

Developing Collective Action Platforms

How to address the world's biggest development challenges while promoting a wave of innovation and creative solutions.

By Alexandre Alves

Introduction

Climate change mitigation, biodiversity loss, pollution, global poverty, inequality and, now, COVID19 pandemic. These are some of the world's biggest challenges we are facing since the Second World War. Will governments, civil society, non-government organizations (ONG) or international entities such as the U.N or World Bank provide the solutions? How to tackle and address these global challenges? What are the solutions and how can we identify them?

For many years, private sector companies have been viewed as a major cause of social, environmental and economic problems. After all, business is synonymous of profit, competition, a win-lose game, the symbol of capitalism and inequality, as it is stated in the Creating Shared Value article by Prof. Michael Porter and Prof. Mark Kramer¹,

“Government and civil society have often exacerbated the problem by attempting to address social weaknesses at the expenses of business. The presumed trade-offs between economic efficiency and social progress have been institutionalized in decades of policy choices”.

And they go on:

“Companies must take the lead in bringing business and society back together. The recognition is there among sophisticated business and thought leaders, and promising elements of a new model are emerging”.

According to the authors, the concept of shared value is defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Creating shared value helps companies to address local development challenges and find out solutions to society's local needs being in education, health, employability, income generation, etc.

¹ Porter, Michael E., and Mark R. Kramer. Creating Shared Value. Harvard Business Review 89, nos. 1-2 (January–February 2011): 62–77.

It is the intent of this paper to pay tribute to the shared value article published in 2011 and, inspired by it, to present the concept of collective action platform. While shared value allows companies to address local development challenges and does it tremendously well, developing collective action platforms complements it by creating an opportunity to bring private sector companies to jointly dedicate their energy, time and resources in a collaborative manner to find creative solutions to the local, national and global development challenges.

As of January 2021, the world is in awe facing the COVID19 pandemic with more than 100 million people infected, sadly over 2 million people dead in more than 200 countries while governments were caught, not surprisingly, unprepared. Within this real life context what is clear **is the lack of an organized and well coordinated model that can provide a lean, efficient, business mindset approach with the objectives to identify creative, innovative solutions for sustainable socioeconomic development.** That can be done through collective action platforms of private sector companies that will have governments and civil society playing important roles.

What has changed from the last decade is that companies and their leaders have been increasingly maturing their vision and ideas about what is the role of private sector companies when it comes to socioeconomic development, conservation of the environment and the improvement of people's quality of life. Back in the 1990's, corporate social responsibility (CSR) was the way companies would fulfill their desire to contribute for a better world and feel good about it. Today CSR belongs to the past and companies are being demanded to do a lot more - by its employees, consumers, suppliers and the external public in general. In times of COVID19 pandemic, people are asked to obey social distancing, millions of businesses are closed and the world is at a crossroad. Governments are uncertain if its health public system will not collapse. Societies are wondering what the "new normal" will look like when this is all over and the private sector is trying to make a contribution through companies that are providing assistance that civil society desperately needs at the request of the governments.^{2 3}

Along with the pandemic came the revealing factor that we have a profound and fundamental problem: the very economic system which rewards concentration of wealth over well being and prioritizes individualism over interdependency must change. The current system facilitates the concentration of wealth where the rich are getting richer and the poor getting poorer. The system needs to be changed to the

² available at <https://www.cbc.ca/news/politics/covid19-masks-trump-1.5520422>

³ available at

<https://www.wxyz.com/news/ford-gm-in-talks-with-white-house-to-begin-making-medical-equipment>

one where capitalism for shareholders changes for a capitalism that benefits the whole society. A system which will not only favors profits but goes beyond it and creates opportunities for all actors to identify and share solutions that aims to increase wealth and promote sustainable development.

While the principles of shared value provide the solutions for creating economic value in a way that also creates value for society by addressing its local needs, creating collective action platforms will complement it by creating the appropriate entity/institution for companies to address not just local but also national and global needs. There is a silent and amazing revolution taking place for example when we learn what is going on in the impact investing world. As we are living through the COVID19 pandemic, what we are seeing is a natural world movement where civil society and private sector companies are uniting to assist and help millions of people through initiatives that mirrors what is collective action platforms. Social businesses are all over the place and new mechanisms and ways of doing business responsibly have been presented through several reports, events and social media channels.

