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ABSTRACT

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Abstract

The aim of this study pertains to reveal how the – linked interests based collaboration between MNC and NGOs enhances the process of shared collaborative values creation in the context of low income developing countries. In accordance with this objective, a joint-project partnership between the Heineken/EUCORD and HUNDEE (a local NGO in Ethiopia), has been launched to optimize the performance of malt-barley value chain. The project aims to create shared collaborative values in the local market and along the value chain for the stakeholders.

Based on this intent the background literature section has been reviewed the context of business based partnership between MNCs & NGOs that are seeking to address the developing countries market demand and market failure. In essence, the review section attempted to show the prevailing business opportunities, challenges and constraints that exist in the low income and developing countries in general. Then to reveal the workability of this approach, cases studies with different contexts have been reviewed in order to show the trend and its practicality in addressing the market and social problems through creating shared values.

Accordingly this case study has found that – linked interests based collaboration between the MNC & NGOs enhanced the commitment and desire to work together agreeably through aligning their vision, interests & objectives. Creating an atmosphere of cooperation by minimizing their inherent differences created a competitive advantage to achieve their common vision. This has further ensured the creation of shared collaborative values – that brings positive impact to the business environment.

Key words	Linked interests, common vision, mutual collaboration, shared collaborative value, working together
Further information	

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LINKED INTERESTS BASED COLLABORATION BETWEEN MNC-NGOS IN THE CONTEXT OF LOW INCOME DEVELOPING COUNTRIES

Case of the EUCORD-Heineken and HUNDEE in Ethiopia

Master´s Thesis
in International Business

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1 INTRODUCTION

1.1 Background of the study

Developing countries are often characterized as a non-favourable place for MNCs to do profitable business activities due to the prevailing challenges and obstacles related to economic, infrastructural, technological, business environment, political, and other social factors (Pitta, Guesalaga & Marshall 2008, 399-400). As a consequence of low economic performance, lack of capital input, use of outdated technology, lack of desirable knowledge and skills, low income developing countries suffers from low productivity, poor housing conditions & health care facilities, non-conducive commercial environment attributable to (high illiteracy rate, red-tapes, currency fluctuation, low income etc). It is apparent that the existence of these factors and the prevailing informal institutional settings repelled the companies not to operate or invest in low income developing countries. (Prahalad & Hammond 2002, 4-5.) As a result, developing countries have left out for the inefficient local governments and civil society organizations (NGOs) that are appeared to resolve the market and regulatory failures (Teegen, Doh & Vachani 2004, 456-471).

The intervention of the non-governmental organizations (NGOs) substantially contributed to enhancing and mitigating the situations of vulnerable people of their target beneficiary, though their attempt lacks conveying sustainable solution as the scale and diversity of the problems kept growing. This is apparent as the number of people in the developing countries who are seeking assistance increases from time to time. Thus the failure not to be able to convey sustainable solution anymore has triggered the donor communities to change their strategy of NGOs in a way that delivers better outcome. (Teegen et al. 2004, 467,471.) Apparently time has shown that fulfilling the need of the developing countries – market failure with the traditional development business model and philanthropic deed have proven - as it is not the right strategy to bring sustainable solution. Thus addressing the set of objectives that NGOs embraced to deliver via the traditional charity or aid focused business models are getting difficult. This has triggered its stakeholders to change their approach. (London & Hart 2004, 353.)

The stakeholders' new attitude implies that NGOs might suffer obtaining sufficient funds to finance their socially motivated projects with donor grants, if they don't involve profitable businesses (Millar, Choi & Chen 2004, 397,403). The reason for this can be the divergence in stakeholders' view. The "*scope and focus*" that sees the power of charity to improve the livelihood situations, alleviate poverty and reduce social inequalities of the needy target community proven unsustainable. Beside this obtaining donor funds for social projects has become very problematic. As part of the problem the challenging and volatile world economic situation and downturn also made obtaining funding and grants for such philanthropic projects more difficult than ever. (Teegen et al. 2004, 471.) As a consequence most of the NGOs have reached to a point where they have to change their traditional business model to the "business based approach" that helps better to alleviate poverty than the charity focused approach. Hence these facts are among the push factors that urge to think for a new approach and strategy that can improve the situations in the developing countries - preferably through involving profitable companies beside the state and the civil service counterparts as argued by several scholars and practitioners.

The business bases approach business model focuses to the endowed resources that the target country possessed and launching mutual businesses in collaboration with the local stakeholders. This approach of attending the "*untapped business opportunities* "that exists in the emerging and developing countries resembles the "resource based advantage" view discussed by Peng (2001, 816). To rationalize the argument of "the untapped business opportunities" - it has been stated that the demand and supply for goods and services in the developing countries are widely mismatched. That is "*demand surpasses the supply in every sector"*. (Prahalad & Hart 2002; Prahalad & Hammond 2002, 5-6.) This argument implies that beside the challenging business environment in the developing countries, it also reveals the potential business opportunity for the companies while enhancing the general situations of the local market. Apparently, some companies have already extended their operation to the developing countries through partnering with local actors - as the market situations in the developed nations are also getting saturated for some industries (London & Hart, 2004, 362-363).

The phenomenal shift of business based approach to the developing countries has taken place in a larger scale since C.K Prahalad and Hart (1999) released a fully articulated working paper. Then after Prahalad and Hammond (2002, 4-10) have pushed the idea of "*serving the world's 4 billion poor profitably"* which was a call for MNCs to attend the low income consumers' profitably through co-creation of products and services that fits to the developing countries' low income consumers need. Furthermore, C.K. Prahalad's famous book "*Fortune at the Bottom of the Pyramid*" stated the untapped resources and fortunes that exists in bottom of the pyramid (BOP). This document has been discussed widely in the IB and scholars from other disciplines as well. According to the Bottom of the Pyramid (BoP) school of thought promoters "*companies can serve the demand of the developing countries profitably while creating social values through partnering with knowledgeable stakeholders that knows the contextual needs of the developing countries*" (Prahalad & Hart 2002; Prahalad & Hammond 2002, 9-11; London & Hart 2004, 366-367). Eventually, some companies have showed their interest to attend the developing market by redesigning their business model in a way that creates mutual values (London & Hart 2004, 353). The notion of adopting profitable business model to create economic and social values in developing countries has gained the attention of more corporate, practitioners, and the academia in the business streams and also a range of scholars from different disciplines (Oetzel & Doh 2009, 115).

Consequently this phenomenon and the C.K. Prahalad's "dominant BoP logic" assumptions have provoked a fierce debate in the academia regarding the pragmatism of the BoP preposition particularly by questioning the availability of "*profitable business opportunities for business companies in the low income countries*" (cf. Karnani 2007, 91, and 96). The disagreement on the propositions posed doubts. The doubts have categorized the scholars into various views, suggestions, opinions and arguments. Some of the doubts still remain unanswered due to the peculiarity and contextual nature of the base of the pyramid (BOP) destinations. (Kolk, Rivera-Santos & Rufin 2014, 352). This can be justified with the fact that every country has different constraints, potential, opportunities, challenges and risks.

The pro-BOP groups are optimist and positive about the existence of business opportunities in the developing countries including in low income once. Thus in addition to the justifications given about the mismatch of the demand and supply of goods and services - it has also further emphasised that "*poor people in the developing countries pay more for goods and services compared to the consumers in the developed markets"*. This implies the existence of a great opportunity for the investors or businesses. As a result it has been emphasised in involving profitable business companies through partnering with the local actors enhances the situation in a mutual way (Prahalad & Hammond 2002, 4-5).

The consensus reached among the majority of scholars' - on the potential of the companies' capabilities to attend the low income countries profitably - led the discussions to the issue of the strategy that has to be taken (London & Hart 2004, 353). Accordingly creating mutual partnership and collaboration with the local stakeholders that know the contextual market situation particularly - with civil society organizations such as NGOs has discussed widely by the base of the pyramid scholars as a practical strategy to create values. In enhancing the non-utilized resources in the developing countries, the role of NGOs are regarded as very important stakeholders. NGOs are known for their concerns about the social aspects which positioned their positive reputation in their target community. (Oetzel & Doh 2009, 112-113.) Thus collaborating and partnering with the NGOs would provide important opportunities for the companies to understand the local situations, need and preferences. Since NGOs have a competitive advantage in the context of developing markets, collaborating with them enhances the companies not to worry much about the institutional voids of the developing countries that are regarded as the greatest fear of businesses to launch operations. Apparently building stronger relationship between the corporate and NGOs would enhance to design a contextual business model that would contribute to the company's profitability and shared value creation for the community. (London & Hart 2004, 361; Dahan, Doh, Oetzel & Yaziji 2010, 336.) In relation to this Schuster & Holtbruge (2012, 827) described the essence of mutual collaboration especially with the non-profit organizations such as NGOs that favours MNCs to obtain information about the local market need, demands and contextual situations. Particularly collaborating with an NGO in a win-win way is important to understand the situations in depth. One of the uniqueness concerning MNC-NGOs collaboration is "non-rivalry" nature between them. This can be utilized by strengthening their relationship to build mutually inclusive solution that fosters their interests.

The main claims in regards to the opposing views to the business based approach focuses to the C.K. Prahalad's bottom of the pyramid propositions such as "purchasing power of the BoP consumers" vis-a-vis "the existing opportunities for the companies in the low income countries". The issues related to affordability in the base of the pyramid (BoP) have been argued that - even though products and services are designed according to the need of the consumers, it cannot be affordable to buy them because of the income limitation of the customers (Karnani 2007, 100). In contrast to this argument Gekonge (2014, 167) argued that as the current phenomenon shows developing countries consist of quickly growing middle income class, that position them as the right target market for the company's product and services - by referring to the African continent. In addition to this, the BOP scholars have been emphasized about the existence of "untapped business opportunities" in the developing countries. Despite this, Karnani (2007, 2009) disagreed with the BOP assumptions that Prahalad & Hart (2002) and many other BoP scholars reflected. Furthermore Karnani, re-argued to the claims made as a "mirage of marketing".

While the debate is looming on the bottom of the pyramid prepositions and resource based view arguments; some other scholars that are optimist about the business based approach concept have also raised their doubt concerning - the MNCs' motive and strategy that enforced them to make a paradigm shift to collaborate with NGOs. In regards to this some scholars shoed a sceptical views about the type of the relationship that the MNC might want to establish with NGOs. In essence, a great deal of fear on reconciling issues such as power difference, leadership, organizational structure, cost structure etc. has been reflected as the challenges might encountered in the course (Tennyson, Harrison &Wisheart 2008, 18.) Moreover, in relation to these factors, the prevailing superior power difference on resources possession appeared as a factor that might imbalance the relationship. As a consequence, it has dichotomized the scholars by posing a strong fear that NGOs can be pressured to serve only the MNCs interest. (Oetzel & Doh 2009, 112-113.)

As the sceptics of the prospective outcome still holds among the academia, collaboration and partnership initiatives between the MNCs, civil society organizations and state is commencing in developing countries including in low income countries. Even though corporate-NGO collaboration is widely discussed across the globe, every contextual partnership deal is unique. This quests involvement of various stakeholders such as police makers, scholars, civil society, and respective governments for the reasons related to policy and legal enforcements matter. (Tennyson et al. 2008.) However, the collaboration deal between the MNC and NGO is regarded as a new paradigm shift in the history of IB. Historically the two parties (MNC-NGO) are not common ally to each other rather they use to see each other with mistrust and suspicion. Thus the change surprised several scholars. That is why some scholars and practitioners are still suspicious about the MNC's partnership motive, the prospective impact that the MNC and NGO partnership initiative would create together and so on. (Oetzel & Doh 2009, 112-113.)

As the prevailing phenomenon manifests, several developing countries are opening their doors for business based partnership that are taking place in cross sector collaboration (MNC, civil society and state). Accordingly several MNCs are also entering to the developing and emerging economies through partnering with NGOs and other stakeholders to launch their operation. Among the destinations that are attracting the MNCs' attention includes low income countries where the "operational NGOs'" activities are very important for the society (Teegen et al. 2004, 468) –for example in Africa. Despite the overall challenging business environment that used to frighten companies, the current trend shows that MNCs are extending their operation to the developing countries through collaboration with local actors though the speed is not that fast. (Kolk at al. 2014, 339.) The entry strategy relies on partnering with NGOs and other important players to launch their operation and then to be embedded in the contextual market.

MNCs and NGOs partnership in the context of the developing countries plays a great role in building the level of trust for business companies and normalizing the business environment. Usually in developing countries context MNCs are correlated with market failure along with the state's regulatory failure. This fact makes things difficult for the companies that are tending to enter such markets without the assistance of the local players such as NGOs. The involvement of NGOs' would play a great role in loosening the tension that MNCs are associated with- the old school - "*negative externalities*". (Yaziji & Doh 2009, 18-25.) This stereo type has also triggered a debate on the potential implications or "*impact that the MNCs might cause to the host developing countries*". Apparently it has brought forward substantial controversies not only to the academia but also to the organizations that have engaged in international development, financiers, and global governance groups (Oetzel & Doh 2009, 113). In effect some researchers have showed optimistic views while the others have reflected the pessimistic position on the impact of the MNCs in developing countries. Researchers who are opposing this notion are arguing as cited by Oetzel & Doh (2009,108) "*impact of MNCs on developing countries is not limited only to economic effect rather it extends to damaging effects caused* *to the social welfare and natural environment".* Moreover they are claiming that "*MNCs do not care about the safety standards in the developing countries, creates sweatshop in their factories, concerned only how to minimize cost and maximize output"* etc. (cf. Oetzel & Doh 2009, 108.)

Considering the claims discussed above, this research tends to assess the set of factors - that have motivated or mutually linked the MNC and NGOs to collaborate. Based on this finding the study assesses the implementation processes and shared collaborative values. Referring to the challenges and constraints that the developing countries have consists of - the underlying assumption of this thesis is that - in most of the cases the MNC and NGOs partnership occurs to alleviate the constraints that hindered them not to address their interest. Since every single constraint would not be the case in the context of MNC-NGOs collaboration, the assumption further narrowed down to the constraints that are facing them commonly - i.e. "linked interests" according to (Austin & Seitanidi 2012b, 934). Thus alignments of the linked interests create bases for the mutual relationship and collaboration that will shape the level of commitment to work together and create collaborative values or shared values. Hence collaboration, based on linked interest would enhance to design project based long-term interaction and relationship that will allow to combine their unique resources, capabilities and competencies (Dahan et al. 2010, 336).

However, the above assumption would be practical if the linked interests are built on mutual bases from both sides. This can be granted by creation of sustainable partnership by designing good partner selection criteria (Austin & Seitanidi 2012b, 935). Otherwise it might tend to be biased by serving only the powerful partners. In most of the cases, "the MNC has more power, freedom and resources to choose the type of NGOs that it wants to work with, but not the vice-versa". Apparently this might mean that, the MNC has superior power advantage to take the leadership role during the selection, formation, and even during the implementation phase. (Selsky & Parker 2005, 856-858.) Despite this arguments, considering the compelling reasons that have triggered collaboration to occur – via "linked interests", how they would shape the collaboration process and the expected shared collaborative values creation.

Therefore, this thesis would like to assess the contextual collaboration between the Heineken (EUCORD) and HUNDEE (ICCO). The commencement of the collaboration envisages- enhancing the malt-barley value chain in Ethiopia. In accordance with the discussions held above, it assesses the linked interests that made their collaboration possible, then how the linked interest based collaboration shaped the implementation process and as a consequence of working together- the collaborative value created as the outcome. Addressing this issue would provide a contextual answer to the motive, "impact dilemma" that the scholars and practitioners are suspicious for. In essence the outcome of this research would enhance to explain the relationship between the linked interests based collaboration and its outcomes in regards to addressing the respective interests. Moreover it highlights the shared values that the collaboration effort has in the contextual market.

1.2 Phenomenon of corporate-NGO collaboration

Recent studies related to the phenomenon of the business based approach to the emerging economies, developing and low income developing countries are growing in number. The business based approach as a strategy to resolve the developing countries problem has widely discussed by base of the pyramid scholars since Prahalad & Hart (2002) released the “fortune at the bottom of the pyramid” and Prahalad & Hammond (2002) “serving the world’s poor profitably” documents. The assumption of the base of the pyramid relies on the fact that the presence of MNCs in the underserved low income countries would enhance to convert the unutilized resources to value by using their rich managerial skills, knowledge, resources and capabilities through mutual collaboration with the local stakeholders (London & Hart 2003, 353-cf. Arnold & Quelch 1998).

The essence of mutual partnership with the local stakeholders has highly emphasized as a mechanism to balance the prevailing challenges foreign companies might face during market entry, then in the course of implementation. This is apparent that entering to the developing countries with a traditional business model and strategy that has worked successfully in the industrialized countries might not be applicable in case of low income countries. Instead re-designing and co-creating products and services in alignment with the target market would be essential strategy. (Rondinelli & London 2003, 67; Prahalad & Hammond 2002, 9.) The co-creation process requires local knowledge, local embeddedness, strong commitment and trust building in the target community. This fact triggered the essence of partnering with non-traditional business partners such as civil society organizations- mainly NGOs. Partnership with such stakeholders have regarded as an important step to create mutual values. (London & Hart 2004, 361.)

The importance of collaborative relationship is that it facilitates to combine resources, capabilities and expertise among each other in order to achieve the common vision or goals that aligned with their interests and strategic direction in a competitive manner (Wymer & Samu 2003, 13). Accordingly there is a growing suggestion that when for-profit companies and not-for profit companies bring resources and capabilities together into the commercial environment mutually both partners benefit from the resource complementary, competencies, and synergies of working together (Dahan et al. 2010, 331). For instance combining resources and capabilities in a win-win way would create competitive advantage for the collaborators and stakeholders in the value chain

(Schuster & Holtbruge 2012; Dahan et al. 2010, 339). Moreover it creates spill over effect and shared values for the communities' at large and local economy (Porter & Kramer 2011, 12). Thus finding a novel way to collaborate enhances to create competitiveness and shared values even though the degree of effectiveness of the collaboration might also vary depending on the compelling vision that enforcebs the collaboration process. As it has argued by the overwhelming majority of the base of the pyramid scholars the corporate-NGOs collaboration would create competitive advantages and combinative capabilities that will help to address their inherent common objectives, though there is still a doubt on its effectiveness (Le Ber & Branzei 2010a, 617).

The doubts are normally emanated from the inherent interests that exist between the for-profit and not-for-profit companies. Traditionally the rationale for the existence of the corporate and NGO is substantially different from one another. Coming from different tradition, motivation, experience and expertise can be conceived as a source of competitive advantage and also a challenging aspect in the course of achieving their goals. (Rondinelli & London 2003, 74; London & Hart 2004, 361.) As different practices manifest working alone for either parties in the developing countries with the "traditional business model" is getting very difficult (Chesbrough, Ahern, & Guerraz 2006, 52; Dahan et al. 2010, 336). For instance NGOs are facing challenging situation to obtain funds and grants to run their socially motivated projects while MNCs are facing challenges to enter to developing countries market with their traditional business models. Thus even though their motive of existence, mission, interest is different from one another for the sake of resolving their practical challenges and constraints mutual partnership has regarded as pragmatic approach that will enhance both to keep their momentum (Wymer & Samu 2003, 18; London et al. 2010, 586).

Thus the mere reason that made NGO the right stakeholder to collaborate with in the context of the developing countries is its purpose of existence- that includes solving of the market failures, regulations and structural problems (Yaziji & Doh, 2009, 16). This implies NGOs that emerged to address the market failure issues such as environmental problems, social inequalities, health, education, hunger, justice etc that have faced societies. Explicitly NGOs goal and objective extends to improve the target communities productivity, reducing poverty, creating access to resources, market, access to education, creating market awareness, enhancing the decision making power, promoting price making instead of just price taking etc for their target beneficiary communities through their project based programmes. (Teegen et al. 2004, 467-469.) These objective and commitments seeks to fill the existing gaps enhanced NGOs to possess technical expertise, trustworthy status in the community. The passion of working with underserved people in difficult environmental settings to address the social challenges has granted it an important position in a global economic, social and political arena. (Teegen et al. 2004, 472.)

From the business companies point of views Mayer (2004) asserted that the primary motive for their existence is to maximize economic benefit for their shareholders through providing services to their stakeholders and customers. The performance is measured by financial metrics, while social impact used for NGO (Seelos & Mair 2007, 51). MNCs are further popular for their rich resources and effective managerial skills and knowledge that have acquired through the operation in the developed countries. These capabilities have made corporate an ideal partner that can enhance the under-served developing countries. (Webb et al. 2010, 559-561.)

Accordingly involving corporate along with the state and civil society organizations to attend the developing countries would improve the process of value creation. Particularly in case of underserved developing countries, it would play a significant role in utilizing the untapped resources and create values in the contextual market. It is widely acknowledged that the presence of MNCs in developing countries would create better economic atmosphere for the host country and the community in the value chain. On the other hand since some companies are facing market saturation in the industrialized countries, entering to the underserved developing countries and emerging economies where the momentum of growth is promising- provides better opportunity for companies to balance and expand their business. (London & Hart 2004, 352-354.)

In response to the market maturation idea or market expansion, followed by acquisition of two state owned breweries- Heineken, the internationally known Dutch based brewery company has entered to the Ethiopian market since 2011. Then in order to ensure the raw material that it requires for its subsidiaries launched a malt-barley value chain promotion project in collaboration with the civil society organization and the state. The project has launched with the assistance of Heineken's social wing partner-international NGO called European Cooperatives for Rural Development (EUCORD).

As it has been discussed earlier NGOs and MNCs have different interests, objectives, culture and way of doing their businesses (Reficco & Márquez 2009, 7). In contrast to this argument, it has argued that their differences are also considered as a source of advantage for reasons such as- "no conflicting and non-overlapping interests" (Le Ber & Branzei 2010a, 607). For such reasons or others, MNCs and NGOs are forming collaboration deals to attend and access the developing countries market. Since collaboration is intent of commitment to share resources, capabilities, expertise, knowledge, and so on - it requires solid collaboration structure and dedication to create mutual collaborative shared values (London & Hart 2004, 363). Starting from the partner selection phase through implementation process - aligning interests is very important in order to create collaborative values. Based on the idea of cross-sector collaboration – the case that will be presented in this thesis would be between EUCORD-Heineken, State and Civil Society Organizations - (i.e. HUNDEE - a local NGO) collaboration to enhance the malt-barley value chain. In order to ensure the shared collaborative values EUCORD-

Heineken has established a project called "*Community Revenue Enhancement through Agricultural Technology Extension"* (CREATE) project. Through implementing the CREATE project the company envisions to create shared values that would be important to all stakeholders. Based on this particular project that involves various stakeholders collaboratively- this thesis tends to assess the phenomenon in terms of: the linked interests that have enforced them to work together and the set of shared collaborative values that would be created - by focusing to EUCORD-Heineken and HUNDEE partnership.

1.3 Research objectives

Referring to the contrasting views of the existing "untapped business opportunities" and "the challenging business environment" of the developing countries - several scholars have reflected their belief and faith on MNCs capability – to convert the situation through co-creating and adopting inclusive business model in collaboration with local stakeholders (London & Hart 2004, 351-355; Dahan et al 2010, 330-336). On the other hand, due to the historical closeness of the NGOs to the grassroots communities in the developing countries and their rich contextual experience positioned them as very important stakeholders that can play a significant role in the value creation process.

The new approach which focuses to adopting an inclusive business model & co-creation – has emphasised as a road map to change the status quo. In this assumption shared values would be created through forming collaborative partnership between the MNCs, NGOs and other relevant stakeholders. Thus creating mutual partnership based on common interests generates win-win benefits for the collaborators and shared values for the host country and businesses. (London & Hart 2004, 365-368; Prahalad & Hammond; 2002; Pitta et al. 2008, 397-398; Dahan et al. 2010, 328-329; Porter and Kramer 2011, 4-11.)

Regardless of all the benefits the collaboration conveys its practicality is under hesitation as a result the existing power difference between the MNC & NGO. In this regard apart from the potential outcome that would be gained from the collaboration commitment of MNC and NGO - a dubious views has been also reflected by various scholars and practitioners. This notion is manifests that the natures of collaborations between for-profit & not-for-profit organizations are different from the traditional business-to-business (B-to-B) partnership approach. The differences might emerge from the obvious disparities such as – inherent goals, interests, missions, values, motives, cultural differences, and so on. (Berger, Cunningham, & Drumwright 2004, 67-70.)

Despite the prevailing disparities and the multifaceted local context of the developing countries, it has been also advocated that designing a sound strategy and compelling reasons to work together would foster the competitiveness – by bringing their resources, capabilities, competencies, knowledge etc together (Oetzel & Doh 2009, 113; Dahan et al. 2010, 330). Accordingly, the growing suggestion indicate that, establishing a project based mutual collaboration relationship between the MNC and NGO creates collaborative values (Selsky & Parker 2005). Binding together on "cause" based common project further requires align common and linked interests that would enforces the commitment towards collaborative value creation process (Vurron, Dacin & Perinni 2010, 49). In accordance with this, to create successful collaboration and then "collaborative values" it is important to choose the right partner – by aligning linked interest and common vision (Seitanidi, Koufopoulos & Palmer 2010, 142). However, the practice of establishing a collaborative working environment between such distinctive parties might be challenging. Thus, creating project based linked interests, connects the common mission to form collaboration. Accordingly it would be the intent of this thesis to identify the linked interests that fosters mutual collaboration between the MNC and NGO.

In light of this discussion the existence of "linked interests" could be further considered as the source of collaboration - to alleviate or overcome the common constraints that MNC & NGO faced. Hence this thesis aims to identify the linked interests that are connected to the "common visions" of the MNC & NGO that promotes collaborative engagement by committing to work together to create collaborative shared value in the target market. Since shared values are the resultant of linking the interests to common vision of the collaborators – the primary purpose of this research will be identifying the "linked interests" that have triggered the collaboration to occur & how they work together by aligning their interests to create collaborative shared values. In this sense the research questions this thesis would tend to address will be:

How do linked interests between MNC and NGOs foster shared collaborative value outcomes?

To answer this research question, a case study that reflects a linked interest based collaboration between the MNC & NGOs will be analyzed. The central issue of the contextual case study focuses to – malt-barley value chain enhancement project that is taking place in Ethiopia between the EUCORD-Heineken and HUNDEE (that engaged in providing a local embedded service). The project aims to promote dual purposes of socio-economic benefits for the local stakeholders while the improved productivity would also secure the raw material requirement for Heineken's subsidiaries in Ethiopia. Accordingly the main focus of this research is to explore the linked interests that foster collaboration between EUCORD-Heineken and HUNDEE. This would provide a contextual answer for the uncommonly occurring collaboration between profitable companies and not-for profitable organizations. Then based on the set of linked interests taht would be obtained from the case study analysis, it will further extend to identify – how the implementation of the joint-project is taking place and shared collaborative values connected to the linked interest. In accordance with this, to address the research objective, the case study focuses to answer the following three sub-questions:

1. *Which linked interests have bound MNC and NGO together?*

Referring to the discussions in the background section inherently MNC and NGOs possess distinct interests, visions, values, goals, and objectives that they tend to achieve. Simultaneously, in regards to operating in the developing countries both have their own challenges, constraints and also common visions. Given the capabilities, resources, expertise and the trajectories that they have been evolved through, many have argued collaborating mutually will benefit both parties, while others disagrees with the concept as discussed in section 1.1. Moreover, since both possess own challenges, constraints, strength, shortfalls and vision in attending the developing market the idea of mutual collaboration has been advocated to enhance their competitiveness. In order to establish a collaborative environment matching their interests have been also mentioned as an important element. Thus identifying the linked interests that align them is important as it is the ideal starting point for further collaboration. Accordingly this sub-question will attempt to identify the set of linked interests that have served as sources of collaboration. Finding the set of linked interests, will leads to the second sub-question that tends to focus on the implementation (working together) on joint-projects agreeably.

