourish economically, socially, ecologically and culturally.

The trend in reaching the before mentioned key elements of environmentally friendly socio-economic development seems to be the introduction of *smart cities* (Ahvenniemi, Huovila, Pinto-Seppä, & Airaksinen, 2017; Albino, Berardi, & Dangelico, 2015). The concept of smart cities, however, can steer away from the concept of sustainable cities where environmental indicators are given prevalence (Ahvenniemi et al., 2017). Smart cities aim for increased socio-economic wellbeing through the introduction of innovative technologies, social capital and relations in city development (Albino et al., 2015). Oftentimes, these innovative technology implementations are related to efficiencies in transport networks or energy and resource usage reductions in buildings and factories (Lombardi, Giordano, Farouh, & Yousef, 2012). A prime example of a planned smart city concept is Tampere's project Smart Tampere (City of Tampere, 2017). Smart Tampere aims to create a wholesome ecosystem that, via the correct technology applications, will create smart industry, healthcare, education, mobility, governance, infrastructure, and buildings (City of Tampere, 2017). Even though reaching better ecological performance is mentioned as part of the greater goals of their project, it is more of a side effect in the overarching regional development program rather than a clear goal with preset indicators.

Smart cities and sustainable cities are, nonetheless, not exclusive concepts (Ahvenniemi et al., 2017). In many cases, smart cities and sustainable cities can share common goals. Perhaps, the way to reach these goals differ or then the interpretation of terminology is different as in what is a smart city or a sustainable city. Nevertheless, the European Union (2011) sees that a smart city concept can be a supportive factor in reducing environmental impacts via implementing technology that will lead the decreased levels of GHG emissions. Furthermore, smart city concepts can lead to increased private and public level investment driving forward a socio-economic wave of progress creating jobs and added regional value (Ahvenniemi et al., 2017).

One of the more pressing issues in sustainable regional urban development is the choice of evaluating and continuously improving the state of development. Systems founded on the right set of indicators can enable a more self-regulatory scheme which can integrate development and environmental risk mitigation (McCormick et al., 2013). To track sustainability and development performance, tools are needed for quantifiable analyses and prospecting (McCormick et al., 2013; Voula & Pedersen, 1998). Sustainability cannot be considered a policy without the right set of indicators

agreed upon. Furthermore, the set of indicators chosen for regional sustainability policies dictate, to a large extent, the future of regional development and its aspects in the society. To continue, clear linkages must exist between regional sustainability problems, regional operations, and the natural resources. Without these connections in the indicators, tackling sustainability challenges is futile (Alberti, 1996).

Thus far, this introductory chapter has briefly highlighted some of the more prominent aspects in sustainable development from regional urban perspectives. Some noticeable themes have emerged that require practical examples to underline their applicability in real life scenarios. Therefore, the next subchapter will cover the efforts made by the city of Jyväskylä and its Resource Wisdom operational model for sustainable development.

1.2 Resource Wisdom - A Regional Operational Model for Sustainable Development

Finland is oftentimes seen as a forerunner for sustainable development. In the country, sustainable development is expedited, for instance, through different public sector undertakings that aim for environmentally friendly solutions that lead to resilient and thriving regions. One of these undertakings is called Resource Wisdom. This initiative leans heavily on the researched cornerstones of ideal sustainable urban development. Therefore, it does not only consider the environmental aspects of urban development but is heavily focused on socio-economic improvement of the city. The model also incorporates different regional actors for mutual decision making and thus avoids some of the pitfalls that might stem from including a limited number of local stakeholders (McCormick et al., 2013).

Resource Wisdom is a regional operational model first created in unison by the city of Jyväskylä and the Finnish Innovation Fund (Sitra). As its definition goes, it is a

“...operating model for regions to create regional vitality, business competitiveness, employment and sustainable wellbeing from circular and carbon-neutral economy. The main goal of resource wise actions is a waste-free, emissions-free, rationally consuming city of sustainable well-being.” (Resource Wisdom, 2016)

The operational model leans on four key indicators for sustainable development: *emissions, consumption, waste and well-being*. This indicators are bound to a long-term goal for Jyväskylä: to become carbon neutral, waste free and consume under the earth’s carrying capacity per capita by the year 2050. As far as indicators and goals are concerned, these goals are not unique and similar goals can be found from the strategic goals of many cities and companies, for instance. What, however, is unique

is the way this regional model was designed and how it is operated and passed down to the citizen level in regions.

The Resource Wisdom operational model was implemented in Jyväskylä between 2013 and 2015 together with Sitra. Sitra is a public expert organization that provides support for projects via funding, expertise and reports, for instance. They play a key role in supporting Finnish societies to develop sustainably. The implementation process was considered innovative as it included several stakeholders from the Central Finland region. These stakeholders did not only represent public interests but also private and non-profit interests. Overall, the city and Sitra employees recognized 29 individuals from academic, public, private and non-governmental organization (NGO) entities and brought them together into a form called *Operational Model Working Group* (OMWG). The individuals were known to be creative thinkers with good local networks themselves. The OMWG was responsible for designing many of the Resource Wisdom goals and their respected milestones. In other words, the first significant and innovative step in the process of creating the operational model was to involve local key stakeholders in its design process.

The second innovative step was to involve the public at large. This was done by creating different public events such as a Junk Food Day where left over food was served to the public and gathered hundreds of diners (Yle uutiset, 2015). More importantly, however, the city of Jyväskylä asked its citizens to come up with ideas that would develop the city sustainably. This was done via an online survey. The response was pleasing with over 200 ideas generated by the public. Out of these 200 ideas, 14 were chosen for a prototype project in the city of Jyväskylä. Each prototype project got its own project manager and a dedicated small budget between 0-8,000 Euros. Moreover, each project was analyzed carefully using tools such as life cycle costing, life cycle analysis or carbon footprint analysis. These projects were widely publicized in the city and received a good amount of attention by the public and made the public more aware of what is Resource Wisdom. Indeed, the goal of public idea generation was not only to get ideas and “think outside of the box” but to also create a way to gain public acceptance for a local development program.

Even though the goals and indicators of the operational model are very much related to environmental indicators, the motivation to develop Resource Wisdom inside Jyväskylä was a socio-economic one (FIGURE 1).

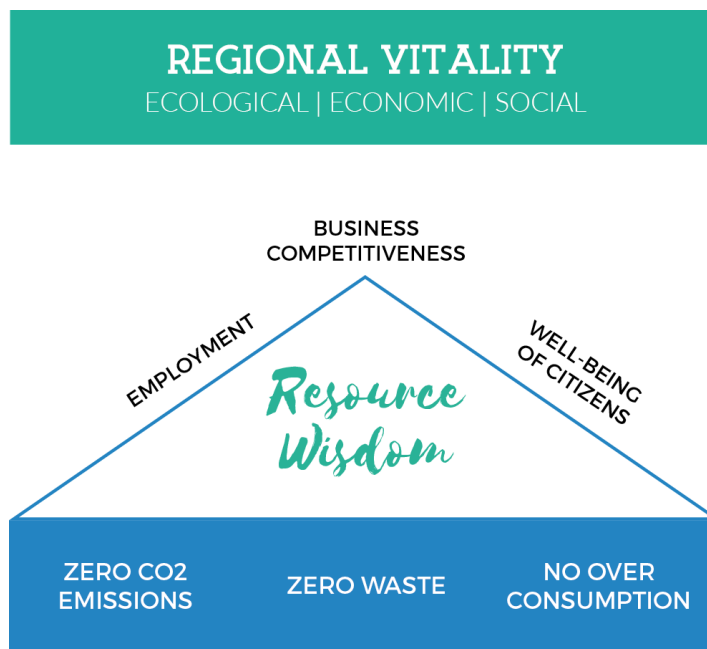


FIGURE 1: Foundation of Resource Wisdom: Regional Operating Model (Resource Wisdom, 2016)

The purpose of the model is to prepare regions to foreseen economic dilemmas regarding resource deficiencies and climate change and bring a multitude of benefits next to improved environmental performance as perceived by the Master's thesis writer and shown in TABLE 2. Therefore, Resource Wise solutions are also bound to the overall strategy of the city and has been approved by the City Council. Essentially, Resource Wisdom is now a cornerstone in Jyväskylä's future. As the operational model is such a vital part of the city, larger scale analyses have also been carried out to map, for instance, the inputs and outputs of raw materials going in and out of the Jyväskylä region. Moreover, independent financial and environmental forecasts have been made in terms of the effectiveness of Resource Wisdom on money generated in the region, jobs created and carbon dioxide emissions avoided. These calculations have estimated that should Jyväskylä carry out some of its strategic, resource wise plans for its region, it can generate up to 100 million euros in added value for the region and create up to a thousand new jobs. Alongside the socio-economic benefits, it is forecasted that the city's carbon dioxide equivalent (CO₂E) footprint can decrease by over 500 kilotons through avoided GHGs (Finnish Innovation Fund, 2017).

In order to stay on the correct path towards the 2050 goals, the OMWG planned a road map with set milestones to reach these goals. Furthermore, they identified six

key elements of Resource Wisdom that are fundamental to regions' sustainable development. These key areas are (TABLE 1): *energy production, water management, waste management, transportation, food production and communities*. For each of these six key elements, a road map was devised that consisted of decadal milestones on the way to the 2050 goals.

Key areas of Resource Wisdom	Examples
Energy	Energy efficiency at municipal and industrial level. Use of renewable and carbon neutral energy sources.
Water	Water purification, conservation and management. Use of water in households.
Transportation	The use of alternative fuels in transportation, incentivizing the use of public transportation, shared transportation services.
Waste	Waste as a concept obsolete. Resource Wisdom thrives for reuse of waste at municipal and industrial level for circular economy.
Food	Preference on local and healthy food. Minimizing food waste.
Communities	Sustainable living and consumption, using shared services, fixing instead of discarding.

TABLE 1: Key Areas of Resource Wisdom

Overall, Resource Wisdom was seen as a successful project in the city of Jyväskylä. Due to the good example set by the city, the operational model has now been scaled to seven other cities in Finland: Turku, Lahti, Kuopio, Vaasa, Lappeenranta, Ii, and Forssa. Together, these cities form a network called the FISU Network (Finnish Sustainable Communities) through which they can share knowledge and experiences. This has made Resource Wisdom a national undertaking where Jyväskylä was the pioneering city to set the standard. However, these cities will not improve their sustainability aspects in individual bubbles but will seek to learn and benefit from each other through the FISU network.

Area	Benefits	Examples	Indicators
Cost savings and self sufficiency	<ul style="list-style-type: none"> ▪ Increased efficiencies across sectors ▪ Local energy production potentials ▪ Circular economy potentials 	<ul style="list-style-type: none"> ▪ Waste into fuel ▪ Increased local food production ▪ Sharing of resources ▪ Efficiencies in logistics ▪ Life cycle cost analyses 	<ul style="list-style-type: none"> ▪ Return on investment calculations ▪ Straight savings ▪ Balance of trade
Regional vitality and business opportunities	<ul style="list-style-type: none"> ▪ New models of operation create local business opportunities ▪ Development of internal business cooperation 	<ul style="list-style-type: none"> ▪ Extra income from industrial and municipal side streams ▪ Forming business alliances ▪ Creating service industry companies and jobs 	<ul style="list-style-type: none"> ▪ Added value in € ▪ New jobs generated ▪ New businesses generated ▪ Satisfaction of doing business
Environmental impacts	<ul style="list-style-type: none"> ▪ Decreased CO₂E emissions <ul style="list-style-type: none"> - Less waste ▪ Water management <ul style="list-style-type: none"> - Improved air quality 	<ul style="list-style-type: none"> ▪ Renewable energy production ▪ Less food waste ▪ Decreased water consumption ▪ Life cycle analyses 	<ul style="list-style-type: none"> ▪ CO₂E emissions ▪ Air quality ▪ Water quality and consumption ▪ % of energy from renewable sources
Stakeholder identification and involvement	<ul style="list-style-type: none"> ▪ Identification of relevant stakeholders for regional development ▪ Stakeholder dedication facilitation and cooperation planning 	<ul style="list-style-type: none"> ▪ Communication strategies ▪ Stakeholder management strategies ▪ Facilitated workshops for idea generation and action planning 	<ul style="list-style-type: none"> ▪ Activity of engaging stakeholders in public decision making ▪ Number of stakeholders involved in Resource Wisdom project implementation
Public cooperation and well-being	<ul style="list-style-type: none"> ▪ Interactive platforms for public feedback- ▪ Fast prototyping of sustainability ideas ▪ Assessments of public social well-being 	<ul style="list-style-type: none"> ▪ Idea generation competitions ▪ Public involvement & empowerment in projects ▪ Events 	<ul style="list-style-type: none"> ▪ Ideas generated by public ▪ Participation numbers in events ▪ Public acceptance towards sustainability actions ▪ Wellbeing surveys and public satisfaction

TABLE 2: Benefits, Examples and Indicators of Resource Wisdom

1.3 Motivations for the Topic of the Master's Thesis

The motivation for the thesis comes from a very practical standpoint. The Thesis writer worked in a multistakeholder project called "Resource Wisdom as an Export Product". This was a project launched by the city of Jyväskylä and received funding from the city, the Regional Council of Central Finland, JAMK University of Applied Sciences, University of Jyväskylä, POKE Vocational College, and the Educational Consortium of Jyväskylä. The aim of the project was to carry out an investigation as to what assets did the financiers of the project have related to Resource Wisdom and which of these strengths could be used for exporting the operational model. Parallel to this investigation, market analyses were carried out to recognize the international demand for sustainable regional operational model consulting. The Thesis writer's personal task was to carry out interviews and analyses at the financiers' different institutions and then to conceptualize different sellable export packages. The writer also promoted the Resource Wisdom concept at international conferences.

The conclusions of the project were that there is a lot of interest in Resource Wisdom in countries and regions that have not considered implementing a regional operating model for sustainable development. Moreover, the investigation amongst the project financiers revealed a lot of potential to carry out Resource Wisdom projects at an international context. What, however, the project did not fully answer was the composition and the functioning of the organization that would actively export this service model abroad. Therefore, there was an opportunity to tackle this problem in detail in the form of a Master's thesis. Thus, the main motivation for the thesis is a professional one with the hopes of being able to contribute to Jyväskylä and the other cities in the FISU network.

The question how PPPs can use Resource Wisdom for commercial purposes is intriguing. Resource Wisdom is not something tangible and originally was not designed to be a sellable "product". The Resource Wisdom export project, however, demonstrated that the model has potential to be transformed into a consultancy service for developing regions who can follow Finland's footsteps as they attempt to develop responsibility. This was seen at international conferences where multiple international decision makers validated the model. Moreover, the model has also been trained at an international workshop. Hence, Finnish entities can offer Resource Wisdom as a consultancy service to these regions. At the same time, it is possible to integrate different companies to this service that can offer further consultancy and planning services.

1.4 Aims and Research Questions

The aim of the thesis is to explore a way in which the city of Jyväskylä, and other Finnish cities who have implemented the Resource Wisdom model, could export their experiences and expertise that they gained when the Resource Wisdom operational model was implemented. This export practice can be an avenue for the cities to receive more indirect income as international regions and organizations pay companies and organizations for consultancy, analysis and technical services. The cities themselves are not business institutions and they cannot start a for-profit business. This scenario would require a company or several companies to execute the Resource Wisdom consultancy services while promoting Finnish companies to perform tasks that are recognized in the course of conducting the Resource Wisdom consultancy services. In essence, Resource Wisdom would develop to be a service product under which companies, in the longer run, can sell their own services. This would mean that the Resource Wisdom model and companies' service are exported parallel to each other under the same "brand", Resource Wisdom. This carries the potential to create more jobs and tax euros which would also benefit the cities.

The operational model, however, is largely city derived and initially focused on public administration. Moreover, the aim of the model is to do public good and it has the potential to develop the more disadvantaged parts of the world. This means that the involvement of public entities is crucial. At this stage, the public authorities in the Finnish cities have a vast amount of knowledge in designing and implementing the regional operating model. Because the involvement of both public and private parties seems necessary, it is critical to investigate how a public-private partnership (PPP) for exporting Resource Wisdom would work in practical circumstances.

The main aim of the thesis, henceforth, is to conduct an analysis of the views that both private and public organizations have regarding exporting the Resource Wisdom concept and Finnish companies underneath this concept. More specifically, this thesis aims to 1) analyze how the organizational alignment of the PPP is viewed by both sides in terms of forming and managing a PPP and 2) how the PPP will be overseen so that it maintains legitimacy and purpose. During the analysis, it is equally important to also map the motivations and individual goals of both sides of the partnership. Therefore, the thesis will also 3) scrutinize the possible similarities and differences in motivations as to why to engage in a PPP. The research questions of the thesis will be formulated so that they support conducting the analysis for the three main aims. Ultimately, the thesis will aim to provide advice for both the public

and private side as they seek opportunities derived from exporting Resource Wisdom.

Research Questions:

Based on the prerequisites of the research questions and the aim of the thesis, there are two fundamental research questions that will aim to answer in the course of this Master's thesis:

1. How are public-private partnerships for international regional development work and exporting companies' products/expertise viewed by both the public and private parties?

- What are the objectives and motivations by both parties to engage in a PPP?
- What are some of the prejudices and experiences that associated with public-private party collaboration?

2. What are the best ways in creating a fruitful public-private alliance that will benefit both of the parties from their own motivational point of views?

- Which party/ parties will assume the leadership and management functions in the PPP?
- What type of an organizational alignment is seen as best by both parties?
- How would the partnership best be governed based especially on the size and partners of the PPP?

From an academic perspective, the thesis is also to serve the scholarly field in providing an up-to-date research on PPPs. There is already a vast scholarly field in investigating PPPs from many angles in various circumstances such as international development work, urban infrastructure development and education (Kolk, van Tulder, & Kostwinder, 2008; Kort, Verweij, & Klijn, 2011; Nayyar, 2015). Since the main aim of the thesis is to investigate how a sustainable regional operating model can be exported to international geographies while supporting Finnish businesses, this thesis will aim to contribute to the academic field of investigating PPPs for development work. However, it must be noted that there is a strong commercial side involved in this export effort as well. With this aspect in mind, the thesis will aim to contribute from a more unique angle to PPPs for international development by also investigating how business interests align with the interests of public organizations.

Lastly, the aim of the thesis is not to only serve the city of Jyväskylä. Even though Jyväskylä is the pioneering city in exporting this concept abroad and allowing it to support Finnish companies' export operations, the results of this thesis can be taken into consideration by other cities such as the ones in the FISU network. Moreover, other public organizations such as the Finnish Innovation Fund are interested in how Resource Wisdom can be implemented internationally. Therefore, the thesis can serve more entities than just the city of Jyväskylä. Consequently, scenarios discussed in the findings and conclusions part of the thesis concern both Jyväskylä and Finland as a whole.

1.5 Structure of the Master's Thesis

After the introductory chapter, this Master's thesis will conduct a theoretical analysis on the ways that public-private partnerships have been studied from theoretical and practical perspectives. This theoretical background will provide a relevant and up-to-date assessment on the current state of academic PPP literature and thus aid in the construction of a theoretical backbone on which interviews will be carried out.

After the literature review, the methodology of the qualitative research will be introduced and it will be explained why the chosen approach for interviews has been chosen so that it best serves the aim of the thesis. This will be followed by the findings of the interview and their appropriate allocation according to theory. Finally, the thesis will discuss and conclude some of the most prominent steps that can take place in order to advance the export of Resource Wisdom in an alliance with both public and private parties.

2 Theoretical Outline – Forming an Ideal Public-Private Partnership for Export Practices

There are many ways one can define a public-private partnership as there is no clear agreement on a single definition (Velotti, Botti, & Vesci, 2012). In essence, they are collaborative working arrangements between a public entity and an organization that is not public. More in-depth, PPPs carry a notion of cooperation and collective decision making to, for instance, design or build some type of a public service or a good and to commit to a common goal (Cohn, 2008; Roberts & Siemiatycki, 2015). Velotti et al. (2012) also state that PPPs can be described as production processes or as an instrument to increase effectiveness. This is because PPPs are assumed to be decoupled from purely political decision making and to develop their own organizational identity and form which will lead to great effectiveness and efficiency in the work executed (Kort et al., 2011).

Zhang & Jia (2009) state that PPPs are unique models of cooperation since the parties do not share a common organization structure and that they are usually based on long-term contracts that remain in effect for extended periods of time. In this light, PPPs would differ from more customary partnerships as those between different companies, for instance (Zhang & Jia, 2009). Moreover, Jupp (2000) points out that the word partnership is oftentimes abused and more superficial relationships such as government contracting a product or a service from a private vendor does not yet qualify as a deep, mutually important collaboration. Oppositely, to point out the contrast in definitions, PPPs are also seen as a more elaborative and perhaps a more difficult form of procurement by a public entity (Corrigan et al., 2005).

PPPs are founded on the postulation that not a single given sector should have the unilateral right nor the adequate resources to tackle societal issues or everyday lives of citizens (Googins & Rochlin, 2000). Over years, PPPs have evolved to a strategic level approach that reach many facets of societies as unilateral development approaches have oftentimes been deemed unsuccessful (Bryson, Crosby, & Stone, 2006; Kolk et al., 2008). Due to this, the literature around PPPs is vast, as its role in *cross-sectoral* development projects has increased over the years (Goldstein & Mele, 2016; Stadtler, 2016; Teisman & Klijn, 2002). Nevertheless, there is no clear framework to build, manage or evaluate PPPs (D. W. Brinkerhoff & Brinkerhoff, 2011). The large field of PPP studies means that the literature is poorly integrated, and lacks precision in its conceptualizations (D. W. Brinkerhoff & Brinkerhoff, 2011). Velotti et al. (2012) confirm this notion by stating that there is still uncertainty how to assess PPPs.

It would, nevertheless, seem that PPPs are models that carry a lot of potential to create win-win situations for the public and private parties via *collaboration advantage* (Huxham, 2003). However, there are numerous pitfalls that a PPP project may encounter as it is developed. These aspects have been recognized in previous academic literature. For instance, Goldstein & Mele (2016) have examined PPPs along three related dimensions: “*conformity to public purpose or vision, leadership structure and organizational style*” (p. 196). The theoretical outline will follow similar topics and these cornerstones and caveats in PPPs will be discussed in the following chapters. FIGURE 2 displays the main themes in the theoretical outline and their respected chapters.

The theoretical framework will examine the methodologies deployed by scholars to investigate the success factors in PPPs. Ultimately, the literature review will result in a theoretical understanding that is applicable to the practical goals laid out for this thesis: the theory formation will aid in the construction of interview questions and provide support for data analysis.

