Cooperative Research Centre for Coastal Zone, Estuary & Waterway Management

The partnership approach: A report on industry and community collaboration

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1 Executive summary

In this report, we offer readers a detailed description of the partnership approach that we developed to encourage community and industry collaboration for sustainable development in Australia.

After we found out about a partnership approach that had been used successfully in Switzerland, we decided to investigate the approach for its usefulness in Australian development projects. We conducted extensive research in Switzerland and in Queensland, Australia. Our research programs were funded by the Cooperative Research Centre for Coastal Zone, Estuary and Waterway Management.

Our research findings suggest that power-sharing relationships between international companies and local communities are critical for both. Companies promoting development projects now find that working in partnership with communities facilitates project development if, of course, the community accepts the projects. Projects are more likely to go ahead if local people have real power to influence company planning and to satisfy the broader community goals of balancing economic objectives with environmental and social justice.

The partnership approach requires that two teams are formed—the Coordination Team and the Project Commission. The teams are made up of members from the general community, interest groups, local councils, regulatory agencies and the development company. Without these teams, there is no approach.

The Coordination Team writes the development proposal, identifying the environmental, social, cultural and economic risks associated with the development. When regulatory or government development agencies accept the proposal, the Project Commission is formed. Monitoring the development project's compliance with the project proposal as prepared by the Coordination Team, the Project Commission is active for the life of the project.

Members of the respective teams meet regularly (at least once a month) and meetings are driven by agenda. Any team member can call a meeting to discuss an issue that is important to them. Each team member has a vote on any decision. Each member, including the company, must abide by the Project Commission's decision. If any member goes against the democratically made decisions of the teams, the approach is likely to fail. Trust is an important part of the approach.

There are limitations to the approach. For example, it will not work in situations where there is past hostility between the community and the company involved.

Also, the company must agree to share power, and the community must support the project in the first instance. If parties cannot agree on these issues, the partnership approach is not suitable for their projects.

Our research consists of the Swiss case study, an extensive literature review, and interviews and focus groups with participants in Queensland. The research findings are positive. The Swiss case study was successful. The literature review confirmed that there is a need for flexible approaches and structures for developing effective relationships between industry and community at the local level. And all of our Queensland participants agreed that they would be willing to try the partnership approach if an appropriate project arose.

While the partnership approach may appear radical, the long-term benefits have been found to far outweigh the risk and uncertainty. By allowing companies to work directly with the communities that are affected by the development, companies can attempt to deal with issues before they become major conflicts. Communities benefit too. Under the approach, local people have real power to influence company actions that directly affect their community.

2 Definitions

The **triple bottom line** concept was introduced to promote the balance of social and environmental justice within the economic sector.

We define the term **socio-environmental** as not only referring to the natural environment, but also to the social, cultural, economic and political environments of local communities.

In this report, our outcomes are linked closely with the concept of **development**, especially community development, as presented in the project's literature review (Hoppe et al. 2004). We define community development as a product of what the philosopher Rorty refers to as 'conversations' between strategic partners.

The engineer Dunn (1971, p. 9) presents one of the most interesting definitions of development: '*Development* implies that an activity system is transformed in the mode of its operation…growth implies an increase in scale, development an increase in the complexity of behaviour. Implicit in these concepts are their opposites. The concept of growth implies the concept of decline. The concept of development implies the concept of behavioural regression.' Conversely, our definition of development is more focused on process than output, because development leads to more than economic growth and shareholder value.

3 Introduction

Our research programs, funded by the Cooperative Research Centre for Coastal Zone, Estuary and Waterway Management, have attempted to bridge the gap between the objectives of community and industry. Current research literature on the subject pinpoints relationships between industries and local communities as essential for effective business and change management.

We wrote the report with the following readers in mind:

- Industry managers

- Students of corporate management

- Scholars and researchers in the fields of community development and community engagement.

In this report, we assert that power-sharing relationships between international companies and local communities are critical for both. Companies promoting development projects now find that working in partnership with communities facilitates project development if, of course, the community accepts the projects. Our research findings suggest that projects are more likely to go ahead if local people have real power to influence company planning and to satisfy the broader community goals of balancing economic objectives with environmental and social justice.

Some of the most important relationships for communities are those that they have with international corporations. So it is essential for communities to have a two-way relationship with the corporations who influence development, resource management, and quality of life in their regions. For this reason, we have researched and developed a partnership approach for community and industry.

To develop an approach for Australia, we necessarily started by researching a successful working model, in Switzerland, and then modified it based on research conducted in Queensland. Our specific focus is on the relationships between individual companies and local communities regarding project planning, development and implementation. While it is best to begin with a relatively simple approach rather than assume that it would be effective at its most complex scale, we expect that future versions of the approach could accommodate more complex structures. Because the approach is project-focused, different companies investing in the same project would have to decide how well it would work for them. No matter

how well conceived, when we try to apply models, ideas and technologies, 'we are condemned to innovate'. However, we are innovating within guidelines.

A key component of our research concentrates on the types of relationships between companies and local communities that could promote environmentally sustainable development. We have assessed the feasibility for Australia of an empirical, working model of an industry–community partnership approach, which had many benefits when applied in Switzerland, in one of our case studies. This partnership approach saved the company involved a great deal of time and money; ensured that positive, productive relationships with the local community would continue; saved local jobs; preserved the community and region's cultural heritage; maintained local environmental values; and continues to serve as a model for intelligent resource management. It had the lasting affect, we argue, of deepening community democracy. For detailed information on the Swiss case study, see Appendix 1.

We designed this project to complement the program missions of the Coastal CRC's 'Citizen Science' and 'Decision Frameworks' projects. We based the analyses of needs mainly on findings from previous research. Much of that research was conducted around Gladstone, where there is extensive large-scale international investment and a history of conflict between local groups and industry. The focus of this research was on strategic decision-making by industry, which includes formal and systematic input from community and government groups. The strategic partnership approach we presented to local stakeholders in Queensland and revised on the basis of their evaluations was a working model derived from previous research. It potentially provides real rather than symbolic power for local communities in their relationships with international corporations and government agencies. This approach is especially important for industry–community relations regarding environmental management.

Just as all decision-making approaches need to be tailored to fit specific projects, our partnership approach might be appropriate for one project but not another. Under a traditional capitalist model, for example, the behaviour and responsibilities of corporations would be incompatible with this approach. Communities vary in their capacity to engage industry to consider sharing power and, of course, the history of industry–community relationships in Australia, particularly within the mining industry, has often involved conflict. The nature of the partnership approach also depends on the scale of the community, region, or company involved. Whether the approach is focused on relationships between individual companies and local communities or more complex structures that could include a number of different industries and

communities at a regional level must also be considered. We discuss these implications for using the model later in the report.

For companies who might consider community collaboration, we suggest a multi-stakeholder partnership approach with two participatory structures for effective and sustainable communication. The first multi-stakeholder structure, which we call the Coordination Team, is required to establish a mutually agreed risk definition, and to plan and co-author the project proposal. The second structure, which we call the Project Commission, is designed to monitor the implementation of earlier project specific agreements between the Coordination Team and the developer throughout all stages of the project. We believe that the empowerment of both the Coordination Team and the Project Commission does not require moving beyond project specificity. This means that participatory change is limited to the project and the local company, which, in the cases we observed in Queensland and Switzerland, are part of large-scale international company groups. This limitation is critical, since community engagement models which challenge corporate culture and call for a different type of organisation fly directly in the face of their institutional histories and are usually rejected by management, if considered at all.

3.1 Research background

The Coastal CRC funded research undertaken for this report has its origins in the research team's previous research on relationships between transnational corporations and rural communities. The Australian Research Council and Land and Water Australia (then LWRRDC) funded the previous research program over a ten-year period. Our earlier literature review (Hoppe et al. 2004) contains a thorough summary of the theoretical and research background of our current research. However, it is important to once again review how the fundamental literature, concepts and research we discussed in the literature review have led to the present project.

The literature review provides a detailed analysis of the literature associated with industrial and community changes, the critical importance of industry–community relationships in alleviating the social and environmental impacts of development, and the way that partnerships between industry and community can promote equitable development. For this report, we researched the feasibility of implementing a model of industry–community partnerships in environmental management. Appendix 1, a paper written recently by three members of the research team, will be published in a professional collection of case studies on rural governance (see Appendix 1 for details). The literature review, combined with our past and current research, is the

basis for this project. The underlying processes that we observed in the Swiss and Queensland studies helped us to understand the fundamental elements related to industry achieving 'triple bottom line' objectives, which depends upon establishing community relationships based on power-sharing and trust.

The significance of our research lies in studying industrial decision-making models that extend the boundaries of organisational decisions about resource extraction or processing so that environmental, community and economic goals are formally integrated. Our research addresses the needs of local community stakeholders, such as the ability to influence strategic decisions of industry, usually large-scale international corporations, investing in their communities. Previous research findings clearly demonstrated that many individuals and community groups felt neglected or ignored by conventional government agencies and international corporations. The dominant role of international corporations is a particular concern for Australian communities such as Port Curtis. The dominance of industry over community, a general characteristic of the Australian economy—particularly in resource extraction and food processing—is particular relevant for our research.

3.2 General background

The essential background to our current research is a large body of professional and popular literature written by natural resource scientists, social scientists, natural resource managers and researchers, scholars, national and international non-government organisation members, concerned citizens, community action groups, and politicians, who fear that international corporations have too much power. Whether they do or not is, of course, debatable. Many would argue on the neo-liberal side of politics that market freedom is paramount to macro-economic development, and therefore environmental and social justice problems can be 'fixed up' once economies become healthy and vibrant.

There are, however, other arguments. *The Wall Street Journal* recently stated that modern economies 'need adult supervision'. Most natural resource scientists, social scientists and managers argue that development must proceed along a comprehensive rather than a sequential path. That is, concentrating primarily on economic objectives can lead to devastating, irreversible social and environmental change. As to external influence upon local ecosystems, hydraulic systems and human communities, the evidence is clear.

The rise of corporate environmentalism or 'going beyond compliance' contrasts strongly with corporate responses to the environmental movement of the 1970s. The

famous conservative economist Milton Friedman summed up the era when he stated that any change by companies beyond those 'required by law in order to contribute to social objectives of improving the environment' was, simply speaking, 'pure and unadulterated socialism'. While corporate attitudes have improved today, environmental change by corporations inevitably stems from community pressure. The environmental impacts of production and processing are often directly experienced by local community residents. Strategic alliances or partnerships between companies, communities and other stakeholders are now necessary and are part of the move by companies and industrial sectors to 'go beyond regulatory compliance'.

Nowak et al. (1982) found that the experience of participation in local community organisations, coupled with concern about local environmental issues, were instrumental in teaching people how to participate and thereby functioned to 'deepen democracy', using Fung and Wright's (2003) terminology. The confluence of community, personal and cultural identity is also a critical factor in local responses to outside power as noted by Barnet and Cavanaugh (1994), by sociologists and rural sociologists (Flora & Flora 2003, Gray & Lawrence 2001), and by anthropologists studying Indigenous communities struggling to achieve land and citizenship rights to sustain their cultural identities (Rickson 2005). Community characteristics, principally access to financial and knowledge resources, and capacities for local mobilisation and effective participation in commercial and advocacy (NGO) networks, relate to how responsive international corporations are to local community needs (Herbert-Cheshire & Higgins 2004, Grant et al. 2004, Rickson & Ramsey 1985).

Many factors limit corporate power in the 21st century, such as the exigencies and contingencies of operating internationally, the influence of electronic media, the environmental movement, the political power of the 28,000 (up from 10,000 only a decade ago) international non-governmental organisations (or NGOs) and, importantly, local initiatives to control political and economic events which affect households and communities. Indeed, environmental NGOs, government regulatory agencies, local officials and corporate managers themselves are increasingly concentrating on corporate environmental change. How corporations respond to these pressures ranges from relatively shallow 'green washing' to 'deep-seated institutional change where environmental activities are routinely part of doing business' (Hoffman 2001, Thomas 2005).

4 The original model

The original model for our partnership approach was a very successful development project in Switzerland. We conducted an in-depth study of the Swiss project which led to more research and, finally, to the development of the partnership approach.

We fully discuss this case in our literature review (Hoppe et al. 2004) and in a recent paper (Hoppe et al. 2006). We have attached the paper as Appendix 1 of this report. We summarise the Swiss case study below, but for a more detailed account see Appendix 1.

A case study from Switzerland

The International Holcim Group of Companies is one of the world's leading suppliers of cement, aggregates, concrete and construction services. One of its companies, Bünder Cement Untervaz (BCU), had a problem—it was running out of limestone. The solution seemed obvious, as there were substantial limestone deposits in the area. The company needed to construct a new quarry, including access roads to transport the limestone to the plant.

When BCU presented this plan in local forums, it was clear that local people were concerned and would object to any expansion of the existing quarry. Conscious of community concerns and the impacts this would have on the community, BCU managers took a new approach and got the community and other stakeholders involved in solving the problem of limestone from the outset.

Local communities were allocated some power in making decisions about the development. BCU became more aware of community needs and values, and built a good relationship with groups directly affected by the development. This allowed them to resolve problems early so that they did not escalate into serious protracted conflicts.

The result was surprising, even to BCU and the Holcim Group. Together with community representatives, BCU agreed to build a tunnel through a mountain to transport the limestone underground. Not only was this solution acceptable to the community, it also proved to be a more efficient and cost-effective solution for BCU.

The tunnel was operational six years earlier than the extended quarry would have been. And, while there was an additional upfront investment in community engagement and alternative technology, the company estimates that it saved US$40 million by adopting the power-sharing approach.

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5 Why take a new approach?

Broadly speaking, our interests are similar to professionals and researchers from government and industry who are concerned with balancing economic objectives and social and environmental justice. Our research, and that of others, calls for new forms of environmental governance. This body of research calls for changes in the ways that local people, their representatives, environmental scientists and technologists, and industrial managers communicate with each other.

As social scientists, we believe that the solution to poor relations between community, industry and government relates more to the social and economic relationships than to so-called 'technological fixes'. We need new forms of governance and better institutional approaches. We take the position that constructive public engagement concentrated on practical, well-defined problems at the local level can work beneficially for all concerned. How that is to be done is the primary subject of our research.

The trend toward international or globalised economies will, many argue, intensify through this century. Australia has an international economy dominated by global corporations. This is most evident in the sectors for which Australia is widely known, such as agriculture, mining and natural resource extraction. Its finance and banking sectors are heavily influenced by the behaviour and action of international corporations. Therefore, the Australian experience of coping with globalisation on an individual, family and community basis is a signal characteristic of Australian work, culture, and politics. Understanding if the model we are proposing will work in Australia is central to the Australian experience.

People in Australian communities are asking for more involvement in policies and decisions affecting their communities, themselves and their families. New social movements associated with environmental and living quality inevitably combine with questions about social and economic justice. Influencing decisions affecting people in communities means that they must influence the strategic planning of international corporations investing in their communities rather than depending on state and national governments to always act in their 'best interests'. Declining levels of public trust in national and state authorities have moved local people to be more concerned about acting with power rather than passively accepting the actions of either government or industry. Directly influencing industry decision-making independently of state regulation is therefore emerging as a primary goal of local community government and NGOs. At the same time, international corporations, through their industry-wide associations and industrial sector regulation, are moving beyond

compliance (with environmental regulations) as a corporate strategy. Corporations are recognising the importance of maintaining relationships with local communities.

Our work therefore ties in with three worldwide trends:

1.   The globalisation of business, industry and commerce

2.   Worldwide community demand for social, economic and environmental justice, sometimes in partnership with national and international NGOs

3.   The increasing importance of corporate–community relationships for natural resource and environmental management as the relative power of nation-state agencies declines and the power of international corporations continues to grow.

Evidence suggests that the power of international corporations is increasing. Management structures are changing as corporations become part of multinational groups. In turn, the actions of local people can have more influence on industrial corporations than in the past. Local managers of corporations that are part of multinational groups are in fact likely to operate more independently than corporations in hierarchical structures. Representatives of multinational groups are freer to negotiate and bargain directly with local communities on issues associated with environmental management. The issue, then, is whether the company chooses to share some power with locals in their development plans or apply a strategy of dominance. The dominance approach, often taken by corporations in partnerships with state and national governments, is a corporate strategy familiar to many communities.