2. *How do MNC and NGOs work together to align their interests?*

Considering the prevailing distinct interests, visions, goals, objectives, skills, resources, capabilities, organizational structures and cultural differences between the MNC and NGOs, working together agreeably sounds too difficult. Thus creating a workable environment requires a sense of strong commitment and building up on the common shared values that can alter the situations. (Seitanidi et al. 2010, 141-142.) Accordingly, the intent of this section would be finding-out how the organizations in the case study align their interests that narrow down their inherent differences. For instance provided the disparities in their way of working, management style & organizational structure – reconciling the inherent differences seems challenging (Berger et al. 2004, 70). However, since the price of working together is weighted more than working alone – then how does the linked interests shape the essence of working together?, how do they work towards the common vision, joint-project? Apparently this part examines the way MNC & NGOs implement their joint-project, in regards to: combining resources, knowledge, capabilities, competencies, and so on while reconciling their differences to accomplish their routines effectively. Eventually, the finding from the second sub-question answers the way MNC & NGOs work together on a joint-project by aligning their interests. Finding the how of the implementation process, would lead the research inquire to the third sub-question – that deals with the shared collaborative values.

3. *What shared collaborative values have been created as an outcome of the project?*

The third sub-question assesses the outcome of the collaboration process. As it has illustrated above, the two sub-questions will provided us with profound justification about– what are the linked interests and how are they work together agreeably. Then the intent of this section would be assessing the outcome of the collaboration from the perspective of the main stakeholders that have engaged in the specific project.

The findings of this research would tend to increase the pre-existing knowledge and understanding of the linked interests based collaboration between the corporate and NGOs – in the context of the low income developing countries. Accordingly the importance of the “linked interests” in facilitating the commitments towards the common visions that fosters shared collaborative values will be highlighted. The study attempts to answer the questions by combining the information that obtained from the interviews, secondary documents from case companies and inputs that have been obtained from the local community in Arsi-Bale zone, Oromia, Ethiopia where the Heineken brewery social wing (EUCORD) and HUNDEE collaborate for the promotion of malt-barley projects.

1.4 Structure of the study

The structure of this thesis comprises of six chapters – including the short summery chapter. After this introductory chapter that has presented the general background, the phenomenon of corporate-NGOs collaboration and purpose of the study; the second chapter focuses on mapping the corporate & NGOs collaboration in the context of the developing countries. It strives to present the prior literatures relevant to this study. This chapter divided into three parts based on the research objectives of the research. Accordingly the first part of the literature attempts to provide general concepts and context regarding interests, goals, roles of the emergent business based approach in the developing countries. In addition to this, it also reviews – the concepts and context, motives for partnership and the linked interests that trigger collaboration between the corporate and NGOs in the value creation process.

The second section of the literature review presents, the way corporate and NGOs works together agreeably in order to create collaborative values. In order to justify this challenge of working together, it reviewed the essence of partnership creation process and factors that bound them together. Since, working together requires off-setting several factors; the subsequent sections have reviewed the essence of mutual collaboration and mechanisms that minimizes disparities, conflicts and conflict resolutions. Lastly, it has been reviewed how to build legitimacy and trust as a mechanism to minimize the disparities between the MNC and NGOs collaboration.

The third section of the literature review is mainly concerned with the values that the corporate-NGOs collaboration created in the developing countries. In order to denote this various ways of shared value creation has been reviewed. To mention few of them creating shared values by using market from the existing social problems, by improving local productivity, through business cluster building, designing distribution system to create social and economic values. To illustrate the shared value created – some cases studies that supports the context has been presented. Followed by this chapter that depicted the theoretical reviews of the study, the followed chapter tend to deal with research methodology.

Chapter 3 provides the research methodology of the study. It presents research approaches, case selection, method of data collection used, data analysis and evaluation of the study; whereas Chapter 4 brings the empirical case study analysis by putting forward the description of the case organizations that are taking part in the project implementation. The analysis will be done by using the qualitative research approach focused to case study method. The input for analysis would be the unstructured and semi-structured interviews focused on EUCORD, HUNDEE and farmer's cooperative members in Ethiopia. In addition to the inputs obtained from the interviews, the secondary information that is relevant to the case and target organizations has been used in the analysis part. Chapter 5 focuses to the conclusion and recommendations of the study. The last chapter 6 summarises the study very briefly.

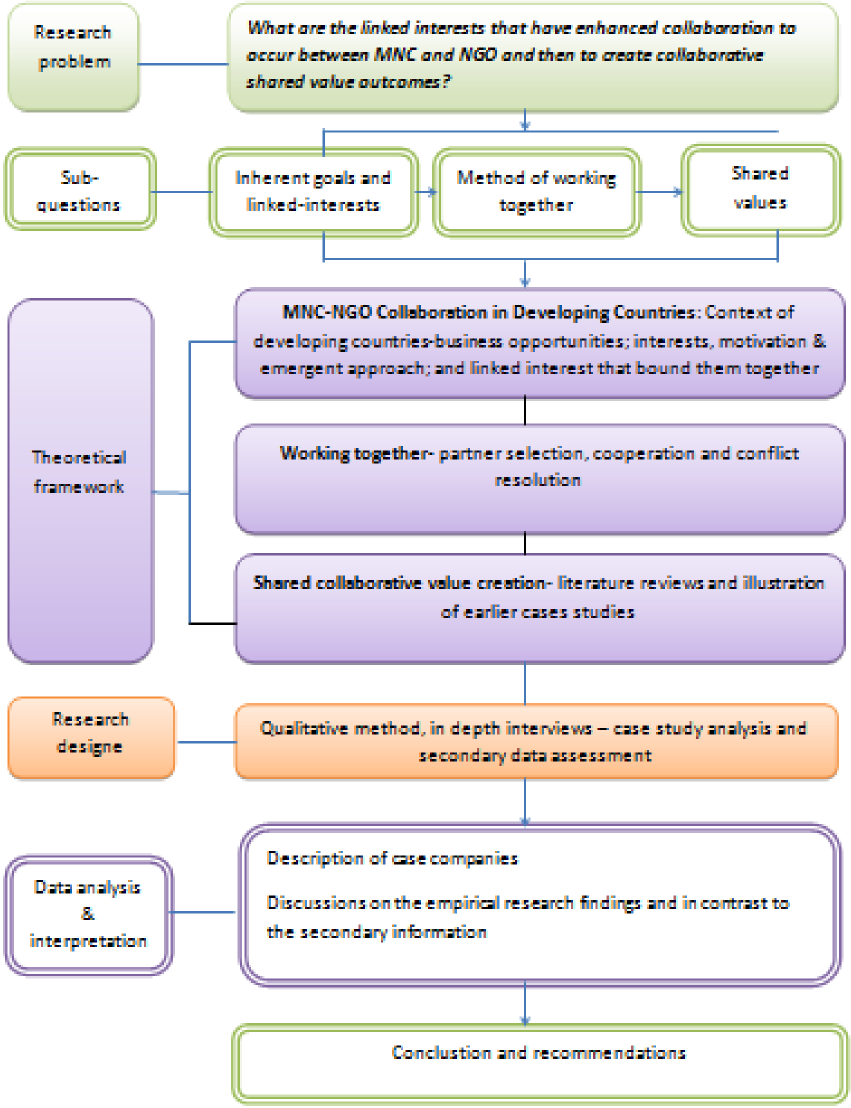

Figure 1 Structure of the study

2 MNC-NGO COLLABORATION IN DEVELOPING COUNTRIES

2.1 Context of the developing countries

This first section of the theoretical review tends to assess the compelling interests and visions that foster coloration between the MNC and NGOs in the developing countries context. Considering the business based approach collaboration, the first part will present the existing business opportunities that motivate the MNC to enter to the developing countries. The subsequent section builds on the interests, motivations and the emergent approaches of the new phenomenon. Identifying the liked interests and constraints that established an organizational congruence will lead the discussion to the mutual partnership formation phases and working collaboratively together. Accordingly the reviews start by bringing into attention the business opportunities in the developing countries.

2.1.1 *Business opportunities in developing countries*

Several "base of the pyramid" scholars and practitioners have discussed about the potential opportunities and strategies that should be used to cope up with the challenging nature of the developing market (Prahalad & Hammond 2002). Though the optimist BoP scholars are too optimist regarding the existing opportunities, there is a strong critic on the existence of the opportunities, for instance bluntly by Kernani (2007, 2). In his argument he has dismissed the claimed opportunities as "mirage".

Despite the strong critic about the existing opportunities, the pro-bottom of the pyramid scholars insisted in advocating the existing opportunities particularly for those companies that are willing to think "out of the box" by investing in the developing countries (Prahalad & Hammond 2002; London & Hart 2004, 351). For instance in support of the existing opportunities in the developing countries – particularly by referring to Africa, Gekonge (2014, 59-60) argued that "*the reality differs from what several people imagines regarding the existing opportunities -- by quoting the Economist magazine's report that* described -- *six of the world's 10 fastest growing economies from 2001-2010 were in Africa".* In addition to this, he further disagreed with the people who are imagining Africa only as a place for safaris or humanitarian aid; rather it can be a place where potential business opportunities can be created as well.

Furthermore, according to the advocators of the opportunities in the developing countries, the existence of opportunities can be described in various ways. For instance, the experience and testimony of some innovative companies that have taken an initiatives role can be taken as an exemplary. To mention few of the pioneers, the case of companies such as Vodafone's innovative and inclusive business model can be regarded as a break through innovative example in creating remarkable values in the developing countries. The case portrays an example of innovative money transfer service that would potentially support the business process in the developing countries. Vodafone, a British based telecom operator has launched a successful money transfer system (M-PESA) by using an ordinary phone platform to address the challenges that microfinance institutions, individuals, and non-bankable communities in low income societies are facing. This case has revealed primarily the workability of creating an inclusive business model and on top of this the existence of market even for such tech companies (Vurron et al. 2010, 46).

Among the values that the business model offered to the customers include securing mobile banking, money transfer services for the poor and moreover it has transformed the information exchange experience of the smallholder farmers to produce and market their crops. In the beginning, the contextual business model seemed risky to many people in its kind as it has been launched for the first time in Kenya by Safaricom in 2007--affiliate of Vodafone telecom operator. However, as the prevailing marketing data showed, during the first year 1.2 million active registered users have been enrolled to use the service and eventually have been grown to 10 million on the third year. Consequently the unprecedented success that has been achieved in Kenya has been used as a spring board to expand and enter to other countries such as South Africa, DR Congo, Egypt, Fiji, Ghana, Lesotho, Mozambique, Tanzania, India, and Uganda gradually. Apparently the success story of Vodafone's business model revealed – the existing potential and need for services designed inclusively. In addition to this, the success of such companies initiates the others to follow their footsteps and enhances the local companies to grow too. (Mas & Radcliffe 2010, 2-7.)

With similar example the case of Wal-Mart's-Massmart expansion trend to 13 Africa countries through collaboration and commitment has exemplified as an inclusive strategy to create shared values for the company and local economy (Gekonge 2014, 59-60.) in addition to these – companies such as Unilever, Procter & Gamble, the Heineken and so on. The example and decision of these companies shows that opportunities exist in the developing countries though the process to unleash it requires designing an inclusive and practical business model. As a result MNCs benefit by engaging to such market with an innovative and inclusive business solution through alleviating the prevailing inefficiencies in the developing countries (Prahalad & Hammond 2002; London & Hart 2004, 362).

From another perspective the existence of opportunities can be seen from the effects of the FDI flows to the developing countries. This is obvious that if there were no potential opportunity to grow in the developing countries, the outcomes of all the FDI would have been negative. Accordingly various studies that have conducted on the FDI and linkage effects show positive impact in the recipient country's performance. In accordance with this the study conducted to assess the FDI flown to17 African countries showed a positive impact on the host countries economy. In due respect to the report that was presented at the world development forum – FDIs that have been flown to the countries chosen, revealed a positive linkage in terms of: developing domestic suppliers creates business opportunities in the value chain, wealth, employment and technological transfers that will directly ensure sustainable business development. (Amendolagine, Coniglio, Porta, & Seric 2013, 45.) This manifests that the presence of companies would contributes to the sustainable growth of the host country which ultimately pays back to the companies – profitably (Meyer, Mudambi & Narula 2011, 241). Hence such evidences support the existence of opportunities in the developing countries for the companies that are thinking based on win-win position.

The growing number of population in the developing countries also regarded as one of the potential business opportunities according to the BOP scholars. In line with this creating market in the developing countries has been suggested would play a dual role – for the locals and companies. From the locals point of view the presence of companies would create jobs, income and wealth, social and economic values and so on while companies also enjoy the large and growing consumer bases of the developing country as their customer. Moreover attempting to resolve the developing countries challenges and problems through the power of market enhances those companies that are – facing market saturation in the developed markets. In regards to entry strategy – it demands local embeddedness and understanding the developing market business environment, communities, contextual awareness of rules and regulations, and so on to successes. (Meyer et al. 2011, 237.)

2.1.2 *Interests, motivation and emergent approaches*

The broader inherent objectives and goals of the NGOs have been derived from the existing profound problems and challenges that occurred by the market and regulatory failures (Teegen et al. 2004, 467). Carrying such pressing visions and objectives to fix the market failure through actively participating in the economic, social, political, cultural, environmental, and technological developments process positioned the NGOs as important and trustworthy stakeholders. In addition to these the NGO's philanthropic and voluntary intimacy as development stakeholders is among the strong reason that has created trustworthy relationships with the community. (Oetzel & Doh 2009, 115.)

Even though the main reason that triggered the emergence of the NGOs – market failure, the natures of challenges in the developing countries are multifaceted. Thus addressing the needs of the people requires different strategies and types of NGOs. Accordingly to address the multifaceted challenges of the developing countries, type of NGOs also divided according to their interests and motivation that brought them into existence. (Teegen et al. 2004, 464-469.) Thus NGOs have been using various strategies that matches to their reasons of existence and motivation to address their interests that includes – participating in the economic development activities (Oetzel & Doh 2009, 112), providing charity to those who cannot afford or disadvantaged groups, through launching advocacy campaign against negative externalities that had occurred by ineffective measure of the regulation and legislation that consists of problems related to environmental, resource usage, and other external costs that the law does not effectively address and to solve the power imbalance between the transacting players (Selsky & Parker 2005, 858), which includes an information asymmetry, fair trade issues, excessive charge for goods and products, unfair wage etc (Yaziji & Doh 2009, 18-22).

In regards to the role that NGOs performed in the developing countries socio-economic development process is remarkably filled with strong commitment, experience, reputation and active participation of fixing the developing countries challenges. This participation in wide range of economic development activities ranging from promoting sustainable grassroots development initiatives to ensure food security for the vulnerable regions by improving the techniques of productivity, and enhancing the marketing activities via advocating "fair pricing" initiatives in the international market, organizing the fragmented small producers to be organized as a group or cooperative in order to acquire bargaining power to set up their own real values for their product. (Hart & Milstein 2003, 59.)

An active engagement in the development process has also been a crucial role particularly in reducing extreme poverty and other humanitarian issues that are occurring either due to natural or manmade reasons. This includes providing food, shelter and clothing for those in vulnerable situations – as a result of natural calamities, hunger occurred due to harsh climate change etc. The other important activities the NGOs are trying to fill up refers to failure in the developing countries include unveiling human right violations of the brutality and extreme suppression of the dictatorial states on their citizens, activists and political opponents to the international community. Engagements in such pressing issues of the developing countries have given strong competitive advantage to deal with the communities and to meet the expertise level needed to attend the market. (Teegen et al. 2004, 465-470.)

However, regardless of the immense effort of NGOs' struggle – to alleviate the challenges in the developing countries for a couple of decades, ensuring sustainability through the traditional approach could not be guaranteed. As a result NGO itself has reached to a consensus that without involving the private sector-sustainability would not be attained. This implies that sustainable development achieved as a result of creating sustainable business environment. In accordance with this the citation made by (Teegen et al. 2004, 474) from Whitley, (1999b, 47) revealed – the importance of building profitable business system interdependently with the dominant social institutions in a way that it affects the capital and labour resources. In this sense NGOs have started embracing business based solution to achieve their inherent interests through partnering with the for-profit companies to create collaborative values. In effect the recent phenomenon manifests that the civil societies, international donor communities, other actors & governments (in shaping policies and practices, influencing legal and institutional structures) have been moved forward towards embracing the business based solutions. This includes through establishing collaboration with for-profit companies (corporate) to enhance the development process of the developing countries in a sustainable ways. The new approach promotes working in collaboration with the corporate or business companies that are interested to extend their operation to the developing countries through cross-sector collaboration. (Teegen et al. 2004, 475.)

There are several reasons that positioned the emergent approach among the practical solutions for the developing countries. For instance, normally "social based NGOs established to engage in non-profit activity. As a result NGO does not have a mandate to engage in the profit making activity". Thus for the NGOs, collaborating with for-business companies, legitimize them to engage in the profitable business activity indirectly. (Dahan et al. 2010, 330.) Moreover NGOs interests are dependent on their donors' interest. The dependency does not give free room for NGO to implement its own "needs and preferences" rather the strategy ought to be designed in alignment with the diverse stakeholders' interest and principles of – clients, donors, individual members and stuffs. Consequently, NGOs have limited resources and scopes to apply the traditional philanthropic focused business model. This trigged NGOs, the donor communities, member organizations and practitioners to change their course together in favor of business based collaboration with for-profit company that has a mandate to engage in a profitable business activity. (Teegen et al. 2004, 471.)

The mutual partnership arrangement further complements the resource gaps that NGOs are probably facing to implement their social projects (Seelos & Mair 2007, 59-60). Thus the advantage of mutual collaboration can be emphasized in shaping the process. For instance MNCs and NGOs have been passed through different trajectories and experiences that positioned them at different capability and resource ownership. These can positively contribute to the collaboration process in creating combinative capability. From this perspective, collaboration provides new horizon of combinative capabilities and resources that would enhance to create shared values (Porter and Kramer 2011). Thus working together collaboratively to achieve their own inherent goals – enhances them to utilize their rich expertise, capabilities and experiences complementarily. For instance the NGOs experience and knowledge can be used to bridge the institutional gaps and informal institutions that developing countries are married to. (Oetzel & Doh 2009, 112.) In this regard NGO has enormous contextual expertise, capability & experience to facilitate – community organization, normalizing and local embeddedness process of the company (Mayer et al, 2011, 237). In addition to this, NGOs can enhance the collaboration process by providing training, follow ups, controlling, support on market development, institutionalizing the process throughout the value chain and so on. (Teegen et al. 2004, 469.)

The new collaborative partnership focuses to alleviate the constraints that are challenging the inherent interests of the collaborators. The main concern of the partnership agreement is promoting the market based solutions that would most likely convey better results to the NGOs target communities sustainably. Apparently this approach had got a profound support from the elites, practitioners and donor organizations. (Yaziji & Doh 2009, 123.) Consequently many NGOs are adopting the hybrid business model that includes the concept of social and economic objectives. This has praised for its pragmatism in enhancing the situation of the developing countries' poverty alleviation process - while companies also benefit from the business opportunities (London & Hart 2004, 362; London 2008, 4). Adapting profitable social-business model gives rise to income generation initiatives and emergence of hybrid organizations that combines a social mission with commercial objectives. In this regard – the prototype of the Grameen bank and other similar social based companies that has changed the dominant philanthropic and charity focused model to a social based business model can be regarded as a breakthrough example (cf. Yunus, Moingeon, & Lehmann-Ortega 2010).

As it has been discussed earlier, mutual collaboration creates better outcomes and shared values. However to ensure collaborative value creation between any partners particularly between MNC and NGOs, as they come together from different traditions and business model – right partner selection is very decisive. Accordingly governing the interests of the stakeholders that are traditionally different requires designing robust strategy that links the interests of the partners. In this sense among various engagement strategies that have been discussed, the project based partnership with NGOs is more practical approach in collaborative value creation process. Establishing project based engagement will enhance the companies not to worry about the challenging business environments that related to local embeddedness while it also ensures the creation of collaborative shared values (Austin & Seitandi 2012a; Halinen & Törnroos 1998, 190). Then the important matter in this regards is to create a project based partnership with strong linked interests between the NGOs and MNCs. That would foster "cause based" partnership. Based on this, the subsequent section discusses the linked interests that potentially connect MNC and NGO – to commit to each other mutually.

2.1.3 *Linked interests*

In the collaborative value creation spectrum, linked interest is one of the sources of values – according to (Austin & Seitanidi 2012a, 931-3). Thus having a sign of "linked interest" can be regarded as an early indicator for the organizational fit and similarity of perception, interests, visions and strategic directions that shows compatibility (Weiser, Kahane, Rochlin & Landis 2006, 6). For instance values for non-profitable companies and profitable companies cannot be substantially different even though they have different motives and purposes, as their final goal. Their respective collaborative outcomes or success can be measured with shared values linked to their interests and vision. (Berger et al. 2004, 69; Seitanidi et al. 2010, 147-150.) In accordance with this, forming project based partnership engagement based on the linked interests idea would improve the collective visions such as local productivity, market, enhancing institutions, infrastructure and business processes.

In line with Austin & Seitanidi assertion, the importance of partnership has discussed in perspectives of "resource dependency, strategic motivation, collaborative advantages, organizational learning, and legitimacy". These factors can be further used to analyze the extent, motivation, costs, benefits and values that would link business companies and social based organization. (Hockerts et al. 2010, 207.) In accordance with these an enormous emphasis has been given to strengthen the focus towards the mutual benefits. Apparently the potential benefits can be used to promote the partnership advantages that are linked to the outcomes. (Van Huijstee & Glasbergen 2010, 613.) This manifest to achieve the collaborative values in alignment with their interests requires emphasizing on "linked interests" such as – resource complementarities, enhancing synergy, co-creation of business model, leveraging competencies, local embeddedness and so on. In effect these factors and other variables together forms strong linked interests to collaborate than working independently (Austin & Seitanidi 2012b, 933). Following the optimist views towards the linked interests that bound the MNC and NGO mutually – the next sections assesses the widely accepted factors that are sources of collaboration.

Resource complementary is one of the essential strategic drives that would bind MNCs and NGOs together. The need to complement resources appears as a result of the existence of constraints. Existence of constraints from both sides creates resource dependency in order to achieve the common interests or own objectives. As a consequence the likely dependence on each other will foster linked interest that will further bound the spirit of working together – through combining their resources (Grey & Wood 1991, 7). Thus resource dependency between the MNC-NGO further can be noted as one of the compelling links that triggers partnership to occur (Hockerts et al. 2010, 207-208; Selsky & Parker 2005,852-853). For instance converting the unutilized resources that exist in developing countries to collaborative values has advocated by (Prahalad & Hammond

2002). In their assertion the complementary role of the private sector engagement to resolve the developing countries challenge has underlined as a complementing capability on what the civil society organizations lack in their effort. In this regard the advantages the MNCs' have long accumulated knowledge, capability, managerial know-how, and resources that have obtained in a multiple contexts and with what the NGOs bring to the partnership process complements each other mutually. (Prahalad 2005, 21.) Eventually the essence of collaboration would enhance to complement to each other's resource gaps and limitations in order to achieve their interests collaboratively. That can be translated to "*organizational fit*" and matching missions and interests contextually (Austin & Seitanidi 2012b, 933; Wymer & Samu 2003, 18).

Synergy is the art of working together for the purpose of improving the competency and competitiveness. In the collaborative value creation process focusing to the unique capabilities of exchanging information, making interaction and complementing each other alleviates the inefficiency issues that the developing countries' business environment consists. Thus a desire to create the whole sum that is greater than the individual output creates linked interests between the MNC and NGOs. (Austin & Seitanidi 2012b, 933-934.) In accordance with this, combining the key resources and capabilities would enhance to improve the capacity and competitiveness of the stakeholders in the value chain. Creating such a synergy improves the local productivity, market orientation, and the general business environment and so on. As a result the momentum established links interests of mutual cooperation towards the common vision. (London et al. 2010, 589.)

Co-creation of business model has also been discussed as one of the corporate-NGOs collaboration advantages which can links the MNC and NGO interests (Dahan et al. 2010, 328). In alignment with this co-creation of values can be perceived as the initial step in addressing the social problems and existing challenges in the developing countries. Then maintaining the synergy to co-creation can be further helps to address the issues that need to be addresses. Such status quo refers to the early indication of the presence of linked interests (Bryson et al. 2006). Thus the mutual engagement creates interactional values that will link them through joint problem solving, trust building, and value creation (Austin & Seitanidi 2012b, 940). Referring to Prahalad & Hammond bottom of the pyramid concept – developing countries are married to informal institutions, informal economies, and infrastructural problems and so on. This implies the nature of the business environment in less developed countries can potentially vary from the developed market in terms of several factors. (cf. Prahalad and Hart 2002.) Thus the essence of forming collaborative partnership enhances to resolve some of the peculiar characteristics that have jeopardized the business process. Thus designing a practical business model fosters co-creation values (goods and services) – that is in alignment with the interests of the parties.

Leveraging competencies- Prahalad & Hammond (2002) – regardless of the rich resource endowments in the developing countries, the level of productivity is too low. In effect including the operational NGOs intervention has focused on the promotion of efficient production techniques, improving productivity, market creation and so on. Technically these are the issues that the operational NGOs opted to resolve – which evolved from the market failure. Even though these are some of the challenges that the operational NGOs are striving to solve – NGOs' effort alone has proven cannot grant sustainable solution (London 2008, 6). Thus leveraging resources and capabilities through mutual collaboration has as an important step in creating an inclusive business model (Dahan et al. 2010, 333). Hence the importance of leveraging resources and capabilities together enhances to create values such as "*low-margin and high volume*" production that might be a successful business model for the low income market. To arrive to such a strategic issues designing pragmatic cooperation with other stakeholders to access local knowledge and information concerning the contextual market is very vital. Accordingly leveraging each other's competencies enhances to design an inclusive business model that creates "legitimacy and confidence" for the supplies and the buying organization in order to establish a long term relationship. (Pitta et al. 2008, 398; Dahan et al. 2010, 333.) Based on the reviews made about the importance of identifying the linked interests that potentially bound MNC and NGOs together, the following section also reviews the essence and challenges of partnership creation and working together collaboratively.

2.2 Working together

The importance of partnership creation via linking interests between the MNCs & NGOs has been discussed in (section 2.1.3) briefly. Provided the existing similarities, disparities and constraints between the MNCs and NGOs – identifying how they are working together to accomplish their interests mutually is an important aspect of the collaborative value creation process (Millar et al. 2004, 410). Accordingly assessing the way the MNCs and NGOs work together is an important aspect. As it has been discussed in the background sections MNCs and NGOs possess different inherent interests, objectives and strategies. The existing differences can cause either collaboration or conflict depending on the context. Thus issues such as combining resources, capabilities, leveraging competencies, creating legitimacy and balancing organizational differences, require solid business model, commitment and strategy that lets them to work together. (Oetzel & Doh 2009, 112-115.) In this regards, some scholars viewed the collaboration as an advantage while some others regarded it as a challenge (Yaziji & Doh 2009, 123). For instance the existing difference in traditions, values, organizational structure, business model, strategy and so on can be regarded as a source of competitive advantage in a positive sense. From another point of view the differences can also be regarded as a source of conflict in certain circumstances according to the assertion of (Oetzel & Doh 2009, 112-114).