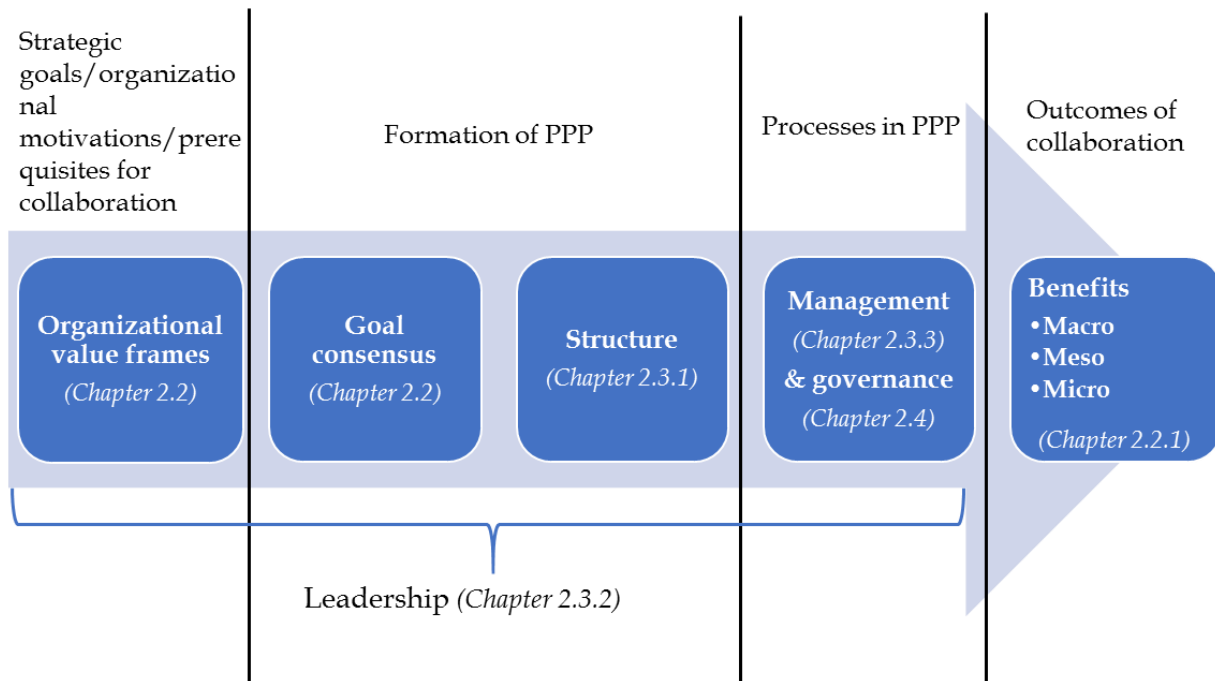


FIGURE 2: Main Themes in Theoretical Outline

2.1 Foundations of Public-Private Partnerships

2.1.1 Multilateral Development Collaboration

Googins & Rochlin (2000) state that partnerships are required in order to produce sustainable communities in light of the fluctuating roles and dynamics of private and public actors across the globe and on regional level. These *PPPs for development*, just like any other cross-sector collaboration implementation, have now become a widespread tool around the world to tackle complicated societal issues (Googins & Rochlin, 2000; Stadler, 2016). Stadler (2016) continues by stating that PPPs for development are more collaborative agreements between public and private bodies and are carried out in close interaction with the public society to provide goods and services through existing organizations. The ultimate goal via these means is to improve a community's standard of living and start societal change (Rosenau, 1999). Evidently, this means that the partners in PPPs for development will have to work in close collaboration with each other. In these terms, PPPs for development would differ from traditional-considered contractual and tender based public-private collaborations that focus on cost savings (Grimsey & Lewis, 2004).

The role of private companies working together with public entities for development work has been increasingly highlighted. Especially after the 2002 Johannesburg World Summit on Sustainable Development, vast numbers of public-private cooperation have begun as concrete business partnerships that have been seen as a way for greater development (Kolk et al., 2008). Indeed, many countries such as the Netherlands, Germany and Denmark have taken on PPPs as a strategic tool for international development work (Kolk et al., 2008). The increased popularity in PPPs has been explained by the factor that unilateral actions involving only private parties, public entities or civil societies have failed (Crosby & Bryson, 2005; OECD, 2006). Furthermore, governments are beginning to see that PPPs are a feasible way of meeting their societal obligations (Cohn, 2008). Oftentimes, unilateral approaches to dealing with societal issues are seen as *silo approaches* where each entity will look at the issues from only their own point of view (Keast et al., 2004). Therefore, PPPs have received wide support from many sectors of the society including the public officials, companies, and more importantly perhaps, the local communities and are therefore likely to remain a relevant policy option (Keast et al., 2004; McQuaid, 2000). Kolk et al. (2008) add, however, that the overall number of countries that have incorporated PPPs into their strategic development work has remained limited.

In many cases, PPPs for development work can be seen as an action to tackle the unequal and insufficient availability of goods and services at a given developing area (OECD, 2006). This underinvestment problem can be derived from inadequate unilateral investment by both public and private parties (Kolk et al., 2008; Stadler, 2014). In this case, the public and private parties would complement each other in developing the region. In inter-organizational cooperation, this approach is known as the *resource-based theory* (Mellewigt, Madhok, & Weibel, 2007). Shared resources bring about advantage in both tangible and intangible forms (Seitanidi, 2007). For instance, the use of collaborative expertise by both parties would mitigate some of the risks and environmental uncertainties related to, for example, shortage of experience, size, or potentially high costs (Provan & Milward, 1991). Indeed, the foundation of partnerships lies in the assumption that some goals cannot be reached singlehandedly and dependency on other organizations' resources is the main driver for PPPs (Booher & Innes, 2002; Samii, Van Wassenhove, & Bhattacharya, 2002; Sharfman, Gray, & Yan, 1991). This advantage, brought by collaboration, has now become a theoretical base for forming PPPs for development (Huxham, 2003).

Even though the advantages of collaboration between public and private parties seem nearly axiomatic, challenges arise from the different natures of the two entities and the nature of dealing at a cross-sectoral level. At times, PPPs for development turn out to be partnerships that are very different to their initial approach of organizational synergies (Huxham & Vangen, 2004). A major, and perhaps the most prevalent of the challenges, is the possible contradiction in goals and motivations of the parties in a PPP (Huxham & Vangen, 2000). The partners in PPPs have to balance between their own interests and delivering the appropriate solution to the beneficiary of the development project. In some cases, it may remain ambiguous if the "good intentions" of PPP parties have a positive effect on the beneficiaries in the way that it has on the PPP parties (Rein & Stott, 2009). In other words, the notion of having a private party in the PPP includes an assumption that the private partners are involved to make a profit and would not enter a partnership without this possibility (Cohn, 2008). The roles of the partners in terms of their autonomy and accountability in projects may bring tension into the collaboration (Thomson & Perry, 2006). Furthermore, partners may also have issues in the views that projects are carried out with due efficiency and beneficiary involvement (Lowndes & Sullivan, 2004).

2.1.2 Public-Private Collaboration in Export Practices

To explore the field of commercially motivated PPPs, it is also important to develop insight into the strategies that are deployed for exporting domestic companies and entering new international markets. The notion of a commercially incentivized

public-private organization collaboration can steer the alliance away from the traditional taxonomy of PPPs for development and add more elements from business development theory. Therefore, it is important to highlight some of theoretical underpinnings that exist in public-private collaboration for export marketing and international business development.

Holden (2009) argues that exporting services via PPPs is also about policy transfer. If so, those companies that were closer to the original policy implementation have a greater chance of benefitting from the policy implementation in other locations (Holden, 2009). This is because they already have good connections with the party supporting new policy implementations and they are familiar with the policy details and implications (Holden, 2009).

Outside of clear policy transfer between countries, nations also practice *commercial diplomacy*. Lee and Ruël (2012) state that commercial diplomacy is the intersection of entrepreneurship and politics at the context of international business relations. A key facet in commercial diplomacy is the conception that export support is to be given to businesses by members of diplomatic missions and by public organization representatives and their organizations (Kostecki & Naray, 2007). This means that greater macroeconomic issues, such as policy discussions and regulatory frameworks, are secondary and part of *economic diplomacy* which dwells more into a multifaceted and political area of international trade (Naray & Bezençon, 2017; Rana, 2007).

In commercially intensive undertakings, such as commercial diplomacy, international business promotion is at the epicenter of the collaborative activities taken by both public and private parties (Naray & Bezençon, 2017). Commercial diplomacy, however, is more than just public support for companies' export operations. Commercial diplomacy also covers areas such as investment support, country brand promotion and foreign direct investments (FDI) (Justinek, 2012). The support for export, nevertheless, remains in the limelight. This is partly due to the fact that export support, such as finding relevant partners and starting sales channels, is labor intensive and costly but is vulnerable to be used by the establishing company's competition later on (Justinek, 2012). This means that individual companies rarely approach a new market on their own but wait for public aid through export support (Justinek, 2012).

From a practical standpoint, the public side of the commercial diplomacy activities would, more than likely, have some type of a national trade and marketing promotion scheme (Naray & Bezençon, 2017). In Finland, for example, Export Finland is the most prominent organization in this capacity (Export Finland, 2017). These trade promotion agencies are oftentimes comparatively independent from governmental ministries and comprise of commercial diplomats who carry out more

managerial duties of trade promotion and might focus on specific areas of expertise (Naray & Bezençon, 2017). Essentially, the activities of commercial diplomacy have developed to become managerial services (Kostecki & Naray, 2007). Kostecki & Naray (2007) have identified several different types of commercial diplomacy services available for private enterprises. These services range from free, governmental services to commercial services meaning that companies pay the trade promoter for specific activities (Kostecki & Naray, 2007). The array of activities and goals for commercial diplomacy services are displayed in FIGURE 3.

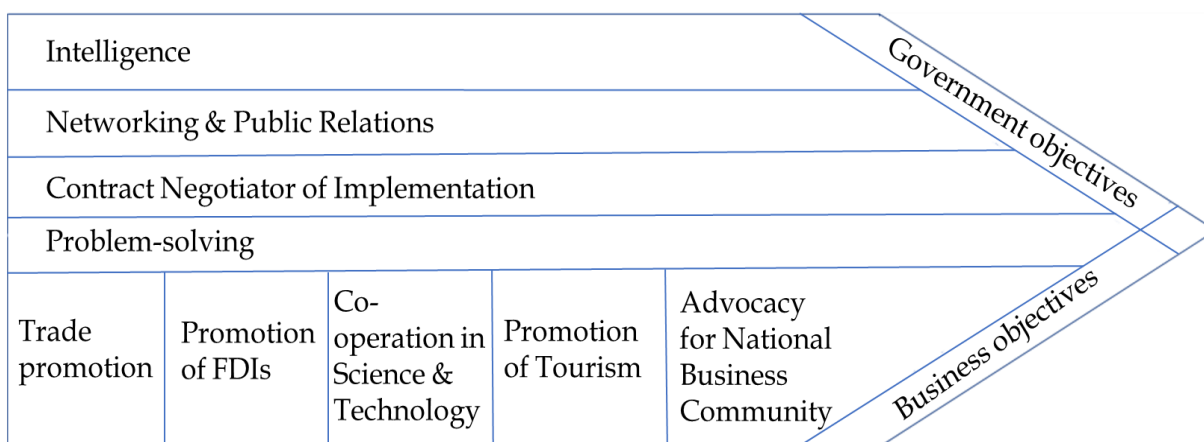


FIGURE 3: Value Chain of Commercial Diplomacy (Kostecki & Naray, 2007)

Based on the nature of the diplomatic services, it would appear that they can create an environment of collaborative advantage. Especially the private side of the collaboration seems to be at an advantage. Naray & Bezençon (2017) mention that in commercial diplomacy, the government and other public bodies have the bigger role in which case they may carry out more work on the other partners' behalf.

2.2 Goals and Motivations of Public and Private Parties in Partnerships

It can be said that an organization, no matter the type, aims to create value to its stakeholders. However, the way that value is seen depends on the role and identity of the organization (Le Ber & Branzei, 2010). To continue, (Saz-Carranza & Ospina, 2011) state that diversity in roles is necessary for cross-sectoral partnerships but, at the same time, require a lot of attention due to clashing demands. The business of private companies is seen to be dictated by a relentless pursuit of profit generation whereas the business of public parties is seen to be more rational with a pursuit in implementing and achieving policy goals (Jessop, 1998; Samii et al., 2002). This

creates a situation where two different indicators of value generation might contest each other – policy implementation and profit maximization.

Organizations look at value creation through their own frameworks which refers to the concept of *value frames* (Le Ber & Branzei, 2010). To put the concept of value into a frame, Kaplan (2008) points to the individual level of organizations and how managers notice and interpret change for strategic action. These interpretations are then taken to the environment in which the organizations work and interact with other entities (Kaplan, 2008). The previous notions assume that organizations view value creation at a strategic level and individual relationships and views affect the outcome of PPPs to a great extent. Therefore, it is beneficial to explore how these relationships can be developed so that that inter-organizational objectives match or are at least compatible with each other.

It has now been established that partners in inter-organizational collaboration such as PPPs bring a vast amount of expertise to the table. This expertise is not only distant, organizational savviness but also expertise on the personal level where the partnerships are, in the end, enacted on (Huxham & Vangen, 2005). The first thing for the partners, therefore, is to agree on the objectives of the common work to put their respective expertise into best practice (Huxham & Vangen, 2004). It is referred to as *common wisdom* (Huxham, 2003) to argue and agree upon the aims for the policies of the PPP to become operational. However, Huxham (2003) notes that it is the *common practice* that various organizational agendas make it difficult to agree on the common wisdom comprehensibly. This increases the risk of failure. Yielding to the demands and motivations of an individual partner in the PPP will compromise the entire purpose of the development agenda and also undermine the collaboration potentials between the parties (Samii et al., 2002).

Given the differences in the nature of the two entities in a PPP, compromising skills come into play (Goldstein & Mele, 2016). Taking part in a PPP is not mandatory, meaning that there are always chances that both sides can change their objectives and focus on creating a rationale for the collaboration (Goldstein & Mele, 2016; Jessop, 2012). The chances of a successful PPP are significantly increased when both sides realize the purpose of the partnership and work with mutual values (Samii et al., 2002). Thus, trust as a factor in PPPs cannot be ignored and taken for granted. In partnerships, the partners do not only have to deal with the uncertainty of their respected environment but also with the uncertainty of others' environments (Krishnan, Geyskens, & Steenkamp, 2016). Therefore, trust has been recognized as a crucial part of successful alliances. Trust, however, cannot be generated

instantaneously if there are no existing ties between the partners (Zhang & Jia, 2009). Former ties and interaction between the parties in a PPP will increase the chances of smooth cross-sectoral cooperation. In essence, the longer the history between the organizations, the more inter-organizational communication and trust is built (Zhang & Jia, 2009).

Before, it was mentioned that seeking collaborative advantage is a major reason why both public and private parties seek to engage in PPPs for development. The two sides are so different that their dissimilar characteristics can bring in a whole new set of synergies and resources. Nonetheless, the differences that serve as the foundation for collaborative advantage can also be the leading cause for partnership derailment due to the different organizational purposes and perceived value frames. Indeed, this phenomenon seems to be a great paradox in the forming and running of PPPs for development (Huxham & Vangen, 2005). As it seems, the goals and motivations are one of the biggest caveats in the forming of PPPs. Therefore, it is important to understand the various types of benefits that occur in PPPs order to understand why different organizations and the beneficiary area would want to engage in a PPP.

2.2.1 Benefits of PPPs for Partners, Individuals and Target Area

In a PPP for development, the area where a project is implemented is the main beneficiary of the PPP. However, in order to have commitment from all parties in the development project, PPPs need to showcase opportunities for also the private and public parties. This means that the public and private organizations benefit either from a process or a general goal point of view (Stadtler, 2016). Moreover, development work can also carry benefits on an individual level for those who are actively taking part in the development project (Kolk et al., 2008). For more detailed academic inspection, these benefits are divided onto three levels based on the recipient of the benefit. The levels are the macro, meso and micro levels of benefits in development work (Austin & Seitanidi, 2012; Kolk, van Dolen, & Vock, 2010; Stadtler, 2016).

The concept of dividing the benefits of cross-sector collaboration for development to the three levels stems originally from the nonprofit business partnership framework by Austin & Seitanidi (2012) who originally designed the framework to assess the perceived and measured benefits of business-NGO development partnerships. However, researchers such as Stadtler (2016) have extended this framework with slight modifications to also suit PPPs, especially from the development perspective and to fit with the challenges and potentials of public-private collaboration. Furthermore, Stadtler (2016), among other scholars, have investigated the benefits on

all macro, meso and micro levels from three different timelines: short-term, mid-term and long-term benefits. From a theoretical angle, it is important to understand these different levels in order to begin to comprehend the different internal dynamics that are within PPPs and how they may reflect upon the efficiency and success of the PPP.

Macro level benefits occur at the larger societal levels of the target area in which development actions take place. The macro aspects of benefit investigation remains very much the same no matter if the development project is carried out via a PPP or via a business-NGO partnership, for instance. Generally speaking, the macro level benefits are considered to be the positive results for the wider environment and groups of local stakeholders (Clarke & Fuller, 2010; Kolk et al., 2010; Stadtler, 2016). In addition, to define the success of a partnership, the macro-level results are vital as they define the realization of the purpose on why the PPP was set up in the first place (Kolk et al., 2008).

In most cases of PPP development work, the short-term benefits for the target society remain intangible. Some of the more perceived immediate benefits are, for instance, increased awareness of the possible problem and sparking collaboration between local actors and creating better organization (Stadtler, 2016). Only once the mid to long-term benefits take effect, can the true potential of PPPs for development work be realized. As mid-term benefits, the PPP and the beneficiary stakeholder can change local discernments and change dialogue to more effective avenues (Clarke & Fuller, 2010). Furthermore, by the mid-term phase of the collaboration, the macro-environment in the target area should have acquired new learning process skills that are beyond its previously narrow scope of know-how (Stadtler, 2016).

Most prominently, however, by tackling specific issues, a PPP can improve the economic conditions as well as living standards of the entire target area and its community (Stadtler, 2016). The development work has created new institutions and normative and systematic change within the interactions of the local communities (Stadtler, 2016).

If the macro-level benefits of PPPs were the effects on the communal and beneficiary side of the project, then the *meso-level* benefits concern those who are delivering the development work. Indeed, the commitment to a PPP can also benefit those who are actually delivering the service (Austin & Seitanidi, 2012; Clarke & Fuller, 2010). First of all, participating in a PPP for development can improve the legitimacy and reputation of an individual participating actor (Stadtler, 2016) as well as develop social capital within the actor organizations (J. M. Brinkerhoff, 2007). Moreover, the actors gain opportunities to access new know-how and networks while also promoting staff motivation (Googins & Rochlin, 2000).

Partaking in a PPP can also help with obtaining new business opportunities through improvements in strategies, processes or, indeed, networking (Stadtler, 2016). This plays into the fact that, usually, the eventual goal of for-profit businesses in a partnership is to make profit (Samii et al., 2002). Therefore, for private organizations, the meso-level benefits should also entail a chance to make profit, whether it is obtained in the short-term, mid-term or the long-term range. The return on investment is especially important because involvement in a PPP and the access to the opportunities derived from PPPs come at an upfront cost due to the many complexities in managing and investing time and resources (Stadtler, 2016; Waddock, 1988). Usually the fulfillment of making profit and creating business opportunities are manifested in the mid to long-term realization of benefits whereas the more immediate benefits for private companies are enhancing reputation, building external networks and widening staff social competences (Stadtler, 2016). The same benefits apply for public organizations in the PPP too. Usually, public organizations are not in the PPP to make profit, at least directly, so therefore the long-term goals can differ from project to project depending on the strategic goals of the public organization and the value frame in which it operates (Stadtler, 2016).

Micro-level benefits in PPPs happen often at the grassroots level whether they are in the partner organizations or in the target area of the PPP collaboration (Austin & Seitanidi, 2012). In the case of micro-level benefits, it is important to separate the individuals who receive the micro-level benefits versus those who receive the communal benefits on the macro level. The micro-level benefits concern especially those individuals who are actively partaking in the PPP and carry out its actions (Stadtler, 2016). Oftentimes, these individuals come from the partner organizations in the PPP but can also be found from the recipient end of the development work when the representatives of the area/organizations of development work together with the PPP (Kolk et al., 2010).

Many of the micro-level benefits are related to personal development and self-fulfillment that are derived from taking part in an international project with multiple stakeholders and a common goal of improving the social situation of an underprivileged area (Kolk et al., 2010; Stadtler, 2016). As short-term benefits, the individuals at the micro-level develop a sense of ownership for the project, and especially from the beneficiary side, the individuals may feel more empowered (Austin & Seitanidi, 2012). In the mid to long-term benefits, the individuals can develop their personal networks across industry and community sectors and can even come up with new friendships. Through these new connections, individuals can also gain new knowledge and develop professionally (Stadtler, 2016). The micro-level benefits also trickle up to the meso-level when the individuals are able to develop their own social capital as already mentioned. Moreover, through PPPs, the

employees of a given actor can also become more committed to their organization and its strategic goals whether this organization is implementing the PPP for development or is the beneficiary of the development work (Barr & Huxham, 1996).

2.3 Structure, Leadership and Management of Public-Private Partnerships

In the previous chapter, it was discussed that a different set of value frames is a substantial hurdle in creating successful PPPs. Aside from these value frames, Huxham & Vangen (2005) add that elements such as the lack of organizational hierarchy, missing authority relationships, differences in culture and unclear timescales in which the cooperation operates can be additional caveats in running PPPs. Moreover, conflicts may arise from different views on strategies and from trying to exuberate too much individual organizational power to take control of the partnership (Bryson et al., 2006). These limitations pose a threat to internal unity and conformity that are needed to tackle inevitable challenges that a PPP will face (Goldstein & Mele, 2016).

2.3.1 Structure

Structures in organizations usually involve concepts such as goals, division of tasks, rules, operating procedures and authority relationships (Bryson et al., 2006; Osborne, 2000). Furthermore, structures can be considered as systems of organizing activities that affect the management of a collaboration (Mandell, 1994). A structure, much like a physical structure that supports something tangible, can only remain solid if the ground underneath it remains stable. In concrete terms, the relationships within the structure of a PPP are susceptible to changes in system stability (Human & Provan, 1997; Provan, Isett, & Milward, 2004). An environment with different institutions means that organizations must adapt to different normative, legal, and regulatory elements (DiMaggio & Powell, 1983). For instance, changes in governmental policies can greatly affect the structures and dynamics of a PPP whereas competitive and institutional pressures can alter their formation and operational sustainability (Sharfman et al., 1991). Due to these variables, it is especially important to investigate the ever-changing dynamics of *network structures* in PPPs (Huxham & Vangen, 2005) and their relevance to PPPs' success.

Bryson et al. (2006) describe that the structures in cross sector collaborations are oftentimes ambiguous due to the uncertainty of who belongs to the collaboration, what are the individual motivations of the members, and the turnover rate of members in the collaboration. Indeed, as it was established before, PPPs are much about the partnering of individuals from different organizations, and in this respect,

the absence or change of a member can be damaging. Especially from the public side, top officials are seen as a catalyst for taking the initiative forward and being able to navigate through some of the hurdles caused by bureaucracy and different societal stakeholder interests (Crosby & Bryson, 2005). The change of the top officials can, consequently, bring about change not only in the policies of the public party but also in the structures and dynamics of the partnership. Moreover, individuals in the collaboration can be a part of a myriad of different networks with possible overlapping purposes which can furthermore blur the structures of the partnership (Bryson et al., 2006). This notion would suggest that the networks that are formed inside the collaboration and also external to the collaboration matter.

Osborne (2000) points out that the structure of the partnership can be a formal structure that *“may range from legally binding contracts, to unenforceable public agreements or general agreements to cooperate”* (p. 15). Inter-organizational collaboration, however, is more likely to prosper when the structures of the partnership are not founded on strict hierarchy and rigid controls of power (Keast et al., 2004; Williams, 2002). Instead, cross-sector collaborations can also lean on horizontal action taking in interdependent networks of the participating parties. Keast et al. (2004) continue that for the structure of the network to work properly, each partner should be seen as an equal component and actions should be based on horizontal decision making instead of top-down authority. To a greater extent, Booher & Innes (2002) refer to networks as a power structure that creates a flow of power that all members share. In more detail, power in network is a

“Shared ability of linked agents to alter their environment in ways advantageous to these agents individually or collectively. Network power emerges from communication and collaboration among individuals, public and private agencies, and business in society.” (Booher & Innes, 2002, 225).

Raab, Mannak & Cambré (2015) concur with this notion but also add that networks, apart from their abundant resources at hand, find effectiveness from, indeed, stability which comes from at least three years of existence.