Development always requires partnerships, whether the partnership is formally constituted or implicitly construed. The question 'who can help us?' always arises. Corporate project developments have often either bypassed or ignored community partnerships. However, corporations are increasingly rejecting old approaches in favour of such partnerships.

Many corporations are undergoing significant policy changes and 'going beyond compliance'. To do so, according to one industrial manager we interviewed, 'gets state and national government off our backs'. Another telling response was 'because of the Internet, we cannot get away with the things we used to'. Corporations are now strictly monitored and are necessarily more accountable for their actions. Indeed, partnership relationships may be forced on companies and communities

alike if the companies are subject to international monitoring by NGOs concerned about environmental and social justice.[1]

We must understand the global–local interface if we are to competently manage community natural resources. The quality of local ecosystems and the quality of life for many rural people are less dependent on government policies than on decisions made by global corporations. These corporations and other international organisations work on trade agreements and the flow of capital and labour across national and ecosystem boundaries (Bonanno & Constance 2003). This is especially important in Australia. The activities of large-scale corporations are central to the country's economic health. The impacts of corporations, as we have discussed elsewhere, are more pronounced in Australia than in either North America or Europe. Our research has focused on the increasing power of transnational corporations over natural resource management at the community level (Rickson & Burch 1996, Burch et al. 1999, Hoppe et al. 2006).

If communities mobilise and react as a group to practical issues such as public safety, schools, jobs, pollution and human rights, they can make both government and industry pay attention to their concerns (Fung & Wright 2003, 2004; Fung 2004). We found this to be the case in our Australian and Swiss research. Community conflict and 'last chance' community attempts to block government and industry projects are 'social risks', emerging primarily as a result of failure to include communities in project planning and development. The ability of an organisation to relate effectively with locals is fundamental to successful risk management. However, industries and government planners are typically slow to accept such imperatives and continue to act as if 'local people did not matter', to quote one of our participants.

Company responses to local resource and environmental contingences are heavily influenced by their corporate group's management philosophy and structure. The

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[1] As anecdotal but telling evidence of this, members of the research team facilitated groups of senior industrial managers in a discussion on the triple bottom line. Managers had no difficulty discussing either the economic or environmental bottom line, referring to the latter as a matter of law. They spoke of the necessity of "going beyond compliance to get government off our backs". However, when speaking of the 'social bottom line', managers generally rejected any serious concern with it. However, we pointed out that when the same managers had previously said that they spent a great deal of time "thinking about how local people viewed their projects", "responding to local complaints", "trying to ward off conflict" and "talking to local government officials, organised groups and local citizens". When this dimension of the 'social' was defined for them, they recognised the significance of local community relationships to their everyday work. On the other hand, some managers admitted privately that they tried to isolate community relationships to managers below them so that they could spend their time communicating upwards to the corporate hierarchy, state and government agencies, and politicians. At least they had a clear definition of the 'social' as 'community' or 'community relations'. Had the term 'community' replaced 'social', then managers would have understood.

'spatial heterogeneity' of international corporate groups complicates management. It intensifies the need for autonomy, flexibility and capacities for individual company members to react in 'real time' to environmental or social justice contingencies (Hoppe 2005).

International groups of companies must be able to respond competently to widely diverse cultures, communities and ecosystems across their international networks if they are to protect and profit from their investments. The capacity to do so depends on the actions of their individual members. Establishing alliances and partnerships across divergent networks associated with international investment is increasingly necessary to do business.

Castells (2000, p. 176) says that corporate management policies have been forced to shift so that they can more effectively respond to the risks of rapid social and technological change: 'The main shift can be characterised as the shift from vertical bureaucracies to the horizontal corporation'. Horizontal corporations are more capable than vertical bureaucracies of responding to social risks based on local community resistance to their project plans. They are also more capable of responding to creative arrangements such as partnerships with locals. Hoppe (2005) argues that horizontal corporations are better equipped to respond to the benefits now associated with collaborative approaches. Managers of these corporations will continually change their strategies, alliances and partnerships depending on specific projects and general objectives. Again, depending on the project, they will have to pay attention to local community issues. Local and global are bound up in these relationships. Resistance to corporate economic activities by local community residents and other groups can be as mobile as capital (Urry 2003, pp. 15, 89).

A recent paper by Stenekes et al. (2006, p. 107) argues against the common assumption that projects fail because the public is unable to comprehend specialist information. Without underestimating the value of public education, the paper by Stenekes and colleagues emphasises the importance of institutional change by companies, communities and government to promote and accept active public involvement in environmental decision-making. In short, public education without public engagement is not enough.

Conflicts between industrial developers and local communities have emerged as one of the most significant problems in large industrial developments and, thereby, in natural resource governance. Our recent research in Switzerland and Queensland indicates that community concerns are often central to these conflicts. These concerns are largely excluded from the early planning and decision-making process

of a development. Consequently, early unresolved disputes between industry and community groups inevitably re-emerge at later stages of the project. Disputes that emerge after formal investment decisions are made and approvals by government authorities are granted, with capital works well under way, are particularly costly and disruptive to projects. This significantly reduces the value of industrial investment and any social and economic benefits the local communities involved. A company deciding on a partnership approach rather than a dominant approach to community engagement will probably pay more in the short term but will save money and relationships in the longer term.

Avoiding rancorous conflict in development projects requires more than rejecting a power strategy of dominance. It requires setting up a forum where continual conversations or deliberations are routine rather than exceptional. A primary reason for rancorous conflict is that parties do not communicate until tension is high and parties have already established their respective defensive positions. The partnership approach we are proposing calls for what we refer to as 'negotiables'. If the company and the community are to negotiate in this progress, there must be areas that are negotiable. For example, parties may negotiate on whether there are alternative technologies, practices, or development sites. If any party is unable to negotiate, the partnership approach will break down.

In Australia, alternative approaches to community engagement, such as consensus conferences, citizen juries, and community advisory boards are, in our experience, limited to a low level of community input. Under these approaches, final decision-making power remains with the industrial developer and supporting government agencies. See, for example, Huitema (2003), Robinson et al. (2002), Abelson et al. (2001), Blamey et al. (2000), Coote and Lenaghan (1997). These advisory forums are ill-designed to accommodate the project specific power sharing that we suggest is needed to avoid conflict and promote sustainable development.

The advantage of community advisory boards and citizen juries is that they are relatively easy to establish. They can produce positive and lasting outcomes as people get to know each other. Networks can emerge, and problems otherwise hidden from public view can become known. However, these outcomes are very difficult to measure, and would probably not lead to institutional change. Furthermore, there is rarely any actual power-sharing between parties, who are unequal in power even though they may share the same goals (see Figure 1). Consequently, neither community advisory boards nor citizen juries exert long-lasting influence. It is against this background that we propose a partnership

approach. Our approach is based on a project specific power shift in favour of communities affected by development.

Poor	Medium	High
Community advisory boards	**Citizen juries, consensus conferences**	**The partnership approach**
selected/limited information	some influence on decision-making	high level of influence on decision-making
very limited influence on decision-making	some influence to change development designs	free flow of information
low influence to change development designs	limited/no influence in developing risk definition	power to change development designs
excluded from developing risk definition	selected/limited information	collaboratively developed risk definition

Figure 1. Level of power-sharing for communities

As Figure 1 illustrates, we have developed a partnership approach with high levels of community engagement. The approach has the potential to create long-term trust-based partnerships between communities and local groups affected by a company's development or practices.

There is extensive literature on managerial training for 'supportive supervision' and other training schemes to improve workplace morale and community and public relationships. Although occasionally influential, personal change within selected managers is not enough to change institutionally deep-seated patterns of thinking, acting and working which, in the short and long-term, will be more influential on managerial thinking than occasional workplace training. In simple terms, experience and analysis suggests that representatives attend, converse, and then go back to their organisations and its culture. The individual might be affected, but not the organisation, which must be the critical target for change. On the other hand, the partnership approach has the potential to bring deep and lasting change to corporate culture, as well as benefiting development processes.

For industry, the approach also provides a means for productively bringing local people and their representatives into partnerships. Effective partnerships can save large sums of time and money that might otherwise be spent dealing with local conflicts and protests over company projects. The partnership approach may be seen as radical by senior managers. However, when we explained the Swiss case study to the corporate managers who participated in our research, they generally agreed that the approach was workable for them. We argue that the partnership approach is a prerequisite for stable investment and local peace, and that the long-term benefits of the approach far outweigh the risks.

6 Research methods

6.1 What we did

We conducted the initial research for this project on the Swiss case study. We were interested in encouraging collaboration between community, industry and government. After we studied the Swiss approach and became convinced of its effectiveness, we decided to use it as a model for developing a partnership approach suitable for Australia. We conducted an extensive literature review and further research in Queensland. We were particularly interested in responses of the participants from Port Curtis, Queensland, because this was one of our primary research sites. The data we collected led us to develop the partnership approach that is the subject of this report.

The primary questions we asked the Queensland participants were:

- How would strategic decision-makers representing public and private stakeholders respond to application the partnership approach in Australia?

- Would this type of decision-making approach work in Australia, particularly Queensland?

- If you think it would work, would you suggest any changes to improve its acceptability to an Australian (Queensland) audience?

- If you believe that it would not work or are uncertain, how you would change the approach so that it might?

6.2 Evaluation of approaches and methods

The project design, including the research methods and questions for participants, was submitted to the Griffith University Ethics Committee for approval. This is standard procedure that would occur in any university setting. The project was approved with the proviso that if our research methods changed, or if problems arose, we were to report those to the Ethics Committee. We established a protocol, based on formal ethics procedures for contacting and speaking to project participants, which we strictly followed throughout the project. We collected data through individual interview and focus group sessions. We have rendered this data anonymous, so that no individual can be identified in any related reports, presentations, or publications.

Although the researchers are experienced in the design and implementation of quantitative research frameworks and so-called hypothesis testing designs, these

methods were not appropriate for this study. We decided that a qualitative, grounded theory approach was the most appropriate approach for our present research.

We designed our research methods to provide a better understanding of community engagement, as perceived by local organisational and institutional stakeholders. The central issue in this context is the relationship between structure and process. For example, we discovered participatory choices in the greater Gladstone region to be relatively fixed. However, by limiting participatory approaches to a project-specific level, we expect the emergence of distinctly local approaches to project-specific power sharing. To elucidate these research problems we studied the less visible but equally important participatory approaches to which local stakeholders subscribe. To this end we selected six research methods that underpin the grounded theory approach used for our research:

1.   Theoretical sampling

2.   Transactional system analysis

3.   Data accumulation methods (interviews, document analyses, observation)

4.   Establishing interpretative validity

5.   Multiple triangulations

6.   Open coding.

Consistent with the grounded theory approach, we applied a theoretical and targeted (not random) sampling model. We targeted selected participants from industry, local and state government agencies, the community and local interest groups. We devised three primary selection criteria for participants. The criteria required stakeholders to be:

1.   decision-makers with the capacity to support or reject community engagement in relation to local industrial developments

2.   those previously or currently engaged in community engagement processes

3.   directly impacted on by changing social, economic, cultural, political and techno-economic conditions, which can be attributed to local developments.

Our approach to those asked to take part was that we were presenting a working model of industry–community relationships in natural resource management. We stressed that the partnership approach had worked in Switzerland to save time and

money for the corporation proposing extensive development, for the community in its ability to keep company jobs and income, and to conserve environmental and heritage values.

Because the Swiss case was initiated by one of the world's largest cement companies, industry managers and local community officials were willing to listen. No-one turned down an interview. However, we should note that we decided not to include the data collected from some companies who participated in the study. These companies continue to fight against international groups over issues of intense conflict. Direct application of the partnership approach could not resolve these high levels of built-up conflict.

6.3 Research sample selection

We selected industry participants strategically, in relation to their decision-making power and their experience with the impacts exerted by developments. We also selected participants on the basis of their experience with the community engagement processes.

We selected community and interest group representatives on the basis of their exposure to industrial development. We also considered their willingness and capacity to be involved in a project-specific power-sharing approach.

The first stage of evaluating the feasibility of the partnership approach required us to analyse the opinions of people currently involved in similar approaches, and what revisions they suggest to maximise its applicability to their communities and situations.

We selected the most appropriate participants by using a theoretical sampling method. This method required us to specify a relevant geographical setting which, incidentally, is also consistent with the geographical parameters set by the project. We continued the theoretical sampling process until we reached saturation, selecting the most suitable participants from the following categories:

- Four industrial developers/nine industry decision-makers

- Three local government authorities/four local government decision-makers

- Three state government agencies/four state government decision-makers

- Six local interest groups/seven community representatives.

Time allocated for the interviews and focus groups varied from two to three hours to a full day of discussion. Sometimes participants would bring colleagues to the sessions, which also lengthened the discussions. Typically, at the end of a discussion, a return visit would be scheduled.

We conducted several discussions with each of the participants. We relied on them for continual evaluation and kept in constant contact. For example, when one of the participants suggested a revision to the model, we would contact the others to hear their responses. This was particularly necessary for local government and local NGO groups. These groups were grateful that their members had the opportunity to evaluate our partnership approach. Interviews with industry and state government officials were somewhat more formal, except when we got them together in focus groups away from their offices.

The interviews and workshops were presented in different ways depending on the participants. Some interviews, with councillors for example, were individual interviews in which we presented the approach in its entirety and then asked the participants to comment on how it could be applied. Alternatively, when we met with companies, there would be two or more senior managers present. We would make a presentation then discuss the appropriateness of the model for their operations. If necessary, we would schedule individual interviews with those present.

We reached the point of saturation when we could not find remaining participant groups who met our criteria.

Companies were not included in the study if, after meeting the managers and securing information about the nature of their plans and current relationships with locals, it seemed that there could be no solution other than formal legal proceedings or official government action. Some companies in the Port Curtis area, for example, are basically in conflict with some local groups and external NGOs. In these circumstances, a partnership approach based on power sharing and trust cannot be applied. The approach works most effectively when it is applied early in project development and planning.

7 Research findings

The research findings presented in this section were derived from our interviews, focus groups, and other discussions with Queensland-based participants. During these meetings, the research team presented their proposed partnership approach to participants. Their responses to the approach and their views on power-sharing between industry and community are summarised here.

We have organised the research findings into categories that emerged as we analysed the data. We have included many of the comments that participants made about the proposed partnership approach throughout our interviews and focus groups. These were not simple question-and-answer sessions. Rather, they were discussions in which, when appropriate, we were able to explain more fully the potential benefits and limitations of the approach.

The participants were presented with a visual presentation of the working model. Then, the research team explained how it had worked previously for both the industry and the community involved. The researchers then asked participants, as an introductory question: 'Would this model work here?' By 'here', researchers meant the company or community that the participants represented.

7.1 General findings

Most local councillors and NGO representatives who participated stated that the partnership approach could be applied to their situations, even if it would take time and effort. They went on to say that involved parties, particularly industrial managers and state government agency officials, would have to become used to sharing power in project planning and development.

We were often the middle of debates between industrial managers and local community group members on the merits of the model, and on who should participate. For example, one of the local councillors interviewed said that 'it is important to have the state government officials involved'. Another pointed out that, 'they [state government officials] must be involved, as was the case in Switzerland…but as collaborators rather than direct partners [because] too often, they are on the side of industry'. Others participants from the same community were concerned about state government involvement, as 'they are too used to having control' and besides there is often an 'ego thing' when 'we try to challenge someone who is charged with enforcing an Act'.

Industry managers were supportive of the approach if it would save them time and money and 'get the job done'. The managers we interviewed recognise that resistance by local groups to their plans is extremely costly, both in terms of time and money, so the majority are willing to try the partnership approach.

Local government officials were concerned about adding another layer of bureaucracy to planning development and environmental management. However, along with members of NGOs we interviewed, they generally agreed that it was the first decision-making model explicitly based on sharing power and that 'if it has already worked elsewhere, it should work here'.

We found a degree of institutional inertia among participants. Some were concerned that they would lose power under the partnership approach. According to these participants the existing dominant approach, as imperfect as it might be, was at least well known to them. They claimed to have neither the time nor energy to become involved in another kind of decision-making system. We expected this response from some participants; it is consistent with research on community and organisational change.

Instilling trust in the approach was a particular concern for participants from all areas. Since we present trust as an essential feature of the model, participants agreed that trust requires some degree of power sharing among those coming together to make a decision.