As various studies that deals with the contextual collaborative working environment implies – while working together conflict might always occur; but the important aspect is getting prepared to systematically balancing and minimizing the factors causing disparities while fostering the uniting factors. To foster the notion of working together focusing to the cause-based partnership can be used as uniting factors to alleviate the disparities. Furthermore the optimistic viewers of the cross-sector partnerships are arguing that the differences in the approach help to bring different and unique resources, skills, knowledge, experiences, and capability to the collaboration process. Thus committing to combine these resources and capabilities together will help the actors to benefit from the partnership process in a multiple ways. (London et al. 2010, 583; Dahan et al. 2010, 336-339; Varadarajan & Menon 1988, 60.)

Based on the optimistic viewers of the collaborative value creation; working together collaboratively has been emphasised as a pragmatic solution to convert the untapped resources to values by employing the capitalist business model. (Prahalad and Hammond 2002; Prahalad & Hart 2002; London & Hart 2004, 367.) These argument shows, adopting a mutual collaborative working environment would enhance as an important platform to improve the value creation process in the developing countries. For such reasons the corporate-NGOs collaboration has regarded as a remarkable milestone to undertake project based partnership to create socio-economic values in low income countries. (Selsky & Parker 2005, 850; Austin & Seitanidi 2012b, 937.)

To depict the growing trend of project based collaboration between the MNCs and NGOs, and then the practicality of their engagement in the value creation process has also been viewed by (Yaziji & Doh 2009, 123-125). According to the discussion, ensuring the creation of mutual values and benefits requires – understanding & designing a workable business model and strategy in a way that it creates collaborative values. Preferably needs to be formulated collaboratively by the stakeholders. This makes the result of collaboration to be beneficial – to gain resource complementarities, legitimacy, organizational reputation & motivation to create shared values. (Dahan et al. 2010, 335; Eweje & Palakshappa 2009, 339.)

Furthermore to obtain the desired outcome of collaboration, working together requires strong commitment of both the MNCs and NGOs in alignment with their linked interests and motivation. The commitment they make enhances the process of sharing responsibilities in accordance with their capability, resource complementary, balancing inherent organizational differences and so on. Hence the potential benefits that tends to be obtained from the collaboration engagement depends on the essence of complementing resources, leveraging competency, balancing organizational differences while improving legitimacy through working together (Suchman 1995, 575). In line with the discussion made in this section, the following discussions – that held in the sub-sections will tend to focus specifically on the partnership creation and various aspects of the implementation process. Accordingly the following discussions reveals issues related to – process of partner selection, collaboration, conflicts and conflicts resolutions, legitimacy and trust building – to enhance the shared value creation.

2.2.1 *Partnership creation*

Partnership is a "*relationship characterized by relatively enduring transactions, flows and linkage that occurs among or between organizations*". Based on this argument partnership is an essence of commitment to work together – possibly use once resources, knowledge and capabilities with an ally to attain the intended goals which are linked to the outcome of the anticipated project. (Hockerts, Mair & Robinson 2010, 204.) Eventually, committing to work together maximizes competencies, productivity, synergy, market-orientation, value creation process etc. Thus mutual partnership will enhance to optimize outcomes while minimizes the encountered challenges, risks and costs during the process. (Austin & Seitanidi 2012a, 5-9.) The idea of sharing can also extends from a simple exchange of assets to a complex set of sharing tangible and intangible knowledge, experience, organizational structure, governance, decision making, business model creation, and so on (Dahan et al. 2010, 328, 333).

Accordingly partnering requires strong commitment of time, energy, tangible and intangible resources. The degree of commitment and the level can vary according to the agreement and expectation from the partnership engagement. This intensity makes the partnership creation process to involve massive and strong commitment to each other. As a result partner selection is an important criterion that needs to be meticulously considered (Tennyson & Harrison, 2008). Careful "partner selection" has highlighted as a key criteria to avoid the negative and risky outcomes that might occur by choosing untrustworthy and incompetent partner (Austin & Seitanidi 2012b, 944).

However, collaboration between distinct parties with different ideology and inherent interests is not a new phenomenon in IB. The difference in case of cross sector partnership paying meticulous attention might be important to avoid misunderstanding. Thus effective collaboration between such stakeholders occurs whenever clearer understanding and transparency about the desired outcomes communicated. Moreover such partnership can be regarded as interesting and risky as well, for the reasons related to coming from different cultural background, traditions and values to fulfil the gaps and challenges that encountered them. (Reficco & Márquez 2009, 8.) This implies, collaboration is possible when "*the need and potential for benefit*" and congruence in vision to address the social issues that encompass the social values aligned (Wood & Gray 1991, 161).

The advantages behind forming a partnership that concerned with business based social project enhance to create entrepreneurship in the local market. Thus designing an inclusive business model increases the motives to engage in social entrepreneurship projects. This will further strengthen the idea of integrating society, innovation and market. In doing this social entrepreneurship would become an outcome of "*individuals, organizations and networks that aims to challenge the conventional structure by addressing failures*". (Hockerts et al. 2010, 224.) In this respect partnership creation between the MNC and NGO must take into account what partners need and the potential benefits. Accordingly the expected collaborative values should be the resultant of the linked interests and commitments of work together. Then linking pragmatically the potential interests between the MNC and NGO will determine the degree of commitment that the two needs to exert on the project. (Millar et al. 2004, 408.)

2.2.2 *Collaboration*

> "*alliance between for-profit and not for-profit companies in the commercial environment benefits the partners when one brings – resources, capabilities or the other assets the other do not have*" (Dahan et al. 2010, 330).

Working together is the outcomes of forming mutual cooperation and collaboration. For instance as it has been discussed in the earlier sections, NGOs have several competitive advantages in regards to providing embedded services and in building trust in the community of the developing countries. On the other hand MNCs have also own competitive advantages. Thus to enhance the prevailing situation in the developing countries – cooperation and collaboration with NGOs and other actors has emphsised. (London & Hart 2004, 353.) In accordance with the discussions held among the advantages of collaborative work the following points can describe this notion.

Resource complementary – MNCs' and NGOs' mutual collaboration convey various tangible and intangible resources together to the collaboration pool. Eventually that creates competitive advantages in regards to addressing their interests. (Oetzel & Doh 2009, 112.) For instance among the factors that the mutual collaboration solves, financial resources can be highlighted from many other resources that can be complemented to each other such as – knowledge, skill, manpower and so on. In this regard financial resource complementary can be viewed as one of the great advantages for the NGOs as they are facing challenges of obtaining funds. This is genuinely compelling factor as the current trend shows – financing the finance is socially motivated projects are becoming ever difficult. Thus the prevailing phenomenon manifests that, the extent to which NGOs are stretched to “finance” their projects are getting quite limited and the opportunities of obtaining charitable fund are also getting narrower (Millar et al. 2004, 406). This is occurred due to the fact that the traditional donors are shifting their – attention, interest and scope of supporting the socially motivated philanthropic NGO projects. Thus for this reason or another mutual engagement with MNC has a regarded as a potential opportunity to solve such constraint.

From MNC point of view, Larimo & Marinova (2011, 87-101) have discussed the importance entering to developing countries. The justification indicated the prevailing the market saturation of the brewery companies in the industrialized nations has been mentioned as an example. Such market challenge and other reasons forces MNCs to seek new market where they can potentially grow. Accordingly strategizing to enter to the developing countries has become an evitable fact. However, since the market environment in the developing markets are acutely different from the developed market, partnering with stakeholders such as NGOs has argued – would provide better option and local embeddedness opportunity for MNC. Thus co-creating a business based solution that addresses the dual role through mutual collaboration has argued would benefit MNC and NGOs through bringing their unique resources together. (Porter & Kramer 2011, 12; London & Hart 2004, 359.)

Leveraging competencies – As it has been argued by several base-of-the pyramid scholars, finding coherent information and knowledge about everything in the context of the developing countries is arguably challenging. This has explained – partially as a consequence of the existing informal economic activities, informal institutions and lack of infrastructure (Meyer & Nguyen 2005, 64-65). Thus the existing challenges and absence of sufficient supporting infrastructures and institutional frameworks resulted in weak business environment, insufficient market-orientation, low productivity, low quality standards, etc (London & Hart 2004, 352). In effect the existences of these factors have deterred the companies not to use the “*dominant market logic”* to enter to the developing countries (Prahalad & Hart, 2002; Gekonge 2014, 167). On the other hand NGOs are also striving to solve these challenging market failures. As a result of operating in such environment obviously they have acquired tremendous knowledge and experience that will enhance to cope up with the challenges. In these regard both MNCs and NGOs possess own unique competitive advantages, capabilities, skills, and expertise to cope up with the challenges and constraints they are faced, to attend the developing market successfully. This notion of creating resource and capability – dependency further enhances to leverage competencies. For instance NGOs institutional values can include social capital, local knowledge, grassroots customs & norms, and local knowledge, networks, and so on that are uniquely possessed by the NGOs. (Millar et al. 2004, 403.) Accordingly to serve the low income countries still both have various challenging aspects that enforce them to seek partnership that fills the missing gaps. On the other hand, as it has been depicted in the previous section NGO lacks managerial capability, lacks operational mandate and other competencies that business companies possess such as know-how, technology and technical skills that can enhance socio-economic value creation process. (Dahan et al. 2010, 336; Rondinelli & London 2003, 73.)

As the current trend shows the market expansion of the business companies to the developing countries are faced by breath taking challenges of the informality of the business environment in developing countries. Thus successful entry to the developing market requires coping up with the local informal institutional settings, dealing with the informal economies and unstructured markets. In this regards, it has been argued that launching inclusive businesses – companies have substantial challenge and weaknesses of need identification and developing an inclusive contextual business model that would be applicable to the specific market need and so on (Berger et al. 2006, 132). This triggered the importance of mutual partnership engagement with NGOs. Such initiatives have been considered as a pragmatic approach that enhances to share their unique capabilities, knowledge and reduce work burden through creating competitive shared values in the market (cf. Dahan et al. 2010). In this sense the importance of collaboration further extends to sharing responsibility – to create a better alternative advantage to fill up the challenges that they are encountered to enter and operate in the contextual developing countries. Such effort will enhance to achieve their goals while creating collaborative values in the host country. (Seelos &Mair 2007, 52-54.)

Institutions are bases for behaviours that manifested in any given society in relation to – "*corruption, transparency, accountability, economic liberalization, regulation, norms, attitudes towards cooperation and entrepreneurship etc.*" (Peng et al. 2006, 922). Based on this assertion, institution and societal behaviour varies from place to place and society to society. Mostly the existence of wide range of informal institutions can be regarded as an obstacle to the normal flow of business process in the developing and emerging economies. Moreover informal institutions can possibly cause "institutional voids" that would create difficulty and "liability" to the foreign firms (Yaziji & Doh 2009, 155). To cope up with such challenges – collaborative relationship between MNC & NGO through local embeddedness has been suggested. NGO's positive reputation and strong commitment in serving the developing countries enhanced to acquire unique competitive advantage that helps to deal with the informal institutions. As a result, this unique competency and understanding of the contextual market situation, positioned NGO to play a significant role. Moreover a preferable candidate that can enhance the corporate to bypass the developing country's institutional problems, organizational related- bureaucracy, corruption, inefficiency, lack of competencies and so on. (Oetzel & Doh 2009, 113.)

In accordance with the previous paragraph, competencies that NGOs have been developed through time can mitigate the challenges of MNCs and paves a ways towards sustainable business environment in the developing countries. In dealing with the institutional challenges, it has described that NGOs possess unique expertise in terms of having first-hand information, experience of cultural specificities, living condition, peculiar challenges, and problems related to infrastructures in a contextual country (Oetzel & Doh 2009, 113). Thus for business companies that are lacking the local contextual knowledge and capabilities collaborating with the NGOs will enhance them to benefit from such NGOs' unique expertise. From the MNCs perspective it also contributes to the "*resource pool*" by bringing new way of production techniques supported by new technology, style of production and production facilities that will foster the host countries development. (Dahan et al. 2010, 331.)

Inclusive business model creation - Business model is an important aspect of a firm that defines how it makes money and sustains profit over the period of time (Morris, Schindehutte & Allen 2005, 726). However as a result of the informal nature of the developing countries economy, the suitable business model can vary contextually, geographically and economically. Among the challenges – it is difficult for the companies to duplicate a successful business model from one context to another without co-creating (Prahalad 2005, 24-46). Thus the advantages of partnering with knowledgeable NGOs would contribute to the development of competencies and knowledge that enhances to create inclusive business model. Partnering fosters to increase the level of understanding of the general situations – the symmetry of knowledge and understanding of the local context. Thus the partnership commitment eventually helps to design and develop an inclusive business model that will be in alignment with the contextual business environment (Prahalad 2005, 61; Dahan et al. 2010, 339).

Refereeing to the definition of institution by Peng et al. (2006), governing societal transaction where the informal institutions are functioning requires local knowledge to be aware of how the political and economic system works. Establishing relationship with the local actors helps to be able to deal with the bureaucracy, corruption, transparency, dis/honesty etc. of the local politics (Vachani, Doh, & Teegen 2009, 488). Moreover it facilitates to be acquainted to the contextual laws concerning – economic liberalization, regulation, rules etc. In addition to this the relationship paves the way to know more about the behavior of the societies' – ethical norms, attitude, preferences, tests that are different from one another. Thus understanding how things work and what the people demands helps to create a contextual and pragmatic business model. Therefore firms need to work in collaboration with the local stakeholders to understand how the market segments are designed differently in order to address the objective of the firm and the societies need. (cf. UNDP 2008, 5-9.)

2.2.3 *Conflicts and conflict resolution*

In the course of working together various factors can challenge the spirit of working together. Among the challenging factors – financial resource ownership gap, organizational structure, inherent goals and objectives between the MNCs and NGOs can be mentioned. (Millar et al. 2004, 402-407.) From another perspective using these disparities as a source of opportunity has also described as – bases for collaboration (cf. Rondinelli & London 2003, 67-73). This implies that in the process of working together understanding and managing the differences systematically is an important step to reduce the chance of conflict while fostering cooperation. This is due to the fact that the desire to work together requires a strong commitment of balancing the possible organizational related differences. Thus taking proactive measures that position the collaborators to enjoy the synergy, advantages of combinative capabilities, resource complementary, and leveraging each other's unique competencies. (Dahan et al. 2010, 336-339.)

Resource ownership disparities- are one of the substantial gap between the corporate and NGOs. It has a great potential to destabilize their relationships. In this regard it has been argued that, since MNCs bring key financial resources to the collaboration process, that positions them to have dominant power and position to make choices as well as decisions (Van Huijstee & Glasbergen, 2010, 206). In similar context, Rondinelli & London (2003, 71-73) have also been described resource ownership difference as a soure of conflicting factor. Moreover Vachani et al. (2009, 451, 454) has been reflected that the key resource ownership gap and the control issues over the resources create unbalanced relationships and "hostility" problems. This would further creates obstacles when it comes to making a decision (cf. Rondinelli & London 2003, 71-73). Then, if the power difference is not proactively managed MNCs might force NGOs to serve the MNCs' objective alone (Selsky & Parker 2005, 585). In this context MNCs could exploite NGOs' goodwill and positive reputation to achive their own interests.

Organizational structure- is another factor that differentiates the MNCs and NGOs from one another. MNCs and NGOs are accustomed to distinct organizational structure and norms to accomplish their duties and obligations. Organizational structure refers to method of working, benefits and cost structure that are utilized to perform their operations. The evolution of the structure directly related to the ultimate values that they hold. Apparently the benefits and costs structure of the organizations are fundamentally different. (Berger et al. 2004, 63.) In addition to this the way they manage their operation can also be substantially different. Thus balancing and adopting an inclusive approach would also enhance to review the existing organizational structure disparities (Dahan et al. 2010, 336). In relation to this, some other disparties that exist between the MNCs and NGOs includes partnership problems such as – misunderstanding, misallocation of the costs and benefits, mismatch of power, lack of complementary skills, resources and effective decision making styles and mismatching of time scales and mistrust. These challenges and disparities are the predictable and bearable once that could be minimized or solved through kind effort of awareness creation and adopting workable model. (Berger et al. 2004, 61-69.)

NGOs transaction cost to MNCs- According to Berger et al. (2004, 67) assertion – NGOs have built strong profile, trustworthy relationship and credible reputations in serving the low income communities. This has positioned them to enjoy strong trust than their counterparts. (Teegen et al. 2004, 468.) In contrast to the position that NGOs have built in the context of developing counties – business companies lack those social credentials. This has been argued as a consequence of what the people are associating the business companies with exploitation and market failures. As a result, in case of disagreement or unethical practices; NGOs could have put a tremendous pressure on the MNCs operation. In this regard the “transactional costs” that NGOs cause would affect either positively or negatively the MNCs operation (Vachani et al. 2009, 449). Apparently there have been similar situations where NGOs have been forced MNCs to recognize the negative externalities by forcing to adopt essential and ethical social development strategy. (Vachani et al. 2009, 551.)

To manifest the MNCs-NGOs conflict and conflict resolutions – the case of Coca Cola’s experience in dealing with the environmental damages and NGO’s transaction cost will be illustrated as follows:

According to the case study by Yaziji & Doh (2009, 115-119), Coca Cola has been “*creating water shortage due to an extensive use, polluting ground water and soil, exposing its customers to toxic waste and pesticides in India”.* As a consequence of this the company has been accused for the mentioned allegation by the Californian based advocacy NGO. Eventually Coca-Cola suffered decline in sales followed by the ban imposed on its products not to be sold in some universities – in the US, UK and Canada. In addition to this it has been suffered from closure of $16 million Coke bottling plant in India for similar accusation of drained and polluted local water by the local authorities. After all these up and downs – Coca Cola negotiated to resolve the hiking through collaboration with NGO and other local actors such as Central Water Authority by committed itself to operate – “ethically and transparently”.

Since then Coca Cola committed to create shared values in the local market in collaboration with other stakeholders. In effect it has engaged in harvesting rain water to restore back the depleted ground water in collaboration. In addition to this, to ensure sustainability – it has been dedicated and committed itself in sharing knowledge about the importance and ways of harvesting rainwater to the local community. To ensure the effectiveness of this process Coca Cola signed a collaboration agreement with Delhi-based NGO FORCE to train the community. In effect Coca Cola has engaged to various initiatives pertaining to improve the drinking water conditions in all areas where it operates. It has been formally pledged support for the United Nations Global compact and co-founded the Global Water Challenge in order to improve the access and sanitation in countries with critical need.

Case of Unilever Indonesia and Oxfam Netherland – in another positive perspective of collaboration, NGOs could help firms to design and implement social development strategies that would enhance to reduce their transaction costs – see the case of Unilever Indonesia and Oxfam Netherland – from (Yaziji & Doh 2009, 166-168). According to the case study, the collaboration experience of the Unilever Indonesia – a subsidiary of Unilever UK and Oxfam Netherland manifests, the new way of working together through addressing the social and the economy issues – to create mutually shared value. Their collaboration was based on complementing each other. This has been ensured the two way benefits from the business based process. The overall outcome and impact that Unilever Indonesia has been created while engaging with Oxfam in the host country can be summed up positive aspect of the collaboration.

As it been discussed earlier there are clear disparities in the resource ownership, organizational structures, goals, values, competencies etc, between the MNCs and NGOs (cf. Rondinelli & London 2003, 63-64). However in order to be able to work together, the differences should be compromised in favor of the advantages. Then designing and co-creating the strategies based on their capabilities, resources, competencies, would enhance to achieve their interest in a competitive manner. Apparently engaging on project based partnership through linked interests enhances to focus on the common visions of the project than amplifying the disparities that exist between them. (Selsky & Parker 2005, 856.) The example of the Oxfam and Unilever case study manifests that- *"working together with corporate requires constant dialog, communication, and trust building during the collaboration process. Moreover it has highlighted that during this process there is a plausibility of conflict as well. Conflict and collaboration are parts and parcel of the any of such process, the important matter is learning to take proactive measures"*. (Yaziji & Doh 2009, 166-168.)

2.2.4 ***Legitimacy and trust building***

> *"Traditionally base of the pyramid consumers and large firms have no trust to each other. Thus firms tending to enter the base of the pyramid market must focus on building trust and local embeddedness* (Prahalad 2005, 20).

Market expansion to a potential new business destination often regarded as an increase in firm's market share, revenues, profit, cash flows, and so on – even though the rate of success is a multiplier of various factors and series of appropriate managerial decisions and combination of workable business models (Seelos & Mair 2007, 61). Thus in regards to new market entry decision – several factors have to be taken into consideration. This is important – due to the peculiarity of local contexts and new market entry can be challenging for any firms until the target market would be learned –no matter where. The challenging learning period involves application of different strategies and decisions in the context of the intended country of choice (cf. UNDP 2008, 10). Accordingly creating relationship with other stakeholders in a way that improves –learning experience and building trust through local commitment is important (Johanson & Vahlne 2009, 1417). This implies, whatever the scenarios would be new market entry decisions requires analysing of various factors that enhances "local integration and responses" in the host country (Ghoshal 1987, 437). In this regard, MNCs need to work on trust building and local embeddedness to revert their accusation of "market failure and exploitation" that positions them as non-trustable stakeholder in the context of the developing counties (Gekonge 2014, 167).

In accordance with this it has been argued that "*trust is a fundamental aspect of social network or social capital"* (Yaziji & Doh 2010, 127). Building trust facilitates the integration process. Thus the chance of partnering with NGOs that have high profile of trust, reputation and reliable development practice would enhance MNCs to build trust in the community easily. (Schuster & Holtbrgge 2012.) NGOs' reputation and operational usefulness in the context of developing countries has been highlighted as a stakeholder that has – "*better prepared and committed to create values than the other stakeholders*" (Pitta et al. 2008, 398-399). These context specific competencies have been built through its – active participation in benevolent activities, in local development, on human right issues and on general awareness creation activities. Engagements in such important operation for developing countries have granted it a unique trust and relationship position with the community – compared to the companies. (Oetzel & Doh 2009, 112.) Apparently engagement in such practical challenging realities enhanced NGOs to gain legitimacy and important knowledge in developing countries economic, social, political, environmental and cultural development issues. Having this knowledge positioned it to be the right partner to add values to MNC's market expansion need through providing local embedded services. (Vachani et al. 2009, 448-449.)

In light of this discussion creating mutual local partnership enhances the firms to obtain useful information which provides clear picture about the existing opportunities and challenges. This will further give a chance for the companies to be locally embedded – then create shared values. In accordance with this, the importance of local embeddedness for foreign firms has been highlighted by – Gekonge (2014, 167-168) as follows – "*foreign markets are full of uncertainties that would always differs in terms of culture, legal system, social and political norms, language, taste, distribution channels complexities and the general business environment and even resources like labour characteristics"*. Thus too cope up with such contextual situations, collaboration and partnership with the local stakeholders would helps to understand the given community. Learning and understanding the contextual norms and values of a community gives rise to form a successfully relationship because – every country possesses unique features that cannot be duplicated from one to another. This implies the companies need to emphasis on the local-integration and embeddedness possibilities as a strategy to enter to new destinations. Apparently the local context is one of the important aspects where the firms need to pay attention in order to make "multiple-embeddedness" and form strong network to be successful and effective, which ultimately improves the issue of legitimacy. (Meyer et al. 2011, 244.)

In line with the previous review –the importance of considering the local commitment to serve the low income market segment has been emphasised by many researches such as – (Prahalad 2005, 61-62; London & Hart 2004, 3-4). The arguments emphasises that endeavouring local commitment will improve the company's reputation and builds trust in the society. In addition to this, *to obtain recognition to serve, the base of the pyramid market requires the involvement of multiple players – including private companies, governments, NGOs, financial institutions, and other organizations (cf. Prahalad and Hart 2002; Pitta et al. 2008, 398).*This manifests that local embeddedness can be best achieved by the MNCs –if they take a step forward to collaborate with stakeholders such as civil-society organizations – possess the local market knowledge (Vacahni 2009, 449). Collaborating with respected and knowledgeable local stakeholder creates positive implication for companies in creating strong local embeddedness in the market (Meyer 2011, 239-241). In this regard MNCs mutual collaboration with the NGOs would create opportunities to gain legitimacy that would counter balance the negative pressures from the stakeholders in the developing countries. As a result developing legitimacy has noted as an important prerequisite for undertaking successful operation in the developing countries. (Rondinelli & London 2003, 69.) Ultimately the idea of working collaboratively would bring together – unique capabilities, resources and leverage competencies (cf. 2.2.2). Moreover, creating collaborative platform enhances to benefit from the competencies the partners are bringing to the pool too.

2.3 Collaborative Value creation

> "*...both problems and challenges in the base of the pyramid market are known- and the missing and linking factors are investment in customer education, technology to develop the solutions into affordable products – then enhancing the distribution channels"* (Prahalad 2005, 169).

As the current phenomenon manifests, the historical conflicts between the MNC & NGO – are changing to a collaborative value creation process (Yaziji and Doh 2009, 123). Referring to this, the previous sections reviewed the benefits and challenges of working together collaboratively. In light of that, the current section focuses to the collaborative values creation process. Collaborative values can be contextual in its very nature due to the disparities across the geographic regions, income status, knowledge, culture and so on. Various scholars have discussed contextual values that would the collaboration between MNC & NGO creates. For instance according to Austin and Seitanidi (2012a, 6) there are four types of collaborative values, such as – "associational, transferred resources, interaction, and synergistic values".

The processes that require creating the collaborative value includes – designing sound and inclusive projects (Rondinelli & London, 2003, 61). In accordance with this, various project based partnership collaborations have been designed to solve the profound social problems in developing countries – in such a way that it creates shared values. Regarding the implementation strategy employed various scholars suggested context specific approach – for instance – Porter and Kramer (2011, 4-9) emphasized the need for "*re-conceiving products and market, redefining productivity in the value chain and building the supportive industry clusters"*. This has emphasized an inclusive approach to achieve their interests, while creating shared values.

In accordance with the suggestion of Porter and Kramer (2011) improving productivity by redefining productivity will enhance to resolve the basic social and economic problems that create economic costs to the firm's value chain. In this respect working mutually together interactively creates –"interactional values" that will enhance to solve a wide range of joint problem through open discussions, redefining relationships and building competencies that promote contextual values (Le Ber & Branzei 2010a, 620).

In this sense linking interests through mutual collaboration plays an enormous role in creating the shared values in the context of the developing countries. This shapes the profitability of the companies while improving the general economic and social situations in the host country. Moreover linking interests enhance the stakeholders to be committed to create economic values through addressing societal issues. In order to create shared collaborative values, the collaboration process has to focus closely to shared values – i.e. the outcome of the joint project.

In accordance with shared collaborative values created through the mutual engagement of business and non-business stakeholders, the following section contextualizes the shared collaborative values that have been created. It tends to review and illustrate how the interaction between the MNC, NGO and other actors such as state creates values in the developing countries. To depict the situations interactional values such as – local productivity, access & awareness to market, value chain enhancement, business cluster building and co-creation of economic and social values will be assessed as an example. Furthermore to justify claimed shared values – different corporate-NGOs collaboration cases studies that have been taken place in different parts of the developing countries will be illustrated.

2.3.1 ***Converting social problems to market***

Referring to the discussions held in the introduction section, developing countries are married to massive social problems. This has been reviewed in (section 2.1) and then the need for win-win business based solution has been advocated by several scholars to tackle the prevailing problems and challenges in the developing countries. Then their engagement has converted the challenges and adversaries in the developing countries to opportunity (London, 2008, 5). This implies that the power of collaboration creates synergy that would improve the experience of innovation, productivity, the way processes are undertaken, creates cohesiveness in bringing organizational change, ensuring sustainable and long term value creation, fosters commercialization etc (Austin and Seitandi 2012, 6). Eventually the mutual collaboration would enhance to solve the missing factors of poor productivity through creating linkages, income, and the "market" system. As several case studies show effort made to create market would also lead to – improvement in productivity, innovativeness, livelihood, linkages etc. (cf. Phills, Deiglmeier & Miller 2008, 39).

