

Working Together: A Logical Thing?

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1. Introduction

This Agenda is a plan of action for people, planet and prosperity [...] all stakeholders, acting in collaborative partnership, will implement this plan.
(UN General Assembly 2015, p. 1)

The preamble to the resolution “Transforming our World: The Agenda 2030 for Sustainable Development”, adopted on 25 September 2015 by the United Nations General Assembly, clearly shows that the United Nations views partnerships between different sectors as essential for achieving sustainable economic, social and environmental development (UN General Assembly 2015). The importance the United Nations ascribes to multi-stakeholder partnerships is affirmed by Goals 17.16 and 17.17 of the Agenda 2030 (UN General Assembly 2015, p. 27).

Both before and after the adoption of the Agenda 2030, many authors have sounded the same horn. Time and again, cross-sector social partnerships (CSSP) have been viewed as inevitable when finding solutions to socio-economic problems that are growing both in number and complexity and transcending the problem-solving capacity of individual organizations and sectors (Austin and Seitanidi 2012a; Berger et al. 2004; Bryson et al. 2006; Clarke and Crane 2018; Reed and Reed 2009; Selsky and Parker 2005).

However, not all scholars agree with this positive view regarding the problem-solving capacity of such cross-sector social partnerships (CSSPs) (Hardy and Phillips 1998; Moog et al. 2015; Selsky and Parker 2005, 2010; Poncelet 2001). Even if one assumes that they have significant potential to do so, successfully implementing such partnerships is a challenging endeavor. For example, different sectors focus on different dimensions inherent in the concept of sustainability. Reconciling the economic, the environmental and the social is by no means an easy task, as conflicts between these three dimensions are prone to arise (Boström 2012; Wojewnik-Filipkowska and Węgrzyn 2019). More importantly in the context of this chapter, different sectors adhere to varying logics, which often compete with one another. For example, considering social and environmental concerns can challenge notions of corporate efficiency, while a focus on economic efficiency and profitability can eclipse concerns for social and environmental sustainability (Saz-Carranza and Longo 2012).

However, the existence of varying logics and the focus of distinct actors on different sustainability dimensions can also be the actual drivers of CSSPs. By acknowledging their own and others' strengths and weaknesses and by subsequently combining their unique resources and competencies, actors from different sectors might be able to generate value for society that could not be achieved by the individual efforts of organizations or sectors (Austin and Seitanidi 2012a; Selsky and Parker 2005).

How, then, does the existence of different institutional logics encourage and challenge the emergence and functioning of cross-sector social partnerships? In this chapter, we address this question by presenting a discussion on the most important drivers for, challenges to, and solution-mechanisms within CSSPs. We review and combine the literature on institutional logics and on cross-sector social partnerships to reflect on these aspects, in order to investigate how the existence of institutional logics influences cross-sector social partnerships. We illustrate our discussion by including a literature-based case study on one particular example of such a cross-sectoral endeavor: The Forest Stewardship Council (FSC). The FSC is a multi-stakeholder organization established in 1993 that—by means of standard setting and the accreditation of certifying organizations—aims to promote sustainable management of forests around the globe (Boström 2012; Malets 2017; Moog et al. 2015; Pattberg 2005; Taylor 2005). In the context of this chapter, the FSC is an interesting example for a number of reasons. First, since its establishment, it has included a diverse group of stakeholders from civil society and business, such as environmental and social NPOs, indigenous interest groups, trade unions, and timber traders and retailers (Auld et al. 2008; Moog et al. 2015; Pattberg 2005; Taylor 2005), which often have contending or even conflicting priorities and demands (Moog et al. 2015). Second, with its standards and principles, the FSC attends to all three dimensions of sustainability in that it aims to promote forest management that is environmentally appropriate (e.g., maintaining forest biodiversity), socially beneficial (e.g., incentivizing communities to sustain forest resources and enjoy their benefits in the long-term) and economically viable (e.g., ensure sufficiently profitable forest management) (Auld et al. 2008; Klooster 2005). Third, the FSC is often highlighted as a model of non-state governance with carefully elaborated governance mechanisms, aimed at ensuring, for example, balance of interests and power (Auld et al. 2008; Chan and Pattberg 2008; Moog et al. 2015). Fourth, in the course of its existence, the FSC experienced both considerable success and significant difficulties with respect to its objectives. Looking more closely at the Forest Stewardship Council thus offers the chance to investigate both the opportunities and challenges of cross-sector

endeavors, and shine a light on potential mechanisms to address such challenges. By applying an institutional logics approach to CSSPs, we add a novel theoretical lens to the literature that seeks to explore the positive as well as the challenging aspects of such partnerships.