All the participants agreed on the following three points:

- Limited 'project-specific power-sharing' would benefit a development project.

- Industry–community co-authoring of development proposals was workable and desirable.

- Long-term project monitoring was essential and something that was currently lacking in conventional regulatory and management systems.

Generally, while our respondents thought the partnership approach would work in Australia, they agreed that some modifications would be necessary. Indeed, any model of decision-making, community engagement, or public participation will work differently in different social, economic and cultural settings. The approach will also differ depending on whether the community involved partners with a single company or a group of companies. Our focus has been primarily on measuring the feasibility of relationships between single companies and local community representatives.

A commonly expressed feeling of the community participants was that 'high-level' science and conventional government had failed to address the daily problems they faced in their communities. They wanted direct, continual contact with the technical experts they needed to define and deal with the problems they had. This led to a more general question by researchers, one that influenced our research. The question is: 'How can science, including scientific knowledge, power and participatory democracy co-exist with decision-making and effectively guide decisions about critical community issues?' We believe that one answer lies with community, industry, and government acceptance of the partnership approach.

7.2 Views of state and local government officials

An influential official at the state government level said that there were aspects of the model that had to be discussed. He said that, as presented, it was a 'very healthy system of decision-making', as the people in the community got what they wanted, the environment and heritage values were conserved, and the company made money and kept jobs in the community. There could be no disputing that.' In response to the question, 'Is it workable in Queensland?' he said, 'I think it is.' However, he then referred generally to the well-documented history of conflict between the extractive industries, such as mining and local communities, and groups such as the farming community and the Indigenous community.

National and international environmental groups are of course part of that process, the same official also stated: 'This has created a history of conflict and often suspicion that can make trust difficult and make all parties fearful of any power-sharing.'

Another response that came up as a part of a focus group, which led to a great deal of discussion, was 'What was up for grabs in the situation you just presented to us?' That participant referred to our point that there must be something to negotiate for the partnership approach to work.

Government participants were particularly interested in the important concept of 'negotiables'. They asked questions such as, 'If there were any, were they specified by the company?'; 'How can they be handled?'; 'How did BCU [the Swiss representative of the International Holcim Group] decide to let the people in here, but not there?'; 'What happens when a bunch come in and wants to do something and there are a whole lot of risk issues, which will be huge drivers in any system?'; 'In the situation you are talking about [the Swiss case] did the company managers say to people or local government that you can help us with this bit, but when it comes to

other stuff like company operations and so on "that is our business?"' Answering these questions helped to clarify doubts about the effectiveness of the approach.

In the Swiss study, the decision to accept underground mining was a major concession by the company and the result of the actions of the Untervaz Coordination Team. One response to this, which other members of the group acknowledged and agreed with, was that 'this is one of the features that I think is the strongest benefit of your model and one that we need to get working here.' However, at this point, one participant added 'we do not have anything close to that. It is interesting that a big company decided that rather than ignoring local people, they decided they would try something differently. And it worked. Yes, it worked, isn't that something!'

One state government official mentioned a very large mining project that he had been working on. The project affected an Indigenous community. The company faced considerable resistance until they decided to sit down and talk with the community, even though 'they were seen by some as powerless and poor…sometimes the government and the company get together and say, "we are going to make this happen no matter what."'

The participant and his group tried working with the company to get them to negotiate or at least recognise locals had some rights to complain about the company's plans. It was a slow and tedious process. As he said, 'no matter what they thought of some of the local personalities, that they might be "corrupt, broke or poor", they had power and were trusted in their communities and could represent the interests of the local community'. Once that was accepted, 'however reluctantly, the state government and the company decided to work with the local people, made some concessions, what you have called "negotiables" and the issue is no longer in the news. If there is something to bargain over, then work can get done. As one of you mentioned previously, there is no one best answer for anything'.

The history of these types of projects, according to members of the group, is that 'they try to bash through', taking the dominant approach, which 'simply does not work' for everyone.

There was considerable concern in this group (and the others) with the shortcomings of social and environmental assessment as a decision-making tool. One of the points we made in our presentations was that the partnership approach presumes not only negotiation between partners as to what technologies and practices will be used, but also long-term monitoring of their impacts.

A comment which no-one disagreed with was that, 'There is, by and large, the vast majority of perceptions of impact assessment that it is a centralised decision-making tool where one person or a small group of people make a decision on fairly uneven knowledge. No social knowledge. No economic knowledge or very little. If you are lucky, there would be some biophysical knowledge, but in a very biased form.' What this means, according to another participant, is 'that when something comes up that was not predicted [and this often happens], it is very complicated to deal with.' With this in mind, it is not surprising that this group unanimously supported the notion of a Coordination Team and a Project Commission who have access to good technical information. The support was not necessarily based on this as the 'best' alternative, but it was seen as a more workable and effective alternative than relying on centralised state agencies.

Among other comments by members of this influential and active group was that the model, as presented, was 'a nice simple story' that, once told, could have considerable impact in moving industries and communities toward an approach that seemed to pay off for everyone. The fact that it is a working model came up repeatedly. We stressed that the partnership approach is not something coming out of the theoretical literature, but something we discovered and were surprised to have found. So when some participants state that 'it cannot work in Australia', which few in fact do, we must ask two questions: firstly, 'Why not?', and secondly, 'What kind of changes might be necessary to make it work here?'

The approach was accepted by this group. These state government and regional decision-makers said, 'tell us which battle you want to fight and we will help you get started. Or, do you actually want to influence policy on more general terms as they are two separate fights?' Regardless of which one it is, 'we can support you.' However, they agreed 'that has to be the decision of those who would use the model and they might tear it apart and put it back together again'. As we noted, that would be true of any model. They added, 'We would have to look at the situation and see if we can point you to the progressives and steer you away from the old guard who would not be supportive of any type of change'.

There was agreement that one very positive feature of the model was project specific power sharing and co-authoring of development proposals and project monitoring, which was accepted as a particularly significant time and money saver. For all groups, including industry (see below), these activities would probably save time and money after the initial outlay. And perhaps most importantly, groups would know what the others were planning.

Now we will summarise some reservations on the part of both state and local government officials. Both asked, 'What happens when there are a number of different companies and a number of different projects?' This is both a strength and a weakness of the approach. Neither local councillors nor state government people 'want another level of bureaucracy'—quite the opposite. The strength of the approach, from their perspective, is that if initiated from industry, industry would then have to listen to locals. As one councillor put it, 'we might then have the access to the experts we need rather than being kept in the dark by industry' [and he added later, 'by the state government, at least sometimes']. The discussion concluded in agreement that government should mandate the process, but stay in the decision-making process only so long as it was useful to the industry and the community.

Local government figures said that application of the approach would 'significantly lift their game' as 'both company and community capacities for effective engagement would be significantly advanced'. The Australian Stock Exchange and Australian Business Foundation (2005) reported last year that the ability of corporate leaders to manage complex networks of relationships in the community and its overall external environmental is less than it should be and is increasingly critical for corporate investment. This is a dilemma that companies need to address. See also the Business Council of Australia (2006)

As we pointed out to both groups, research suggests that in the long term, capacities for engagement increase as experience increases. This is as true for company managers as it is for ordinary citizens and their representatives. Situations when the partnership approach would be necessary would be relatively rare, but important when they occurred. We do not propose that the approach should replace conventional regulation or governance.

7.3 Views of community and NGO members

A number of different groups were contacted at the local level. We contacted generalist groups such as Rotary Club as well as more specific action-oriented groups. Both groups have concerns about what happens within their communities. Generalists saw their role as taking such an approach to the general community, which would include both industries and community members. To the extent that Rotary is 'too establishment', their involvement might retard the eventual adoption of the approach by community groups, but would be a forum for discussion, which they see as their primary role. Other groups that we interviewed, in the Port Curtis area, have relationships with companies which range from reasonably cooperative to openly hostile.

A common response from group members to our approach was their lack of ability to influence industry. They were supportive to the approach's potential as a way to exert some influence. A comment from a participant was 'One problem is that you have to get people on those committees who have experience with industry…[otherwise] they are simply rolled over and ignored'. There was another comment that a lot of people 'simply do not know how to participate'. As we have noticed across many projects, individual and community capacity, which includes time and personal energy, are critical constraints on participation. Participants would need to consider the intensity of these types of involvement, and the energy and commitment it takes. But as one participant mentioned, 'We get people out to these types of things and most of the time, people will say okay, let's give a try… it would be nice to have a committee with industry that would actually influence them'.

There was support for the involvement of state government officials. Participants thought that if these officials were involved with the Project Commission, the commission would be more responsive to local needs than participants had previously experienced. One participant noted that 'decisions might be made locally, but get overturned in Brisbane. It is hard for us to predict how Brisbane will respond.'

Another participant supported the concept of collaborative project development, stating that simply 'buying people out' is not what locals want. Most of the time locals 'want things fixed so that we can stay here'. There were strong pleas and considerable support for the idea that, in the approach, local people and their representatives 'would have access to the same technical and expert advice as others on the committees'. Experts would be reporting to the partnership teams rather than to industry, government agencies or local groups, which, as they observed, often leads to a situation where every group with funds has their own experts.

We have observed through our research that there is a low level of trust, on the part of some groups, in the neutrality of experts aligned with government or industry. This was reflected in earlier comments about 'knowing what the alternatives are' and also the usefulness of Environmental Impact Statements (EISs). According to a participant, 'environmental impact statements are not worth the paper they are written on, and the committee you are talking about, with project monitoring, would be a better way of doing things'. She went on to say, 'Once they [industry] get the approval after they have submitted their environmental impact assessment statement, they just go ahead and do what they want, there is no-one coming in and

checking as long as [minimum standards are reached], no-one comes in and says you said you would do this and this and you haven't. There's no obligation at all.'

Members of one group said that they had considerable difficulty getting the technical advice they needed, arguing strongly that industry and government engineers and scientists could not be trusted. This group had engaged in protracted conflict with local companies and government agencies. They were extremely distrustful and pessimistic about any fruitful relationship that community groups and NGOs might have with either.

Participants mentioned that they often have a good working relationship, over time, with an individual manager, but if that manager is moved out of the community, they have to start all over with another one. As one person noted, 'having a formal agreement through a committee would help.' There was concern that sometimes people were replaced simply because they had a good relationship with locals. According to one participant, this leads to a great deal of uncertainty and is very time consuming. Negotiations basically have to start all over again, and participants are then cut off from the information they previously had access to. One participant sums up this dilemma: 'Well, I think the problem is now that, well, Manager X is gone and you have a different person Manager Y, he does not really know what is going on and so much of what we decided was not written down any place. He does not know much about the local area and what we are concerned about. There is no-one in the company now that knows what is going on.'

There was enthusiasm for the idea that the project teams specified by the approach would provide a forum for group members to discuss alternative ways of doing things, which might reduce the environmental and social impacts of the project.

There was a strong feeling that if participants could join a Coordination Team or Project Commission, then they would have the opportunity to know much more about a proposed project than they now do. According to one participant, 'you look at something and would hope there would be alternatives, but you don't know what they are because you can't get the information you need. But if you had a set-up like that where you have people advising you, you know it would be easier.'

7.4 Views of industry members

Representatives from major international corporations agreed to speak to us, hear our presentations and discuss application of the approach with them. All industry participants operate extensively in Port Curtis and elsewhere, and all saw considerable merit in using the approach for future projects.

Our extensive experience with industry is that it is somewhat difficult to speak with company executives about their company's operations and their relationships with local community government and groups. However, it is much less difficult than most people might presume. We were never turned down, and although one company required a degree of persistence, we were eventually invited to speak with three senior managers. After that initial meeting, a representative from the company visited our university offices to continue the discussion. The responses were favourable. But due to the conflicts this company was engaged in locally and internationally over its operations in the Port Curtis area, the research team decided that the approach could not be applied to the company's present projects. As we have noted, our approach is not a conflict resolution model. Rather, it is most effective when introduced from the beginning of project conception and planning.

A second company with whom we had contact had its own community engagement procedures and, according to their managers, did not want to complicate matters further by taking a new approach. This company, like most companies in the area, has a 'community advisory board' that meets occasionally. The board is primarily a forum for low level information exchange.

The remaining two companies we interviewed have expressed interest in using the partnership approach. Although we have not extensive contact with one due to the time constraints on their part, a senior manager said that they would use the approach when an appropriate project came into view. The responses of this manager and others we spoke with are detailed below. As with the government officials and group members, we presented the model as it was used in Switzerland and then discussed whether participants thought it was applicable to their situation. All thought it was workable and applicable to their operations in some form, and all were impressed that it was the result of an 'industry initiative' to deal with a pragmatic situation.

Industry participants were most impressed that 'the industry saved millions of dollars because of their using this model'. To paraphrase, one manager said, 'generally this is not the way a big company operates.' But when the situation was explained all participants agreed, in general terms, that 'this was a rational thing for the company to do' and that 'it made good business sense'.

How companies would use the approach is very tied up with reservations about its application and how they might change it. One immediate reservation was the 'voting power of industry' in the original Swiss model, which was changed in our Australian-centred version. The managers commented that 'we do not have much of a chance

to win by only having two votes'. After analysing the possible voting coalitions on the Project Commission, the managers were correct that their chances of winning were somewhat less than in the revised model we later proposed, where the vote for companies was increased from '2' to '4'. Importantly, this increase does not change the underlying dynamics of the approach. All groups still have a relatively equal chance of 'winning' the vote.

One primary consequence in the original model was that the company implemented the project in four years rather than the anticipated ten. A senior manager in one of the major extractive companies we studied said 'we would need to streamline that as we would not want to wait for ten years…[in Australia] we would expect to get a project going in four years at the maximum. So, we would want to apply the model if we thought we could get everything down to, say, one year or two'. Secondly—and this participant had considerable experience with the Swiss case we presented—he said, 'Just from my observations, I think that the Swiss have a much greater sense of civic responsibility than Australians do…maybe that was why it worked so well there.' We responded by saying that there is no evidence that this is the case; what happened at Untervaz was quite outside the Swiss norm. Swiss managers were surprised at what happened there, as were senior executives in the company's international headquarters.

Other industry comments included: 'I think the concept is good' and 'we could use it'. However, 'one of the dilemmas in Australia, and this is not anything that you can do anything about' is that 'we have thought about community engagement in our Australian operations, but the problem is that there are very few guidelines, rules or structures that can help us out or help the community out'.

'Having committee members elected is certainly a good thing, as you then would not end up with minority extreme representation.'

'I think having local governments involved to the extent that they would be able to sponsor some kind of election to get members on the relevant committees is a good thing as it would get local councillors more involved in things'. However, 'you might have some resistance from them'.

'We could use [the partnership approach] in our company, even though we have old guard that are still fighting old environment "wars", but I think what it really comes down to are rules of representation'. The manager who said this also said that the approach would lead to considerable improvements in project monitoring. That was one of the primary aspects of the approach he was interested in. 'I know there have been criticisms in the past with EISs and that is true at the moment. The problem is

that there is no follow up and that hurts us as well as the community when things go wrong'.

'One thing I like', according to another company manager, is that it [the project commission] has a formal constitution and no-one, including the industry, can back out unless the situation is really serious'. Another participant said, 'there have to be agreements where the bounds of decision are set and the responsibilities are formally spelled out'.

There is nothing in the formal constitution keeping parties from pulling out of the project teams if they see that there is a severe violation of their interests; bad behaviour by other committee members; or any violation of regulatory policy or law.

One participant asked: 'Does the group in fact have the power to make an operation cease, or is it the case that when there is some agreement that when something happens, there are financial limitations to what would be expected of the developer?' We reiterated that, under the constraints of the approach, the developer and other participants have the right to pull out under exceptional circumstances, such as a financial or environmental crisis. If something like this was to occur then the issue would probably be handed over to the regulatory courts. The approach is not designed to work well in such extreme conditions.

A final question we asked industry participants was whether this approach was workable for their company. Our specific question was: 'If we develop this product and present it to you, would you be willing to get together with local councillors, community representatives, and relevant local groups to form a partnership?' The general answer was 'yes [but] it would take time and we would need to find the right project.'

7.5 The project specificity of the partnership approach

We propose that the partnership will only work if it is applied to specific projects. Therefore, we sometimes refer to it as a project-specific approach, and we stress that the approach calls for *limited* power sharing between companies and communities.