Based on the discussion held on the collaborative value creation, the proceeding section illustrates – how the "social problems have been converted to values" through creating market. In this sense the case of "*CEMEX & Patrimonio Hoy"* and *USAID, Procter & Gamble and concerted NGO collaboration* will be illustrated.

Case of CEMEX and Patrimonio Hoy – CEMEX is one of the leading cement manufacturing multinational companies in the world. It is also one of the leading companies that have been proven the existence of profitability in developing countries while addressing the social causes by designing an – innovative housing solution in a win-win way. (Prahalad 2005, 147-168.) The objective of the project was to change the worse housing condition that – the low income people in Mexico lives in. To launch this project CEMEX collaborated with other local players particularly with Patrimonio Hoy.

The collaboration with Patrimonio Hoy enhanced to build trust and convince the poor people – the possibility of building a house with CEMEX. Then, part of the embedded service Patrimonio Hoy provided was focused on teaching the people to save money by – engaging to credit and saving schemes. Eventually they have convinced the poor people to participate in the project by committing to save.

To make this success obvious, the role of Patrimonio Hoy's embedded service was remarkable. Then as the trust level rises up, CEMEX has created values for the low income segments by creating a complete – housing solution at low cost. The reputation has been positioned CEMEX as a company that committed to solve societal problems – through offering housing at low cost to the poor. Through time it has been proven that the values that it has been promised – has been delivered to the people. In essence it has been managed to provide values and added services such as – credit access, technical advice, architect visits, storage spaces for raw materials. For these the creation of these values – Patrimonio Hoy's contribution was enormous in implementing the CEMEX's successful strategy – not only in serving the social causes but in making the company profitable and self sustainable business. (cf. Dahan et al. 2010, 332.)

Case of USAID, Procter & Gamble and concerted NGO collaboration – According to the information cited from web pages of USAID and P&G – this project envisaged to improve the critical drinking water problems in the developing countries. Then, this interactive value creation project has been initiated by the USAID. The uniqueness of project and its potential has been brought together various stakeholders such as – Procter and Gamble (P&G), Population Service International (PSI), CARE USA, Johns Hopkins Center for Communication Program (CCP) to launch safe drinking water project by creating – "*Safe Drinking Water Alliance*". The importance of the project was to mitigate the shortage of potable drinking water in the vulnerable regions. The effort of collaborative problem solving has been developed – a water purification product, with an affordable price to the consumers.

To develop the product the water shortage challenge of the developing countries such as – (Ethiopia, Haiti and Pakistan) that are – acutely suffering from access to safe drinkable water has been used as experimentation venues. Apparently to create this social values and economic values the NGOs have been contributed the contextual knowledge concerning the water shortage and water usage in supporting product development, co-branding and customer education to create the social values & market in the developing countries. The inputs obtained from the NGOs enhanced P&G to develop the product – "PUR" with a low cost technology that purifies water. In developing the distribution network PSI has participated actively. Apparently these cases manifested that, project based collaborative engagement between for-profit and not-for profit companies would creates shared values when the interest linked. As the cases illustrated reveals, considering social problems as a potential scalable business by designing a reverse innovation and inclusive business model – would create social and economic values through market (cf. London, 2008, 3; London et al 2010, 586; Dahan et al. 2010, 336). Accordingly creating such values are in line with what Porter and Kramer (2011) asserted as one of the three shared values – "re-conceiving products and markets". Thus focusing to – "cause based" social problem solving activity through creating market, would create shared values for all the stakeholders.

2.3.2 *Improving local productivity through market*

The existence of informal economy has been discussed as one of the potential causes for the underdevelopment of businesses in the low income countries. This has caused less motivation for MNCs to attend the low income developing countries. Apparently this and other factors have contributed to low productivity reputation of the developing countries. (Guesalaga & Marshall 2008, 417.) The void has further created a considerable rift in people's way of living and the general economy of the developing countries. As the consequence of the void – productivity, market system, entrepreneurship, businesses etc in the developing market have been suffered. Particularly lack of market system and potential buyers in the market has been created serious implications in local productivity, entrepreneurship development and motivation. In support of this scenario, Porter and Kramer asserted – improving productivity in the developing countries, creates shared values by "re-defining the productivity in the supply chain". Accordingly this will improve resource usage, capability, labor productivity, distribution system, buying power and so on. (London et al. 2010, 585-586.)

In accordance with this review, the following cases manifest – how the market system creates a positive impact on – local productivity and entrepreneurship development in the value chain. Moreover it illustrates the potential of buyers in changing people's motivation to maximize produces that will eventually creates – surplus and entrepreneurship (Jenkins, et al. 2008, 6). Thus the case of *SABMiller brewery & FARM-Africa* will illustrate similar context.

Case of SABMiller brewery & FARM-Africa. The business based collaboration commitment of SABMiller brewery with local actors reveals that – linking interests would create shared values by improving local productivity and market. This particular case depicts the tri-sector engagement (cf. Bovaird, 2004, 199) between (SABMiller brewery, FARM-Africa, and the South Sudan government). The objective of the project was to optimize the yield of the cassava production in South Sudan.

According to Farm Africa, cassava is a staple food for millions of people and the production was at subsistence level particularly in South Sudan. Thus the collaboration has been designed to improve the cassava yield and its marketability through working with local smallholder farmers. Then since the collaboration between SABMiller and FARM-Africa has started in 2010 – to enhance the cassava yield and to add value to the crop, a new horizon of opportunities have shined to the local economy and the local farmers. Farmers started experiencing –producing surplus and supplying that surplus to SABMiller brewery – a potential buyer committed to improve the market. In regards to creating sustainability in the market the project based partnership between the SABMiller, the local farmers and Farm Africa were devoted to enhance the situation through providing training, enhancing capabilities, market & entrepreneurship creation & so on.

As the collaborative engagement agreement illustrates, SABMiller has committed to bring market security and to create guaranteed market for farmers and suppliers of cassava. FARM-Africa on its part provided the embedded services, such as – training, creating market awareness, developing farmers' commercial skills, strengthening the business and finance skills of the farmers with an emphasis on collective marketing. The effort has transformed the farmers from the just subsistence crop farmers to a commercially viable crop producers contextually. Eventually significant number of smallholder farmers transformed into local businessmen. In addition to this, the effort made empowered the farmers to be organized as a coop to – create bargaining power and legitimacy.

This case manifests that the interest of SABMiller and FARM-Africa i.e. "enhancing the local productivity of cassava" has been linked to their overall broader objective. This has done by linking their interests in order to bring – resources, capabilities, competencies and so on together. This has made the local productivity to increase, which ultimately boosted surplus. Apparently this case reveals – referring to (Prahalad 2005, 169) – "commitment in customer education" argument – through commitment even a community that has been far from the commercialization process can be trained to produce surplus for the market. Concerning the scalability of the model, the case of SABMiller's cross-sector engagement with the civil society, state and local farmers in 17 African countries manifested similar reality of successful collaborative value creation.

2.3.3 *Business cluster building*

In the process of shared value creation framework of Porter and Kramer (2011, 8-9), the importance of "enabling the local cluster development" has been discussed. According to the discussions made "no company will be successful without the supporting companies in the value chain, institutions around it and the infrastructures". For instance the productivity of a company will depend on the potential of related businesses, suppliers, service providers, and logistic infrastructure. Thus developing business clusters would facilitate the interaction capability of the businesses which will eventually improve the performance of the companies. Lack of clusters or favorable business environment can be regarded as factors of the market failure, referring to the discussions held by (Teegen et al. 2004, 467). Accordingly business cluster building in the developing countries would enhance to form open and transparent market environment.

Apparently converting the inefficient market system – ruled by informal institutions, workers are exploited and suppliers are receiving unfair prices, requires obtaining marketing information and supporting the communication system. Forming reliable networks would fix the challenges through connecting various stakeholders. (Porter & Kramer 2011, 8-9.) Creating sustainable business cluster in the developing market requires co-creating of an innovative and inclusive business model that would address the pressing need of the target community (Dahan et al. 2010, 328). In relation to this, the importance of local embeddedness, commitment, understanding the local market context and need assessment of the services and products of the local people has to be underlined. (cf. Meyer et al. 2011.)

2.3.4 *Distribution system*

> "*shaping aspiration through product innovation and consumer education; improving access through better distribution and communication and communication systems; tailors local solutions"*(Pitta et al. 2008, 395).

Market creation is a path to success for multiple processes that companies comprises of – innovation, tailoring local solution, improving productivity, creating entrepreneurship, improved access to better communication system, and creation of distribution channel (Pitta et al. 2008, 395). Markets are arguably the missing factor in the developing countries. In order to create sustainable market system, considering the distribution channel is quite important. (Prahalad 2005, 169.) In this sense the importance of distribution channel in the value chain has been discussed by (Prahalad 2005, 43-44); Porter & Kramer, 2011, 7). C.K. Prahalad particularly highlighted "distribution channel" as one of the significant challenges in the developing countries. Thus creating innovative distribution system is as important as – creating innovative products and services.

In accordance with this review, the following section reveals an innovative distribution channel that the Hindustan lever (HLL) created in India to address the distribution problem through involving poor women. This example shows the possibility of value creation while addressing its interest.

Case of Hindustan lever (HLL) – HLL is a fortune 500 Multinational Corporation that has engaged in selling a wide range of consumer goods – such as food, house & personal care brands through 300 subsidiary companies in more than 100 countries. In regards to its contribution to the base of the pyramid business model, HLL has created several successful innovative attempts in projects – such as Annapurna iodized salt case, with the Shakti women project i.e. – door-to-door distribution case and the like which delivered dual role in economic and social values. Apparently *"project Shakti"* which provided an opportunity for underprivileged women a "home-to-home" distribution job – by providing training and credit facility has benefited the women to earn an income. In addition to creating job for the women it has contributed to societal benefits through distributing hygienic products while increasing the sales of its products through innovative distribution channels. (cf. Prahalad 2005, 169-170, 211.)

2.3.5 ***Social and economic values***

According to Porter and Kramer's shared value framework emphasizes on the – unmated societal needs in developing countries. Converting the unmated societal need requires "re-conceiving products and market" – according to the local needs. In line with this – social values and demand for economic gains are parts and parcel, which goes together (Yunus et al. 2010, 316). Thus denying the contextual and practical reality usually might lead to market failure, unsuccessful business experience or conflict with advocacy organizations and the states (Webb et al. 2010, 567-568). For instance as it has been discussed in the earlier sections among the main concerns of NGO is seeking to improve the societal and environmental problems caused by the regulatory and legislative failures. Whenever failures occur, NGO attempts to fix the rifts by stepping into service provision or through advocacy and campaigning against the ongoing problems. (Teegen et al. 2004, 169.) This is regarded as one of the identities of NGO that has positioned it to be trustworthy and legitimate stakeholder in the eyes of the general public particularly for the disadvantaged beneficiaries "who do not have a voice" (Le Ber & Branzei 2010a, 603).

On the other hand, some corporate are regarded as solely devoted to profit maximization without caring about the health of the community, customers or the environment". It's obvious that the claim might not represent all the MNCs but only some irresponsible deeds of few firms that create mistrust in the community. (Yaziji & Doh 2009, 18.) Thus whenever such claims aroused it could provoke the local people. This might further trigger NGOs to campaign and advocate against the misdeed of the firm. Referring to the Coca-cola case portrayed in section (2.2.3), followed by the conflict resolution – Coca Cola, as of June 2007 has announced reduction of the amount of water usage. The water consumption used for production of a litter of coca-cola reduced to 2.54litres from 3.14litres five years ago. The obtained result further motivated Coca Cola to work on more comprehensive solutions – of global water challenge through collaborating with leading environmental NGOs. The new implementation technique enabled Coca Cola to reduce the amount of water it uses to produce the beverages by using safe recycling methods, replenishing water in the community and nature through engaging to locally relevant projects. Furthermore Coca cola worked hard to spread these practice to its supply chain particularly to the sugar cane industries. This case manifests that working in collaboration with the local actors and NGO would enhance to undertake ethical business operation in a way that it creates social and economic values in a win-win way. (Yaziji & Doh 2009, 115-119.) With a similar case, the following case study manifests how companies can mobilize the local economy by operating ethically.

The case of Unilever Indonesia and Oxfam Netherland manifested that the collaboration commitment has been brought a positive impact in enhancing the livelihood and economic situation of the host country. The outcomes that the Oxfam has obtained revealed that private sector involvement spurs host countries development and can be "pro-poor". If there is a will to operate ethically towards mutually shared goals, the probability of achieving positive outcome is high. For instance among the positive impacts that UI has been created through operating in Indonesia includes – creation of tax revenue for the state, job for many workers, buying power for local suppliers, committed to the local economy mainly in water sustainability.

As a result of its positive contribution UI was an award winner in 2005 for its positive contribution in sustainable water category. In addition to this it is known for providing aid against the depleted water supply as a corporate social responsibility (Yaziji & Doh 2009, 166-168). The various types of collaborative values that have created as a result of MNC and NGO engagement reflected that the project-base linked interests in alignment with the discussions of Austin & Seitanidi.

2.4 Collaborative value creation framework

This section will put together the discussions held in sections (2.1, 2.2, & 2.3) in a framework. As Figure 2, depicts the starting point for the emergent MNC-NGOs collaborative value creation process is the need to resolve the constraints that hindered them from achieving their interests. According to the reviews discussed, the challenges of creating shared values can be tackled through forming collaboration – to fight the existing constraints and challenges. In essence working together provides a unique advantage to combine resources, capabilities, expertise, knowledge, and so on. Technically these are the factors that have hindered MNCs and NGOs from not achieving their inherent goals independently. (London et al. 2010, 584-587.) Hence for these and other reasons – MNC or NGO strategy could not effectively alleviate the challenges nor address their interests in efficient manner. This triggered the notion of bringing together what they are good at – to resolve their constraints. Thus through linking their interests

– combinative capability can be created that would alleviate their constraints then creates collaborative shared values. (Austin & Seitanidi 2012b, 946; Dahan, et al. 2010, 328.) In accordance with this review, figure 2, shows that choosing the project based collaboration gives an opportunity to link common visions that lead them pragmatically to the shared value creation by converting social problems and other existing opportunities to market, through innovative co-creation that focuses to improving productivity, entrepreneurship, infrastructure & networks and so on.

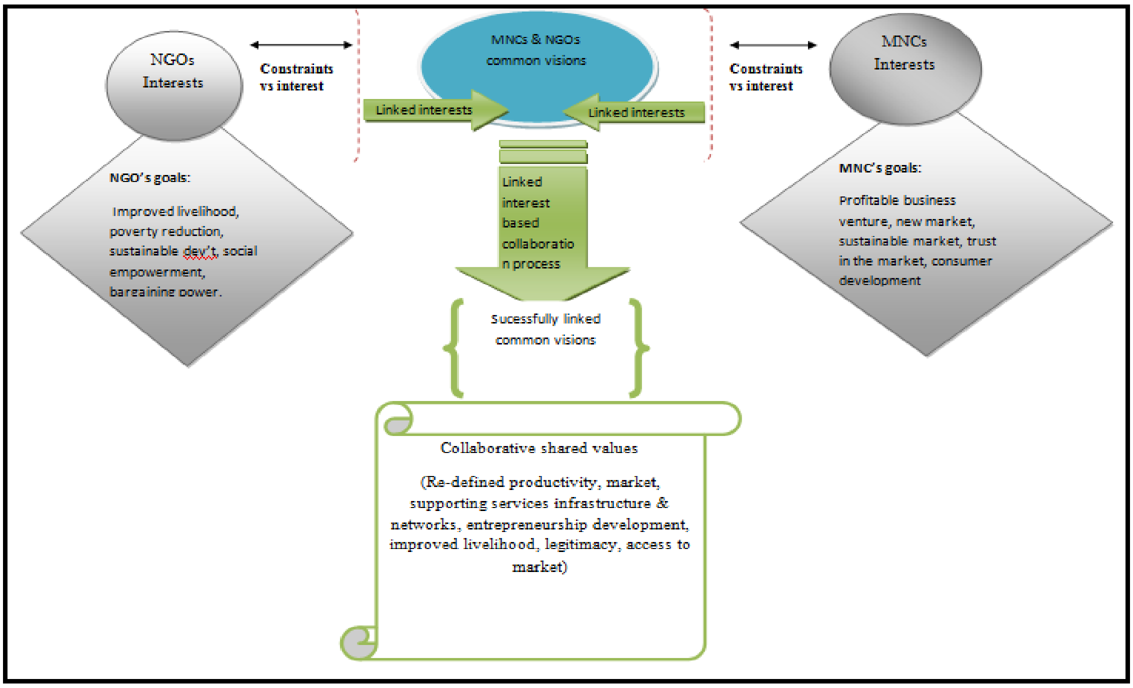

Figure 2 Shared collaborative value creation framework

Based on what (figure 2) has portrayed, the literature review section (2.1) has dealt with the contextual MNC and NGO collaboration by reviewing the existing business opportunities (cf. London & Hart 2004, 351). Then, the subsequent sub-sections reviewed the interests, motivations, justification of the emergent collaborative approach and the linked interests of the NGO with the MNC in the developing countries. Since collaboration between inherently different parties is categorically difficult and challenging (Le Ber & Branzei 2010b, 167) then – the linked interests section illustrated the importance of linking interests and constraints – that helps to work together.

In a collaboration process, once the partners have been chosen and consensus reached to work together, the next task concerns with strategizing the implementation process of the common project – in a way that it will be mutual and exclusive to partners (cf. Vurron et al. 2010, 50, UNDP 2008, 6-11). This implies – the possibility to wed to each other requires reconciling the factors of cooperation with the conflicting factors in way that it creates competitive advantage and collaborative shared values (cf.

Le Ber & Branzei 2009, 144; Seitanidi at al. 2010, 149). In accordance with this, section 2.2 has attempted to show the required commitment to work together collaboratively. Since working together conveys different advantages and competitiveness, the reviews held in sub-section of (2.2), manifests working together enhance to convert the existing challenges to benefits and values. Therefore linking interests to resolve the existing constraints conveys shared collaborative values.

The constraints or interest that have potentially linked MNCs and NGOs together – comprises resource dependency, capabilities, competencies, need of balancing organizational differences, creation of legitimacy, knowledge & skills and so on. Creating combinative capability through bringing together their resources – fosters creation of collaborative values (cf. Austin & Seitanidi, 2012a, 4-6). In this regard it has been illustrated that mutual collaboration on "cause based projects" leads the partners into strong commitment of complementing each other to create collaborative shared values, which the project envisages to create (cf. Varadarajan & Menon 1988, 60).

The collaborative value creation (section 2.3) has manifested the collaborative shared values that have been created as a result of working together on common project. As it has been depicted in this section the compelling reason for MNC and NGO collaboration was the need to alleviate their constraints – which are potentially linked to each other's interests and visions. In another word the existing constraints are the factors that have blocked both parties not to achieve their interests independently. Thus referring back to (section 2.2), effort has been made to discuss how the commitment of working together shaped value creation process. In reference to this – (section 2.3) has been shown the collaborative shared values that the linked interests based collaboration have created. Apparently the illustrated case studies portrayed the essence of common vision project partnership in creating shared collaborative values. Moreover, the sub-section 2.3 reviewed the collaborative shared values that have been created from the engagements made. According to the case studies – the collaborative shared values that have been created consists of: improved local productivity, market, entrepreneurship, social empowerment, bargaining power, legitimacy, better livelihood and so on. This implies linked interest and common visions between the collaborators can be viewed as sources of values. The common visions between the collaborators include enhancing local productivity, sustainable market creation and enhancing the value chain.

Based on the case reviews, having negotiated common visions further strengthen the collaborative shared values creation process through supporting the service infrastructure, entrepreneurship, legitimacy building, bargaining power, capability, networks, and so on. Thus referring back to figure 2, effectively accomplishing the common visions of the collaboration relationships grants the values marked as "MNC & NGO benefits' on the figure 2). In addition to this, the case illustrations have also been manifested the pragmatism of "cause" based projects in dealing with such a contextual projects.

3 RESEARCH DESIGN

Followed by the construction of the theoretical framework on the previous chapters (see appendix 1 - operational model), the current chapter focuses to the research design of the empirical case study that has been conducted in Ethiopia. The case study focuses on assessing the contextual collaborative “project based” partnership engagement between the EUCORD-Heineken and HUNDEE. To obtain an answer for the research question and sub-questions an empirical case study has been conducted. Accordingly this chapter tends to introduce the research approach of the study that the researcher has used to conduct the research, which consists of case selection, method of data collection, data analysis and finally the evaluation of the study to show the trust worthiness and limitation of the study.

3.1 Research approach

A research approach that a researcher should choose ought to relate to the purpose and type of the research problem that needs to be addressed (Eriksson & Kovalainen 2008, 27). Choosing the right research approach gives a chance to make meaningful interpretation and guidance to assess the phenomenon (Fisher, 2010, 23). To conduct a scientific research, either qualitative or quantitative methods can be used depending on the type of research. Quantitative approach ought to be chosen to conduct studies that involve numeric analysis where as the qualitative method is chosen for the studies affiliated to subjective phenomenon that would be explained by interpreting words. (Maxwell 1996, 91.)

In accordance with this justification – the nature of this study is more subjective than objective. For such contextual and subjective studies, employing analysis of qualitative method explains the case better. Thus, “qualitative approach” has been chosen as the main research approach to conduct this study.

Qualitative research approach is normally used to reflect the subjective nature of social science issues, such as: to understand social life, human behavior and other contextual subjective matters that cannot be adequately explained by numerical analysis. Thus, due to the subjective nature of this phenomenon, employing an appropriate qualitative research method that will allow the researcher to explain the subject in depth is important. In accordance with this remark, using the appropriate qualitative research approach that would enhance the researcher to analyze the findings in a way he/she would perceive and understands from the contextual data is important (Eriksson & Kovalainen 2008, 13; Welch et al, 2010, 8-9).

Qualitative research approach consists of different methods that help to undertake contextual subjective researches. Among these methods, case study can be regarded as one among the others that would enhance to assess the phenomenon in depth (Myers 2013, 9). Using case study methods enhances to conduct a deep analysis of the contextual study. This feature further made it to be considered as an appropriate approach to understand the contextual subjective phenomenon and issues (Eriksson & Kovalainen 2008, 13). Moreover, case study is regarded as the best approach when the precise nature of the problem is not known (Saunder et al. 2009, 139). Analyzing such a unique case contextual study, enhance to build an explanatory theory (Eisenhardt 1989). Thus based on the advantage of the exploratory case studies – the finding focus to "*new insights and assessing the phenomenon in new light"* (Robson, 2002, 59).

In light of these advantages, Robson (2002, 178) has defined case study as an empirical investigation of a particular co-temporary phenomenon within its real life context by using multiple sources of evidence. Eisenhardt (1989, 534) and Hartley (1994, 209), described case study as a research strategy, which focuses on understanding the dynamics presented within a single settings. Case study approach consists of detailed investigation, often with data collected over a period of time (Hartley 1994, 208). According to Yin (1993, 31) the case studies enhance to attribute causal relationships. Creswell (2009, 73) asserted the rationale of using case study method is "for its appropriateness to depict a particular phenomenon and the contextual situation". Evidently the case study has a significant ability to give an answer for the questions pertaining to "why, what and how" – though the "what and how" questions that are more concerned with the survey strategy. As a result of these and other reasons case study strategy is more suitable for explanatory and exploratory research (Saunder et al. 2009, 146).

Based on this explanation the purpose of this case study is, to explore *the linked interests that have fostered collaboration between MNC and NGOs to create collaborative shared value outcomes – in the context of low income developing countries.* In order to explore the case study, the sub questions will seek to answer the following questions: *Which linked interests have bound MNC and NGOs together*? *How do MNC and NGOs work together to align their interests?, what shared collaborative values has been created as an outcome of the project?*

3.2 Case selection

Case selection is the vital part of the research process. Without selecting a good case, conducting research can be challenging as the real time data collection starts. Thus to overcome the challenges ahead of time careful case selection is important. During case selection considering the aspects of timeliness, interests & motivation of the researcher, access to information and the importance of the phenomenon and so on are the necessary conditions. Planning in advance creates awareness about the challenges and the strategies that need to be adopted to accomplish the research successfully. Moreover, since conducting the case study research requires in depth enquiry and access to multiple sources of evidence, mapping the process enhances to speculate the practicality. Thus, the researcher should select a case based on his/her interests and motivation, timeliness and accessibility of the information. (Miles & Huberman 1994, 34.)

The case that has been chosen should consider whether the phenomenon provides rich information, believability and its generalizability. To ensure the appropriateness of the criteria the researcher may need to consider, if the method selected would permit informed consent – where it’s required. (Stake 2005, 454-460.) In addition to these the benefits and risks associated with the research such as participation in the study, the ethical nature of the relationship between researcher and informants and then considering the feasibility in terms of the resource, costs, and time must be taken into account. The practical issues of accessibility and the sampling strategy must be compatible with the researcher's working style. (Miles and Huberman 1994, 34.)

In regards to this case study selection, the remarks of various scholars – that have discussed above have been taken into consideration in order to ensure the interest and inclination of the researcher. This has further guaranteed the successful completion of the study. In addition to this, the importance of the phenomenon, accessibility to collect the empirical data and availability of other necessary resources that will facilitate the research process has been also considered. Moreover factors & constraints related to – time, costs and resources have also been taken into account prior to indulging to the research process.

3.3 Data collection

Qualitative data collection process can be conducted in various ways that consists of: *observation, interviews, documents, note taking and audio visual materials.* (Creswell 2009, 178 & Saunders et al. 2009, 339.) Among these methods using “interviews” as the main approach to collect a primary data is widely popular method. The techniques of interviews, in data collection process can be divided into: *structured, unstructured and semi-structured interviews.* (Fisher 2010, 178.)

Structured interviews are carried out based on a pre-determined and standardized list of questions, whereas unstructured interviews are the opposite, where the informant directs the conversation rather than using the pre-determined questionnaire. Semi-structured interviews are in between of the two extremes. For its flexibility, the semi-structured interviews are regarded as the flexible form of data collection. This has granted it to own a great potential to lead formal and informal conversations successfully. Semi-structured and unstructured interviews are considered as non-standardized forms of interviews that are used to collect the primary data mainly qualitative. Using these techniques enhance to get as much as contextual subjective information that the fully-structured one does not provide. (Saunders et al. 2009, 323.)

Accordingly, to obtain as much as information that this contextual case study requires, the interviews were conducted in different dimensions and intensities. It has been built on different structures from semi-organized to open questions interviews – where specific themes were in focus as depicted in Table 1. In addition to the interviews, secondary data assessments regarding the case organizations have been done to improve the sources of information. These include EUCORD-Heineken’s website and other publications obtained online such as – Annual Sustainability Report, case study reports published in their webpage and others. Concerning HUNDEE, the operational manual and other materials related to the contextual case has been reviewed in their premises, prior to conducting the interviews.