In the following section, we will briefly introduce the notions of cross-sector social partnerships and institutional logics. We then move on to discuss how different institutional logics can be drivers of and provide opportunities for cross-sector endeavors. Next, we will discuss challenges to partnerships stemming from different institutional logics before discussing some mechanisms, which offer potential for overcoming such difficulties. The last section concludes. Throughout the chapter, we insert sections on the Forest Stewardship Council in order to illustrate our theoretical thoughts with elements from the case-study.

2. Cross-Sector Social Partnerships and Institutional Logics

Cross-sector social partnerships (CSSPs) have been defined as longer-term and rather intensive interactions between organizations from different sectors that are formed to address economic, social and/or environmental issues. Many scholars view them as a powerful approach to complex socio-economic problems that are growing both in number and complexity, and transcend the problem-solving capacity of individual organizations and sectors. When actors from different sectors come together in collaborative endeavors, the argument goes, value is generated not only for individual organizations, but for society as a whole by means of different sectors combining their distinctive resources and competencies (Austin and Seitanidi 2012a; Berger et al. 2004; Bryson et al. 2006; Clarke and Crane 2018; Gray and Wood 1991; Reed and Reed 2009; Selsky and Parker 2005; Waddock 1991).

Institutional logics have been described as taken for granted rules (Hedberg et al. 1976), which are usually implicit and influence how actors interpret organizational reality and what they deem to be appropriate and legitimate behavior (Powell and DiMaggio 2012; March and Olsen 1989). Institutional logics consist of assumptions, values, beliefs and rules. They shape the way in which organizations are structured and what practices they adhere to (Van Huijstee et al. 2011), and they determine what answers and solutions are available and deemed appropriate by organizations in specific situations (Thornton and Ocasio 1999). By pointing out which issues, contingencies, or problems have to be considered relevant, institutional logics provide organizations with socially constructed categories for action (DiMaggio 1997; Thornton 2004) and help explain the appearance of a sense of common purpose and unity within an organizational field (Reay and Hinings 2009).

State actors, companies and nonprofits (NPOs)—all of whom are called upon to collaborate by Goal 17 of the Agenda 2030—each have their own logic¹. While this should not be interpreted as meaning that all organizations within a sector are identical, paying attention to institutional logics still makes it possible to differentiate sectors along certain core characteristics they adhere to (Van Huijstee et al. 2011). Since the Forest Stewardship Council, which serves as a case study throughout this chapter, is composed of actors from the market and the civil society sector, in the following we will focus on the logics of these two sectors, and, more specifically, on the institutional logics of companies and nonprofits.

Companies can be assigned to market sector logics, i.e., they adhere to an economic rationale. According to this, the main objective of companies is to make profits by selling goods and services on the market. The underlying norms of decision-making are self-interest and increased efficiency. Among others, this can be ascribed to the fact that owners with economic interest (e.g., shareholders) hold the authority for decisions made by companies. The power of the market sector stems from its monetary resources, and companies can bring economic assets and profound knowledge of the workings of the market into collaborative endeavors (McMullin and Skelcher 2018; Thornton 2004; Van Huijstee et al. 2011).

NPOs, in contrast, can generally be assigned to civil society sector logics, adhering to a social rationale. They are usually associated with notions of altruism, the provision of public goods, and a strong commitment to social issues. Among others, this is due to the fact that the central unit of decision is often the organization's members, who represent wider community interests. The power of NPOs derives from collective group membership and a high degree of social trust. NPOs can bring, for example, environmental or social expertise and—as a result of public trust—legitimacy into cross-sector social partnerships (Kravchenko and Moskvina 2018; Thornton 2004; Van Huijstee et al. 2011).