To put the point in theoretical terms, asking for a wholesale paradigm shift from the traditional management approach towards a more eco-centric participatory approach would be viewed sceptically by corporate managers. Indeed, in our interviews with managers, there were concerns voiced that 'we cannot turn over the running of our company to the community'. This was one response to the notion of power-sharing

limited to specific projects. When we pointed out that we were talking about specific projects rather than kind of wholesale power shift, responses were quite different.

A local community official said that they could adopt the model with enthusiasm, as 'it would give us some power to influence company and state government decision-making about development here'. He went on to say 'in our relationships with industry, the advisory boards and so on that we have, we can object to things, but nothing will get done. If we would ask for a costly change to their production process, which would favour the community or the environment, they would just ignore us'. On the other side, however, the corporate managers we interviewed said that these kinds of reactions were now rare, if not entirely relegated to the past. Corporate managers were increasingly contrary to existing company policies as they were developing standards for sustainability that both 'go beyond compliance and have sustainable development as an objective'. Our question about attempting to dominate locals or go around them was answered candidly: 'that does not work anymore if it ever really did'.

Our research findings show that project-specific power-sharing does not fundamentally contradict the world view of most corporations. However, research suggests any proposal requiring fundamental change to core corporate structures accentuates paradigmatic boundaries rather than bridging them. Sustained resistance rather than movement towards genuine community engagement must be expected by proposals seeking fundamental corporate change (Hoppe et al. 2006, Hoppe 2005).

8. What is the partnership approach?

The partnership approach is a working model based on a concept of empowered participatory governance. This approach should be familiar to people who study community development and change, people who work to increase local influence over decisions made by federal and state governments, and, of course, international corporations investing in communities. The success of the approach depends on company and community initiatives rather than state or national government agencies, although the latter would inevitably be involved.

The partnership approach outlined in this report is derived from research on industry–community relationships in Switzerland and Australia. The approach concentrates on projects with power sharing among those interested in the

economic, social and environmental impacts of project planning and development. Power-sharing and trust among participants are essential elements of the approach.

Communities involved in the partnership approach have real power to influence corporate and governmental decisions. Corporations save time and money by working with local people in the development of projects. The partnership approach is a new form of governance, currently operating successfully in communities in countries such as Brazil, Kenya, India, and America. Our research findings suggest that it is also workable in Australia.

The partnership approach is based on the fundamental principles summarised below:

- Establishment of an interstitial committee standing between industry and the community, with independent members representing both sectors

- A method for equitably and pragmatically selecting organisations and groups that will have representative members on the committee

- A method for the democratic selection of members from affected communities to serve on the committee

- Power-sharing among industry and community representatives regarding development planning and the selection and long-term monitoring of technologies

- Trust, or in this case 'local' trust. That is, whether local people believe that either the government, or corporations investing in their communities, can be trusted to do what they say they are going to do

- A practical orientation concentrating on specific, tangible problems.

Some basic questions about the partnership approach

How can we ensure that company initiatives to gain local support for their project proposals will lead to the sharing power with locals in project planning and implementation?

Company managers will have different opinions on this. Some companies will continue to ignore local groups, favouring the 'top down', non-participatory approach. The role of the community, in these situations, is passive and essentially powerless. If community action emerges in this instance, it will be to block company projects rather than help develop them. On the other hand, our research shows that a democratic, participatory process can be much more cost effective and efficient than dominating strategies so often used by industry and other groups.

Who should be involved?

If participatory models are accepted by industry, they work best when senior staff or preferably the CEO are directly involved. Research on industry–community relationships is generally consistent on this point. Local groups are more likely to feel that the company is taking their views seriously if senior executives represent the company throughout the process.

Does the company risk 'stirring up' protest by being so public with their project plans?

The answer to this question is 'yes' and 'no'. Companies should expect some resistance by groups who feel they will be adversely affected. This almost always happens. However, given that some conflict or disagreement will always occur, it depends on timing. If there is disagreement at the earliest stages of project decision-making, participants might ask 'How can we do this and minimise social and environmental impacts?' There might then be a search for alternative technologies and practices. However, if firm decisions are made by the company and communicated to the community at a later stage, conflict might be focused more on blocking company actions. When this type of rancorous conflict emerges, resolution through the courts is probably the only option. This is time consuming, expensive and frustrating for everyone involved.

What roles do company professionals such as engineers play?

Company engineers, for example, would play a critical role in presenting alternatives and their evaluations. Often engineers and other technical professionals are required to undertake an environmental assessment of a proposed project, but requirements for social impact assessment might not be required. Community involvement will force company engineers, for example, to defend their choices in public and consult with other professionals of opposing viewpoints. The end result could be more knowledge and selection of effective technical alternatives, minimising social and environmental impacts on the community.

What are the risks involved in the participatory approach?

Asking for community involvement in the earliest stages of project proposals is time consuming and expensive. However, the long-term benefits of a participatory approach make it worthwhile. When companies or groups attempt to push decisions through in a non-participatory project, the risks of discontent and protracted conflict are considerable.

A participatory approach is interesting, but is it good management?

Yes it is! Peter Drucker (1999), one of the leading management scholars of our age, writes that present day theories and models of business are no more than hypotheses requiring continual testing and examination. Good companies experiment with new ways of doing things. This is one of the principles of adaptive management, which is very much a part of the approach of the Coastal CRC.

In a participatory approach, does the company turn its management over to community groups?

No. The idea is that the company and community group involved work in partnership to manage the project.

Can more than one company be involved?

Yes. The model is project specific, but companies may share projects. Multi-company involvement would complicate the process somewhat, but that could be resolved at Stage Two when company representatives nominate their own participatory roles.

8.1 How does it work?

Local decision-making models of the type that we are suggesting are difficult to implement. Implementation is risky for corporations and local government, as the process will inevitably challenge their traditional powers. However, in the working model we observed, the local councillors involved found that there was considerable

benefit to the community and to their political futures. Local government has a distinct and critical role in the first stages of the process, which is organising a Coordination Team. Practically speaking, local government officials would necessarily be involved in the selection of public candidates for the Project Commission as well. Local councillors could nominate those they believe would serve the broader interests of the community and after that make sure that their behaviour as members is made known to the general community. Alternatively, members could be selected in an open ballot.

We assert that, in practice, the partnership approach will incorporate a mixture of these initiatives and that how committee members are chosen from the public side will be a mixture of representative and direct democracy. Other researchers studying emerging models of local decision-making have found that, over time, a democratic method of selecting public members to serve on committees will emerge (Fung & Wright 2003). This will occur if the community trusts the activities of the committees, and if the activities are transparent and can be monitored by several sources, including the local press. A third critical dimension of public trust and continued involvement is that the functions of committees are seen as effective by community groups and the general public.

Partnerships and other types of collaborations are primary ways of doing private and public business. Corporations, governments and their agencies, as well as public and private groups faced with an opportunities or problems, will inevitably collaborate in some way with other organisations (Thomas 2005). Partnerships are not new in the corporate world, although the partnership we discovered through our research and discuss here—the Swiss case study— is unique and has significant consequences for intelligent environmental governance (Hoppe et al. 2006).

How the approach is initiated and who participates will vary across communities. The empirical model that emerged in our research was based upon relationships between local community groups and an international company after it was clear that past relationships and ways of doing things were not working to resolve an emerging crisis. The company might have continued in the time-honoured, if ineffective, way of deciding what it wanted to do and then telling the community what it was going to do, whether they liked it or not. The company might have prevailed through this type of dominating power strategy. But as research now suggests, industry–community relations would have soured, and legal action would have tied up company time and money.

The partnership approach that we propose is most appropriate for projects involving one company within one community, although other groups, such as selected regulatory agencies and NGOs, are necessarily involved.

For the approach to work, there must be something to 'negotiate'. In other words, if the company or community are not willing to accept any alternatives to proposed development plans, the approach will not work. For example, companies may have long-standing disputes with external groups (environmental NGOs, for instance) and refuse to concede anything to them, and vice versa. These situations are uncommon. However, if relationships are grounded in a history of confrontation and hostility, then conflict resolution methods or legal alternatives are more appropriate than the approach we have devised.

Although our investigation focuses on single industry–community relationships, there is no reason why the approach could not be altered to involve multiple industries and communities. However, considerations of scale would require significant revisions beyond the scope of this project.

It is crucial for involved parties to decide which individuals should participate in the approach. We provide guidelines, but the success of the approach depends on public representatives being selected through a transparent democratic process. This process must allow scrutiny of the actions of group representatives, and dismissal if the participants are not behaving as the majority of the community public thinks they should. In other words, there would need to be procedures specifying how representatives are selected and how their actions are evaluated by the relevant community stakeholders. Although we can provide guidelines based upon the responses of those we interviewed in our study, 'who participates' is essentially a stakeholder decision for community, industry and other groups. Initiation of the process is more of a stumbling block than participation; once the process is initiated, our research suggests that stakeholders will devise a method for selecting participants.[2]

Because the approach is project-specific, the dynamics of initiation and participation will vary depending upon the project. The approach as presented provides a basis for moving forward toward partnerships rather than a final statement impervious to

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[2] In our long-term industry research, senior managers interested in community engagement processes often ask how they should set up a community group with whom they can consult. There are formal, essentially non-democratic, guidelines available in the management literature, but there is a straightforward yet complex answer. The community, through its political and civic organisations, should select participants. Although difficult to implement, taking the time and effort to do so eventually is beneficial for all stakeholders and provides a basis for deepening democracy at the local community level.

revision. Guidelines for both initiation and selection of participants are presented below.

The following section shows the revised approach for strategic partnerships we proposed, which is the primary output of the original project proposal. The approach is presented first, followed by the data upon which the revisions were based. Although we revised the model based upon our interviews, focus groups and other data sources, as with all research, professional judgements based upon theory, data and experience influenced our revisions. The approach assumes that the company, the industrial developer and local community groups are willing to formally develop a strategic partnership with limited project-specific power-sharing. Our research findings support this assumption. Of course, the primary purpose of the research was to consider the feasibility of this approach in the Australian context.

Although we describe the Swiss case study in more detail in the case study section of this report and Appendix 1, here we will briefly explain how it was initiated.

Local government and local NGOs started the Coordination Team. There was cooperation from the company involved, BCU, but the major work during initiation, or what we call Stage One, was from locals. However, the company proposed the Project Commission and largely funded its operations. Since our concern here is with large-scale industrial development and local community responses, we will start from the industry side.

Although we discussed the following in our literature review (Hoppe et al. 2006), we will summarise by saying that there are three important contingencies, for industry, that senior managers are increasingly recognising. They are: (1) socio-environmental management, meaning that local community and environmental relationships are increasingly important for managers; (2) establishing trust relationships with locals, which leads from the first; and, our addition (3) strategic, but project-limited power-sharing with local community people and their representatives.

Figure 2 specifies the relative advantages of our partnership approach compared with the social costs of a top-down model. Its focus is on the merits of establishing what we refer to as a Coordination Team and then a Project Commission, as opposed to relying only on an open technical forum (OTF) where passive community acceptance is considered a success by company and government officials. We present these as an abstract picture of what might occur, as participatory models would probably include an open technical forum. The critical difference is what happens after that. The impacts of the top-down model are based on our research

and other literature. Figure 2 focuses on what we have called the Coordination Team and Project Commission.

Theme	Partnership approach	Top-down model
Participatory structures or teams: benefits and limitations	Coordination Team and Project Commission • Constituted obligations and responsibilities. Genuine power-sharing constituted in voting rights. • Collaboratively established and agreed procedural guidelines for possible techno-economic disagreements • Coordination Team works toward consensus through collaborative problem-solving and final voting • Open Technical Forum might appear with full presentation of Coordination Team's discussion of alternatives, asking for broader public feedback • Prior to project proposal. Established simultaneously with the planning and development processes. Continuing participatory structure to be maintained until project is completed.	Open Technical Forum (OTF) • No genuine power-sharing. No constituted obligations or responsibilities. No voting rights of any kind. • Decisions by decree. Changes and amendments only in response to community protest. • Minor disagreements become major conflicts because there is no means for continual conversations between company and community • OTF is not an appropriate forum for discussion, cannot provide means for full discussion of alternatives • Ad hoc structure established only after severe complications and community disquiet. No previous, long-term or permanent forum available to deal with techno-economic issues.
Social trust	Benefits: • Social climate of trust and collaboration • Commitment to participatory and procedural fairness • Disclosure of technical information prior to techno-economic forum. Free flow of information is a matter of routine. • Scientific information primary means for decision-making as there is trust in its independence • Mutual definition of risk	Risks (costs): • Proposed leap of faith rejected by community because of 'backlog of pain' • Community struggle to achieve procedural fairness • Secrecy, no free flow of information. At best half-hearted and/or significantly delayed disclosure of technical information and reports • Scientific information primary means for conflict as groups do not trust information

Adapted from Hoppe (2005)

Figure 2. Participatory and top-down models of community–company relationships

One difference between the conventional use of the OTF to communicate decisions already made, usually in isolation, and the participatory approach is that the OTF can be used to communicate deliberations over alternative technologies that are being considered. However, in the top-down model frequently employed by industries and government, the OTF communicates what has already been decided. Even if public feedback is asked for at this time, so much work has been committed to deciding what should be done by industry managers, government officials and professionals that it is understandably difficult for them to react positively to negative public feedback—they may even ignore it.

Our argument is that the OTF is most productive when alternatives are presented rather than previously made decisions. There are sophisticated planning models in which alternatives are presented and public comments are asked for, but these models neglect any type of project-specific power-sharing. Typically, options will be presented in OTFs and public comment will be asked for. The comments collected through OTFs depend on whether community members attend the forums or submit comments through writing or opinion-gathering methods. Generally, such methods are 'one-off' exercises, too easy for the best-intentioned decision-makers to ignore. We are asking for adoption of a partnership approach that brings affected parties and stakeholders from the community into the decision-making process from the beginning. They should then remain involved, through project development and monitoring of impacts, until the project's completion.

Below we provide a summary of the principles upon which our partnership approach is built. We suggest that all suitable project proposals should involve the following:

- A method of participation based on project-specific power-sharing

- The inclusion of social and cultural community concerns into the risk definition, which is mutually established and agreed upon

- Formal agreement between industry–community stakeholders ensuring reciprocity

- Two teams, each entrusted with unique tasks:

  o The Coordination Team: developing a mutually agreed definition of risk, planning and co-authoring the project proposal

  o The Project Commission: monitoring compliance with earlier industry/government/community agreements, meeting regularly to

monitor construction impacts, social and environmental impacts on the community.

Although we argue for the benefits of a partnership approach, there are limitations. Not every community is capable of participating. The approach will only work when employed at the earliest stages of project proposals, and when community groups and companies can measure the benefits over time.

Whether there is trust to build on is important when considering if the approach is suitable for a project. Communities divided by intense factionalism usually have low levels of public trust in local government and business. Communities with a history of intense conflict with companies are relatively common in Australia, especially in the mining sectors. These communities will have difficulty implementing the approach due to a low level of trust. Time is also an important variable; the partnership approach will work differently across different time frames. The approach is limited to projects where there is something to negotiate, and where attitudes of stakeholders are relatively flexible regarding decisions about technologies that would be used for, say, quarry development, or how the impacts of the project will be monitored.

The partnership approach is potentially powerful in its outcomes, if applied properly, but there are pragmatic limitations as to when it is possible to use it. However, we know of other approaches that do not work well for most issues and those are generally based upon domination or power strategies (Hoppe 2005). When problems arise in non-participatory approaches, legal challenges exercised through the courts are usually the only methods that can be relied on to forge an uneasy peace. Experience shows that the economic, personal and environmental costs are substantially higher for domination-based, top-down approaches than participatory approaches.

Below, we highlight some ways for participants to maximise the benefits of our partnership approach and avoid the costs associated with the top-down model. We derived these guidelines from our research on organisational and community change. We discuss stages of the planning process from company and community perspectives. Here we are not referring only to the professional planning process, but social and political processes associated with community interaction.

8.2 Opportunity and problem stage

Corporations are designed to search constantly for new investments to expand the scale of their operations. We refer here mostly to economic opportunities. Opportunities can include mineral discoveries, new markets or any number of

projects promising to increase company growth. But problems may arise, such as the potential depletion of minerals, which may be devastating for the future of the project. At this point the question 'who or what group can help us?' will inevitably emerge. Often in that situation, help is requested from Australian or international organisations rather than local community residents and groups. However, management literature and CEOs are increasingly recognising that good contacts at the local level are critical to their business.