Thus, more than likely, the networks that are formalized inside the collaboration play a vital role. These network structures are formed when individuals realize that their own contribution is not enough to solve a problem but instead they form links with other likeminded organizations and abandon the idea of hierarchy (Keast et al., 2004; Mandell, 1994; O'Toole, 1997). Even those who are formally in higher positions of power have to accept the fact that leverage power disappears in horizontal networks (O'Toole, 1997). Raab & Kenis (2009) attribute this phenomenon to the development

of technology and economic production which have led to growing interdependencies in and between societies. This has especially alerted governments to enhance public service by planning or enabling network based inter-organizational cooperation (Raab et al., 2015). Such economic and social links inside the society are also referred to as *intangible capital* (Gebauer, Nam, & Parsche, 2005).

Williams (2002) makes a distinction between modern and post-modern form of structuring inter-organizational collaboration. According to him, post-modern forms of organization move away from so-called modern form bureaucracy towards more networking and collaborating. Thus, the inter-organizational capacity has the opportunity to thrive (Williams, 2002). Indeed, after examining how structures are perceived in cross-sector collaborations such as PPPs, it would appear that rigidity and ambiguousness is avoided by creating formal network structures that act interdependently. However, it is important to separate the concept of network structures from “ordinary” networks. In network structures, individuals work actively together to accomplish a goal whereas ordinary networks, or “networking”, comprise of only loose linkages between people (Mandell, 1994). In other words, networks are a form of a social organization that is stronger together as opposed to the network actors acting singlehandedly (Provan & Kenis, 2008). In the “Governance” (chapter 2.4.1) section of the Master’s thesis’ theoretical framework, the governance and functioning of networks will be investigated further.

2.3.2 Leadership

Especially in the earlier development phases of the PPP, leadership must be assumed in order to bring the relevant actors to the same table and develop inter-organizational motivation. Leadership, nevertheless, cannot be taken for granted and there is no obvious way to recognize who would lead in the beginning of the PPP (Stadtler, 2016). On the other hand, PPPs are not born out of thin air. PPPs provide an opportunity for both formal and informal types of leadership, and frequently, it is the work of an individual or a number of charismatic, well-connected professionals that launch the very initial phases of the PPP (Bryson et al., 2006; Crosby & Bryson, 2005; Stadtler, 2014). The initial leadership initiative may come from both the public and private side of the alliance. The individuals on the private side, however, are seen to have less prerequisites to assume the leadership position. They can take the lead in situations where the goals of the collaboration are relatively simple, tangible and well structured (Stadtler, 2014). In these cases, the number of participant in a PPP is comparatively low and the purpose of the partnerships revolves around technical solutions in which the company specializes (Stadtler, 2014)

In the case of formal leadership, official positions are usually created to solidify and legitimize the standing of the leaders and they may work with titles such as Project Director (Bryson et al., 2006). Formal positions define the leader of the partnership with the power to dictate goals or to delegate tasks and responsibilities and establish external legitimacy (Alexander, Comfort, Weiner, & Bogue, 2001). Next to these formal signs of authority, the leaders will also need informal authority with “soft skills” such as interpersonal, political and visionary abilities (Bryson et al., 2006). These skills are important considering that some of the partners may feel underrepresented in the partnership in the case a more powerful actor assumes the leading position (Alexander et al., 2001).

Regarding leadership in rather flat and multifaceted organizations like PPPs, Bryson et al. (2006) have identified two important forms of leaders. One is the *Sponsor*. Sponsors have an excellent track record, authority and access to abundant resources that can aid in fulfilling the common aim of the partnership. Sponsor, as the term would suggest, does not necessarily mean that Sponsor is acting in behalf of the partnership on consistent basis but may offer services when needed and be on the outer perimeter of the alliance. The second type of a leader is the *Champion*. Unlike the Sponsor, a Champion works closely and frequently with the partnership using management skills to guide processes to make sure that goals are met and the partnership remains operationally sustainable.

Whether these Sponsor or Champion type leaders are formal or not, their presence is vital for PPPs. Due to the expected long term nature of collaboration between public and private parties, the partnership will need consistent leaders or forms of leadership (Alexander et al., 2001). The change in leadership and leadership models can bring great disruption to the functioning of the partnership such as losing consensus on the greater goal (Alexander et al., 2001). Therefore, also the presence of outside leaders such as Sponsors is important as is the existence of informal leaders should there be a change in the formal leadership position. The long-term nature of PPPs will, oppositely, also create pressure to change leadership. At a point of saturation in a PPP, the development in effectiveness and efficiency of collaboration can plateau and new forms of leadership are needed to reinvigorate the partnership to find new angles and methods (Alexander et al., 2001).

The reinvigoration may come from adapting a different attitude to leadership. Cohn (2008) separates leadership into two categories: the *transactional leader* and the *transformational leader*. Transactional leaders are described to be focused on making sure that targets are met but may pursue these targets without considering the interpersonal skills, views and development in the inter-organizational context. Transformational leaders, on the other hand, go beyond the execution realm of

leadership. They seek to create relationships with their subordinates and establish a common ground of values together. In order to achieve this, the leader must consider all the inputs by collaboration partners and observe democratic customs.

Williams (2002) supports the categorization made by Cohn (2008). He divides leadership into *modern leadership* and *post-modern leadership* but the differences between these two classifications echoes the findings made by Cohn (2008). Williams (2008) mentions that modern forms of leadership is about dictating the correct answer and taking charge in setting actions in motion. The post-modern leader, however, is a facilitator that makes the rest of the organization work together to create the correct answer and provides a necessary catalyst for action. Alexander et al. (2001) mention that in practice, the leaders have to balance between the two forms: empowering people and creating trust but also reigning control when necessary. Accordingly, to be able to find the balance between the two is the key that separates leadership from plain management (Alexander et al., 2001).

2.3.3 Management

The before mentioned aspiration for collaborative advantage can only be achieved via sound management practices in PPPs. As the approach to international development work has changed more towards the cooperation of both public and private parties, especially the public side has begun to realize its role as a partner rather than as a unilateral authority (Crosby & Bryson, 2005). This means that the managers and leaders, especially on the public side, need to adapt to collaborative models of management and leadership and engage with a dissimilar group of stakeholders (Crosby & Bryson, 2005; Williams, 2002). These collaborative ways of managing and leading require skills in negotiating, facilitating change and ideas, conflict solution, and project management (Jupp, 2000). Indeed, management in a partnership is different in the sense that participation in a PPP is often voluntary and democratic with less hierarchy and different organizational cultures (Alexander et al., 2001).

To create added value, the partners will need to gather resources from their own organizations, pool them with the resources of other organizations and then perform tasks based on the potentials of the collective resources (Mellewigt et al., 2007). To accomplish this feat, coordination is of the essence. Coordination, in the case of PPPs, refers to the effective integration of partners' resources and activities into the PPP where they can help to reach a common goal (Mellewigt et al., 2007; Stadler, 2011; Stadler, 2016). This means that the partners need to formalize their relationship at least to some extent and develop a coordination model set for the PPP (Stadler, 2016).

At a quick glance, coordination of the partners' potentials is not much different from the "ordinary management" of organizations. It is important to understand the

motivations of each partner and create a shared vision and objectives based on the individual aims (Corrigan et al., 2005; Jupp, 2000). Moreover, clear lines of communication must be established with timely announcements and frequent, consistent interactions (Goldstein & Mele, 2016). Also, decision making processes must be consistent, rational and transparent (Corrigan et al., 2005).

The PPPs can also adapt management aspects especially from the private side of the partnership which utilizes rigorous tools to measure success. Jupp (2000) highlights that the evaluation of the work done is frequently neglected in the partnership. Oftentimes this is because the different types of organizations in the partnership have their own evaluation criteria which are not compatible with each other and might ignore the common targets of the PPP to begin with (Jupp, 2000). Moreover, the evaluation of the partnership might lead to tensions between the partners as the evaluation criteria or method is seen as unfair (Jupp, 2000). Hence, it is important to establish a method how to evaluate the effectiveness and progress made in the PPP which is free of accusations and incentivizes constructive feedback. Through these actions, a PPP can respond to the challenges and opportunities that its environment poses. Indeed, to continue, it would seem that the flexibility to respond to challenges and grasp opportunities is a cornerstone in defining success for a complex organization such as a PPP (Huber, Miller, & Glick, 1990; Krishnan et al., 2016).

The coordination attempts will vary in difficulty based on the previous interactions of the partners. With good, existing relationships that have led to mutual legitimacy between the partners, coordination will be supported by social mechanism known as *structural embeddedness* (Crosby et al., 2006). If these social mechanisms do not yet exist between the partners, however, then the formalization, and thus effective coordination of partnerships, only develop in incremental steps with less strict contracts such as Memorandums of Understanding (MoU) (Bryson et al., 2006). Generally, MoUs are a written form of understanding between parties that sets a nonbinding agreement on requirements and responsibilities and is frequently the first step in formatting a deal or a partnership (Investopedia, 2017).

The coordination process in the PPP may face criticism and even internal resistance throughout its design and implementation phase. Especially some public organizations may find it bothersome that a public entity will support private companies while relinquishing some of their authoritative power to private parties (Crosby & Bryson, 2005). Also, the planning and coordination activities of PPPs can generate large sums of upfront costs before the meso-level benefits manifest which may lead to disapproval of wasting public funds (Stadtler, 2016). Therefore, it is important that the before mentioned management practices for coordination are in

place and well exercised. Moreover, it is advisable to conduct a stakeholder analysis to highlight the benefits of the collaboration for each stakeholder group (Crosby & Bryson, 2005). In unison, PPPs can develop the type of internal coherence and function that can create suitable legitimacy for also the external stakeholders (Provan et al., 2004).

Structure	Leadership	Management
<ul style="list-style-type: none"> ▪ Distinguishing hierarchies difficult in network structures → all participants intrinsically equal ▪ Different collaboration structures can overlap as organizations engage in multiple projects at the same time ▪ Shifting from bureaucratic alliances towards deeper collaboration 	<ul style="list-style-type: none"> ▪ Can be both formal and informal ▪ Shifting from execution to inspiration ▪ Strong managerial skills also needed ▪ Acts as a catalyst for collaboration → Cross-sector collaboration still about human to human interaction 	<ul style="list-style-type: none"> ▪ Management of PPPs resemble the management of individual organization's internal management ▪ Important that management methods are comparable between PPP participants → e.g. indicators and measuring

TABLE 3: Structure, Leadership and Management Aspects in PPPs

2.4 Governance

In the scholarly field, the term governance has remained vague and debated (Robichau, 2011). Nevertheless, governance has been defined, for example, to be *“the action or manner of governing - that is, of directing, guiding or regulating individuals, organizations, or nations in conduct or in actions”* (Lynn, 2010, 671). Hughes (2010), on the other hand, has defined governance as *“running organizations, about steering as in the original derivation, how to organize, and how to set procedures for an organization to be run”* (p. 88). Certainly, these two definitions have their differences. The most substantial difference is that Lynn (2010) directly mentions regulations as a part of governance whereas Hughes (2010) mentions it more as a way of running organizations.

Given the fact that governance as a term can be so elusive, it is justifiable to assume that both public and private sides of a possible PPP will see it differently. In addition, governance within PPPs is not an infer construction and it cannot be expected to happen with total agreement and swift consistency (Goldstein & Mele, 2016). The problem also lies in the fact that, at least in the academic discourse, there is no clear best way how to govern PPPs (Stadtler, 2014) nor is there a clear framework for

partnerships in general to foster innovation, divisions of labor and steady effectiveness of the partnership (J. M. Brinkerhoff, 2007). To continue, governance in the cross-sectoral context, whether through PPPs or business-NGO partnerships, have implications on both external and internal partnership legitimacy by creating a context where conflicts can be tackled systematically (J. M. Brinkerhoff, 2007). This means governance is also used as a tool to format internal dynamics as creating credibility for the partnership for the external stakeholders.

Despite Stadtler's (2014) or Brinkerhoff's (2007) comment on the uncertain nature of PPP governance, Reuer & Ariño (2007), Zollo, Reuer & Singh (2002) and Gulati (1995) among others have stated that the academic taxonomy, when investigating the control of inter-organizational alliances, is to classify them as either non-equity alliances or as equity alliances. Non-equity alliances are considered to be based solely on contractual agreements between parties whereas equity alliances derive from shared ownership of the task and goal of the alliance and therefore require elaborate governance measures in the partnership (Zollo et al., 2002). Reuer & Ariño (2007), conversely, are quick to point out that the classification of alliances is not as black and white as suggested by academia and the great heterogeneity of alliances results in a situation where one classification would need to share features from the other, more often than not.

With such uncertainty revolving around the concept of governing cross-sectoral partnerships, governance will be investigated from two apparently different approaches. Firstly, the more recent phenomenon of network governance and its forms will be examined followed by contractual governance and its theoretical background. This is because Provan & Kenis (2008) make an important distinction for network structures and governance that separates them from equity and non-equity based taxonomy. According to them, networks are not legal entities meaning that there is not an official legal requirement for a governance model. Instead, networks are seen more as collaborative engagements by independent organizations. Contractual governance, however, is rooted in the equity/non-equity taxonomy even though there are perceived similarities between network governance and contractual governance. Therefore, given the elusive nature of governance especially in cross sectoral partnerships, this investigation will be beneficial to reach the aims of the thesis.

2.4.1 Network Governance

Previously, it has been discussed that network structures in PPPs are hierarchically flat and work interdependently. Therefore, if governance were to be defined

according to Lynn (2010), which refers to regulating, the notion of regulation can seem inapplicable to PPPs with sophisticated network structures (Provan & Kenis, 2008). Relatedly, also Bryson et al. (2006) admit that the question of what is governance in networks is obscure. Nevertheless, in order for PPPs and, in fact, other types of cross-sector collaborations to survive, governance must be in place through coordinating and monitoring undertakings so that participants engage in mutually benefiting actions and address conflicts (Bryson et al., 2006; Provan & Kenis, 2008; van Raaij, 2006). For further evidence, Castells (2000) has pointed out that new forms of governance are needed as the public and private sector become closer and more entangled.

Relatedly, an entirely separate concept of *network governance* has taken prominence in cross-sector partnerships (Molin & Masella, 2016). Sørensen & Torfing (2009, 236) have defined network governance to be:

A stable articulation of mutually dependent, but operationally autonomous actors from state, market and civil society, who interact through conflict-ridden negotiations that take place within an institutionalized framework of rules, norms, shared knowledge and social imaginaries; facilitate self-regulated policy making in the shadow of hierarchy.

This definition highlights the interdependencies between private and public actors in a collaboration (Sørensen & Torfing, 2009). Governance networks are present when there are no clearly defined constitutional rules that would steer and govern the collaboration (Hajer & Versteeg, 2005). Hajer & Versteeg (2005), however, specifically point out that rules are not missing in network governance but they simply have not been agreed upon as a consensus. This notion, again, calls for the actors in the network to agree on the common problem or target and to build trust in order to tackle the issue at hand (Hajer & Versteeg, 2005). This view is supported by Teisman & Klijn (2002) who assert that public actors are beginning to recognize the interdependencies with other societal actors and try to solve problems via cooperation as opposed through central command. To go further, Kort et al. (2011) state that network governance is crucial for the survival of PPPs due to their complexities. This notion highlights the necessity for some type of network governance tools.

It would seem that much of the academic literature agrees that network governance is the governance of ambiguous and multidimensional cooperation (Klijn, Edelenbos, & Steijn, 2010; Provan et al., 2004; Raab et al., 2015) Despite this apparent consensus, Molin & Masella (2016) state that a solid framework for network governance still

remains absent. Nonetheless, efforts have been made by researchers to investigate ways in which networks can be governed for constructive effects.

Provan & Kenis (2008) have recognized *two dimensions in network governance*. The first dimension is the *brokerage of the network*. Network governance can be either brokered or not. In a brokered network governance model, the organizations in the network have limited interaction with each other and instead are governed by a single, centralized party or a lead organization that takes care of duties that are necessary for the survival of the network (Provan & Kenis, 2008). Opposite to this, network governance can also not be brokered and be completely governed by all the organizations in the network which would lead to a high rate of decentralization and more simplicity (Provan & Kenis, 2008). The *second dimension* of network governance is related to brokered network governance. The brokerage can either be done by an internal partner of the collaboration or also by an external party. Provan & Kenis (2008) point out that none of the options are superior to each other and each dimension has its own strengths and weaknesses. This would call for a more in-depth investigation of the dimensions which are presented in FIGURE 4 below. Moreover, the research related to network governance done by Provan & Kenis (2008) has been

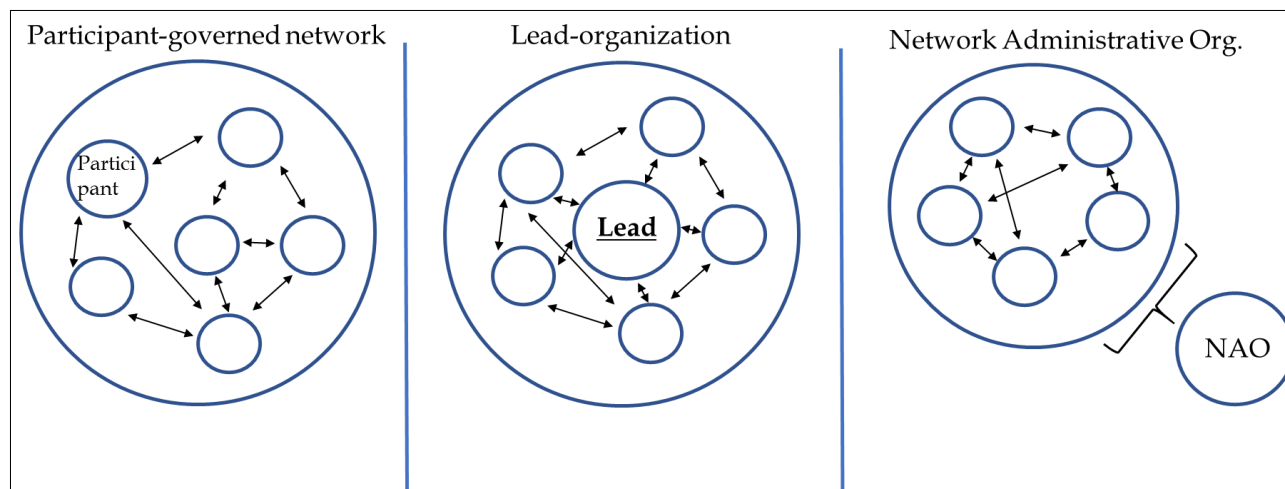


FIGURE 4: Forms of Network Governance (Provan & Kenis, 2008)

well adopted by scholars (Molin & Masella, 2016; Raab et al., 2015) and thus serves as evidence of the importance of investigating this framework.

The simpler, non-brokered form of network governance is also referred to as a *shared participant-governed network* (Provan & Kenis, 2008). In shared participant-governed networks, governance can be achieved in two ways: either through formal manners such as regular meetings with specific organizational representatives or through informal means by uncoordinated actions of those who have a stake in the

collaboration (Provan & Kenis, 2008). Shared participant-governed networks survive only when there is a high level of commitment by all, or at least by a considerable amount of actors in the network (Provan & Kenis, 2008). These actors need to manage both the internal functioning of the collaboration but also the external communication to funders, customers and other stakeholders. Essentially, the decision making processes are symmetrical even if there are differences in the size or resources of organizations (Molin & Masella, 2016). Moreover, there is no clear administrative or representative entity in the network even though some mundane administrative tasks may be performed by an allocated subdivision in the network (Provan & Kenis, 2008). The mutual participation in governance activities is also strongly linked to the commitment of common values and goals. Commitment to the goals and values of the collaboration is only possible when the shared participant-governed network functions on the assumption that all partners are equal (Provan & Kenis, 2008).

Brokered form of network governance can be further separated into two approaches. The brokerage can be done by a *lead-organization* (Provan & Kenis, 2008) or by an external *Network Administrative Organization (NAO)* (Provan & Kenis, 2008). The lead-organization model will be discussed first.

The lead-organization governed network exists to respond to some of the deficiencies that might occur in shared participant-governed networks. There may be scenarios where decentralized, self-starting governance might be too inefficient and a clearly more centralized approach is necessary (Provan & Kenis, 2008). The question then becomes, who will assume the role as the lead organization. In direct business, according to Provan & Kenis (2008), the assumption of roles is usually clearer. In buyer-supplier scenarios, the significantly larger company would undertake the lead role as opposed to the number of smaller firms. In PPPs, the task of agreeing upon the lead organization can be more complex. The existence of horizontal, cross-sectoral networks implies that there would need to be a clear champion among the actors. This would refer to the type of leader (and the leader's organization) hailed as a Champion as referred by Bryson et al. (2006). Provan & Kenis (2008) have therefore stated that lead-organization governance can, indeed, occur in horizontal networks when there is a single organization that has enough resources and legitimacy to assume the lead. To continue, the lead organization may emerge "organically" by based on what seems to be the most beneficial and practical solution but it can also be mandated by a financing party of a partnership (Molin & Masella, 2016; Provan & Kenis, 2008).

As one might assume, in a lead-organization governed network, all activities and key decision are passed through a single participating actor – the lead organization (Provan & Kenis, 2008). This means that power occurs asymmetrically and the processes are exceedingly brokered. Molin & Masella (2016) point out that in a lead-organization governed network, the operational activities can be at the free will of the members. The administrative processes, however, remain solely with the lead organization. The organization can either underwrite the administration costs on its own or ask for contributions from the other network members (Provan & Kenis, 2008). Furthermore, the lead organization can acquire and/or control external funds such as government funding (Provan & Kenis, 2008). For lead-organization governed networks, oftentimes the funder takes the lead role over the recipient in the collaboration which leads to a more vertical structure in the network (Kenis & Provan, 2009). In terms of assuming the lead role, the goals and motivations for the partnership are rather often aimed towards the main motivations of the lead organization (Velotti et al., 2012). This would mean that the other members of the organization have to align their interest with the lead-organization and the lead organization must ensure that its interests also benefit the other parties for a fruitful alliance.

The second approach to the brokered dimension of network governance is the before-mentioned Network Administrative Organization (NAO). This approach follows the same concept as the lead-organization governed network with the exception that the partnership is led and brokered by an external party referred to as a NAO. The biggest difference in this aspect is that the NAO will not be a member of the collaboration and will therefore not bring its own services to the mix. This model refers to the Sponsor form of leadership as mentioned by Bryson et al. (2006). However, the NAO is responsible for the coordination and operational sustainability of the network. This also means that the decision making is also highly centralized even though the members inside the network can interact with each other. More formalized evolutions of NAOs usually have a board structure that would include the members in the actual network, or at least, a good intersection of them. This board would then address concerns at the more strategic level.

Again, like a lead-organization governed network, the NAO can be formed based upon the logical agreement of the partnership parties or by a mandate. The NAO can be either an individual or also formal organization (Provan et al., 2004; Provan & Kenis, 2008). Especially in the case of a formal organization, the organization can be harnessed to tackle issues that may occur in the network such as contradicting interests or internal competition (Provan et al., 2004; Provan & Kenis, 2008).

Moreover, the presence of a formal NAO can increase the external legitimacy of the PPP (Provan et al., 2004). To continue, a formal entity to run the NAO might be needed at least in the beginning to encourage growth, acquire funding and to ensure that motivations between partners are aligned. Oftentimes, this NAO is a public organization (Goldsmith & Eggers, 2005). These types of NAOs are also preferred when tackling larger issues such as economic development and viability (Provan & Kenis, 2008). Not only can they provide the legitimacy for the PPP but they can also provide an appropriate set of incentives and possibly infrastructure for cross-sector collaboration (Gebauer et al., 2005).

By now, the different dimensions of network governance related to PPPs have been discussed. However, it is still important to distinguish the scenarios in which a specific network governance model is the most applicable. In order to determine this, Provan & Kenis (2008) have recognized four key variables in collaborations that will alter the approach to network governance. These four variables are: *trust*, *number of participants*, *goal consensus* and *need for network-level competencies* (FIGURE 5 on page 48). These four elements will, henceforth, be introduced.