As the comparison of market sector and civil society sector logics above shows, collaborative arrangements between companies and NPOs involve many challenges, as different logics can be hard to reconcile. Diverging interests, for example NPOs' altruistic versus companies' self-interested motivations, varying interpretations of what major societal challenges are and how these should be addressed, or different

¹ While it has been shown that it is not always the case that different sectors have different logics (e.g., (Ordóñez Ponce 2018)), in this chapter we focus more strongly on competing sector logics.

preferences regarding decision-making processes, can generate tensions. In this sense, the existence of different institutional logics can act as an impediment to CSSPs.

On the other hand, in parts as a result of the adherence to core institutional logics, actors from different sectors develop specific resources and competencies. By acknowledging their own and others' strengths and limitations and combining their unique material and immaterial resources, actors from different sectors might find that they can create value for society that could not be achieved by the individual efforts of organizations or sectors (Austin and Seitanidi 2012a; Selsky and Parker 2005).

Applying an institutional logics approach to cross-sector social partnerships helps in investigating how competing logics can co-exist (Reay and Hinings 2009; Saz-Carranza and Longo 2012), to what extent shared logics can emerge (Bryson et al. 2006), and how a certain logic can come to dominate (Scott 2008; Thornton and Ocasio 1999). In sum, applying an institutional logics lens to cross-sector social partnerships offers a valuable approach to analyze how the existence of institutional logics can positively and negatively influence CSSPs in the field of sustainable development, i.e., to what extent they can act as drivers of such endeavors, how they can challenge such efforts, and what mechanisms can help ensure that different logics can be reconciled and integrated.

3. Different Institutional Logics as Drivers and Opportunities

On first sight, it would appear that the competing institutional logics of different sectors are difficult to overcome. Diverging assumptions, values, beliefs and rules would seem to act as a significant impediment to partnerships between different institutional actors forming and functioning. However, the existence of competing institutional logics does not preclude CSSPs from happening. Competing logics can co-exist (Reay and Hinings 2009; Saz-Carranza and Longo 2012) and shared logics can emerge (Bryson et al. 2006). Actors from different sectors that think about certain issues in different ways, envision different approaches to tackle societal issues and have different objectives in mind when doing so, can act as drivers and a source of strength for cross-sector social partnerships. In effect, they are lauded by various scholars for their unique ability to generate value exactly by integrating different sector logics. By combining distinct resources, expertise and competencies, it is argued, organizations from different sectors can create value jointly that they could not create on their own (Austin and Seitanidi 2012a; Selsky and Parker 2005). For example, through joint activities, technical and sector knowledge is shared, leading to broader perspectives on how to address societal problems (Austin and Seitanidi 2012a; Reed and Reed 2009; Vurro et al. 2010). In this way, NPOs might

increase their ability and effectiveness in pursuing their mission, for example by improving their market intelligence. Companies might gain awareness of social issues and forces that they were not aware of before (Austin and Seitanidi 2012a). Collaborative interactions can thus support organizations in more clearly recognizing the causes of socio-economic challenges, in creating broader societal awareness of the urgency to act on these challenges and improve their capacity of addressing such challenges more effectively (Austin and Seitanidi 2012a; Selsky and Parker 2010).

4. Drivers and Opportunities: The Case of the FSC

The emergence of the FSC can be explained by a combination of factors, which led some companies and NPOs to realize that their interests might be best served by setting-up a joint approach for credible forest certification in order to curb global deforestation and forest degradation (Auld et al. 2008, p. 189; Chan and Pattberg 2008; Malets 2017; Pattberg 2005). During the 1980s, environmental organizations and other stakeholders became increasingly concerned with forest degradation (Auld et al. 2008) and started using campaigning tactics (e.g., boycotts) to put pressure on timber producers and retailers (Bartley 2003). Companies' reaction to such campaigns—such as labelling their own products to “prove” that forest products were sustainable—were harshly criticized by NPOs and negatively received by the wider public (Bartley 2003; Chan and Pattberg 2008). This led some companies to realize that their reputation was increasingly threatened, as they could, in effect, in many instances not account for the origin of their timber (Auld et al. 2008; Chan and Pattberg 2008), and might thus be well served with a credible certification scheme (Auld et al. 2008; Klooster 2005). At the same time, boycott strategies by NPOs were also increasingly criticized, as they were perceived as hurting forest-dependent populations in developing countries and as being ineffective with regards to addressing deforestation (Bartley 2003). Consequently, environmental groups—including some who were endorsing boycotts—began experimenting with alternative approaches, for example certification and monitoring efforts such as publishing guides on timber from sustainable sources (Bartley 2003). However, they had to recognize that tracking timber through complex supply chains was beyond their capacity. These factors—combined with the failure of states and inter-governmental organizations to effectively respond to the problem of global forest degradation—opened up a space for a closer partnership between civil society and market-sector interests and paved the way for the development of a private, market-based forest certification initiative (Auld et al. 2008; Bartley 2003; Chan and Pattberg 2008; Moog et al. 2015; Pattberg 2005).