This is all happening in a not well organized neither coordinated or institutionalized manner, nonetheless, it is happening.

Idea in Brief

The concept of collective action becomes reality as a platform is created by a neutral entity supported and approved by all members that will promote collaborative work with the objective to identify creative solutions for the local, national and global challenges.

These are ways companies gain from participating in a collective action platform:

- i) By sharing innovation and technology through collaborative contribution;
- ii) By co-creating, co-designing and co-investing in programs that will implement creative solutions to solve development challenges;
- iii) By promoting social businesses, cross-sector partnership development centers and strengthening the institutional development of the collective action platforms aiming to be financially independent and sustainable.

Companies intended to participate and contribute to the development of socio economic sustainable solutions in the countries where they are based should promote the values set and agreed by the collective action platform. That will lead to new approaches and growth opportunities.

Collective Action Platforms

Drive resources and efforts through its ecosystem by having its own governance structure, mission, objectives, funding, projects/programs, communications, monitoring & evaluation, led by private sector companies with governments and civil society as strategic partners

The Roots of Collective Action Platforms

Think about it: the great majority of people around the world do not work for a government or a non-government organization (NGO), they are either self-employed or they work for micro-small, middle size companies or large corporations. Historically and culturally the reality has been that private sector companies and corporation's contribution to society were through entrepreneurship, creation of jobs, payment of taxes to the government, investments in new businesses opportunities and payment of wages to its employees, among other things. Collective action platforms aligns with the shared value concept when it states that "as firms moved disparate activities to more and more locations, they often lost touch with any location. Indeed, many companies no longer recognize home - but see themselves as "global" companies. The transformation drove major progress in economic efficiency. However, something profoundly important was lost in the process, as more-fundamental opportunities for value creation were missed."⁴ The roots of collective action platforms are within each and one of the local, national and global corporations that have the vision and understanding to jointly and in cross-sector partnerships to:

- i) share its social private investments experiences;
- ii) share best practices, challenges and results;

⁴ Porter, Michael E., and Mark R. Kramer. Creating Shared Value. Harvard Business Review 89, nos. 1-2 (January–February 2011): 62–77.

iii) impact investing strategies, co-create, co-design and co-invest in a common program that will implement innovative and creative solutions for a national and/or global development challenge.

There is clarity and knowledge that no longer companies and big corporations should wait for governments to provide solutions for the global development challenges that are threatening billions of people's lives and the future of the Earth. COVID 19 is here to teach us that lesson. Once private companies and corporations are well organized and coordinated in collective action platforms, they will identify the creative solutions the world needs; and will act on it hoping and looking for the support from civil society and governments.

Collective Action Platforms



Illustrating how a collective action platform could address one of the main global development challenges, here is a short story about greenhouse gas emission:⁵

⁵ available at <https://www.whatagreenlife.com/polluting-companies-world/>

*“Did you know that just a small number of companies (including household names such as BP, ExxonMobil and Chevron) are responsible for two-thirds of **greenhouse gas emissions** in the last 150 years of human history? When one thinks of **the most polluting companies in the world**, it is difficult to realize their gigantic share in today’s greenhouse emissions, but according to a study published in the scientific journal *Climatic Change*, just **90 companies in the world emit the equivalent of 63% of industrial emissions of carbon dioxide and methane** on the planet⁶. This figure represents a staggering total of 914 billion tons of greenhouse gas emissions. The study, conducted by Richard Heede, an engineer and head of the research group *Climate Accountability Institute* in Colorado, shows another striking fact: **50% of these emissions has been released into the atmosphere since 1986**, which is a direct result of rapid industrialization of the developed world as well as of the acceleration of the use of fossil fuels for the last 25 years. Among the culprits, 50 of the 90 companies are private ones. **Shell, ExxonMobil, BP, Chevron and ConocoPhillips** emit the lion’s share of pollutants. These 5 companies alone are responsible for 12.5% of emissions. Not surprisingly, it is the **United States who come first**, with 21 companies making their way in this dubious ranking. Europe follows with 17 members in the ranking. Two French companies, (Total and Lafarge Group), Five British companies and three German companies have the embarrassing honor of being named in this list. It is about time that we hold them accountable.”*