Thus in light of serving the purpose of this case study research, using interviews as a main data collection tool has been found essential due to its natural flexibility in obtaining the contextual understanding, subjective views, feelings of the actors and stakeholders in the value chain in line with Saunders et al. (2009, 323-324) suggestion. In essence such contextual issues can be best assessed by employing case study research techniques that deals with semi-structured and unstructured questions. Accordingly to conduct the interview with the Heineken social-wing representative or European Cooperation for Rural Development (EUCORD) project coordinator the semi-structured interviews technique has been used. Meaning, a list of themes of questions has been pre-organized to lead the discussions. In case of the local NGO (HUNDEE) – semi-structured interviews were used predominantly to explore the context, though unstructured interviews were also applied to some extent to further understand the nature of the business based relationship. These methods have been chosen to obtain the required information by using an open and in depth semi-structured and unstructured interviews –phases by phase to get an answers for the three sub-questions.

The interviews have been conducted with the personnel in charge of the joint project - particularly with the “Value chain development officers and Project coordinators” in addition to the informal discussion with other management officers. Lastly to address the cooperative members organized under the joint – or umbrella of the malt-barely value chain; unstructured interviews have been conducted to gather information – concerning the practicality of the collaboration and value creation process. (See –Table 1.)

During the data collection process, various methods can be used – mainly audio recording and note taking, among other methods used to capture the interviews (Saunders et al. 2009, 339). Similar these two methods have been employed to capture the primary data from EUCORD and HUNDEE. In case of data collection from the cooperative members, phone call was the main method. As a result note keeping was the main method used. The shire part the interviews have been audio recorded followed by the permissions granted by the respondents. Moreover in order to guide the readers through – Table 1 has designed to portray the summary of the sources of information in accordance with the questionnaires documented in – appendix 1.

The first sub question directly related to the sources of collaborative value creation, i.e. the partnership interests and the linked interests that have been fostered the collaborative relationship to engage on the contextual malt-barley value chain project. The themes of the interviews consist of: what are the linked interests that have fostered MNC and NGOs to collaborate? Under this sub-question issue such as prior goals, visions, interests, strategies and so on – that enhances to achieve the joint interest has been explored, followed by this, how the partnership process initiated, evolved and motivated to work together mutually.

The second themes of the interviews are concerned with the actions and implementation of the collaboration process. The main focus in here was to explore how they are working together towards their goals and interests through aligning their linked interests. Accordingly, input of the main players at the grassroots level – (the EUCORD and HUNDEE's) representatives have been interviewed to describe – how the collaboration process is taking place and implemented in alignment to their inherent interests. The discussion further extended to boost the understandings of the implementation process by reflecting on factors such as – (opportunities & challenges, combining resources and capabilities, power differences, organizational and structural disparities, aligning the goal difference, and so on).

The focus of the third theme involves on assessing the outcomes of the collaboration process. It examined the shared collaborative values that have created as a result of linked interests based collaboration. Accordingly the representative of the case organizations have been interviewed about the shared collaborative values that have been created and intended to be created for the community and local economy, apart from addressing the local sourcing need of the company. To cross check on the shared collaborative values that have been claimed has created, five members of different beneficiary farmers' cooperatives members have been asked to describe the values created in contextual terms. Accordingly an interview with the members of the farmers' cooperative and coops have been organized to explore the nature & outcomes of the malt-barely value chain project. The themes of the interviews for the farmers or the coop representatives include – the way they see the new approach, the benefit or loss they have encountered so far – by being part of the project, how they compare this approach of working – with the traditional one, and the future prospective of this approach in improving their livelihood situations.

Table 1 Sources of data

Data sources	Types of data	Descriptions	Objectives
Interviews	Interviews- HUNDEE: HUNDEE's linked interests with EUCORD-Heineken -Monitoring and evaluation (implementation strategy of joint project & shared values)	-Oct. 30, 2014 duration about 1 hour -Nov. 6, 2014, duration about 1 hour	Gather info concerning: - Linked interests, motivation, common visions, joint project implementation -General views about - joint project strategies, cooperation, conflicts and the values
	-How the EUCORD – Heineken CREATE Program: linked to the interest of HUNDEE	Nov. 10, 2014 duration 1hr and 20 minuets	- Linked interests, implementation strategy & collaborative shared values creation.
	-Farmers cooperative (contextual-shared collaborative values)	Feb. 21, 2015 duration 30 minutes all together	-Collaborative values, benefits and outcome of the project – from the perspectives of the cooperatives
Secondary data (informaation)	Web page of Heineken N.V, EUCORD, ICCO Heineken's annual sustainability report	Heineken's annual sustainability report 2013, 2014 -YouTube video about the local sourcing of Heineken in Ethiopia	Information regarding goals, interests, and bases for collaboration -Strategies and approaches of the local sourcing initiative
	-ICCO's annual report -HUNDEE's business plan and operation manual	-Organizational objectives, visions and motivation	-Goals, interest, approaches, expectation, common visions

During the data collection as it has been described above, interviews has been used to collect the data. The overall interviews have been conducted with local languages (Amharic and Afaan-Oromo); and English has also been used in several occasions. The shire part of the interviews were recorded and note has been kept as described earlier. In order to analyse the obtained information by using the qualitative case study method, the researcher transcribed all the information from Amaharic and Afaan-Oromo to English. Eventually all the obtained information has been grouped in accordance to the sub-questions that themed the research. Preparing the raw data into the respective category has enhanced the researcher to focus into the data analysis.

3.4 Data analysis

Data analysis is the process of comparing and contrasting the findings of the empirical data with the existing literatures. Thus to compare and contrast the findings – putting the data in a simplified form is necessary. In accordance with this prior to triggering data analysis, each of the questions and the answers were transcribed into text format. The transcription was primarily done with the original languages that have been used during the interviews i.e. Amharic and Afaan Oromo. Then it has been translated to English by the researcher who is a native speaker of both local languages (Amharic and Afaan-Oromo). Eventually to ensure the accuracy – the translated transcript has been sent to the respondents for cross checking. This has enhanced to eliminate and minimize any potential misunderstandings or misinterpretations occurred during transcription and translation process. Completing the transcription process enhances to jump to the techniques of data analysis phase. Thus the researcher decides the way the data will be classified, analyzed and illustrated in accordance to assertion of (cf. Yin 1989, 105.) According to (Miles & Huberman 1994), data analysis procedure consisted of three steps: data reduction, data display and conclusion.

Data reduction is the first step in the analysis process. It concerned with selecting relevant data and information from the interviews transcripts. (cf. Miles & Huberman 1994.) At this stage identifying statements and views of the informant and then drew a common statement is important to form a provisional categories and first order code (Pratt et al. 2006, 240). Followed by coding and construction of categories – reviewing data again enhances to identify any unfitted statements. Eventually, irrelevant and redundant statements have been reduced from inclusion to the analysis. Excluding the redundant part simplified the data to only focus to the relevant one that are intended to the case study.

Data display refers to the assembly of organized information into an accessible and compact form in order to facilitate the analysis and conclusions. Moreover data display is concerned with integrating relevant data from the reduced coding to theoretical categories (Pratt et al. 2006, 240). Accordingly the data has compiled from all categories that linked the interest of the MNC and NGO – collaborative working and collaborative value creations. Then the theoretical categories has generated based on these themes. However, in regards to the collaborative values, assessing the full impact of the project was not possible apart from revealing the achievements granted so far and predicting the outcomes from the process & relationships built up. At the time this interview was conducted, the project was only two year old even though Heineken has been in the market since 2011 followed by its acquisition of two state owned breweries.

The third step in the analysis process is drawing conclusion from the theoretical and empirical data collected (Miles & Huberman, 1994). Thus by using the theoretical categories and the empirical findings established in the second step – different categories fitted together in order to give coherent picture and conclusion.

3.5 Evaluation of the study

Research quality and the evaluation of its trustworthiness can be measured by using various evaluation criteria and frameworks depending on the nature of the study and methods used. Thus choosing a compatible criteria and framework with the nature of the study is important. (Eriksson & Kovalainen 2008, 290.) The most classical evaluation criteria that have been widely used in researches are: reliability, validity and generalizability of the study, though it is more appropriate for the quantitative than qualitative approach (Stake 2005, 448). Reliability is the extent of evaluating of the data, measures, procedures or instruments – if it yields the same result on repeated trials (Yin 2003, 34). The goal of reliability is to minimize errors and biases in the study. Validity refers to the extent to which the conclusions drawn are consistent with the phenomenon, theoretical evidences and the findings, whereas generalizability in quantitative research depends on statistical data sample analysis. (Eriksson & Kovalainen 2008, 291-292.) However in qualitative research, validity concerned with interpretation of the research (Miler & Huberman 1994, 11).

Validity in qualitative research should be measured in terms deeper understandings, broader visions and purpose that it provides in the process of theory building. Furthermore measuring validity can be divided into internal and external validity (Yin 2003, 34). Internal validity refers to the conformity of the theory, defined concepts and chosen methods of conducting the study. It is suitable when causal relationship exists. External validity, in case study refers to whether the findings are generalizable or if different cases yield the same result. (Yin 2003, 34.) Thus the external validity refers to the validity of the relationship of conclusion, findings and data. Generalizability in the qualitative research refers to making logical generalization to a theoretical understanding. It is the degree to which the result of the study is based on the findings obtained from the entire population – from which the sample has been drawn. (Cho & Trent 2006, 324.)

However to evaluate qualitative case study research, there is no uniform framework or suggestions to use – validity and reliability as a method of analysis. Moreover using this classical evaluation criteria does not adequately interpret the contextual case study research which the result is variable based on the local context, nature of the available resources, capability of the stakeholders, inherent organizational disparities, interest & motivation, visions, cultural settings, geographical, business environment, etc. This is in line with the assertion of (Welch et al. 2011, 9), the contextualized case explanation is constituted by the meanings attach to the phenomenon. Accordingly qualitative case study researchers should provide complete information and relevant evidence to support the investigation than providing statistical data (Eriksson & Kovalainen 2008, 133).

Hence, considering the contextual nature of business based relationship in the low income developing countries, evaluation of such case studies can be justified better by using the frameworks that have developed by Lincoln & Guba (1985) in parallel to reliability and validity. This framework explains and fits to the contextual qualitative case study research objectives better than employing the classical approach. This is due to the fact that the results of the similar study in different locations might convey different result provided that the existing regional disparities in business environment, resources, climate condition, cultural settings, demand, supply, scalability of the business, policy related issues and so on. This approach is in alignment with the business model suggested by the BOP scholars (cf. Prahalad & Hammond 2002; London & Hart 2004) - adopting or duplicating uniform business model without considering the local context on the ground might not be the pragmatic approach (Guesalaga & Marshall 2008, 417). Hence using the evaluation criteria that consist of: dependability, transferability, credibility and conformability of the Lincoln & Guba evaluation frameworks provides practical scenario to evaluate such case studies (Eriksson & Kovalainen 2008, 294).

Accordingly the first criterion of this framework is “credibility”. It is parallel with internal validity – which refers to the objective and subjective components of the believability of the sources of message. Concerning this, to believe the source of the message in the qualitative researches, there should be adequately stated parameters, settings and boundaries around the study. (Eriksson & Kovalainen 2008, 294.) Thus credibility can be achieved by prolonged engagement with participants; persistent observation in the field; participant checks, validation, or co-analysis. Accordingly the factors that need to be considered to fulfill the criteria of credibility are: firstly, getting familiar with the participating organizations before the first data collection dialogues have taken place. Secondly, “*triangulating*” the methods – triangulation involves the use of different methods, especially observation, focus groups and individual interviews, which form the major data collection strategies for qualitative research. Thirdly, providing opportunities for the participants to freely choose to participate or reject participation in the interview process. (Marshall & Rossman 1999, 192.)

In line with these suggestions prior to conducting the interviews with the case organizations – materials, documents and reports that are pertaining to the case organization has been assessed. In the familiarization process various documents and publication that have been obtained in the HEINEKEN and EUCORD web pages have been checked, though much information was not found for HUNDEE in the web. Thus to enhance the understandings of the project, informal discussions has been conducted particularly with HUNDEE officers concerning the views, feelings, experiences and so on before the actual interviews. As the informal observation and discussions preceded the willingness of the officers who are directly involved on joint project has been asked for interviews and the response was positive. This complies with the triangulation and assurance for the genuine data offerings. From the EUCORD-Heineken side, the researcher did not obtain a chance to visit the local office prior to the pre-scheduled for interview meeting. However, to be familiar with the case various materials and reports that have been obtained from the web, has been assessed. Thus prior to scheduling the date of interview, the case and the purpose of the study has been pre-informed and discussed briefly with the responsible personnel via telephone call – which has been used as a bases for arranging the meetings for interview.

The second criteria, “transferability” deals with the degree to which the findings are generalized or transferred to other context (Eriksson & Kovalainen 2008, 294). The parallel criterion for transferability is associated with external validity or generalizability. In regards to this case study, to ensure the transferability of the result—an emphasis was given to the description of conceptual boundaries, to keep the consistency of the chosen models and techniques for data collection and data analysis processes. However, considering the contextual nature of the business based approach in low income developing countries, expecting the same identical solution or result in another location might not be taken for granted – although the strategy and approach can be certainly adapted to another business environment through co-creation in line with the context.

In addition, explaining the contextual collaboration between the MNC – NGO, enhances to create further awareness regarding – resources, capability and experience sharing – in order to operate competitively in the same or other BOP destinations. This further implies building knowledge and local understandings about local market need facilitates the co-creation of business model – perhaps unique to the specific location. Thus as a result of the contextual nature of the case study, the output can be used as an input to solve similar challenges that the partners in their contextual business environment. Therefore, the findings that can be transferred to other similar business destinations are the input of collaborative work – which MNCs and NGOs ought to take into account to attend such markets and to make their collaboration fruitful.

The third criterion “dependability” is parallel with the reliability – and deals with core issues such as how the research has conducted, its consistency with time, researchers and analysis techniques. This deals with the extent to which the process of the research is traceable and documented. (Eriksson & Kovalainen 2008, 294.) In accordance with this criteria, the study has designed in such a way that it guides the readers through. For instance the introduction section of the study has mapped the background, the phenomenon and defined the research problems, and then at the end of the first chapter – “the structure of the study” has framed, in order to lead the reader to the theoretical section. The theoretical discussion section of the study has also organized in such a way that it supports and reviews the earlier literatures relevant to this study. Furthermore the methods used to conduct the research were justified in the research design chapter 3. Concerning the empirical data collection, interviews were conducted, recorded, transcribed and the risks of inaccuracy or incompleteness of data has reduced prior to analysis as suggested by (Maxwell 1996, 89) in sections 3.1 to 3.4.

The fourth criterion “conformability” or “objectivity” refers to the linking of findings and interpretations to the data in ways that it can be easily understood by others (Eriksson & Kovalainen 2008, 294). In addition to this Miles and Huberman described that the key criterion for conformability is the extent to which the researcher admits his or her own predispositions. Accordingly this should be done by confirming and acknowledging the findings of the research was not interpreted objectively. In this sense Stake (2005, 453) described that the validity of the qualitative research should not be objectively described, interpreted, theorized, generalized and evaluated. This implies objective interpretation of the researcher might distort the meanings attached to the words (Maxwell 1996, 91). In order to fulfill the requirement of conformability and ensure the validity of this research the procedures used to accomplish the goal of dependability have been applied in order to improve the validity of the result. For instance triangulation has been done to reduce the misunderstandings during interpretation though triangulation by itself won’t assure the validity of the result (cf. Maxwell 1996, 94). Hence in addition to applying the procedures used to ensure the dependability criterion to minimize the possible misunderstandings, misinterpretations, errors and biases of the researcher during the interpretation of the interviews transcription and interpretation – (the meanings attached to the description), the researcher has been communicated and confirmed the accuracy of the transcript and the final outcome of the results with the respondents right before the submission of the final version of this document. Apparently advising the respondents enabled the researcher to further reduce some misunderstandings and misinterpretations of the research findings. As a consequence the finding has documented in a way that it represents the situations being researched rather than the beliefs or biases of the researcher.

4 CASE STUDY ANALYSIS

This case study analysis chapter consists of the five subsections. The first subsection 4.1 tends to describe the organizations that are taking parts in the collaboration process. The objective of section 4.1 would be description of the case organizations that are involving in the *"malt-barley enhancement value chain project"*. The subsequent parts of this chapter (sections 4.2 to 4.4) are dealing with the analysis of the empirical case study. Lastly, section 4.5 syntheses the empirical case study findings with the research objectives and the existing knowledge.

4.1 Description of the case organizations

The organizations that are taking part in this collaboration process consist of wide range of stakeholders. Apart from the main collaborators on the local embeddedness (EUCORD-Heineken, HUNDEE and farmers-cooperatives), there are other stakeholders that are taking part in the *malt-barely value chain enhancement project* – directly or indirectly. These consists of: Asella Malt Factory, two local microfinance institutions, ICCO (via funding HUNDEE and providing guarantee fund for Buusaa Gonofaa and Wassasa microfinance institutions), Oromia Seeds Enterprise, Cooperatives Promotion Offices, and Agriculture & Rural Development Offices. Even though the stakeholders are many in numbers, the case study has limited to the data analysis of EUCORD-Heineken, HUNDEE's and farmers-cooperatives embedded service engagement – due to means of research constraints. Accordingly the following sub-sections provide the brief introduction of the case organizations.

4.1.1 *Heineken*

According to the information obtained from the Heineken's sustainability report 2013, Heineken, a Dutch based multinational brewery company has 150 years of successful and sustainable brewing experience. It is strongly committing to create successful and sustainable businesses and shared values where it operates. For instance, in order to ensure the sustainability issues – it is committing in the areas of water resources protection, reducing CO_2 emissions, sourcing sustainably and advocating responsible consumption. In addition to this Heineken has engaged to the local sourcing initiative through creating sustainable shared values in its target destinations.

In line with its sustainability visions, Heineken has been engaging into public-private partnerships projects in Ethiopia, Rwanda and Sierra Leone recently. The aim of the engagement was to ensure raw materials requirement for its operational expansion to the region. The strategy to create mutual shared values in low income developing markets focuses to “local sourcing” approach. It aims to obtain 60% of the raw materials that its plant requires from the African continent by 2020. This strategy is designed to be implemented through supporting sustainable business developments in the local market. Accordingly in the Ethiopian context the local sourcing project is taking place with the leadership of EUCORD’s - CREATE project.

The project involving wide range of international and local stakeholders and actors such as – NGOs, local microfinance institutions that are providing short-term loans for the farmers, improved seeds and fertilizers providers, the Ethiopian Government’s Agricultural Transformation Agency (ATA) in providing support at different levels and input on specific agricultural information needs, the Ethiopian Institute of Agricultural Research (EIAR) and so on.

The objective of following this strategy is to ensure – shared values creation for the company and the communities, by actively working together through EUCORD coordination. By sourcing locally Heineken benefits from the lower transport costs, reduced import of raw material, etc while the local stakeholders benefit from more income as production increases as a result of using improved seeds, means of production and enhanced capability. The boosted productivity further improves the livelihood of the community, creates jobs along the value chain. In alignment with this strategy London et al. (2010, 590) asserted – the importance of having a reliable buyer in the process of value creation in the developing countries, makes a difference. In line with this argument, Heineken endeavours to create sustainable business environment within the entire value chain starting from agricultural stage to end consumers.

To ensure these objectives, it has committed itself to buy the local malt barley for the local brewing – from the local smallholder farmers, cooperatives and others. This commitment is an important milestone in providing security for the farmers who did not have market access for their produces. This effort has focused to encourage the local farmers to engage into surplus production that will supports their families and create significant impact in the value chain.

4.1.2 *European Cooperative for Rural Development (EUCORD)*

EUCORD is a Brussels based international NGO, established in 2003 and incorporated under the Dutch law. It aims to promote partnership between civil society organizations, public sectors and corporations that are interested to invest in the developing countries. It is interested to the tri-sector partnerships projects that are taking place through business based partnership between the MNCs and stakeholders in the developing countries.

The projects or activities that EUCORD tends to undertake includes – promoting agricultural value chain, providing technical support & training facilities to enhance the business capacity of NGOs and small businesses in the value chain. By carrying these objectives EUCORD operates in 15 African countries including in Ethiopia.

Based on the aim that EUCORD has been constituted for, it has become a partner NGO with the Heineken International Brewery. Its mandate is facilitating and normalizing the business environment through establishing networks with the local actors. In essence it operates as a social wing to the Heineken's interests through implementation of the "*Community Revenue Enhancement through Agricultural Technology Extension"* (CREATE) project. The CREATE project is an approach used in countries such as Ethiopia, Rwanda and Serra Leone to reduce poverty by increasing agricultural capacity in the rural households. It further aims to rebuild the agricultural production capability in order to reduce the imported commodities, improve the food security by enhancing the market awareness of the farmers. Thus in the Ethiopian context, EUCORD represents the Heineken's social wing to ensure shared values are created for the local stakeholders and Heineken's interest through embedding itself with local actors.

In order to facilitate the agricultural development capacity of the rural households, EUCORD is running two business models. These are: "*Nucleus farmer's model and the cooperative model*. The "Nucleus farmer's model" focuses to enhancing the capacity of the selected farmers' productive capability through contract farming agreements and arrangements with the buyer. The second model, which is the cooperative farmers' model, has been designed to integrate smallholder farmers into the productive enhancement project through collaborating with HUNDEE and other stakeholders – mainly on local embeddedness services. The focus of the cooperative business model is on the – smallholder farmers and cooperatives that presumably represents low income segments – in contextual terms. Thus in line with the interest of this thesis – the focus will be on the smallholder farmers and cooperatives that will address the issue of value creation in low income countries.

4.1.3 *HUNDEE – Oromo Grassroots Development Initiative*

HUNDEE is a local, not for profit or Non Governmental Organization (NGO). Since its establishment in 1995, it has been operating in Oromia Regional State, Ethiopia, where Heineken has bought two local breweries and local sourcing interest located. Since its establishment, it has attempted to serve and improve the livelihood of enormous number of poor people in rural and semi-urban settings. Among the core programmes that HUNDEE has engaged in includes – committing to solve harmful cultural practices, problems pertaining to women, children, smallholder farmers, elderly people, economically poor & marginalized segments of the society and so on of its target region. Since its target is the grassroots, one of its core programs is promotion of – *farmers' marketing organizations and Agri-Value Chain Development program* in various parts of the Oromia regional state according to the information obtained from its business plan, and later confirmed during the interviews.

The inherent objectives and interests that has been found from the organization's business plan and replay to the interviews, indicate that its vision extend to: *"enhancing the livelihood situation through alleviating poverty, ensuring food security, social empowerment, resolving or reducing environmental problems, enhancing the negotiation and bargaining capability of their beneficiaries, enhancing productivity through capacity building, creating linkage to market and other relevant stakeholders and so on".* To enhance particularly the situation of the smallholder farmers', it is collaborating with EUCORD and other actors to promote the – "*malt barley value chain"* in the southern part of the Oromia regional state, Ethiopia. The project is intended to improve smallholder farmers' livelihoods situations through building their capacity and enhancing their income.

Concerning partnership and sources of finance – HUNDEE is an active partner with ICCO (a Dutch based an Interchurch Organization for Development Cooperative) and many other international donors on various projects. In regards to ICCO, it has been supporting HUNDEE's development projects for the last couple of years. Currently it involves in the *malt-barley value chain enhancement project*. For this project it contributes half of HUNDEE's embedded service overhead costs. In addition to this, to strengthen the value creation process it also provides a guaranteed fund for two local microfinance institutions to obtain a loan from Commercial Bank of Ethiopia. The loan obtained is subject to be borrowed to the farmers involved in the malt barley chain enhancement project. (ICCO 2014.) The closer relationship, trust and partnership ICCO and HUNDEE have been developed through time; enhanced HUNDEE to provide the embedded service to the farmers. The role of HUNDEE in the project is building the capacity of farmers and organizations, improving their capability, linking with private companies, and creating market oriented production in the value chain and competitiveness in the market.

4.1.4 ***Farmers' cooperative members***

Farmers' cooperative constitutes smallholder farmers that are willing to get into the market oriented farming practices. HUNDEE is the responsible stakeholder to organize, train and facilitate the smallholders in order to make them play an active role in the value chain. Therefore, the smallholder farmers will be organized into specialized coops (deal with marketing of malt barely) to develop collective power and ability of value adding (bulking, grading, cleaning and packing etc…) as independent business entity. In the ongoing project 20 smallholder farmers organization has established during the intended project period. In accordance with the profile introduced briefly under this section (4- Description of the case companies) – Table 2 depicts the overviews of the primary data collected from the malt-barley value chain – joint project partners.

Table 2 Overview of the data structure

Description	EUCORD-Heineken	HUNDEE (local NGO)	Linked interest to collaborate
Goal and interest of the project	Enhancing malt-barley value chain productivity to ensure the raw material supply for its subsidiaries	Increasing the productivity of malt barley- to create surplus that will improve the income level	Enhancing local productivity, creating combinative capability to alleviate the challenges and constraints
Project aim	Ensuring the quality and quantity of the malt barley production locally and enhancing the value chain – that will ensure sustainability	Improve smallholder farmers' livelihood situation through building their capacity and enhancing their income – as productivity increases	Create surplus , buying power and market
Strategy or approach to achieve the goal/interest	Partnership with the local and international stakeholders	Partnering with (business based non-business based) stakeholders- through adopting inclusive business based approach	-Combining resources, enhancing capability, Sharing expertise, knowledge, experience, skill etc
Partners choice	Knowledgeable in providing local embedded services and normalization process	Complementarities and alignment of interest and vision	Reliability, dependancy and complementary
Advantages of collaboration in regards to resolving challenges and constraints	-increase trust and normalization process -build local knowledge -learning important experiential knowledge, reputation of dealing with informal trade-offs	Resources, managerial knowhow, access to means of production (seeds, new machines, technology…), market system and awareness (potential buyer)	Synergy, leverage competency, legitimacy

	-sharing role and responsibilities		
Partnership creation	Based on positive reputation and knowledge in local embedded service provisions	Network-based partnership through alignment of interest	Mutual and congruence of the project to the inherent interest
Role and responsibilities	Sharing the overhead costs of the embedded project, working in collaboration with other stakeholders to improve the productivity, through providing agronomic support, committed to buy from the smallholders cooperatives	-Providing embedded service such as organizing, training, linking to other stakeholders etc -enabling the cooperative self administered	Competence based responsibility and role negotiated in the beginning of the project

4.2 Interests for collaboration

The motive for collaboration is "*the need for collaborative – benefits*" (Wood & Gray 1991, 161). Then the prospective desire for need and benefits fosters a driving motive for collaboration. Collaborative partnership occurs when commonality in visions exists between the collaborators (Le Ber & Branzei 2009, 165, 167). In line with these arguments, the finding of this case study also manifests that, the common vision or interests towards alleviating common constraints that have faced the MNC and NGOs are not to achieve their goals – has caused for the collaborative partnership.

4.2.1 *Common visions*

Partnership decision between the MNC and NGOs bring together various resources, capabilities, expertise, skills and so on. Partnership engagement from the perspectives of EUCORD-Heineken is securing the local sourcing objective in Ethiopia through improving the "local productivity". Executing this project independently was not feasible due to the existing constraints such as (contextual expertise, knowledge, trust, capability, resources, culture, and so on) that do not allow it to make complete value chain improvement. Thus the existence of such "constraints" and "challenges" that are unbearable independently – have triggered the need for partnership. The local NGO partnership dearly needed to facilitate the local embeddedness in exchange of the resources, capabilities and other that NGO does not possess – that apparently create linked interests to work together on the mutual bases. (cf. Miller et al. 2004, 404.) As it has discussed by Bouwen & Taillieu (2004, 137), alignment with such objectives triggers the sprite of working with stakeholders that support this process or share the vision.