The FSC is generally viewed as a rather successful endeavor in achieving sustainable forest management on a global scale. It has managed to include a significant amount of forest area and a large number of companies into its certification program (Garrelts and Flitner 2011; Moog et al. 2015). Furthermore, due to its substantive standards and principles—which make ample reference to all three dimensions of sustainable development—it is widely regarded as the global benchmark with regards to achieving sustainable forestry (Pattberg 2005; Malets 2017; Taylor 2005). The FSC evidently seeks to benefit from different sectors' strengths and tries to combine these to achieve its intended impact (Malets 2017; Pattberg 2005). In effect, the different sectoral members of the FSC have been able to reap substantial benefits from partnering with one another.

Companies participating in the FSC have benefitted from partnering with NPOs in a number of ways. As NPOs generally enjoy high legitimacy and a positive reputation, the inclusion of a wide range of NPOs within the FSC has delivered credibility to this particular forest certification system and, in extension, to the companies participating in it. In this sense, the FSC functions as an important instrument of risk-management for companies, which reduces their potential exposure to public criticism, as it increases the credibility of their efforts to trace the origin of their timber and avoid illegal deforestation (Klooster 2005; Taylor 2005). Furthermore, companies have been able to add to their market-knowledge by benefitting from the expertise concerning complex environmental and social issues of forest management that NPOs possess (Taylor 2005).

For NPOs, this particular collaborative effort has also resulted in a range of benefits. Through the FSC's system of standard setting and certification accreditation, NPOs have experienced success with regards to a number of issues that they consider important. Within the forest areas covered by the FSC certification system, the production process has improved both with respect to environmental and social sustainability dimensions. With respect to the environmental dimension, for example, biodiversity conservation has improved, and deforestation, as well as the negative impact of logging roads, wildfire incidents and pollution have decreased (Klooster 2005; Marx and Cuypers 2010). Regarding the social dimension, the FSC has fostered worker safety, and has been an important instrument for indigenous people and communities in securing land and resources (Taylor 2005). In sum, the use of a certification mechanism has supported NPOs in communicating the importance of and in achieving sustainable forest management (Klooster 2005).

5. Challenges Stemming from Different Institutional Logics

Arguably more apparent on first sight is the fact that competing institutional logics present major challenges both with respect to the formation and the functioning of cross-sector social partnerships.

As mentioned above, many scholars see significant potential in CSSPs to find solutions to societal issues that transcend the problem-solving capacity of individual organizations and sectors (Austin and Seitanidi 2012a; Berger et al. 2004; Bryson et al. 2006; Clarke and Crane 2018; Reed and Reed 2009; Selsky and Parker 2005). Others, however, are more skeptical with regards to this. Various authors contend that the solutions provided by such endeavors generally fail to question and significantly change prevailing institutional arrangements and thus fail to get to the roots of the problems underlying many major challenges that society is faced with (Hardy and Phillips 1998; Selsky and Parker 2005, 2010; Poncelet 2001).

Designing cross-sector endeavors in such a way that the different interests of all participants—especially minority concerns—are included and transparency and accountability are ensured is challenging (Moog et al. 2015). Considering competing logics and their influence on guiding the actors' actions, major impediments to the formation and functioning of CSSPs include, for example, diverging interests, mismatches of power, the lack of appropriate governance mechanisms or significant management costs (Austin and Seitanidi 2012b; Berger et al. 2004; Bryson et al. 2006).

