

Social alliances: Dilemmas, trade-offs or paradoxes?



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With this thesis, I am ending a period in which I learned not to look back, but to look forward. This thesis proved to be a small repetition of that. I am pleased to know that now I can end one chapter and start a new one. I am looking forward to what the future might bring.

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List of abbreviations

BOT	Build – Operate – Transfer
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DFRO	Design, Rehabilitate, Finance and Operate
DGIS	Directorate General for International Cooperation
DWSC	Danang Water Supply Company
IWA	International Water Association
JOA	Joint Operations Agreement
KTDP	Karse Tirta Dharma Pangada
MDG	Millennium Development Goal
MoU	Memorandum of Understanding
NGO	Non Governmental Organization
PC	People’s Committee (Executive council for the city)
PDAM	Perusahaan Daerah Air Minum (Indonesian regional water utility company)
PMU	Project Management Unit
PSOM	Program for Collaboration with Emerging Markets
PT	Perseroan Terbatas (Indonesian: Limited Liability Company)
PWN	Puur Water en Natuur
RPM	Resident Project Manager
SWM	Suriname Water Company
TAM	Technical Assistance Model
TID	Tirta Indi Drenthe
TOM	Temporary Ownership Model
UfW	Unaccounted for Water
USP	Urban Service Plan
VEI	Vitens Evides International
VNG	Vereniging van Nederlandse Gemeenten (Association of Dutch Municipalities)
WMD	Watermaatschappij Drenthe
WFH	Water Fund Holland
WOP	Water Operators Partnership
WWn	World Waternet

Abstract

Several studies have showed that cooperation between parties within the same sector or between sectors is in many cases difficult. Especially in those cases when organizations want to cooperate to solve complex societal issues, difficulties might arise. Many partnerships lack the basic capacities to successfully manage a social partnership. The main reason why management fails is because management fails to manage interaction in the right way. Absence of information, strategic oriented partners, and different (cultural values) all lead to uncertainties, either in defining the rules of the game or the outcomes of actions. These uncertainties often come to light as opposing pressures/alternatives (tensions), such as interests, principles and solutions.

By defining tensions, the complexity of a situation might be easier to understand and better solutions can follow. Based on the definition by De Wit and Meyer (2005), this research aimed to define what kind and which tensions are present in social alliances and how they are dealt with by management. To do so, the water sector, and more specific, development aid provided by the Dutch water operators through Water Operators Partnerships, was selected as subject of study. It allowed to control for external variables (hence sector, country) and for a comparison between cases. In total 7 Water Operators Partnerships in 5 countries were studied, for which 13 managers from 7 Dutch water operators were interviewed.

It turned out that although for most predefined tensions two opposing pressures were present, managers hardly perceived and/or dealt with these alternatives as if they were opposing. Two pairs of opposing pressures could *not* be classified as a tension. That is, short and long term goals as well as preventing or appreciating conflicts could not be classified as a tension as only one of the alternatives was present.

Managers either deal with these tensions through dilemmas (either/or choice), tradeoffs (striking a balance between the alternatives), or paradoxes (new, innovative ways). Only for one tension did all managers deal with the alternatives similarly (through paradoxes). As for all other tensions, managers are divided. Further research should assess whether perceptions of alternatives influences managerial behaviour, or whether behaviour influences managers perception of the alternatives.

1. Introduction

“When the well is dry, they know the worth of water”

Benjamin Franklin (1706-1790);

American Statesman, Scientist, Philosopher, Writer, and Inventor

1.1 Water problems

Water is unevenly distributed over the various parts of the world. Whereas in Northern countries there is a great quantity of renewable fresh water resources, the majority of the world population lives in the Southern countries (Al Radif, 1999, p. 146). Approximately 1.1 billion people do not have access to safe water¹. This involves, according to the World Water Council (2005) and TAC (2000), the “real” poor people. Hence, it is more than likely that more than the estimated 1.1 billion people lack access to safe water.

In addition, poor people have to pay relatively higher prices than wealthier people. Accordingly, ‘poor people living in the slums [in developing countries] often pay 5 – 10 times more per litre than wealthy people living in the same city’ (Water Partners International, 2009; 2009). This does not imply that water scarcity is solely a problem of Southern (developing) countries; all countries today face water scarcity issues. Yet, developing countries suffer the most (Al Radif, 1999).

Most concern revolves around health issues. Lack of clean water results in many water related diseases. Approximately 3,575 million people die each year of water-related disease of which 98 percent is in developing countries. With approximately 84% of total water-related deaths, children at the age of 0 to 14 are most vulnerable. What is more, every 15 seconds a child dies because of a lack of safe water (Lewis & Miller, 1987; Gomez & Nakat, 2002; Water Partners International, 2009).

Providing safe water could not only prevent many people from dying; it can also reduce health care costs. Moreover, at the present time, women and children spend hours on collecting water, often from polluted sources. Access to safe water would reduce the time spend on collecting water and enable women to spend more time on other activities. In addition, it would allow children to go to school (more often) and to be educated. This and by itself could lead, direct and/or indirectly, to economic development (Sullivan, 2002; Medema & Jeffrey, 2005; Water Partners International, 2009)

¹ Safe water/ water supply is defined as water that has been treated and had become drinking water.

1.1.1 *Wicked problems*

Water scarcity problems can be described as wicked problems; complicated problems that cannot easily be resolved. This stems from their characteristics. First of all, wicked problems are *complicated*. According to De Wit and Meyer (2004), these problems have numerous important elements related to one another. Usually, this requires combining different programs to deal with a given problem. With regard to water scarcity problems, water is constantly in motion crossing boundaries between states and/or regions. Moreover, water projects have to be dealt with on several levels; on national as well as local levels, but at times also on regional and international levels. Whereas it is acknowledged that a global approach is needed, it is simultaneously acknowledged that (the best) solutions are at the level of water users or a group of users. In addition, even if water problems could be allotted to a certain level, contribution from actors from different levels is needed to solve the problem (Lundqvist, 2000; Zehnder, Yang, & Schertenleib, 2003; Biswas, 2004; Medema & Jeffrey, 2005).

Second, wicked problems are *interconnected* with other problems. This could result in feedback loops that enhance or buffer changes that occur in a system (De Wit & Meyer, 2004). According to Medema & Jeffrey (2005), aquatic systems are interconnected. More precisely, water has multiple purposes, such as ecological functioning, food production, economic activities, health and recreation. How water scarcity problems are dealt with is affected by the way in which other water problems are dealt with. That is, water can only be used once (TAC, 2000; Molle, Mollinga, & Meinzen-Dick, 2008). In addition, water projects are becoming more and more related to other development-related issues, such as agriculture, energy, education, environment, health, and rural/regional development issues. Decisions made for these development problems could positively or negatively influence water problems (Biswas, 2004; Pahl-Wostl, 2002; Hilhorst, Oorthuizen, & Termeer, 2007; Kolk, Van Tulder, & Kostwinder, 2008).

Third, wicked problems are *uncertain*. They occur in a dynamic and largely uncertain environment (De Wit & Meyer, 2004). Several factors cause water stress; a situation when demand for water is higher than its supply, or when poor water quality limits its use (Greenfacts, 2009). These factors include on the one hand an increase in population and economic growth (causing an increase in the demand for water); on the other hand climate change, growing water withdrawals, and reduced quality and pollution of water (causing a reduction in the supply of safe water). How these demand and supply factors are to evolve is difficult to forecast. Moreover, solutions depend upon factors such as country specific conditions as well as stakeholders' characteristics. It is therefore difficult to predict outcomes ahead of time (TAC, 2000; Medema & Jeffrey, 2005; Hilhorst, Oorthuizen, & Termeer, 2007; Molle, 2009).

Fourth, wicked problems are *ambiguous*. Viewing problems from different points of view leads to different problem definitions. Accordingly, there is no 'correct view' of the problem (De Wit & Meyer, 2004). Since water has several purposes, consequently, various disciplines (amongst others agriculture, ecology, economy, technology, law and geography) deal with water problems. Yet, actors with different backgrounds are, in all likelihood, to emphasize different aspects of water problems (Lundqvist, 2000; Thomas & Durham, 2003; Klijn, Edelenbos, Kort, & Van Twist, 2006; Molle, 2009; Rondinelli, 1982; Molle, Mollinga, & Meinzen-Dick, 2008).

Fifth, wicked problems are characterized with *conflict*. Conflicts of interests are to be expected and interaction among powerful players is likely to influence how things will work out (De Wit & Meyer, 2004). In case of water problems, governments and public water operators have been unable to provide safe water to its population. Help is needed from other organizations, such as well performing private and/or public water operators, civil society organizations (CSOs) and nongovernmental organizations (NGOs), to solve these problems. However, these organizations are likely to pursue their own (strategic) interests and have diverging opinions how water problems should be tackled. Moreover, various groups and stakeholders use water for different (conflicting) needs (Medema & Jeffrey, 2005; Hilhorst, Oorthuizen, & Termeer, 2007).

Sixth and finally, wicked problems face *societal constraints*; social, organizational, technical and political capabilities that are limited and, for that reason, hamper development of feasible and desired solutions (De Wit & Meyer, 2004). This is also true for water scarcity problems. For example, Western technologies are either too sophisticated and therefore expensive or not adapted to developing countries' circumstances. But also the capabilities of governments in developing countries are limited. Governments are often too weak or corrupted to create a solid foundation for water supply. Thus, in more general terms, solutions for water problems are hampered by a lack of strong government bodies, practical innovations, and inadequate management (Water Partners International, 2009).

1.2 Water Operators Partnerships

The 'water crisis' has also been referred to as the 'crisis of governance', 'as it [the water crisis] is mainly related to problems in management and governance and goes beyond mere technical challenges' (Medema & Jeffrey, 2005, p. 7; TAC, 2000). Managing water problems and planning for water projects is a complex and difficult task. It is therefore no surprise that water professionals and/or water ministries are unable to provide reliable and affordable water services on their own. Hence, (public) water operators in developing countries often cooperate with either Southern or Northern water operators to improve water and sanitation services (Thomas & Durham, 2003; Biswas, 2004; Pahl-Wostl, 2002).

These types of partnerships are also referred to as Water Operators Partnerships (WOPs). According to the International Water Association (2009, p. 4), 'a WOP is defined as any form of formal or informal collaboration or structural partnership aimed at capacity building on a non-for-profit basis'. WOPs were globally initiated to achieve the Millennium Development Goals and to improve the public sector's improvement (Pistorius, 2008). Whereas 90% of water utilities are public, WOPs can also be formed between a public operator and private sector operator, nongovernmental organization, civil society organization or any other organization that can contribute in any kind of way to the performance of public operators (Rijsberman, 2004; Thomas & Durham, 2003; Biswas, 2004; Pahl-Wostl, 2007; International Water Association, 2009; UNDESEA, 2006)

1.2.1 Added value

Water Operating Partnerships are a form of social partnerships. It is a commitment by organizations to cooperate with organizations from different spheres/disciplines to share resources to solve a problem that affects them all. In general, such problem lies in the social arena and goes beyond organizational boundaries and/or traditional goals that, consequently, requires active participation of all parties (Waddock & College, 1988).

In essence, partnerships are established to create added value which could not be established if the partners were to operate on their own. Whereas all organizations are to benefit from cooperation, this does not imply that all will benefit to the same extent. There are different ways in which added value can come about (Klijn, Edelenbos, Kort, & Van Twist, 2006).

First of all, partnerships can contribute to a faster realization of public goals. For example, through cooperation conflicts can be overcome, moving from a no-win situation to a win-win situation. Brinkerhoff (2002) argues that if partners would continue outside a partnership, they are more likely to have dissatisfied stakeholders. Moreover, cooperation can provide strategic direction and 'open decision making processes to promote a broader operationalization of the public good' (p. 6). This would allow for population representation as well as democratic processes to be maximized. Moreover, along these lines, local opposition could be overcome (Waddock & College, 1988; McQuaid, 2000; Brinkerhoff, 2002; Klijn, Edelenbos, Kort, & Van Twist, 2006; Hilhorst, Oorthuizen, & Termeer, 2007).

Second, effectiveness and efficiency of development efforts can be enhanced. By sharing resources and relying on comparative advantages, development initiatives can be incrementally improved. This could lead to scale advantages and thereby cutting costs. Thirdly, added value can come about in terms of synergy. In this manner, comparative advantages are shared that result in outcomes partners could not have achieved on their own. In case of development aid, this often comes about in multi-actor integrated solutions and innovative, new products

(McQuaid, 2000; Brinkerhoff, 2002; Klijn, Edelenbos, Kort, & Van Twist, 2006; Hilhorst, Oorthuizen, & Termeer, 2007).

1.2.2 Challenges

Although partnerships are established to create added value, approximately more than half of all partnerships are not successful and two-third of formed alliances and networks fall apart (Boonstra, 2007). Factors contributing to the failure of partnerships include leakage of knowledge to other parties, lack of transparency of profits and costs, organizational and cultural differences, context in which a partnership operates, lack of trust and mutual dependence, control issues, and suspicion of government towards the private sector; do they really need financial support? (Brinkerhoff, 2002; Klijn & Teisman, 2003; De Bettignies & Ross, 2004; Frisby, Thibault, & Kikulis, 2004; Van Tulder & Van der Zwart, 2007).

Besides these factors contributing to the failure of partnerships, social partnerships face additional challenges stemming from development aid sector characteristics. First of all, development aid projects need to be tackled in such a way that all stakeholders can have a say. This demands a strong coordination effort by management (Klijn, Edelenbos, Kort, & Van Twist, 2006). In addition, different actors have different perceptions of how problems could be best approached or solved. This is especially the case in the development sector where people are (strongly) emotionally committed. Many of the development agents hold strong visions of what the problems are and how they should be tackled. Hence, they have a precise idea of what constitutes the right approach in dealing with development problems. Moreover, prejudice still exists towards organizations from the other spheres. In example, non-profit organizations question the profit motive of businesses, while businesses are sceptic towards nonprofits' efficiency and effectiveness. Strong visions regarding development problems and other parties can hamper or at least make cooperation more difficult (Hilhorst, Oorthuizen, & Termeer, 2007, De Wal, 2009)

Second, partner organizations have to deal with physical and cultural barriers. They have to deal with physical distance that leads to limited opportunities to meet each other. Moreover, partners often do not speak the other's language nor are they (or only limited) acquainted with the other's culture. Planning of meetings is therefore difficult. What is more, there is little room for mistakes. This makes establishing relationships and quickly getting insights into problems difficult; everything has to be done during one meeting. Although it is argued that experienced development agents will encounter less difficulty, Hilhorst, Oorthuizen and Termeer (2007) argue that they too are becoming more and more dependent on intermediaries for information and contacts.

Third, development aid projects have to deal with politically loaded relationships. The relationship between North and South is ideological and historical in nature and can be further clouded by cultural misunderstandings. According to Hilhorst, Oorthuizen en Termeer (2007), North-South relationships are usually fragile and can be quickly formulated in political terms. Southern partners at times claim Northern partners to be paternalistic, stemming from colonialism, unequal international power relations, or Western's belittling. This results in Southern partners demanding more sovereignty and less interference with partner's organizational operations. Consequently, development agents often try to avoid paternalism. This often results in a great deal of consultation, exploration and giving the process time and space to evolve (Hilhorst, Oorthuizen, & Termeer, 2007).

Fourth, development aid projects have to deal with unilateral financial dependency. This makes development aid 'a complicated game with several loyalty dilemmas' (Hilhorst, Oorthuizen, & Termeer 2007, p. 286). In example, tight agreements between donor and recipient cannot really be made, as development aid in essence is 'helping others to help themselves' (p. 286). The recipient should have some elbow room to evolve and set the agenda. However, many (Northern) organizations have to justify their operations to their stakeholders. As for Southern organizations, they have to deal with the demands of their rank and file on the one hand, and the donors on the other hand. Not living up to donor's demands could lead to a loss of help (income), whereas not including the rank and file of the organization could lead to a loss of legitimacy and not knowing which problems are most severe (Hilhorst, Oorthuizen, & Termeer, 2007; De Wal, 2009).

Fifth, developing countries often lack a strong legal framework and/or institutions. None of the partners is directly accountable for development problems and governmental ruling is often lacking. Some of the developing countries are even instable (for example post-conflict areas). Due to a lack of general governance body, social trust² is needed in order to have a successful partnership. However, trust between Northern and Southern partners is often fragile. When there is only the slightest presumption of betrayal, trust can disappear in a trice (Hilhorst, Oorthuizen, & Termeer, 2007; Kolk, Van Tulder, & Kostwinder, 2008).

1.3 Managing for results

The context in which complex societal problems present themselves and make cooperation necessary to solve them is also the reason why cooperation is complex and difficult to realize. Not only since water problems are wicked problems, but also because the relationships between

² Social trust is an ongoing drive (such as honesty, objectivity, consistency, competence and fairness) for social relations that forms a basis for interaction. In such cases, there is no immediate pay off or gain (Bolego, 2005).

actors from different spheres/sectors and between Northern and Southern partners are fragile and complex.

Many organizations lack the basic capacities required to successfully manage a social partnership. While approximately 50 percent of time is spent on initiating a partnership and 23 percent on developing strategic plans, only 8 percent of time is spend by management on managing a partnership (Frisby, Thibault, & Kikulis, 2004). Yet, inadequate management can result in unsuccessful partnerships. It can cause partnerships to become increasingly costly and thereby reduce synergy's effects. A long-term relationship can end if costs exceed benefits. It can also pose other negative side-effects, such as staff dissatisfaction and a loss of credibility, or difficulties in retaining and attracting partners. Therefore, good management is needed to gain the most out of cooperating (Frisby, Thibault, & Kikulis, 2004; Hordijk, 2008).

Frisby, Thibault, and Kikulis (2004, p. 110) argue that 'many partnerships fail to meet expectations because little attention is paid to managing the web of partner relations that is emerging'. Accordingly, the flaw of cooperation lies in managing interaction. This is due to 'the complexity of simultaneously managing several partners from different sectors' (Frisby, Thibault, & Kikulis, 2004, p. 110; Klijn, Edelenbos, Kort, & Van Twist, 2006; Hordijk, 2008).

This complexity stems from three uncertainties; that is content, strategic and institutional uncertainty. First of all, outcomes are ambiguous and difficult to plan for, and most likely only explicable afterwards (Hilhorst, Oorthuizen, & Termeer, 2007). In addition, information is often not available or not in time to be included in the decision making process. More important, the partners are likely to interpret and use information differently. Consequently, interests need to be harmonized that will impose managerial challenges (Klijn, Edelenbos, Kort & Van Twist, 2006; Babiak & Thibault, 2009).

Second, partner organizations are autonomous and therefore can define their own strategy. Missions and objectives of partner organizations change when a partnership evolves (Babiak & Thibault, 2009). This creates uncertainty as it is unknown in advance what partners will do. In addition, although each partner can pursue its own strategy, it is unclear how these strategies will influence each other. It is the (vexing) task of the manager to connect the strategies of the partner organizations and to prevent or resolve conflicts (Klijn, Edelenbos, Kort, & Van Twist, 2006).

Thirdly, actors often come from different spheres (non-profit, private or public) or networks that, in general, have specific professional norms, values and procedural systems. Every sphere and/or network constitutes specific working frameworks, values, authority and communication channels, as well as different professional discourses. When organizations from different spheres and/or networks cooperate, a clear framework or underlying values that determine the rules of the game (such as ownership and interaction) are absent. Hence, rules

cannot only differ between sectors and/or networks, they can also be in conflict or even block interaction. Consequently, management has to deal with institutional challenges and/or barriers that enhance the complexity of the task (Klijn & Teisman, 2003; Frisby, Thibault, & Kikulis, 2004, p. 111).

1.3.1 Tensions

These uncertainties often come to light in terms of opposing interests, principles, and “best” solutions. If taken separately, these interests, principles and solutions would only highlight one side of the coin. Management’s struggle to balance these contradictions results in tensions that account for instabilities of alliances. To note, these tensions stem from (a lack of) normative fit; how well partners’ norms, values, underlying frameworks, as well as how problems should be dealt with, fit together. This is not to be confused with strategic fit that can be defined as the extent to which the activities of organizations fit together (Ford & Ford, 1994; Das & Teng, 2000, De Wit & Meyer, 2005).

Defining tensions allows managers to understand the complexity of the situation and to prevent them to forgo options that were not yet considered. In other words, it reminds them of inconsistencies of each of the alternatives. As a result, by taking other views and perspectives into consideration, better solutions and arrangements can come about (Poole & Van de Ven, 1989; Halbertsma, 2000; Klijn, Edelenbos, Kort, & Van Twist, 2006).

It might, however, not always be clear what sort of relationship tensions constitute. Managers might be overwhelmed and deal with tensions in a thoughtless and imperfect way. It could also be perceived as an invitation to have long-lasting, informal debates. This altogether could lead to an inappropriate way of dealing with tensions. Nevertheless, defining tensions is considered to be a precondition for success in alliances and networks. Opposing views can inform one another and might move management beyond oversimplified and polarized notions (Poole & Van de Ven, 1989; Koza & Lewin, 2000; Halbertsma, 2000; Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007).

De Wit and Meyer (2005) have defined four approaches to deal with opposing perspectives, including puzzles, dilemmas, trade-offs and paradoxes. Puzzles are on the one extreme, providing one optimal solution; and paradoxes on the other, providing a multitude of reconciliations. Dilemmas and trade-offs are in between, with dilemmas providing either/or solutions and trade-offs an optimal solution line. Moreover, paradoxes in contrast to dilemmas offer both/and solutions (De Wit & Meyer, 2005).