There is a range of questions that company managers might ask at this point. Students of corporate behaviour would agree that the questions might range from 'Who can help us?' to 'Who or what group do we tend to defeat to do what we want to do?' We assume that rather than automatic acceptance of a strategy of dominance, the company will choose a strategy of collaboration and partnership. Otherwise, neither our model nor any other based upon industry–community collaboration will work. We also assume that the participating company will abide by environmental regulations and assess the social and economic risks of the project to communities. Finally, and critically, if negotiation, bargaining and decision-making are going to occur, then there have to be 'negotiables'. Are there alternative technologies, sites for construction or mining that could be selected by the committee? If either the company or the community are unable to negotiate on such issues, then the model we propose will not work.

After companies and community groups have initiated the process, the first step is developing the Coordination Team. The second step will be setting up a Project Commission.

8.3 What does the Coordination Team do?

In this section, we will explain what the Coordination Team does. We will also explain how one can be set up by a company, community group, or both. The best way to do this is to describe how it has been set up in an empirical situation. Following that, we will ask and answer questions that companies and communities will understandably have as they attempt to apply the model to their situations.

Our guidelines are informed by what we observed in an empirical case study as well as the research literature. The partnership approach can be initiated by companies or communities, or, as we observed, by both. We will describe a relatively formal process for initiating the approach. However, we know that this formal process also involved numerous informal contacts between company managers, community officials, NGOs and influential locals. This is normal when legitimising the proposals

and actions of any group.

The process of setting up a Coordination Team will include the following:

Guidelines for initiation: companies

If the company sees community contacts as critical to planning a new project for development, contacts with locals have to be made at the earliest stage of project development. This is a primary recommendation of our approach. The company, because of its history or its incapacities to relate effectively with local groups, may decide against any type of project power-sharing. As a consequence, the social risks to project implementation are increased. Our research observations suggest the following sequence of events in company planning. We are including both 'what does occur', from our observations, and 'what should occur'.

Selection of contacts by companies

Researchers use various techniques to select influential people and groups in the community who could mobilise either support or resistance to planned change. The most effective is what has come to be called 'strategic perspectives analysis' (Lane et al. 2003). It is a systematic but non-democratic method of selecting who should be contacted to help plan a development project. The method is essentially a 'census' of local influential groups who are capable of helping plan new developments or blocking company initiatives if they think that the development would be contradictory to their interests. In short, although non-democratic, the 'strategic perspectives analysis' is a way to establish contact and, we would argue, a beginning that could lead to community awareness and action.

Concepts of risk for companies

Risk analyses are increasingly common in business, but usually risk is defined in strictly technical terms. The company needs to consider social risk associated with community discontent or actions to block project proposals unacceptable to community groups. For many projects, this is a real possibility.

Throughout the process, companies may contact local political leaders. Research suggests that if such contact is kept silent and negotiations are isolated from general public view, the chances of rancorous conflict and costly intervention rise dramatically as the project proceeds.

A democratic method of contact would be to announce publicly before any final decisions are made that a project is proposed and invite public involvement. Our

case study in Switzerland suggests that this alternative is by far the most equitable and beneficial.

Guidelines for initiation: community groups

As stated, initiating and implementing the partnership approach will involve formal and informal contact between company and community representatives. This is a democratic process. Local 'champions' from the community will often use their influence to initiate the approach.

An open 'public forum' and direct contact from company representatives to strategic community groups are two ways for companies to initiate the partnership approach.

If the proposal is open and community groups are approached as early as possible, it is more likely that community involvement in company planning will be successful.

Community responses will differ. A company may choose a public forum as the primary means of initiating the approach. In that case, community groups will need to mobilise quickly, formulate responses, and solicit support from within and outside the community. A common source of outside support would be environmental groups and other NGOs. A source of support within the community would be local government representatives.

The level of influence community groups will exert over the project will depend on how much local and external support they can garner.

Companies request community involvement to assist with development of their project proposal. For the project to go ahead, local residents should genuinely accept that the project proposed would promote economic development balanced with social and environmental justice. Negotiations between company and community should focus on how to establish limited project-specific power-sharing.

Continual and early contacts should be made within the community before the company decides on the nature of project and how it should proceed. Companies should not pre-empt decisions under the partnership approach. When this happens and communities are not consulted, conflict will inevitably replace collaboration.

Some basic questions about the partnership approach for community groups

What about power in the community? Some groups have more power than others; how do we get around that?

This is a fact of life for all communities. Paradoxically, it takes a well-organised group to initiate the partnership approach and involve the general community. When applied, the approach should democratise project planning and offer real rather than symbolic power to community members.

Big companies have dominated many of our communities around here for years. How do we get them to really consult us and share power with them in project planning?

This is a question we were often asked when conducting research to evaluate the partnership approach. We cannot provide a definitive answer for any given company. However, research shows that there is considerable change going on in managerial thinking. For example, companies are 'going beyond compliance' so that managers do not have to worry about government regulations. International companies are finding that their most important relationships are at the local level; doing business requires good local relationships. By this, we do not mean the old-style relationship of siding with local elites only, but taking a more comprehensive view to local community relations. Finally, company managers, in our research and that of others, concede that approaches based upon domination of locals 'do not work well' and are 'costly in the long run'. Corporations are economic organisations and the economic bottom line is important.

If we take your advice and set up a Coordination Team and a Project Commission, can we really trust company managers to share power with us?

The partnership approach we propose, if applied correctly, is reliable. In our approach, people are held publicly accountable and decisions are subject to scrutiny. Research shows that the more transparent projects are, the greater the motivation for general public involvement; the more public involvement, the more knowledge flows through the community. Increased knowledge should positively affect the governance of planning and development.

If company managers initiate the process of community collaboration and partnerships, as you are suggesting, will this mean that they will control everything?

While that might be their motivation to begin with, community members should be able to trust the process even if they do not trust an individual manager. Again, the process of collaborative decision-making is democratic even if its initiation might not be. One senior manager who actually initiated a collaborative process to promote a project vital to his company's future said, 'We were losing control of the situation and had to try something different'. In other words, an innovative manager and his colleagues tried something different to what they had done before in their relationships with the community—and it paid off. The company regained control and stability by giving up domination for collaboration.

If communities have more power in these situations, do state government agencies such as Natural Resources and Mines have less?

Yes. State agencies, like companies, cannot dominate decision-making if the processes we recommend in the Coordination Team and Project Commission are implemented. They are represented, but their representatives are constitutionally bound to work with the committees as independent agents. They work to co-author proposals and monitor project development. We found that such a process worked well. State agency representatives fully familiar with regulatory requirements co-authored project proposals.

Establishment of the Coordination Team: analysis and planning for development

At this stage of the project, companies should be organising financial and expert resources. Companies should also be making contacts within state and national planning and development agencies, suppliers and associated organisations. Contacts with the community should be established by this stage.

If a company initiates a partnership approach, they will need to answer questions such as who will represent them in the partnership, and to what extent are they willing to share power. Our research suggests that if senior managers represent the company, community groups are more likely to feel that their views are being listened to and the process is worthwhile. Alternatively, a community group rather than a company may initiate the process. In that case, community representation will be a critical factor in setting up the Coordination Team. If there is agreement that a project-specific committee will be set up to develop the project proposal, then a Coordination Team comprised of community and industry members will organise resources for project planning and development.

How the Coordination Team is established is a critical question. The best guide for

selection of members is to study what others have done in similar circumstances. The Coordination Team must have widespread community representation, with representatives from state and perhaps national agencies, who are empowered to act independently. The Coordination Team must also contain representatives from the company and the general public. To illustrate, see the comment, below, of a senior executive in our European case studies:

> 'To obtain all the necessary approvals and permits in an amicable way we decided to establish a special team [Coordination Team] and invite all the people who are lawfully entitled to comment on the project. So from the very beginning, we invited them to cooperate and contribute to this working group. The committee include representatives from the WWF [World Wildlife Fund], Greenpeace, local green and interest groups, community representatives who were elected by the community and some ornithologists' (Hoppe et al. 2006); Hoppe 2005, pp. 7, 34-35).

In that case study, putting together the Coordination Team was done through a combination of public and private group efforts, as will be the case in any community. We elaborate these points below, suggesting general guidelines and alternatives. Regarding the selection of public members, we are strongly in favour of elections (local council elections). However, we recognise that would not be possible in some circumstances. The important point is that the role of the Coordination Team is transparent and that the team's deliberations are public and can be monitored.

There are three important points here. Firstly, the Coordination Team will have decision-making power independent of the company or the community. Secondly, there will be democratic procedures enacted to guarantee the possibility of appropriate turnover within the team, particularly with respect to community representatives. Thirdly, appropriate agencies of state and national governments will have power of 'oversight'. Some will have representatives on the Coordination Team, but these agencies will not have final decision-making power (see Figure 2).

Membership on the Coordination Team is reasonably straightforward for most, but not for community members. Although we favour a selection process based upon direct democracy, pragmatism suggests a balance of direct and representative methods. In other words, the community members can apply for membership, in response to public advertisements. These ads would be sponsored by local government and the company or companies involved. At the membership interview, candidates should expect a standard employment interview situation. The selection committee would consist of representatives from industry, local government and

state government agencies. Membership of the selection committee would vary, depending on local preferences.

The Coordination Team, as outlined below, will develop a mutually agreed definition of risk, planning and co-authoring of the project proposal. The team will present their project proposal to appropriate state and national agencies, government officials at all levels.

The completion of the project proposal signals the end of the Coordination Team, as its primary function is to organise collective efforts to develop a project proposal.

If the Coordination Team has successfully completed and presented a co-authored project proposal, it could serve as basis for organising selection of members for the project commission. The Coordination Team would not select public members, but could play a significant role in establishing selection procedures.

The Coordination Team, because of its wide membership of corporate, government and NGO members, would take an important role of drawing a formal constitution to guide Project Commission decision-making.

We have observed in our research that it is critical that representatives of groups and organisations are rotated on a routine basis. This should be written into the Coordination Team's constitution.

Our research findings suggest that the progressive nature of the partnership approach and its actual application requires a long-term perspective. However, from the Swiss case study we developed a significantly revised, ready-to-use model of strategic community engagement, based on project-specific power-sharing. In spite of its progressiveness, our approach generated an extraordinary level of interest in participants from the water, mining and cement industries, as well as some state government agencies. Four participants committed themselves to applying our approach as soon as appropriate developments become available.

Stage One: Establishment of the Coordination Team

As indicated earlier, we suggest the establishment of two organisational teams. The first team, which we call the Coordination Team, engages the community in the planning process, the co-authorship of the project proposal and the development of a mutually agreed risk definition for the project. We will go on to discuss the second team, the Project Commission, later in the report.

Below, we offer some general guidelines on the responsibilities of the Coordination Team. Please note that these guidelines are not project-specific.

Responsibilities of the Coordination Team

The primary role of the Coordination Team is to examine all decisions made by the project management and development teams. The project management team is responsible for supervising the traditional development processes. We expect, however, that public relations and the dissemination of information will play a primary role in this 'Step One' of our proposed partnership approach.

Our research findings show that the free flow of correct and timely information is one of the main drivers of social trust. It will be the responsibility of the Coordination Team to inform the local community in regular public meetings about the latest developments in the project planning process. In these public meetings, local community concerns will be noted and passed on to the coordination team for consideration. If consensus cannot be reached, alternatives have to be found and agreed on by all parties involved in the project. By suggesting viable alternatives, the local community, through its representatives in the Coordination Team, have the power to influence and change existing development designs.

Of particular importance to the Coordination Team is the assistance of state government experts. If experts are appointed from the appropriate agencies, any emerging deviation from state regulatory requirements can be corrected long before it becomes a serious problem.

During the data collection phase of this process, we conducted a number of interviews and focus groups, which led to an open dialogue between researchers and participants. We answered as many questions as we asked of participants. Below we present our answers to some of the participants' frequently asked questions about the Coordination Team. We draw on the Swiss case study in many of our answers. The questions reflect the interest of many participants in developing the approach for use in specific projects.

Basic questions: the Coordination Team

What about state and national laws and policies associated with environmental assessment, planning procedures, equity and the like?

Any developmental process, participatory or otherwise, is subject to government laws and policies. A major advantage of having state government members on the Coordination Team is that they will have full knowledge of compulsory regulations. This was a distinct advantage for the Coordination Team in the Swiss case study.

Who really has the power when the Coordination Team is set up?

Ideally, power is distributed evenly throughout the team. For the partnership approach to work, the community group and company should share power evenly. But the power shared will be project-specific and will probably not continue once the project plans are finalised.

How long does the Coordination Team last?

The Coordination Team should last only until the project is started or a decision is made to curtail a project. After that, we turn to the Project Commission. The Project Commission monitors the project throughout the development process until implementation. (We describe the functions of the Project Commission in more detail below.)

Are those directly representing the community (public members) paid to participate?

Yes, they should be paid. But ultimately that is a decision for the team, who would need to generate a fund for payment. In the Swiss case study, public representatives were paid. Funds to pay public members were seen as part of the expense associated with the establishment of the Coordination Team. Money came from government agencies and the company involved.

Who controls technical aspects of the project, such as writing engineering reports?

The Coordination Team should bring group decisions and technical information together. The team should have technical experts as members. Members can call in the technical expertise they need within the limitations of their budget and can have direct question and answer sessions with relevant technical experts.

Who pays for the technical consultations?

The Coordination Team should pay for technical and other external consultations. In the Swiss case study, the Coordination Team secured funds from corporate members and government agencies. This funding paid for external technical consultants who were asked to study and review the team-authored project proposals. This process usually took two or three days. The consultants then wrote a report for team members. Occasionally, the team invited prominent environmentalists, university professors and other interested parties to present their views on the project. Often the Coordination Team paid travel and accommodation costs but no consulting fees.

How are the agendas set? And who calls the meetings?

In the Swiss case study, members of the Coordination Team and the Project Commission called the meetings and set the agendas. Members would often bring up topical issues at the meetings that were not explicitly covered by the agenda.
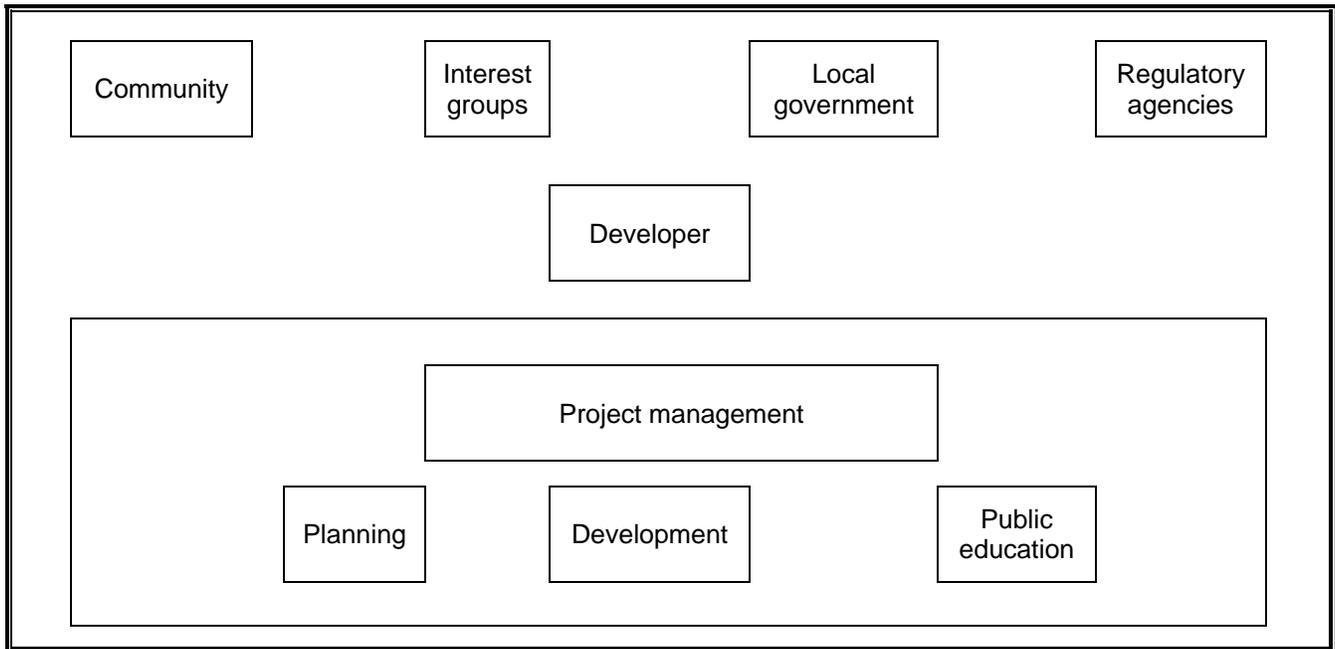
Community	Interest groups	Local government	Regulatory agencies

Developer

Project management

Planning	Development	Public education

Figure 3. The members of the Coordination Team

8.4 Who are the members of the Coordination Team?

Our research findings suggest that, ideally, the Coordination Team should consist of about 15 members. The team could be smaller or larger depending on the scale of the project.