As a result of their core logics and the concomitant focus on business or social/environmental priorities, respectively, the interests of the market and the civil society sector might significantly diverge (Selsky and Parker 2005). Diverging interests can lead to struggles among participants in CSSPs (Moog et al. 2015). For example, establishing which outcome should be achieved and how these can best be measured has been viewed as major challenge of cross-sector social partnerships, as the interests of companies and NPOs might significantly differ in this regard (Selsky and Parker 2005). Furthermore, NPOs' altruistic versus companies' self-interested motivations can generate antagonism or tensions in that an increase in community good can challenge an increase in corporate efficiency (Saz-Carranza and Longo 2012; Selsky and Parker 2005).

Power issues, i.e., power imbalances, are seen as major source of conflict in CSSPs (Bryson et al. 2006). Such power imbalances can stem, for example, from the fact that companies often have significantly larger financial resources at their disposal. Power imbalances can lead to situations where some partners' interests—for example with regard to shaping the agenda—are more strongly attended to than other partners' interests (Bryson et al. 2006; Selsky and Parker 2005).

Defining governance structures in a way that suits the interests of all partners and the needs of the collaborative endeavor can also be challenging. For example, balancing the different preferences of decision-making, i.e., who makes a decision and what the decision-making process looks like, can be challenging as market-logics might prefer single-authority and, thus, fast decision-making, and civil sector logics might prefer more democratic decision-making, which is more inclusive but also more time-consuming (Austin and Seitanidi 2012b; Bryson et al. 2006; Reay and Hinings 2009).

Furthermore, due to the need to negotiate different logics and interests, the more actors are involved in a shared project, the higher the costs to manage the endeavor. Collaborative endeavors come at costs that need to be weighed against their benefits (Austin and Seitanidi 2012b).

6. Challenges: The Case of the FSC

Although the FSC has been considered a fairly successful cross-sectoral endeavor (Garrelts and Flitner 2011; Moog et al. 2015), it has not been able to challenge and shape the timber market to the degree that it originally aimed for. The large majority of forest area certified according to FSC standards is situated in Europe and North America (Chan and Pattberg 2008; Taylor 2005). This, in turn, means that the FSC has not been able to tackle deforestation and forest degradation and offer the envisioned benefits to the most disadvantaged groups in the Global South to the extent envisioned (Garrelts and Flitner 2011; Klooster 2005; Malets 2017; Marx and Cuypers 2010; Pattberg 2005; Taylor 2005). While this partial failure is, in part, a result of external factors outside the influence of the FSC—such as weak consumer demand, international trade rules, or the existence of competing forestry eco-labels that put downward pressure on the FSC (Auld et al. 2008; Chan and Pattberg 2008; Klooster 2005; Marx and Cuypers 2010; Moog et al. 2015)—reasons for this can also be found in competing logics within the FSC.

The FSC has attempted to incentivize actors from the timber industry to make their forest management practices more sustainable by trying to create market demand for sustainable timber and by offering certification-related price premiums and reputation gains (Boström 2012; Klooster 2005; Malets 2017; Moog et al. 2015; Taylor 2005). This market-based strategy, however, has meant that the FSC, from the very beginning of its existence, has needed to juggle stakeholders' competing demands concerning different sustainability dimensions. Maybe the greatest challenge for the FSC has been balancing calls for stringent environmental and social standards

regarding certification and calls for rapidly capturing a significant share of the timber market (Auld et al. 2008; Boström 2012; Moog et al. 2015). While many participating companies have been interested in market share and brand reputation, a large number of NPOs have been concerned with a possible watering-down of environmental and social standards due to this (Malets 2017; Pattberg 2005). The fact that the FSC allows the certification of plantations—some of which have been highly contested regarding their environmental and social consequences—and has included a mixed sources label, for example, has been continuously criticized by civil society sector organizations (Moog et al. 2015). Overall, it would seem that proponents of rapid market-share gain have asserted themselves against advocates for upmost stringency with respect to social and environmental standards. This seems to be, at least in part, a result of the power imbalances inherent in the FSC. Despite the fact that the FSC evidently attaches great importance to participation and equal representation (Malets 2017; Pattberg 2005), it has been repeatedly criticized for the dominance of its economic chamber, which is largely controlled by industry representatives, especially large retailers. Critics argue that the FSC has increasingly favored large-scale commercial interests over concerns for the highest standards regarding environmental and social sustainability (Garrelts and Flitner 2011, Klooster 2005; Taylor 2005). The power of buyers, especially retailers, has meant, for example, that they can make certification a requirement for market access and have been able to shift the costs of environmental management to forest managers, including small and community forest managers, without providing a price premium for forest owners (Garrelts and Flitner 2011; Klooster 2005). Since a clear price premium and significant niche markets for FSC certified products have failed to surface, small-scale community forests, for example, have found themselves at a competitive disadvantage, not least because they have found it hard or even impossible to meet the technical standards and cover the financial cost of certification (Boström 2012; Klooster 2005; Taylor 2005). Furthermore, less resource-endowed actors—especially groups from the Global South—have faced a limited ability to actively participate in the FSC standard-setting process (Baur and Arenas 2014; Malets 2017; Moog et al. 2015).