As mentioned in the beginning of the theoretical framework analysis, trust is a vital component of PPPs. Trust as an element in PPPs and other inter-organizational networks has also been the subject of vast scholarly investigation on its own (Edelenbos & Klijn, 2007; Klijn et al., 2010; Vangen & Huxham, 2008; Zhang & Jia, 2009). At a network-level, trust is essentially about the distribution of trust among the network members and how this trust is reciprocated in the network (Provan & Kenis, 2008). In other words, it is important to know how trust occurs in the network: is it expansive and reaches all members or does it only occur in some parts of the network, only among certain groups? Aside from the distribution of trust, it is also important to determine how necessary it is for trust to occur throughout the network. In some cases, it is only necessary for trust to occur in a part of the collaboration or so that there is a single party that the rest of the organizations trust. In a case like this, the lead-organization or the NAO modes of governance would prevail. Network governance, when there is a low density in trust, is still feasible when the lead organization or the NAO carries legitimacy and is trusted by other partners. Oppositely, when there is wide-ranging trust among the actors in the network, a shared participant-governed network model is feasible.

As previously noted by Zhang & Jia (2009), trust does not manifest itself immediately and only longer relationships between actors can lead to more profound trust. This is to say that the relationships between the actors in a shared participant governed

network must be based on more than just superficial, dyadic exchanges (Provan & Kenis, 2008). Therefore, at the beginning of a PPP, it is possible that the network will be governed via a broker, and as trust begins to spread in the actors, the network governance can move towards the form of shared governance (Human & Provan, 2000).

Outside of the concept of network-governance and Provan & Kenis's (2008) network governance framework, trust has also been investigated as its own form of partnership governance (Gulati, 1995; Krishnan et al., 2016; Uzzi, 1997). This research would support the point that Provan & Kenis (2008) have made. For instance, trust-based governance is also seen as a more informal way of governing where one party is willing to accept vulnerability in expectation that the other parties will act multilaterally, striving for the common goal and not exploiting the other organizations' vulnerabilities (Krishnan et al., 2016; McEvily, Perrone, & Zaheer, 2003). Therefore, it appears that the aspects of this variable in network governance does not greatly differ from the aspects of "ordinary" cross-sectoral partnership governance.

Cross-sectoral networks can be ambiguous or multifaceted and therefore challenging to also govern. The actions and motivations of each party must be considered and coordinated. This task of governing becomes more and more strenuous as the number of participants in the network grows (Provan & Kenis, 2008). Often, the actors in the network instinctively prefer a shared, non-brokered form of governance since the members see that they can steer the direction of the network and retain control (Provan & Kenis, 2008). This approach, however, will lose its advantages as the number of participants in the network grows. Obviously, with an increased number of actors in the network, the coordination of face-to-face meetings becomes more difficult and the network is more susceptible to miss critical conflicting factors. In simple terms, as the number of actors in a network grow, the less efficient a shared form of governance becomes (Provan & Kenis, 2008). Naturally, this proposition would mean that a brokered form of network governance needs to be implemented. There is no set limit as to how many actors a share participant governed network can support but Provan & Kenis (2008) refer to a number between six and eight. However, it is beneficial to point out that a shared governance network can potentially support more members if there is wide and deep trust in the network.

As the theoretical framework is explored, the goal and motivational aspects in PPPs have already been extensively covered and it has been recognized that a different set of values and goals can be a major caveat in PPPs. Therefore, it is interesting to see

how motivations and goals affect the form of network governance. A main driver for investigating goals and motivations in networks has been the assumption that *domain similarity* allows the actors in the collaboration to succeed (Provan & Kenis, 2008). This concept is important for network governance and its research since network actors need to consider both the goals of their own organizations and also the aims of the network (Provan & Kenis, 2008). Similarity may also be appealing on a personal level for the individuals who make their organizational connections with likeminded individuals. Provan & Kenis (2008), however, are quick to emphasize that network collaboration is executed for practical, collaborative advantage reasons as opposed to merely the resemblance of a partnership. These notions align with the previously discussed aspects of collaborative advantage as described by, for instance, Huxham & Vangen (2003; 2004; 2005).

So far, the compilation of the theoretical outline has suggested that it is vital for PPPs to agree on common goals in order to succeed. Network governance theory, though, would slightly oppose this view. Provan & Kenis (2008) suggest that it is still feasible to operate a cross-sector network even if the consensus on goals remains reasonably low. The key is to find the right form of governance. When the agreement on goals of the network are at an intermediate level, it is seen that the brokered forms of governance are more appropriate. In more detail, the lead-organization governance approach is assumed more effective when the level of goal consensus is relatively low and the NAO approach is applicable with a moderate rate of consensus.

The difference between the two forms of brokered governance stems from the participation of the other network actors. In lead-organization governance form, the lead organization accepts responsibility for most of the strategic and operational decisions and thus helps to resolve conflicts that may arrive over agreement on goals. In the NAO form, more involvement is still expected from the other organizations in the network. It was mentioned that NAOs usually have a board structure that comprises of at least some of the network actors. This implies that, as a minimum, the board members would have to show consensus towards the goals even if the actors outside the board would exhibit lower rates of commitment. Therefore, the NAO approach requires a moderate level of consensus compared to the lead-organization governance approach that can operate under relatively low levels of agreement.

As opposed to the brokered forms of governance, the shared participant-governed network will require high levels of goal consensus. High agreement on the network goals will allow the network to reach its set targets without conflict while the individual organizations can also meet their own respective objectives. Provan &

Kenis (2008) continue this concept by decoupling goals consensus from the variable of trust. High levels of trust do not necessarily lead to an agreement on the objectives of the network and vice versa. To differentiate this variables more, trust is based on reputation and past experiences but goal consensus is based on the similarity of the organizations' own goals (Provan & Kenis, 2008).

The last variable in determining the appropriate form of network governance is the necessity for network-level competencies. It has been established that organizations that join network do not join the network for altruistic purposes but to accomplish something that they could have not accomplished on their own. Nevertheless, in the network, organization operate within the boundaries of the network goals and their achievement. Therefore, for the dilemma is to know how much and what kind of competencies are required from actors to reach the network objectives (Provan & Kenis, 2008).

To solve this dilemma, the first step is to understand the type of tasks that are expected from the network actors. If the tasks inside the network require a lot of dependency on other actors, the governance system, and those possibly in charge of it, need to coordinate and facilitate this collaborative advantage (Provan & Kenis, 2008). Moreover, when the levels of interdependency in the network are high, there is a chance that some organizations may have to execute tasks that they do not have the know-how for. This notion would, consequently, favor the brokered forms of governance where the lead-organization or the NAO can provide support for the actors and develop special skills to overcome some of the challenges. Especially in the case of lead-organization governance, the lead organization can respond to interdependencies by utilizing its wide skillset (Provan & Kenis, 2008). This notion assumes that the lead organization has the type of know-how that is applicable throughout the network and that it is willing to invest time and money into the further development of the network competencies.

The second element in trying to understand the need for network-level competencies is to recognize the degree of external pressure that the network is subject to. PPPs are susceptible to circumstantial and business environmental fluctuations which may relate to, for instance, funding or changed public policies. These fluctuations require network protection. Moreover, it is important that there is a "buffer" (Provan & Kenis, 2008) between the external stakeholders and the actors. This buffer can then carry out activities such as lobbying, seeking funding or building external legitimacy for the network. These tasks imply that centralized action taking is needed which would be cumbersome for shared participant governed networks. A NAO,

oppositely, can provide a single point of contact that can augment the legitimacy of the partners.

Not mentioned implicitly by Provan & Kenis (2008) as a variable in determining the correct network governance form, Velotti et al. (2012) mention that an important variable in network governance is whether the network has been mandated to form or whether it has formed voluntarily, or as it was previously described, “organically”. Hence, the voluntarism levels of network forming will be treated as an extra fifth element in deciding the suitable governance form.

Voluntary networks are usually created by industry professionals and by organizations that will participate in the network itself (Kenis & Provan, 2009; van Raaij, 2006). Mandated networks, on the other hand, are not developed spontaneously and oftentimes do not present a multilateral conception of policies, agendas or services which can lead to problem since the actors do not necessarily feel the urge to collaborate (Velotti et al., 2012). Moreover, mandated networks may find it difficult to develop internal coherency in terms of legitimizing its own internal structure (van Raaij, 2006). Kenis & Provan (2009) state that oftentimes the mandated networks are formed by the public entity such as governments.

According to studies made by van Raaij (2006), internally legitimized networks that have been voluntarily created possesses the capabilities for self-control. This clearly implies that the shared participant-governed network governance model is the most applicable to voluntarily started networks (excluding that change in some of the other variables might demand a different approach). Other variables, nevertheless, correlate positively with the notion that voluntary networks are governable with a shared governance model. For instance, it has been found that self-started networks are more likely to endeavor for a specific target that the network together can only reach (van Raaij, 2006). Therefore, the voluntarism-based networks are also likely to exhibit high levels of goal consensus and be self-governed. The voluntarily started, participant governed networks are at risk, nevertheless. Should they lose sight of the common goal or have internal disputes, there is not a clear organization that can act as a mediator to resolve the conflict (van Raaij, 2006). Therefore, as the network matures, and possibly grows, the change in the governance model might be a timely matter. Velotti et al. (2012) concur with this point by stating that time is also a variable and can change the dynamics of a network when its members conceive new judgements on each other and the processes change as the cooperation between different actors develop over time.

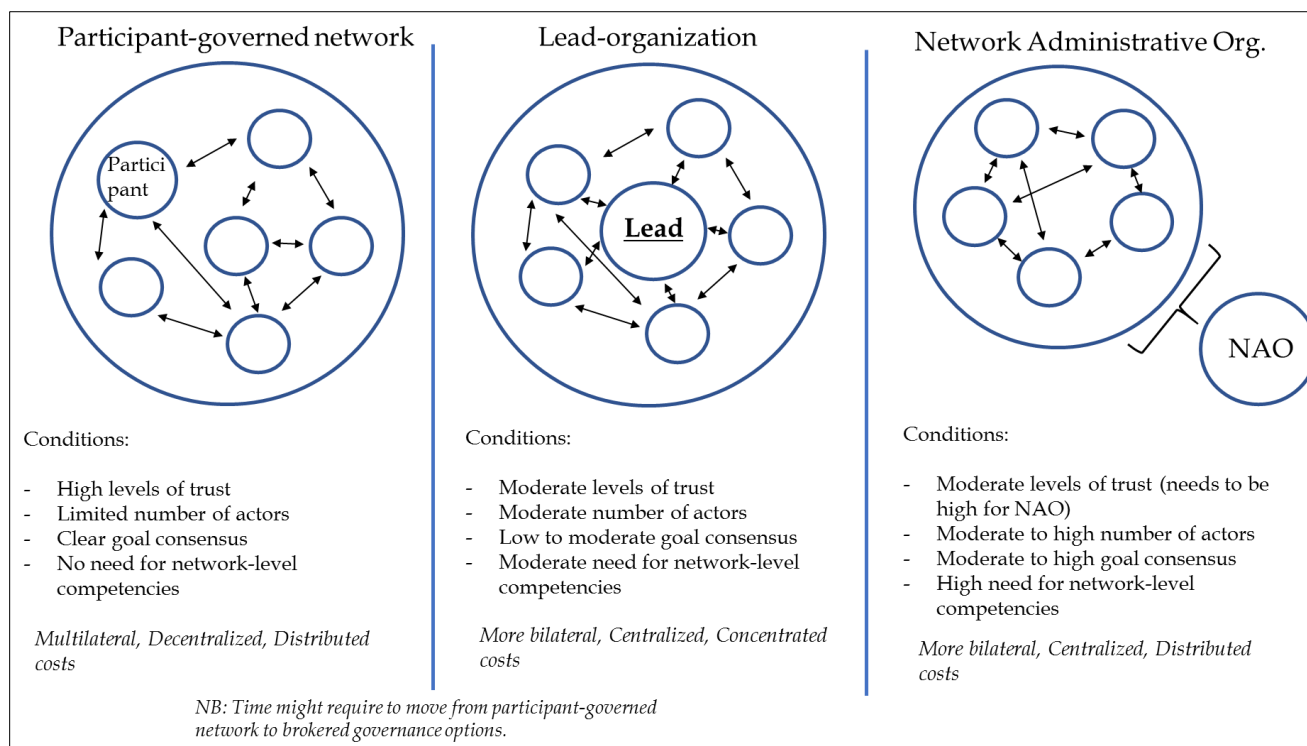


FIGURE 5: Forms of Network Governance in Different Circumstances (adapted from Provan & Kenis, 2008)

2.4.2 Contractual Governance

As previously discussed, uncertainties in the environmental factors of partnerships can cause the collaboration to cripple. Among other aspects, the organizations in PPPs can be different in terms of size or nature that can lead to fruitful results or, certainly, distrust in the collaboration environment (Krishnan et al., 2016; Provan & Milward, 1991). In collaborations, however, there can be more than environmental uncertainties between the partners. Krishnan et al. (2016) mention that behavioral uncertainties also pose a risk to the collaboration. Behavioral uncertainty stems from the perceived risk of holding, mishandling or exploiting confidential information (Williamson, 1985). To counter these observed uncertainties, correct governance models are, again, needed. Besides or next to the network-governance model, a stricter contract-based form of governance exists to set limits and confine the partners to work for the common goal. This mode of governance is called *contractual governance* and it is defined to be “the use of an extensive set of terms and clauses specifying mutual rights and obligations with legal and private sanctions for noncompliance” (Krishnan et al., 2016, 2522).

The theoretical support for contractual governance of partnerships is derived from theory of transaction cost (Gulati, 1995; Krishnan et al., 2016). According to this theory, partnerships, and the partners within, are able to protect themselves against

environmental and behavioral uncertainties by designing elaborative contracts that will lead to proper responses in the prevailing environment (Mayer & Argyres, 2004; Mellewigt et al., 2007; Williamson, 1996). Applied transaction cost theory also prepares organizations in advance for the possible outcomes of unsuccessful cooperation and the level of expected transaction costs are forecasted to be seen in the contractual stipulations (Gulati, 1995). Mellewigt et al. (2007), refer to this as the mitigation of relational risk where the probabilities and consequences of partnership failure are taken into account in advance.

From an academic perspective, transaction cost theory is applied in two sectors: market governance and in the governance of bilateral partnerships (Mayer & Argyres, 2004). In the context of this Master's thesis, the more applicable avenue of investigation for transaction cost theory is in the bilateral governance sector since market governance is only applicable when the transactions are standardized and distinctive investments are not made (Mayer & Argyres, 2004). In bilateral governance, oppositely, the continuity of the partnership is important and both parties make an effort to forecast various elements and caveats that can danger the relationship (Mayer & Argyres, 2004). In this approach, moreover, the partners make specific investments into the partnership and thus there is risk that the other partner may exploit the investment made by the other. Thus, transaction cost theory in the bilateral sector is more applicable for PPPs.

Transaction cost theory suggests that assets given as investment transaction need to be protected by contractual governance in the alliance, potentially specific to various assets (Mellewigt et al., 2007). Essentially, the potential risks in the costs of transaction between different parties are mitigated through stricter governance mechanisms. In practical terms, these mechanisms are referred to as enforcement provisions and they are the strictest forms of clauses in governance contracts (Reuer & Ariño, 2007). In many cases, these provisions comprise of intellectual property ownership and limits, lawsuits and external arbitration and are closely linked to the assets given by the partners in the collaboration whether the asset is tangible or not (Reuer & Ariño, 2007).

A detailed contract with clear clauses for the management of assets and avoidance of exploitation is a well-accepted mechanism for predicting behavior under higher behavioral uncertainties (Gulati, 1995). However, the level of detail and stipulations in a contract varies depending on the preexisting relations between the partners in inter-organizational collaboration (Gulati, 1995). When the partners have previous cooperation with good results, the contracts are likely to leave more room for

interpretation and be less detailed (Gulati, 1995; Reuer & Ariño, 2007; Zollo et al., 2002). This is because the prior engagements have left the partners with an understanding on each other's management systems, competences and business culture (Zollo et al., 2002).

The notion that trust would affect the form of contractual governance acts as evidence that there are similarities in the variables between network governance and contractual governance. It would seem that trust is a major issue when forming inter-organizational alliances and they can ease the birth process considerably. For instance, the existence of trust, which leads to the simpler contracts, can save a considerable amount of time and resources needed by lawyers to draft complicated contracts (Gulati, 1995).

Contractual governance is not, relatedly, only seen as a way to regulate the actions of the partners. Even though a major purpose for contractual governance is to help reduce uncertainty, the stricter forms of governance can also help to streamline processes inside the cooperation (Faems, Janssens, Madhok, & Van Looy, 2008). Since PPPs are long-term in nature, the management landscape can change during the course of the alliance, as stated in previous chapters. This will create environmental and behavioral risks for the partners. To mitigate these risks, coordination aspects can be made official by a contract. According to Reuer & Ariño (2007), this is especially the case with long term collaborations but not as common with short term alliances where the partnerships are less likely to go through adjustments.

As already discussed in the leadership and management section of this thesis, the creation of collaboration advantage requires the collection of resources, the decision on tasks to be performed and decide who is responsible for each task. Naturally, this process will require coordination between the partners. In the context of contractual governance, these management and leadership aspects can already be included in the contract that will stipulate all of the parties to follow certain procedures at given circumstances.

The contracts, in essence therefore, can help predict how certain partners will and can act under certain circumstances. This will create a foreseeable environment that limits the risks of miscommunication and increase synchronization and coordination between the actors in the PPP (Faems et al., 2008; Gulati, 1995). The contract will provide a normative set of procedures that may not be followed with complete accuracy but will, nevertheless, form a framework for cooperation (Gulati, 1995). Thus, contractual governance, and the contract made within the governance, is also referred to as a dual functioning contract – it encompasses both the controlling

boundaries and coordinating actions that were mentioned in the Structure, Leadership and Management chapter. In fact, the controlling proportion of the contract is grounded in transaction cost theory whereas the coordination proportion is linked to resource-based theory which was mentioned in chapter 2.1 (Mellewigt et al., 2007).

2.5 Summary of the Theoretical Outline

The theoretical outline for the successful set-up and operation of a PPP in the context of commercializing the Resource Wisdom operational model strongly implies that the effective formation of the PPP is heavily dependent on the interactions between the partners straight from alliance formation. This is the level where collaborative advantages can be recognized and different organizations can cement positions and goals. These interactions do not only happen at the organizational level but also at the individual level. Leadership is a major factor in forming the way a PPP works and it effects all aspects from PPP formation to management to the form of governance (FIGURE 6).

The Resource Wisdom model is also influential on public policy which would endorse Holden's (2009) viewpoint that PPPs are also about policy transfer and companies associated with policy transfers have an opportunity to benefit. In terms of Resource Wisdom, the notion of normative change and creating new synergies between local actors apply. Indeed, the model is designed to create sustainable regional development, resiliency and well-being starting from the grassroots level. However, the export of the model is intended to have strong commercial purposes as opposed to transferring policy. In this regard, the PPP would be more about commercial diplomacy.

As a commercial PPP export undertaking, the prevailing circumstances make the formation and operation of a PPP more complex and its successful rollout may not be as straightforward as some of the points in the theoretical framework would suggest. Exporting Resource Wisdom as a PPP requires, for instance, the management and governance of intangible assets such as people's expertise and tacit knowledge. This is also partly recognized within the academic contexts of PPPs since there is an evident lack of a solid backbone for PPPs. There are multiple elucidations to find the best ways to, for instance, develop the best governance model or to find common goals within differing organizational purposes and value frames.

Therefore, it is increasingly important to carry out a qualitative analysis in both the public and private side of the possible actors that would take the leading role in exporting Resource Wisdom to international areas.

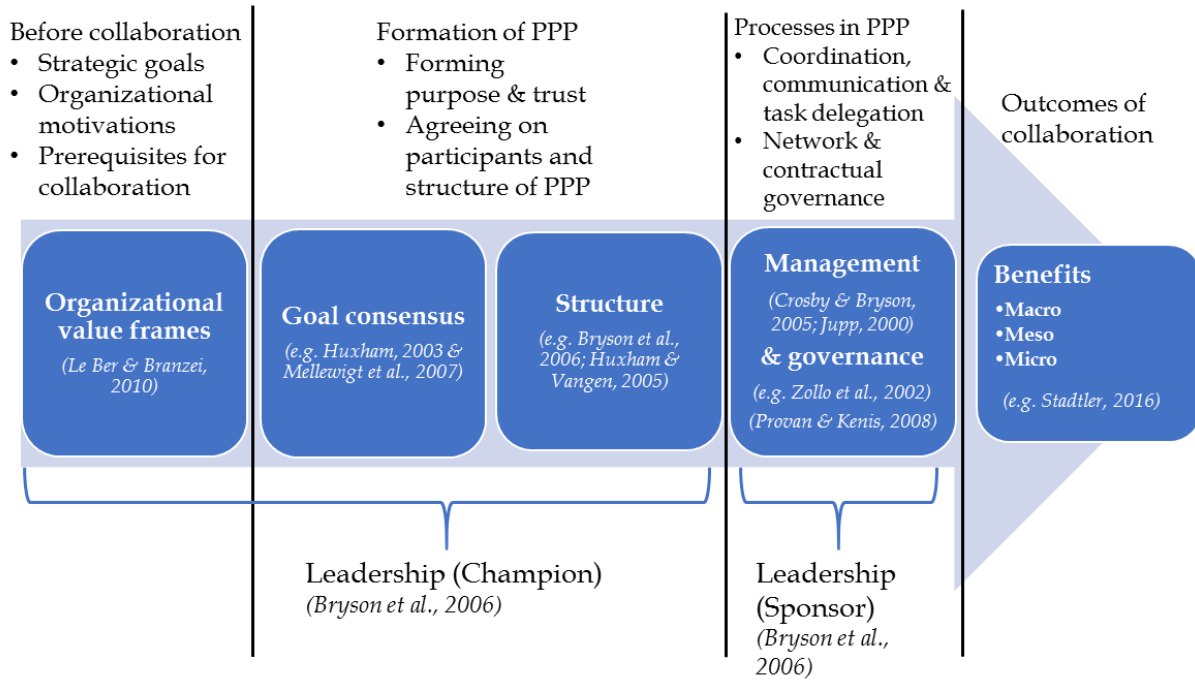


FIGURE 6: Cornerstones in the Rollout of a PPP

3 Methodology

This chapter will explain the chosen research methodology of the Master's thesis and give rationale behind to choices. To begin, the research method will be described followed by data collection methods. After this, the thematic interview process will be clarified along with the interviewee selection process and requirements. Finally, before moving to the findings of the interviews, the data analysis method will be covered.

3.1 Research Concept and Method

The thesis focuses on investigating public-private partnership models for exporting Resource Wisdom to international markets so that it also support Finnish export business. Even though there is an abundant collection of academic writings on public-private partnerships, there is no clear framework on which a PPP can be automatically built. As established in the theoretical section of this thesis, there are many forms of PPPs with even more variables. This suggests that each case has to be viewed as a unique variation of a PPP and therefore the frameworks can only be presented as guidelines to build upon.

As there are many variables and multiple opinions to PPPs, a qualitative approach has been chosen to conduct the study. As one of the definitions of qualitative studies demonstrate, it is more applicable to investigate the intersection of business activities and human relationships that form PPPs: *"Qualitative research handles nonnumerical information and their phenomenological interpretation, which inextricably tie in with human senses and subjectivity"* (Leung, 2015, 324). Qualitative study differs from another popular form of study, the quantitative study, in the sense that the goal is to comprehend the significance of a phenomenon from the standpoint of the affected parties (Merriam, 2009). In this sense, it also diverges away from quantitative research methods in that it does not present findings in numerical forms (Leung, 2015; Merriam, 2009). In more detail, qualitative research focuses on context, is based more on emergent connotations as opposed to predetermined structures, and above all, leaves more room for interpretation (Marshall & Rossman, 2006; Patton, 2002).