As a guide, the Coordination Team may be composed as follows:

Community (four members)

Four representatives from a broad cross-section of local communities affected by the development.

Interest groups (four members)

Four members from local interest groups, providing a broad representation beyond project-specific, single-interest groups. Groups with a wide range of community members from various social strata, with a philosophy of 'serving the community before self', could be instrumental in a successful outcome.

Local councils (three members)

Three publicly elected councillors, to be re-elected or replaced in the process of the local government election cycle. The Coordination Team is responsible for selecting local councillors.

Regulatory agencies (four members)

Four representatives from regulatory agencies, functioning as referees rather than regulators, as the process moves significantly beyond compliance and thereby outside regulatory authority. By including representatives of the major regulatory bodies, the team can discuss and correct deviations from regulatory requirements long before they develop into serious problems.

Development company

No more than two senior executives representing each of the development companies.

8.5 What does the Project Commission do?

The Project Commission monitors the project throughout the development process until implementation. The Commission monitors the development project's compliance with the project proposal as prepared by the Coordination Team. Members of the project commission must represent a broad spectrum of public interests.

We have previously discussed the importance of participatory approaches (Hoppe et al. 2006; Hoppe 2005) in providing a means for continual discussion between stakeholders in development projects. The project commission provides an outlet for such discussion. When there is no outlet, relatively minor conflicts build up over time into major confrontations. Again, one of the best ways to judge the effectiveness of a project commission is to study how it has worked in the past. Hoppe (2005) reports a response from a local councillor who served on the project commission of our Swiss case study:

'At all times of the project we were equal partners and that is why the project went through the council general meeting practically without any problems. We felt we were partners with equal rights. We did not agree with all of [the company's] ideas but we accepted that they were trying to save their business, but they too accepted our concerns and the problems we had with the project.

We are after all a local authority with very ordinary social, economic and political interests, but the company accepted that.'

The project commission meets regularly to discuss issues associated with project implementation, such as cost, efficiency, quality control and any problems that might arise, such as:

- noise pollution

- dust pollution

- traffic problems

- issues of equity

- complaints about workers, e.g. construction workers, linked to the development

- concerns about non-adherence to construction guidelines.

Project Commission members will routinely visit the project site and receive reports on progress of construction or its operations.

At the first meeting, members will discuss topical issues and vote to accept or amend the commission's constitution (authored by the Coordination Team). Members will have read the proposed constitution before the meeting and probably discussed it with the people whom they see as their constituents. The constitution lays out the rights and responsibilities of each member, who is eligible to join the project commission, how the joining process works and how the exclusion process works.

Members may be excluded for non-compliance with the constitution. Similarly, the constitution will guarantee the right of members to leave the project commission voluntarily if they feel that it is not operating on the basis of its constitution or that members are acting irresponsibly, unethically or illegally. If non-compliance is detected, the Project Commission is empowered to refuse the commencement of the following development phase. The commencement of the next development stage may be refused until compliance is reached.

The second meeting will include presentations on selected project technologies and their expected outcomes. While the Coordination Team will have agreed on these issues already, they should be subject to continual discussion and monitoring. This is the primary role of the Project Commission.

Members will set the agendas for the meetings through the commission's secretariat. Meeting agendas should be open to public inspection. There may be some financial matters excluded from public views (related to corporate expenditure), but these matters must be reported to the commission.

The Project Commission should meet at least monthly from the beginning of project implementation, or more frequently if necessary as the project develops.

The Commission's constitution will allow any member to call an unscheduled meeting. This is necessary if members need to discuss an important issue outside of the regularly scheduled meetings.

Discussions and decisions of the Project Commission will be presented to the community, participating government agencies, registered NGOs and the general public through open forums. In this way, the activities of the Commission can be monitored.

Basic questions: the Project Commission

Who initiates the Project Commission?

In the Swiss case study, the company initiated the Project Commission. In theory, any group with enough resources could initiate the commission. But because the partnership approach presumes that companies will be willing to share power with others in the development of a project, the role of the company is critical.

How do we know that the commission is doing its job?

Once members are selected, the commission will be monitored by various groups. Project operations are likely to become a favourite topic for local media organisations that will play a key role in publicising project-related activities. The commission will also be monitored through scheduled turnover of members. Open Technical Forums (OTF), although problematic (see Figure 1), can be productively used. They could be held every three months, for example, to report publicly on the progress of the Project Commission.

Are the public members paid for their time?

Yes, they should be paid. In the Swiss case study, the company paid the expenses of public members. A fund would have to be generated to pay salaries and incidental costs.

How long does the Project Commission last?

It lasts through the life of the project. Toward the end of the project when construction is completed, it is likely that technical professionals will make decisions on-site. Consequently, the commission will have less to do. However, it could be reactivated in the event of problems.

How are votes allocated within the Project Commission?

Each member of the commission should have equal voting rights, but this is not always the case. In the Swiss case study, the company was allocated two votes and each of the other members one. Project Commissions can establish their own rules for allocating votes. We have set out guidelines for democratic voting based on our research (see Figure 4).

How do we know that members, particularly companies, are going to stand by election results?

The partnership approach is based on trust. But it will still be necessary for Project Commission members to sign a statement demonstrating that they will stand by the vote, unless they feel that the commission is acting unfairly or unlawfully. The constitution will allow members to leave under these circumstances. Leaving the group would mean that trust has disintegrated. Legal alternatives or formal methods of conflict resolution will then be necessary to bring the parties together. Should a member leave under protest, it would probably mean an end to the Project Commission. But as long as there is something to negotiate, we argue that the Project Commission will stay together and stand by group decisions such as election results.

How do we keep people with vested interests away from the group?

We don't. All affected groups have a right to be heard by the Commission or even elected or appointed as members into the group. The company itself has vested interests. By joining the group, members with vested interests become responsible for monitoring all impacts of the project, not just those that affect their area of interest. Therefore, the entire project should become a 'vested interest'.

Stage Two: Responsibilities of the Project Commission

To underpin the Project Commission with a legal status, we suggest the development of an official constitution in which terms of reference, obligations and duties are specified. The constitution may require the Project Commission to:

- monitor, supervise and control the implementation of earlier agreements made by the Coordination Team

- appoint an independent technical expert to advise the commission throughout the project

- conduct a physical inspection of the development at least twice a year

- examine whether each phase of the project is conducted within regulatory guidelines and conforms to the earlier Coordination Team agreements.

- develop contingency plans to be implemented in the event of failure or premature closure of the project

- modify the development approach in response to changing circumstances or new insights, if necessary, as long as the modifications are environmentally, technically and economically sound

- report progress at a public meeting to the local community at least once a year, or sooner if necessary.

We expect that the constitution will empower the Project Commission to deal with problems long before they have an opportunity to create community discontent and social disharmony.

The Project Commission solves problems of non-compliance by negotiating with the appropriate stakeholders. If agreement cannot be reached, a quorum vote decides the contentious issue. To reach these quorum decisions the votes are distributed as shown in Figure 4. However, ballots and their results do not remove the right of the parties to seek legal counsel. Appeals against decisions made should be directed to the appropriate authorities.

8.6 Who are the members of the Project Commission?

Project Commission representatives	Member	Chair	Secretary	Advisory Vote	Quorum Resolution Votes
Interest groups	4				4
Local community	2	1	1		4
Local councillors	3				3
State government agencies	4				4
Technical expert	1				1
Developer	1				1
Project management/experts				2	
Community experts				2	

Figure 4. Members of the Project Commission[3]

As shown in Figure 4, the Chair and Secretary will be drawn from the core members; the selected candidates are to be appointed by the Commission by mutual agreement. The Chair and Secretary positions are crucial and could rotate across the membership, but practically speaking these positions will most often be held by community or company representatives. There will be no special voting arrangements for the Chair or Secretary. The structure of the Project Commission may change if case specific circumstances require the increase or decrease of its membership. Therefore, Figure 4 should be used as a guide only.

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[3] Figure 4 is a revised version of the original model of strategic partnerships presented previously. Revisions were based on project-specific research.

9 Objectives

For this project, the research team conducted an in-depth study of participatory approaches. Our main objective was to use our findings to develop a partnership approach. Our approach is designed to facilitate productive partnerships between international companies and the communities affected by their development projects.

We believe that our partnership approach will achieve the following objectives:

- developing effective collaborative relationships across industry, government and community, to assure local support for the introduction of new technologies or developments

- employing technical experts to move planning and decision-making processes beyond current limitations

- providing a means to identify potential problem areas early and resolve these collaboratively, thereby avoiding community opposition and the associated costs

- promoting informed debate on local economic, socio-cultural, political, environmental and technical issues

- encouraging users of the partnership approach to tailor it to their own situations—the approach is project-specific

- offering communities real power to affect developments by giving them a voice.

The shift towards industry and community partnerships requires a rethink of the basic structures of our political institutions, and demands significant changes to the community engagement policies of industrial organisations (Stenekes 2006). The reorientation of institutional and organisational structures with regard to genuine community engagement is inherently complex and requires a firm understanding of the organisational and institutional change literature. Our literature review (Hoppe et al. 2004) deals with these complexities and is designed to address senior decision-makers from appropriate government agencies, industry practitioners and our professional peers. The reason for this selection lies with the existing inequalities in power relations, meaning that community engagement, as we understand it, requires a limited power shift towards community stakeholders. Along with other researchers (Fung & Wright 2003), we aim to offer workable guidelines for partnerships that will benefit both community and industry.

10 Proposed benefits and outcomes

10.1 Project-specific benefits

While the partnership approach requires an initial outlay of resources, it has proved to be highly beneficial in the long term. The approach should save time and money in the development proposal, the implementation stage and in long-term project monitoring.

Under the partnership approach, industry saves time and money which might otherwise be spent on attempts to quash community resistance to development plans. Communities benefit if corporate development plans are balanced with social and environmental justice.

Rather than being a tool for conflict management, the approach allows companies to work directly with the communities that are affected by the development. This way, issues can be resolved before they become major conflicts.

10.2 Long-term benefits

The partnership approach may appear radical, but the long-term benefits have been found to far outweigh the risk and uncertainty. In the long term, we propose that the model will provide a forum for scientific experts and government officials to engage directly with the general public over the practical problems of environmental management.

The partnership approach has the potential to create lon- term trust-based partnerships between communities and local groups affected by a company's developments or practices. It allows projects to progress faster and eliminates costs that would otherwise be incurred through ignoring or misunderstanding the needs of the community.

10.3 Research benefits

The major benefit of this research project for CRC partners and the general community is an increased knowledge of approaches to industry–community relations in environmental management. This project complements other research areas in the Coastal CRC, particularly the 'Citizen Science' and 'Decision Frameworks' projects.

Through our research, we met with some representatives from industry and government who have expressed interest in using the partnership approach. These include the Ipswich City Council; Brisbane Water (where Dr Peter Hoppe, formerly a

Research Fellow on the project, is now a Project Manager); and Rio Tinto. This was an unexpected benefit of our research.

10.4 Proposed outcomes

We have achieved two of our desired outcomes throughout this research project. Firstly, we proposed and delivered a thorough literature review summarising the experience of industries, communities and government groups in environmental management issues. Secondly, we have established a working relationship between ourselves (the research team) and relevant stakeholders. The research that we conducted to achieve these two outcomes led to the development of our revised partnership approach, which is the most significant outcome of this project.

Our desired outcomes from the initial proposal and how we met them are:

1. The development of a practical partnership approach or guide which could assist in developing the effective industry, government, community relationships that are vital for assuring local support for the introduction of new technologies or techno-economic developments.

    We have presented the revised approach, which was based on extensive and intensive contacts with industry, local government, local non-government groups and influential decision-makers representing state agencies. As discussed in the methodology section, our procedures were straightforward. We presented the approach based upon our previous research; asked participants whether they thought it was workable in Australia, particularly Queensland; and, if so, how it should be revised. The revised approach is an outcome of these discussions.

2. The approach should be developed collaboratively. The process should include stakeholders from local and state government agencies, industry practitioners, community representatives and scientists committed to an interdisciplinary research approach. The approach should integrate science and decision-making at the local level, where ordinary people and their representatives can routinely have access to scientific and engineering talent. Decision frameworks can then move planning and decision-making processes beyond the limitations of current models of industry–community relationships.

    The approach, as promised, was developed collaboratively based on a very wide group of people representing industry, government and community sectors. Its application promises to give locals real rather than

symbolic power. The approach extends the boundaries of companies to include local people as partners in project planning and development. Although at first appearing 'messy' and 'against the way we have always done things' to managers, they were uniformly swayed by the potential savings of time, money and community relations.

3. The revised partnership approach should provide a means to identify potential problem areas early and resolve these collaboratively, thereby avoiding community opposition and the associated costs.

    Our approach calls for participants to air minor differences before they result in major conflicts, which may lead to irreparable differences.

4. The partnership approach should encourage an informed debate with a focus on local socio-economic, socio-cultural, political, environmental and technical issues.

    The coordination team and project commission are made up of representatives from industry, community groups, government, interest groups and the sciences. This broad group should achieve the above outcome through regular meetings.

5. The partnership approach should increase public identification with a development project, thereby reducing opposition, enhancing community confidence and increasing the acceptability of the final project proposal to the community. The concept of project 'ownership' should be encouraged.

    There is a general objective in modern community development theory associated with 'empowered participation governance'. The idea is that local people should 'own' the projects within their community, whether initiated locally, nationally, or by private industry. The Swiss case study showed that, by employing a partnership approach, locals over time came to view the project as 'theirs'.

    We argue that the encouragement of community 'ownership' is one of the greatest strengths of our partnership approach. Our research findings indicated that those who use the model take ownership over it. The approach is designed to be modified to suit specific projects. As long as the basic principles are applied—which include project specific power sharing, co-authoring of development proposals and strategies for long-term project monitoring—then the approach should achieve the desired outcomes.

11 Limitations of the approach

While we have argued the potential of our partnership approach, we must also discuss its limitations. Below we outline some limitations of the approach.

Community support

It is essential for the community to support the development enough to engage in a partnership with the company. If the community is fundamentally against the development, it is unlikely that they will engage in a partnership approach. This approach will only work if the community can see the possible benefits of the project.

Non-hostile relationships

The partnership approach does not resolve existing conflicts. It helps to avoid potential conflicts before they become major impediments to meeting a company's or a community's needs. The partnership approach requires that communities and the company have a level of trust that can be built upon.

The approach is only effective if established in the early stages of project development, before interested parties have hardened their views either for or against the project. Again, this assumes that the community does not have a history of conflict with the company. If such a history exists, the community may find it impossible to negotiate with the company using the partnership approach.

'Negotiables'

If local groups and the company are to negotiate in this process, there must be areas that are negotiable. For example, parties may negotiate on whether there are alternative technologies, practices or development sites. If any party is unable to negotiate, the partnership approach will break down.

Executive support

The partnership approach must be driven by the more powerful player, that is, the company. Community groups can negotiate the process, but companies must commit if it is to work effectively. The process works best when the CEO or senior executives are directly involved. The process will be seriously undermined if these senior company members do not want to be involved.

Trust and cooperation

Once the partnership approach is initiated, all parties involved should cooperate and place trust in the process and each other. The approach will break down if any member is unable to cooperate or refuses to uphold on a team decision.