7. Overcoming Difficulties

As becomes apparent from the sections above, the existence of different institutional logics can challenge the formation and functioning of cross-sector social partnerships. However, scholars have defined the factors, mechanisms, and practices that facilitate CSSPs. For example, they have highlighted the central role of adequate governance and accountability mechanisms; the importance of

paying close attention to (potential) power inequalities; the relevance of effective communication; and tolerance for conflict (Austin and Seitanidi 2012a, 2012b; Selsky and Parker 2010). At this point, it is important to note that collaborative endeavors are not a straightforward activity, but rather an iterative process involving continuous and extensive negotiations during which structures and operative process are adapted and, in the best of cases, stabilized (Austin and Seitanidi 2012b; Malets 2017).

Partners from different institutional contexts coming together often do not have a log of experience they can draw from and a clear-cut centralized direction they can follow (Bryson et al. 2006). Setting up functioning management and governance practices is thus essential to success. A clear definition of governance structures will facilitate partnership. This includes the definition of *who* takes decisions and the process of *how* decisions are taken, respectively (Bryson et al. 2006; Reay and Hinings 2009). Partners will have to decide whether there is a single authority making decisions or whether decision-making power is shared. The former will accelerate such a process, particularly when logics of different partners compete, and it is typically associated with market and corporate logic, where shareholders and board members hold such a power. The latter represents a more democratic form of decision-making and is more likely to allow for consensus and thus for more acceptance of decisions among partners. This democratic form of decision-making more strongly represents a nonprofit logic. With respect to governance and accountability, it is also crucial to involve all relevant stakeholders to make sure that all interests are considered and that all parties are heard to the same extent (Agranoff and McGuire 2001). Similarly, the specialization of tasks, and the division of labor need to be defined (Bryson et al. 2006). Having a clear responsibility distribution will give direction on what different actors work on. This further allows partners to focus on their individual strength and lead to a better output. A clear definition of tasks is particularly important when actors, whose logics compete, work together.

Effective communication is an important tool for moving toward a functioning co-existence of logics or even in the development of shared logics, as it allows for learning about each other's goals and perspectives, and avoids the misunderstanding and conflicts that may ultimately impede partnerships (Bryson et al. 2006; Nicholls and Huybrechts 2016; Selsky and Parker 2005). For example, functioning communication is an important antecedent for creating trust between partners. Trust is essential in that it allows for developing a partnership culture, recognizing linked interests, creating joint value and perceiving the exchange of value as fair (Austin and Seitanidi 2012b; Selsky and Parker 2005).

Despite all efforts to initiate smoothly working partnerships, conflicts due to diverging and competing logics are likely to occur (Bryson et al. 2006). Joint tolerance of conflict is needed on all sides (Nicholls and Huybrechts 2016). If such conflicts are managed in a constructive way, conflict can be an opportunity for learning and innovation.

In sum, the different logics of and potential power inequalities between collaborating actors make a clear definition of governance structures and decision-making processes indispensable. More democratic forms of decision-making and effective communication come at a cost, yet a resulting consensus among different actors can lead to more successful collaborative endeavors.