Essentially, qualitative data stems from three main sources of data collection (Patton, 2002). These are interviews, which are in-depth and have open ended questions, observations, and written documents. The data is usually collected "from the field". This means that the researcher spends time in the environment where the data of the study is collected from (Patton, 2002). The notion of carrying out a qualitative study does not exclude the option of some level of quantitative research, however. It is

common to include quantitative surveys to support the qualitative research. For instance, fixed, short answer questions are common parallel to in-depth, open ended questions (Patton, 2002).

Some of the drawbacks associated with qualitative studies are that sometimes it is not as well understood or accepted within the scientific communities as opposed to quantitative studies (Anderson, 2010). Furthermore, qualitative research can be seen as vulnerable to the personal biases of the researcher and the researchers' presence during the data collection can skewer some of the subjects' answers (Anderson, 2010).

3.1.1 Data Collection

The data collection for this Master's was carried out by performing semi-structured thematic interviews. The data collection was done by interviewing both public and private organization decision makers in order to get a balanced pool of qualitative data. Thematic interviews have been chosen as the main method of collecting data because thematic interviews are described to provide information on the real world perspectives of individuals related to a predetermined phenomenon (Kvale, 2007).

A prepared battery of questions was used for each interview. These questions were slightly altered depending on whether a representative from a public or a private party is interviewed. In essence, the prepared battery of questions consisted of the main questions that are the most relevant for the study. In most cases, the main questions will lead to a set of follow-up questions that are not prepared but based on the answer and reaction to the main questions. This will help with understanding the phenomenon in more detail as this approach will provide flexibility and allow the flow of the interview to change according to the answers and interviewee responses (Anderson, 2010).

Overall, five public organization and five private organization representatives were interviewed. This is so that the data represents an equal quantity of information from both sides of PPPs. Interviewee selection has been done by the author of the thesis based mainly on previous interactions with the interviewees related to exporting Resource Wisdom. This was especially the case with public organization representatives as the author has more experience in interacting with the public side. Choosing the sources for data collection based on deliberate decision by the researcher is known as *purposeful sampling* (Maxwell, 2005). With purposeful sampling, the researcher is able to access information that would be hard to obtain from other sources (Maxwell, 2005). With purposeful sampling, the researcher also has a sample that can discuss the issues of the research theory and validate it (Mason, 2002).

Next to purposeful sampling, *snowball sampling* was also used. Snowball sampling is a method where possible new interviewee contacts are acquired from previous

interviewees (Patton, 2002). Only one of the public organization interviewees was sourced through snowballing sampling. Snowball sampling was more favored in finding private organization interviewees where two of the interviewees were found through snowball sampling and the rest via purposeful sampling.

Finding public organization interviewees through purposeful sampling proved also to be an easier task, as opposed to purposeful sampling from the private side, because the undertaking to export Resource Wisdom, and the model in general, is public organization derived and therefore the pool of possible public level interviewees was greater. Public level interviewees consisted of national level actors who deal with internationalization issues in their line of work mainly via enabling their stakeholders to become more international.

When designing the model of Resource Wisdom, several companies were involved in its conception, as the introductory chapter described. However, many of these companies operate only at a national level in Finland and their representatives were not relevant data sources as the angle to commercialize the development model leans on exporting it. Due to this inconvenience, snowballing proved to be a successful way of acquiring interviewees who had interest and knowledge of the Resource Wisdom model and who also, to at least some extent, worked on international affairs within their companies. A list of the interviewees is displayed below (TABLE 4).

Interviewees			
Name (first name, last name)	Title/Task	Organization Name	Public/Private
Annimari Lehtomäki	Director, Business Development	BioGTS Ltd.	Private
Hannu Koponen	Development Manager, Bioeconomy	Regional Council of Central Finland	Public
Kirsi Knuuttila	Team Leader, Institute of Bioeconomy	JAMK University of Sciences Ltd.	Private (Educational for profit)
Lari Rajantie	Leading Specialist, Business Development	Sitra (Finnish Innovation Fund)	Public
Marika Ryyppö	Business Director	Clean Waters Ltd.	Private
Risto Veivo	Development Manager, Climate, Environment Policy and Sustainable Development	City of Turku	Public
Satu Freyberg	Managing Director	Induco Ltd.	Private

Tanja Oksa	Liaison Manager, Business JKL	City of Jyväskylä	Public
Tytti Laitinen	Project Manager	Jyväskylä Energy Group Ltd.	Private (Owned by city)
Ulla Mehto- Hämäläinen	Head of Unit	Centre for Economic Development Transport and the Environment	Public

TABLE 4: List of Interviewees

The interviewees from the private side are all based in Jyväskylä or in Central Finland but operate internationally. Due to the fact that Resource Wisdom as a method to export Finnish companies abroad is little known outside of Jyväskylä, only companies from Jyväskylä met the requirements to be interviewed (requirements: internationalization and knowledge of Resource Wisdom). Three of the public level interviewees are based in Jyväskylä whereas the representative of Sitra is based in Helsinki, Finland and the Development Manager of the city of Turku is based in Turku, Finland. As this thesis investigates the possibility of Resource Wisdom exports becoming a national undertaking, it is important to also include viewpoints of other FISU network city representatives (e.g. Turku) and those who nationally have overseen the development of Resource Wisdom (e.g. Sitra).

3.1.2 Thematic Expert Interviews

The interview questions were defined parallel to the writing of the theoretical framework. As the theoretical framework took shape, important points were jotted down by the author and formulated into questions. This was important in order to properly define the research strategy in order to find the type of questions that would serve the research's aims with respects to the theoretical underpinnings. Besides the work done to formulate the theoretical backbone of the Master's thesis, the author has also put in a lot of mental work in working on the research questions before the writing process of this Master's thesis had even begun. This is because of the professional background of the author as he has worked with the undertaking to export Resource Wisdom previously. In his professional engagements, the same questions have been discussed. In this regard, the research design and contents of the interviews have been informally validated by stakeholders of the undertaking.

The interviews were held in Finnish as the interviewees and interviewer were all Finnish. All the interviews but one were held in May and June, 2017. The last interview was postponed to August, 2017 due to scheduling issues. In all but the two interviews, the researcher interviewed the experts at their place of work. Two

interviews were conducted via telephone. In March, 2017 the author of the Master's thesis held a practice interview with the Research & Development (R&D) Manager of the city of Jyväskylä, Pirkko Melville, who was one of the leading experts in creating and implementing the Resource Wisdom model and therefore possessed great knowledge of the area. Her expertise in the area was used to further define the research aims and also the questions for the actual data collection so that they serve the purposes of the research aim as well as possible. The interview questions were modified several times before used in actual interview situations so that the questions would result in the best circumstances to get the most relevant data. Relatedly, it is important to underline that the interview questions are not direct translations of the research questions but should only serve as a tool to help answer the research questions (Maxwell, 2005).

The interviewer used a question template that was gone through during the interview. The template was not sent in advance to the interviewees unless requested. However, the author send a summary of the research problem and research aims in advance to the interviewees to serve as mental preparation for the interview. The template was not gone through rigorously one question at the time, but based on the responses, some questions were skipped to move onto a more prominent question only to return later to the skipped questions. Moreover, each interview had several improvised follow-up questions that provided more detailed data. The order of asking questions is not important as long as the interviewer is able to transition painlessly between questions and topics and the researcher is able to assess the relevance of each conversation in relation to the goals of the research (Mason, 2002).

The interview template comprised of ten simple, open-ended and direct questions that were often followed with follow-up questions. In this study, open-ended question were preferred as they enable the interviewees to freely exercise their knowledge and imagination (Marshall & Rossman, 2006). The interviews started with simple questions where the interviewees were asked to define the purpose of their organization and strategic goals. Even though this question may be easy to answer, it provided a lot of interesting data on why companies operate as they do and what are their motivations. These type of warm-up questions also serve as an easy premise to start the interview (Mason, 2002).

The interviewees were also asked to describe their experiences with regards to PPPs and international business development. Since the questions on the template remained at a rather general level, the questions were almost identical between public and private organization representatives. The questions only deferred from each other when it came to describing experiences with a counterparties in PPPs. In this instance, the public side was asked to describe the private side and vice versa. The

rest of the questions were also direct such as “Who do you think would be a good organization to manage a PPP for Resource Wisdom exports?” or “What do you think would be the best way to govern such a PPP?”. The interviewees were also confronted with different scenarios to see if their views would change according to situation. These different scenarios related to the possible change in the PPP in situations, for example, where the network expands drastically.

3.2 Data Analysis

In qualitative research, after collecting the data, it will be analyzed to provide evidence to reach the aims of the research. In qualitative research, the data analysis is most prominently a quest to investigate causal themes and connections through general statements (Marshall & Rossman, 2006). In simplified terms, the aim of qualitative data analysis is to understand what is happening that can be explained with confidence and clarity (Wolcott, 1994).

In this Master’s thesis, thematic analysis with an interpretative approach will be utilized for data analysis. Thematic analyses concentrate on recognizing and describing both explicit and underlying topics in data (Guest, MacQueen, & Namey, 2012). An interpretive approach is said to aid in understanding how interviewees’ understandings on issues shape their decisions (Maxwell, 2005). More specifically, in interpretative analyses, the interviewees’ perceptions and their own interpretations are seen as primary data sources that explain the issues that support their reasoning processes (Mason, 2002). Wolcott (1994), explains a further distinction in thematic analysis and interpretation: analysis is the recognition of salient issues and their relationships whereas an interpretative approach assists in discovering what their implications are.

The practical process in analyzing the gathered data started with manually transcribing (in Finnish) the recorded interviews into two documents – one document for public organization interviews and one for private. After this, the transcription documents were transferred into ATLAS.ti 7 qualitative analysis software. In this software, the transcriptions were marked with codes for each recognized theme in the analysis to highlight the most prominent passages in the transcripts related to the research aims. Codes are used in data analysis to identify and label salient points from raw data and help to recapitulate the prominent points in the interpretation (Guest et al., 2012).

Coded passages were then combined into “network views”, a function in ATLAS.ti 7, where all the passages were listed under a specific analysis theme. At this stage, the data underwent interpretation where the public and private side interviews were first analyzed separately based on the theoretical underpinnings. At this stage, the Finnish passages were translated into English and the interpretation happened in English. In the interpretation phase, patterns, relationships and dissimilarities between the interviewees were recognized and interpretations made on their significance to solve the research questions. After interpreting the data from public and private side interviewees, their data was combined to recognize the patterns and relationships of the two sides and also to interpret discrepancies in the collected data.

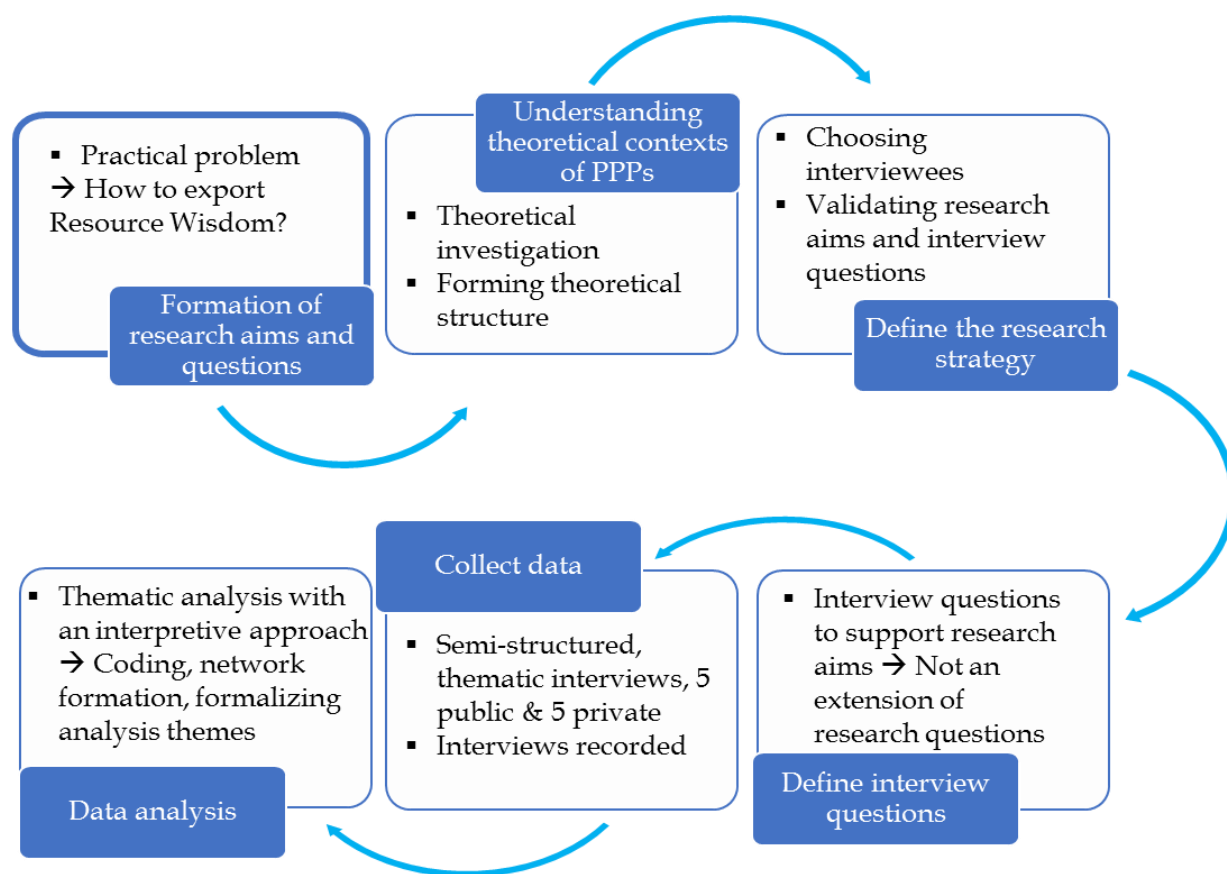


FIGURE 7: Research Process of Master's Thesis

4 Findings

The findings chapter will describe the results of the semi-structured thematic interviews and highlight the key discoveries. As the interviewees were split into two categories, depending on whether they worked for a public organization or a private organization, the findings will be presented separately. An analysis for both sides will investigate the themes recognized from data collection that are supported by the theoretical framework of this thesis. The targets of analysis for both types of organizations are the motivation to engage in a PPP, the best perceived structure, leadership and management of a PPP and the best perceived governance model of a PPP. The leadership, structural, management and governance themes are analyzed specifically in relation to Resource Wisdom exports. (FIGURE 6).

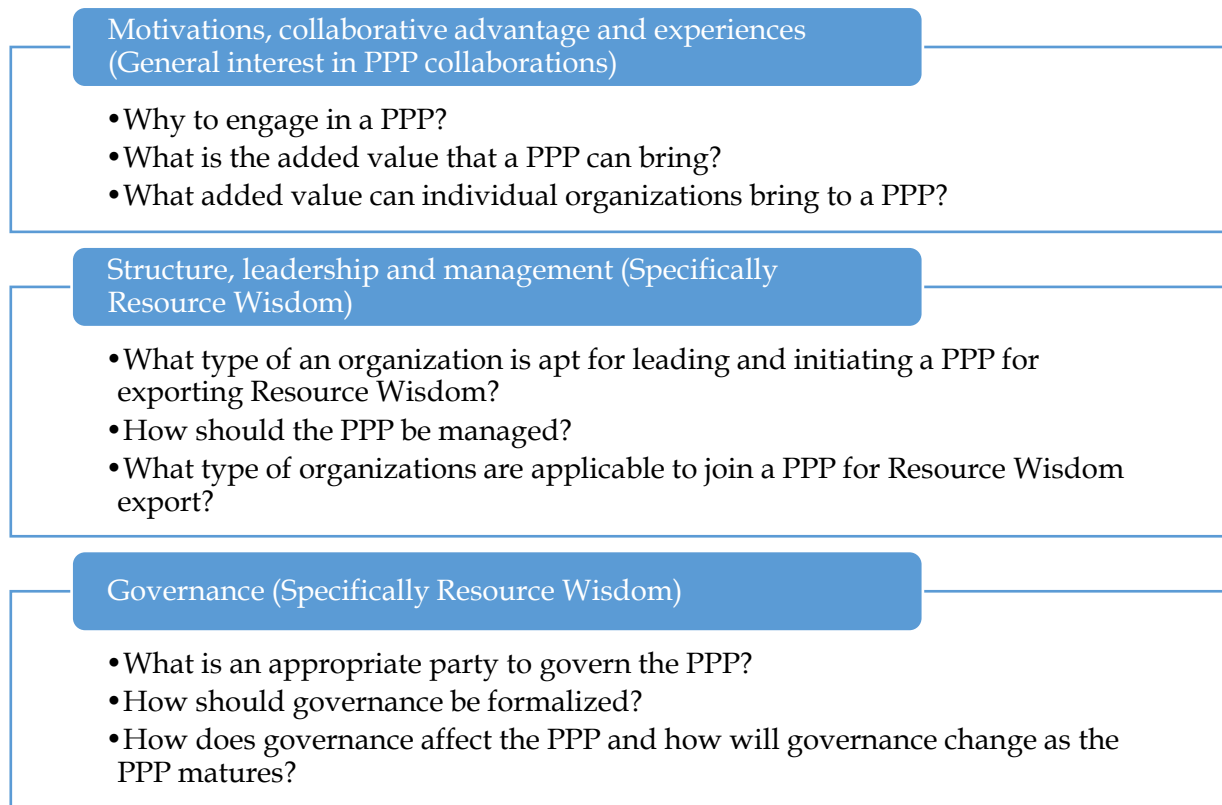


FIGURE 8: Themes for Data Analysis

4.1 Findings - Private Organizations

4.1.1 Motivations, Collaboration Advantage and Experiences

To establish a collaboration between public and private parties, there needs to be motivation on both sides to engage in a partnership. This was first charted in the interviews by asking why companies have engaged in PPPs before. Moreover, the interviewees were also asked for their opinions on the best practices for PPPs for international development and also some of the related caveats that were based on their experiences.

The interviewees from companies listed many reasons why they have worked with public parties before and why they wish to do so in the future. Many of the interviewees mentioned that the main reason for collaborative action with public organizations is that they bring credibility and contacts to the company and help with operations and reaching targets.

“In certain countries and in certain cultures you have to open doors, and the public organizations, if you have a twin city, or a Mayor, forums or regional development company forums and networks like this, could offer support then which would be fantastic.” (Pr2)

“Public authority can open doors that private organizations do not have any hopes of opening” (Pr3)

The interviewees also described that the public side offers “legitimacy services” (Pr5) that provide credibility and contacts for companies who want to reach the right people. According to the interviewees, this is especially important in international business and necessary in order to be able to negotiate with executives at the decision making level. Furthermore, especially those in smaller companies, interviewees saw that public organizations are also vital in introducing new business leads and the companies would only dedicate their time to the PPP once there are concrete business opportunities. This notion would suggest that public organizations would act as if they were business developers more than a diplomatic counterparty to the export area in question. As it was stated:

“Companies would get active when a concrete case and client has been identified and the financial prerequisites for the project exist.” (Pr5)

In this case, the added benefit of PPPs from private organization standpoint is not only the increased legitimacy but also the input of resources from the public side. In many cases, the extra resources come in the form of financing and dedicated time through experts.

As some of the cornerstones for successful collaboration, the private organization representatives mentioned that versatility is important in order to truly harness the power of a network and find collaborative advantages. Moreover, it was seen as important to have a party involved that would understand both sides of the collaboration. These aspects will be looked at more in-depth in the next subchapters of this analysis as they land more under the category of managing the PPP.

The private company representatives did not only praise PPPs. They also mentioned that sometimes the public and private parties live in two different realities when it comes to time scales.

"...the slow speed of the process is something that often frustrates companies and the moment when something is current, it is wasted"(Pr4)

"When private parties work with public parties, I feel like they are not always able recognize the expenses that occur from waiting and gathering information"(Pr4)

Moreover, the interviewees expressed differences in opinions and motivations to engage in a PPP. These were related to general matters of behavior in the collaboration and also to the lack of business development perspective in the cooperation. In these cases the partnerships have been more to boost diplomatic relationships with international counterparties which have benefitted the companies to a lesser extent.

"Some of the actors [public] are quite slow and bureaucratic and are not fit for business development"(Pr5)"

We are used to doing internationalization via this sort of twin city cooperation but it has been more connected to culture, cooperation and friendship and the business perspective has been neglected."(Pr3)

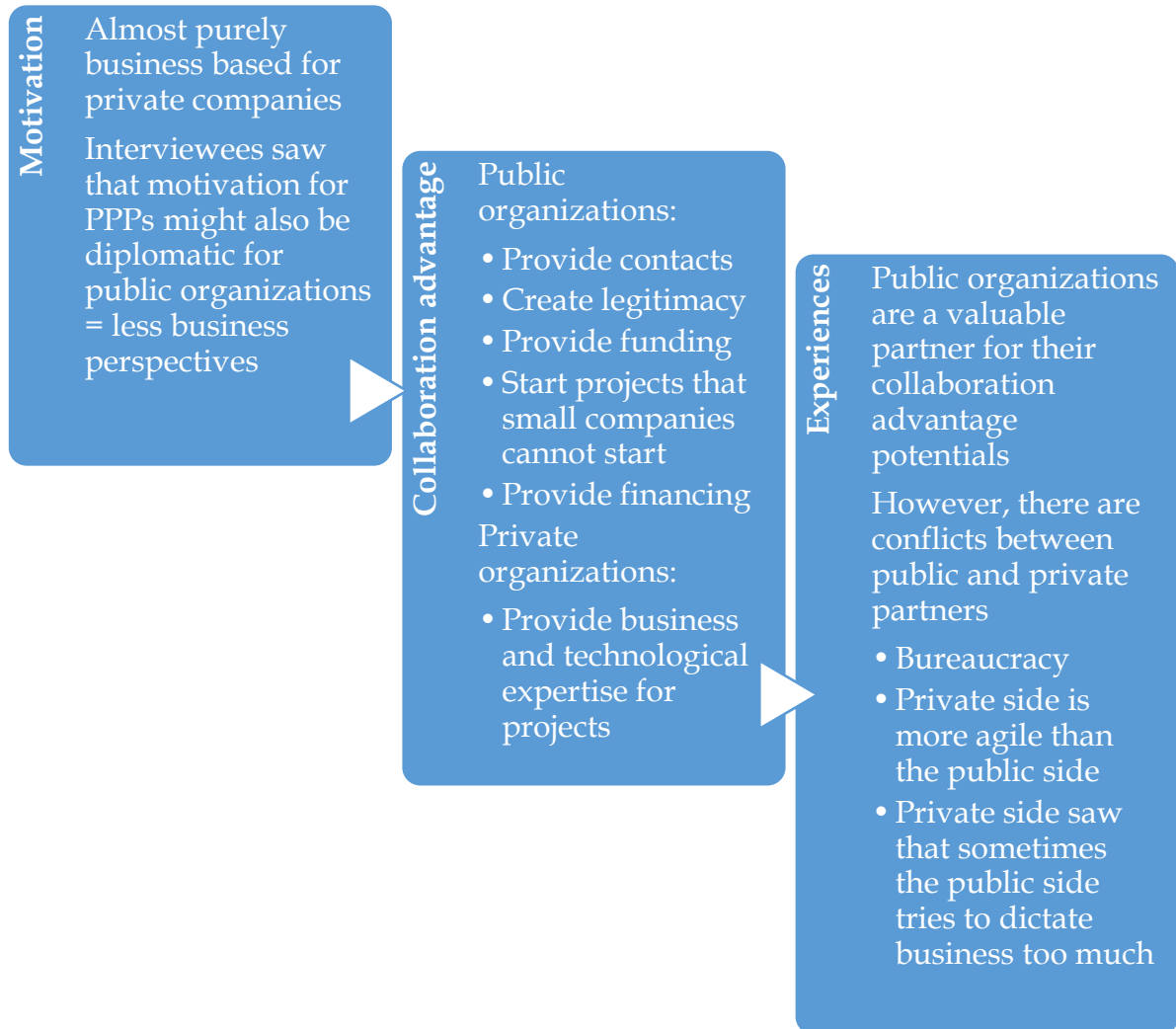


FIGURE 9: Prominent motivational, collaborative advantage and experience factors for PPPs (private organizations)

4.1.2 Structure, Leadership and Management

It was seen that exporting a model such as Resource Wisdom will require a robust structure where the participants in the collaboration are dedicated to the partnership. Since Resource Wisdom and all its different aspects cover so many areas, the interviewees saw that operators working in a network towards a common goal is important and the preferred way of arranging the PPP. As the launch to export Resource Wisdom as a form of a PPP is only at its infancy, it was seen that the initial network should be rather small to get instant feedback from smaller scale operations and to stay agile in the development of the PPP. As there are signs of success, the PPP network can then be expanded.