Other than accountable, it is necessary that companies identify the solutions to solve the problem. What a collective action platform formed by Shell, ExxonMobil, BP, Chevron and ConocoPhillips and others can do to address greenhouse emissions? Do their CEOs, shareholders, stakeholders, Sustainability VPs and Directors, employees and collaborators are interested in minimizing or ending the greenhouse gas emissions because they are finding out it can be good for the business? Are they becoming targets and feeling the pressures coming from all sides? We would like to believe that the answer is yes. In case it is then the roots of a collective action platform are in those companies as they acknowledge and recognize they have the power to promote and implement the transformation. It is in

⁶ available at <https://link.springer.com/article/10.1007/s10584-013-0986-y>

their hands that the much needed solutions to the world's global climate changes rests and not only in the governments or civil society and the UN as we have been witnessing in the last 30 years. It will be through companies and their cross-sector partnerships by joining forces, co-creating, co-designing and co-investing, in an efficient, agile and transparent manner that innovative solutions will be identified. In this process companies won't do alone as a neutral entity approved by them will be needed to organize and coordinate them - from the governance structure to implementation of projects.

How Collective Action Platform can be created

Through a call to action. It can be initiated from one or many companies or can be proposed from an entity that has access and connection to companies. CEOs must support and buy-in into the collective action platform concept, they should be members of the highest governance body of the platform- Board of Directors or Executive Councils. Important as well is the commitment of companies directors and managers who are responsible for the development and implementation of the strategy and work plan.

Companies can strengthen its own reputation and aggregate value to society through participation and leading role within a collective action platform: by sharing innovation and technology through different cross-sector partnerships, by co-creating, co-designing and co-investing in programs that aims to the same goals and results, and by promoting social businesses, cross-sector partnership development centers and strengthening the institutional development of the collective action platform. Each of these are part of a collaborative, protagonism way and role that companies should have to promote sustainable socio economic development.

The creation of a collective action platform ask for: **i) governance structure;** **ii) financial account (fund)** where companies can allocate their investments; **iii) common programs** addressing local, national and global challenges; **iv) communication strategy,** **v) social business plan for its own sustainability and financial independence.** A collective action platform should have a catalyzer, neutral institution that will facilitate, organize and coordinate the platform. It will be this institution that will work with the companies to establish governance, financing, programs and communication strategies. Private sector companies are becoming more aware of the importance to become more engaged in sustainable development although still their core businesses and areas of expertise are fragmented in sectors such as technology, manufacturing, auto industry, retail, wholesale or financial services. In that context, the catalyzer institution which holds the expertise in

socioeconomic development plays a fundamental role in providing technical assistance and expertise to the companies members of the collective action platform.

The ultimate goal is to successfully implement local, national and/or global development challenge solutions and help the collective action platform become an independent social business in itself, financially sustainable with a mission to continuously benefit the world.

Sharing innovation and technology through cross-sector partnerships

In advanced economies as well as in the developing countries consumers are becoming more and more demanding that product and services meet societal needs. The Edelman Trust barometer⁷ reveals that trust is in crisis around the world. The general population's trust in all four key institutions - business, government, NGOs, and the media - has declined broadly, a phenomenon not reported since 2012. Yet to rebuild trust and restore faith in the system, institutions must step outside of their traditional roles and work toward a new, more integrated operating model that puts people - and addressing their fears - at the center of everything they do.

By offering the right and trustful environment - a collective action platform -, well coordinated and organized by an neutral entity, with an lean and light governance structure, will create the appropriate ecosystem for companies to share social innovations, technologies and best practices that aims to identify creative solutions for the world's main development challenges.