In case of dilemmas, two opposing factors are incompatible and mutually exclusive, whereas in case of paradoxes, two opposing factors are simultaneously true. Dilemmas and

paradoxes also differ in their underlying logics. Dilemmas stem from a formal logics approach, while paradoxes stem from a dialectic approach. Formal logic focuses on identity; hence, what something is or is not. In this case, something cannot be both at the same time nor can it be in between “A” and “Not-A”. Since something is either “A” or “Not-A”, formal logics results in either/or choices, hence dilemmas. Dialectics, in contrast, emphasizes contradiction. It views situations as bipolar, opposing tendencies that need to be balanced. Therefore, dialectics allows for things to be both/and and thus paradoxes (Ford & Ford, 1994; De Wit & Meyer, 2005).

Taken as a whole, these approaches differ in the way and number in which optimal solutions can be reached.

1.4 Relevance

Das & Teng (2000) argue that the notion of contradictions constitute an important basis for social science theorizing. As for tensions in alliances and partnerships, both public and business administration have paid attention to this phenomenon yet emphasizing different aspects. Whereas looking at tensions through one lens (one perspective) would lead to excluding some aspects, including both perspectives would allow to study where both perspectives come together.

Overall, research has paid most attention to dilemmas and paradoxes. Rather than studying them simultaneously, these studies have focuses on either one of them. To note, there is a line that can be drawn between public and business administration. Public administration mainly focuses on/claims tensions to be dilemmas, whereas business administrative mainly focuses on/claims tensions to be paradoxes. Yet, it cannot be known beforehand whether certain tensions are perceived by management as an either/or choice or a both/and choice. This also becomes clear when various studies claim similar tensions to be simultaneously paradoxes and dilemmas. What is more, several studies that claimed to measure paradoxes measured dilemmas; while claiming to measure both/and choices, these studies measured either/or choices. This research overcomes this problem by not defining tensions in advance, but only after managers are consulted. In addition, also the characteristics of water problems and cooperation in the development aid sector are included (Das & Teng, 2000).

1.5 Research Objective and Problem Statement

This research focuses on the (lack of) normative fit in alliances; how well partners’ norms, values, underlying frameworks as well as perceptions of how problems should be dealt with, fit. This is defined in terms of tensions. Boonstra (2007) argues that since tensions in the development sector are expected to be more torment, other sectors can learn from the development sector. Given that social partnerships face ‘different dimensions and dynamics than

other types of partnerships that have predominated in the management literature so far, [and] unfold in an uncertain, complex and often distant setting' (Kolk, Van Tulder, & Kostwinder, 2008, p. 270), it is motivating to examine which and what kind of tensions dominate in development cooperation and how they are dealt with.

The objective of this thesis therefore is to gain more insight into managerial tensions dominant in social partnerships. More specifically, the aim is to understand which choices managers have to make, how these are perceived and how they are dealt with. The research question is therefore:

'What kind and which tensions, from a managerial standpoint, dominate in social partnerships (WOPs), and how are they dealt with by management?'

To answer this research question, 3 sub questions are defined:

1. What kind and which tensions in (social) partnerships can be defined from literature?
2. Which and what kind of tensions dominate in social alliances (WOPs)?
3. From a managerial standpoint, how are these tensions dealt with?

1.6 Outline

This research consists of six chapters. Chapter two describes the various tensions management is likely to face. It also acknowledges that the kind of tensions experienced in social alliances depends on how management perceives such tensions. This chapter concludes with tensions selected for social partnerships, based on the characteristics of Water Operating Partnerships. Chapter three deals with the methodology. A qualitative research will be conducted, and chapter three will further elaborate on the content of the research process. In chapter four, the cases are presented. Background information is provided regarding the seven cases (partnerships). Chapter five presents the findings and analysis of this research. Chapter six concludes as well discusses the implications and limitations of this research.

2. Tensions from a managerial standpoint

“Quality is never an accident; (...) it represents the wise choice of many alternatives”

William A. Forster (1919 – 1945);

United States Marine

2.1 Different types of tensions

Managing projects with multiple stakeholders is a complex task. That is, management has to deal with several issues that are present in alliances and partnerships. At the heart of these issues, apparent opposites can be identified. These ‘apparent’ opposites create tensions as the opposing perspectives seem to be inconsistent or incompatible. Hence, ‘it seems as if both elements cannot be fully true at the same time’. While ‘these opposites confront [...] managers with conflicting pressures, somehow they must deal with them simultaneously’ (De Wit and Meyer; 2004, p. 13, 2005).

In general, for practicality purposes, theorists define tensions by confronting two opposing perspectives with one another. That is, ‘the two perspectives represent the two extreme ways of dealing with a tension, emphasizing one side or emphasizing the other’ (De Wit and Meyer, 2004, p. 14). As one of a few, De Wit and Meyer (2004, 2005) have classified four ways to approach such tensions. These approaches differ in the number of solutions and whether an optimal solution can be found. In sequence of one optimal solution to multiple reconciliations, the four approaches include puzzles, dilemmas, trade-offs and paradoxes (De Wit and Meyer, 2004, 2005).

A puzzle can be defined as a situation that has one optimal solution. Although the problem might be complex and management has to put effort into grasping the underlying causes, there is a best way in solving the problem. A dilemma, on the contrary, presents a choice between two alternatives of which neither of one is logically the best. The alternatives are mutually exclusive and an either/or choice has to be made. A third way of looking at two opposing perspectives is through trade-offs. A trade-off is, according to De Wit and Meyer (2005, p. 16), a ‘situation in which there are many possible solutions, each striking a different balance between two conflicting pressures’. In such cases, a balance has to be found (and can be found) between two alternatives. De Wit and Meyer (2004, 2005) argue that there is, in case of a trade-off, an optimal line between the two alternatives, and it is up to management to strike a balance on this line. Finally, a paradox is a situation in which the perceived incompatibility is one of appearance. The two opposites appear to be true at the same time. It is however impossible to integrate these

opposing views into an internally consistent understanding of the problem. Therefore, in contrast with dilemmas, a paradox presents a both/and problem. According to De Wit and Meyer, paradoxes are dealt with through innovative reconciliations (Halbertsma, 2000; De Wit & Meyer, 2004, 2005; Klijn, Edelenbos, Kort, & Van Twist, 2006).

The four approaches are summarized in figure 2.1.

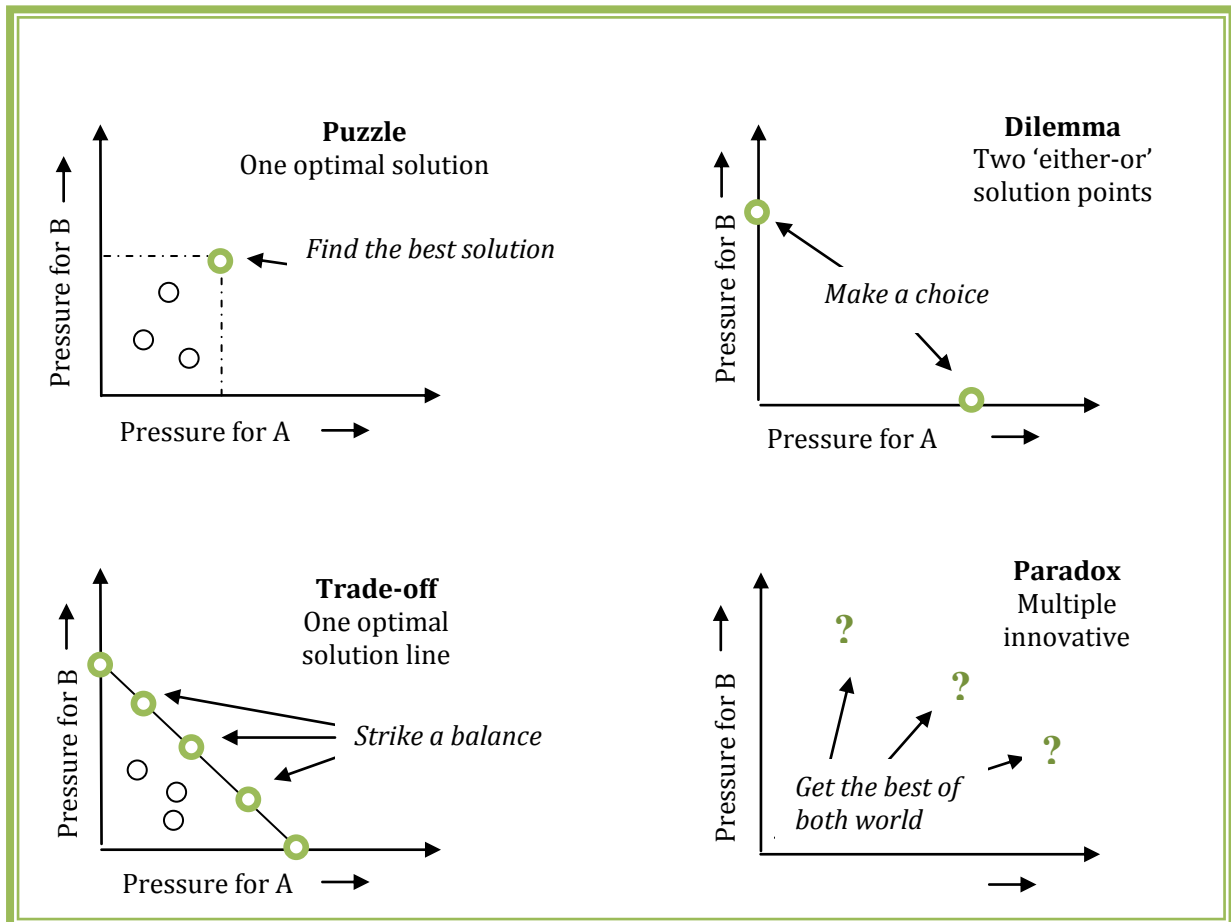


Figure 2.1. Four approaches to two opposing perspectives (De Wit and Meyer, 2005, p. 17).

Puzzles differ from dilemmas, trade-offs and paradoxes as they have one optimal solution for a complex problem. The aim is to define situations in which a choice has to be made between alternatives which lack one optimal solution. Hence, those situations that stem from dealing with wicked problems and that lead to (seemingly) opposing views and principles. For that reason, puzzles are left out of the remainder of the discussion.

Managers ‘make assumptions [...] about the nature of these tensions and devise ways in which to deal with them’ (De Wit & Meyer, 2004, p. 13). If management feels it has to make a choice, resulting in choosing one over the other, it will deal with two alternatives as if it is a dilemma. However, if management feels both alternatives are important, it will either try to strike a balance (tradeoffs) or, when an optimal solution line is lacking, try to find reconciliations

(paradoxes). Hence, how management perceives alternatives influences how management deals with them. It remains in the eyes of the beholder if alternatives are incompatible and consequently how he deals with it.

2.2 Tensions in the eyes of management

Prior research has mainly focused on *which* tensions are present in social alliances. They are, however, not defined in terms of dilemmas, tradeoffs, or paradoxes. Rather, these studies assessed whether both pressures are present simultaneously. The studies that tried to define what kind of tensions are present in alliances, either defined them in terms of dilemmas or paradoxes. They did not provide an alternative when it was not a dilemma or paradox. Moreover, several studies claim similar tensions to be dilemmas and paradoxes. Additionally, they focus on one tension. Only a few studies focus on alliances and include several tensions, either in terms of dilemmas or paradoxes.

Apparently, there is still confusion about the kind of tensions that are present in alliances. It is for that reason that four studies that included multiple tensions are gathered in this research. Only those tensions that have been defined as both paradoxes and dilemmas are described below. It is acknowledged that other tensions might be more or more severely present in social alliances (WOPs); however, they are already clearly defined as either dilemmas or paradoxes and for that reason excluded from this research.

The four studies selected include three qualitative studies (De Wit & Meyer, 2004; De Wit & Meyer, 2005; Boonstra, 2007; Kaats & Opheij, 2008) and one quantitative study (Klijn, Edelenbos, Kort, & Van Twist, 2006). Two studies focused on/defined dilemmas in alliances and, based on the sectors they studied (spatial development, health and construction) are considered to have a public point of view (Klijn, Edelenbos, Kort, & Van Twist, 2006; Kaats & Opheij, 2008). The other two studies defined tensions in terms of paradoxes and are considered to have a business point of view (De Wit & Meyer, 2004; 2005; Boonstra, 2007). De Wit and Meyer are both researchers at a business school and focus in their research on multinationals. The same accounts for Boonstra, who focuses mainly on financial institutions.

Klijn, Edelenbos, Kort, and Van Twist (2006) quantitatively measured dilemmas in spatial development partnerships. For only a few tensions was there a strong indication that they could be labelled as dilemmas. The remaining tensions could neither be defined as dilemmas, nor was there an alternative categorization. Kaats and Opheij (2008) qualitatively defined dilemmas in health care and construction partnerships. However, neither a definition of what a dilemma constitutes was provided, nor does their discussion clearly show an either/or choice. Hence, it could also be the case that while these tensions were labelled as dilemmas, they are in fact paradoxes. Nevertheless, Kaats and Opheij portray these tensions as dilemmas. Boonstra (2007)

has defined paradoxes after discussing alliances from an organizational, public administrative, business administrative and social and psychological perspective. These paradoxes are not tested either qualitatively or quantitatively. It can therefore be questioned whether these paradoxes are truly paradoxes. De Wit and Meyer (2004, 2005) finally, also defined tensions in terms of paradoxes. Through case studies, these authors have tried to demonstrate paradoxes on several levels and in several contexts for (multinational) corporations and alliances. These levels include business, corporate and network levels as well as industry, organizational, and international context (De Wit & Meyer, 2004; 2005).

Besides these four studies that have focused on several tensions, other studies were also consulted to get more insight into specific tensions. Also a recent thesis on tensions in partnerships between NGOs and for-profit organizations was consulted. Similar tensions found in that thesis are discussed here. Together, they make up for the following tensions (Table 2.2). To define these tensions, terms are copied from the selected studies. The aim is to have those terms that are most clear in expressing a tension. If, after putting these tensions together, terminology of previous research is not applicable, new terminology is selected to express the tension. In many cases, the terms defined by previous research would do.

Internal orientation - External orientation

Parties have different reasons to cooperate. On the one hand, parties might focus on the external environment as to build (new) relationships that might lead to new alliances. In this case, the goal is to enlarge the adaptation ability of the organization. On the other hand, parties might also react to problems that manifest in the external environment and use them as a means to work together with others. Legitimacy to cooperate within the organization results from the aim to be more involved with (external) problems. It stems from organizational capabilities (De Wit & Meyer, 2004; 2005; Kaats & Opheij, 2008).

Closed network - Open network

An open network stimulates access to new information and knowledge, which might be beneficial for innovation purposes. A closed network, on the other hand, enables parties to establish trust which might be needed to share information in the first place. However, in closed networks, tunnel visions, stereotyping and power conflicts might undermine the alliance and new knowledge and information might be necessary to alleviate rigid relationships. Whereas open networks allow for new information, closed networks allow for trust needed to share information (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007).

Tension	Authors	
	Dilemmas	Paradoxes
<i>Internal orientation - External orientation</i>	Kaats and Opheij, 2008	De Wit and Meyers, 2004, 2005
<i>Closed network - Open network</i>	Klijin et. al, 2006	Boonstra, 2007
<i>Explore – Exploit</i>	Kaats and Opheij, 2008	Koza and Lewin, 2000; Boonstra, 2007
<i>Profit maximization - Social responsibility³</i>		De Wit and Meyer, 2004, 2005; Boonstra, 2007
<i>Goal execution - Goal seeking</i>	Klijin et. al, 2006	Boonstra 2007
<i>Compete - Cooperate</i>	Klijin et. al, 2006; Kaats and Opheij, 2008	Das and Teng, 2000; De Wit and Meyer, 2004, 2005
<i>Centralism - Decentralism</i>	Klijin et. al, 2006; Kaats and Opheij, 2008	Boonstra, 2007;
<i>Contractual agreements - Trust</i>	Klijin et. al, 2006	Boonstra, 2007
<i>Rigidity – Flexibility</i>	Klijin et. al, 2006	Das and Teng, 2000; De Wit and Meyer, 2004, 2005
<i>Short term focus - Long term focus</i>	Kaats and Opheij, 2008	Das and Teng, 2000; Boonstra, 2007
<i>Content – Process</i>	Klijin et. al, 2006; Kaats and Opheij, 2008	Boonstra, 2007;
<i>Conflict prevention – Conflict appreciation</i>	Klijin et. al, 2006; Kaats and Opheij, 2008	Boonstra, 2007

Table 2.1. Tensions defined in terms of dilemmas and paradoxes.

Explore – Exploit

Parties might want to join forces to reduce costs and share risks. In this case, the main goal is to gain competitive advantage and to exploit existing products and services. According to Koza and Lewin (2000, p. 147), exploitation ‘is to obtain residual revenue and incremental enhancement of other competencies from the extension and elaboration of existing assets and capabilities’. On the other hand, alliances might also be formed for innovation purposes and to combine resources. The goal is to develop new products and services, ‘which have the potential to dramatically affect a company’s performance’ (Koza & Lewin, 2000, p. 147). However, pursuing innovative concepts might raise barriers that have to be overcome, which might be a difficult

³ Note that this tension is only defined in terms of paradoxes. Nevertheless, it is expected that this tension will be present in social alliances. It is for that reason included in the discussion.

and complex task. Overall, innovation is seen as a relatively risky operation, whereas exploitation is viewed as a relatively safe operation. Yet, whereas exploitation will ensure an organization's viability today, innovation ensures an organization's future income (Boonstra, 2007; Kaats & Opheij, 2008).

Profit maximization - Social responsibility

Parties might want to work together to share costs and risks. In this case, partners cooperate from a shareholders' perspective; to create economic value. Consequently, this is also the main driver for cooperation. However, partners might also want to contribute to societal problems. In this case, shareholders do not have dominant claims; rather, they should be balanced against claims of other stakeholders (De Wit & Meyer, 2004, 2005).

In the end, no (business) organization can exist if it cannot ensure its longevity. Assuring longevity implies ensuring legitimacy or 'a licence to operate'. This does not necessarily imply ensuring financial means for the long term. On the contrary, solely focusing on financial means could result in a loss of customers, end users or other key stakeholders. Furthermore, in some cases, social meaning might be important to include key players in the process (De Wit & Meyer, 2004; Boonstra, 2007).

Goal execution - Goal seeking

Partners might want to define and set detailed goals as soon as possible to converge perspectives. Success in this case is defined in terms of the degree to which they are reached. On the other hand, parties might also want to pursue an appealing and meaningful form to cooperate. In this case, goals are broadly defined in the beginning and become more detailed and specific during the process. Attention is paid to divergence and creativity. Success in this case is defined as the degree to which goals that several parties pursue are linked (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007).

Compete - Cooperate

In general, it is believed that since organizations have their own objectives, each organization needs to pursue its own agenda. As a result, partners might join a partnership to pursue its own interest; to gain at the expense of another. This implies taking a competitive stance towards others and being willing to fight (initiate battles) when necessary. Partners might also acknowledge that they need each other to succeed. They may therefore be strongly committed and willing to abandon their own interests for the sake of the project. In this case, it is expected that working together can be mutually beneficial. However, solely focusing on the group's

interest might hamper fulfilling one's own interest (Das & Teng, 2000; De Wit & Meyer, 2004; 2005; Klijn, Edelenbos, Kort, & Van Twist, 2006; Kaats & Opheij, 2008).

Centralism - Decentralism

Parties might prefer a central governing body to create organizational capacity. A central governing body enables parties to come together and to set clear goals. It also allows for clear decision making processes through which transparency can be enhanced. On the other hand, parties might want to establish support and win-win situations. In this case, tasks that can be performed better by other parties should be carried out by these parties. A lack of freedom could hamper this (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007; Kaats & Opheij, 2008).

Contractual agreements - Trust

To avoid conflict of interest and the ending of a partnership, it might be in the best interest of parties involved to make clear arrangements concerning investments, cost as well as profit distribution. Through agreements, risks can be minimized and opportunistic behaviour can be prevented. Yet, solely focusing on arrangements might take the chemistry (and often the reason to cooperate) away. Focusing on cooperation can contribute to trust within the partnership. Analyzing parties too much can create suspicion and distrust between parties. Hence, it might be better not to record (all) agreements at all (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007).

Rigidity - Flexibility

Management has a duty to ensure that goals are achieved. It therefore wants and needs to control (to a certain degree) the process in which a partnership develops. Accordingly, 'managers like to be in control' (De Wit & Meyer, 2004, p. 481). However, social partnerships evolve in uncertain environments for which cannot be controlled. Consequently, management has to loosen control. So, if circumstances change, will management be flexible to adapt specified goals to these changes, or does management constantly strive for clear specified goals for the project? (Das & Teng, 2000; De Wit & Meyer, 2004; 2005; Klijn, Edelenbos, Kort, & Van Twist, 2006).

Short term focus - Long term focus

Short term and long term orientations are conflicting in nature. Short term orientations demand quick and tangible results. Long term orientations, on the contrary, demand patience and commitment. Generating quick results might boost a partnership. It shows added value from and might enhance cooperation. However, solely focusing on short term results might be at the

expense of carefulness in cooperation. This might harm reputations and profitability might be viewed as too limited. Hence, a long-term focus 'provides needed commitment to a good working relationship' (Das & Teng, 2000, p. 88). Yet, without quick results, partners might lose interest (Das & Teng, 2000; Boonstra, 2007; Kaats & Opheij, 2008).

Content – Process

The content of an alliance is important as it defines the position and contributions of the partners. Moreover, it creates intelligibility about power relations and decision making processes. However, the process of working together is also important. It determines the degree to which partners are willing and able to cooperate and trust each other. For management, it might be difficult to manage both simultaneously (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007; Kaats & Opheij, 2008).