Regarding the aim of the project, Heineken attempts to increase the agricultural productivity to create sustainable sources to ensure its raw material requirement, while making a real contribution to poverty reduction and food security issues in line with the description – on Heineken's sustainability report 2013. Heineken, apart from carrying the corporate objectives, it also embraces both economic and social missions and objectives that will foster the interests of NGOs as well. Obviously, the primarily concern is to maximize the stockholders' value through generating profit while also creating social values which are the bases for the primary interests through collaborating with other relevant stakeholders. Such approach is quite similar with the discussions held by Hart & Milstein (2003, 56-58). This proactive approach has also initiated the interests of HUNDEE that aims to address the social problems through creating operational opportunity.

Operational NGO carry from its inception – goals pertaining to support the development process and enhancing capabilities of the disadvantaged communities and so on through improving productivity (cf. Teegen 2004). The relationship between the collaborators as long as this case study is concerned, both are envisaging to improve the local productivity, which are the bases for the value chain development and market. Enhancing these interrelated visions will ultimately gives a hint that the collaboration effort will improve the livelihood of the community at one hand as HUNDEE wishes and Heineken wants. Therefore the common visions/interest – such as improving productivity, value chain development, sustainable market creations and socio-economic values are the collaborative values that have engaged EUCORD-Heineken and HUNDEE together. This finding is pretty similar with the discussions made by London et al. (2010, 586-590).

4.2.2 ***Constraints***

The aim of this collaborative project focuses at "improving the productivity of malt-barley supply value chain" in Ethiopia. This endeavour has vested interests of both EUCORD-Heineken and HUNDEE as it has discussed on the common vision section. Moreover, according to the responses that have been obtained from the interviews, both organizations have their own unique challenges and constraints to accomplish their interests independently. This implies both sides have their own unique constraints pertaining to: resources, capabilities, competencies, expertise, legitimacy, mandate, knowledge, skills etc to successfully address the interests and serve the target market. (cf. Le

Ber & Branzei 2009, 165.) In alignment with Meyer et al. (2011, 237) discussions, some of the interests that Heineken tends to achieve, includes profit maximization through market expansion. To make this possible creating partnership of all possible kind in a win-win way that enhances the company to locally embed itself provides it – technical expertise regarding local knowledge, norms and culture, mitigating institutional voids and informal economies through partnering with local stakeholders.

The constraints and challenges that both have been faced separately, created a linked interests to collaborate. Collaboration enhanced to pave a way to achieve the intended goals or interests – through creating synergy, interaction, resource complementary, combinative capability and so on in line with the assertion of (Austin & Seitanidi 2012a, 936). Referring to this argument – for a successful collaboration to occur, there should be an alignment of interest, existence of common constraints or linked visions – that has hindered the collaborators from not to be achieved their goal.

Working in partnership to alleviate the challenges and constraints has created a concept of "linked interest" that potentially bounded them together (Austin & Seitanidi 2012a, 931; London 2008, 6). Accordingly figure 3 depicts the relationship between the motives and how linked interests are derived from the pull of constraints. In this perspective, concerning NGO the interests are derived directly or indirectly from the inherent objectives that aims to resolve the socio-economic challenges and failures that the traditional approach did not able to resolve sustainably in a broader scale (cf. Le Ber & Branzei, 2009, 144). In light of the theoretical justification, the linked interests are the derivation of the existing constraints that have faced both NGO and MNC.

4.2.3 *Linked interests*

The findings of the case study manifests, the linked interests that have engaged EU-CORD-Heineken and HUNDEE together to undertake the – "*malt-barley value chain enhancement project*" includes: resource dependency, resource complementary, leveraging capability, combinative capability to – improve productivity& market linkage (cf. figure 3). Accordingly the following section discusses these factors of the linked interests.

Resource dependency- In the context of the developing countries resources such as – finance, means of productions – (technology, skill and expertise), production related materials – (quality seeds, fertilizer, pesticides, water etc) are substantially scarce resources (cf. London et al. 2010, 585). For instance financial capital is one of the key constraints that the developing countries are lacking and what NGO also lacks to undertake its socially motivated projects (London 2010, 585). This is due to the fact that various factors such as stakeholders approach are changing in the global scale against the traditional social business model that used to focus to grants and charities. The donor communities and organizations interests are diverting to the trending and presumably more sustainable business based approach. (Teegen et al. 2004, 471-472.) Concerning MNC, it also lacks resources such as local knowledge and capability to launch operation by their own in the developing countries (Oetzel & Doh 2009, 111). Thus such challenge enforced both into commitment by creating linked interest. This implies “resource dependency” is one of the compelling elements that bind MNC-NGO together.

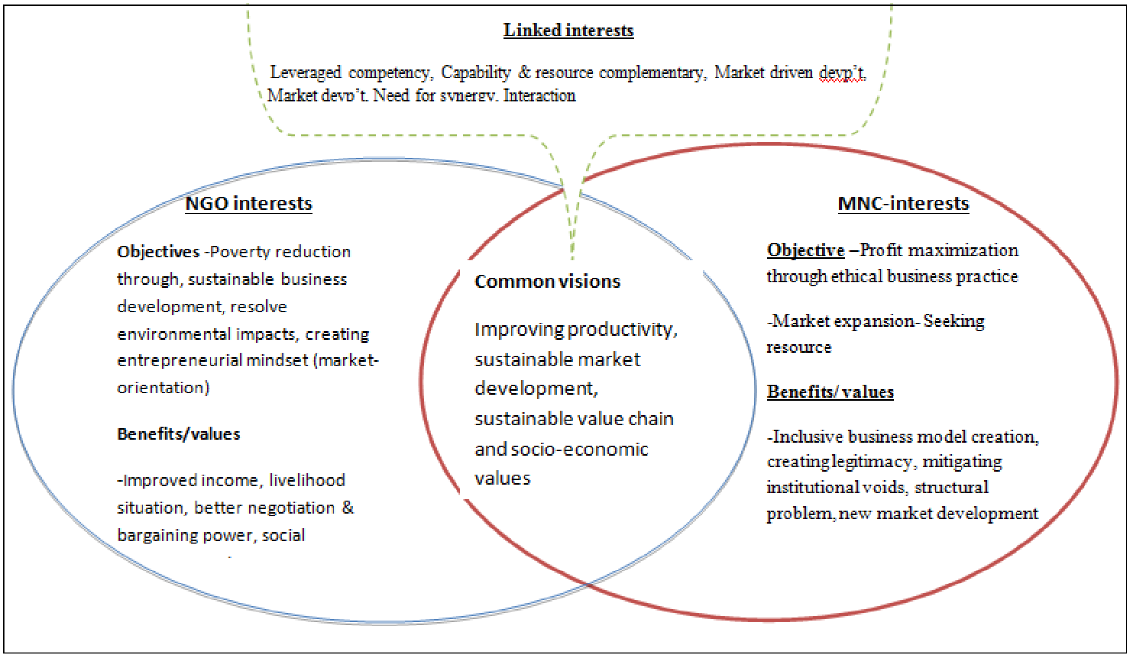

Figure 3 NGO-MNC motive and linked interest

In accordance with this explanation the findings of this case study revealed that, implementing such – project which requires the input of several stakeholders is not feasible, neither for MNC nor NGO. For instance, if HUNDEE wants to implement this project alone, it has plenty of scarce resources to address its interest. Thus getting engaged into the joint-project through providing the embedded service for “cooperative model” of malt barley enhancement project creates an advantage. By doing so at lease it solves some of the constraints such as – financial constraints, technical capability, improved seeds, and so on – in addition to other benefits that would have obtained. Apparently in terms financing the joint-project – 46% the project fund comes from Heineken, the other 46% from ICCO (a Dutch based Inter church organization NGO), 2% from the farmers’ cooperatives themselves and the remaining 6% from HUNDEE internal fund.

In terms of what HUNDEE contributes to the collaboration process: HUNDEE has rich experience, unique expertise and trust in organizing community and in providing local embedded sevice, which most of the companies including Heineken lacks.

It has been discussed that companies and people in the low income countries – have less trust to each other. The essence of collaborating with NGO facilitates to gain and offset – the challenges concerning expertise and trust in the community. Undertaking such projects successfully demands strong effort of local embeddedness. Thus collaborating with HUNDEE and other organization, for instance has filled those gaps. Importantly for the companies that do not know the culture and norm of specific community, it would be difficult to – organizing, controlling, training, and so on. Thus in addition to tangible resource sharing like financial resources, partnership facilitates to exchange knowledge, expertise and human resources that requires for the common project through discussions, dialogs, information exchanges, staff training and so on.

Leveraging unique capability - Both partners (the MNC and NGOs) are living in a contextual challenges such as – lack of capabilities, competencies, legitimacy, lack of resources, etc to create competitive advantage and values in the developing countries (London et al. 2010, 585-586). Thus leveraging their unique capabilities would contribute to value creation process in the developing countries (Dahan et al. 2010, 336). For instance referring to the poor level of productivity in every sector of developing countries – in particular – the malt barley value chain in Ethiopia requires concerted approach of stakeholders to improve the situation. Thus the desire to improve the situation through collaboration creates new combinative capabilities that would leverage the common strategy. In accordance with this, the interview-response from HUNDEE affirmed that working collaboratively leverages the unique capabilities and experiences of the partners together. This, in alignment with what the literatures have attributed, the findings of the interviews shows that "*NGO's effort alone will not change the limited capabilities of the farmers in a sustainable way*". The justification for this argument according to HUNDEE's Value Chain Officer:

> *"The main reason for the farmers' inability to increase production and productivity, one of the reasons to be blamed is – lack of potential buyer in the market. As a result, the produces quantity and quantity are fragmented and farming focuses at subsistence level".*

Furthermore according to the remarks from HUNDEE, even though the NGO has been able to raise all the resources to finance the project, its capabilities are limited without having the potential buyer in the market. Thus to convey sustainability, concerted effort of stakeholders, through linking resources and leveraging capability – in such a way that it integrates the value chain and market is essential (London et al. 2010, 589). Otherwise tending to solve only one factor at a time does not guarantee sustainability, rather integrating the value chain all together would ensure sustainability. Currently – *"due to the fact that there are potential buyers in the market, organizing small-*

*holder farmers together to combine their capability is important to get an advantage from the phenomenon"(*HUNDEE's Value Chain Officer, Oct 2014*).*

From another context in the MNC-NGO collaboration literatures, it has mentioned that "*NGOs do not have a mandate to generate profits; rather they are concerned to balance their economic needs with their various sources of financing in order to sustain their operations and to create maximum impact on the ground"*. Since NGO does not have legitimate mandate to engage into profit making activities, this triggers the need to engage with MNC. In essence collaborating with a legitimate for-profit company allows NGO to participate in the business based economic development activities that promote its objectives and interests in a win-win way. (Oetzel & Doh 2009, 114.) Concerning this fact, as the finding of the interview implies, HUNDEE has registered as a non-profit making operational NGO that participate in development, civic rights, and environment issues. Apparently the fact that it is collaborating with for-profit company gives it a legitimacy to engage in such business based project in directly.

In a bigger picture, as (Meyer et al. 2011, 242) argued about the pros of business company in the host country economy– the findings of the research showed that, in addition to complementing each others' resource need and capability for the specific project, the flow of financial capital to the local economy created robust impact in creating market, entrepreneurship, demand for goods and services, employment and so on which are part of the economic development activities. This motivates the producers, potential suppliers and the entire value chain. Thus in accordance with this, the foreign direct investment (FDI) that flows to the developing countries in the form of investment has a significant impact in the development of the local economy, complementing each other's capability is the normal phenomenon to create values, in line with the argument of (cf. Dunning, 1998, 49). Therefore as it can be deduced from the discussions held, the opportunity to collaborate mutually will enhance both to leverage their unique capabilities to create collaborative values. Moreover the leveraging capabilities create access for the farmers to obtain important inputs such as improved needs, access to up-to-date technologies, skills, simple machines, market, etc.

Legitimacy and trust building - *"the greater the institutional distance dynamics goes far apart from the local context the harder to cope-up with the challenge"(*Vachani et al. 2009, 152). In accordance with this statement – the interviews conducted with the EUCORD project coordinator implies that, launching the "local sourcing" initiative to address both social and economic objectives requires building strong relationship and embeddedness with the target community, which is in alignment with the discussions held by London et al (2010,583; Meyer (2014, 8). Applying the appropriate embedded strategy partly "*ensured the raw material requirement from the local sourcing project".* Thus since stakeholders such as NGOs are effective in providing assistance to build the capability of the local farmers and the people in the supply chain, engaging in a win-win way – benefits all the stakeholders. Accordingly to achieve these inter-related objectives in the context of the developing countries such as Ethiopia, where: the local productivity level is too low & at subsistence level, no sufficient infrastructural network exists, informal economic and informal institutional environment are dominant and so on, would create huge challenges to any companies that are not familiar with such environment (cf. Seelos & Mair 2007, 50; Vachani et al. 2009, 447, Oetzel & Doh 2009, 113).

Hence, to tackle these challenges quest for the need of partnership creation with knowledgeable and trustworthy local stakeholders that can facilitate with the local embeddedness as suggested by (Rondinelli & London 2003, 63), are important. From HUNDEE's point of view as well, it has been argued in favour of engaging to such business based collaboration project mutually to enhance the livelihood of their stakeholders. In support of this notion the description of the respondent during the interview states that:

> *"Mutual collaboration project such as this one is quite important because through working together we interlink our competencies and resolve incapability – such as legitimacy of engaging in profitable business. For instance, imagining such projects without collaboration with businesses is not practical even if we want to do so".* (HUNDEE Value Chain Officer, Oct 2014.)

The explanation is in line with the importance of establishing a collaborative relationship that seeks to create shared collaborative values through business. The collaboration provides win-win solution for both parties to achieve their interests, as well as the host communities (Hart & Milstein 2003, 61-64.) In addition to this, in the eyes of the people of the developing countries, the effort of collaboration with the NGO creates trust and legitimacy. Moreover, from the collaboration process NGO benefits from the hybrid managerial capability, building business networks, and technology transfer to the market (Reficco & Marquez 2009, 12; Rondinelli & London 2003, 67).

Hence such collaborative relationship resolves the constraints collaboratively and creates a sort of linked interests that add up values to each other. The benefits can be described in terms of adding values to each other's legitimacy and trust building that enhances to address their challenges. Thus collaborating based on linked interests allows them to focus on the substantial investments of time, resources and energy that stakeholders are committed to the collaboration process (Wilkinson & Young 2002, 124). Referring to the discussions held in the section 2.2.4 legitimacy and trust building – it has been described that MNCs are facing liabilities of foreignness in the new market. Then commitment to a local embeddedness with the local players has highlighted as a coping mechanism. (Oetzel & Doh 2009, 111.) Accordingly, for Heineken, to achieve its primary goal in this context – "sufficient raw material" applying a strategy of local embeddedness was a feasible strategy. Local embeddedness with the local actors and networks in the contextual new market facilitates the legitimacy of the foreign company (cf. Halinen &Törnross 1998, 198).

As it has been described in the common vision (section 4.2.1), the aim of Heineken is to improve the local productivity. Despite this fact of its intent, organizing the fragmented smallholder farmers is quite difficult for EUCORD-Heineken. The issue of trust and legitimacy can be pronounced as a main challenge. Such challenges triggers demand for partnership with the local stakeholders particularly with NGOs and other relevant organizations. Thus the expertise and level of trust that HUNDEE has acquired through operating in the specific market positioned it a key stakeholder status to fill this gap. Apparently HUNDEE is providing the embedded services such as organizing the community, enhancing the supply chain capability, enhancing productivity, linking farmers to other institutions such as: MFIs, seed enterprise, markets; furthermore providing follow up and monitoring services that are naturally difficult for the company to carry out.

Combinative capability creation- combining capabilities in the context of low income developing countries enhances to improve the prevailing low level of productivity. For instance, improving the productivity of the smallholder farmers has vested interests of both the MNC and NGO (Selsky & Parker 2005, 856 cf. Grey 1998). This is due to the fact that, increasing productivity creates a multiplier effect in the economy and value chain. Accordingly boosting productivity – improves the livelihood, sustainable market, cluster of entrepreneurship along the value chain, and so on. The betterment of these – along the value chain will play a vital role in reducing – level of poverty, problems related to productivity, lack of efficiency, farming standards, shaping focus and so on. In connection to this the justification described in the interview shows that- "*...the quality and quantity standard of the Ethiopian farmers production are below the international brewing standard, thus the presence of the knowledgeable and capable companies such as Heineken has a lot of commitment to make in order to improve the farming standard which will be one of the advantages for the host country*" (EUCORD project Coordinator, Oct, 2014)

Referring to this discussion, the findings of this research proved that combining capability plays a significant role in creating values. Accordingly HUNDEE & EUCORD has highlighted the need of combining capabilities to improve productivity which is a crucial factor to address their common visions. Collaborating to address these challenges improves farmers' capability. In accordance with these justifications, HUNDEE has highlighted the importance of having the buying company in such market has described as follows:

"*Despite the fact that the smallholder farmers in the target communities have several years of experience of crop and livestock production, they are still producing at subsistence level. As a consequence— the production is mainly for household consumption rather than for market and sustainable income generation activity. Even though some of them are often sell excess produces, most of them generate insignificant income from the sales of their produces. This is due to the fact that they have limited knowhow about product-market relationship. (HUNDEE, Oct 2014.)*

Accordingly such challenges and others are the main factors that trigger the need for business based collaboration to alleviate the prevailing challenges to improve the livelihood of the target community. As a result the Value Chain Officer of HUNDEE affirmed – committing to assist the farmers to boost their productivity, market capability to adopt market oriented production strategy is important, as potential buyers are entering to the market. According to the assertion of Rondinelli & London (2003, 73), this indicates combining the similarities and differences in an innovative and win-win way through alliance, creates combinative capabilities.

Sustainable market creation **-** Business based collaboration between the MNC and NGOs would facilitate the development of sustainable market. Particularly in the developing countries NGOs have well recognized expertise – acquired from their voluntary engagements. Their expertise in solving the social issues, granted them legitimacy and trust as discussed earlier. This social capital can create positive or negative impacts on any commercial firms' marketing activities. Accordingly mutual collaboration with NGOs would bring tremendous credibility to the firm's progression in the market. Thus establishing mutual and win-win problem solving strategy through marketing and market development would provide a chance to solve the social issues sustainably referring to the discussion of (Dahan et al. 2010, 333).

Building sustainable market would provide tremendous opportunity for the small and fragmented producers of the developing countries. For instance in the developing countries despite the fact that an agricultural sector is the leading sector in terms of the GDP contribution in most of developing countries, including in the cases of Ethiopia – it substantially lacks specialization (cf. London et al, 2010, 589.) In line with this justification the response obtained from the interviews indicates that "farmers are engaged in fragmented diversification than specialization for the reasons related to risk minimization and importantly due to lack of potential buyer in market. This fact has retarded the commercialization process and the production efficiency which comprises the quality and quantity of the production process". In complement to this argument HUNDEE's value chain officer indicated the need of forming "supply driven market" that will eventually helps to modernize the farming standard. According to his justification of the problem:

"*Smallholder farmers are engage in diversification of crops to avoid risks in situations of crop failures. On the other hand, cultivating on fragmented plot of land affects the volume of productivity severely. Thus such risk-averse move has precluded them from producing high value crop, such as malt-barley or other cash crops for the market. As a result smallholder farmers usually fail to meet the quantity requirement the buyers are demanding".*

Local farmers with limited production capacity do not have the opportunity to be linked directly with buyers, unless they are constituted in the form of organization (co-operative). Lacking direct access to the potential buyer – typically forces the individual sellers, to sell to the intermediaries who operate in the extralegal market environment. The existence of several intermediaries reduced the effective value that producers were supposed to get for their products as asserted by (London et al. 2020, 586). Then the importance of cooperatives comes also in terms of assuring the fair price in the market. Offering fair price involves several factors – for instance apart from the supply and demand, the transaction costs – that the buying company incurs is also a vital factor. Forming cooperative and enhancing companies to buy from a single supplier (cooperative) reduces the transaction costs of the company which ultimately adds value to the fair pricing issue.

Hence, efforts to create mutual collaboration enhance to create sustainable market that would address the wealth creation and positive linkage effect throughout the value chain. As a consequence focusing on collaborative problem solving addresses the linked interests and the constraints that have faced MNC and NGOs while ensuring income security of smallholder of malt barley producers through establishing reliable and sustainable market linkages between malt barley producers, malt factory and other actors and supporters by the end of the project period.

4.3 Implementation of the project

In the theoretical section (2.2), the essence of collaboration between MNC & NGO and the possibility of working together by aligning interests have been reviewed. According to the reviews NGO and MNC have distinct interests and motivation for their very existence, but it can be aligned through collaboration. The traditional block that has categorized them in different compartment not to work together, has already removed. Then, to work together on the strategy to achieve their goals, systematic thinking such as linking interests and designing inclusive strategy that leads to their objective is important. More importantly the essence of collaboration through considering the inherent disparities – reconciles the differences such as – organizational structures, issues related to trust, legitimacy, capability, capability, and so on.

In line with this discussion, the context dependent view of the collaboration has been suggested to improve the mutual value creation process (Berger et al. 2004, 70). Hence, creating an inclusive collaboration provides advantages such as synergy, interaction and the new collaborative working environment (Austen & Seitanidi 2012b, 947). Similar to this theoretical discussion, the findings obtained from the interviews manifests that the roles and responsibilities that MNC and NGOs are in-charge of, dependent on their area of expertise. The work division is mainly done based on their capabilities and in line with their expertise, knowledge, skill and so on. The roles and responsibilities were part of the negotiation themes during the selection phase – regarding this study. Then at the time of signing the contract, they are aware of what roles and responsibilities they are entitled to implement. In this sense the following section depicts the partner selection, collaboration structure and roles of stakeholders.

4.3.1 ***Partner selection***

To ensure the benefits of collaborative advantages – forming a partnership with reliable, capable and trustworthy stakeholder is not disputable. Accordingly partner selection is a key step for effective and long-term relationship. (Rondinelli & London, 2003, 63.) Similarly it has been argued that the benefit of collaborative partnership is enormous when the collaboration has built on long-term bases. (Austin & Seitanidi 2012a). However, in most cases, in terms of MNC and NGOs collaborative partnership engagement – there is a tendency that the powerful partner might have dominant power when it comes to partner selection. In accordance with this argument, the findings from the case study showed that – the collaboration relationship between EUCORD-Heineken and HUNDEE have begun through a recommendation of ICCO. The request for the partnership on local embeddedness was done based on HUNDEE's prior profile, capability, reputation, and ICCO's interest as well. The project goals were in line with the interests of HUNDEE and ICCO.

This implies since ICCO and HUNDEE are long term development partner, HUNDEE's interest can be met and its capability can also be known from their previous relationships. Clearly the positive reputation HUNDEE has built on positioned it to be recommended by its long term partner ICCO, in order to take part in this project. This can be regarded as "organizational and interest fits" to choose the partner based on linking interests (cf. Berger et al. 2004, 70). Therefore according to the findings of this research the local NGO has less privilege to choose the MNC. However having a long time partner in the selection and negotiation puts the local NGOs on the safe side not to go only on the direction of the powerful partner. For instance, prior to the decision to take part in the project, as the call for project proposal came to HUNDEE's attention, a preliminary assessment to identify the actual needs of the community and how their engagement in the specific project would create value for the community has been assessed. Then according to the findings obtained – from the survey, the result showed, implementing the project creates values and then the agreement to participate in the project has been signed up.

Furthermore regarding partner selection the recommendation of ICCO, can be considered as: the social capital that has HUNDEE built – made ICCO to believe the capabilities, resourcefulness and competitiveness based on their previous joint project. This can be regarded as partner selection through networks focused on reputation. In case of this project ICCO has almost 50% of the stake and interests to be engaged in malt-barley value chain project as part of its joint-development project with HUNDEE. Thus, even though HUNDEE did not directly selected to work with Heineken (EUCORD) rather it's past reputation and dyad played a significant role.

4.3.2 *Collaboration structure*

Collaborative structure between the MNC and NGOs should be implemented, by engaging both of them in line with their identity and expertise on the intended common project (Roberts & Bradley 1991, 212). NGO ought to engage via delivering the "traditional" NGO roles in a progressive way – such as providing embedded service, awareness creation, social issues, development activities and so on, in the context of business; while MNC engaged to pure profitable venture creation activity that incorporates the social and economic aspects. Accordingly the effort brings together the unique expertise, capabilities, resources, competencies, knowledge and skills to the collaboration process at different levels to achieve their interests. (Vachani et al. 2009, 450; Teegen et al. 2004, 465.)

Similarly, according to the findings of this research, the collaborative structure can be described as follows: As it has depicted on Figure 4, the collaboration structure to launch the malt-barley value chain enhancement project involves the Heineken and ICCO on the top – as they are the financier of the embedded services project. Thus in this project the bigger players are the Heineken and ICCO. ICCO Cooperation is an international NGO (INGO) that funds international development cooperation projects in several developing countries. In this context ICCO has an interest in the projects that potentially enhances the well-being of the community; alleviate poverty, capacity building and so on. In essence ICCO's interest directly interlinked with the objective that HUNDEE aims to address – which apparently made them a long-time development partners. In this regard the role of INGO can be described as "*'level the playing field'* by providing resources to weaker party and by lobbying stronger party on matters of global societal importance" (Teegen et al. 2004, 473). For instance the particular project has been in progress – followed by the assessment of the favourability of the country's climate for malt barley production. The assessment for its favourability has been studied by ICCO cooperation and Terrafina microfinance – and lately Heineken included to the project, according to information obtained from HUNDEE. Subsequently HUNDEE has been chosen or proposed by ICCO in order to assist in providing local embedded services. Hence, based on the potential of the project to improve the wellbeing of the target communities through applying sustainable business based approach, ICCO endorsed HUNDEE to provide the embedded services by funding about half of the project costs required to undertake the "cooperative model of malt-barely enhancement project.

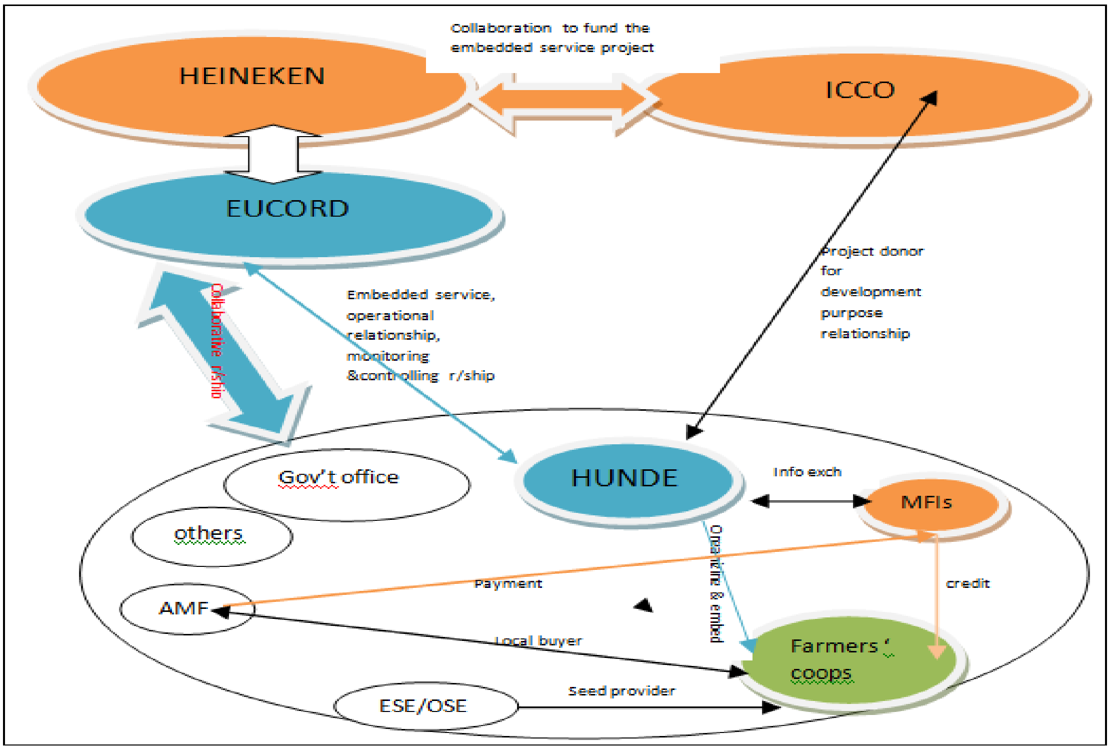

Figure 4-Collaboration structure

From another perspective, Heineken also funds half of what HUNDEE requires to run the embedded service project in collaboration with the EUCORD – appointed to monitor the development process of the entire project. EUCORD, in addition to providing follow up service of the embeddedness process and agronomic support through its CREATE program – also addresses the issues related to socio-economic aspect of the project. This implies that Heineken does not have direct relationship with the stakeholders in the value chain; rather it addresses its concern through EUCORD, that understand better the communication language and styles with such stakeholders.