8. Overcoming Difficulties: The Case of the FSC

Based on the substantive negotiations of a broad stakeholder group, the FSC has institutionalized a governance and accountability system that strives for inclusive decision-making processes within the FSC and intensive documentation and audit mechanisms to ensure legitimacy. This governance structure is widely regarded as an exemplary set-up for a cross-sector collaborative arrangement, (Chan and Pattberg 2008; Garrelts and Flitner 2011; Klooster 2005). An institutionalized preference for consensus and the voting rules create preconditions for FSC members to engage in extensive negotiations and compromise building (Malets 2017). From the onset, the FSC has emphasized a balance of power between the environmental, social and economic interests of its members. The highest governing body of the FSC, the General Assembly, is organized according to a tripartite structure consisting of three chambers—an economic, an environmental and a social one—each of which holds one-third of the votes. Additionally, within each chamber—and thus throughout the whole organization—there is a voting parity between members from the Global North and the Global South (Auld et al. 2008; Boström 2012; Chan and Pattberg 2008; Garrelts and Flitner 2011). On a three-year basis, each chamber elects three representatives that subsequently serve on the FSC board of directors (Chan and Pattberg 2008), which is democratically accountable to its members (Baur and Arenas 2014; Chan and Pattberg 2008) and decides on most issues of major importance, such as the election of its executive director, the annual budget allocation or the approval of national representatives, standards and principles (Chan and Pattberg 2008; Garrelts and Flitner 2011; Malets 2017). The operational work of the FSC is coordinated by its secretariat in the German city of Bonn, and is supervised by the Executive Director (Chan and Pattberg 2008; Malets 2017) and the FSC also has various regional and national offices (Malets 2017). The General

Assembly—which gathers every three years—and the board decide on the general direction (e.g., 10 main principles and their criteria) and make the most important strategic decisions. Within the General Assembly, dominance of interest groups is unlikely, as decisions require two thirds of the votes (Chan and Pattberg 2008; Garrelts and Flitner 2011).

These important considerations relating to creating a level playing field also apply to the general principles and standards of the FSC, in which economic, social and ecological aspects are weighted equally (Auld et al. 2008; Boström 2012). Based on these general principles and criteria, country-specific rules are developed in a bottom-up manner within national—or even subnational—processes consisting of consultations or roundtables, in which, again, a voting balance according to the three chambers described above is in place (Auld et al. 2008; Boström 2012; Malets 2017).

The FSC also provides ample channels for stakeholder feedback and offers formal complaint procedures, both of which allow members—and, to some degree, external stakeholders—to have their say on decision and policy making and standard-setting within the FSC, thus guaranteeing accountability (Chan and Pattberg 2008; Malets 2017). For the most controversial or significant policy processes—such as plantation review (Klooster 2005)—the FSC establishes inclusive working groups to prepare reviews, collect feedback from internal and external stakeholders in public consultation and set up separate websites to ensure information accessibility, transparency of process and collection of feedback (Malets 2017).

Some of these elements—for example the dispute procedures—have been implemented and refined as a response to internal and public criticism, serving to show that the FSC is willing and capable to extensively deal with the criticism directed at it (Chan and Pattberg 2008; Malets 2017). For example, regarding the critique of power imbalance, the FSC was restructured to promote a better balance of influence and interests, establishing nondiscriminatory and flexible standards for local conditions, developing new guidelines for regional standards, implementing group certification and channeling more support to social chamber meetings. In 2001, the FSC outlined a social strategy to better serve the needs of local community forest users, indigenous peoples, forest workers and small and low-intensity forest users (Garrelts and Flitner 2011). Challenges are continuously problematized and the FSC responds to problems by revising its rules and procedures and addressing implementation issues in transnational and domestic venues (Malets 2017).

In sum, throughout its existence, the FSC has put emphasis on comprehensive governance mechanisms that allow for compromise building and a power balance among the different interests present within the scheme, and has been capable of

reacting to criticism by refining existing or developing new governance mechanisms. This strategy of pro-actively addressing challenges and seeing difference as opportunity has allowed the FSC to successfully address many potential problems arising from the fact that actors with different institutional logics are part of this certification scheme. Table 1 summarizes the presented discussion on the drivers and challenges of, as well as solution-mechanisms to, CSSPs, taking the FSC as an example.

Table 1. Summary of Drivers, Challenges, and Solution-Mechanisms to cross-sector social partnerships (CSSPs). Source: Own illustration.