“We can slowly expand that group when we get more experience from this pilot project and also some sort of commitment” (Pr3)

As the project to export Resource Wisdom matures, the private organizations are interested in diversifying the PPP structure. Moreover, it was suggested that already formed networks should be utilized. This can provide a quick access to network diversification should it be seen that Resource Wisdom export practices can be done by multiple Finnish cities. One of these networks suggested was the FISU network. When working with existing networks, the interviewees saw that the PPP would be advantaged by the fact that the members know the Resource Wisdom model well and that they are used to working with each other. (As a side note, it is important to mention that the FISU network officially consists of only public entities even though they are in cooperation with companies).

“What you really need is that you need different companies, you need experts... and often also from the public side you need someone from a specific field” (Pr3)

This viewpoint was, however, countered by an interviewee from a different private organization.

“If you have a company in the water management industry and another one in the foodstuff industry so that you do not really have any synergies, then it is probably a waste of time to try to come up with something together” (Pr1)

A statement such as this refers to a more limited network in which the network would be more homogenous, and therefore, more easily managed, perhaps. However, a limited homogenous network was also seen as a hindering factor for a successful export operation of Resource Wisdom. A diversified network structure, especially from the private actors' side, was seen beneficial as the network would be able to offer more services or complement each other's services.

If the network structure becomes too diversified and the connections in the network are loose as a the previous statement from Pr1 describes, then the Resource Wisdom export practice can revolve around clusters which would form the entire network structure. These clusters have their own specific knowledge and goals and would act through the managing party that is in contact with the other clusters in the network.

The view on independent clusters that have a specific type of knowledge was challenged, however. It was seen that if these clusters in the network are too homogenous then the network will not add many competitive advantages as the actors in the cluster are too similar and not able to offer unique resources.

“If we would start dividing the implementation [of Resource Wisdom] in to these types of clusters then you definitely need this type of vitality in the clusters so that you do

not only have actors from a specific industry. It will not create openness and the people will gain nothing new from it.” (Pr4)

As it would appear, the structure of the PPP is seen from different perspectives. Nevertheless, the diversification of the structure and participants was generally seen as a positive force in the forging of a cross sector alliance. Therefore, the interviewees turned much of their attention to elements such as the leadership and management of the PPP.

For leadership, the concepts of Sponsor and Champion were not introduced to the interviewees during the interviews but they mentioned the desire for a leader with both Sponsor and Champion type characteristics. The interviewees especially stressed the importance of a Champion type of a leader. The boundaries between public and private organizations were described as rather low. It is more about the access and management skills that the individual has, that determine the successful start and operation of the PPP.

“In Finland, it is not so much about the leading organization, it is about the person in charge. Does the person have the ability to talk to different parties so that the conversation remains constructive and organizations feel like they are treated equally?” (Pr4)

The interviewees also stressed that the motivation of a single leader might not be enough for the collaboration to be viable. This is especially the case when the leader does not have the capabilities or the right connections to actually lead. This means that the leadership should have enough decision-making power or be closely associated with the level that makes the decisions in the organization.

“If organizations choose to send people to cooperation events that have no communication or decision making capabilities in the organization, then these things cannot be advanced no matter how good your visions are.” (Pr4)

Comments such as this suggest that the private organizations are keener to have the public side to start the collaboration. It was also stated that as the collaboration matures, the leading party would change to be a private party instead of a public one. This notion was especially highlighted in the possibility if Resource Wisdom as an export product starts to specialize in only one or few of its key themes (energy, materials, transportation, water, food, communities). This is to say that the export practices related to the model revolve only around exporting certain kind of expertise to foreign markets instead of a holistic practice where all the key themes are considered at an export region.

“...if it [Resource Wisdom] starts to profile itself to a specific theme then there should be a leading company” (Pr1)

Private entities enjoy a certain degree of operational independence and want to concentrate the most vital expertise into their own ranks. This was highlighted by interviewee number 5 (Pr5) when asked about some of the caveats of working with a public body:

“Some public organization representatives have the tendency to want to dictate how we should do business. It is a bit frustrating.”

These types of notions highlight the fact that companies in general do not appreciate it when public organizations involve themselves with their matters too much. This view was further highlighted by interviews who called for equal treatment of the members in the PPP. This was especially the case when it came to the treatment of the private parties. It was seen important that the involvement in the PPP does not overconsume the resources of smaller companies or constrain their own operations and development.

“Companies need to have the possibility to develop their own company and products. It cannot be so that the leading company controls and the others follow. Everyone has the right to have their own strategy and their own products. (Pr1)”

Many of the interviews stressed the importance of the managing party’s resources such as tacit knowledge, experience, connections and sufficient liquidity. Especially financial capabilities were mentioned as an important factor since it would allow more flexibility in marketing the Resource Wisdom concept abroad and do the type of groundwork that is expected to lead to profits in the future. Largely due to this reason, some interviewees saw that a smaller company cannot be the managing party in a PPP. It was also seen that a bigger, more credible company will be able to attract smaller companies into the partnership as opposite to a situation where there is a smaller managing company trying to invite bigger companies. It was seen as an advantage that these bigger type of companies might already have vast experience from working in international projects and might be able to acquire public funding more easily which was also seen as an important factor when starting a PPP for Resource Wisdom export practices.

The private organization representatives saw the role of private actors very important and considered many aspects of the PPP from their point of view especially when it came to the ease of doing business. Regarding this, they also stated that once the business negotiations have started, the public parties in the PPP should step aside. In this sense the management of the PPP would be more passive. When asked about the ideal functioning of a potential PPP, interviewee 2 (Pr2) stated:

“Once we have the recognized needs and clients from international markets then it’s only about the negotiations between companies and responsibilities and guarantees.”

The interviewees were united in the view that open and coherent management practices are important in a PPP. Especially in the case of exporting Resource Wisdom which would likely entail a diverse network, the management practices were especially related to communication and openness in the network. This notion was again attributed to the equal treatment of the network actors and especially the actors in the private side. When the management of the partnership and its network is not transparent, it is seen to lead to a fear of exclusion from business opportunities. Furthermore, furtive management practices were seen to create an environment where the rules of the partnership would favor specific, chosen type of actors over others. The participants in the network also need to feel like they are gaining something new from it whether it be business leads or new industry inside.

“Organizations want to experience that they are being treated equally so that whoever is managing it [the PPP] has to share information openly. If people feel that they are not treated fairly in information dissemination then they feel that they will be treated unfairly in business situations and when creating rules.” (Pr4)

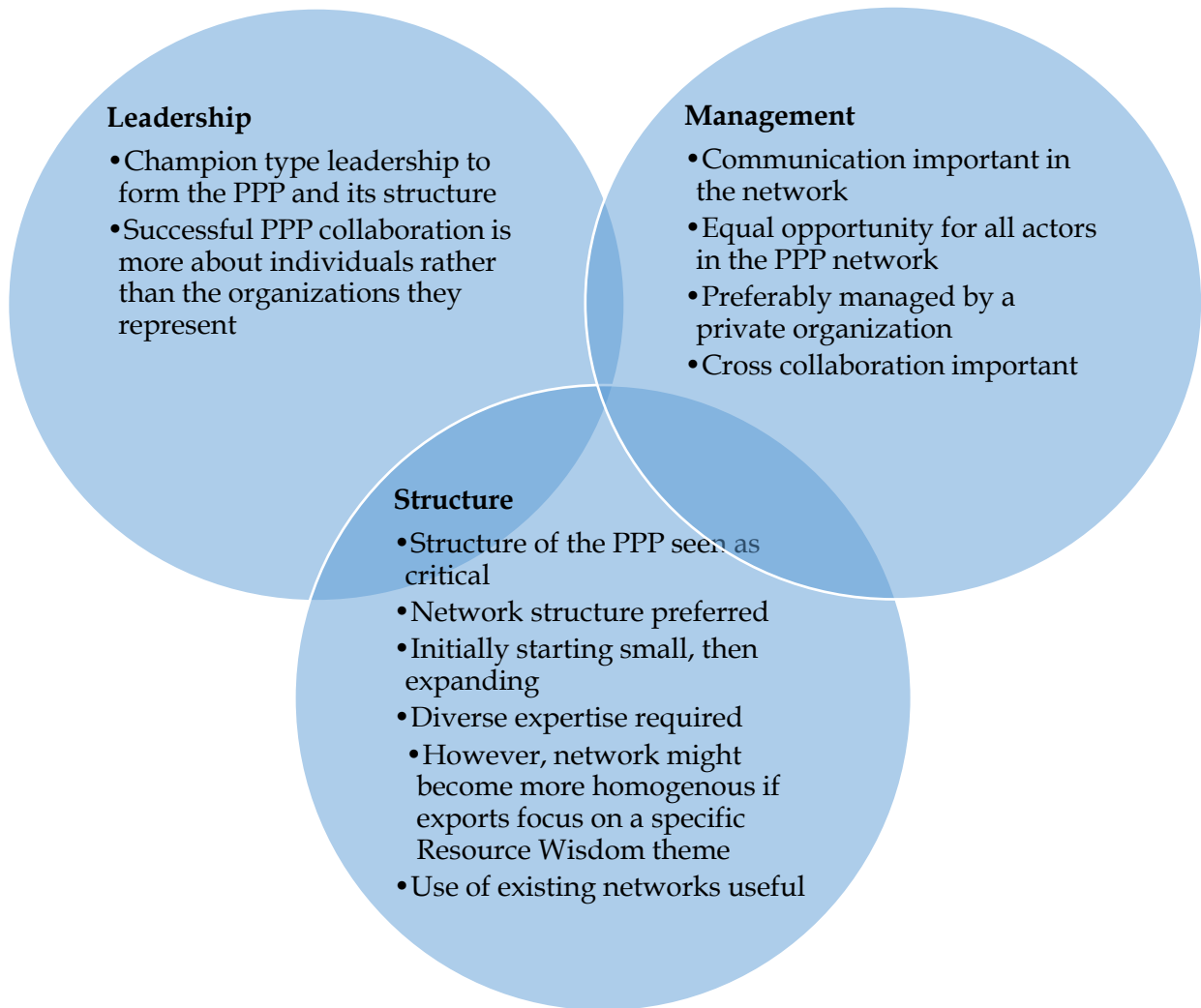


FIGURE 10: Main structure, leadership and management themes recognized (private organizations)

4.1.3 Governance

The role of governance was a much debated issue amongst the interviewees and it seemed to be a difficult question to contemplate on. This was especially the case in contractual governance of a PPP and what type of contracts should be in place, if at all. Moreover, multiple views were expressed about the degree of private sector involvement in the governance of the PPP for exporting Resource Wisdom. To add to the discussion on responsibilities and liberties in a PPP, financial involvement by the private sector was also talked about.

Some of the interviewees saw that the partnership should be rather lax and the cooperation would happen on a more need to know basis. On the other hand, interviewees also saw that strict contracts are necessary for a partnership with a diverse network structure. It was mentioned that companies like to streamline the

operations to the greatest extent. Therefore, if the PPP seems to be too complicated, chances are that especially the smaller companies would opt out of the alliance. Nevertheless, there is a demand for a governing body and especially for the type that would take care of the administrative duties. This sort of a response is understandable as companies, indeed, try to streamline their operations which can also be seen as streamlining their use of time.

“It is worth a thought that you do not create a too difficult of a model because companies act straightforward. If we set up new organizations, and new organigrams, the companies might be shunned to that” (Pr2)

To streamline companies' roles in the PPP, the interviewees saw that it would be unnecessary to have companies deal with the more mundane operations of a PPP such as the administrative duties or taking care of basic communications between the actors in the alliance. However, it was seen that companies should still have a strong say in the decision making in cases where the decision defines the purpose and direction of the PPP for Resource Wisdom exports. Essentially, the decision making would happen when all the partners are present in a meeting.

“There is the operative management that takes care of the everyday issues but these decisions are made in meetings that brings together the different actors to decide on the most important policies a few times a year, three, four times per year, perhaps” (Pr3)

In this thesis, the research into exporting the Resource Wisdom model abroad has been investigated firstly from the perspective of the city of Jyväskylä. However, the longer term goal is to make this export practice nationwide. If the export operations are made nationwide, it would make the governance of a national PPP more complicated as opposed to a PPP where a majority of the actors in the network come from the same region. This issue was seen as a complication to PPP governance, especially from a conflict resolution point of view. In a large network, there might be companies that are each other's competitors. To some extent, this is already the case in Jyväskylä alone where there is, for instance, vast knowledge in the production of biogas and its value chain. Good governance practices were seen as pivotal in situations like this.

Interviewees stated that in situations such as these, certain governance aspects need to have been thought of beforehand. It would be wise to agree on these rules right at the beginning of the PPP, whether or not it is started at the local level or at the national level. Some of the interviewees also stated that it would make sense to launch the Resources Wisdom export practice as a national undertaking straight from the start. This way, its network will be more diverse and it can supply foreign markets with whatever demand that may occur.

In this context, sound management practices were seen to merge with appropriate governance rules. The interviewees agreed that the network should be as diverse as possible, even if it might lead to conflict of interest between some actors in the network. The interviewees saw this process can be very much company driven. The communication in the network should be as open as possible and every private actor should have an equal opportunity to do business. From a governance point of view, this means that each possible business case is looked at individually in the network, and if the situation calls for it, there can be bidding contests amongst competing actors in the network. This type of an approach was also seen as beneficial for the final clients abroad as they get to choose from a multitude of possible solutions.

“If and when there are multiple companies offering, the information is passed down to everyone and in the name of fairness and then we will agree how the situation is solved.” (Pr3)

One of the most important things that the PPP needs to establish first is that it finds the balance between too many rules and not enough rules. Moreover, it was seen that the governance of the PPP needs to be predictable. It can be a very hindering factor to have an ambiguous governance system in place that will also hinder the management of the PPP and communication between partners. This is important in the case where it was seen that trust and knowledge of other partners is poor. In the case of exporting Resource Wisdom, chances are that the actors can come from different cities in which case it will be harder to establish good relations with the partners in the network. It was stated that the delivery of Resource Wisdom services might even become compromised in such cases. Furthermore, complicated and strict rules were seen as deterrent for companies.

“Companies will disappear if the network or someone else decides if that company can be here now or not or can we market this or not” (Pr2)

It was evident that the rules need to be simple and they need to be the same for all companies. The interviewees did not describe how the rules would be for the public partners and how they would be set in the PPP but they saw that the governance would affect the private side more than the public side.

In terms of setting the rules and how they should be enforced in governing the network, the interviewees had a wide range of views alternating from relaxed, trust form governance to strict contractual governance with detailed contracts. This was the clearest divider in the terms of opinions. It was seen that even the slightest bureaucracy would hinder the PPP whereas not having governing rules in place would leave the partnership adrift. There were also opinions that landed between this two extremes. It was seen that contracts such as Memorandums of Understandings would be able to establish the perimeters and responsibilities under which the both

private and public side operate but would leave enough leeway for companies not to be deterred by complicated contracts that require a lot of time to process. Below are two statements that are opposite to one another and a statement that finds a middle ground between the two.

"I am for a model that is as non-bureaucratic as possible so no contracts." (Pr5)

"Whatever will be done, there will be questions on intellectual property rights or who owns what or what are the different service level agreements or anything. So, there needs to be a very detailed contract supporting it [the PPP]" (Pr1)

"Certainly some type of agreement in writing that we are a part of it [the PPP] and what are our goals. But they cannot be too strict but some type of contracts are needed" (Pr3)

The last statement refers to an idea of writing blanket agreements or MoUs. The idea of a MoU in Resource Wisdom exports is that it would cover the basics of the partnership and that it does not burden the companies with overwhelming responsibilities or financial risks. This type of an approach was also favored by another interviewee who saw that MoUs are quite typical but the company would sign them only when the financier of a project requires them to. Moreover, with blanket agreements already in place, it will simplify the process of negotiating for stricter, binding contracts in the event of, for instance, choosing what companies can take part in specific Resource Wisdom projects abroad.

However, it was added that oftentimes the real foundation of partnership is based in cooperation and that all parties want to perform well in order to continue the fruitful alliance. It was seen that carrying out duties that you have agreed to on at least some level are a matter of integrity and that a failure to do so can lead to lost business opportunities.

"I think it is more important that it is a question of honor that the organizations do a good job because otherwise the key players will not be commissioned if they do not do a good job... Even a detailed contract might not protect from everything." (Pr4)

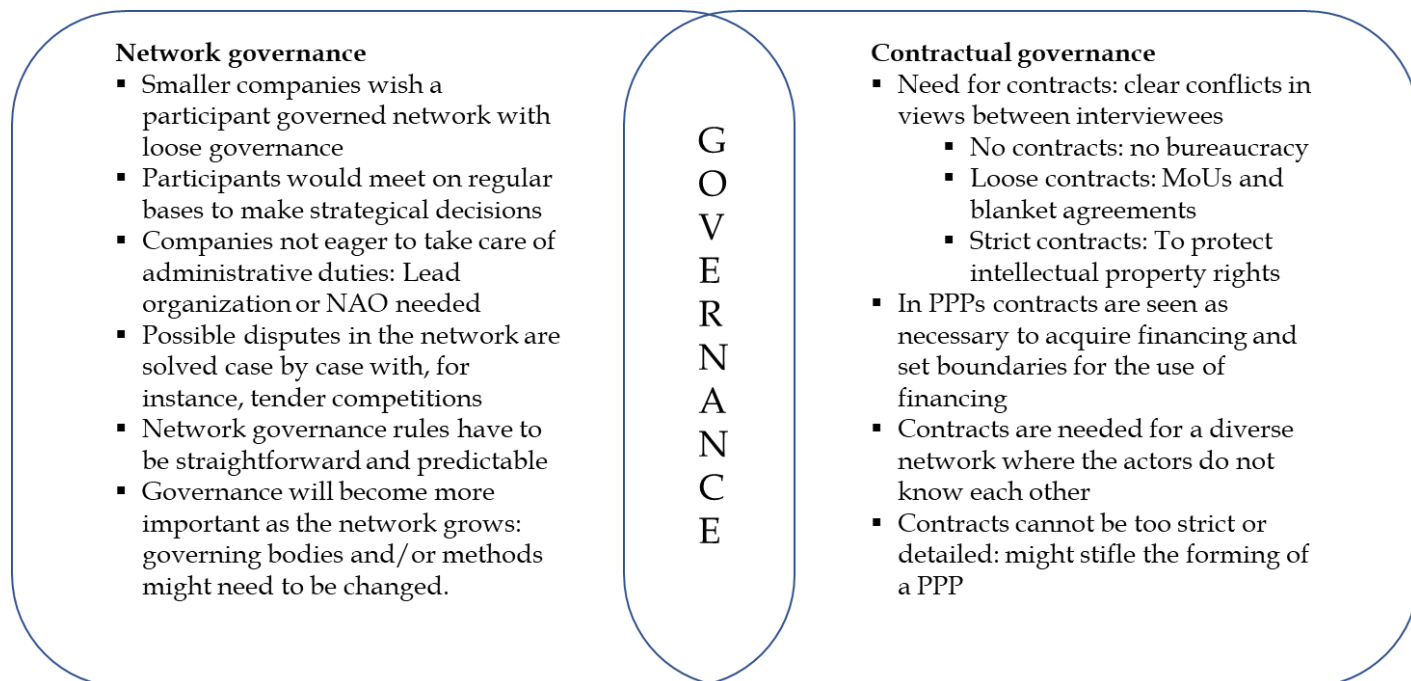


FIGURE 11: Governance factors in the PPP for Resource Wisdom exports (private organization)

4.2 Findings – Public Organizations

4.2.1 Motivations, Collaboration Advantage and Experiences

The interview with public organization interviewees followed the same structure as the interviews with private organization representatives. Therefore, the interviewees first described their experiences from previous PPPs with an export angle and complemented that with what they can offer as added value to a PPP where Resource Wisdom is exported. Furthermore, the interviewees explained their motivations to engage in a partnership with the private sector.

A large reason as to why the public side wants to work with the private sector is because the public sector needs the private sector justify their goals and operations. Depending on the public organization, the private companies are seen as a partner in either helping the public side carry out their future vision and strategy or the public sector works for the companies to help them grow and be more successful. These two phenomena can, naturally, blend depending on the situation and the organizations involved.

“Currently, we have four or five projects about to start or ongoing but they are not an end in itself but a means to an end.” (Pu4)

In a majority of the cases, the means to an end mean that the projects with the private sector help to reach organization specific goals. However, it was also mentioned that these public organizations attempt to reach larger, universal goals with the private side. This notion is especially relevant in terms of creating PPPs for development work which Resource Wisdom is also apt for. For instance, the United Nations (UN) Sustainable Development Goals (SDGs) were mentioned as a theme of importance for a specific public organization. It was also stated that the interest of a specific public organization is to see that the Finnish innovations can serve the whole world and for that they seek the aid of the private sector.

“When thinking globally, then perhaps the global reference for Resource Wisdom are the SDGs that UN’s General Assembly approved in September 2015.” (Pu2)

The strategy and vision of the public organization depends on its role in the society. All the interviewees’ organizations or departments in these organizations are closely linked to the business sector. Therefore their purpose and added value is in the support and guidance given to the private sector. For some organizations, the clear added value that they deliver is the financing instruments controlled and distributed by them. For other organizations, the added value was the expertise that they bring in and how that expertise can transform business towards more sustainable and lucrative avenues. Overall, the public side is not blind to the motivations of the private side and the public side tries to accommodate to this as best as possible:

“You have to build an operational and a financing model with them that benefits them because no one will quit their day job if they do not get anything more out of it than saving the planet.” (Pu4)

It was also stated that Finland is not unsusceptible to global trends and challenges. Finland is a part of the global economy and the challenges that face the global society will also inevitably affect Finland. Therefore, the role of public sector organizations that support the private sector is to also prepare them for business in a changing world and circumstances. The public sector has the ability to network companies with relevant stakeholders, whether partners or clients, which are key players in the changing world. This was seen as a specific public sector added value in a PPP for Resource Wisdom exports. The public sector also recognized that they deliver legitimacy services that adds credibility for the companies and the general practice of exporting Resource Wisdom:

“If everyone tried to do this by themselves they would not have the resources and their intentions would not be as credible” (Pu3)

The public sector interviewees were also aware of the discrepancies between the way private and public entities operate occasionally. A recurring topic was the different

time frames in which the two sectors operate. Public interviewees described that companies usually want processes to move faster than the public sector can accommodate to. The interviewees described two different scenarios that stood out. The more common situation is where the private company has to wait for approval for financing and program start. The private sector may not always understand the environment in which the public sector operates in and all the legal stipulations that they have to follow. This, on occasions, has led to tensions the company has to show flexibility each time.