12 Conclusion

Concepts of community development are increasingly centred on what it means in terms of the triple bottom line—economic, environmental and social balance. We believe that our partnership approach is one of the best ways to achieve this balance. We have shown in this report that effective, ongoing relationships with local groups and agencies help companies resolve conflicts early, and respond to social and environmental problems as they emerge. These relationships create trust that can help with implementing future developments and practices. Communities benefit, too, as local people have real power to influence company actions on issues that directly affect their community.

If followed correctly, the approach would bring together people from communities, local government, state government, international corporations and NGOs. Each member would have real power to influence the development. In Stage One, members would form the Coordination Team to bring the project to the implementation stage. In Stage Two, following project implementation, the Project Commission would oversee the project, closely monitoring the social and environmental impacts.

We have aimed to develop an approach suitable for Australia. Our approach differs significantly from strategies of domination, power-mongering and conflict that have occurred within Australian communities. In the absence of a workable model of strategic partnerships between companies and communities in Australia, too often companies use dominance strategies to forestall local involvement. Such strategies lead to community protest and resistance to the project. We cannot fully predict the consequences that the revised approach will have in Australia, because we have not yet seen it in practice here. However, we are encouraged by the success of the Swiss case study.

More research on how current participatory approaches work over time is necessary. One of the research focuses should be on how trust emerges in these partnerships. As we have continually stated, trust is essential. Communities and companies must place trust in the approach before entering into it.

In communities such as Port Curtis, studied for many years by members of the research team, international corporations investing in the communities had gained only very low levels of community trust. More general research has shown that most Australians think big business has too much power—that they 'go unpunished when they break the law'. Confidence in Australia's basic institutions, such as industry and government, has generally declined (Wilson et al. 2005). The approach we propose builds in reciprocity through its constitution and through the agreement of parties to stay in the partnership even when they lose a vote. Trust, in this respect, is constitutional.

The partnership approach is flexible enough to be modified for use in any suitable development project. Even though strategic partnerships between communities and companies would vary by culture and geography, there are basic elements that should promote an outcome such as the one we observed in Switzerland.

The first necessary element is the direct involvement of the community in project decision-making. While elected councillors represented citizens in Untervaz, direct community consultation occurred through open meetings and distribution of meeting agendas and other information sharing. The second element is what Fung and Wright (2003) call a 'pragmatic orientation', which brings people with common interests together to try and solve concrete, definable problems. The third element is what we call 'continuous conversations'. Here, decisions are neither the result of majority rule nor professional status. Finally, if 'deep democracies' are to last, according to Fung and Wright (2003), 'organised countervailing power' is necessary. This occurs when the conventional power of elites is reduced or neutralised so that ordinary people and those directly representing them have a say in what happens to them and their communities.

A fundamental question of our research was whether our proposed partnership approach was workable Australia. The qualified answer from participants was 'yes'. Perhaps most importantly, we received approval from the industry managers and local councillors. State government officials we interviewed were most supportive of the approach. This was surprising, since the approach calls for the role of government to be reduced.

There was uniform agreement among participants that limited project-specific power sharing, co-authoring of proposals and continual monitoring by the partnership was essential to adoption of the approach. Power-sharing was important for local councillors, as it would give them more power than they now had, according to their responses. Monitoring was also seen as essential. This was related to the general

lack of confidence in environmental impact statements and general processes of social and environmental assessments administered by higher level government officials.

Community members supported the approach, because it could give them a voice. They felt that it was essential for them to 'own' the process. Industry managers supported the approach because they believed that it would save them time and money. More importantly, in our view, it would encourage proactive stances on environmental sustainability, rather than facilitating minimal compliance to environmental regulations.

A final statement by a senior government official active in sensitive industrial developments summarises what we think of the approach:

> 'What I love about it, Peter, is that it is just a nice simple story. It is a basic [approach]…it nicely benefits people and industry when they do it. So the story is a really good powerful story. You need to get the story out. That would make a difference itself.'

13 References and bibliography

The section includes citations from the research literature relevant to our project. It also functions as a bibliography as there are several important works related to the subject that were not explicitly cited. The reader will find those valuable as well as our references to the literature directly used in our report.

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APPENDIX 1

A paper that will be published late 2006 is attached. It details the nature of the model upon which the revised model was based.

Governing rural landscapes and environments:
The strategic role of local community and global corporate partnerships[4]

Peter Hoppe, Roy E. Rickson, David Burch

Hoppe, P., Rickson, R.E. & Burch, D. (2006) 'Governing rural landscapes and environments: The strategic role of local community and global partnerships', in Lynda Cheshire, Vaughan Higgins and Geoffrey Lawrence (eds) *International perspectives on rural governance: New power relations in rural economies and societies*, Routledge, London.

Introduction

New forms of governance associated with moving finance and production capital across community, national and ecosystem boundaries are constructing and reconstructing rural (and urban) landscapes (Marsden et al. 1993, Goodman & Redclift 1991). Landscapes are *contested terrains* (Cronon 1996, p. 51) where the actions and interactions of people and organisations belonging to mobile social and economic networks affect how we think about landscapes and relate to them. When we study rural landscapes as contested terrains, we can neither logically nor empirically separate natural and social processes and are reminded of Bennett's (1976) insight that how people and their organisations treat nature depends very much on how they treat each other. Economic and environmental activities are not only embedded in network relationships, but, more importantly, in social interaction, institutional histories and norms governing network relationships (Granovetter 1985). This is most evident in the relations between globalised corporations and local communities in the mining and agricultural sectors when conflicts arise over the social and environmental impacts of corporate economic plans. These relationships are critically linked as we become more concerned about balancing economic objectives with social and environmental justice, which is fundamental to how local people, scholars and researchers are now approaching environmental sustainability. It is a primary challenge for both industries and communities, since achieving sustainability goals, as we have defined the concept, relies upon companies and communities forming strategic partnerships where there is power-sharing and trust (Rickson 2005, Fung & Wright 2003, Hoppe et al. 2004).

We studied negotiations between a member of the International Holcim Group of Companies, one of the world's largest cement and pre-mixed concrete companies, and the Swiss community of Untervaz, over siting of a limestone quarry. At issue was how the company, Bünder Cement Untervaz (BCU), could secure access to the area's high-grade limestone it needed for cement production, thereby saving local jobs and its overall capital input to the community and, at the same time, preserving local environmental and heritage values. Untervaz is a small farming community centrally located in Switzerland's scenic Rhine River Valley. Locals work for BCU, but many are part-time farmers balancing cement factory jobs and farming. After failing to resolve the dilemma and rising tension over the issue, the company proposed a strategic partnership where the Untervaz community and other partners could directly influence company project planning, which included the selection and monitoring of mining technologies. Agencies and organisations outside the community participated in developing and implementing the project, but the critical linkages for planning and managing the limestone mining project were those between the company and the Untervaz community. Understanding how the strategic partnership emerged, its institutional bases and how the partnership model derived from our data could be applied to other places are our paper's principal objectives. Its implications go far beyond the local area as our

research complements the work of researchers interested in the decentralisation of power down to the community and how such a shift might help to simultaneously achieve democratic and environmental sustainability goals.

Rural landscapes, structures and networks

Rural landscapes are the result of social and ecosystem changes continually intersecting and combining (Berkes & Folke 1998). Landscape is a cultural concept referring to a bundle of symbolic processes where we perceive an 'old', 'new' or 'better' landscape depending upon who we are, our cultural history, and what group, organisation or community of interests we belong to. Deeply embedded in natural and social processes constructing landscapes are cultural values, social trust, power and dependence relationships such as those between transnational industries and communities, and all others, including government and non-government organisations, having an interest in how local nature should be used, how it should look in the future and what resources it can offer to secure or advance the competing and complementary goals that interested participants might have. Environmental issues and development plans for growth are ultimately caught up in corporate and community social structures and networks where conflicts and power relations typically go beyond local and national boundaries. Environmental issues are globalising because we either experience the consequences of pollution and degradation in our everyday lives or are ideologically committed to helping those who are affected. Either through direct experience or vicariously through ideology, we are members of what David Held (2005, p. 14) refers to as 'overlapping communities of fate'. National neo-liberal policies are also privatising environmental issues by shifting regulatory responsibilities from the public to the private sector and decentralising responsibility for environmental management to local communities and industry (Keohane 2005). The nature of industry–community relationships is therefore an important focus for understanding landscapes and sustainability, particularly how these relationships vary from power and conflict strategies to strategic partnerships.

Company responses to local resource and environmental contingences are heavily influenced by their corporate group's management philosophy and structure. The 'spatial heterogeneity' of international corporate groups complicates management as it intensifies the need for autonomy, flexibility, and capacities for individual company members to react in 'real time' to environmental or social justice contingencies (Hoppe 2005). International groups of companies must be able to respond competently to widely diverse cultures, communities and ecosystems across their international networks if they are to protect and profit from their investments. The capacity to do so is dependent upon the actions and capacities of their individual corporate group members. Since establishing alliances and partnerships across the divergent networks associated with international investment are increasingly necessary to do business, there is general acceptance in the management literature that multilateral networks are more effective than hierarchical

management models where there is rule from the corporate centre. Castells (2000, p. 176), for one, says that corporate management policies have been forced to change so that they can more effectively respond to the risks of rapid social and technological change: 'The main shift can be characterised as the shift from vertical bureaucracies to the horizontal corporation'. Hoppe (2005) argues that these structures have more capacity than vertical hierarchies to respond to the opportunities and contingencies now associated with simultaneously participating in international and overlapping networks; the latter referring to company membership in economic networks of trade and investment as well as those focusing on the environment and human rights. Local company managers will, in these circumstances, continually change their strategies, alliances and partnerships depending upon specific projects and general objectives. Again, depending upon the project, they will have to pay attention to local community issues. A significant reason for this is that the local and global are bound up in these relationships and resistance to corporate economic activities by local community residents and other organisations can be as mobile as capital (Urry 2003, pp. 15, 89).

Bünder Cement Untervaz (BCU) is a member of The International Holcim Group of Companies, which is one of the world's largest cement and pre-mixed concrete companies. Group policies from its Zurich centre guide and frame local managers' decisions on financial and environmental matters, but their freedom to strike agreements and partnerships with local communities and other organisations has necessarily increased as the corporate group consolidates and expands its international holdings. However, multilateral models cannot guarantee that environmental or social justice policies written for the corporate mission will be evenly institutionalised or applied across international corporate networks or even in the same company over time. Since this is an uneven process, we can expect companies to vary not only in their compliance with central corporate policies on environmental responsibility, for example, but also how they relate to competitors, to non-economic organisations, to national regulatory agencies and of course to local communities.

Governing landscape change

Given our focus on overlapping and interdependent networks, we use Eden and Hampson's (1997, p. 362) definition of governance, which is the 'formal and informal institutional devices through which political and economic actors organise and manage their interdependencies'. We would include the management of risk across structures and networks since risk reduction by any member requires trustworthy relationships with all or at least some of the other members. Interdependency based upon 'trust' and 'reciprocity' is essential to cooperation. The new forms of governance we study are those based upon interaction across global networks of capital finance and production, but are increasingly complex as economic, social justice and environmental networks overlap with them due to regulatory pressures, worldwide mobilisation of environmental

interests, and concepts of development broadening beyond strictly economic goals. Production and finance networks also incorporate or overlap with 'networks of resistance' as people and groups organise to respond to the social and environmental impacts of corporate investment and behaviour; networks of power produce networks of resistance (Castells 1996, Urry 2003). Resistance associated with industry–community interaction is usually site-specific and involves the impacts of corporate economic activities in a specific locale or community, but now that 'information gets everywhere almost instantaneously', modes of mobility such as information flows are gradually separating from 'material form or presence' (Urry 2003, pp. 84–85). The diversity of local cultures and ecologies is therefore a significant variable in managing international corporations as they are ultimately caught up in a system where the complex processes of corporate uniformity and local diversity push against each other creating tensions, conflict, and change by both industries and communities (Warner & Joynt 2002).

What finally happens to rural landscapes and environments depends upon how network actors govern their interdependencies. They will invariably define problems in terms of their institutional interests, which can lead to different types of relationships depending upon the nature of local problems. Rorty (1999, p. 5) contributes to the concept of landscapes as 'contested terrains' when he says that logically '…there are no privileged descriptions [of nature] and that therefore there is not much point in asking, "Is our way of talking about things objective or subjective"'. Our evaluation of landscapes and general environments range from the qualitative to the quantitative and reflects variously the work of poets, ecologists, farmers, mining engineers, sociologists and soil scientists. Equally important are how people 'see' and value so-called natural landscapes such as forests, rivers and mountains compared with the overtly constructed or cultivated beauty of farming country or the sometimes stark ugliness of the mining site, seen as beautiful by some. Nature and culture are intimately related in how we define and evaluate them as wilderness, farmland or both (Schama 1995). If economic behaviours are deeply embedded in and encompassed by social relations (North 1998, Granovetter 1985), so too, are landscapes and environmental relations. Whether we see nature as mostly an economic resource to commercially exploit or for its intrinsic values, social, economic and ecological systems are inevitably linked in what Hollingsworth and Boyer (1997, p. 2) call 'social systems of production'. These different viewpoints are converging at local community levels through networks where network actors are separately and together constructing, tearing down and reconstructing rural landscapes.

Industry and community relationships

For industry and business, the challenges are clear. Concepts of development and the ways of bringing about development are complex and changing rapidly. Networks of finance and investment are overlapping with 'networks of resistance' and the site of overlap is the local community. Various 'mobilities' (ideas, finance, resistance), and the compression of time and

space are now basic dimensions of transnational networks coordinating capital finance, production and investment as well as environmental and social advocacy. Local communities are inevitably caught up in these networks and are potentially powerful members through alliances and partnerships with industry, non-government organisations, or both. How are these relations governed? Governance varies from old-style relations of dominance to what Fung and Wright (2003, pp. 5, 46) call *empowered participatory governance*, which is a design for localising decisions about common, practical community concerns. Decision-making power, in these circumstances, can be devolved to local groups 'that are supported, but not directed by a central body'. They are furthermore 'empowered to enact their decisions'. In community situations where it is applicable, its aim is to 'foster redistributive and efficient decision-making that is deliberative and democratic and superior to command-and-control structures in several dimensions' (Fung & Wright 2003, p. 46). Theirs is a working model that has been applied internationally, is participatory since it relies upon 'the commitment and capacities of ordinary people to make sensible decisions through reasoned deliberation and empowered because they attempt to tie action to discussion' (Fung & Wright 2003, p. 5).

There is the logical problem when we discuss community reactions to corporate capital investments as to who or what group in a community is involved with issues. Are they promoting separate interests or responding on the basis of civic responsibilities to the broader community? Classical and current studies of community power structures by sociologists and political scientists show that the distribution of power and influence in a community will largely determine how communities react (Jonas & Wilson 1999). Are exclusive community power elites dominating and promoting 'growth at any cost' or are divergent local interests participating on a reasonably equal basis? How communities respond and who or what group assumes leadership will vary. Communities, like multinational corporations, are not unified single-dimensional entities. How the distribution of power, social capital and knowledge, among other variables, plays out in any given locale is an empirical question for each case.

If local people mobilise and react as a group to practical issues such as public safety, schools, jobs, pollution and human rights, they can make both agencies of the state as well as globalised companies pay attention to their concerns (Fung & Wright 2003, 2004; Fung 2004). If there is an institutional history of trust and reciprocity or a formal constitution that members can rely upon, effective partnerships, as we report here, between communities and corporations are possible and can function effectively to resolve or manage differences over how environmental and economic activities will be locally organised. Rather than an abstract idea and a distant goal for local people, democracy can be 'a living practice that they struggle to use and improve' (Fung 2004, preface). Nowak et al. (1984) found that the *experience* of participation and membership in local community organisations, along with concern about local environmental issues, were instrumental in teaching people how to participate and thereby functioned to 'deepen democracy',

using Fung and Wright's (2003) terminology. The confluence of community, personal and cultural identity is also a critical factor in local responses to outside power as noted by Barnet and Cavanaugh (1994), by sociologists and rural sociologists (Flora & Flora 2003; Gray & Lawrence 2001); and anthropologists studying Indigenous communities struggling to achieve land and citizenship rights to sustain their cultural identities (Rickson 2005). Community characteristics, principally access to financial and knowledge resources, capacities for local mobilisation and effective participation in commercial and advocacy (NGO) networks are related to how responsive globalised corporations are to local community needs (Herbert-Cheshire & Higgins 2004; Grant et al. 2004; Rickson & Ramsey 1985).