Conflict prevention –Conflict appreciation

Conflicts can have disastrous consequences if not managed well. On the one hand, conflicts might be a reason for parties to end a partnership. Battles in which a partner maximizes its own interest could cause conflicts. For that reason, management may decide to prevent conflicts as much as possible or postpone them. For example, in time, better solutions might come about or problems might be solved effortlessly. On the other hand, conflicts can also be a means through which problems can be solved. Through communication, discrepancies can be overcome. In such a case, forcing one's own interest down on someone else is prevented as much as possible (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007; Kaats & Opheij, 2008).

2.3 Water Operators Partnerships

Water operators in developing countries have been unable to provide consumers with adequate clean water. This becomes apparent as approximately 1,1 billion people do not have access to clean drinking water. In addition, these water operators have high (40% - 60%) unaccounted-for-water rates (UfW). This refers to the loss of water in the provision of water (Schwartz, 2006). To note, well performing water operators have 10% – 20% UfW rates. Haarmeyer and Moody (cited by Schwartz, p. 9), in addition, argue that water providers in developing countries 'have five to seven times more employees than what is considered efficient'. Finally, due to low tariffs, poor consumer records and inefficient billing and collecting practices, water operators in developing countries face financial problems (Schwartz, 2006). As a result, these water operators are referred to as *poor performing* water operators.

This poor performance stems from, according to Savedoff (cited by Schwartz, 2006), the nature of the water sector. Water operators and/or the water infrastructure are usually owned by the domestic government. In many cases, this leads to opportunistic behaviour of

government-owners of public utilities. In addition, service providers are not stimulated to perform as efficient and effective as possible or as needed. Moreover, the infrastructure (pipes) does not allow for competition but rather stimulates monopolies (Schwartz, 2006).

As a result, some developing countries have privatized water operators, aiming to improve efficiency and effectiveness. Yet, the lack of competition has resulted in higher prices, corruption and operational difficulties. Consequently, with limited and disappointing results, privatization of public water operators has now been abandoned (Hall, 2001; Seppala, Hukka, & Katko, 2001; Schwartz, 2006).

In return, a new paradigm has arisen. More and more actors in the water sector believe that Water Operators Partnerships (WOPs) are the new way to enable poor performing water operators to improve operations. WOPs were initiated at the fourth World Water Forum in Mexico in 2006, to achieve the Millennium Development Goals (MDGs) and to improve the public sector's performance (Pistorius, 2008).

Water Operators Partnerships involve cooperation between a poor performing water operator on the one hand and a well performing water operator, CSO, NGO, academic or research institute on the other hand. 'The rationale behind the WOP-concept is that the most capacity for improving water and sanitation operators is within the operators themselves' (Pistorius, 2008, p. 10). In most cases, WOPs are formed between two water operators. Moreover, private (for profit) organizations are often warded off. Hence, WOPs are 'to share their [partners] experiences and learn from each others' practices for the benefit of all on a not-for-profit basis'. In view of that, for-profit organizations are expected to lack altruistic motives. Nevertheless, private sector operators nor other private parties are fully excluded as potential partner for WOPs (UNDESA, 2006; Ministry of Foreign Affairs, 2008; International Water Association, 2009, UNHABITAT, 2009; Inter American Development Bank, 2009).

Overall, Water Operators Partnerships aim to ensure sufficient capacity as well as autonomy of a water operator. According to the Global WOP Alliance (UNHABITAT, 2009, p. 1), WOPs 'improve the performance of public water and sanitation operators at the technical, institutional and social level'. The Ministry of Foreign Affairs (2008, p. 9) notes that WOPs' goals include business-like functioning of the utility, investment for rehabilitation, and sustainability of reforms. These three main goals can be further subdivided into more specific goals. For example, according to the Ministry of Foreign Affairs (2008), business-like functioning of the utility implies managerial autonomy, financial autonomy, transparency and accountability for results, performance orientation and incentives for performance improvements, and efficiency, effectiveness and overall quality of service provision. Managerial autonomy refers to the degree to which a water operator is independent from the core government. In general, 'the level of managerial autonomy is determined by the balance of powers between the government, board

of directors and management of the operator' (Ministry of Foreign Affairs, 2008, p. 9). Moreover, the quality of management should be improved as well. Financial autonomy does not refer to full cost recovery. However, external funds should be predictable over time. Sustainability of reforms, in addition, can be subdivided into long term planning, capacity, political commitment, and continuity and predictability (Ministry of Foreign Affairs, 2009; International Water Association, 2009).

There is no general organizational model for WOPs. WOPs can differ in the degree to which they are formally structured. An informal WOP demands the least restrictions. In this case poor performing water operators are supported through phone consultations, meetings and study visits. No contractual agreements are drawn up and each party is responsible for its own costs. Formal structured partnerships can be either simple, comprehensive or legally and fully structured (see appendix 8.1). A formal WOP contains workshops, training programs, on-the-job training, technology demonstration and internships. Agreements are in writing but can differ in the degree to which these are binding. Costs are either split or a donor agreement is present. Formal partnerships can also have supporting documents such as task specifications, resource specifications and work plans (International Water Association, unknown).

Pistorius (2008) has examined WOPs that have a Dutch partner. In general, he distinguishes two types of WOPs, Technical Assistance Model (TAM) and Temporary Ownership Model (TOM). A TAM involves a loan for investment together with a technical assistance project. This should lead to an improvement and expansion of the infrastructure as well as strengthening of the water operator. After an improved level of performance is achieved, the 'poor' performing operator is able to access private capital for future investments. A TOM, on the other hand, involves funding from a Dutch water operator and the Ministry of Foreign Affairs (DGIS) to restructure a water operator. 51 Percent of the utility company is temporarily acquired and transferred back to the local government after goals are achieved (Pistorius, 2008).

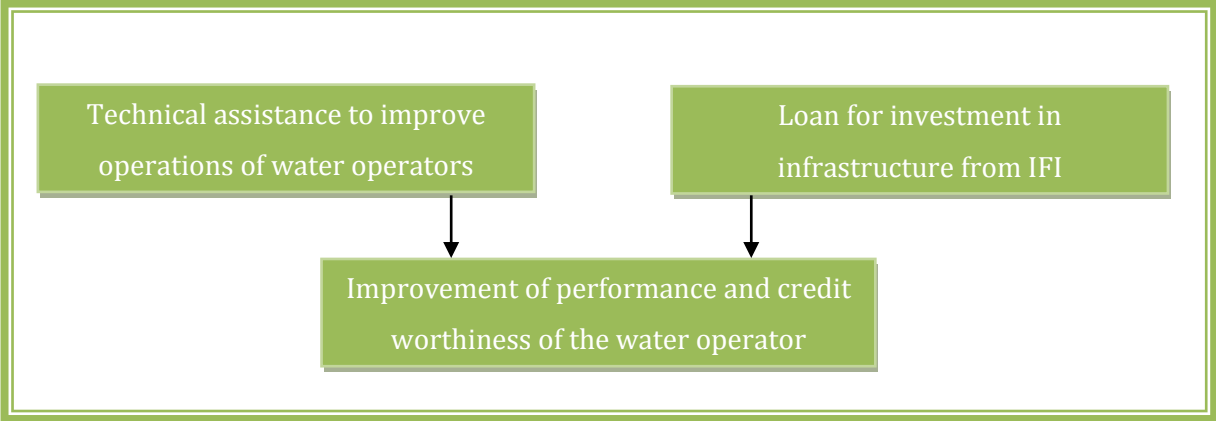


Figure 2.2. Technical Assistance Model (TAM). Source: Pistorius, 2008, p. 11.

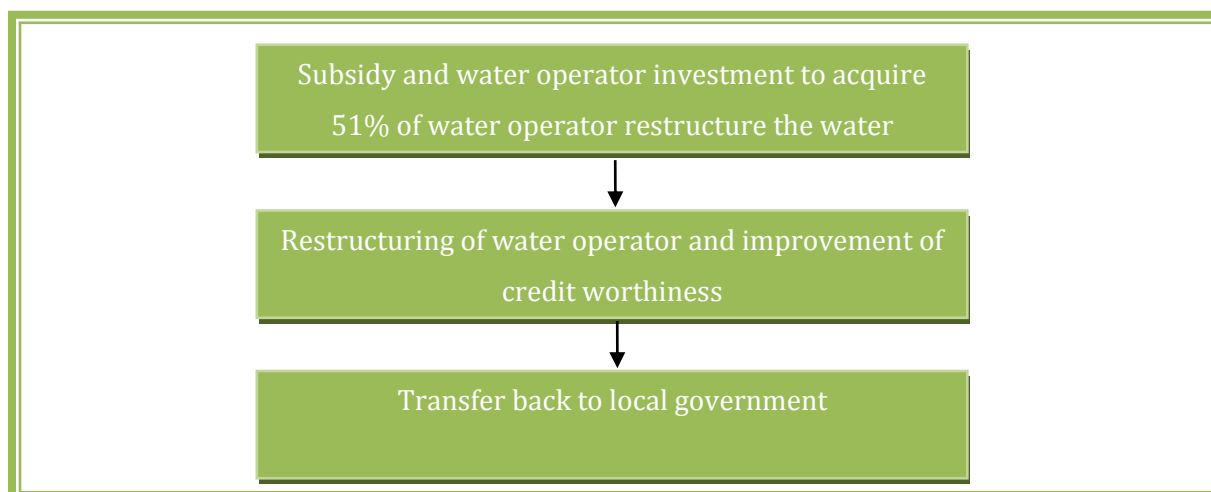


Figure 2.3. Temporary Ownership Model (TOM). Source: Pistorius, 2008, p. 12.

Besides the model applied to WOPs, Pistorius (2008) has also defined the type of contract Dutch partner have with their counterparty. These include a service contract, management contract and BOT contracts (Build – Operate – Transfer). A service contract constitutes private sector assistance, typically initiated for short term periods (6 months to 2 years). A management contract transfers responsibility to the private sector and is initiated for 3 to 5 years. A BOT contract, finally, resembles concessions for providing bulk services (Pistorius, 2008).

2.4 Tensions for Water Operators Partnerships

This research wants to examine what kind of and which tensions social alliances, in this case Water Operators Partnerships, are likely to face. Based on the description of WOPs, the following tensions are selected for this research; 1) *Profit maximization & Social responsibility*, 2) *Compete & Cooperate*, 3) *Centralism & Decentralism*, 4) *Contractual agreements & Trust*, 5) *Rigidity & Flexibility*, 6) *Short term focus & Long term focus*, 7), *Content & Process*, and 8) *Conflict prevention & Conflict appreciation* (see table 2.3). It is expected that these tensions will be severest in WOPs.

First of all, development aid projects are altruistic in nature. Especially NGOs and public organizations are involved for altruistic reasons. However, private (for profit) organizations acknowledge to demand benefits from cooperation, either direct or indirectly. Those who cooperate for altruistic reasons are more likely to for different outcomes and benefits than those who cooperate for economic reasons. In more general terms, for profit organizations are most likely to demand quantitative (goal rational) results, whereas non-profit and public organizations are more likely to focus on qualitative (more “vague”) results. Since different spheres are to come together in social alliances that deal with water scarcity issues, a tension between profit-maximization and social responsibility is to be expected (Kolk, Van Tulder, & Kostwinder, 2008).

Second, WOPs are formed mainly to improve current operations of water operators in developing countries. This involves providing managerial and/or technical assistance. Since well performing water operators are to provide help and poor performing water operators are in need of help, they might have different interests. Especially when well performing water operators initiate such partnerships to contribute to the MDGs (to ensure that also the poorest people will have access to clean drinking water) and the poor performing water operators have to ensure that they become healthy organizations, stakes may be different (enough) to result into tensions. If individual interests prevail, partners might take a competitive stance towards each other and fight for these interests when necessary. One's own interest might in such cases be of more importance than the interest of the group. However, partners might also acknowledge that they need each other in order to succeed. If partners are cooperative, they will find a way to let the group's interests prevail individual interests.

Third, poor performing water utilities in Southern countries have to become managerially and financially independent (or to the extent that they can be). Consequently, management of poor performing water utilities has to have some freedom in decision making. However, due to one-sided financial dependency as well as know-how of partners, this might be difficult. As Hilhorst, Oorthuizen, and Termeer (2007) explained, loyalty dilemmas, for both Northern and Southern partners, are likely to arise from one-sided financial dependency. Consequently, it is expected that the degree to which processes and decision making are controlled for by one party will poses conflicts at times (TAC, 2000). Whereas literature defines this tension as centralism and decentralism, it is believed that this tension centres around the question how much control partners are willing to give up and how much they do want to control. It is therefore referred to as control and autonomy.

Fourth, Hilhorst, Oorthuizen, and Termeer (2007) showed that (social) trust is important, especially when there is lack of a strong governance structure. Trust might come about in providing partners learning opportunities; hence, partners are not punished for inappropriate behaviour. Trust, however, can also easily be lost while it may take a long time before it is build up again (if that will happen at all). Contractual agreements might be a means to overcome opportunistic behaviour and to avoid conflict of interests. trust issues. Hence, when inappropriate behaviour is experienced, rules and regulated is formed. But contracts might also take the chemistry away and harm trust. Hence, it might be better not to record (all) agreements at all (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007).

Fifth, poor performing water operators can usually be found in unstable countries/ fragile states and where politics play an important role. Therefore, they are expected to operate in uncertain environments. This is in conflict with clearly specified goals, such as concrete results

Pressure	Opposing pressure
<i>Profit maximization</i> <ul style="list-style-type: none"> Quantitative measures Risk/ financial ratios 	<i>Social Responsibility</i> <ul style="list-style-type: none"> Qualitative measures Capacity improvement/ empowerment
<i>Compete</i> <ul style="list-style-type: none"> Winning at the expense of others Fight for one's own interests 	<i>Cooperate</i> <ul style="list-style-type: none"> Acknowledging need of cooperation (one can only succeed through cooperation) Strive for the alignment of interests
<i>Control</i> <ul style="list-style-type: none"> Partner wants to control (decision making) processes 	<i>Autonomy</i> <ul style="list-style-type: none"> Parties have or are autonomous in decision making processes
<i>Contractual agreement</i> <ul style="list-style-type: none"> Establishing rules and regulations when behaviour is not appropriate/appreciated (lack of elbow room to misbehave) Clear rules, regulations, standards and guidelines as necessity for cooperation 	<i>Trust</i> <ul style="list-style-type: none"> Benefit of the doubt when behaviour is not appropriate/appreciated (elbow room to misbehave) Rules, regulations, standards and guidelines as harmful for cooperation
<i>Rigidity</i> <ul style="list-style-type: none"> Management strives to achieve for clear, specific goals at all costs Decisions cannot be altered/changed 	<i>Flexibility</i> <ul style="list-style-type: none"> Management adaptive to changing circumstances Open for new thought and ideas/ Criticism is appreciated
<i>Short term focus</i> <ul style="list-style-type: none"> Focus on quick results/ project Cherishing personal/little successes 	<i>Long term focus</i> <ul style="list-style-type: none"> Focus on sustainable effects/ exploration Cherishing group's/big successes
<i>Content</i> <ul style="list-style-type: none"> Focus on goals/policies, clear division of responsibilities 	<i>Process</i> <ul style="list-style-type: none"> Focus on partners by nurturing relationships between partners
<i>Conflict prevention</i> <ul style="list-style-type: none"> Lack of communication Following procedures 	<i>Conflict appreciation</i> <ul style="list-style-type: none"> Communication to overcome conflicts Time to exchange standpoints/Consensus building

Table 2.2. Concepts defined for all tension-pairs (Das & Teng, 2000; Koza & Lewin, 2000; De Wit & Meyer, 2004, 2005; Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007; Kaats & Opheij, 2008).

that need to be achieved. While clearly specified goals are needed to steer a partnership, it is not likely that outcomes can be predicted beforehand nor that a partnership will develop in a stable environment. Hence, some flexibility is needed. The degree to which management is likely to pursue its goals and to loosen the reins is expected to be at least difficult.

Sixth, poor performing water operators have to develop 'a long-term strategy or business plan to indicate how it will continue to show improved performance during the engagement and

after the engagement has ended' (Ministry of Foreign Affairs, 2008, p. 11). This requires patience and commitment. However, short term goals are needed to achieve the long term goals as well as to boost the partnership. Especially in these cases when quality, efficiency or effectiveness needs to be improved, it might be encouraging to have some "quick results".. In such cases, partnerships might be seen as a "project" and might be at the expense of carefulness in cooperation (De Wal, 2009).

Seventh, poor performing water operators have to cooperate to become financially and managerially independent, as well as to improve efficiency and effectiveness. Moreover, they need at some point in time to be linked to concrete results an operator must achieve. This makes content and achieving goals an important aspect of the partnership. However, there also needs to be time spent on the process of working together to avoid conflict and promote cooperation. For management, it might be difficult to manage both simultaneously (Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007; Kaats & Opheij, 2008).

Eight, conflict is present in every partnership; every partner has its own reason to participate that, when put together, can cause conflict. Conflicts might be a reason to end a partnership, but might also be seen as a means through which problems can be solved. Previous studies all found conflicts to be a tension partners need to deal with. Since WOPs cross borders and at times spheres, this research wants to examine how these partners deal with conflict. It is expected that, due to the fragile North-South relationship, communicating to overcome conflicts might be difficult.

The remaining four tensions are, consequently, not selected. For example, well performing water operators have the capabilities to help ill-performing operators. They are less likely to improve and/or develop their own competencies. Therefore, well performing water operators are more likely to cooperate for 'internal-orientation' reasons. As for ill-performing water operators, the opposite reasoning is in place. As a result, this tension (*Internal orientation & External orientation*) is likely to come about as a puzzle.

Second, in many developing countries, civil society is not strongly represented by non-governmental or civil organizations. Consequently, the number of organizations which need to be consulted is limited. Moreover, WOPs are initiated for internal improvements, not necessarily external ones. Therefore, it is expected that the tension between *Open network & Closed network* will not be present in WOPs.

Third, poor performing water operators have to become more efficient and effective. They first need to build capacity before they can start focusing on new innovative technological solutions. For that reason, it is not expected that the tension between *Exploit & Explore* will be as stringent as the other selected tensions.

Fourth, WOPs are formed to improve managerial and financial operations. Although there might be some divergence in what the goals will be in detail, in essence it is known beforehand what these goals will be. Therefore, it is not expected that there will be a stringent tension between *Goal seeking & Goal execution*.

2.5 Conclusion

This chapter has discussed several tensions that were described as both dilemmas and paradoxes. It seems that there is still ambiguity about the type of tensions that are present in alliances. After describing the various tensions, eight were selected to be analyzed in social alliances. Based on the specific characteristics of social alliances (WOPs), it is expected that; the degree to which partners are willing to cooperate or compete; the degree to which the partnership is centrally governed; the degree to which content and process receive attention, the way in which agreements are taken care of; the manner in which conflicts are dealt with; the degree to which management is flexible; the reason to cooperate; and the way in which management is time oriented are likely to be present simultaneously and are incompatible at times. The following chapter will describe the way in which these tensions will be measured.

3. Research design

"If we knew what it was we were doing, it would not be called research, now would it?"

Albert Einstein (1879 – 1955)

German Physicist, Nobel Prize Winner

3.1 Qualitative research

Organizational processes are the result of interactions between actors that are constantly trying to understand what is happening in a, for them, unpredictable world. Every time someone has a new experience, he or she develops his/her own theory/reality. These theories and realities once formed lead to certain behaviour that influences whether new experiences will be noticed or not (Kaats & Opheij, 2008; Weick, Sutcliffe, & Obstfeld, 2005).

Qualitative research uses social actors' meanings to understand a certain phenomenon. Or, as Gephart (2004, p. 455) frames it, 'qualitative research addresses questions about how social experience is created and given meaning'. Moreover, qualitative research, compared with quantitative research, offers constructs of realities 'that cannot be reduced to a few variables' (p. 455).

Qualitative research can also be regarded as inductive and interpretative research. 'The goal of interpretative research is to understand the actual production of meanings and concepts used by social actors in real settings (...) [It] thus describes how different meanings held by different persons or groups produce and sustain a sense of truth, particularly in the face of competing definitions of reality. And it inductively constructs social science concepts using concepts of social actors as the foundations for analytical induction' (Gephart, 2004, p. 457).

To sum, cooperation is a product of human activity and interaction. Interaction leads to social construction processes; experiences are rationalized and meanings and concepts are developed. Qualitative research allows to grasp how these experiences are given meaning to. Stories from actors, consequently, are interpretable as an account of interactions that they have experienced and the meaning that they have attributed to it (Kaats & Opheij, 2008).

3.1.1 Qualitative methods

'Qualitative research requires qualitative methods by definition' (Gephart, 2004, p. 458). For this research, interpretations by management matter. The qualitative methods selected should, consequently, be able to accumulate these interpretations.

Multiple case-study

Different types of WOPs exist. Not only due to the type of partners, legal status of water operators and goals, but also the degree to which partnerships are formal. To be able to assess the existence of tensions, the way in which these tensions come about and simultaneously acknowledging differences that might be present between different types of WOPs, a multiple case-study is conducted. A multiple case study allows for an in-depth research and at the same time for comparison between cases (Gephart, 2004). Moreover, a most different system design is applied to test whether, at individual level behaviour, relationships can be explained among cases. This allows for eliminating possible causes for the phenomenon. “In the most different case, there may still be unmeasured extraneous sources of variance, but they will have to be very generic in order to survive in the range of social settings in the research may be conducted” (Guy, 1998).