“Most of our feedback is that decisions are made too slowly, or then there is something like, they feel that common sense and legal clauses do not always meet.”(Pu5)

A different time related scenario was also mentioned. Related to projects where a company provides a very specific kind of expertise, the company can have an upper hand in controlling the course of actions and their time horizons. This type of a scenario was realized in one of the interviewees’ organizations where the company forced the public organization to accommodate to their timetable due to the limited time of the experts from the company. Eventually, the public organization had to show flexibility by rearranging their tasks and individual timetables.

The interviewees also mentioned that oftentimes indicators are time sensitive. It was described that oftentimes companies have their indicators set for shorter time frames than the public side does. However, it was also mentioned that when companies share some of their goals and values with the public side, the indicators and their respective time frames can also correspond with each other. This was described to be especially true in the sustainability sector where especially environmental indicators are measured over longer time periods. In addition, environmental indicators are rather universal meaning appropriate for both public and private organizations.

Despite the positive example of the sustainability type indicators meeting, it was also described that the public sector is aware that their indicators of success may not always match the equivalent of companies. Whereas the private sector was seen to have definite indicators that can measure business successes accurately, the public sector interviewees described that sometimes their indicators are more to indicate the amount of work done instead of its outcome.

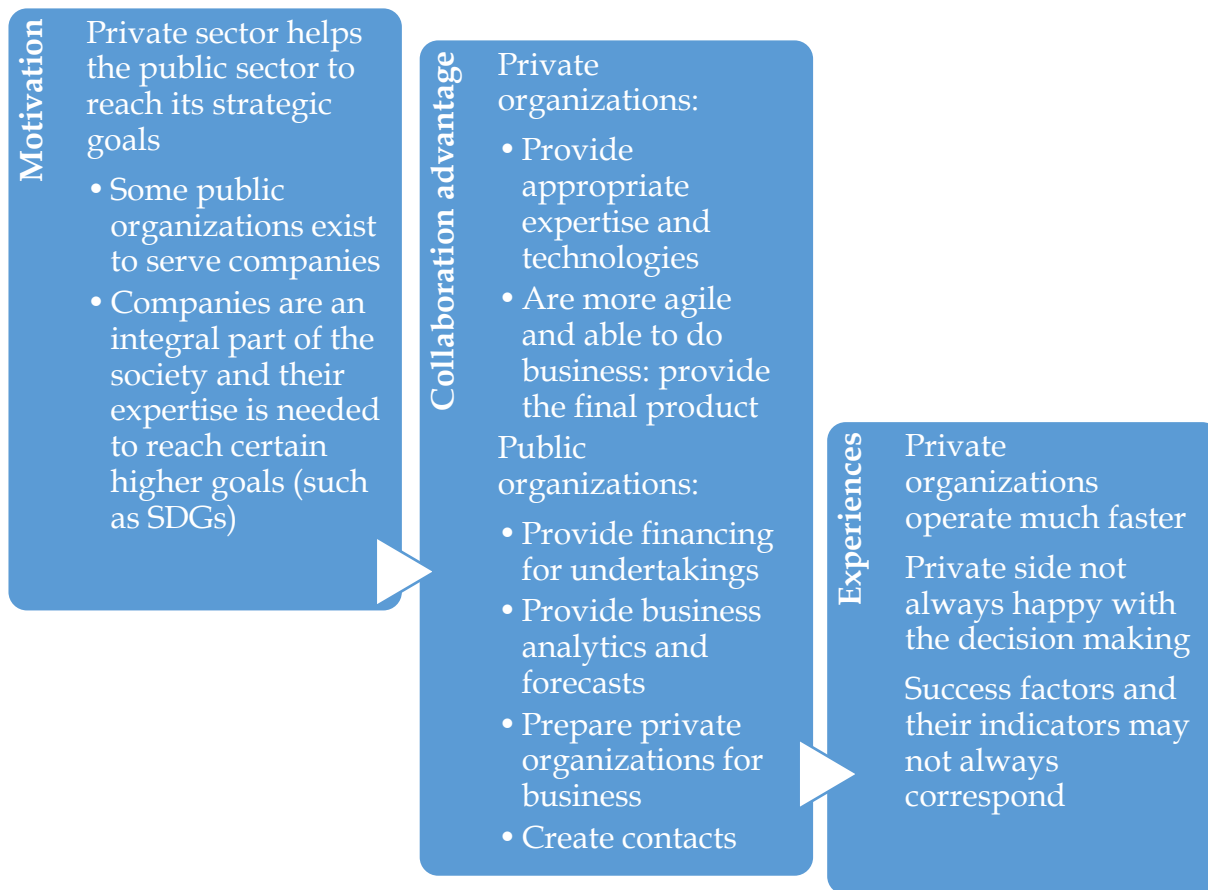


FIGURE 12: Prominent motivational, collaborative advantage and experience factors for PPPs (public organizations)

4.2.2 Structure, Leadership and Management

In terms of forming the structure for a cross-sectoral partnership in exporting Resource Wisdom, many of the public sector interviewees stressed the importance of forming a strong network base before other actions take place. Only with this strong base would the person or the organization in charge be able to take Resource Wisdom to foreign markets. In this regard, the management of the PPP is strongly linked to the structure of partnership. This means that the managing party will have a responsibility to form this network and to also make it commit to the undertaking of exporting Resource Wisdom. However, the initiation of the forming process was seen as challenging and it was hard to determine the degree of readiness that a network structure should have before a management is decided for it. In general, there should be some type of a vision that then can be built upon.

“When this project starts getting more concrete and we understand what is its goal, then it will need coordination at a certain point so that it would be a united, solid package and an efficient organization that would make this international.” (Pu1)

Overall, it was however agreed that the network needs to be versatile and that all the partners need to bring added value into the alliance. The public sector saw that especially the private sector solutions offered via Resource Wisdom need to be mutually complementing. Therefore, the network needs to come together to design these solutions. An interviewee referred to this idea as ecosystem thinking. When this ecosystem is forming, the managing party needs to be very aware of its potential or otherwise the elaborate network structure will be obsolete. It was seen that if the network is formed very well then it may not even matter who is the managing party. It is all about the commitment in the network and how the network is able to work together. Furthermore, the existence of preformed networks was also highlighted. The use of proven networks would help out with the export practices and provide a platform for management and governance where many of the rules have already been agreed on. As an example, the interviewees also mentioned the FISU network as a possible network that the Resource Wisdom practices can be integrated to.

“The question is not who is managing it [the export practices] but who are committed to it because then it is not agile if the manager does not have a clear oversight what they have, what type of expertise, that is a marketing nightmare then.” (Pu4)

The interviewees described that leadership is pivotal in forming the structure and management of the PPP for Resource Wisdom exports. This is important because the network will be highly versatile and there needs to be a clear vision how to build it, maintain its base and how to promote it. Akin to this, the interviewees described that both the Sponsor and Champion type of leadership practices that are needed for the PPP. A Champion type of a leader was exemplified when described how to launch the partnership from scratch. It was stated that this Champion type of a leader should have a strong motivation to build it. However, a highly motivated expert was said to have enough influence to determine the birth and direction of a PPP. It was also said that the public sector is practical for this purpose as it is a neutral body that is good at bringing different stakeholders together.

“For this type of a model [PPP] to work, you have to have certain pioneers who have a clear vision and good tools to start exporting. (Pu1)

Whereas a Champion leader was sought after when establishing a PPP, the Sponsor type of leadership was also described as relevant for the time after the establishment. Since Resource Wisdom started out as a development model from the public side, the

original creators' leadership was seen as necessary in the forming and running the PPP even if it only takes place in the background. With a bigger public entity or entities in the background, it was also seen that there will be more room for smaller, more agile type of companies or other organizations to develop the PPP concept.

Despite seeing that the public sector should have a strong leadership role in the PPP, it was seen by the public sector representatives themselves that their role in the actual management of the PPP for Resource Wisdom exports should be rather small. The original motivation in exporting Resource Wisdom is commercial. This was also recognized by the interviewees and therefore they saw that for a commercial operation a commercial organization is better qualified for its management, and ultimately, better to serve the PPP's purpose.

"Absolutely the PPP can be company driven and perhaps it can be quite fruitful like that" (Pu5)

The interviewees were not certain of the type of company that should take over the management practices. It was explicitly stated that it may not even be necessary to know this company in the beginning as there can be several companies or managing parties that take Resource Wisdom to foreign markets. Based on the experience from multiple directions, it was said that it would create an evolution in the network that will lead to the appropriate concept and its management. Despite the beginning of the PPP where the responsibilities may seem more scattered, it was said that eventually the PPP would function better when an individual party is given a mandate to manage the network and take the concept abroad.

"This is how the best ecosystems or value networks work. There is that one who is trusted by the entire network to manage it" (Pu3)

The interviewees also saw that the phrase "taking Resource Wisdom abroad" maybe slightly premature as the management of the PPP has to first establish a proper functioning of the network. This means that the manager has to excel in stakeholder management and in creating the correct paradigms under which the other parties will be interested in the undertaking and commit to it. Afterwards, once the network has settled, the management of the PPP can transform into a general type of project management where the more specific actions for exporting Resource Wisdom are taken by those with more specific knowledge related to different scenarios. In practice, this would mean that technology companies, for instance, would manage projects and prospects that are related to their technological field and the managing party in PPP would oversee the general functioning of PPP.

“Before we name it [the managing party] the PPP demands the pivotal expert organizations because, in the end, management in only management and it is that type of project management” (Pu4)

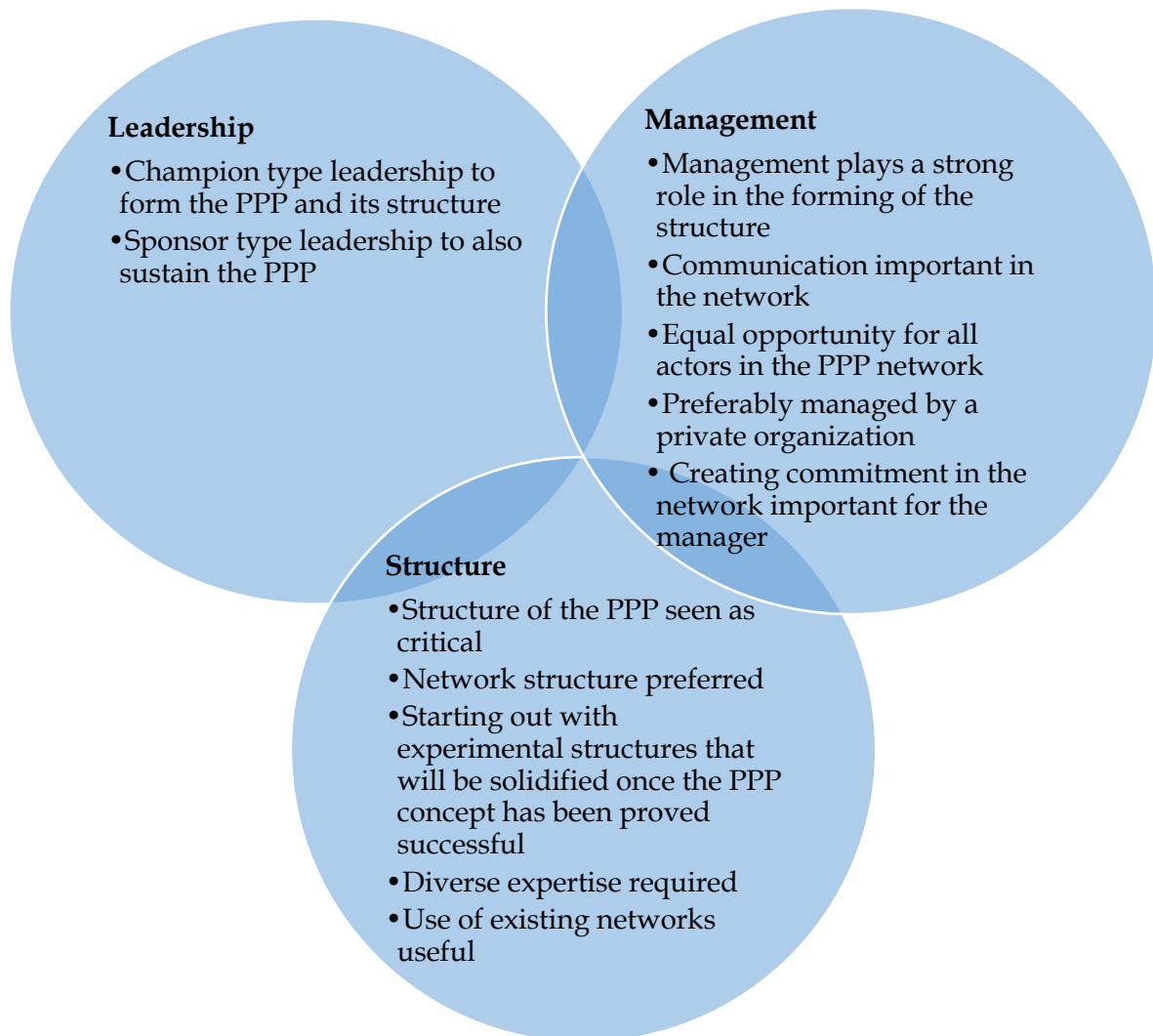


FIGURE 13: Main structure, leadership and management themes recognized (public organizations)

4.2.3 Governance

The role of governance revolved much around the topic of financing. Generally speaking, many PPPs are at least initially financed by public bodies with possible private funding that only cover less than half of the budget. Naturally, when money changes hands, it requires a governance method to see that this public money is used well. The interviewees were keen to emphasize that funding is meant to be a service for the companies. In essence, even though there needs to be certain governance methods in place, the point is not to make too strict governance an issue to apply for funding or to take too much of companies' time.

The public decision makers had a similar picture for the overall governance of the PPP for Resource Wisdom exports. It was seen that especially in the beginning of the PPP, it would be wise to keep the functioning of the network as dynamic as possible through more lenient governance. Once the PPP has been well established meaning the participants have more experience with working with each other around the Resource Wisdom themes and may have attracted business from abroad, its governance can be more formalized and controlled more carefully.

“I am thinking of dynamic network where the coordination is not overly strict so that it should be a relatively agile way of operating. Maybe not the most efficient but it will be developed... when there is more demand from the markets then it might be reasonable to redefine the concept, close ranks and build something bigger.” (Pu1)

The findings suggest that especially the initial phases of the PPP would require some adjustment to find the best possible governance models. An ideal situation was described to be, for instance, a situation where the active members in the partnership are able to steer the alliance and the public body merely governs that the partnership is staying within its preset boundaries. In many occasions, this would mean that the financing is used for its intended purpose by the correct organizations. However, those executing the project have to have the final say in the outcome of the project, no matter what it may eventually be.

“Under no circumstances can it be so that the financier determines the outcome of the project but it has to be in the hands of the party managing it.” (Pu4)

Many of the aspects of the partnership are negotiated before the financing is agreed upon. Essentially, the public side is there to also help the private or other public organizations acquire funding. Other than the contracts for funding, the public side saw that to establish the partnership for exporting Resource Wisdom, the contracts should be less strict and more to solidify the framework. A MoU would suffice to help the partners commit to the alliance and give a sense of direction. Likewise to the private organization interviewees, the public organization interviewees saw that more binding and stipulating contracts are to be made when the partnership has led to concrete business cases such as forming a request for a proposal to a certain geography.

“It is good to formalize the cooperation with some type of a framework agreement and define the principals of the cooperation and how the partnership is steered but there can be plenty of contractual relationships such as this” (Pu2)

The governance of Resource Wisdom would change as it progresses. The nature of governance would also change depending on the number of the partners, especially if there are similar public partners. This mainly means the cities that would take part in

the PPP for Resource Wisdom exports. When there would be only a single city partner in the PPP, most likely being Jyväskylä since it was the founding city of the sustainable regional development model and has done the most work to commercialize it, the city would have a stronger stake in the governance of the model. However, when the undertaking to export Resource Wisdom expands to cover more partner cities in Finland, the functioning of the PPP will change too. This is especially true governance wise where the public entities will have to consider their organizations' purposes. For example, the legitimacy of a smaller, regional public actor to govern or take part in a PPP might be compromised when taking part in a national undertaking.

More explicitly, the management of the PPP is seen to be trusted to a single actor that has a counterparty or counterparties from the public side for governance. Public parties, no matter the type, has to make sure that all partners, both private and public get to benefit from the alliance. It was seen as a small challenge that a public organization might support a target that is not completely in line with its purpose and strategy. For instance, it was stated that should one city finance the activities of companies that come from a different city, it might create discontent within the city where the financing comes from.

“If there are many cities and companies from different cities involved, individual cities' authority in it [PPP] might get watered down” (Pu3)

Nevertheless, it was explicitly hoped that the undertaking to export Resource Wisdom would expand to several Finnish cities. In this scenario, it was seen that companies would have an even greater role in the management of PPP but the governance would still have a public entity in the background that would see the overall functioning of the PPP. Even though the stake of companies seems to be emphasized, the role of public organizations cannot be ignored. It was reminded that when there are several public entities cooperating, their decision making powers cannot be fully relinquished to a private body but the principals of democracy stipulate that actions that affect communities should stay within the control of public decision making.

“If you think about the cooperation between cities, it cannot be managed by a company because these are, of course, independent, democratic communities and it [PPP] has to somehow be under the control of democratic, public power. (Pu1)

As it was previously stated, already existing networks can provide a structure for the PPP for Resource Wisdom exports. With these networks, there is also a chance to benefit from their power structures and those that are responsible for steering the networks. As an example, it was mentioned that the FISU network has members also from other public organizations than the FISU cities. The FISU network has its own

advisory board that consist of members from multiple national public organizations. However, the management of the network is only done through two members of the advisory board whereas the advisory board consists of nine members and the FISU cities. It was stated that in theory this advisory board can also take part in the Resource Wisdom export undertaking and should be consulted.

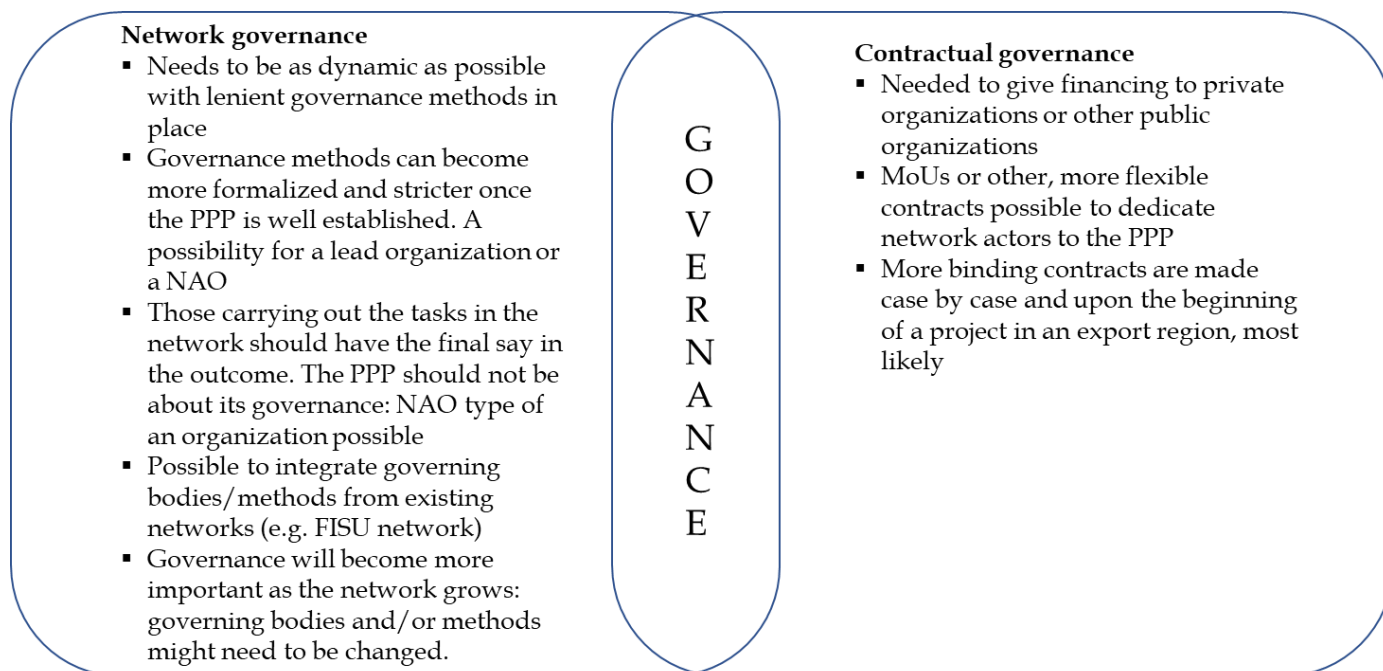


FIGURE 14: Governance factors in the PPP for Resource Wisdom exports (public organization)

5 Discussion & Conclusions

This chapter is to summarize the relative findings made in the research and establish their relevance to the theoretical background introduced in chapter 2. After the coherence of the findings and the theoretical background have been discussed, the implications along with the validity and reliability of the study will be assessed. To finish, this chapter will consider the research's limitations and suggestions for future research.

5.1 Summary of the Research

The aim of the research was to explore ways in which the regional sustainable development model Resource Wisdom can serve as a foundation for a PPP model that aids Finnish companies to reach international markets. Through experience in a previous project that has attempted to export this model, it has been recognized that there is a lot of interest for this type of a consultancy service. However, it had remained unclear how this publicly developed model can support Finnish companies in their export practices. To understand the possibilities, caveats and best approaches to reach the aim of this study, five public organization decision makers were interviewed along with five private organization decision makers who are aware of the Resource Wisdom model. They were interviewed to especially collect data on their motivations for a PPP in exporting Resource Wisdom, how it should be structured and managed and, finally, what are some of the best perceived governance methods.

The similarities and discrepancies in the views for Resource Wisdom exports of the private and public side need to be compiled and compared. Thus, it is possible to highlight some of the caveats that might affect a possible PPP for Resource Wisdom exports and also to recognize what are the features most agreed upon.

The research revealed the expectations and attitudes for cross sectoral collaboration in export practices for private and public side. Both sides see each other as beneficial counterparts even though there may be discrepancies in their operational practices. Many of these benefits relate closely to the notion of collaborative advantage as noted by Huxham (2003) or the concept of resource-based theory (Mellewig et al., 2007). The public side offers, above all, legitimacy for business development and practical help with connecting companies with relevant decision makers. The private side brings more credibility for the public side in terms of providing technological expertise in projects and help the public side reach their own strategic goals.

On a general level, it appears that the private and public side share the same opinions on many of the issues raised during the interview. Among others, both sides wished for an agile start to the PPP where, in the beginning, the concept does not have to be refined to its maximum degree. Instead, the approach can be more experimental to see which approaches work the best and if Resource Wisdom exports will, for instance, concentrate on one of the Resource Wisdom themes more prominently. Moreover, both sides wished that the management can be spearheaded by a private organization whereas the governance would also involve actors from the public side.

Public-private partnerships, even though the names public and private refer to inanimate entities, are largely the relationships between individuals representing different types of organizations. This also means that there needs to be an individual or only a handful of individuals who kick start the formation of a strategic cross-sectoral alliance. Interestingly, when describing an ideal leading party or an individual for a potential PPP, many of the interviewees described a Champion type of a leader over a Sponsor. As Bryson et al. (2006) defined, the Champion leader needs to use management skills and be closely involved with the operational side of the PPP to create interpersonal relationships between the actors in a PPP. The need for this type of leadership is evident in the early stages of a PPP for Resource Wisdom exports. Once the PPP is operationally viable, Sponsor type of leadership is applicable where the sponsor can use its resources to guide the partnership from its periphery.

The private party organizations have a strong desire for the process to start with the public side. This would imply that the Champion type of a leader, who establishes and starts the collaboration needs, to be a public organization representative. Otherwise, there is a risk that the collaboration will never start. The motivations and experiences also highlight this context. Many of the companies were more interested in collaboration when there is something concrete, i.e. a business case that may be delivered from public sector. However, in the case of Resource Wisdom exports, some degree of collaboration will need to start before there is a business case as the effort to make Resource Wisdom international will be managed by a private organization, as desired.