International Holcim Group/Untervaz community: A case analysis

The International Holcim Group of companies is one of the world's largest corporate groups, having companies in more than 70 different countries. Cement, aggregates and ready-mixed concrete are its core business. It is an archetypical example of corporate globalisation and multilateral management frameworks. Member companies are answerable to central management where environmental sustainability and risk assessment are embedded in its economic policies. Up until 2000, local managers were accountable for monitoring their company's environmental and social performance measured against centrally developed criteria, but then Holcim centralised the collection of environmental performance data. Centralised monitoring of social performance data followed in 2001 (Holcim Limited 2002). What was formerly a highly decentralised function, environment and social performance monitoring was and is subject to benchmarks set-up by Holcim's Zurich Headquarters. However, analyses of performance data in these two areas are both centralised and localised, as local managers are responsible for gathering data, doing their own analyses and sending the data and their interpretations to Zurich. Although it is their duty to accept and implement central corporate policies on social and environmental performance, industry–community relationships are still primarily a local management responsibility. Establishing and keeping good local relationships with local communities by company managers are seen as critical to overall corporate operations.

Our research studies the development of a strategic partnership between the Untervaz community, Bünder Cement Untervaz (BCU), and other interested stakeholders, as they tried to reconcile BCU's need for high-grade limestone to stay in Untervaz with preserving the community's environmental and heritage values. Untervaz is in one of the most scenic areas of Switzerland's Rhine River Valley. Ruins of Roman outposts and buildings from the Habsburg period are examples of its cultural heritage. Ancestries of residents can be traced back to people living there in medieval times. From BCU's view, expanding the existing quarry was the most cost-efficient alternative and this is what they initially proposed through open community meetings. Trucks would be used to haul the limestone from the quarry site to the processors.

There was significant objection to this alternative since it required cutting roads through pristine forest used by locals for picnics and holidays and by hunters concerned about its effects upon deer and wild boar populations, by private forest owners, and public forest managers.

The probable noise from larger quarry operations including dust and increased traffic because of the cement trucks were significant points of difference immediately arising and it was clear that these feelings would intensify as the project continued. BCU managers realised that expanding the surface area of the quarry would have to be done over community opposition thereby risking loss of the legitimacy and the general good will that it had enjoyed since its founding. Equally significant for the company's decision to change its strategy was that managers reported a strong feeling that they were 'losing control of the situation' and that if they did not change strategies then not only would community goodwill be lost, but federal regulatory agencies would intervene. Therefore, potential loss of legitimacy, institutional good will and control (influence and power) were major factors in their deciding to approach the community to set up an alternative decision-making strategy. One that would eventually allow the community to influence all stages of project development from selection of mining technologies to monitoring and mitigating the social and environmental impacts of the technologies chosen for the project's development.

The first step was the Calanda Commission that was an initiative of the Untervaz City Council. Its members were Untervaz council representatives, community civil associations and the BCU, which participated by invitation. It was set up to choose between limestone mining sites that had been previously identified by BCU. The Commission was supposed to select a site or sites that would be good for both the company and the community. Besides selecting potential sites for mining, it had been firstly charged with investigating and evaluating BCU's limestone needs, in cooperation with company technicians and managers, and eventually played a leading role in communicating to the broader community that 'The company was in trouble and if it were to stay in Untervaz, it would need to access to new limestone deposits'. Calanda Commission documents, along with interview responses of BCU managers and local community representatives, made it clear that a primary objective of the Commission was to re-establish and reinforce relations of trust and reciprocity between the company and the Untervaz community thereby avoiding the usual crisis driven relationships commonly observed in mining and extractive developments.

After a site was selected by the Calanda Commission, the details of evaluating and selecting a technology for mining was the task of The Coordination Team, which was an initiative by BCU and emerged in parallel to The Calanda Commission. The Coordination Team was charged with presenting alternative mining methods specifying, with help from outside experts, the costs of benefits of different mining technologies for BCU and, most importantly, social and environmental impacts of different technologies on the Untervaz community. Although a company initiative, its

membership included local councillors elected earlier on a platform of representing their fellow citizens as both regular councillors and as members of the BCU/Untervaz Coordination Team. Voluntary and direct participation was first tried by the Untervaz Council, but proved to be unworkable. It was then decided that local councillors running for office would also be charged with formally representing Untervaz as Coordination Team members. This was accepted as a practical alternative and was included in the election papers presented to the community and general public when elections were held. Councillors were held responsible for regularly reporting to the community about the Coordination Team's formal meeting agendas, meeting outcomes and responding directly to issues and questions arising from regular public meetings. Also on the Coordination Team were representatives of the Kantonal Department of Regional Development and the national Swiss Department of Environment, who were appointed by their respective departments but rotated on a regular basis. It is important to note that these government representatives served only in an advisory capacity. The Coordination Team invited other authorities such as experts from federal agencies, and consultants or interest groups on request. National government officials on the Coordination Team were particularly helpful because of their knowledge of regulatory requirements. In addition, their sponsorship of the Coordination Team's proposals when they were submitted to Kantonal and federal regulatory agencies helped to move the Coordination Team's proposals through government bureaucracies.

Two technologies were presented to the Commission by the Coordination Team: (1) expanding the existing quarry operation by using the traditional open cut method as originally proposed by the company; or (2) using a concealed mining method, thereby largely avoiding the unwanted social and environmental effects associated with conventional quarry expansion. The first method was much less expensive than the latter, but the second much more acceptable to local residents. Another operational issue that was to be studied by the Coordination Team was how limestone would be transported to the production facility. Instead of moving the limestone by truck, the Coordination Team suggested building a 4.2 km transportation tunnel drilled into the hillside and under the limestone site. Limestone would then be carried by conveyor belt from the quarry site to the factory. Community representatives argued for this alternative because it minimised the social and environmental impacts of everyday mining operations. The concealed mining method was recommended by the Coordination Team and accepted after public debate by The Calanda Commission. Project proposals were then written and submitted by members of The Coordination Team, which meant they were co-authored by the community, the company and other Coordination Team members.

The Coordination Team kept the local community up to date through the course of project planning. Frequent public meetings were held so that community concerns could be noted and referred back to Coordination Team meetings. Public turnout to meetings was high since the issues involved were of direct, practical concern to local citizens involving not only jobs, but also

potentially dramatic changes to community landscapes, hunting, heritage and recreational activities. A particularly contentious issue was the proposed open cut mining method proposed by the developer. This was the first choice of BCU and the one originally presented to the community. However, within the framework of the Coordination Team, BCU and the community agreed to use a concealed mining process. Consistent with the collaboratively reached agreement, the quarry pit is driven into the mountain leaving the forested front slope of the mountain intact. While the quarry is driven deeper into the mountain, the front slope follows the operation but remains 30 m above the pit level at all times. Simultaneously, the rehabilitation of the mine is carried out from work terraces following the operation. After mining has ceased, the newly created valley floor would either be reforested or turned into new farmland. Again this approach has distinct benefits for the local tourism industry since operational processes cannot be seen from the valley floor, leaving the scenic beauty of the area intact.

After the Coordination Team's proposals were approved, it had served its purpose and was dissolved. However, a Project Commission was created to monitor the implementation of prior agreements between the Calanda Commission, the Coordination Team and the developer throughout the life of the mining operation. The Project Commission was a joint initiative of the company and the community. Decisions then shifted from general policy and strategy to specific project monitoring. The Project Commission was designed and instituted under the auspices of the local council. Its core membership included representatives from the local community, appointees from state government agencies, delegates from the regional and local forestry authorities, the developer and an ecologist appointed by the Project Commission. The Project Commission engaged other specialists and experts as required. Similar to the Coordination Team, councillors serving at the Project Commission were elected on the platform to represent the community as councillors and as members of the Project Commission. The elected representatives on the Project Commission were given a mandate for three years, after which new council elections would decide on their re-election or replacement. The Project Commission was and is responsible for monitoring the quarry sites as well as a compliance assessment of the operational phase in progress. The commission's findings are recorded in an official protocol that is submitted to the local council executive for assessment and approval to be ratified at public council meetings. The commission, through negotiation in the first instance, resolves disagreements among members. If, however, agreement cannot be reached, a quorum decision via majority vote decides the contentious issues. Ballots and their results do not remove the right of the parties to seek redress by legal means. Appeals against the decisions made by the Project Commission are directed to the appropriate authorities (see Figure 1).

Represented At the Commission	Member	Chair	Secretary	Advisory Vote	Quorum Resolutions Vote
Untervaz Council Executive, Untervaz	X	X			1
Dept. of Land Care and Nature Protection, Graubünden	X				1
Forestry Inspectorate Graubünden	X				1
Local Forester, Untervaz	X				1
External Ecologist, Chur	X				1
BCU, Untervaz	X				2
Project Engineer BCU, Untervaz			X	X	
Others (To be engaged if required)				X	

Source: Municipal Council Untervaz (1999)

Figure 1. Organisation of the Project Commission (*Begleitkommission*)

Practical and institutional outcomes

The *contested terrain* of the Untervaz rural landscape is a product of the long-term continual conversations among different stakeholders, using Rorty's (1999) concept of change through historical contingences and Hemmati's (2002) notions of multistakeholder processes. The conversations were those between members of the Calanda Commission, the Coordination Team, the Project Commission, BCU, the Untervaz community, NGOs and national government agencies. Rather than crisis-driven, the partnership *conversations* were routine, scheduled and followed the limestone mining project from its beginning through to its implementation and development. BCU's strategic and tactical project planning was directly tied to decisions by the partners participating in the Coordination Team and the Project Commission. A very practical result was the reduction of the planning and development phase of the quarry project from a previously anticipated ten down to four years, primarily the result of direct participation and the co-authorship of the development proposal by the BCU and the Untervaz community. The earlier than expected return on investments resulted in significant savings, estimated by BCU to exceed tens of millions of dollars—perhaps US$40 million or more. Moreover, the construction of a 4.2 km transportation tunnel replacing the original plan for a 25-metre wide concrete road, to transport limestone from the quarry to the production facility via a dump truck fleet, was jointly planned and agreed upon. The tunnel was more costly in the early stages of construction, about US$40 million, but because of community acceptance of this technology, it proved to be a more

efficient and cost-effective mode of operational procedures providing significant savings over its estimated 45-year period of operation. The initial investment was recovered and even more money was saved because of mining operations starting six years ahead of plans. Secondly, a pristine forest area was saved assuring access for local wildlife to the nearby river Rhine. Thirdly, because locals and holidaymakers alike frequent the forest, tourist numbers vital to local and regional prosperity were sustained. Fourthly, cultural monuments such as ancient Roman ruins and remnants of the Habsburg Period were preserved.

The institutional outcomes are illustrated by the emergence of a structure of decision-making characterised by power sharing and trust that, in Fung and Wright's (2003) terms, *deepened community democracy*. Although largely limited to the limestone mining project, local people through their representatives were empowered to actually influence project planning and decision-making through a constitutionally based framework. Interviews with Untervaz Council representatives and selected local citizens suggested that when locals realised that their objections and ideas actually changed the development design, they then identified with the project and supported it. According to one comment, 'we then accepted it as our project and not just BCU's'. Success, in this way, was a basis for democratically managing other community issues or contingencies. Company economic objectives were achieved through the partnership by its limited and project specific but strategically important sharing of power with Untervaz community representatives and others. BCU motives were economic, but its institutional history helped to establish a base for its creative responses to Untervaz objections to its initial plans for expanding the surface area of its existing quarry. It is part of the global and highly successful Holcim business network and its structures of decision-making are primarily oriented toward securing its economic base through profit maximisation. However, BCU managers said that sharing power with the community to plan and develop the limestone mining project was a good business decision.

Can otherwise rational economic organisations like BCU take a different path when contingencies threaten their legitimacy and survival? Or, are they so 'hyper rational' that they are constrained from doing so? Maximisation of profit, growth and efficiency are fundamental driving forces for capitalist organisations, but achieving these objectives in the short-term at all costs can, over the long term, threaten company legitimacy and survival. North (1998) argues that economic organisations culturally committed to these goals can take a different path when contingencies demand. North dismisses concepts of 'hyper rationality' presuming that firms are incapable of responding to a mix of incentives and are incapable of 'learning' and taking new paths, as in the BCU case, a new path saved them money, secured the mineral resources they needed to survive, and legitimised their status as a 'good corporate citizen' in the community and region. Their decision to enter a limited power-sharing partnership with Untervaz locals also helped to develop and reinforce good relations and, from the community side, helped build upon a capacity

for knowledgeable and strategic citizen engagement in decisions about development affecting local families, their community and of course the rural landscape. This has wider implications for both the community and company considering that if organisations and communities have the capacity to change when confronted with contingencies, take 'new paths', the institutional change that occurs will affect how they approach future problems and the relative balance of economic, social and environmental objectives at their institutional core (Hoffman 2001). The research strongly confirms, we argue, Granovetter's (1985) theoretical contribution that economic and, we would add, environmental activities, are deeply embedded in social institutions and day-to-day social relations.

Summary, discussion and conclusion

We have used the concept of partnership in our analysis of the relationships between BCU, the Untervaz community and other parties as they struggled to create a development model satisfying what were, at first, contradictory company and community objectives. 'Partnerships' between companies and communities, according to Oliver (2004, p. 19), must involve a citizen participation process and a philosophy that underpins 'cultural transformation via the sharing or redistribution of power in social relationships'. Industrial firms, committed to conventional economic goals, can be expected to resist goals originating in political, social and cultural values outside the economic institution as, for example, the local communities they relate to. Standard operating procedures that have been established over time and within operational models stressing economic criteria for measuring success and failure do not easily incorporate social and environmental objectives. Non-economic objectives challenge long established attitudes by capitalist owners and managers about their rights and responsibilities. Traditional attitudes and structural inertia are sources of resistance to these goals, but there is a logical range of responsiveness by companies (Lyons et al. 2004, Mittelman 2000, Rickson & Ramsey 1985).

Our findings illustrate how *the deepening of democracy*, borrowing directly from Fung and Wright (2003), can occur when the problems people face are practical, clear-cut and urgent. Local people are, in these cases, willing to expend time and energy to mobilise and work toward resolutions. It is difficult to generalise beyond our study site, other than to add that strategic relationships between transnational companies and communities are key dimensions of globalisation. Mittelman (2000), among others (Urry 2003, Bauman 2000), explicitly consider what Mittelman calls 'people level globalisation' (Mittelman 2000, p. 11). The conceptual significance of studying local community/global corporate structures is because changes and their impacts at the local community and regional levels as a result of globalised economies 'have not been experienced uniformly across regions and the reactions vary widely.' Although networks are not explicitly organised around hierarchies, layers of action and effects not only 'go across ecosystems and communities', but 'up and down' as the needs and values of local community

people are different from those of either corporate executives or leaders of international NGOs. 'There is, therefore, no substitute for understanding the many layers [of globalisation] that form a particular sense of time and space' (Mittelman 2005).

The participatory approach we saw in Untervaz moved significantly beyond accustomed participatory models in Switzerland. It exceeded the most stringent Swiss government requirements and overwrote general Swiss cultural and political norms. Even though strategic partnerships between communities and companies would vary by culture and geography, there are basic elements that would promote the results we measured. A primary outcome of the issue we studied was 'bottom-up empowered participation' leading to real rather than symbolic citizen power. This was achieved through a mixture of direct and representative democracy. Elected councillors represented Untervaz citizens, but there was turnover and direct continual consultation via open meetings, distribution of meeting agendas and information on a community-wide basis. Secondly, there was a general 'pragmatic orientation', a goal by all parties to find a solution to the problems they were facing, which according to Fung and Wright (2003) brings people with common interests together to try and solve practical, definable problems. Thirdly, what we call 'continuous conversations', after Rorty (1999) or 'deliberation', Fung and Wright's terms, were a basis for trust and reciprocity. Here, decisions are neither the exclusive result of majority rule nor professional status, but continual discussion. There are other complementary findings of theirs and ours and include 'decentralisation of decision-making', but even more importantly, 'autonomous decentralisation' such as the Project Commission. An outcome of these processes has been a change in the central nature of power relations in Untervaz. Finally, if 'deep democracies' are to last, according to Fung and Wright (2003), 'organised countervailing power' is necessary. This is where the conventional power of elites is reduced or neutralised so that ordinary people and those directly representing them have a say in what happens to their communities.

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