Companies such as Microsoft, Coca-Cola, IBM and Motorola have gathered in collective action workshops to listen and learn from each other on their approach and social investment towards a development challenge. Once the environment is established and companies are comfortable in being part of it knowing that the main objective and purpose is to address societal needs, the spirit of collaboration prevails and sharing starts to happen.

Co-creating, co-designing and co-investing

Companies will gain and restore people's faith in them when it begins to redefine its role in the world. They must take the initiative and reach out to civil society with the objective to create opportunities for joint collaboration and

⁷ available at <https://www.edelman.com/trust/2021-trust-barometer>

partnerships. As companies engage, participate and lead collective action platforms, opportunities for co-creating, co-design and co-invest with partners - philanthropists, international cooperation agencies, impact investors, social businesses and so on, will arise and creative solutions for the world most demanding development challenges will be identified.

Take the world climate change problem. Companies - yes, the ones to be blamed for the whole thing - have been engaged in important discussions related to sustainable socioeconomic and environmental issues. Entities such as the U.N and countries' governments are trying to find the solutions. Unfortunately, after years and decades have passed as well as millions of dollars spent, the results are not satisfactory.

Is the annual World Economic Forum the appropriate place where the solutions for climate change mitigation will be found? What are other forums that the polluters of the world - corporations, private sector companies - have that they can discuss, brainstorm, co-create, co-design and co-invest on programs that will create and implement solutions aiming to sustainably develop the world while protecting its environment? Will it be at the United Nations Framework of Climate Change (UNFCCC) where 197 countries (governments) are part of it? For now, the planet Earth is still getting warmer.

The appropriate entity is a neutral institution that will mediate, coordinate and organize the journey. Solutions to cool off the earth will be co-created, co-designed and co-invested by companies made of people like you and me, members of the collective action platform, with technical assistance from the neutral institution. Governments should play a supportive role and allow for the social businesses, entrepreneurs and innovators to do the work. Co-creating, co-design and co-investing shares the benefits and the costs, share risks and successes.

Promoting social businesses, cross-sector partnership development centers and strengthening the institutional development of the collective action platform

The American Chamber of Commerce or AMCHAMs are well known all around the world. And so are the other chambers of commerce. While they fulfill their missions to promote commerce, trade and support companies to identify businesses opportunities in that particular market, they don't focus on promoting societal positive changes and transformation. It is not in their DNA and neither should it be.

However, as already mentioned, companies are becoming more engaged in socioeconomic and environment conservation. Coca-Cola is very busy in implementing its program to reduce its worldwide water consumption whereas IKEA, the global furniture retailer, works to reduce its energy consumption and derive energy from alternative sources. Cargill proudly informs that the company is committed to ensure a thriving and sustainable cocoa sector for generations to come by improving the lives of cocoa farmers in Africa. Time has come that companies must step in and do more, much more.

The good news is that they want to. More than 90% of the CEOs from dozens of companies that I have been talking with in the last 15 years were committed to do more for sustainable socio economic development. Notwithstanding, these leaders and their executive team don't have the time nor the energy to dedicate full time to the cause. They have the vision and financial resources. They also have the intelligence and knowledge on how to do it in a manner that money is used well. What is missed is that they need help and assistance from experts in sustainable socioeconomic development. NGOs are trying to fill that gap however most of them are not yet prepared for it. Some of them are making progress in understanding the business world, language and organizational culture, it will take years for that adjustment and transformation to happen in order for them to deliver what companies are expecting.

Thus, the need for the already mentioned neutral entity to organize and coordinate several companies and assist in the structuring and development of a: i) governance structure; ii) banking account/fund; iii) common programs, iv) communication strategy, v) strategic plan for its own financial independency and sustainability.

As a result of a mature collective action platform, chambers of social businesses can be created where opportunities for impact investing can be presented and cross-sector partnership development centers can offer activities such as seminars, workshops and lectures in social private investment, sustainable development, circular economy among other themes to educate and capacitate companies employees, clients, suppliers and vendors, public servants from governments and members of civil societies entities. The objective is to learn and understand the value of cross-sector partnerships, exchange best practices and experiences, how and why to develop them. They will also understand that private sector companies can collaborate in the search for creative solutions for the global development challenges. In those centers, they should learn and understand why investing in sustainable development is good for business and for society.