The Directorate General for International Cooperation (DGIS) of the Dutch Ministry of Foreign Affairs has published a list of all Dutch water operators that (have) formed Water Operators Partnerships. It shows that Dutch water operators ally with several poor performing water operators, that is, they are a partner in several Water Operators Partnerships. Consequently, in this research, a case is defined as a partnership between a Dutch and a foreign water operator. Hence, a WOP is viewed as a case, not the Dutch partner as this could imply more than one WOP. The document listing all Dutch WOPs is publicly available and used to select approximately six water operators partnerships. Another list that published personal data of participants of a WOP-workshop, also made available by DGIS, is additionally consulted. These participants are approached for cases or contacts.

Cases are selected based on a number of criteria. First of all, one partner has to be Dutch. Second, the partnerships should be able to be categorized as “formal” based on the description by the International Water Association as specified in Appendix 1. Consequently, informal partnerships are not included in this research. A formal partnership can be simple, comprehensive or legally and fully structured. Since the aim of this research is to have a most different system approach, all formal types should be represented in the selection of cases. Third, for similar reasons, both TAM-partnerships and TOM-partnerships should be represent. Technical Assistance Model partnerships and Temporary Ownership Model partnerships differ in their approach in helping the poor performing water operator. In a TAM-partnership, the Dutch partner advises (provides technical assistance to) the foreign water operator and both partners maintain autonomous. In case of a TOM-partnership, the Dutch water operator temporarily owns the foreign partner, as it has at least 51% of the shares. As it is expected that the differences between models could influence the findings, both TAM- and TOM-partnerships should be included in this research. Finally, to control for country specific factors, the selected

partnerships should also be located in different countries. To sum, differences between cases is based on the model applied (TAM/TOM), the degree to which a partnership is formal and the country in which the WOP is located.

Based on the previous selection criteria, the following WOPs were selected for this research. These WOPs will be discussed in more detail in chapter four. It should be noted that for the TAM-partnerships, there is no 'name' for the partnership. Therefore, in the column 'WOP' the foreign party is mentioned. As for the TOM-partnerships, the name of the joint ventures is provided as the name of the WOP.

WOP		Dutch Partner	TAM/TOM-partnership	Degree to which it is formal	Country
1.	PT Air Manado	Watermaatschappij Drenthe (WMD)	TOM	Legal and fully structured	Indonesia
2.	Dawaco (DWSC)	Vitens Evides International (VEI)	TAM	Comprehensive	Vietnam
3.	Suriname Water Company (SWM)	World Waternet (WWn)	TAM	Simple	Suriname
4.	Red Sea State Water Corporation	Dunea	TAM	Simple	East Sudan
5.	Dowako	Water Fund Holland (WFH)	TOM	Legal and fully structured	Vietnam
6.	Tirta Riau	Puur Water en Natuur (PWN) & Water Fund Holland (WFH)	TOM	Legal and fully structured	Indonesia
7.	Aquavirunga	Puur Water en Natuur (PWN) & Aquanet	TOM	Legal and fully structured	Rwanda

Table 3.1. Selected cases – Water Operators Partnerships.

Interviews

To outline the process of cooperation, stories of relevant actors within a partnership need to be collected. One way to do so is through in-depth interviews (Gephart, 2004). Subject of study are those employees that have been closely involved with managerial activities. This could be formal and/or informal managers of a partnership. Informal managers can be defined as those employees that are at the heart of the process managing a partnership but are not formally acknowledged as a manager.

Preliminary research was conducted to gain more insight into who should be interviewed. As mentioned before, DGIS has published a list with all contact information of participants

involved. These contacts were approached first by email, whereupon they received a call. The email informed the contacted people about the content and object of this research. The call provided, if demanded for, more information. Furthermore, it provided more information concerning WOPs and who should be interviewed for this research.

Thereafter, (in)formal managers were invited to participate in this research. They also first received an email, whereupon they received a call. The email informed the managers about the purpose and process of the research. During the phone call, more information was provided. The aim was to make an appointment for an interview during the phone call. In addition, all interviewees were asked whom the interviewer could also speak with.

Interviews lasted approximately one hour. Interviews were recorded, unless the interviewee did not approve. The first interview was not recorded as a recording device was missing. Recordings were transcribed and included on a CD. Interviewees were the opportunity to read the interview-report and adjust whenever felt necessary.

McCracken (1988) proposed three stages for an interview, including nonobtrusive questions, floating prompts and planned prompts. Nonobtrusive questions are asked to, without the interviewer overspecifying the subject of discussion, let the interviewee talk about the subject. Floating prompts are used to stimulate the interviewee to continue talking. Planned prompts are used to discuss items not discussed yet. An overview of all questions is included in the appendix.

Interviewees were asked to describe the history of the partnership (why the partnership was initiated) and what the manager's role is/was in the partnership. Thereafter, questions were asked with regard to the tensions, including examples. The interview was concluded with a small recap of what was said during the interview. This also enabled the researcher to clarify some ambiguities.

Table 3.2 provides an overview of organizations and interviewees consulted for this research (next page).

Reliability & Validity - Triangulation

One way to conduct a reliable and valid qualitative research is through triangulation. Triangulation implies that a research object is examined in at least two ways. This research has included three frameworks (paradoxes, trade-offs, and dilemmas) to measure tensions in partnerships. It furthermore retrieves data from multiple cases and multiple sources (managers at different levels). This research, therefore, can be viewed as multiple triangulation where two forms of triangulation are used (Smaling, 1992; De Jong Gierveld & Van Tilburg, 1992).

WOP		Dutch Partner	Interviewees	Job/Task
1.	PT Air Manado	Watermaatschappij Drenthe (WMD)	Karts Hoogsteen	Director WMD; relationship management/ exploitation
			Peter Schouten	Project Director; investments
			Anton Schrijver	Deputy Director; legal institutional and organizational role
2.	Dawaco (DWSC)	Vitens Evides International (VEI)	Jan Hoffer	Manager Director VEI, initiator, relationship management
			Ad Doppenberg	Project Director; Steering Committee-member
			Gerard Soppe	Resident Project Manager; management Dawaco
3.	Suriname Water Company (SWM)	World Waternet (WWn)	Gerard Rundberg	Director WWn, currently national/EU lobby, previous project manager
			Otto Ferf Jentink	Manager Integral Water Projects, coordinating several projects
			Eddy Yedema	Project Manager, coordinating project SWM
4.	Red Sea State Water Corporation	Dunea	Leo Nijland	Project Manager; coordinating project Red Sea State
5.	Dowako	Water Fund Holland (WFH)	Bert Jansen	Director, member of board of commissioners
6.	Tirta Riau	Puur Water en Natuur (PWN)	Leo Commandeur	Director International Projects; relationship management
		Water Fund Holland (WFH)	Bert Jansen	Director, member of board of commissioners Tirta Riau, responsible for management
7.	Aquavirunga	Puur water en natuur (PWN)	Leo Commandeur	Director International Projects; chairmen of board of commissioners
		Aquanet	Jos van Gastel	Project Director, project manager (of PSOM project) and as advisor focused on legal aspects

Table 3.2. Interviewees.

3.2 Operationalization

A tension is defined as a pair of opposites that seem to be or are inconsistent/incompatible with one another (De Wit and Meyer, 2004, 2005). In more concrete terms, managers are facing tensions when the (seeming) conflicting pressures are present at the same time. Thus, for example, if managers acknowledge that both contractual agreements and trust are present at the same time, a tension is indicated. That does not necessarily imply that a tension also causes problems. That all depends on how managers deal with such tensions.

3.4.1 Dilemmas, trade-offs and paradoxes

Tensions can be dealt with through dilemmas, trade-offs and paradoxes. A dilemma is defined as a situation in which a manager has to make a choice. Hence, if we would stick to the example, a manager would *either* choose for trust *or* contractual agreements. A trade-off, however, can be described as a situation in which a manager *strikes a balance* between the two conflicting pressures. In such cases, one solution is not inferior or superior to other solutions. Consequently, a manager will try to strike a balance that he believes is most appropriate. For example, a manager would choose both contracts and trust, both to a certain degree. Hence, in this situation, one alternative is, to a certain degree, substituted for the other alternative. Finally, it could also be the case that 'two seeming contradictory, or even mutually exclusive, factors appear to be true at the same time' (De Wit & Meyer, 2004, p. 15). There is no real solution, rather, 'at best, the problem-solver can find a workable reconciliation to temporarily cope with the unsolvable paradox'(p. 16). In this case, the manager accepts the conflict between the two pressures, yet striving to 'accommodate both factors at the same time'(p. 16). That is to say, the manager 'will attempt to do both as much as possible at the same time, with the intention of reaping the 'best of both worlds'' (p. 16).

During the interview, interviewees were first asked if both alternatives are present. Thereafter, they were asked if they (feel they have to) choose for one of the alternatives thereby ignoring the other. This would indicate that managers deal with this tension as a dilemma. If managers do not feel they have to choose for one of the alternatives (ignoring the other), they will be asked if they try to strike a balance, or if they reconcile these alternatives in a different way.

Manner in which a manager deals with a tension	Indication of a:
The manager chooses either one of the alternatives	Dilemma
The manager strikes a balance between the alternatives what he believes is most appropriate	Trade-off
The manager tries not to strike a balance but will do both as much as possible at the same time	Paradox

Table 3.3. Operationalization of dilemmas, trade-offs and paradoxes.

3.4.2 Tensions in the eyes of management

For practical reasons, one indicator for every alternative (pressure) was defined. Several tensions have to be measured, and for that reason, alternatives are simplified. Indicators stem from the description in chapter two as well as the parameters defined by the previous studies, including Das & Teng, 2000; Koza & Lewin, 2000; De Wit & Meyer, 2004, 2005; Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007; Kaats & Opheij, 2008. These are summarized in table 3.4.

Profit maximization - Social responsibility

If partners aim to maximize profits, they view WOPs as a way to enter new markets. They have an commercial interest in the partnership. For example, they want to gain from the partnership either directly or indirectly. If partners cooperate for social responsibility reasons, they view WOPs as a means to solve development aid problems. Moreover, partners are not interested in profits but emotionally attached. For that reason, they expect different results, with private organizations demand quantitative results and non-profit and public organizations more qualitative results.

Compete - Cooperate

In case of competition, parties are maximizing their own interest; striving for their benefits at the expense of others. Moreover, the groups interest is inferior. In case of cooperation, the group's interest is superior to individuals' interests. Management also looks after the group's interest.

Pressure	Opposing pressure
<i>Profit maximization</i> Parties have a commercial interest and expect (in)direct benefits. They define quantitative results.	<i>Social responsibility</i> Partners are focused on development problems and emotionally involved. They focus (also) on qualitative results.
<i>Compete</i> Winning at the expense of others, group's interest is inferior (win-no win situation).	<i>Cooperate</i> Winning together through alignment of interests.
<i>Control</i> One partners want to control the (decision making) process and leave little elbowroom for the other partner.	<i>Autonomy</i> Partners are autonomous in (decision making) processes and partners have limited (formal) power to influence these processes.
<i>Contractual agreement</i> Inappropriate behaviour of parties results in establishing rules and regulations (there is lack of elbow room to misbehave).	<i>Trust</i> When behaviour is inappropriate, parties are given the benefit of the doubt (elbow room to misbehave).
<i>Rigidity</i> Managements strives for clear, specific goals. Decisions cannot be altered or changed.	<i>Flexibility</i> Management is adaptive to changing circumstances and open for new thoughts and ideas. Moreover, criticism is appreciated.
<i>Short term focus</i> Short term goals (< 1 year) dominate and small success are cherished.	<i>Long term focus</i> Long term goals (> 1 year) receive most attention and big (group's) successes are cherished.
<i>Content</i> Vision and goals are most important, made explicit and recorded. Solutions are based on content.	<i>Process</i> Group's development is most important and standpoints, inputs, expectations are made explicit and recorded. Solutions are based on the alignment of interests.
<i>Conflict prevention</i> Procedures are made explicit in an initial phase and followed when disagreements arises or conflicts are ignored.	<i>Conflict appreciation</i> Partners communicate to overcome conflicts, and standpoints are made explicit.

Table 3.4. Concepts defined for all tension-pairs (Das & Teng, 2000; Koza & Lewin, 2000; De Wit & Meyer, 2004, 2005; Klijn, Edelenbos, Kort, & Van Twist, 2006; Boonstra, 2007; Kaats & Opheij, 2008).

Control - Autonomy

In case partners strive for control, they want to take the decisions and leave little room for other parties. The partners might, at a maximum, be consulted. Autonomy, on the contrary, would allow for decisions made by one partner, without control of the other partner. In this case, partners are expected to have only limited formal power to influence decision making by the other partners.

Contractual agreements - Trust

Trust can be described as allowing partners to make mistakes without punishing them or establishing rules and regulations to govern behaviour in the future. Misbehaviour, in terms of contractual agreements, will be governed by the instalment of rules and regulations.

Rigidity - Flexibility

Management that can be described as rigid will strive for clear, specific goals and will do what it can to achieve these goals. Decisions made will not be altered. Management that is flexible, on the contrary, allows for deviation from former plans when circumstances change. It is also open for new thoughts and ideas. In other words, criticism will be appreciated.

Short term focus - Long term focus

If management has a short term focus, quick results are important. Therefore, short term goals (that need to be achieved within a year) are specified to achieve these quick results. Also personal successes are cherished. On the other hand, if management has a long-term focus, goals longer than 1 year receive most attention. Big successes and group's successes are cherished.

Content - Process

If management focuses on the content of the partnership, visions and goals receive most attention. Moreover, they will be made explicit and recorded. If problems are to occur, solutions will be found in the content of the project. However, if management focuses on the process of cooperating, how the group develops is paid most attention to. Standpoints, inputs, expectations and so on are made explicit and recorded. If problems occur, solutions can be found in the alignment of interests.

Conflict prevention - Conflict appreciation

If management aims to prevent conflicts from happening, it will in an early phase establish procedures and follow these procedures whenever there is a disagreement, or ignore conflicts. However, if conflict is appreciated, partners are willing to overcome conflicts through communication and giving room to exchange ideas and standpoints. Partners might loosen procedures.

3.3 Research phases

This research can be divided into four phases. The first phase (January 2009 – June 2009) included defining the problem and conceptual model. From the twelve tensions discussed, four were excluded from the remainder of the research. It is argued that these are less severe than other tensions or are not present at all. Moreover, due to the scope of the research, some

tensions had to be excluded to gain more insight in other tensions. During the first phase, the research method was also defined and tensions were operationalized.

During the second phase (July 2009 –September 2009), based on the information provided by DGIS, Dutch water operators were contacted for possible cases. More precisely, (in)formal managers of WOPs were invited to participate in this research. Data is collected through in-depth interviews. Interviews are recorded and transcribed. The transcripts are included on a CD. These interviews were used to build case descriptions as background material as well as assess whether all tensions are present in WOPs (Chapter 4 and 5).

The third phase involved the presentation and analysis of the data (September 2009 – October 2009). Chapter 5 includes both the presentation and analysis of the data. First, what managers have said per tensions will be described and analysed. That is, are the two seemingly opposing alternatives present simultaneously, in what way and how does management deal with it?. A second analysis concerns differences between managers within a partnership, based on tasks and personal preferences. A third analysis concerns differences between TOM/TAM-partnerships, degree to which the partnership is formal and country specific factors. These latter two analyses are conducted to control for several variables.

The fourth and final phase (October 2009 – November 2009) included finalizing this research in terms of conclusions, implications and recommendations. In this final phase, the research question was answered and implications and limitations discussed.

4. Water Operators Partnerships - Background information

'Water as a resource and its development and management is specific to the geographical, historical, cultural en economic context of any country'

Jonch-Clausen, 2004, p. 9

4.1 Introduction

In total, 7 partnerships were consulted for this thesis. That is, thirteen (Dutch) managers, from 7 organizations were spoken with; Watermaatschappij Drentge (WMD), Vitens Evides International (VEI), World Waternet (WWn), Dunea, Puur Water en Natuur (PWN), Water Fund Holland (WFH) and Aquanet. Not all partnerships do have a project title, especially in case of TAM-partnerships. Therefore, in line with Pistorius (2008), partnerships are either titled as the name of the joint venture (in case of TOM-partnerships) or as the main partners of the WOP. For all these seven partnerships, backgroundinformation is provided. This includes the pre-partnership situation (including the reason why the partnership was initiated and by whom), the partners, structure and goal of the partnership and (if so) problems that partners encountered during the process of cooperation. In some cases, partners did not or hardly experienced problems and case description consequently differ in length. If possible, figures and organizational charts are provided for every partnership.

4.2 WOP 1 - PT Air Manado (Joint venture WMD & PDAM Manado) - Indonesia

Water supply companies in Indonesia face a lack of knowledge, education, financial means and materials. Due to these shortcomings, local Indonesian water supply companies (also referred to as PDAMs) perform poorly. They are unable to distribute water continuously or provide water of good quality. Only a limited number of households are connected to the piped water system and water is on a large scale illegally drained. This all results in decreasing income and a bad financial position of the PDAMs; most of them are already or on the verge of bankruptcy (Stichting Waterprojecten Oost Indonesië, 2008; Pistorius, 2008).

Country, place: Indonesia, Manado
Dutch partners: Watermaatschappij Drenthe (WMD); Foundation Waterprojecten Oost Indonesië, Ministry of Transport, Public Works and Water Management
Indonesian partners: PT Air Manado, PDAM Manado, Tirta Indi Drenthe (TID), PEMKO (municipality)
Initiated: January 2007

Usually, the governor of the region takes the initiative to form a partnership between a Indonesian water operator and a well performing water operator. In case of WMD, joint ventures (also referred to as a PTs) are formed with the PDAMs for a period of 15 years. These PTs fall under Indonesian law. WMD holds 51% of the shares, the PDAM 49%. The PDAMs invest assets and concessions, whereas WMD invests money, management and knowledge. Tirta Indi Drenthe (TID) is a daughter company of WMD and also involved with these partnerships. TID is situated in Indonesia and responsible for the execution of the program. It, furthermore, provides (technical) assistance. This partnership can be classified as a Temporary Ownership Model (Stichting Waterprojecten Oost Indonesië, 2008; Pistorius, 2008).

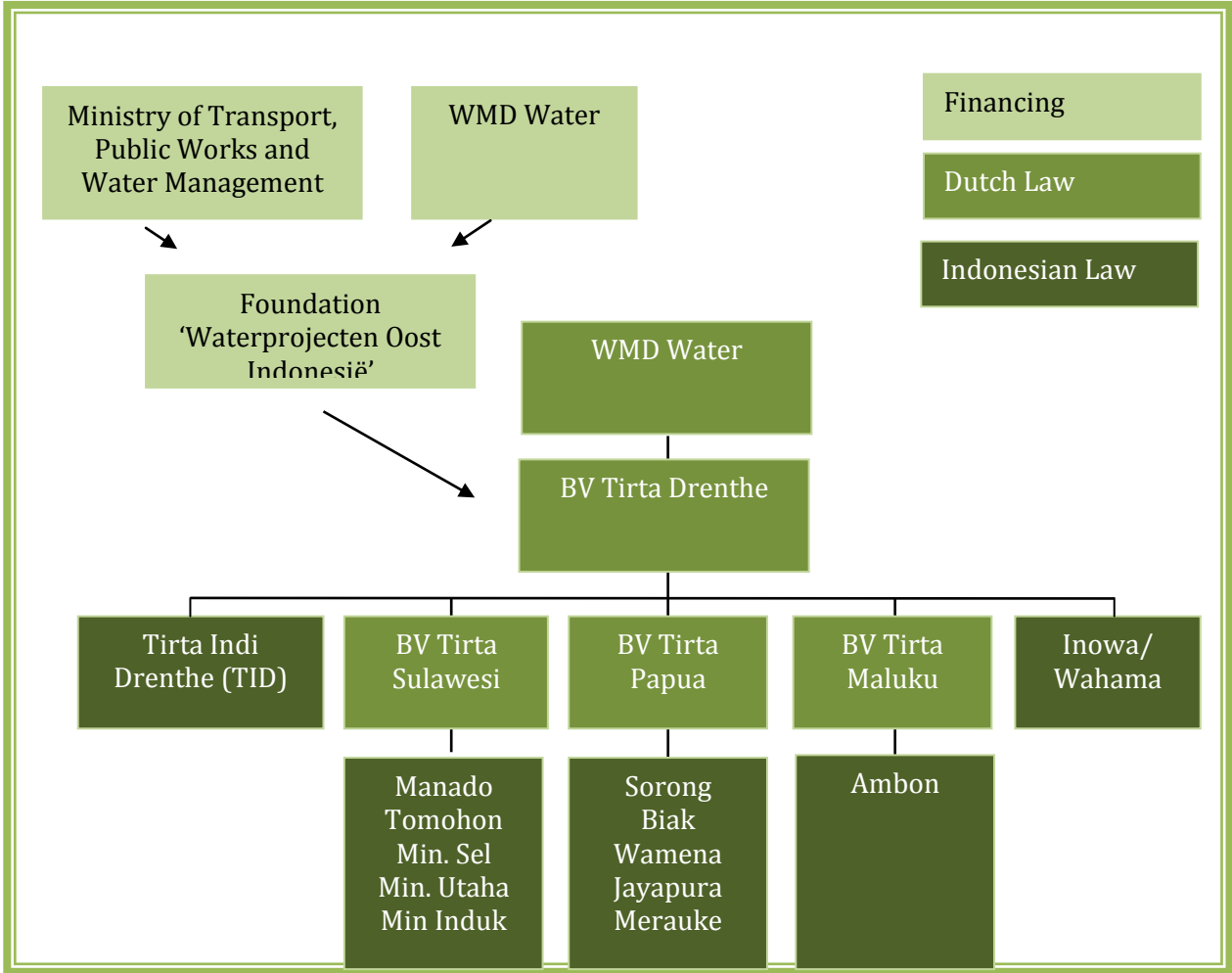


Figure 4.1. Organization chart WMD. Note that the PT is the final organization included in the chart.