Even though the private and public sectors seem to be well synced with each other in terms of their views on how to manage or govern a PPP for Resource Wisdom exports, there still seem to be some discrepancies in viewpoints. One salient theme where the two sides had differences was their overall motivation to take part in a PPP and their level of activity in the PPP. For the companies, the point of being in a PPP is simple: to do more business and potentially open new markets. Other goals seemed

to be secondary. However, for the public side, their goals varied based on their purpose in the public sector and were more universal. Despite the fact that the public sector goals are not as specific as the private sector goals, they can still be compatible as the public sector can meet some of its more universal goals by reaching more specific targets such as employment numbers or financial value added in a region.

Below is a table for comparing the key findings made in the interviews conducted with private and public organization representatives:

Viewpoints of private and public sector interviewees		
Topic	Similarities	Discrepancies
Motivation	<ul style="list-style-type: none"> ▪ Both sides understand the importance of doing for profit business to reach their respective goals ▪ A thriving private sector benefits the public sector too 	<ul style="list-style-type: none"> ▪ Private sector has a business motivation – public sector motivations are more universal
Added value	<ul style="list-style-type: none"> ▪ Both sides see that the other sector can provide value not obtained by acting singlehandedly ▪ Companies get contacts, analytics and financing - public sector gets specific know-how and technological credibility 	
Experiences	<ul style="list-style-type: none"> ▪ Both sides have multiple experiences where the outcome has been positive for all parties 	<ul style="list-style-type: none"> ▪ Private sector sees that public sector is oftentimes bureaucratic ▪ Public and private sector have differences in timescales and indicators ▪ Private sector is concerned with public organization interfering with their operations
Structure	<ul style="list-style-type: none"> ▪ The structure of the network should have a strong private sector base 	<ul style="list-style-type: none"> ▪ The PPP structure should stay limited to a certain Resource Wisdom theme based on market feedback

	<ul style="list-style-type: none"> ▪ The structure should offer companies something new: synergies ▪ The network should be versatile ▪ Advisable to see if existing networks are compatible with the PPP undertaking 	<ul style="list-style-type: none"> ▪ Too much versatility in the network can also mean that the actors are too different in order to benefit from each other (lack of focus)
Leadership	<ul style="list-style-type: none"> ▪ Both acknowledge the need for strong leadership to start the PPP ▪ Leadership is more about the individuals taking charge (Champion) - not about the organizations ▪ Leadership also needed throughout the PPP, at least for support (Sponsor) 	
Management	<ul style="list-style-type: none"> ▪ The PPP should be managed by a private organization ▪ Creating network commitment important for management of the PPP ▪ All actors in the network need to be able to meet their own goals ▪ Intra-network communication important 	<ul style="list-style-type: none"> ▪ Public organizations hope of early commitment to the PPP but private organizations might be cautious to join the PPP in its beginning phase
Governance	<ul style="list-style-type: none"> ▪ The use of existing and appropriate governing or steering boards is advisable ▪ The idea of MoUs or blanket agreements the most popular even though contested ▪ The role of governance becomes more important as the network grows and there might be business cases ▪ Strategic decisions made in unison, possible to have an advisory or steering committee for PPP 	<ul style="list-style-type: none"> ▪ Interviewees have different points of view on the type of contracts that should be made (none, MoUs, detailed contracts) ▪ Some private organization interviewees have negative perceptions on the involvement of the public sector in their operations

TABLE 5: Prominent viewpoint similarities and discrepancies for PPP Resource Wisdom exports

5.2 Discussion

The findings suggest that the theme of governance was the most salient and the most discussed among the interviewees. Furthermore, many of the points and opinions stated by the interviewees correspond to the theoretical framework of the Master's thesis, especially when it comes to the different forms of network governance as conceptualized by Provan & Kenis (2008). Moreover, leadership of the PPP for Resource Wisdom exports were discussed from many points of view that matched with the theoretical point.

Exporting Resource Wisdom was also seen as a business development tool by private parties. In this sense, it would be a commercial diplomacy instrument. While this point is factual, exporting Resource Wisdom is also a consultancy service for international regions and thus more than just a "tool". It is possible that there is a lack of knowledge in the Resource Wisdom model and the ways it can support export operations. Another likely explanation is that smaller enterprises do not have ample resources to launch large scale export practices themselves and therefore have strong desire for simple business development schemes with public entities.

As the Master's thesis writer has been working with the undertaking of exporting Resource Wisdom abroad, the salient themes do not come as a surprise. In work related discussions with many stakeholders in the undertaking, leadership and governance issues have been prominent from many aspects such as the legality of cities to conduct commercial business, practicality and time resources to lead a PPP and, overall, what would be the best way to promote the Resource Wisdom operational model abroad. The findings in the thesis show that these cornerstones in the export practice have to be considered but, most importantly, considering the companies in the possible PPP as their commitment to the undertaking is crucial in its success.

Whereas it was rather easy to find the intersections between theory and interview findings for governance and leadership in a PPP, it was more arduous to highlight the correspondence between PPP management theory and interview findings. This might be partly because leadership and management are similar in some characteristics and may be talked about interchangeably. Moreover, the management of a PPP is similar to the management of a given single organization. This means that similar management skills are called for in both situations. Nevertheless, there is an ample amount of correspondence with management theory and interview findings to justify and compare viewpoints to theory. For instance, the findings of coordination in networks, open communication and the use of different indicators in management practices paralleled to the notions highlighted in the theoretical outline.

Collaboration between public and private organizations have a long history and all the interviewees had multiple experiences with different forms of PPP. Some of these PPPs have been more non-equity based projects to develop, for instance, public infrastructure. Indeed, private organizations also view public organizations as clients, depending on the PPP. Equity type alliances have taken place where there has been a need for R&D by either side or when there has been a push for international business development by companies. Therefore, it is not surprising that both sides see that there is suggested to be a collaborative advantage between public and private entities.

The academic literature, and the theoretical scenarios created by this literature, introduced in the Theoretical Framework chapter serve as a backbone to reflect the findings of this study upon. Many of the findings made from the interviews correspond with the theoretical conditions or are otherwise related and comparable to the academic literature on PPPs. The intersections of the theoretical framework and the study findings are displayed in greater detail below in TABLE 6.

Topic	Theoretical Outline Highlights	Findings
Motivation	<ul style="list-style-type: none"> ▪ Value frames (Le Ber & Branzei, 2010) ▪ Collaborative advantage (e.g. Huxham, 2003) ▪ Resource-based theory (Mellewig et al., 2007) ▪ Benefits (e.g. Stadtler, 2016) <ul style="list-style-type: none"> ▪ Micro ▪ Meso ▪ Macro 	<ul style="list-style-type: none"> ▪ Value frames similar between public and private organizations → Some public organizations' <i>raison d'être</i> is to aid business development: <i>Commercial diplomacy</i> ▪ Strong desire to find and reach common goals through shared resources ▪ Meso level benefits most prominent, macro level benefits more important for public side
Structure	<ul style="list-style-type: none"> ▪ Modern vs. post-modern structuring (Williams, 2002) ▪ Network structure (e.g. Bryson et al., 2006; Huxham & Vangen, 2005) <ul style="list-style-type: none"> ▪ Overlapping ▪ Horizontal ▪ Obscure power structures ▪ Sharing intangible capital 	<ul style="list-style-type: none"> ▪ Post-modern structuring prevails as collaborating and knowledge sharing seen more important than establishing vertical structures ▪ Overlapping evident as organizations engage in different project simultaneously → using existing networks suggested

		<ul style="list-style-type: none"> ▪ Network structure seen necessary to create something new and valuable to empower the sharing of intangible capital ▪ Vision of network remained opaque as it was found hard to determine the exact structure and roles in the network
Leadership	<ul style="list-style-type: none"> ▪ Champion & Sponsor (Bryson et al., 2006) ▪ Transactional vs. transformational (Cohn, 2008) ▪ Modern vs. post-modern (Williams, 2002) 	<ul style="list-style-type: none"> ▪ Champion and Sponsor leadership necessary, emphasis on Champion leaders ▪ Soft skills more prominent → generating motivation required ▪ Transformational and post-modern leadership required → focus on creating relationships and ability to influence multiple stakeholders
Management	<ul style="list-style-type: none"> ▪ Public side relinquishing power to private side for collaborative forms of management (Crosby & Bryson, 2005; Jupp, 2000) ▪ Structural embeddedness – mutual legitimacy (Crosby et al., 2006) ▪ Evaluation and indicators (Jupp, 2000) 	<ul style="list-style-type: none"> ▪ Private company to manage the PPP → more purposeful as the goal is commercial ▪ When a technological/expertise niche is found, the company best suitable may manage the collaboration ▪ Management priority to work on the commitment and relationships in the network for greater mutual legitimacy ▪ Private and public organizations oftentimes work on different time scales and have different indicators to measure success/work done

Governance	<ul style="list-style-type: none"> ▪ Equity vs. non-equity (e.g. Zollo et al., 2002) ▪ Network governance (Provan & Kenis, 2008) <ul style="list-style-type: none"> ▪ Brokered (lead organization & NAO) ▪ Non-brokered (participant governed) ▪ Change in governance method ▪ Contractual governance <ul style="list-style-type: none"> ▪ Transaction costs (Gulati, 1995; Krishnan et al., 2016) 	<ul style="list-style-type: none"> ▪ Equity type alliance that works in networks sought by interviewees ▪ Contracts still likely necessary (for funding, at least) → will lead to a combination of network and contractual governance ▪ Suggested to utilize existing governance bodies in existing networks ▪ Non-brokered, participant governed network preferred, especially in the beginning ▪ Governance approach may change as the network matures and grows, need for centralized decision making ▪ It appears that the number of participants is a major factor in determining the governance model, more so than trust, network level competencies or goal consensus ▪ Overall transaction costs and risks seen as low. However, views also pointed to protecting own business interests through stricter governance and contracts which suggested perceived environmental and behavioral transaction cost risks
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TABLE 6: Correspondence of Findings and Theoretical Framework

5.3 Contributions to Public and Private Partnership Development and Research

The standpoint for writing a Master's thesis on forming a PPP to export the Resource Wisdom regional development model to support Finnish businesses is a practical need to further investigate this area. The concept of exporting Resource Wisdom has been an undertaking especially for the city of Jyväskylä and been discussed in public

organizations such as Sitra. The implications, therefore, are highly topical especially for the public sector that works to develop Finnish companies through supporting their R&D or through supporting their business development activities. At the time the interviews were conducted, a majority of the private sector interviewees were not aware of the latest developments in this area. In terms of research, this provided a fruitful ground to obtain opinions on a possible a PPP for export practices as interviewees were able to speak from a clean slate to describe the ideal scenarios.

Indeed, a major contribution by the Master's thesis for the public sector is to recognize the prevailing phenomena around PPPs for business development where there is a special model behind the undertaking to further promote Finish companies at international contexts. The interviews also unveiled that, to none of the interviewees' knowledge, has there even been an attempt to export Finish companies abroad through an already for-profit consultancy service designed originally by a public organization and that is then given to a private company to manage. In this regard, the Master's thesis gives an unprecedented insight into such a scenario as the usual PPP attempts for exporting companies' products have mainly been the facilitation of contacts and events, and planning projects between companies and possible clients. The public sector can use this information as it seeks new ways to engage with companies and international regions in the world to promote Finnish business' core strengths.

The research suggests that the private sector has an increased amount of emphasis to steer the cooperation in PPPs due to their expertise and technological capacity. Not only that, the private sector is also a crucial part of the society and the health of the private sector correlates with the socio-economic conditions of a given region. Therefore, the public sector has seemed to adapt a mindset much described in the theoretical section of this study. Indeed, the private sector is seen more as a partner to accomplish goals also at the public level and the public sector has retained little power to itself when it comes to PPP with a business development objective. However, the public sector seems to stay true to its limitations as to how much they can aid companies and they remain, as described themselves, a neutral counterparty.

The research results can be seen as beneficial for the private sector as they have cooperative partners in the public sector that are willing to advance their business agendas instead of curbing them. This should also be something that the private sector should utilize to a greater extend through collaborations but also through different financial instruments. For research on PPPs, this study provides validation to many of the issues in the latest academic literature. The public sector is now more of a partner to the private sector than a controller. Moreover, this study also provides

an insight into the practical cornerstones and caveats that influence a PPP throughout its lifecycle.

As a principal foundation for a PPP, its management from everyday activities to bigger projects taken on by the partners is key to its success. The rest of the activities related to the PPP should be only to enable the management to be as efficient as possible while, naturally, abiding the rules of the partnership. The management of the partnership for Resource Wisdom exports will need to consist of two major components that are to be managed parallel to each other. These are the management of the partner network and the actual footwork of promoting the concept of Resource Wisdom abroad. Furthermore, the Resource Wisdom consultancy service needs to be carried out in parallel. This should be viewed as the most important aspect of the partnership and be supported by those with the appropriate influence.

All the other parts in designing and running an ideal PPP in this scenario should be to ensure that the management environment stays as easily operable as possible. This would mean that the structuring of the partnership is done with sound leadership and the partners' motivations and resources are thought of carefully. The governance of the partnership needs to be a supportive mechanism to guide the alliance through strategic decisions. It is advisable to use lighter forms of contracts such as MoUs to solidify the positions in the PPP and use the appropriate contracts for possible financial instruments. Overall, it is also highly advisable to investigate how existing networks and their respective governance methods can be adapted for this undertaking. With a predetermined network, there will be additional benefits as the supportive leadership structure behind it. For instance, with the FISU network, there can be access to its Advisory Board, its partners and its supportive organizations such as the Finnish Innovation Fund, Motiva, and the Ministry for Economic Affairs and Employment. The contributions for designing and operating an ideal PPP in the Resource Wisdom scenario can be seen in the FIGURE 15 below.

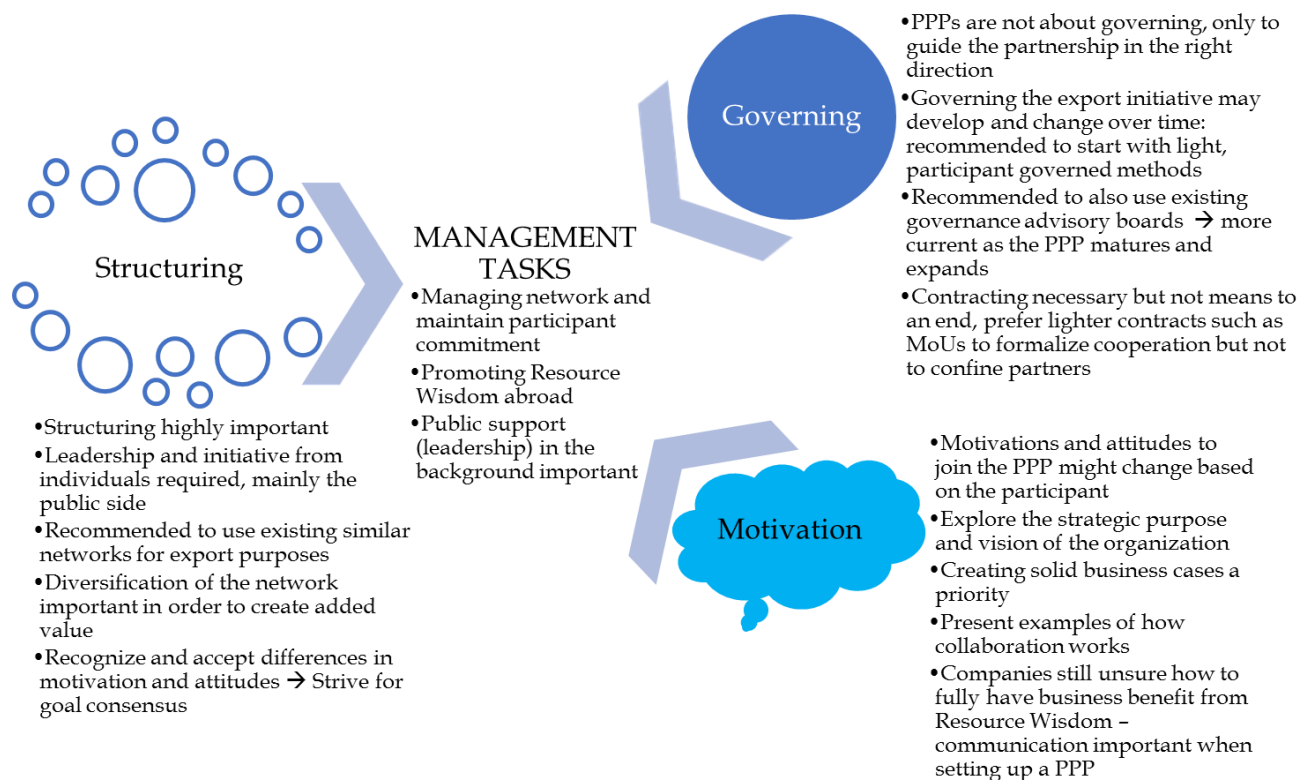


FIGURE 15: Contributions for PPP design and operation in Exporting Resource Wisdom

5.4 Reliability and Validity

This chapter will discuss the appropriateness of the data collected and its analysis in contrast to the research's aims. Generally, this is assessed via the reliability and validity of the study conducted. Reliability is measured as the replicability of the research findings (Anderson, 2010). Research can be considered reliable when a different researcher can discover the same findings using the same methodology and research design (Carcary, 2009). Complete replicability in the following identical studies, however, is hard to achieve in qualitative studies as the circumstances have changed overtime and the interviewees have had more time to reflect on the issue which may change their answers (Carcary, 2009).

Validity, in essence, refers to the way the research was conducted and if it was the best way to examine the research questions. This inherently refers to the tools, processes and data utilized (Leung, 2015). Most importantly, the researcher needs to prove that the investigation has accurately identified and defined the phenomenon (Carcary, 2009). This is important so that the study is convincing and also transparent while the reader can understand the researcher's interpretations (Carcary, 2009).

The research for this Master's thesis was designed so that the data is gathered through individual thematic interviews. The interviewees were put into two categories according to the type of organization that they represent, public or private. Overall the questions to the interviewees were nearly identical with the difference that public organization representatives were asked about their experiences working with the private sector and vice versa. This was, nevertheless, vital to get the most relevant data from the interviewees and therefore an appropriate method with regards to the validity of the study.

The researcher of this Master's thesis has been working with the topic of Resource Wisdom exports for approximately a year and a half. This means that he is very familiar with the topic and is able to ask follow-up questions that other researchers may not be able to. Furthermore, the researcher knew most of the interviewees from previous work engagements. This might affect the interview conditions as the interviewees may feel more comfortable with the interviewer and provide different answers as opposed to an unfamiliar interviewer. However, it is not likely that these circumstances have had a significant effect on the reliability of this study. An experienced researcher with at least some familiarity in Resource Wisdom exports and good knowledge of PPPs is likely to be able to replicate the findings of the study. Also, the questions have been at a rather general level and sensitive information was not asked for. Lastly, the interviewees have been allowed to answer anonymously so that what is said cannot be linked to a certain individual which is expected to make the interviewees answer honestly independent of the interviewer.

The writing process of this Master's thesis has taken approximately ten months. During these months, the undertaking to export Resource Wisdom has gone forward and the scenarios have slightly changed after the interviews were conducted. A local consulting company from Jyväskylä, Induco Ltd. has independently continued the practice to export the Resource Wisdom concept. For instance, there has been interest in Resource Wisdom from The National Environmental Trust Fund of Kenya (NETFUND) which is a corporation under the Kenyan Ministry of the Environment, Natural Resources and Regional Development Authorities (National Environmental Trust Fund, 2017). Induco Ltd. is in the process of starting a cooperation project to implement Resource Wisdom practices with NETFUND under a MoU and seeking appropriate funding for it. Moreover, Induco Ltd. has already done consulting for the Estonian Ministry of the Environment on the same matter. Under these new scenarios, the interviewee answers could be slightly different as there is already some evidence that the model is exportable. This would affect the replicability of the research. However, since the before mentioned development steps are only individual steps and the questions asked by the interviewees were more on the

general level, the bulk of the data would remain the same, and therefore, the reliability of the study remains uncompromised.

The design of the study is appropriate to investigate the research questions. The topic of PPPs and Resource Wisdom as a foundation for them requires a vast amount of knowledge in the area and detailed views on the matter. For instance, a quantitative study with a larger sample of public and private decision makers would have not sufficed as it is unlikely that the quantitative study would have been able to trigger the same responses needed to solve the research questions. The research questions and problem setting required a setting where those affected by the problem setting could freely define their points that were clarified with follow-up questions. This way, the data was much more precise and more usable to reach the conclusions that can aid in the creation of a PPP for exporting Resource Wisdom or a similar undertaking with a cross sector collaboration.

5.5 Limitations and Suggested Further Research

Limitations in research are the caveats that the conduct or design of the study have imposed on the research. Anderson (2010) mentions that the limitations in a qualitative study can range from the volume of the data to researcher's limited skills to lack of visual characterization.

This Master's thesis has provided a first glance into the possible rollout of a PPP with regards to using the Resource Wisdom as a tool to promote Finnish companies abroad. Therefore, its nature is to be an overview of different attitudes towards the undertaking and compiling these opinions into practical suggestions. It does not, however, go into detail of the exact composition of the PPP or, for instance, who it will begin operation. Moreover, the sample of five public organization and five private organization representatives for data collection can be considered as limited as there are a myriad of especially companies that are potential partners. At this stage in exporting the Resource Wisdom model, there simply are not many companies that are aware of the steps that have taken place, and overall, may not be aware of the sustainable regional development model implemented in the FISU network. This has limited the number of potential interviewees from the private side. Moreover, the companies that know the Resource Wisdom model have to also have some degree of international business ambitions which further limited the pool of interviewees as some of the companies aware of the model only operate in Finland. As mentioned in the previous chapter, the decision to conduct a qualitative analysis was, in the end, correct as it was the better way of acquiring detailed data and be able to answer the research questions.

As the model is mainly developed with the lead of public Finnish organizations, it was significantly easier to find the appropriate interviewees from the public side.

Much of the public side also seems to be well in tune with the private sector when it comes to business goals and motivations on generating revenue. This is understandable due to the nature of these public organizations. For future research, it can also be recommendable to investigate public organizations that are not as heavily involved with creating added value for the private sector such as Ministry of the Environment of Finland or the Natural Resources Institute of Finland, for example. However, for the scope of this thesis, it was more appropriate to interview those experts whose stakeholders include many business interests. A wider sample could be used in the future once a PPP for Resource Wisdom has started at a certain region to investigate, for instance, the macro-level benefits of implementing the model.

Overall, the field of PPPs is well covered by academic research. However, many of these PPPs touch upon the general nature of PPP and do little to differentiate the exact purposes and goals of different PPPs. In this instance, it would have been beneficial to be able to have more research on commercial purpose PPPs with a strong export orientation. Moreover, the PPP to export Resource Wisdom is multifaceted. It encompasses both the export of the sustainable regional development model and the export of companies' products parallel to the model. As far as it was discovered by the author of this thesis, a PPP like this is an unexplored territory and therefore sets limitations as there seem to be limited examples on how to investigate a scenario such as this.

The best way of overcoming these limitations is to further research this topic as a possible PPP to export Resource Wisdom has matured and more detailed analyses can be made of the cooperation and the export model. With the maturation of the export undertaking, the researchers can collect more accurate data based on what has actually happened and compare it to the findings of this Master's thesis. The methodologies can also be diversified as there is a chance to get a larger sample or to do different comparisons based on, for instance, type of company, type of organization or readiness to export products. Lastly, the latest developments in exporting Resource Wisdom can also provide fruitful ground for further research. For example, if the partnership with Induco Ltd. and NETFUND proceeds, there is a possibility to also investigate the implications of this development as a case study.

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