How Collective Action Platform (CAP) Complements Corporate Social Responsibility and Shared Value

The concept of collective action platform should complement creating corporate social responsibility programs and shared value (SV) in guiding social private investments towards the identification of the global development challenge solutions. CSR programs focus mostly on reputation and have only a limited connection to the business making them hard to justify and maintain over the long run. SV is integral to a company's profitability and competitive position. It leverages the unique resources and expertise of the company to create local economic value by creating social value. CAF creates the appropriate environment where companies can contribute and work in a collaborative manner to identify the creative solutions for the local, national and global development challenges, as it's demonstrated below:

| CSR | CSV | CFA |
|---|---|--|
| Value: doing good | Value: economic & societal benefits relative to cost | Value: Identify creative solutions local national & global challenges to cost |
| Citizenship, philanthropy | Joint company & community value creation | Welcome government, civil society as strategic partners |
| In response to external pressure | Integral to competing | Integral to collaboration - solve national & global development challenges |
| Separate from profit maximization | Integral to profit maximization | Profit maximization = Sustainable development |
| Agenda is determined by external reporting & personal preferences | Agenda is company specific & internally generated | Agenda is collective - decided by all members of the platform |
| Impact limited by corporate and CSR budget | Realigns the entire company budget | Co-create, co-design & co-invest = costs, risks and success shared |
| Example: fair trade purchasing | Example: Transforming procurement to increase quality and yield | Example: Sharing of best practices and experience, opportunities for impact investing - become a self sustainable independent institution/social investment fund |

*Source of column 1 e 2: article *Creating Shared Value*, published in the *Harvard Business Review*, 2011.

Collective Action Platform is not Collective Impact

By definition collective impact is “the commitment of a group of actors from different sectors to a common agenda for solving a specific social problem, using a structured form of collaboration”. The concept was popularized by consultant and social entrepreneurship experts Mark Kramer and John Kania as its stated by Steve Schmida in his book *Partners with Purpose*⁸.

In addition, according to Schmida, what makes collective impact partnership unique “is the decentralized nature of its structure, in which partners work independently but in coordination with other partners in support of the shared agenda”. In the case of a collective action platform however the structure is centralized and requests a *steering committee* or *secretariat* that will be structured and managed by the platform.

Another interesting difference between collective action platform and collective impact is that collective impact requires a *backbone organization* - often a NGO which is not a secretariat designed to channel funding and implementing activities, but rather the role of it is to bring the key stakeholders together, help set a common agenda, and serve as coordinator across multiple, often independent workstreams. That is not the case for the collective action platform since its own *steering committee* or *secretariat* presents itself as the governance body responsible for the institutional coordination and organization - fundraising, communication strategy, programming, among other responsibilities.

In case there is a steering committee in the platform, it is formed preferably by executives from the companies who can make strategic decisions and provide guidance to the secretariat which has the role to coordinate and implement its decisions. The centralization of its governance structure allows the collective action platform to be more agile, accountable and efficient in implementing a common agenda which would not be possible in a decentralized structure.

Last but not least, small is big. Collective action platforms tend to differ from collective impact in its size. While the networks that promote collective impact usually accommodates from its beginning a large number of members including several international organizations such as the World Bank, the U.N, government entities such as Ministries, large NGOs, collective action platforms tend to be selective and begin small by engaging a few private sector leaders and their companies growing in an organic manner from there. The strategy allows a better and more efficient use of the time and energy to manage different interests,

⁸ available at <http://steveschmida.com/the-book/>

expectations and relationship with other actors (governments and civil society) in order to do assessments and consultations - in a low profile way without big announcements until the first impact results are achieved.