The goal of WMD, and thereby the PT, is that in 15 years time, the PT should grow into a healthy (technical as well as financial) company. To achieve this goal, the PT goes through a rebuilding phase, exploitation phase, and transfer phase. These phases should approximately have a duration of five years. The PT should become more autonomous over the years, whereas TID should become less and less involved. In addition, approximately 3 million people should

have access to clean drinking water. To do so, WMD rehabilitates infrastructure, renovates production locations, provides technical support, introduces financial and administrative systems, trains staff, and improves water quality. After 15 years, when the PT is performing well, the PT should buy back the shares of WMD (Stichting Waterprojecten Oost Indonesie, 2008; Pistorius, 2008).

The foundation “Stichting Waterprojecten Oost-Indonesië” received 7,5 million euro’s from the Dutch government. This foundation provides soft loans (the loan is in local currencies, with low interest rates) to Tirta Drenthe BV that in return lends money to the PTs. This should become a revolving fund. WMD itself has invested 3,5 million euro’s (1,5 million as soft loan and 2 million as risk capital). These joint ventures are initiated on a “not for profit, not for loss” basis (Stichting Waterprojecten Oost Indonesie, 2008; Pistorius, 2008).

Manado

WMD has several joint ventures in Indonesia. For this research, the joint venture in the city Manado was selected. Manado is the largest city in which WMD is present (has formed a partnership) and for which they have a concession for the whole city. WMD formed a joint venture, called PT Air Manado, with the PDAM of Manado, in January 2007. At the moment, PT Air Manado is in the rebuilding phase (first phase). Though, the partners do differ on where the PT is; the Dutch partner would argue the PT is less far than the PDAM (Peter Schouten, August 18, 2009; Anton Schrijver, August 18, 2009).

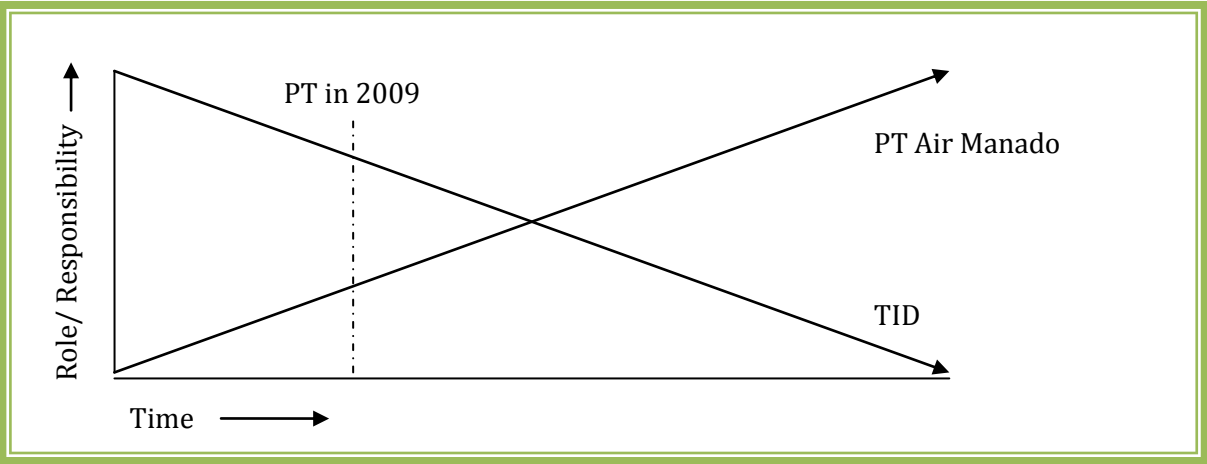


Figure 4.2. Responsibility of TID and PT Aid Manado over time (Source, Peter Schouten, August 18, 2009).

WMD has had some problems in the beginning. Water losses were worse than estimated, there were less connections to the pipe system than the previous administrative system estimated, and due to broken water meters, the imaginary usage of water was estimated too low. This caused a need for additional funds. Additional funds should come from customers through

micro-financing. WMD found a bank that was willing to finance the micro credits, but demanded the PT to guarantee these loans which influenced their solvency. But even worse, the bank verifies whether each customer can pay back the loan, which causes enormous delays. Another problem WMD recently ran into, is the fact that both the mayor of the city and the director of the PT are in prison for corruption matters. WMD is now forced to install new management that hampers the progress of the PT.

4.3 WOP 2 - DWSC and VEI - Vietnam

Da Nang, Vietnam, is a port city in the middle of Vietnam with 800.000 residents. Approximately 35% of all residents does not have access to clean drinking water and relies on shallow ground

Country, place: Vietnam, Da Nang
Dutch partners: Vitens Evides International (VEI); Foundation Water for life, Aqua For All, Royal Dutch Embassy in Hanoi, DGIS
Vietnamese partners: Dawaco (Danang Water Supply Company); People’s Committee (municipality)
Initiated: October 2007

water or surface water. Moreover, the capacity of the distribution system is insufficient to meet the demand for water. This results in regular pressure drops and intermittent supply. Dawaco lacks the fund to expand and knowledge in the field of sustainable management. Preventive maintenance is neglected, and the company struggles with losses (Vitens, 2009).

Since October 2007, Vitens Evides International cooperates with Dawaco for a period of three years based on a management contract. The partnership was initiated by sir Trung No, a stowaway from Vietnam who lived in the Netherlands for several years and worked in the water sector. He returned to Vietnam and asked VEI whether he could be off some help initiating Water Operators Partnership. After a month, he returned with two cities that were interested, one of which was Da Nang. Important partners include the People’s Committee (PC); that “seeks to improve water service delivery to its citizens” (Soppe, 2008, p. 8), Dawaco; that seeks operational and strategic know-how and expertise, and VEI; that wants to share know how and expertise as well as contribute to the MDGs (Soppe, 2008).

The partnership is organized by a steering committee, management of Dawaco, Project Management Unit (PMU) and working groups. Major decisions are made by the steering committee that is made up by the director of Dawaco, a representative of the People’s Committee of Da Nang, the ambassador of the Royal Dutch Embassy, and the project director of VEI. The management of Dawaco is made up by the director of Dawaco and the Resident Project Manager (RPM) of VEI. Together they take important decisions. In addition, operational decisions are taken in the PMU, together with the RPM. In the PMU, also the financial and general manager are included in the decision making process. The leaders of the working teams are all from Dawaco. They have to define clear goals and provide a planning how to reach these goals.

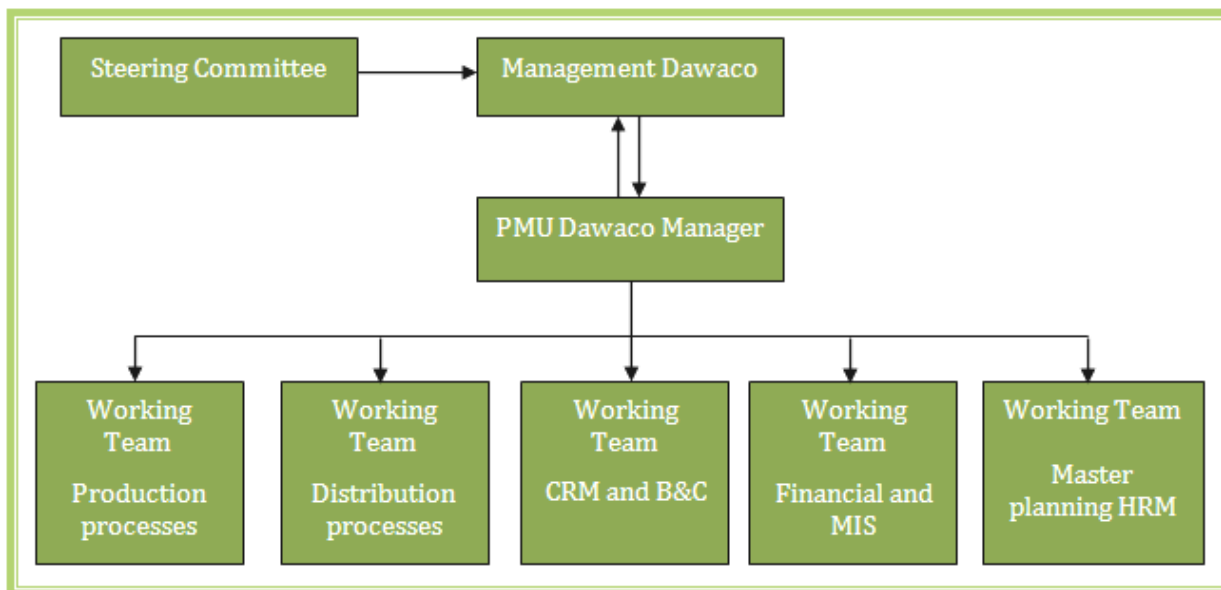


Figure 4.3. Organizational chart for VEI-partnership (Vitens, 2009).

The goal of the partnership is to establish sustainable management of the drinking facilities in Da Nang. This should result in a stronger financial position of Dawaco. Moreover, the stronger financial position should enable Dawaco to provide water to the urban poor. In more concrete terms, three strategic goals can be defined; the extension of services for Da Nang, more management autonomy and stronger financial position, and sustainable services to the poor (Soppe, 2008). These strategic goals are operationalized into a reduction of non-revenue-water, improvement of the quality of tap water, consistent production operation management, creation of a financial management system, development of a client registration system, professional billing and collection, and introduce a program to provide home connections to the poor (Vitens, 2009). Since VEI provides assistance without owning the water operator temporarily, this WOP is categorized as a TAM-partnership.

There are three phases, including an inception phase, an partnership building phase and an implementation phase. The inception phase took place from October 2007 – October 2008. During this period the policy paper was prepared as well as an USP action plan. The partnership building phase ended in October 2009, in which ‘a comprehensive strategy to improve the water supply services to the urban poor’ was prepared (Soppe, 2008, p. 8). The final phase started in October 2009 and will be ended in October 2009, after which, most likely, a new term will be started in which both parties will cooperate.

For this project, approximately 2,7 million is invested. Money comes from Water for Life, Aqua For All, DWSC, DGIS and VEI itself. It is a shared financial agreement, in which Dawaco is included as well to ensure that all parties will do their utmost best to realize the objectives of this project. Vitens Evides International has founded a foundation (Water for Life) to ensure they

have their own funds. Dutch households can decide to pay an additional fee for tap water that is transferred to this foundation. Also VEI can use 1% of their net profits for international profit.

According to the respondents, this WOP is doing very well. Compared with another partnership VEI has in Vietnam (in Ho Chi Minh city), this partnership poses little problems. This is attributed to the support Dawaco has from the People’s Committee (PC) of Da Nang. In Ho Chi Minh city, on the contrary, VEI has more political problems and, according to the respondents, the PC is less flexible. Nevertheless, for this WOP, no real problems occurred.

4.4 WOP 3 – SWM and WWn - Suriname

Country, region: Suriname, Coastal area
Dutch partners: World Waternet (WWn); Municipality of Amsterdam, VNG International
Suriname partners: Suriname Water Company, Ministry of Natural Resources
Initiated: in 1996

World Waternet has a twinning with the Suriname Water Company since 1996. The twinning was initiated by the City council of Amsterdam as well as SWM and the Suriname Water Delivery Service of the Ministry of Natural Resources for the improvement of the water distribution around Paramaribo (coastal area). The Suriname Water Company did not have much difficulty with providing clean water, but rather pipes got blocked, water meters got jammed, and pressure dropped that much that there was barely water coming out of the tap. Over the years, WWn has expanded geographically but also in the kind and number of activities (Pistorius, 2008, Gerard Rundberg, Otto Ferf Jentink, August 26, 2009).

The Government of Suriname and the Municipality of Amsterdam have signed a cooperation agreement for the duration of 4 years. This ended in 2006 and was prolonged for another 4 years. The WOP’s main partners involves SWM and the Suriname Water Delivery Service (Ministry of Natural Resources). WWn helps them with capacity building on several aspects. In essence, WWn shares know how and experiences with SWM. WWn does not, however, have any decision making authority (hence, a TAM-partnership) (Pistorius, 2008, Gerard Rundberg, Otto Ferf Jentink, August 26, 2009).

The aim of the partnership is to enforce responsible water operators and sufficient and safe water supply for the whole coastal area through transfer of knowledge and technical assistance. This is not only limited to the production, distribution and sales of water, but also ICT, safeguarding quality and investment plans related (Pistorius, 2008, Gerard Rundberg, Otto Ferf Jentink, August 26, 2009, Otto Ferf Jentink, September 11, 2009).

World Waternet does not invest in infrastructure. It does receive money from VNG International and can use 1% of the net profits for distributing drinking water in the Netherlands. Nevertheless, World Waternet funds personnel costs. Due to a lack of funds from

VNG International in 2008/2009, WWn was forced to postpone new projects. After negotiations, WWn went to Suriname in the beginning of this year for new project, one of which started in July (Otto Ferf Jentink, September 14, 2009, Eddy Yedema, September 11, 2009).

The Netherlands and Suriname have a politically loaded relationship. In the beginning, there was a limited number of employees interested to go to Suriname and help the Suriname Water Company. However, after the first expedition, more employees got excited. In addition, the electorate in Suriname is highly ethnically oriented. This implies that you have to know what to say to whom. According to Gerard Rundberg and Otto Ferf Jentink, the director of the SWM knew how to deal with this situation and kept them going.

4.5 WOP 4 - Red Sea State Water Corporation and Dunea - East Sudan

The city Port Sudan (East Sudan - Red Sea State) has approximately 800.000 residents, of which many are too poor to buy clean drinking water. Tap water is untreated surface water that causes

Country, region: East Sudan, Red Sea State, Port Sudan
Dutch partners: Dunea, VNG International
Sudanese partners: Red Sea State Water Corporation, University of Port Sudan, Gedaref Water Corporation, National Water Authority, Egyptian Water Company
Initiated: 2006

several water related diseases. Moreover, the water supply system does not have the capacity to supply water to 800.000 residents and is in deplorable state. Nowadays, mud is coming out of the tap. In addition, there is little money for investments and all good staff members have left. With the introduction of the sharia law, the level of education also declined (Leo Nijland, September 24, 2009).

The partnership was initiated on behalf of VNG International. Dunea wanted to form a partnership with a water supply company in Africa. It wanted to contribute to the MDGs and was politically stimulated to do so. In addition, according to the project director, water supply companies in the Netherlands have little room for innovation as there is no need for. Going abroad is one way to attract young people. VNG International advised Dunea to explore the Red Sea State, in East Sudan. After the exploration mission, Dunea decided to start a twinning with the Red Sea State Water Corporation (Leo Nijland, September 24, 2009).

Since 2006, Dunea and the Red Sea State Water Corporation work together based on a twinning (collegial) agreement. Employees of Dunea go twice a year for maximum two weeks to the Red Sea State to perform similar tasks and to train the personnel. The Gedaref Water Corporation is to ‘invest in an adequate water supply system’ (Pistorius, 2008, p. 15). In addition, Dunea cooperates with the University of Port Sudan and an Egyptian Water Company to educate staff members. The water operators have signed a MoU, whereas Dunea and VNG

International have signed a contract (Leo Nijland, September 24, 2009). Thus also this partnership can be categorized as a TAM-partnership.

The goal is to build capacity and to increase the knowledge of the staff (on all levels) of the water company. This should lead to more connections (of the poor) to the pipe system. The Sudanese government (National Water Authority) is responsible for investments in infrastructure. Dunea does not finance any of the WOP's activities, besides 50% of the costs of working together. The other 50% comes from VNG International. Approximately 1 million euro's is invested in this partnership (Leo Nijland, September 24, 2009; Pistorius, 2008).

Politics have a big influence on the functioning of the Red Sea State Water Corporation. At the moment, the director is sidelined by the governor that appointed a federal state minister. The federal state minister performs operational tasks at the water company, every day for 2 hours. When he leaves, the director can start working. In addition, nearby Port Sudan, there is a huge fresh water aquifer that is barely used. For three years, Dunea is trying to make the Sudanese staff aware of the possibilities to use this way of purification and the responsibility of a water supply company to provide safe drinking water. Dunea has reach a point at which it needs to decide whether they are willing to end the partnership or not. That is, Dunea does not want to be related to ill practices. Moreover, the absence of money results in a lack of investments in the most urgent areas and a lack of influence (Leo Nijland, September 24, 2009).

4.6 WOP 5 – Dowako (Joint venture Dowasen and WFH) - Vietnam

Country, region:
Vietnam, Don Thap
Dutch partners: Water
Fund Holland (WFH),
Vietnamese partners:
Dowaco Dowasen
Initiated: June 2007

The water supply company of the province of Don Thap (Vietnam), Dowasen, is responsible for the distribution of clean drinking water. Dowasen did not, however, have the financial means to make the necessary investments in the production and distribution facilities. To obtain financial means, Dowasen wrote a tender to spread the needed investments over a longer period of time. With the installation of a new production facility, clean drinking water are to be supplied to 30.000 people (Bert Jansen, September 3, 2009).

Water Fund Holland was founded by 5 Dutch water operators (PWN, Brabant Water, Dunea, WMD, and Water Transport Company Rijn Kennermerland) in 2001. Its main goal is to finance and implement 'investments in water infrastructure and [to operate] water supply production facilities' (Pistorius, 2008, p. 72). Since June 2007, Dowasen and Water Fund Holland have a joint venture, called Dowako. Water Fund Holland holds 88% of the shares, Dowasen the remaining 12% (hence, a TOM-partnership).

Dowako is responsible for the provision of water in the region, as well as the collection of waste and sewerage. It has a 15 year-contract to produce and sell water in large quantities to Dowasen. The main objective is to produce and provide water with a certain quality level, in certain quantities to Dowasen by Dowako. In addition, the organization of Don Thap will be strengthened, through recruitment, selection, and training of the staff (Pistorius, 2008; WFH, 2009; Bert Jansen, September 3, 2009; Leo Commandeur, September 15, 2009).

Water Fund Holland financed 88% of the joint venture, whereas Dowasen financed 12%. Dowasen borrowed money from WFH to install production facilities. With the income generated from selling water, the loans are paid back. If all loans are paid back, Dowako will reinvest the money in Dong Thap (Pistorius, 2008; WFH, 2009; Bert Jansen, September 3, 2009; Leo Commandeur, September 15, 2009).

This joint venture is viewed as a business that needs to operate as a business. If it fails to deliver the amount of water with a certain quality to Dowasen, it will receive penalties. According to Bert Jansen, this partnership is doing fine and no problems have occurred.

4.7 WOP 6 – Tirta Riau (Joint venture KTDP, PWN and WFH) - Indonesia

Country, region: Indonesia, Pekanbaru
Dutch partner: Water Fund Holland (WFH), PWN, Dutch Ministry of Development Cooperation
Indonesian partners: PT Tirta Riau, PDAM Tirta Siak, KTDP, PEMKO, PDAM Tirta Nadi (Medan)
Initiated: June 2007

Pekanbaru, capital city of the province of Riau (Indonesia), has approximately 700.000 residents. Only 10-15% of the population is connected to the pipe system. Moreover, the majority of water meters is broken and the unaccounted-for-water loss is high (60%). Also, the water treatment plants, transport and distribution mains need rehabilitation and expansion. Finally, 'the revenue income of the PDAM is too low to provide for adequate operations and maintenance' (Water Fund Holland, 2009, p. 5).

The Municipality of Pekanbaru (Pemko) owns PDAM Tirta Siak. The Municipality has also concluded a Joint Operation Agreement (JOA) with the private company PT Karse Tirta Dharma Pangada (KTDP) to improve water supply in Pekanbaru. KTDP has to, on the one hand, finance investments in water infrastructure and, on the other hand, provide managerial assistance to PDAM Tirta Siak (Water Fund Holland, 2009, p. 6). KTDP has, since 2005, a joint venture with WFH, Tirta Riau (in the figure BOT WTP), of which WFH owns 51% and KTPD 49%. PWN indirectly has an influence, as PWN partially owns Water Fund Holland. Tirta Riau finances investments and is expected to, in time, exploit the production facilities. PWN was expected to become majority shareholder (TOM-partnership). It is for now involved by providing technical assistance. In addition, PWN has a triangular twinning with PDAM Tirta Siak and PDAM Tirta

Nadi in Medan (TAM-partnership))(Water Fund Holland, 2009, p. 6, Leo Commandeur, September 15, 2009).

The overall objective is to improve access to adequate water and sanitation facilities to lessen the poverty of people in Indonesia. With regard to the triangular twinning, PWN aims to improve the overall operations of PDAM Tirta Siak and Tirta Nadi. PWN has lend 1,4 million to KTDP. The Dutch Government has contributed 5,1 million euro's. WFH contributed 3,8 million.