4.3.3 ***Roles and responsibilities of stakeholders***

As it has been discussed in the literature review part and in sections 4.2, collaborative working is about sharing resources, capabilities, expertise, knowledge, work force and so on. This implies profitable companies ought to act as profit making businesses whereas non-profitable social based companies should acts according to what they are and can do (Porter & Kramer 2011,11). In accordance with this, the findings from this research show that the role and responsibilities that has been assigned to the stakeholders comprises their capability and expertise into account. In essence the stakeholders mandate has been negotiated in the beginning phase of the project. Based on this the role and responsibilities that have assigned to HUNDEE was in alignment to its competencies. Its duties comprises of provision of local embedded service and support in a way that contribute to the value chain. Thus the explicit functions of HUNDEE includes – mobilizing, organizing, linking, monitoring and controlling the target stakeholders (smallholder farmers) *through providing technical supports such as training and linking stakeholders and other actors – such as finance providers (MFIS), seeds enterprises, buyers etc.*

The embedded services that HUNDEE provides include – supporting stakeholders to be organized as a cooperative or coop in order to take the position of the suppliers with required (quantity and quality). Such supplier development approach through creating capability has been discussed by the scholars such as – (cf. London et al. 2010, 585; Porter & Kramer 2011, 8). The other responsibility of the NGO is linking the malt-barley producers to local microfinance institutions, seed providers (to ensure they get quality and certified malt-barley seeds). Then it provides technical support such as – (training services on leadership and management ability to the members of the farmers' organizations, on book-keeping, market intelligence, and so on). In addition to these, skill trainings on business development – linking to market for secure and sustainable partnership creation in the value chain are also provided to members of the farmers' cooperative as part of the embedded service.

Concerning the Heineken, it does not have a direct routine role in the malt-barley value chain enhancement project directly, other than contributing about half of the funds that HUNDEE requires to run the project in collaboration with EUCORD. Thus, Heineken's involves to the operation of the value chain indirectly. The routine task is done by its delegate – EUCORD that closely follows the development process, through actively working with other stakeholders and actors in the value chain. (See the above chart). Moreover, EUCORD is responsible to provide best agronomic practices to the active stakeholders such as (seed enterprise to ensure the required seed quality, to enhance the capacity of the Asela Malt factory – a local malt processor, and works in a closer relationship with the microfinance institutions, HUNDEE, responsible government offices and others.

4.3.4 *Conflict and cooperation*

When the issue of collaboration between the MNC-NGOs comes to picture, several people including the scholars are worried – to know how they agreeably work together given their inherent interests, organizational, managerial, and power differences (cf. Seitanidi et al. 2010, 141; Millar et al. 2004, 408). In the course of MNC-NGOs collaboration, some scholars have raised skeptical about its gaminess, how the disparities could be converted to sources of opportunity systematically (Oetzel and Doh 2009, 114). In this context disparities related to the inherent interests, goals, objectives and missions – that exist between NGOs and MNC from the perspective of this case study can be long listed. This can be also obvious just by virtue of considering their trajectories and importantly their interests & visions, contextual disparities. In addition to this (Oetzel & Doh 2009, 114) described that "MNC and NGOs face different types of costs, cost structures. In addition to this the managers of these organizations usually do not share the same education back ground, mindset and organizational structure". However some are arguing that the existence of such diversities is the manifestation of huge sources of opportunity. For instance the collaboration possibilities between such diverse organizations have a lot to complement each other. This implies to make the collaboration successful and mutual for both parties, each organization must find a viable way that enhances to reduce the costs of partnering and commitment by focusing to their core capabilities and interest.

According to the finding from this case study – "*standing together to alleviate the constraints and challenges common to us is more important than highlighting the inherent disparities*". This argument implies that, at this stage of their collaboration process the existing disparities are not the attention of their operation rather the focus is on common challenges and constraints. In regards to this joint project the priority is how to solve the common problems in order to facilitate the creation of collaborative values. Thus the implementation is more focused on improving the prevailing low productivity through mutual collaboration. To create a mutual working environment, focusing to the negotiated goals or common visions of the project demands collaborative hands than worrying about the obvious differences.

Referring to the responses given for the disparities issue, the collaboration process between these partners seems at the early stage to evaluate the real nature of collaboration impacts between the stakeholders. At this stage the need of collaboration is noticeable and its importance in the value creation process. This notion has been already communicated and reflected by the beneficiary smallholder farmers. Thus the existing reality of malt-barley value chain enhancement in the context of Ethiopia reveals that there are inadequate access of production – no post-harvest technology, limited access to market information, no potential buyers, no linkage to market, farmers' have limited negotiation or bargaining capability on prices etc, are the major constraints of the malt-barley value chain which demands collaborative effort to resolve. These prevailing challenges have drawn a clear collaborative need and interests that both are devoted to achieve by working together (cf. London et al. 2010, 583). Thus through working collaboratively together, smallholder farmers are getting linked to market, enhanced to improve the sustainability issues and development of the entire value chain is undergoing. In supplement to this discussion, the EUCORD Project coordinator reflected that:

> "*The inherent objectives of the MNC and NGOs are not as such different from one another only the approaches are different. For instance companies have their own development objectives in favour of the community they work with similar to what the operational NGOs are doing – to reflect on case of Heineken- it has plenty of social missions, development objectives and social responsibility issues for the communities that it is working with". In effect, business success is guaranteed when the livelihood and community development have occurred. In this regard Heineken is working with various international NGOs and humanitarian organizations to achieve its objectives and CSR in win-win manner. Thus Heineken does not have hidden interest, motive, objectives, approach or different agenda other than inclusive development"*. (EUCORD Oct, 2014.)

The other factor, which has been stood-out in the literatures of corporate-NGOs collaboration, concerned with the differences in governance, strategy, structures and the power differences that exist between the MNC and NGOs (Berger et al. 2004, 61-69). Based on these presumed differences that exist between them, the issue of how they are working together and mechanism utilized to bridge the differences has discussed on the literatures. Apparently the organizational and managerial disparities have discussed as sources of conflicts that could be reflected to their day to day routine activity and decision making process. (cf. Oetzel & Doh 2009, 112-114).

In light of these, the findings from the interviews shows that even though disparities in resource ownership, knowledge, capability, working style, organizational, managerial, strategic and so on exists technically, both side argued that the linked interests that have been bounded them and the prospective outcomes are where they focus to. As the collaboration structure section (4.3.2) reveals – in this form of collaborative cases, there might not be as such organizational differences. This is due to the fact that, EUCORD is a business based INGO that can translate the Heineken's message into a clear NGO language. As a result the organisational differences that lays between the EUCORD and HUNDEE is minimal. Usually the focus is on win-win collaborative work bases that focused to the negotiated goals agreed in the early stage of the partnership process.

Regarding the issues related to “conflict of interests” or “use of excessive power” in the course of operation” there were no such conflicts or no tendency of exercising power that creates rift so far” according to HUNDEE – that is more likely the weaker party in this context. Hence the relationships sound positive. Perhaps as it has been discussed earlier, that can be due to the fact that most of the important agreements and divisions of responsibilities have clarified right at the early stage.

Moreover in regards to “organizational fit” as it has been discussed by (Austin & Seitanidi 2012b, 933) – partner selection criteria are important to obtain the expected outcome. In regards to this, since the partnership has established based on the recommendation and network of ICCO, the relationship would more likely smoother. In addition, since Heineken and HUNDEE do not have direct routine working relationship – conflicts based on their culture and other organizational related issues are not expected to occur, as EUCORD is the active operational partner with HUNDEE. This shows that working with a stakeholder that understands the NGOs way of doing and communication helps to avoid the misunderstandings and miscommunications. Thus placing a stakeholder that understands and able to communicate with the local stakeholders would minimized the chance of misunderstanding, misallocation of resources, cost and benefits (Berger et al. 2004, 61).

4.4 Collaborative values

The potential of business based approach in creating shared collaborative values has been discussed by several, for instance (cf. Doh & Yaziji 2009). It has been argued that collaborative value creation in the context of the low income developing countries is effective when the value creation process targets the communities inclusively (Prahalad & Hammond 2002, 9; Prahalad 2005, 37, 45; Chesbrough et al. 2006, 51). Such approach guarantees values for the companies (in terms of obtaining resources and the new market opportunities), while it enhances the livelihood situation of the host community (Prahalad 2005, 63-76; London & Hart 2004, 354). Accordingly, several case studies shows that – to create collaborative values in low income agrarian economy, focusing to improve agriculture and its menses of production would facilitate the value creation process. Thus it can be a rational starting point to proceed to a better productivity and value creation. This is due to the fact that the agricultural sector represents the significant portion of the total GDP contribution to the developing countries economy and employment provision. In this sense, collaborating to enhance the productivity of the agricultural sector adds value to the host countries economic development and livelihood of people around the sector. Emphasizing primarily to this sector, according Karnani (2007b, 102) would give a chance to create shared values in multiple contexts for the local community as well as companies.

In accordance with the scholars' suggestion to co-create economic and social values through cross-sector collaboration – stakeholders should focus on creating mutual combinative capabilities. Then collaborative shared value can be a result of the interactive value creation processes (cf. Austin & Seitanidi 2012a, 6). Through the collaboration process tangible and intangible resources such as (trust, relational capital, knowledge, capabilities, other unique resources and so on) will be leveraged and eventually facilitates the joint problem solving efforts through co-creating values. For instance in teh context of low income developing countries, this can be done effectively by redefining local productivity – which is the starting point of multiple values. Then the value co-creation process depends on the mutual interactions with the stakeholders. Based on this business based approach – London & Hart (2004, 351-354) also argued mutual collaboration would enhance to generate acceptable economic returns to the companies while the local community also benefited from the process. Hence value creation can be regarded as a process of resolving the constraints and challenges linked to their interests.

In section 4.2.3, it has been described that linked interests has been the compelling factors that triggered EUCORD-Heineken and HUNDEE to collaborate. Apparently engagement to solve the common constraints enhanced the local productivity to rise – which is the primary vision of the malt-barley project. The trend of improvement in productivity has ensured Heineken's raw material requirement or need, while the local communities also benefited from the linkage effects. Thus the source of values, in the context of this study refers to solving the constraints that held back "productivity" not to flourish. Meaning it concerned with solving the linked interests that are related to enhancing smallholders' capability, access to finance, affordable and high-quality seeds, access to means of productions and sustainable market. Therefore, in line to discussion of – London et al. (2010, 585) – solving these constraints would enhance to create values such as economic and social values, power and legitimacy, sustainable supply chain and sustainable market.

4.4.1 ***Improved productivity***

According to the scholars' discussion, a business model that fits to the developing countries nature and need should be co-created through partnership development (Dahan et al. 2010, 328-329; Prahalad 2005, 47-52). Considering this argument, in the context of this study creating inclusive business model interactively has enhanced to define the way the productivity can be improved. The concerted approach allowed creating combinative capabilities that would improve the productivity of smallholder farmers. The effort has facilitated farmers to bring together their small quantity production to build collective power. For this, the “cooperative model” that has designed to boost the capacity of the farmers has played a significant positive role. In similar argument it has been discussed that, such approach would enhance to be able to meet the accepted level of supply quantity of the buying companies (cf. London et al. 2010, 586). Accordingly combining capabilities have ensured the farmers to receive fair price, while the buying companies benefited by cutting off the transaction costs of collecting the produces from every single farmers.

In essence, according to the findings from the interviews, the need of improving the productivity of the agricultural output in an inclusive way is the common interests of the ongoing project. The closer focus to improve the productivity enhanced to create various interrelated values along the value chain. This implies working with the local stakeholders such as – NGOs and other relevant actors would create an interaction that facilitates adopting inclusive business model. The commitment would create collaborative values for all the stakeholders (Dahan et al. 2010, 336). As the finding of this case study shows and also affirmed by the stakeholders – the collaborative work between the EUCORD & HUNDEE on malt-barley enhancement project has been positively contributed to improve the productivity. In effect the raw material requirement of the Heineken has secured while it has been started generating economic and social benefits for the communities along the value chain.

Referring to the results obtained, enhancing the capabilities and capacities of the smallholder farmers through modernizing their farming practices can be regarded as pragmatic strategy to create values. Organizing the fragmented farmers to gain capability enhances to fulfill the quantity and quality requirements of the buying companies. This can further enhance to avoid the problems related to unfair pricing (cf. London & Hart 2003, 362). Moreover the approach is in alignment with suggestion of – Porter and Kramer’s – “redefining productivity”. Such approach would create a win-win advantage for the smallholder farmers and also ensures the raw material requirement of the Heineken.

4.4.2 ***Social empowerment and legitimacy***

According to the discussion held in section 4.4.1, improved local productivity is the result of multi level engagement of various stakeholders. Such collaborative engagements bring various unique resources together in a way that defines the future of the stakeholders. Enhancing the capacities and capabilities of the fragmented framers in the context of the low income developing countries would empower and legitimize the producers and local communities. This is due to the fact that smallholder farmers lack the capability of identifying and linking themselves with the potential buyers for various reasons discussed in the earlier sections. According to the argument of – Jenkins et al. (2008, 7) lacking the market access and linkages enforces the smallholder farmers to sell their products to local retailers with a price lower than their cost of production. Then the existence of several retailers in the value chain further plays a significant role in reducing the effective prices of the product that the farmers deserved to obtain. Therefore an effort made to build the capacity of the farmers through creating cooperative would empower and legitimize the farmers to defend their interests.

In regards to this case study, to alleviate the constraints, as it has been discussed in the roles and responsibilities section 4.3.3, one of the mandates of HUNDEE is organizing farmers into cooperative and coops. Being organized as cooperative is benefiting the farmers to get legal personality. This has fostered their negotiation and bargaining power. In addition to this, getting organized as a coop enabled the farmers to be legitimate stakeholders to access credit facilities from the local microfinance providers, afford improved seeds, fertilizers and so on. Moreover getting organized enabled them to meet the quantity requirements of the buyers which ultimately enhanced their bargaining power which is the missing capability. In relation to this having small quantity of produce used to be a reason for receiving lower prices than the cost of production. Partly this is explained with the high transaction cost that it related to the buyer.

From another perspectives the idea of getting organized, also benefited the buying company to get the required quantity at once. That has saved it from engaging to several transactions with several smallholder farmers – that eventually pushes up the transaction cost. (cf. London et al. 2010, 587.) In this case the buying and malt processing company is “Assela Malt Factory”, which is the main buyer on behalf of the Heineken brewery. Based on this finding, it can be argued that enhancing capability would create a collaborative value such as – legitimacy and social empowerment for the farmers, while grants the company’s raw material need with easier transaction cost.

In alignment with this discussion, the presence of Heineken created positive impact for the host country economy in general and local communities in particular. This case has revealed that enhancing the capacity of the smallholder farmers, ensures increment in production and – surplus. According to Heineken’s 2013 sustainability report, as a result of improving yield, income from farming activities have increased. This has made a significant contribution to alleviate poverty and improve the food security issue at the local level. As a consequence farmers have empowered economically, and that will allow them to improve their standard of living.

4.4.3 *Sustainable value chain*

Enhancing capabilities create an opportunity to "redefine productivity" – as Porter and Kramer discussed in their shared value creation framework. In accordance with this discussion in the context of Ethiopia, modernizing the farming standard through linking to relevant service providers has manifested as a way forward to produce surplus. The surplus that would be created enhances to create other collaborative values that will potentially play a dual role in securing the company's resource requirement and in creating positive multiplier effects for the wellbeing of the local producers. The advantage of succeeding in boosting productivity leads to building the business clusters in the value chain, which is part and parcel of the capability enhancement process. (cf. Hart & Milstein, 2003, 57.)

In this view re-defining the contextual local productivity ensures local market development and fosters other businesses to flourish in the value chain. The improved productivity further improves the network among the businesses in the value chain. Such approach is in line with Porter and Kramer's shared value framework of "enabling local business cluster development". This manifests business has huge potential in creating economic and social values across the value chain. Thus the presence of the company creates positive spill over effect that would integrate the local institutions, organizations and small businesses (Meyer et al. 2011, 244). Accordingly through the collaboration effort of the EUCORD-Heineken and HUNDEE, the limited capability of the farmers have been enhanced as a result of the embedded service such as training, access to credit facilities, quality seeds, and linking to market & other stakeholders in the value chain. In line with this discussion, the response for the interview question "*what shared values did you created by working together...?*" revealed the interlinked nature of values. According to the assertion of the respondent:

> "*The limited capability of the smallholders can be translated into various contexts – such as poor quality of life (poor housing conditions; inability to provide all the basic needs, etc.)". Thus enhancing the capability of smallholders through creating access to market and finance enhances to create sustainable livelihood for the community. This will eventually promotes smallholder farmers collective power and enhance their ability of value adding (bulking, grading, cleaning, packing, etc) as independent business entity that deals with malt barley marketing".*(HUNDEE's Value Chain officer, Oct 2014).

Concerning Heineken, sourcing locally have been benefited the company and the host countries economy by reducing the imported crops, as the local yield improved. Furthermore the company benefited from the eliminated import duties, secured sustainable supply of raw materials and reduced transport related transaction costs. (Heineken sustainability report 2015). In relation to this the interviews conducted by Bloomberg TV Africa with Heineken Africa and Middle East Director-Siep Hiemstra, mentioned that "*Heineken has already ensured 48% of the 60% that it has targeted to obtain from the Africa continent by 2020"*. This implies that the strategy employed is achieving its goal and objectives from both sides.

4.4.4 ***Sustainable market development***

The term "sustainable development" can construe contextual connotation for any given society or community. The common definition is "meeting the needs of today without compromising the ability for tomorrow". In the context of developing countries this can be interpreted to "*Sustainable development implies that growth must be both inclusive and environmentally sound to reduce poverty and build shared prosperity for today's population and to continue to meet the needs of future generations"* according to World Bank. Moreover, it can also mean that ensuring consistency is the process that guarantees sustainability. (cf. Hart & Milstein 2003, 6.)

Referring to this definition lack of capabilities and potential buyer in the developing market, the raw material supplies are inconsistent. Then, when the potential buyers entered to such market, meeting the market demands is quite challenging. Accordingly enhancing capability would be important to be able to produce upon the buyers' requirement. (Jenkins et al. 2008, 16.) However due to the prevailing capability problems, addressing the need cannot be ensured regardless of designing to improve the local productivity (Pitta et al. 2008, 398). Thus to meet the companies' demands in low income developing countries creating a concerted cooperation in the entire value chain is required. This can start from modernizing the agricultural process then ensuring consistency in supply. This can be done by focusing to supply driven market creation. (Porter & Kramer 2011, 5.) However, one of the peculiar characteristics of the low income countries' producers (farmers) often lacks access to secured market that absorbs their products consistently with fair price. Lack of the potential buyer leaves the smallholder farmers vulnerable for not having alternative marketing options. (London & Hart 2004, 353.) This incapability and challenging situation has triggered HUNDEE to engage to collaboration of this project. Then Heineken's commitment to buy from the farmers' cooperatives that has established for this purpose and the entrance of other international players in this industry is creating market security and sustainable market development. Furthermore as the capacity of these farmers developed, they could also be transformed to a potential customer for the Heineken's beer.

4.5 Synthesis of the collaboration process

The finding from the empirical case study and the theoretical literatures, reveal that creating common vision and goals bound MNC and NGOs together. Matching interests ensures the spirit of working together through alleviating the common constraints and challenges. In line with this justification the BOP scholars' proposition also shows that mutual collaboration between the MNC and NGOs bring together various resources, capabilities, expertise, experience, knowledge, and so on. (cf Dahan et al. 2010, 336-340; London et al. 2010, 589; Austin & Seitanidi 2012b, 945.) Then aligning interests and vision create competitiveness by creating resource complementary, combinative capabilities, synergies, interaction, etc that facilitates the strategy – towards the shared value creation.

It has noted that project based engagement plays a significant role in addressing the economic and social need – through alleviating the constraints linked to their common vision (cf. Selsky & Parker 2005, 856). In accordance with this theoretical assertion, project based strategic partnership or linked interests based collaboration has found as a pragmatic approach to bring together MNC & NGOs interest together. Focusing to project based linked interests gives the stakeholders a synergy to alleviate the prevailing constraints and challenges.

As Table 3 portrays, collaborative value creation is the outcome of alleviating the constraints through complementing each other. Referring to this case study, both EUCORD-Heineken and HUNDEE's visions have been focusing to improve the local agricultural productivity. Co-creating common vision and working together collaboratively on the issues of – improving the local productivity was the bases for creating interlinked values such as: inclusive economic and social values, sustainable supply driven value chain, empowering smallholder farmers and market creation. This implies identifying the common vision has enhanced to focus on the linked interests that address the interests that each of them cares of – collaborative shared values.

The unique challenges and business opportunities that the developing countries offers – triggers a need for partnering with knowledgeable stakeholder that can assist in local embeddedness. This is important to successfully operate in the developing countries, because MNC and NGOs have different traditions, distinct capabilities and ways of doing businesses (cf. Reficco & Márquez 2009, 8).

Based on this, during working collaboratively together, various resources, capabilities, expertise and knowledge sharing are taking place to successfully achieve their goals. In accordance with this resource dependency can be noted as one of the constraints that potentially link MNC & NGOs together. The existence of dependency to each other opens an opportunity to create collaborative shared values such resource complementary, sharing resources that ultimately play a great role in defining the productivity by converting the farming standards and resources. Thus their interests to create inclusive economic and social values through business based approach have created linked interests of leveraging capability. The new capabilities potentially alleviate their common constraints. Accordingly it creates collaborative shared values such as creating inclusive business model that will serve the target market. In accordance with the findings of this case study and several literatures, mutual collaboration between the for-profit & non-for profit partners creates multiple advantages in the value creation process. However, achieving collaborative shared values are the matrix of several factors – such as strong commitment to alleviate the constraints, alignment of interests and objectives and so on. Accordingly the efforts made to design the project in way that serves the purpose of both the MNC & NGOs has enhanced the malt-barley value chain development – to bring a positive impact in the livelihood of the community and the economy as well. This context implies that – creating strong linked interests that bound pragmatically the stakeholders, create strong commitment to alleviate the constraints or challenges that one partner cannot effectively cope up with independently (cf. Meyer et al. 2011, 239-240).

In this sense, linked interests can be regarded as the building blocks of forming collaborative relationships, and then shapes how they collaboratively to resolve the constraints in a way that it creates collaborative values. In accordance with this, figure 5 has summarized the interlinked nature of interests and the collaborative shared values in alignment with their common vision or interests. As the figure illustrates MNC and NGOs interests or visions ought to be linked to each other in order to create collaborative shared values.

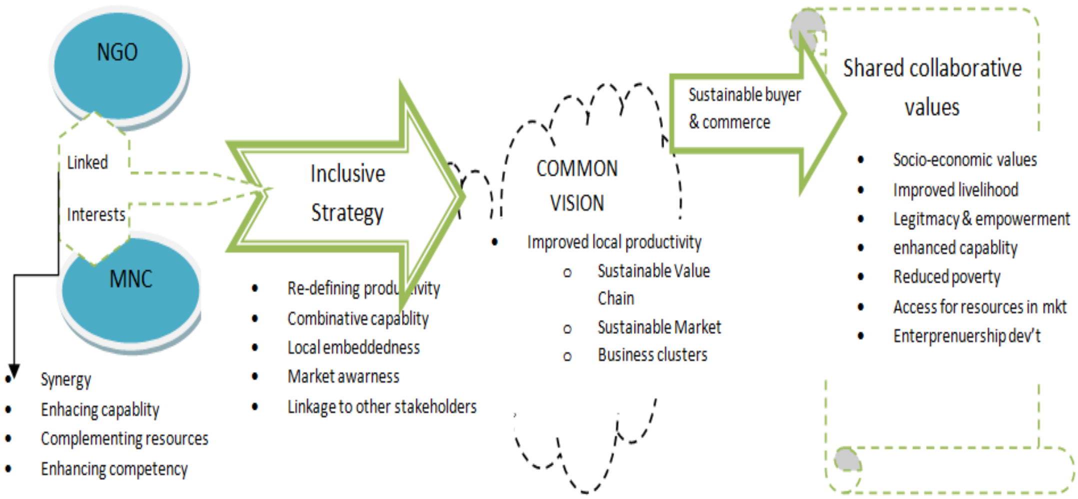

Figure 5 Inter-linked relationship of collaborative value creation process

Table 3 Inter-relationship between linked interest and collaborative values

Linked Interest	Strategy (implementation)	Collaborative shared values	Common visions	
Resource dependency	Complementing the constraints (finance, human resources, managerial knowledge, skills, (linkages to menses of production, local market knowledge, market)	Re-defined productivity- (modernized farming standard, provisions of seeds, equipment & other means of production) Resource complementary creation (sharing resources through complementing each other	Improved Productivity	SYNERGISTIC VALUES
Leveraging capability	business model creation- inclusive approach through local embeddedness- cooperative model (coops)-- building trust, complementing	Enhanced capability of the stakeholders through inclusively designed business model, potential buyer	Inclusive economic & social value creation- legitimacy, empowerment,	
Combining competency	Local embeddedness- sharing tangible and intangible resources, training, create local linkages, business clusters	Cooperative business model- that created (awareness, legitimacy, trust, knowledge and skill transferred)	Sustainable value chain development	
Supply driven market	Linking smallholders to market or processor - enhanced capability through creating better livelihood, surplus produce, consistency and desirable quality and quantity	sustainable & organized suppliers created Entrepreneurship across the value chain created	Sustainable market development	

Creating sustainable supply value chain in the market can be assumed as one of compelling reasons for the MNC and NGOs engagement. This enhances the producers who have been supported to improve their product. In the case study, lack of potential buyer in the market has been described as one of the main reasons for low productivity, and unfair prices for the producers. Among the main causes for the low pricing – i.e. below cost of production was the fragmented farming practices. Thus enhancing this situation requires creating capacity and organizing the fragmented crop producers to gain collective power. In this sense, forming cooperatives have solved the issue of sustainable supply. In effect supplying the lamp-sum quantity created a positive impact on the MNC's transaction cost. In essence, enhancing the capacity of the farmers through collaboration has enabled the farmers to supply the demanded quantity by the company. The effort has enhanced to create a market linkage between the producers and the potential buying company in a sustainable manner. Hence as a result of working together the level of competency has been improved.