	Literature Review	The Forest Stewardship Council
Drivers	<ul style="list-style-type: none"> • Sharing distinct resources, knowledge, expertise, and capacities; • Better capacity to identify causes of societal problems; • Broader perspective on and more effective solutions to societal problems. 	<ul style="list-style-type: none"> • Companies: Increased credibility and positive reputation of certification system, better risk management and market intelligence, gained expertise on forest-management; • NPOs: more effective and wider goal attainment through better forest management, increased biodiversity, decreased pollution, and worker safety.
Challenges	<ul style="list-style-type: none"> • Divergent interests, power mismatch, lack of appropriate governance mechanisms, increased management costs; • Little inclusion of interests of minorities, weak transparency and accountability; • Risk of superficial solutions to societal problems rather than profound changes in institutional arrangements. 	<ul style="list-style-type: none"> • NPOs: watering down of certification standards due to large-scale commercial interests, focus on Europe and North America, failure to include and protect forestation industry in the Global South; • Companies: high certification costs for small businesses, limited participation of businesses in the Global South in definition of standards.
Solution-Mechanisms	<ul style="list-style-type: none"> • Adequate governance and accountability systems; • Awareness of and close attention to (potential) power-inequalities; • Effective communication, clear responsibility and task distribution, and tolerance for conflict; • Partnership as iterative process of negotiations and learning during which structures and operative processes are adapted. 	<ul style="list-style-type: none"> • Implementation of inclusive decision-making processes and preference for consensus; • Emphasis on power-balance between economic, social, and environmental interests; • Triparty structure of General Assembly; • Voting parties representing the Global North and South; • Bottom-up definition of standards accounting for economic, social, and environmental concerns; • Feedback channels for external stakeholders; • Public reviews to address criticism.

9. Conclusions

By reviewing and combining the literature on cross-sector social partnerships and institutional logics—and by specifically examining the case of the Forest Stewardship Council—in this chapter we put forward the question of how the existence of different institutional logics can both encourage and challenge the emergence and functioning of CSSPs that, in turn, allows for successfully addressing pressing and complex societal challenges. More specifically, we investigated how the existence of varying institutional logics can act as drivers of and impediments to CSSPs, and what solution-mechanisms can be put into place for ensuring the success of such collaborative endeavors.

The FSC provides ample evidence for the fact that different institutional logics can act as important drivers for setting up CSSPs in the first place and ensure their long-term success. In light of increasing public concern regarding on-going forest degradation and deforestation and widespread criticism of business-as-usual and conventional approaches by nonprofits, in the early 1990s both market and civil society actors recognized that they could benefit from combining their respective resources and knowledge concerning forest management. Since the creation of the FSC, both the market sector and civil society actors have been able to reap the benefits of this joint initiative. For example, companies have benefitted from the positive reputation bestowed on them by NPOs participating in the scheme and have been able to access latter's expertise regarding environmental and social issues surrounding forest management. NPOs, in turn, have been able to implement their mission more effectively, as—within FSC certified forests—forest management practices have improved with respect to environmental and social sustainability. Today, the FSC is widely regarded as the global benchmark with regards to achieving sustainable forestry. An important ingredient of this success has been its comprehensive governance structure, which allows for extensive negotiations, compromise-building and a balance of power between the environmental, social and economic interests of its members. Such comprehensive governance, accountability and communication mechanisms have been identified in the literature as important prerequisites for functioning CSSPs.

Nevertheless, despite this well-thought-through governance structure, the FSC has faced significant challenges with regards to balancing economic, social and environmental interests. Critics argue that the FSC has increasingly favored large-scale commercial interests over concerns for the highest standards regarding environmental and social sustainability. It would appear that this has been an important impediment to the FSC in more effectively tackling forest degradation and deforestation on a global scale, as, due to dominant economic interests, especially more disadvantaged

groups in the Global South have been partially excluded from taking part in the FSC certification scheme, which has made it difficult for the FSC to tackle one of its major objectives: tropical deforestation.

At the same time, the FSC has been capable of reacting to such criticism. For example, some of the mechanisms it has introduced, such as dispute procedures or attempts to better serve the needs of local community forest users and indigenous people, have been implemented as a response to internal and public criticism.

In sum, as the example of the FSC shows, different institutional logics should by no means be seen as unsurmountable obstacles for the implementation of successful CSSPs. Rather, they are important drivers of such endeavors and an important prerequisite for value-creation within these cross-sectoral efforts. Yet, caution with respect to over-optimistic calls for such cross-sectoral social partnerships is advised. Even the FSC with its comprehensive governance-mechanisms has experienced significant challenges, and has only been able to meet its objectives to a limited degree.

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