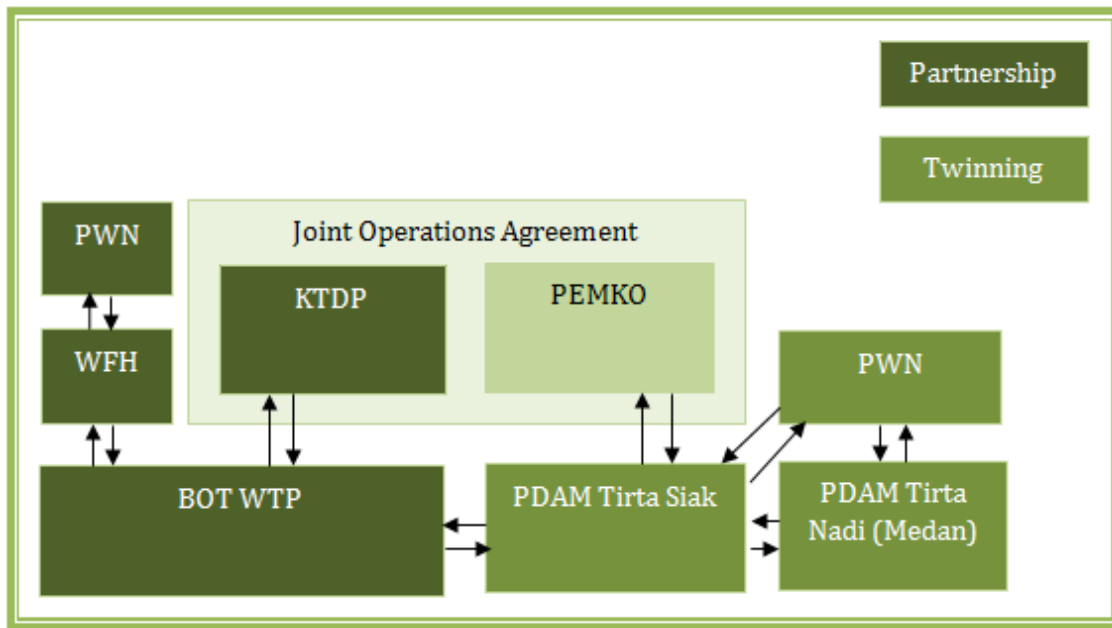


Figure 4.3. Organizational chart WFH/PWN (Oomen, Susanto, Dierx, Abidin, Brenner, & Wijaya, 2009, p. 16)

Momentarily, all activities (for the twinning of PWN as well as Tirta Riau) have been held off due to complex agreements and performance that is lagging behind. Investments that have been made by PWN are not accepted by Tirta Siak and the municipality. Also the legal construction that Tirta Riau should provide water has been rejected by the municipality.

4.8 WOP 7 – Aquavirunga (Joint venture, Aquarwanda and PWN; Aquanet) - Rwanda

After the war (1994) in Rwanda, there was no provision of water in the (rural area in) North-

Country, region: Rwanda, North East
Dutch partners: Aquanet, PWN, EVD (PSOM)
Rwandese partners: Aquavirunga, Aquarwanda, District of North East, Rwanda
Initiated: 2007

West of Rwanda. The production facilities in the North East of Rwanda is a relative complex system that could not be exploited by the district itself and needed to be rehabilitated. Due to erosion, intakes were damaged. Furthermore, there were many outbreaks of water-related diseases amongst the population (Jos van Gastel, September 3, 2009, Leo Commandeur, September 15, 2009)

In 2007, PWN started a pilot project with Aquarwanda to jointly rehabilitate the drinking water system by setting up a joint venture, Aquavirunga. PWN holds 51% of the shares, Aquarwanda 49%. As PWN has 51% ownership in Aquavirunga, the company is able to operate more businesslike, and put politics at arm's length. The joint venture was set up based on a design, rehabilitate, finance and operate (DFRO) contract and has a 15 year lease contract with the district. In essence, this implies that Aquavirunga has to prepare and execute rehabilitation works, as well as operate and manage the water supply scheme (Pistorius, 2008; Jos van Gastel, September 3, 2009, Leo Commandeur, September 15, 2009). Consequently, this partnership is categorized as a TOM.

The joint venture, Aquavirunga, is managed by the manager director. He is Rwandese and had already some experiences before he started working for Aquavirunga. Aquanet, a third party, is responsible for the coordination of the joint venture as well as obtaining funds. Both PWN and Aquarwanda have 2 commissioners in the board of directors. For now, since the investments are not yet paid back, the Board of Commissioners is headed by the Project Director of PWN. Next year, one of the members of Aquarwanda will be chairman and this should be rotated between the two shareholders on an annual basis (Jos van Gastel, September 3, 2009, Leo Commandeur, September 15, 2009).

Financing stems from two sources, PWN and PSOM (Program for Collaboration with Emerging Markets, EVD). PSOM has invested approximately 60%, PWN 40%. In total, approximately 838.000 euro was invested to build up Aquavirunga. With the income generated from selling water, investments made by PWN have to be paid back. Moreover, the project is based on 'not for profit, not for loss'. After all investments are paid back, profits are reinvested in the water sector in Rwanda (Pistorius, 2008; Jos van Gastel, September 3, 2009, Leo Commandeur, September 15, 2009).

At the moment, the PSOM project is accomplished. Aquavirunga has been able to perform better than the predefined targets. Income is higher than outcome, 3 months earlier than anticipated (Jos van Gastel, September 3, 2009, Leo Commandeur, September 15, 2009).

4.9 Final remarks

The seven cases selected for this research have been discussed in the previous paragraphs. An overview of all cases is provided in the following pages. Whereas the format of all partnerships was discussed in the case descriptions, the degree to which these partnerships can be considered formal will be further elaborated here. The TOM-partnerships (WOP 1 (PT Air Manado), 5 (Dowaco), 6 (Aquavirunga) and 7 (Tirta Riau)) all are joint ventures between a Dutch and foreign water operator. For that reason, these partnerships can be considered legal

and formal structured partnerships, and, according to the International Water Association, the most formal type of partnership.

In the three remaining cases (those three partnerships categorized as TAM-partnerships), a distinction can be made between simple and comprehensive partnerships, based on the interaction, terms, financial agreements, and supporting documents. Comparing WOP 2 (DWSC and VEI), 3 (SWN and WWN) and 4 (Red Sea State Water Corporation and Dunea), from the examples of interaction, WOP 2 seems to have more interaction as in this case a RPM is situated in the foreign country to oversee operation, whereas for WOP 3 and 4, employees and project managers visit the foreign country once every while. Also from a legal point of view does it seem that WOP 2 is more formal than WOP 3 and 4. Whereas DWSC and VEI have a management contract, both SWM and WWn and Red Sea State Water company and Dunea do not. They solely have a term of reference and/or project plans. Thirdly, whereas in case of WOP 3 and WOP 4 the Dutch partners do not invest in infrastructure, operations, techniques etc., VEI does. Moreover, VEI has even founded its own foundation to invest in these projects. Finally, when it comes to supporting documents, the documents of WOP 2 are more detailed than the documents for WOP 3 and 4. Overall, it seems that DWSC and VEI (WOP 2) can be considered to be a comprehensive partnership, whereas both SWM and WWn and Red Sea State Water Corporation and Dunea can be considered simple partnerships.

WOP	Dutch Partners	Foreign Partners	Country	Model of cooperation	Type of contract	Type of WOP
1. PT Air Manado	Watermaatschappij Drenthe (WMD), Foundation Waterprojecten Oost Indonesië, Ministry of Transport, Public Works and Water Management	PT Air Manado PDAM Manado Tirta Indi Drenthe PEMKO	Indonesia	TOM	Joint Venture	Legal and fully structured - Cooperation Agreement - Master plan - Business plan
2. DWSC & VEI	Vitens Evides International (VEI), Water for life, Aqua for All, Embassy, DGIS	DWSC, PC	Vietnam	TAM	Management contract	Comprehensive - Cooperation agreement - Master plan
3. SWM & WWn	World WaterNet (WWn), Council of Amsterdam, VNG International	Suriname Water Company (SWM), Ministry of Natural Resources	Suriname	TAM	MoU	Simple - Cooperation agreement
4. Red Sea State Water Company & Dunea	Dunea, VNG International	Red Sea State Water Corp., University of Port Sudan, Gedaref Water Corp., National Water Authority, Egyptian Water C. company	East Sudan	TAM	MoU	Simple - MoU (with Red Sea State Water Company) - Project plan (with VNG)

Table 4.1. Overview Partnerships, including Country, partners, model of cooperation, type of contract.

WOP	Dutch Partners	Foreign Partners	Country	Model of cooperation	Type of contract	Type of WOP
5. Dowako	Water Fund Holland (WFH)	Dowako; Dowasen	Vietnam	TOM	BOT contract	Legal and fully structured
6. Tirta Riau	Water Fund Holland (WFH), Puur Water en Natuur (PWN)	PT Tirta Riau; PT KDTP; PDAM Tirta Siak. PDAM Tirta Nadi	Indonesia	PWN: TAM TOM (indirect)	Twinning (Tirtas) Loan (KTDP)	Simple - Technical assistance Loan
				WFH: TOM	Joint venture KTDP	Legal and fully structured
7. Aquavirunga	PWN; Aquanet, EVD (PSOM)	Aquavirunga, Aquarwanda, district	Rwanda	TOM	Joint Venture	Legal and fully structured - Joint venture - Business case - Business plan - Lease Contract with the district

Table 4.1. (continue) Overview Partnerships, including Country, partners, model of cooperation, type of contract.

5. Findings and analysis

'The world is all gates, all opportunities, strings of tensions waiting to be struck'

Ralph Waldo Emerson (1803- 1882)

American poet, lecturer and essayist

5.1 Introduction

In chapter two, a tension was defined as a pair of opposites that seem to be or are inconsistent/incompatible with one another (De Wit and Meyer, 2004, 2005). In chapter three it was argued that when these pair of opposites are present at the same time one can speak of a tension. It was furthermore argued that managers can deal with such tensions in different ways. Three approaches were defined, that is, managers can deal with tensions either through dilemmas, trade-offs or paradoxes.

In this chapter, findings are presented and simultaneously analysed. First, a description will be provided of what managers have said about the tensions. This should lead to answering the question whether two seeming opposing pressures are present at the same time and, if necessary, whether these opposing pressures are incompatible. Second, how managers have managed these situations will be described. This should lead to answering the question how managers deal with these seeming opposing pressures.

To control for these findings, differences within and between partnerships are described. As a tension is manager-bound, that is, findings are based on the perceptions *per* manager, differences within cases are analysed to check whether these differences either stem from job/task related features or personal preferences. This is done for WOP 1 (PT Air Manado), 2 (DWSC & VEI), 3 (SWM & WWn), 6 (Tirta Riau) and 7 (Aquavirunga) as more than one manager was interviewed for these cases. Jobs' characteristics were briefly defined in chapter three (table 3.2), and attention will mainly be paid to the level at which the manager operates or the tasks they (have to) execute. More will be highlighted during this chapter if felt necessary. Fourth and final, differences between cases are analyzed. It is expected that the type of model applied to a partnership (TOM/TAM), the degree to which the partnerships are formal, and country specific factors will have an influence and this analysis will control for that.

5.2 Profit maximization or social responsibility?

Organizations might have different reasons to cooperate. On the one hand, organizations might want to cooperate for social responsible reasons, such as connecting the poor to the pipe water system to ensure that they will have pay less for water (compared with bottles of water). On the

other hand, organizations might also want to (in)directly benefit from cooperation. This could come about in demanding (maximum) profits. It is expected that when one party wants to earn maximum profits, it will not be focused on social responsible behaviour as this is most likely to decrease its income. In addition, those who cooperate for altruistic reasons, are more likely to aim for sustainable and hence smaller profits just to ensure water can be provided for a longer period of time at a fair price. It is expected that when those two seemingly opposing pressures come together, they pose conflicts.

In all cases, the poor performing water operator has to become a healthy organization. This implies that the foreign water operator has to become profitable. As for TOM-partnerships, the Dutch partner invests money that it wants to earn back. Especially in these cases profit (maximization) becomes an important issue. Yet, several of the Dutch managers also noted that they want to have the poor connected to the water pipe system. It seems to be the case that these two opposing pressures are present at the same time.

Whereas both pressures are present at the same time, they do not, in the eyes of the managers, pose any conflicts or problems. According to all respondents, Corporate Social Responsibility (CSR) and profit go hand in hand. Furthermore, all managers seem to argue that without profits, the poor will not be connected to the water pipe system. Gerard Soppe (VEI), for example, argued that as long as the poor performing water operator (DWSC) is becoming more profitable, DWSC will not have any problem with connecting the poor to the water pipe system. But it will be VEI's goal and they will have to make DWSC aware of it. Peter Schouten (WMD), in addition, mentioned, 'the goals [profit and connecting the poor to the central pipe system] are of equal importance. Profit is important because the loan has to be paid back and the PT has to have enough financial means to make additional investments [...] That implies that the PT has the borrow money from a bank, which can only be the case if it is a healthy organization'.

Hence, social responsible behaviour does not pose any conflicts as long as the poor performing water operator is making money. However, there will not be social responsible behaviour by the poor performing water operator when there is a lack of money, nor will Dutch partners (especially when they want to earn their money back) behave socially when a partnership is costing money. In this way of reasoning, it seems that profit (maximization) prevails social responsible behaviour. This makes sense as, for example during economic downturns, companies also invest less in CSR or green products/production techniques. It seems to be the case to 'help others, you first need to help yourself. Leo Nijland (Dunea) in this regard mentioned that since there is already a shortage of clean drinking water, this is not discussed at all.

To sum, out of 13 respondents, the answers of 3 respondents were meagre. That is to say, this tension was not (sufficiently) discussed and therefore remains unclear. In addition, 3 other

respondents noted that they neither invested money nor specifically focused on connecting the poor to the pipe system. For those reasons, the answers of 6 respondents are classified as not applicable. Hence, out of 13 respondents, 7 respondents claimed that profits are necessary to have connections for the poor. Moreover, it seems that profit maximization and social responsibility pose conflicts at times, especially when organizations are not making profits. It also seems that profits are, instead of harming social responsible behaviour, a means to ensure that the foreign party will also connect the poor the pipe system. That is, when the poor performing operator is making a profit. It therefore seems to be the case that this tension truly is a tension.

Tension	Not a tension	Not applicable
7 respondents (WMD (2); VEI (1); Dunea; PWN, WFH; Aquanet)	None	6 respondent (WMD (1), VEI (2); WWn (3))
6 cases (WOP 1, 2, 4, 5, 6, 7)	None	1 case (WOP 3)

Table 5.1. Profit maximization – Social responsibility.

How then, do managers deal with these alternatives. In most cases, it seems that managers have accepted that profits need to be made before the poor can be connected. The main aim (in the beginning of a partnership) then is to first make the poor performing water operator a healthy organization and thereafter start pushing for connections for the poor. But it can also be governed differently. Leo Commandeur (PWN) mentioned that if Aquavirunga would become ‘too’ profitable, the district would not allow for that. In this case, Aquavirunga could lose its DFRO contract after 15 years. In this way, through contracts, the municipalities/districts can enforce certain behaviour. A final comment, according to Jos van Gastel (Aquanet), is that the water sector does not allow for excessive profits. A percentage of 10 – 15% profit is accepted and, overall, water operators will stick to that. Hence, whereas partners might strive for profits, they will not maximize them as this is not perceived to be sustainable.

To sum, all managers claim that profits need to be made before the poor can be connected to the pipe system. Connections will only be made when the situation of the poor performing water operator allows for it. That is, profits are always strived for, connections only when there are profits. This reasoning would indicate a paradox, *not* a trade-off. That is, managers acknowledge that first profits are needed before the poor can be connected. But since profits remain of equal importance there is no optimal solution line. Rather, managers want to do as much as possible for both alternatives as long as the situation allows for it. Consequently, managers deal with this tension through paradoxes.

	Dilemma	Trade Off	Paradox
<i>What</i>			The best of both worlds
<i>How</i>			Always focus on profits; connecting the poor if possible
<i>Who</i>			WMD (2), VEI (1), Dunea, WFH (WOP 5), PWN & WFH (WOP 6), PWN & Aquanet (WOP7)

Table 5.2. Profit maximization – Social responsibility. How managers deal with it.

Differences within cases

In case of WOP 1 (PT Air Manado), only two managers of WMD provided such an answer that it could be used for this analysis. That is to say, Karst Hoogsteen was not asked to answer this question, and therefore cannot be included in this analysis. The two other managers claimed that profit and connecting the poor go hand in hand. More important, it is believed that if the PT does not make enough money, the poor cannot be connected to the pipe system. Since both agree, it remains unclear whether this could be related to their job or personal preferences. Perhaps managers feel they have no other choice.

As for WOP 2 (DWSC & VEI), Jan Hoffer pointed out that VEI does not cooperate to make a profit. It remains unclear if and how he deals with these alternatives. It seems more likely that since he, together with Ad Doppenberg, ensures that the poor performing water operator includes this goal (connecting the poor) in their contract, it is up to Gerard Soppe to execute it. In this case, whether one runs into these problems it related to the level at which a manager operates.

With regard to WOP 3 (SWM & WWn), this tension was not relevant since these parties do not have specifically included connecting the poor in their plans, nor do they invest money.

As for WOP 6 (Tirta Riau) and WOP 7 (Aquavirunga), all three managers argue similarly; profits are needed to ensure the water operator becomes a financially healthy organization and that the poor can be connected to the pipe system. Hence, profits are a precondition to achieve the Millennium Development Goals and to make sure that the poor performing water operators will become healthy organizations. Also in this case it seems not to be related to personal preferences or job/tasks characteristics. Managers are present at different levels, and all agree it needs to be done in this way.

Differences between cases

For those that could and did answer this question, it seems that profits are a means to connect the poor to the water pipe system. Managers of both TAM- and TOM-partnerships acknowledged that profits are needed before connections for the poor can be established. However, within TOM partnerships, it seems that managers are divided. Some, for example, argued that the water

sector does not allow for excessive profits, either through contracts provided by the local governments, or through the standards in the water sector. It is simply 'not done'. Hence, as there are only differences within TOM-partnerships and all managers have similar points of view, it does not seem to be model-dependent.

Moreover, for the least, comprehensive and most formal cases, no differences exists. All Dutch managers acknowledged that they would first want to ensure that the they are making profits (hence, the poor performing water operator is becoming healthy) before they will connect the poor to the pipe system. There is however one difference, that is, the influence one has in stimulating the poor water operator to connect to poor to the pipe system. Whereas Dunea has no influence, the comprehensive and most formal partnerships do have (to some extend) influence on the other partner.

Finally, since these partnerships are based in different countries, it does not seem to be the case that country specific factors influence the managers' perspective.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal	Country specific aspects
<i>Profit maximization – Social responsibility</i>	Slight indication (WOP 2)	Not related	Not related	Not related	Not related

Table 5.3. Profit maximization – social responsibility. Influencing factors.

5.3 To compete or to cooperate?

All WOPs included in this research were formed to improve current operations of the poor performing water operators through managerial and/or technical assistance. It was expected that if water operators have their own objectives, they are willing to pursue their own agenda. As a result, partners might want to gain at the expense of others. However, water operators might also acknowledge that they need each other in order to succeed. They may therefore be strongly committed and willing to abandon their own interests for the sake of the partnership.

Overall, these partnerships have a common goal. Only one respondent (Leo Commandeur, PWN) noted that not all interests are clear and that there is a lack of shared goals. 'There are interests that we are unaware of [...] At the moment, there are no shared goals'. Yet, whereas there might be a common goal, managers also noted that partners do have their own agenda. This is by some respondents related to the position one has within a partnership. A partner that needs help has a different position than the partner that will be providing help (or money). That does not necessarily imply that individual interests and common interests (goals) are incompatible. In many cases, the common and individual goals do not differ too much. Gerard Soppe (VEI), 'I do think that all parties strive for their own interests, but they all correspond

quite well with the common goals. They do not hamper the common goal. For example, if we have a windfall revenue, we will demand DWSC to reserve money to connect the poor to the pipe system. As long as they have a feeling that we improve infrastructure and income is increasing, this is feasible'.

One reason that could explain why common and individual goals do not differ (too much) is that the Dutch partners are providing help. This implies that the Dutch partner adapts to the needs and objectives of the foreign partner. In these cases, the objectives of the Dutch partner are the objectives of the foreign partner and besides a common goal, there are no (other) individual objectives.

However, at times, parties might still have different point of view what needs to be done. In these cases, parties might strive for their own interest. For example, Ad Doppenberg (VEI) mentioned that 'decreasing the unaccounted for water losses has caused tensions at the rational level'. Similarly, investments in the pipe system or in the organizational structure are claimed not to be 'sexy', that is, while you invest millions of euro's, you do not have physical results. It is not tangible. In these cases, the foreign partners have to be persuaded to also focus on these aspects. Hence, whereas the common goal is to make the poor performing water operator a healthy organization, partners might have different views on how this should be achieved and individual objectives might become more important. Furthermore, in some cases, managers acknowledged that the individual interests did differ and that it takes effort to strive for a common goal. According to Anton Schrijver (WMD), 'the PDAM wants everything done by the book and the politics should be involved as well. They are kind of the mouth piece of the municipality. In this way the PDAM is more concerned with the interests of the municipality and less concerned with the interest of the joint venture'. Leo Nijland (Dunea) similarly has to deal with a director that does want to deliver water, but is not interested in the quality of the drinking water while Dunea finds this extremely important. According to Leo Nijland (Dunea), 'we do not want to be associated with nor support this bad situation'. In those situations, it seems that competing and cooperating exists at the same time.

To sum, out of 13 respondents, one respondent's answer could not be used to assess whether these alternatives are a tension. There was not enough time during the interview to discuss this tension nor was there time afterwards. For the remaining 12, 5 respondents noted that individual interests and group interests are in line with each other (compatible) and partners acknowledged they need each other to succeed. In these cases, managers did not experience competing behaviour by the other partner. Hence, only one of the two pressures is present. This implies that since the pair of opposites are not present at the same time, for these respondents it can be argued it is not a tension. All other respondents (7) have to some degree

claimed that these opposing pressures are present at the same time, that is, partners strive for their own as well as the common goal.

Tension	Not a tension	Not applicable
7 respondents (WMD (2); VEI (2); Dunea; PWN and WFH (WOP 6))	5 respondents (WMD (1); VEI (1); WWn (2); WFH (WOP 5); Aquanet (WOP 7)	1 respondent (WWn (1))
4 cases (WOP 1,2, 4, 6)	3 cases (WOP 3, 5, 7)	None

Table 5.4. Compete -Cooperate.