Developing sustainable market is the other common vision of the collaborative shared value creation initiative between EUCORD-Heineken and HUNDEE. Referring to the earlier discussions, creating – sustainable value chain, improves the relationship between the producers and the potential buyers. Market creation is one aspect of sustainable value chain development that ensures to have fair and free market. In this sense Table 3, illustrates the well integrated market provides great advantages for its beneficiaries to get the face-value of their produces and fair-price. This implies that the equation of improving the local productivity by specializing on certain crops than diversifying – depends on the existence sustainable market that can absorbs the surplus. Thus building sustainable market plays a significant role in the poverty alleviation, boosting productivity, empowering the producers, and shaping the value chain matrix – that address NGOs concern, while enhancing companies operate comfortably in the market.

5 CONCLUSION AND RECOMMENDATION

Developing countries consist of various challenges and constraints as discussed throughout this thesis. To enhance the general situation, the idea of involving business companies in addition to civil societies and government has been proposed by academics, scholars, practitioners and other stakeholders. Since, the business environment in the developing countries is not very conducive for the companies, to be successful in such business environments establishing partnership with the local stakeholders has been highlighted as a strategy. From another perspective forming collaboration between stakeholders that are traditionally non-ally to one another is also challenging, which requires linking interests and visions to change their course. Creating linked interests shapes the way they work together, and enhances them to negotiate the shared values that their collaboration could create. In line with this argument, Weiser et al. (2006, 6) described the importance of reviewing the existing common visions between the stakeholders in order to alleviate the prevailing constraints. Apparently creating an effective collaboration requires identifying common vision and linked interests that bound them together. Linking interests enhances to create organizational fit – through creating combinative capabilities, competencies, resource complementary and so on. As it can be learned from the findings of this research, linking interests of the partners is the key factor for the success of the relationship.

The linked interests that have bound MNC & NGOs together in the context of this research includes: resource dependency, need for leveraging competency, combined capability, synergy, interactions, networking, knowledge & skills, legitimacy and so on. These linked interests serve as a source of collaborative values (cf. Austin & Seitanidi 2012b, 934). Since linked interests and common visions are directly correlated to each other, linked interests can be formed via “cause” based common projects. Thus focusing to the idea of project based collaboration is useful and enhances to be able to negotiate the outcome of the intended project (cf. Selsky & Parker 2005, 856). In the context of this case study the project envisages to improve the local productivity – which linked to value chain enhancement, markets and economic & social values. This can be viewed from figure 5 how the interests of MNC and NGOs linked to common vision or collaborative values.

As it has discussed above and depicted on figure 5, the desire to establish serious partnership relationships requires having common visions. The existence of common vision would strengthen the level of commitment to cooperate. This would further simplify the way the organizations have to face the prevailing challenges through combining their unique capabilities. Moreover, identifying the organizational fits enhance to know how to work together through complementing each other. Considering these aspects as a necessary-condition would enhance to establish an effective partnership. Thus focusing to organizational fit creates strong “linked interests” that would alleviate the potential constraints. Eventually the mutual collaboration that has been established in such a ways, grants the creation of collaborative shared values in the target market.

The concern of the second objective of this study was to identify – how MNC and NGOs collaboratively work together through aligning their interests. As it has been discussed throughout this thesis both MNC and NGOs have own limitations, challenges, strength, competitive advantages and disadvantages (cf. Millar et al. 2004, 407-408). The idea of brings together their strength through minimizing the challenges – eventually strengthen their competencies (Pitta et al. 2008, 395-396; Dahan et al. 2010, 336-400). In line with this discussions, the findings of the case study manifested that the spirit of working together is formed based on the common vision that links their interests. In essence the implementation process of the project has been taking place in such a way that both for-profit and not-for-profit stakeholders are operating in line with their identity and expertise towards the common visions or ends (Roberts & Bradley 1991, 212). Thus NGOs are accomplishing the task of the joint-project through providing local embedded service which is similar to the traditional approach but differently. The difference from the previous approach is the central focus of the current operation is business based in contrast to the charity focused approach. Regarding MNC the central focus is profit generation through applying an inclusive business strategy. The strategy that the Heineken has established to implement the joint-project is through collaborating with EUCORD. EUCORD performs the social aspects or roles of Heineken to bridge the possible barriers and obstacles that might occur with the local stakeholders. In addition to this EUCORD have the capability, technical awareness and competency to negotiate with the NGOs with their own language and mindset.

Thus based on their interests the stakeholders have been brought together the expertise, capabilities, resources, competencies, knowledge and skills to the collaboration process at different levels to achieve their interests. In regards to the contribution of the NGO to the collaboration pool includes – the strong reputation and competitive advantages that have acquired through working with the grassroots community. Essentially organizing communities at the grassroots level, controlling and managing the processes of production would be handled by the NGOs better than the business companies (Teegen et al. 2004, 469). Similarly HUNDEE has also used its capabilities and reputation to improve the productivity through enhancing capability and market creation in the value chain by providing an embedded service, training and awareness at the grassroots level while linking their cooperative members to other service providers and the buying company. From Heineken point of views, it is complementing to the development process by funding the NGOs, various stakeholders, actors and international development partners in collaboration with ICCO (see section 4.3.2 collaborative structure). The key roles that MNC plays in the collaborative works are using their buying power to motivate the local producers to engage in a sustainable surplus production. This makes the MNC role more practical in creating market and facilitating provision of essential materials that improves productivity through linking with other stakeholders, besides sharing the costs of the embedded service project.

The third interest of the case study was concerned with assessing the collaborative shared values that the business based collaboration has been created. Collaborative shared values are the result of linked interests such as – (capability, resource dependences, sharing competencies, synergies, skill, contextual knowledge, market linkages and so on), and strong commitment of the organization. Accordingly the linked interests are regarded as sources of values – linked to the common visions of the project. (cf. Le Ber & Branzei 2010a, 601; Seitanidi & Lindgreen 2010, 4.) Then collaborative values can be seen as a resultant of the linked interests. This implies, focusing to the common visions, would strengthen the degree of commitments that exerted to solve the constraints (cf. Selsky & Parker 2005, 850, 856). In this sense the contextual collaboration process has been created strategies such as – redefined productivity, inclusive business model, market awareness, linkage to other stakeholders and so on. Adopting these strategies further enhanced the collaborators to create shared values in the market. For instance from the perspective of this case study, the local productivity has been improved, since the collaboration relationships through linking interests has been started.

Accordingly adopting the linked interests based collaboration strategy has enhanced to improve the local productivity through alleviating the constraints and challenges of the developing countries. To achieve this common vision i.e. improved productivity – designing an inclusive business model and other inclusive strategies has redefined the local productivity – which ultimately resulted in shared value creation.

In effect the mutual collaboration process has further created shared values in alignment to the NGOs and MNCs interests. For instance the capabilities of the farmers have been improved – as a result of access to credit, improved seed, training, market, wider network, etc. The support that the farmers obtained has ensured the interests of both stakeholders – availability of raw material for the company and improved livelihood situation and reduced poverty for NGOs. This has further facilitated to build business networks along the value chain. The integrated and inclusive value creation process facilitated the betterment of livelihood situation by improving income level, competitive capability of the local producers, networks, and so on.

Therefore from this case study it can be deduced that mutual collaboration between the MNC and NGOs create both economic and social values in the contextual terms. Evidently it can be argued that whenever the collaboration process has focused on solving the challenges and constraints linked to the common interests or vision of the target market inclusively, collaborative shared values would be formed across the network (cf. Reficco & Márquez 2009, 6). Moreover, creating the farmers’ cooperative have provided the local stakeholders' (farmers) an advantages and legitimacy of making own decisions as a cooperative (entity) than individuals. This has legitimized their position in cases of any negotiation concerning their produce. This implies the presence of the potential buyer in the market would enhance business development, creates employment opportunity, entrepreneurship around the value chain and motivate the grassroots producers by improving their efficiency. In addition to these, it benefits the businesses in the local market which ultimately contributes to a sustainable business development that supports self-income generation opportunity for the small businesses and sustainable tax revenues for the state.

5.1 Theoretical contribution

The purpose of this study was to add a contextual knowledge and understanding to MNC and NGOs business based collaboration or partnerships discussions. In this regard this study has focused on "linked interests" based collaboration to attend the low income developing countries through creating shared collaborative values – linked to their common visions. Based on this objective, the result of this research can be used as an extension of the MNCs and NGOs – on going partnership discussion. Accordingly the study has identified the linked interests that would trigger collaboration between the MNC and NGOs. Thus the identified contextual linked interests that connect the common vision of MNC & NGOs would provide – to MNC an input that ought to be considered when entering low income developing countries such as Ethiopia.

Furthermore identifying the linked interests that are bases for mutual collaboration are quite important mainly in cases of business and non-business collaboration. All collaborations efforts might not always produce values for various reasons due to the fact that – sometimes partners may overcome negative experience, unexpected problem might occur, mismatch of vision or lack of sound strategy to solve the target problems and so on (cf. Bryson et al. 2006; Austin & Sitandi, 2012b, 958). Hence focusing at the linked interests based collaboration would create a common vision towards the inherent interests of the stakeholders' value.

The other compelling reasons that enforces to focus to the linked interests based collaboration includes, the wide range of challenges that exists across the low income developing countries that requires applying blended business models and strategies to achieve the goals (cf. Chesbrough et al. 2006, 51). Thus, creating a common vision between the collaborators enhances to design linked interests that helps to resolve the challenges. Disregarding the need of mutual engagement and the need of designing inclusive business model might encounter – difficult position of misunderstandings, misallocation of costs and benefits, lack of complementarily advantage, lack of contextual knowledge and skill, power difference, mismatch of time and scale, hostility problems and so on (cf. Berger et al. 2004, 61-69). In effect value creation can be problematic or might miss the target goal due to various factors such as: regional disparities, consumer behavior, power issues, resources, capabilities, legitimacy and information that often pose significant barriers for private companies to adopt uniform strategies in the BOP markets (cf. Guesalaga & Marshall 2008, 417.)

Therefore in accordance with the assertion of Selsky & Parker (2005, 850-856), in the context of the low income developing countries, where the business logic is widely informal – creating effective collaborative shared values requires assessing the "common visions" linked to the contextual resources, constraints, capabilities, expertise, and so on. In essence focusing to linked interests that links collaborators together can be suggested as a pragmatic path towards collaborative shared value creation framework. Thus in line with the discussion of – Austin & Seitandi (2012b, 934), to achieve the desired interests, partnership agreement should be based on the existence of *linked interests* to the collaborators visions that would provide an early indication to partners' expected benefits and costs. Moreover, as this study shows when interests and visions are shared among stakeholders, it is the easiest to create shared values. Accordingly linked interests based collaboration creates strong commitment in sharing responsibilities and roles in a way that it encourage and motivate the stakeholder to positively contribute their input to the "common vision".

In conclusion, given the contextual nature of the low income developing countries, applying uniform strategy and business model that have worked elsewhere might be considered as a road map to failure or can be too risky as argued by (Pitta et al 2008, 397). Then as the findings of this case study implies, those countries such as Ethiopia endowed with unutilized resources that MNCs can potentially benefit from. In order to utilize the resources effectively considering partnership with the knowledgeable stakeholders – such as NGOs and other relevant once that plays a local embeddedness role are important. In this case context identifying the linked interests that mutually connect MNC's and NGO's common vision contributes to the collaborative value creation process in the low income developing countries. Thus the linked interest based idea can be used as a pragmatic approach to create partnership with the stakeholders operating in the developing countries.

5.2 Implications of the Study

This case study is limited to the MNC and NGOs' linked interests based collaboration analysis to create shared collaborative values in the developing countries. Though the value creation process in the developing countries is not only limited to the MNC &

NGOs deed alone, the focus of this thesis was devoted mainly to explore the essence of linked interest based collaboration relationship between MNC & NGO. The involvement of other stakeholders to undertake the current project is obvious. Accordingly the various social based organizations that are participating in the project includes – NGOs, business companies, governmental development agents, various service providers, and so on are taking part (see section 4.1 descriptions of the case organizations).

This study entails the role and contribution that the NGOs play in local embeddedness services and linkage creation to other stakeholders has been found quite an important role in normalizing the local context. Thus utilizing the NGOs' network and capability contributes to the collaborative value creation frameworks. In this regard considering NGO as a social wing improves the competitiveness of the value creation process because – there is no stakeholder as closer and trustable as NGO to the low income community (cf. Austin 2000b, 68-70).

Moreover as it can be learned from this case study, creating common visions such as "enhancing the local productivity" enhanced to achieve other values attached to it. This manifest aligning vision and interest is a wiser approach in order to address the business challenges of the developing countries. In addition to the role the MNC and NGOs play, the behavior and responsibility of the government is also very critical – for its autonomy to introduce and support the inclusive policies and regulations. Particularly formulating transparent policy that explicitly provides security for the investors and foreign companies tending to enter to such market is very important. Hence the implication for the stakeholders that are taking part in such cause based collaboration process:

MNC and NGO – as this case study implies the company and NGOs managers are required to take into account several factors when planning and executing partnership and collaborative value creation process in the developing countries. This starts from the partner selection phase and then strong commitment to implement the negotiated strategies in accordance to their vision. This creates linked interests based dependency that potentially shapes the degree of commitments.

NGO and Business Based Approach – as the current phenomenon implies the future existence of the NGOs depends on – if NGOs embrace the business based approach (Teegen et al. 2004, 171). This requires adopting quickly inclusive strategies that would enhance to understand the new approach or the nature of emergent business. The emergent approach is the same as profitable business in every sense in contrast to the charity focused philanthropy. For this reason and others the managerial mindset of the NGOs' leadership should be transformed to business based than charity or grants centric problem solving to alleviate poverty or other social & economic problems. (Miller et al. 2004, 407-408.) Considering the business based problem solving is important – because the way charitable social business and profitable business models are different from one to another. Thus focusing to build up their managerial capabilities would enhance to cope up with the challenges; moreover it creates awareness to effectively negotiate for their interests. In addition to these it will enhance the skill of analyzing the potential outcomes of the collaboration outcomes and negotiated values as the collaboration progress through different stages (Vurron et al. 2010, 41). This would enhance to build capabilities to create sustainable capitalist business model that would ensure the interests of the stakeholders or target communities. Eventually, in accordance to – Porter and Kramer, (2011, 11-13) assertion, NGO achieves its interests through transforming itself to the business developer in alignment to the interests of its target beneficiaries.

In the context of the developing countries MNC-NGO – joint project, that focuses to socio-economic developments are usually funded by the international NGOs (INGOs) and other donor organizations or individuals. The business based partnership relationship between MNC & NGO starts based on the prior experience and reputations of the NGO – as it can be learned from the case of ICCO and HUNDEE. In accordance with the findings of this study the partnership are built based on common understandings. However, to keep the prospect of the partnership and to stay on the safe side – the local NGOs ought to proof at least to themselves the importance of their engagement and if the prospective outcomes are in line with their objectives. Assessing the importance of the partnership by conducting the preliminary study is necessary to prepare for the effective negotiation. That would further enable to map their linked interests. Otherwise NGO's "resource strap" nature can be used to silence or to make them go with the interest of the company (Teenge et al. 2004, 467-469). Therefore conducting need assessment could help them to understand the importance of the project and how they can be part of the project through addressing their causes – linked to the common vision. In this sense the collaboration process might not miss its target and NGO will not end up serving only the MNC objectives by neglecting their own to the side.

The other ultimate purpose for the NGOs' existence refers to the creation of socio-economic values; ensuring and defending the interests of their beneficiaries from exploitation (cf. Le Ber & Branzei 2010a, 613). Usually the MNC-NGOs joint project partnership runs for short term, while the project is in its active phase, NGO might be able to speak up or defend the interests of its beneficiary stakeholders (in this case - smallholder farmers). However, usually after MNC-NGOs local embeddedness service agreement for joint-project – phases out, NGOs will not be any more part of the active members of the project. That might expose the stakeholders to be exploited. To keep the status quo, NGO should be able to transfer as much as possible – the necessary and important skills and awareness to farmers' cooperatives during the active interaction period. Thus building their capabilities and transferring necessary skills of awareness helps them to negotiate effectively for their interests later on in the absence of NGOs. Moreover creating awareness ensures the sustainability of the business development for the smallholders as well as other businesses ventures, even after the MNC-NGOs joint project terminated. For instance in the context of this study, the cooperative model that "HUNDEE" has been involved in, is one of the inclusive approaches that potentially empowers the farmers decision making power and capability. Thus such practice has to be adopted to secure the farmers interests after the joint-project phases out.

MNC & low income developing countries – based on several scholars and practitioners' argument, developing countries possess untapped endowed resources that require concerted collaboration and commitment effort to change the prevailing challenges to values (cf. London & Hart 2004, 351-356.) Local commitment is important due to the fact that MNCs often face significant knowledge gaps in regards to serving these markets (Webb et al. 2010, 561). Then seeking to serve the low income developing markets' requires understanding the contextual market need.

In essence converting the untapped resources to values and addressing the unmated social & economic needs are what is expected from the collaboration process. Enhancing this situation is the bases for the entrepreneurship development and shared values in line with the C.K Prahalad and Hammond's fortune at the bottom of the pyramid framework. Thus based on the assertions of (London 2008, 3; Prahalad & Lieberthal 1998, 110), co-creation of inclusive contextual business model than importing pre-existing once – has been suggested. Following the business based approach has highly applauded for the values that it creates in collaboration with the local stakeholders. Thus if MNCs that are focusing genuinely to create values and wealth in developing markets would cause long-term growth and prosperity for developing countries while responding to the firms' future growth. Hence to succeed in such markets, firms must understand the importance of operating inclusively. According to – Oetzel & Doh (2009, 115) assertion, MNC-NGOs win-win partnership provides interesting opportunities – in regards to understanding the market need. Thus working genuinely towards their common visions paves the way to grow in the market and enjoy the location specific advantages. Moreover adopting an inclusive business model that would involve and includes the local people builds trust and confidence. Eventually organizing smallholder – local farmers into cooperative enhance to build their capability and to ensure sustainable growth in the market. Adopting such sort of inclusive and transparent approach helps to avoid the issues related to – land grabbing, that most of the companies entering to developing countries are accused for.

Governments – governments are the primary beneficiaries from the process of business based approach and from the presence of the companies. The benefits can be in the forms of – operating tax income, shared burden in poverty alleviations, business development opportunities, employment opportunities in the market, and so on. As it has been emphasized in the theoretical and case study analysis part, the presence of potential investors and buyers in the given market contributes to resolve the missing market relationships – which are usually linked to multiple values. As it has been discussed earlier, it is obvious that lack of potential buyers in a particular market has retarded the commercialization process of the developing countries. This has argued as it has affected the quality and quantity of the local production, and to be engaged into small quantity of fragmented productions than focusing to specialization.

This implies that the presence of the firms would help in shifting the fragmented traditional production trends to efficient and modern form of production that will ultimately create values in the entire supply chain. Moreover, having a potential buyer in the market would play a significant role in terms of technological transfer, which will potentially add values to the whole economy. In implementing these, MNCs possess unique capabilities, financial capacity, technology, experience and so on that would change the situations in the developing countries through collaboration. (Teegen et al. 2004.) Hence in order to attract such powerful companies a lot is expected from the policy making body (governments) – in regards to introducing an investment friendly policy that would reflect mutual advantage, inclusive value creation, property right and security of all kinds.

5.3 Future research opportunity

This research has depicted the process of collaborative value creations process based on the linked interests – of the MNC and NGOs to alleviate/ cope up with the challenges of developing countries. Accordingly, the importance of having common visions to link the interests of the collaborators has been discussed. The study has reviewed the interrelationship between the existing constraints/challenges of the developing countries with the visions that have triggered MNC and NGOs to collaborate. Then the effect of the linked interests based engagement has been revealed in terms of strengthening commitment of collaboration to create shared values. Based on this study, it can be argues that linked interests based joint-projects between the MNC and NGOs, would create shared collaborative values that corresponds to their inherent interests. Moreover such sorts of engagements are effective to co-create inclusive shared values.

However the future success of such relationships depends on the prospective – profitability, local perception, market for products and services (in terms of this case – the future potential growth of brewing industry). This aspect is a crucial for the future presence of the companies in the market, which demands conducting follow up researches. Due to the fact that, this issue was beyond the scope of this research, it has not covered in here. Thus conducting case studies focused to – how the markets in the developing countries are addressing the MNCs growth objectives, perceptions, future demand etc would provide a complete analysis to the sustainability of the MNC and NGO collaboration to create shared values.

6 SUMMARY

The untapped resources and business opportunities that the developing countries offer to the business companies have been discussed by several scholars and practitioners. Accordingly as the success factors they have highlighted the willingness of the companies to adopt and co-create an innovative and inclusive business based solutions. This is important because, besides the immense opportunities that the developing countries offer, it is also filled with multifaceted constraints and challenging business environment. (cf. Prahalad & Hammond 2002, 4; London & Hart 2003, 351.) Due to the constraints and challenges that particularly exist in the low income developing countries, the uncoordinated effort of – MNCs, NGOs, local governments and other actors could not be able to solve the prevailing challenges. Then the existing nature of the challenges has enforced scholars and practitioners to come up with an innovative win-win solution. In this regard, the new business based approach that advocates for cross-sector collaboration has been accepted by many – as a pragmatic solution to convert the unutilized resources to values. (cf. London et al. 2010, 584-590.)

Nevertheless the business based partnership creation between for-profit and not-for profit organizations is a new paradigm and quite context specific. The peculiarity of the challenges of the developing countries has made it impossible to duplicate the successful business practices (model) that have worked elsewhere to the others. This has triggered the need for mutual collaboration with knowledgeable local stakeholders – preferably with civic society organizations, that can play the local embeddedness role. On the other hand, even though the effort and contributions of NGO in the developing countries – development process, poverty reductions, and others societal activities were remarkable, it’s enormous effort did not guarantee the sustainable growth. Then to overcome the challenges stretched between the MNCs and NGOs – (challenges and objectives), mutual partnership and collaboration has been advocated as a practical approach. This notion has regarded as an innovative and inclusive problem solving approach that could help to create shared values in the developing countries. As a strategy forming mutual partnership between for- profit and not-for-profit companies/organizations has been widely discussed to change the traditional approach to business based approach.

Normally forming mutual collaboration between traditionally non-allies is a difficult process – that demands finding a good common ground. In accordance with this identifying the linking factors that bring MNC and NGOs together mutually is an important aspect to form partnerships. A mutual partnership which has formed based on the common visions and interests addresses the inherent objectives of the collaborators (cf. Austin & Seitanidi 2012a, 4). Then mutual collaboration would enhance to systematically alleviate the constraints and challenges – that has faced the MNC and NGOs operation. Accordingly mutual engagement to address their interests, through linking to common visions is the practical approach that ensures shared value creation. Hence, even though the values of collaborations are contextual in its very nature the concept of linked interests based collaboration is a crucial approach that needs to be considered in case of partnership formation.

The importance of focusing to the common constraints enhances to develop strong commitment towards the common vision. Linking interests to vision provides a greater potential to shape the spirit of working together. In effect creating stronger linked interests towards the common visions determines the collaborative shared values that each partner desires to create (cf. Austin & Seitanidi 2012b, 955-956). In accordance with this, the finding of this research also implies that – both the EUCORD-Heineken and HUNDEE, focused on the constraints that has challenged their operation in Ethiopia. Then by bringing together their unique resources, capabilities, expertise against the challenges – their competitiveness, synergy, capabilities etc, have been enhanced. The effort of complementing each other to alleviate the constraints, weakness and challenges gave them a synergy and combinative capability to focus to their linked interests that leads them to the common vision. Focusing to the common vision and linked interests facilitated an adoption of inclusive business models that has re-defined the local productivity. As the objective of this joint project concerned, improving the local productivity was the central concern. Improving the local productivity creates an impact on the local livelihood situation and the entire value chain of the local market. According to the assertion of (London et al 2010, 585; Porter & Kramer 2011, 5), such pragmatic problem solving efforts are important in terms of enhancing the capacity of the local stakeholders and to fulfill the resource requirements of the buying company.

The presence of the potential buyer transforms the level of local production to another level by creating business clusters and entrepreneurship around the value chain (Porter & Kramer 2011, 8). In effect the project based engagement has created strong linked interests that have shaped the positive partnership and implementation process to address their inherent interests by keeping their identity. This collaborative relationship enhanced to create mutual shared values that are linked to their interests. Achieving this has motivated the entire stakeholders to work together through collaboration.

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APPENDICES

Appendix 1 Operational model

Research question	**The sub research questions**	**Themes**	**Concepts**	Concept in Literature by section	Interview questions
What are the linked interests that have enhanced collaboration to occur between MNC and NGO and then to create shared values?	What are the interests that have enforced MNC and NGO together?	Business opportunities for companies	Opportunities, challenges & strategies to create collaborative values	2.1.1	1.1
		Interest & motive	Goals, Motives, Commitment Goals	2.1.2	1.1
		Emergent approach	Business approach, collaboration	2.1.3	1.2, 1.3
		Linked interest	Constraints : resources, capabilities, expertise, knowledge	2.1.4	1.4, 1.5, 1.6
	How do (MNC & NGO) work together in alignment with their interest?	Partnership	Benefit difficulty	2.2.1	2.1.
		Resource complementary	Resource, capability, knowledge etc	2.2.2	2.2, 2.4, 2.6
		Leverage competency	Sharing expertise, unique capabilities, experiences	2.2.3	2.4, 2.6, 2.7
		Balancing organizational difference	Conflict resolution and cooperation	2.2.4	2.5, 2.7, 2.8
		Legitimacy	Local embeddedness, trust building	2.2.5	2.6, 2.8

	What are the values that are created as an outcome of an alignment in interest?	Converting social problems to market	Market creation	2.3.1	3.1, 3.2
		Productivity & market awareness	Linkage to market	2.3.2	3.1, 3.2
		Co-creation of inclusive market	Inclusive products & services	2.3.3	3.1, 3.2
		Social & economic value	Contextual business environmental	2.3.4	3.1, 3.2
	Framework to manifest the linkage between the "interest of the MNC & NGO – the collaboration process (working together)- to create collaborative values			2.4	1, 2, 3

Appendix 2- Interview Questions

Semi-structured interviews

1. What are the interests that have enforced MNC and NGO to collaborate?

1.1 What set of goals and interests do (MNC and NGO) have?

1.2 What strategy or approach does your organization follow to achieve your inherent goals/ interest?

1.3 What is the aim of this project?

1.4 Why did you decided to work in partnership with for-profit company?

1.5 By working in partnership what (challenges, constraints...) do you change

1.6 What benefits are you envisioning to obtain as a result of working together?

2. How do (MNC & NGO) work together in alignment with their interest?

2.1 How did the partnership process commenced?

2.2 How do you describe the integration process so far?

2.3 What are your role and responsibilities to accomplish the project?

2.4 How do you combine your (resources, capabilities, expertise, know-hows, knowledge, etc.)?

2.5 How do you reconcile the cultural, inherent (goal, value, interest) differences in the course of working together?

2.6 Why the project based collaboration is chosen to create collaborative values?

2.7 How do you make decisions?

2.8 How do you reconcile disparities in organizational structure and the power difference?

2.9 What sort of challenges have you ever faced as a result of working together?

3. What are the shared collaborative values that have created as an outcome of the project based collaboration?

3.1 What are the collaborative values that have created for the collaborators (MNC, NGO, farmers' cooperatives?

3.2 Which collaborative values are in alignment with your interest?

Unstructured Questions

1. Tell me about the project you are involved in?
2. How do you describe the current approach compared to the traditional approach?
3. What benefits have you obtained so far?
4. Tell me the impact of this project, on the livelihood of your family