Creating Collective Action Platform in practice

How to go from the concept paper, spreadsheet, work plan to the practice of structuring and developing a collective action platform? Below is a protocol that aims to systematize and provide orderly methodologic steps to create a platform. Some premises though is necessary for the purpose of setting expectations and alignment:

i) prioritize simplicity, levity, pragmatism and transparency, agile and efficient procedures: promoting innovation not only focused on the end results but also on the working processes;

ii) need to develop its own identity and organizational culture for the platform;

iii) avoid influence of the organizational culture from the entity that is making the initial investment to create the platform - investor entity should practice detachment, let it go, it's about the platform's mission, not the entity;

iv) organic process of construction among several partners which brings flexibility in the development of the platform - open mindset, think outside of the box, it's NOT all set in a stone;

v) commitment: developer/investors should be committed with at least 5 years of work (and resources) to structure and develop the platform.

How to structure a Collective Action Platform

A protocol to develop and implement a collective action platform



Implication for Governments and Civil Society

A trend when it comes to socioeconomic development and conservation of the environment is that the majority of NGOs leaders are trying to learn the challenges and opportunities and adapt to the transformations. The “third sector” world has been going through some major changes. A very welcome change has to do with the fact that private foundations and institutes, philanthropists, international organizations are indicating that thinking in value terms and being less ideological tends to increase the NGOs chance in getting funds and that those will not be treated as just grants but as an opportunity to develop long-term self sustaining projects that will present tangible results from the optics of impact socioeconomic investing.

A second trend in the NGO world is that local governments' funding are getting scarce. Governments are in deep fiscal problems running huge deficits year after year and funds available to award NGO's are not as it was in the past. How do the NGO's are reacting to it? Where to look for? One direction is to the private sector. A sign of this phenomena was the natural movement of people who used to work for an NGO that went to work for a private sector company to help them to develop and structure its philanthropic foundation or institute. What is the role of NGOs in the collective action platform? NGOs with a social business mindset can be an important strategic partner by joining the platform and bringing with them innovation, experiences, socioeconomic sustainable development expertise and proven successful solutions to members of the platform.

On the government front, the collective action platforms can greatly benefit if local governments provide institutional support to it. Governments in fact should be the one inspiring and catalyzing this type of model led by the private sector companies and corporations. They would play an important role as a strategic partner to the platform as the government has the access to public education and health systems for example and thus once in partnership with the collective action platform can develop and implement public policies that will produce positive impact and transformational results at scale. It is imperative that the collective action platform must be a non-political organization and be protected against any political influence.

Finally, universities and colleges can also play an unique and important role by creating an area of study that concentrates in understanding and exploring the collective action platform concept. Through research and social studies provide evidence based conclusions on how, when and with whom a collective action platform has a higher chance to fulfill its mission and achieve its objectives and goals. Universities and colleges are well positioned to be the catalyzer, neutral

entities that can bring the private sector companies together to create a collective action platform - its governance structure, funding, programs and communication strategy - aiming for a common purpose and mission.

From Now On

This article presents the collective action platform which offers the way for the private sector to have a protagonist role in identifying creative solutions for the most relevant challenges for sustainable development.

A collective action platform is a call to action. A call for collaborative work, technical cooperation and cross-sector partnership development involving companies, governments, NGOs and civil society.

As all the attention of the world is now toward fighting the coronavirus and the development of the vaccines, while waves of contaminations are happening in many parts of the world, a silent revolution is taking place. A revolution from which concepts and values are being revisited. There are those who rationalize that the pandemic is a consequence of the human pressure towards the frenetic exploration and depletion of the natural resources which has caused serious environmental unbalances. Those pressures would offer the right momentum for the “perfect thunderstorm” that materialized in a pandemic as COVID19 has become.

It is in moments like these that a wake call happens. What are we doing with ourselves? Where are we heading if we continue damaging the environment and what are we going to leave behind for those who are coming after us? How to react and survive by the imminent threat of death that the pandemic has caused? To what measure should we continue, as a society, to live with the purpose of accumulating wealth and what do we gain - all of us - if we choose instead to change course and begin a new era?

The collective action platform seems to be a valid way to contribute with the new reality that presents: an era of collaboration, an era of cooperation and shared solutions, social impact investing, conscious capitalism and development that in fact creates a future where all people will be treated as equals, have decent jobs, where the economies will grow in a sustainable manner and that all of these will reconcile with a healthy planet.

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