How then, do these managers deal with these seeming opposing pressures? According to almost all respondents, the foreign partner needs to acknowledge that help is needed to improve the unhealthy situation. In other words, it is important that the foreign partner feels a sense of urgency to ensure that they are willing to make a change. According to Anton Schrijver (WMD), ‘you need commitment, if there is no commitment, it will not work. Then, it will be in the Indonesian way, say yes to everything but do nothing’. It is expected that a partnership initiated by the Dutch partner will hamper cooperation. Ad Doppenberg (VEI), ‘we do not want to push. If it leads to a push-process, it will become very sluggish’. But commitment should not only come from the partners that are cooperating. Also those parties that are indirectly involved need to be committed. Peter Schouten (WMD), ‘with the director and mayor in prison, the municipality has little attention for the PDAM. Right now we are battling on our own while we should be doing this together’.

Even if the Dutch partner is in a partnership solely to help the poor performing water operator, that does not imply that that everything is accepted. Otto Ferf Jentink (WWn), ‘in any case, we act in the interest of the partner. But if they would demand us to do something that we think is inappropriate, we will tell them’. However, differences might be easier to reconcile than expected. Ad Doppenberg (VEI) mentioned that the UfW rates caused tensions. Through discussions and persuasion, VEI made clear that it needed to be addressed. Gerard Soppe (VEI), in addition, acknowledged that when he wanted to change the organizational structure (to improve operations and thereby increasing income so that the poor could also be connected to the pipe system), the director of the water company did not. In his words, the director started to withdraw. To ensure that the organizational change would be implemented, the director and Gerard Soppe sought for consensus. They agreed to have, instead of one big change, an incremental change. Similarly, Anton Schrijver (WMD) mentioned that early in the process, tender spots can be allocated and through relationship management be prepared. Striving for

consensus, however, does not imply meeting each other half way. The Dutch managers acknowledged that they do try to persuade the foreign partner to adopt their interest.

Others used contracts to ensure the common goal will be pursued. In case of PT Air Manado (WOP 1), the PDAM is more focused on the interest of the municipality and less on the interest of the joint venture. WMD drew up a contract to ensure that the municipality would not parties would not use the water operator for opportunistic behaviour. Peter Schouten (WMD), 'of course parties are interested in their profits (gains). But we have covered that with contracts. And the parties stick to that'.

And in one case, both parties felt that since there is no common goal and parties are not living up to their agreements, all activities (including financing) should be stopped until these issues are resolved. Leo Commandeur (PWN), 'PWN and WFH have made a stand that as long as the partners are not fulfilling our conditions, we will not invest time nor money'. The absence of common goals is related to the lack of control over the affairs. 'That we are unaware of some interests is due to the fact that we have no say [...] If we have to make it a success, we should establish a joint venture. Then we will have shared interests'. He, in addition, mentioned that the donor has his own agenda, differing from PWN's or WFH's agenda, and that the lack of shared goals between KTDP and PWN/WFH strengthens the position of the donor. Dunea similarly has now forced the director to make a choice, either the director focuses on improving the quality of water or the partnership will be ended.

As to sum, the respondents that have characterized compete-cooperate as a tension, either deal with them in terms of trade-offs (VEI/WMD) or in terms of dilemmas (Dunea, WFH, PWN). Managers from VEI and WMD strive for consensus, to ensure that the common goals as well as the individual goals will be reached. Consensus and relationship management are pursued over time. As for Dunea, WFH and PWN, since managers feel there is no common goal and the foreign parties are not living up to their agreements, they have decided to pursue their own interest, that is, not to invest time nor money until the foreign partner starts to behave according to their point of view.

As for those that cannot be characterized as a tension, it becomes difficult to classify their approaches. As for WWn, managers act in accordance to the interest of the other party. As they make the foreign partner's needs their own objective, they pursue the common goal (hence, compete is not an option at all). As for WOP 5 (Dowako) and 7 (Aquavirunga), the partnerships are 'businesses'. The contract with the district/municipality defines the goal of the joint venture. Furthermore, the respondents take seat in the board of commissioners. They, together with commissioners from the other partners, define the common goal during meetings, which thereafter is executed by the director. The joint venture, for these cases, already represents the common goal.

	Dilemma	Trade Off	Paradox
<i>What</i>	1. Pursue own interest 2. Pursue common goal	Strive for consensus	
<i>How</i>	1. Stop activities until foreign party lives up to agreement 2. Make needs of foreign partner own objectives 3. Joint venture as representative of common goal	Through communication or contracts, persuade other party to behave in own interest	
<i>Who</i>	1. Dunea , PWN and WFH (WOP 6) 2. WWn 3. WFH (WOP 5); PWN and Aquanet (WOP 7)	WMD, VEI	

Table 5.5. Compete - Cooperate. How managers deal with it.

Differences within case

In case of VEI, managers are divided. Jan Hoffer did not experience competing behaviour nor that individual goals conflicted with the common goal. Ad Doppenberg and Gerard Soppe both have experienced that parties were divided on some issues. They both sought for consensus to ensure that the individual as well as the common goals would be aligned. Perhaps the difference in this case stems from the position the managers have. Whereas Jan Hoffer is strategically involved, Ad Doppenberg and Gerard Soppe both encountered difficulties at the operational level.

As for WMD, managers are also divided. Karst Hoogsteen noted that parties solely cooperate, whereas both, Peter Schouten and Anton Schrijver, claimed they have experienced competing and cooperating behaviour. Peter Schouten however referred to contracts when dealing with this tension, whereas Anton Schrijver referred to relationship management/striving for consensus. Nevertheless, contracts will only be signed when all parties agree with it. Hence, indirectly, consensus is sought. Whereas in case of VEI these differences could be traced back to the level at which the managers operate, this does not seem to be the case for WMD as all managers are directors. Yet, it seems that these differences stem from the task that the managers have to fulfil. Karts Hoogsteen is more involved with relationship management, whereas Peter Schouten and Anton Schrijver are more involved with organizational tasks.

With regard to WWn, there is no difference amongst the managers. They all believe that they are there to help the other partner, and for that reason do not have different interests. Consequently, they have not experienced competing behaviour by the other partner. What is more, they also deal with these alternatives in a similar way.

In case of PWN and WFH (WOP 6, Tirta Riau), both managers feel that the interests are not aligned and that this leads to delays. They relate the problems they have encountered to the JOA and the lack of influence they have on this partnership. Both managers deal with this tension in a similar way. This seems logic as they often consult each other to discuss the progress of this partnership. This is however in contrast to the managers from PWN and Aquanet (WOP 7, Aquavirunga), where both managers believe parties purely strive for cooperation and that there is no competing behaviour. Also in this case do these managers deal with these alternatives in a similar way.

Differences between cases

It does not seem to be the case that the differences in perceptions and manner in which these tensions are dealt with can be related to TAM- and TOM-partnerships. As for the TAM-partnerships, managers from VEI and Dunea simultaneously experienced competing and cooperating behaviour. The managers from WWn however did not. In addition, the TAM-partnership managers deal with these alternatives differently; VEI through trade-offs, whereas Dunea through dilemmas. As for the TOM partnerships, PWN and WFH (WOP 6, Tirta Riau) as well as WMD experienced problems, whereas managers for WOP 7 (Aquavirunga) as well as WOP 5 (Dowako) did not. Also in this case deal managers differently with these alternatives; WMD through trade-offs, PWN and WFH through dilemmas. Based on these findings, it can be argued that the type of model does not influence the perception of the seemingly contradictory alternatives.

As for the degree to which these partnerships are formal, there is no indication of a relationship. One least formal partnership (categorized as simple), as well as the comprehensive and two most formal partnerships have experienced these seeming opposing pressures simultaneously. How managers deal with such tensions also differs between similar cases (based on formal design). It therefore cannot be argued that the degree to which a partnerships is formal has an influence whether a tension is present nor how managers deal with it.

It could however be the case that it is related to country specifics. WMD, PWN and WFH all have a partnership⁴ in Indonesia and all have experienced a contradiction between these alternatives. However, the way in which managers deal with this tensions also differs for Indonesia. In addition, there is little support for this reasoning when the two cases of Vietnam are compared. Whereas two respondents of VEI noted contradictory alternatives, WFH does not. Perhaps the combination of country specific aspects and type of model influences whether this tension is experienced. There is however not enough information to argue whether this

⁴ Note that PWN has a twinning and provides a loan to KTDP, whereas WMD and WFH have a joint venture in Indonesia.

proposition is true. Moreover, also in East Sudan, this tension was present. Consequently, it cannot be argued with certainty that country specific aspects are of influence for the development of a partnership.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal design	Country specific aspects
<i>Compete - Cooperate</i>	Experience tensions at tactical and operational level, not at strategic level	Not related	Not related	Not related	Slight evidence, all managers in Indonesian partnerships encounter difficulties, yet deal with them in a different way

Table 5.6. Compete - Cooperate. Influencing factors.

5.4 Control or autonomy?

The main aim of the partnership is to ensure that the poor performing water operators become managerially and financially independent. Consequently, management of poor performing water operators have to have some freedom in decision making (be autonomous). However, due to one-sided financial dependency as well as know-how of partners, this might be difficult. It is for that reason expected that the degree to which partners want to be autonomous and control (decision making) processes conflicts at times.

In many cases, a clear distinction is made between strategic and operational decision making. At the strategic level, the scope of the partnership is defined. Furthermore, all partners are represented at the strategic level and try to strive for consensus. At the operational level, managers are allowed to take decisions within the scope of the partnership. This distinction leads to clear division of labour. Ad Doppenberg (VEI), ‘there is no tension, as the PMU is primarily concerned with the daily operations. That does not imply that the PMU only executes, the PMU can also define in which direction the water operator should be heading. If that would require changes in the predefined plan, it will be presented and discussed in the Steering Committee. [...] The PMU involves the Steering Committee in the right way. To this day, it is going very well’. Leo Commandeur (PWN), Bert Jansen (WFH), and Jos van Gastel (Aquanet) furthermore pointed out that, in their case (WOP 5, Dowako, and WOP 7, Aquavirunga), it is a business arrangement and that for that reason a clear division of tasks and responsibilities exists.

However, when it goes wrong or as long as the partnership costs money, it is very tempting for the Dutch partner to take control. Peter Schouten (WMD), ‘as long as you are not breaking even, you have to invest money. This can only come from one source. The more you

reach the breakeven point, the more dominant WMD becomes in driving at the breakeven point'. Yet, the Dutch partner cannot ignore that it is miles away from where decisions have to be taken. Leo Nijland (Dunea), 'we can never take on their responsibility. We only visit them four times a year'. This can lead to frustration. Anton Schrijver (WMD), 'you want to develop these organizations in a good and fast way. But *they* need to do that. We can only support them. Of course this is a tense situation. [...] You can say you are pulling the strings, but you cannot organize the partnership from here [the Netherlands]. You will not manage without the people over there'. Bert Jansen (WFH), 'when I return to the Netherlands and it becomes clear that the Indonesians do not live up to their agreements, it turns out to be quite difficult to get results'.

Other respondents mentioned that, formally, they do not have any decision making power. Gerard Rundberg (WWn), 'eventually, it all remains decisions taken by the Suriname Water Company. We are solely advisors'. In this way, it is the responsibility of the partner to take decisions and live with the consequences. The Dutch partner can only drive at certain decisions. That does not imply that they do not have any influence on decision making. Gerard Rundberg (WWn), 'what happens is that, although formally we do not have any power, we have build a strong and secure relationship that ensures that our advices are adopted by the foreign partner'. Nor does it imply that the Dutch partner does not benefit by influencing the foreign partner. Eddy Yedema (WWn), 'many advices are adopted. If they would not adopt it, I do not think that we will be motivated to advise any longer. [...] Our employees are away for several weeks. If they leave without any of the advices adopted, they will not go in the first place'. The Dutch partner might even push the foreign partner to adopt the advice. According to Leo Nijland (Dunea), 'our partner can reject our advice, maybe once or twice, but thereafter it stops. Informally, the foreign partner will be pushed to adopt the advice. Otherwise we leave'. But the lack of (formal) power in decision making on the Dutch side does lead to ambiguity. Otto Ferf Jentink (WWn), 'sometimes the foreign partner wants us to write all project plans. But there are limits. The primary goal is to exchange know-how and that SWM will be able to do it itself. If we would write project plans, they will not learn. These issues are always difficult'.

Lastly, although within a partnership decision making might be well organized, at higher levels tensions might still arise. According to Karst Hoogsteen (WMD), the local and central government in Indonesia have a strained relationship when it comes to decision making. Regional/local governments want to have some leeway in decision-making, whereas central government wants to carp regional/local governments. The same applies for WOP 6 (Tirta Riau partnership) in Indonesia. The JOA has caused for unclear responsibilities and a lack of unambiguous leadership. According to Bert Jansen (WFH), this leads to continuous problems, such as delays, and at the moment a deadlock.

Can the alternatives to have control or have autonomy in decision making be viewed as a tension? Once more one respondent's answer is not sufficient to be included in this analysis; there was not enough time during the interview to discuss this tension in dept nor was there time after the interview. Since a tension is defined as the presence of two seeming opposing pressures at the same time, it becomes clear that all respondents noted these alternatives (to control of provide autonomy) as a tension. That is, even in these cases where there is a clear decision making structure, the Dutch partner controls operations through the board of directors/ steering committee and allows for autonomy at lower levels. It can be identified as a tension. This is not to be mistaken with whether this tension causes problems or tense situations; that does differ. Five respondents noted that there is a clear decision making structure that is not questioned by any of the partners. There are however 7 respondents that noted that the degree to which the Dutch partner, despite the (physical) distance, wants to control the partnership leads to ambiguity. Nevertheless, based on the definition of a tension as two seeming opposing pressures present at the same time, 12 respondents have indicated these two alternatives as a tension.

Tension	Not a tension	Not applicable
12 respondents (WMD (3); VEI (3); WWn (2); Dunea; WFH; PWN; Aquanet)	None	1 respondent (WWn (1))
7 cases (WOP 1, 2, 3, 4, 5, 6, 7)	None	None

Table 5.7. Control - Autonomy.

How then do partners deal with these supposed opposing pressures? Anton Schrijver and Peter Schouten mentioned that as long as the PT has not reached the breakeven point, WMD becomes more dominant at driving at this point. In case of Manado, they both argued that although the PT should take over more responsibilities, due to a recent change in the management of the water operator, all decisions have to be made by WMD. The PT thereby has limited influence on decision making. Nevertheless, WMD wants the PT to take over more responsibilities and therefore their approach could be classified as a trade-off.

WWn, Dunea, PWN and WFH (WOP 6, Tirta Riau) try to informally influence decision making by the foreign partner. Managers from both WWn and Dunea claim that through informal pressure the foreign partner is stimulated to adopt the advice. That it, the managers acknowledged that, for them to have some satisfaction, it is necessary that the foreign partner will adopt the advice and that they are informally pushed to do so. However, two manager from WWn simultaneously acknowledged that they want the foreign partner to be as autonomous as

possible, that is; the foreign partner is responsible to take decisions. Overall, in case of Dunea and WWn, managers want, on the one hand, to influence the partner to adopt their advice but simultaneously claim the foreign party to be autonomous in their decision making. This indicates their approach as a paradox.

As for the managers of PWN and WFH, they appointed a “pawn” to influence decision making at the municipality. It was expected that the pawn could influence the decision making process. This, however, turned out not to be the case as nowadays the pawn is lobbying in the interest of the municipality. It seems to be difficult to categorize this approach. Namely, the managers do not strive for complete control. They acknowledge that decisions should be made jointly and that is what they strive for. Nor are they on an optimal solution where solutions are neither inferior nor superior to each other and where a choice depends on the preferences of the manager. There are solutions (to have more influence) that are superior to other solutions (less influence). However, it seems that managers strive for the maximum of both (control and autonomy). In the current situation, they try to maximize their influence through a pawn, thereby accepting their lack of formal control. In this way of reasoning, their approach would indicate a paradox.

Finally, the managers of VEI and WFH, PWN and Aquanet (in case of WOP 5, Dowako, and WOP 7, Aquavirunga) acknowledge that there is a clear decision making structure. At the strategic level, managers from both parties come together to define the direction of the partnership. At tactical and operational level, the managers are allowed to take decisions, within the scope of the partnership that is defined at the strategic level. Hence, in these cases, there is a clear structure, that is not questioned by any of the partners. This approach can be considered as a trade-off where managers find an optimal solution that they believe is most appropriate.

	Dilemma	Trade Off	Paradox
<i>What</i>		Strike a balance	Best from both worlds
<i>How</i>		Through centralized decision making	<ul style="list-style-type: none"> - Influence partner to adopt the advice ('Or I leave'), yet claim and push the foreign party to be as autonomous as possible in their decision making - Use a third person/pawn to influence decision making while
<i>Who</i>		WMD, VEI, WFH (WOP 6), PWN and Aquanet (WOP 7)	Dunea, WWn, PWN & WFH (WOP 6)

Table 5.8. Control – Autonomy. How managers deal with it.

Differences within cases

Within VEI, managers mentioned that the clear decision making structure allows for some degree of control and autonomy. They all perceive this structure as a good structure that enables

both partners to have some control over the decisions and processes. Hence, there is no difference within the partnership.

In case of WMD, however, respondents are divided. Karst Hoogsteen pointed out that there is a clear decision making structure to which parties stick, whereas Peter Schouten en Anton Schrijver pointed out that when the breakeven point has to be reached, WMD becomes more dominant. They (Anton Schrijver and Peter Schouten) deal with these alternatives in a similar way. As was the case of the alternatives compete – cooperate, it seems to be related to the tasks the managers fulfil. Anton Schrijver and Peter Schouten are more focused on the progress of the partnership, whereas Karst Hoogsteen is more focused on the relationships between the partners.

As for WWn, the response of Gerard Rundberg does not provide enough information to analyze how his view differs/ is similar with regard to Eddy Yedema and Otto Ferf Jentink. As for Eddy Yedema and Otto Ferf Jentink, they both mentioned that to push the foreign party in adopting the advise is tempting and could be a pitfall. Moreover, whereas SWM has full autonomy in decision making, it wants WWn to take over. Both managers deal with these alternatives in a similar way.

As for PWN and WFH (WOP 6, Tirta Riau), both managers feel that they do not have any influence on the (decision making) processes and have sent a pawn to influence decision making. Both parties would want to have more control over the current situation. In case of PWN and Aquanet (WOP 7, Aquavirunga), both managers agree that there is a good balance between control and autonomy. Although not defined as a controlling factor, it seems to be the case that the context of a WOP influences the perceptions of managers more than the personal preferences of a manager or his tasks.

Differences between cases

With regard to the models applied, it seems to be the case that whether it is a TAM- or a TOM partnership does not matter. For both models, this tension was present. Also the way managers deal with these tensions is not influenced by the type of model applied. That is, for both paradoxes and trade-offs, both TAM- and TOM-partnerships can be named.

However, when it comes to the degree to which these partnerships are formal, the least and most formal partnerships experience difficulties, whereas the comprehensive partnership (VEI) does not. But more important, those partnerships that experience these alternatives as contradictory in nature, are those partnerships that do not have any or little influence on the decision making processes. WWn and Dunea have a least forma partnership and formally no decision making power. PWN and WFH (WOP 6, Tirta Riau) have, as a result of the JOA, limited influence on decision making. In those cases where the Dutch partner has limited control, an

attempt is made to informally influence decision making through paradoxical approaches. This reasoning, is in line with the findings for WOP 1 (PT Air Manado). Managers from WMD have a huge control over the operations and deal with this tension through trade-offs. To sum, it seems that a lack or presence of control on the Dutch side influences the approach managers take.

As for country specific factors, the partnerships in which a tension was found and the way it is dealt with differ per country. Therefore it seems that it is not per se related to the country in which a water operators partnership is based, but more on the type of contract.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal design	Country specific aspects
<i>Control – Autonomy</i>	On lower levels, more likely to encounter these opposing pressures	Not related	Not related	Degree of influence on has leads to certain behaviour	Not related

Table 5.9. Control - Autonomy. Influencing factors.

5.5 Contractual agreements or trust?

To build a relationship and provide learning opportunities, trust is important. Yet, trust can be easily lost while it may take a long time before it is build up again. Through contractual agreements, behaviour can be regulated. In this way, contracts might be a means to overcome trust issues. However, if a partnership is only based on contracts, every disagreement will be fought for, thereby undermining the progress of the partnership.

According to all respondents, both contracts and trust are important. That is to say, trust is always important. As for contracts, differences in opinion exist. Some respondents mentioned that contracts are not important. Leo Commandeur (PWN), ‘in fact, we should not be needing a contract at all. A partnership either works or is does not, either you are in or you are out’. Leo Nijland (Dunea), ‘we do not have a contract with our partner’.

Others believe that contracts are of less importance. Karst Hoogsteen (WMD) expressed that while contracts are necessary to draw the rules of the game and to define roles and responsibilities, they are not referred to during the process of working together. Trust is, accordingly, more important than contracts. Ad Doppenberg (VEI) mentioned that a partnership will become sluggish when there is no trust, or parties start to distrust each other, and performance becomes solely based on contracts. Otto Ferf Jentink (WWn) similarly said, ‘it should be based on trust, otherwise it will have no effect. [...] If it is not based on trust, then please quite, there is no use’. Nevertheless, contracts are a precondition to start. According to

Eddy Yedema (WWn), ‘trust is at the fore, contracts recede into the background. Without trust no contract. But contracts are important to deal with unforeseen events’.

Others believe that contracts are at least of equal importance. Anton Schrijver (WMD), ‘you need trust. But trust can suddenly change. It needs to be covered by contracts’. Jos van Gastel (Aquanet), ‘with the execution of a contract, trust is important. You can have such a good contract, but if there is no trust, it is useless. But when it comes to money, you need to have a good contract’. Bert Jansen (WFH), ‘without trust you will not succeed. That does not imply that you do not need a good contract. If you do not have a good contract in the beginning, you will be facing problems thereafter. When it comes to money, it is very precise work’.

According to 2 respondents, contracts are not necessary and one of them does not even have a contract. Therefore, for these cases, these seeming opposing pressures are not present (hence, only trust is considered to be a prerequisite). However, for the remaining 11 respondents, both contracts and trust are necessary, may it be to a different degree. That does, however, not imply that these alternatives also cause problems. According to all eleven respondents, they do not. That is, trust is a precondition to draw up a contract, Peter Schouten (WMD), ‘without trust, no contract’, but contracts do not undermine trust. More likely, if contracts would undermine trust, something must have been wrong before they were drawn up. In addition, a bad contract can still be overcome as long as there is trust. Jos van Gastel (Aquanet), ‘if the relationship is good and you have a bad contract, you can still make the partnership successful’. Based on the definition of a tension, it can be concluded that 11 respondents have indicated these seeming opposing alternatives as a tension.

Tension	Not a tension	Not applicable
11 respondents (WMD (3); VEI (3); WWn (3); WFH ; PWN; Aquanet)	2 respondents (Dunea, PWN)	None
6 cases (WOP 1,2, 3, 5, 6, 7)	1 case (WOP 4)	None

Table 5.10. Contractual agreements - Trust.

How then, do these managers deal with these alternatives. All respondents have acknowledged that in order to have a contract, there should be trust. In several cases, Dutch managers made clear that they are sister companies and that they do not have any other reason to cooperate than to help them. This is mainly made clear by inviting the foreign partner to visit the Dutch partner and have a look at what the Dutch partner has been doing. It is, according to Jan Hoffer (VEI) not to ‘poke their eyes out’, but to show that they have knowledge and experience that can be of use for the foreign partner. In addition, managers are aware that the way they

communicate influences their relationship. Consequently, all managers strive for equality. After several visits are paid to the foreign country and the foreign partner has also paid a visit to the Dutch partner, managers feel that there is enough trust to draw up a contract.

However, some partners already know each other before they start to initiate a partnership. For example, Jos van Gastel noted that before Aquavirunga was founded, he already knew the current director, as well as the Aquarwanda. This, accordingly, enhanced the ease with which trust was established.

As was mentioned before, two respondents acknowledged that only trust is important and one specifically noted that his organization does not have a contract with the foreign partner. Therefore, this approach is classified as a dilemma. In all other cases, both trust and contracts are important, may it be to a different degree. In those cases, it seems that managers have a paradoxical approach, that is, they want to have the best of both worlds. That is, trust is always important; managers do not strive for less trust and more contracts, but rather always want to have full trust and contracts to the degree which is necessary/needed. Hence, this approach is classified as a paradox.

	Dilemma	Trade Off	Paradox
<i>What</i>	Choose for trust		Best from both worlds
<i>How</i>			Strive for maximum trust, and simultaneously pay attention to contracts to such extent that is needed/required
<i>Who</i>	Dunea, PWN (WOP 6)		WMD, VEI, WWn, Dunea, WFH (WOP 5 and 6), PWN and Aquanet (WOP 7)

Table 5.11. Contractual agreements – Trust. How managers deal with it.

Differences within cases

All three managers of VEI as well as WWn believe that trust is more important than contracts. They also deal with these two alternatives in a similar way. As for WMD, the respondents gave different answers. Whereas Karst Hoogsteen and Peter Schouten believe that contracts are of less importance, Anton Schrijver argues that trust and contractual agreements are of equal importance. This could be related to their tasks. Anton Schrijver is responsible for the legal aspects of a partnership. He could therefore attach more value to a contract than the other two respondents.

In case of PWN and WFH (WOP 6, Tirta Riau) and PWN and Aquanet (WOP 7, Aquavirunga), these three managers all expressed that without trust there is no partnership. Yet, they attach different values to contracts. Bert Jansen (WFH) as well as Jos van Gastel (Aquanet) argued that contracts are of equal importance. This is because these partnership are

'businesses', and when one has to deal with money, contracts are of extreme importance. However, Leo Commandeur (PWN) mentioned that, if one talks about a partnership, a contract should not be needed at all. Nevertheless, they do have a similar approach when it comes to dealing with these alternatives. It remains unclear if these differences in opinion are based on the jobs or personal characteristics. Based on the (tone of the) interviews, it seems that personal preferences are to influence their perspectives.

Differences between cases

There is a clear line that can be drawn when one looks at the type of model applied and the opposing alternatives. In case of TAM-partnerships, managers believe that contracts are of less importance, whereas in case of TOM-partnerships, contracts are at least of equal importance. This could be related to the fact that in case of TAM-partnerships, although money might be invested, this does not need to be earned back. However, in case of TOM-partnerships, Dutch parties have invested huge sums of money that need to be paid back by the joint ventures. Several managers have expressed that this influences the degree to which a contract is important. Hence, if there is some disagreement about the money, a contract needs to be drafted correctly. Nevertheless, there is one differences. Namely, some Dutch partners first want to know the other partner. This, however, does not seem to influence the importance of contracts, but rather influences how quickly trust can be established.

Similarly, the degree to which a partnership is formal influences how much value is attached to a contract. The most formal partnership attach the most value to contracts, whereas the least formal partnership attach the least value to contracts. Leo Nijland (Dunea) mentioned in this regard, 'we do not have any financial obligations to our partner in Sudan. For that reason, we do not need a contract. You will only need a contract when parties have a big stake'. Jos van Gastel (Aquanet) similarly mentioned, 'when you solely advise, contracts will be of less importance. But when you have to deal with money, it becomes more difficult'.

As for country specific factors, it does not seem to be the case that they influence the managers' perceptions. Rather, it seems that it is more related to the type of contract.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal design	Country specific aspects
<i>Contractual agreements - Trust</i>	Case of WMD, manager involved with legal aspects contract more important	Not related	Contracts are less important for TAM- than TOM partnership managers	The most formal partnership place more emphasis on contracts	Not related

Table 5.12. Contractual agreements - Trust. Influencing factors.

5.6 Rigidity or flexibility?

Management has a duty to ensure that goals are achieved. It therefore wants and needs to control the process in which a partnership develops. Moreover, according to De Wit and Meyer (2004, p. 481; 2005), 'managers like to be in control'. While clearly specified goals are needed to steer a partnership, it is not likely that outcomes can be predicted beforehand nor that a partnership will develop in a stable environment. This could demand from managers a certain degree of flexibility in pursuing goals. The degree to which management is rigid and flexible is expected to be at times at least difficult.

All respondents mentioned that they did define goals in the beginning of a partnership. Without goals, the partnership will become an unguided missile. Otto Ferf Jentink (WWn), 'otherwise you have a partnership and you do not work up to something'. Nevertheless, some goals are broader defined than others. According to Gerard Rundberg (WWn), UfW-loss is something for which you can set specific targets. But when, for example, it comes to strengthening the organization, it is difficult to measure what you have accomplished. Even so, targets need to be defined to ensure that the partnership is heading in a certain direction.

When it comes to the degree to which managers are flexible or rigid in pursuing their goals, a distinction can be made. On the one hand, there are those who argue that they do their utmost best in achieving these goals. Eddy Yedema (WWn), 'I do not deviate from our goals. We try to advise them [SWM] according to their requests. It is not up to us to deviate from that'. Peter Schouten (WMD) moreover mentioned that as long as they have not reached the breakeven point, they cannot be flexible. However, he also noted that 'once we have reached the breakeven point, we can become a bit more flexible'. Anton Schrijver (WMD), finally, said, 'you do not expect them to be civil servants, but you do expect them to strive for their goals [...] Some effort in striving for targets is desired'.

That does not imply that they do not allow for adjustments. Several respondents acknowledged that external factors can influence the progress of the partnership. Otto Ferf Jentink (WWn), 'there will always be external factors influencing the process'. As long as it can be justified why certain targets (goals) were not reached, there is no problem. Gerard Soppe (VEI), 'you have to be able to justify why you could not reach the targets. If you have a well organized process, you will have a sound argument. This is, however, at times difficult'. And when plans are adjusted, most respondents believe these adjusted plans (and targets) should be reached. Leo Commandeur (PWN), 'you adjust goals, thereafter you strive for these adjusted goals'.

On the other hand, there are managers that allow for more flexibility as long as the counterparty agrees with it. Ad Doppenberg (VEI), 'do not hold on to goals, be flexible. By keeping targets broadly defined, you can be flexible'. Jan Hoffer (VEI), 'if it cannot do, [no

problem], as long as you agree with each other about the path to follow'. Goals are, in this regard, guidelines rather than targets, as, according to Peter Schouten (WMD), 'one has to manage with what one has'. Kart Hoogsteen (WMD), moreover, mentioned that although goals themselves will not be adjusted, the time spend on achieving these goals might be altered. This is also supported by Leo Nijland (Dunea). According to him, 'rationally speaking we should have already left. But we have seen the problems. That makes you wonder whether you can leave. For now, we will continue with this partnership'.

To sum, goals are necessary as to steer a partnership in a certain direction. But flexibility is also needed when external factors hamper the process and progress of a partnership. According to all respondents, there will always be unforeseen aspects that can influence whether or not goals will be achieved. Nevertheless, goals need to be defined. Based on the definition of a tension, it can be argued that all respondents have indicated both pressures to be present at the same time. However, they do differ in their perception how much a manager should (and should want to) control. Some prefer to stick to their goals and work towards them, whereas others believe they are more like a guideline. Nevertheless, all managers have indicated that they do want to control and at the same time allow for some flexibility. Therefore, it can be argued that this is a tension.

Tension	Not a tension	Not applicable
13 respondents (WMD (3); VEI (3); WWn (3); Dunea; WFH ; PWN; Aquanet)	None	None
7 cases (WOP 1,2, 3, 4, 5, 6, 7)	None	None

Table 5.13. Rigidity - Flexibility.

Whether this tension is perceived as a tension depends on how a manager deals with it. On the one hand, some managers strive for control, that is, goals should be achieved no matter what. For example, Bert Jansen argued that the contract specifies what the goals are. If these goals are not reached, there will be a penalty. That is, goals are binding and the director should strive for them. As goals are fixed and need to be achieved, this strategy can be defined as a dilemma; being rigid. Also Karst Hoogsteen does not deviate from the pre-specified goals. However, he allows them to be achieved over a longer period of time than first calculated. This can be considered as a paradox strategy, at he strives for the best of both worlds, that is, targets will not be altered, the period in which these need to be achieved might change, if appropriate (hence, an optimal solution line is missing). Other managers allow for some changes (only periodically), but

thereafter, stick to the altered plan. This plan, accordingly, needs to be achieved. Also this would indicate a paradox, as managers want to have the best of both worlds and a trade-off is not made.

Some managers allow for more flexibility over time. According to Peter Schouten, when the PT breaks even or becomes profitable, WMD allows for more flexibility. This seems to be a trade-off that is made over time; have a lot of control in the beginning and slowly loosen control over time. And still others allow for greater flexibility. In these cases, goals are leading but not fixed. For example, goals are defined broadly, and whether the UfW becomes 24,5, 25 or 26% is not important, as long as the losses are reduced. In this case, while managers strive for flexibility, they still have defined goals. In this case, it also seems to be a trade-off approach, with the optimal solution lying more on the flexibility than on the rigidity side.

	Dilemma	Trade Off	Paradox
<i>What</i>	Chose rigidity	Strike a balance	Best from both worlds
<i>How</i>	Focus on goals and do everything one can to achieve them, otherwise penalties.	1. Try to control as much in the beginning and allow for more flexibility over time 2. Define goals broadly and control for them only limited	1. Hold on to goals, take time to achieve them. 2. Alter plans only occasionally, and stick to altered objectives
<i>Who</i>	WFH (WOP 5), Aquanet (WOP 7)	1. WMD (2) 2. VEI	1. WMD (1), Dunea 2. WWn, PWN (WOP 6 and 7)

Table 5.14. Rigidity – Flexibility. How managers deal with it.

It seems that flexibility is based on emotional commitment; as long as there will be improvements, managers are willing to stay. Leo Nijland (Dunea), ‘the emotional commitment helps you to get through your lows’. But there might also be another reason. According to Jos van Gastel (Aquanet), ‘they [Dutch organizations] do this for social responsible reasons. Because of that, they already have a different perspective. They try to understand the foreign culture and donors by now know with what kind of countries they are dealing with’.

Differences within cases

In case of Vitens Evides International, all managers believe that some degree of flexibility is needed. For example, Gerard Soppe mentioned that goals are guiding, ‘I do not hold on to specified goals. To me, they are guiding’. Therefore, it seems that all three managers within VEI prefer to have broadly defined goals. In their approach, they all strive for a balance, with the solution lying on the flexibility side.

In case of WMD, the managers are more determined to achieve the goals. But they are realistic, acknowledging that not everything can be done in a Dutch manner and that it may take more time than expected. Karst Hoogsteen referred to this as 'the Indonesians have the time that we invented'. The managers do however differ in their opinion how flexibility should come about. For Karst Hoogsteen, time is of less important, whereas for Peter Schouten en Anton Schrijver, goals are less rigid when the breakeven point has been reached. It could be that managers have personal preferences for one way or the other, but it could also be that it is task related. This remains unclear.

As for WWn, all three managers are quite flexible. Eddy Yedema mentioned that goals are leading and that it is not up to WWn to adjust these goals. But if, during meetings, it is decided that changes are necessary, goals can surely be adjusted. Otto Ferf Jentink similarly expressed that there will always be unforeseen causes that hamper results. As long as one can communicate with one other, this is not expected to be a problem. Flexibility is found in the willingness of both partners to adjust goals. As a result, they do not differ in their approach in dealing with these alternatives.

In case of PWN and WFH (WOP 6, Tirta Riau), both managers want to hold on to goals. However, Leo Commandeur (PWN) seems to be a bit more flexible than Bert Jansen (WFH). Whereas Bert Jansen referred to contracts and procedures when special circumstances arise, Leo Commandeur allows for more flexibility. In this way, Jos van Gastel (Aquanet) and Leo Commandeur are more on the same page. Both managers agreed that some flexibility is needed, but that managers should also strive for their goals. Therefore, it does not seem to be related to the level at which the manager is present nor on the tasks they fulfil, as Jos van Gastel and Bert Jansen can be considered to be on the same level, fulfilling similar tasks. It therefore seems to be related to personal preferences.

Differences between cases

Based on the division between TAM- and TOM-partnerships, it becomes clear that the TAM-partnership managers allow for more flexibility than the TOM-partnership managers. WWn, Dunea and VEI are relatively flexible when it comes to pursuing their goals. Dunea has already accepted that they will not be achieving their goals but will continue the partnership. WWn demands from its partner to define their needs and advises them based on these needs. If this changes, both WWn as well as VNG International are willing to make some adjustments in their plans. VEI, finally, drew up a broad contract, in which it did not define specific goals, but some key goals that are guiding. WMD, PWN, WFH and Aquanet are more concerned with achieving the goals and are seemingly less flexible. According to, for example, Bert Jansen, it is a business. This most likely seems also to be the reason why TOMs and TAMs differ. TOM-partnerships have

invested money which need to earned back. They will benefit more from achieving these goals than TAM-partnerships.

When it comes to the degree to which the partnerships are formal, there is some link. It seems that the more a partnerships becomes formal, the more managers are focused on goals and less flexible in pursuing these goals. Hence, a similar reasoning as for TAM and TOM partnerships can be applied.

As for country specific factors, it does not seem to be the case that they do have an influence on how managers deal with unforeseen circumstances. In case of Vietnam, VEI and WFH deal differently with such factors, which can be traced back to the model to which these partnerships can be appointed. Similarly, in case of Indonesia, there is no difference between the perspectives of the managers from PWN, WMD and WFH and their model.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal design	Country specific aspects
<i>Rigidity - Flexibility</i>	Slight indication (WMD)	Slight indication (WOP 6 & 7)	TOM-partnership managers are more rigid than TAM- partnership managers	The more formal a partnership becomes, the more emphasis is placed on achieving goals	Not related

Table 5.15. Rigidity - Flexibility. Influencing factors.

5.7 Short term focus or long term focus?

Whereas short term orientations demand quick and tangible results, long term orientations demand patience and commitment. Poor performing water operators have to develop ‘a long-term strategy or business plan to indicate how it will continue to show improved performance during the engagement and after the engagement has ended’ (Ministry of Foreign Affairs, 2008, p. 11). Yet, especially in cases where quality, efficiency or effectiveness needs to be improved, it might be encouraging to have some ‘quick results’ (De Wal, 2009).

All managers aim to have short term goals that are in line with the long term goals. Gerard Soppe (VEI), ‘what we have tried is to formulate long term goals and short term actions. That implies that if we would execute the short term actions we are in line with the long term goals’. Moreover, in many cases, short and long term goals are dealt with a different levels within the organization. To be precise, on the operational level, managers deal with short term goals based on long term goals that are defined at the strategic level.

In line with this finding is that some managers focus on long term goals whereas others focus on short term goals. For example, Leo Commandeur (PWN) mentioned that he ‘will always focus on the long term goals’. Jan Hoffer (VEI), additionally, mentioned that the short term is of

less importance. According to Jan Hoffer, ‘those organisations will continue, even without us. If we are capable to convert to course of the company, we have done a nice job’. Another respondent mentioned it is the task of the board of commissioners as well as the director to focus on the long term. Bert Jansen (WFH), ‘let me tell you, if the director would sit in his chair and be content, it would quickly become a dull situation’.

Other managers are more focused on the short term goals. Eddy Yedema (WWn), ‘I am primarily focused on the short term goals’. Gerard Soppe (VEI), ‘short term goals are emphasized. To reduce the UfW losses, we have to change the lower levels of the company’. And other managers acknowledged that this will change over time. Anton Schrijver (WMD), ‘at the moment we are more focused on the short term. When the PTs are more autonomous, we will start focusing more on the long term goals and strategy’. Jos van Gastel (Aquanet), ‘we got ourselves in a situation that we did not know very well. Now we have to make up for a lot of stuff. But I do think that once we have all these issues under control, we will be able to focus on the long term’.

Finally, for some managers, celebrating success is important. According to Karst Hoogsteen (WMD), short term goals keep people enthusiastic and motivated. Ad Doppenberg (VEI), ‘you need to celebrate short term successes. We decided to improve intangible aspects of the organization. To ensure that people stay focused, they need to experience some ‘aha-erlebnis’ [...] and it works, even for external parties’. Yet, one respondent was quite sceptical. Jan Hoffer (VEI), ‘you cannot give ‘a good feeling’. You will have to do that yourself. You cannot strive for that for someone else’.

To sum, several of the respondents either focus on short term goals or on long term goals. While within the partnership both pressures are simultaneously present, the manager himself only has to deal with one of the pressures. Nevertheless, some respondents have acknowledged that they do deal with both at the same time, or that in time more attention will be paid to the long term goals. Since a tension is defined as a situation where both pressures are simultaneously true, it can be argued that this is a tension for only some of the respondents. That is to say, only for those respondents that truly have to deal with both simultaneously, this is a tension.

Tension	Not a tension	Not applicable
4 respondents (WMD (1); VEI (1), WWn (1); Aquanet)	9 respondents (WMD (2); VEI (2); WWn (2); Dunea; WFH ; PWN)	None
4 cases (WOP 1, 2, 3, 7)	3 cases (WOP 4, 5, 6)	None

Table 5.16. Short term focus – Long term focus.

How then do these managers deal with these alternatives? As was already mentioned, in several cases, managers deal with either short term or long term goals as these present themselves at that specific level. This indicates a paradox strategy as, by locating the short and long term goals at different levels, managers can get the best out of both worlds. Nevertheless, in two cases do long term goals become more important over time. Jos van Gastel and Anton Schrijver, however, do differ in their approach. Whereas Jos van Gastel acknowledged that short term goals are more important and over time long term goals will receive more attention (hence a paradoxical approach), Anton Schrijver indicates a shift over time, where long term goals become more important and short term goals less important (hence a trade-off). Finally, as for Ad Doppenberg, he acknowledged that at times, he also gets involved with the short term goals. This is also considered as a paradoxical approach, as he is always focused on the long term short goals and if necessary focuses on the short term goals to discuss these with Gerard Soppe.

	Dilemma	Trade Off	Paradox
<i>What</i>		Strike a balance	Best from both worlds
<i>How</i>		Short term goals become less important over time, whereas long term goals become more important over time	<ol style="list-style-type: none"> 1. Deal with them on different levels. 2. Short term goals are always important, and long term goals become more important 3. Always focus on long term goals, descend to short term goals if necessary
<i>Who</i>		WMD (1)	<ol style="list-style-type: none"> 1. VEI (2), WWn, Dunea, WFH, PWN WMD (2), Dunea 2. Aquanet 3. VEI (1)

Table 5.17. Short term focus – Long term focus. How managers deal with it.

Differences within cases

The managers of VEI are divided when it comes to celebrating small successes. Jan Hoffer is quite sceptical, whereas Gerard Soppe and Ad Doppenberg believe small successes should be celebrated. It can be question whether this is related to the level at which a manager operates. It seems to be more logical that this is related to the preferences of the managers. As for dealing with either long term or short term goals, a clear distinction can be made. The operational manager is involved with the short term goals, whereas the tactical manager is involved with both and the strategic manager is solely focused on the long term goals. It seems that whether managers are focused on the short or long term goals is related to the level at which they are involved. The higher the level, the more the long term goals become important.

In case of WMD, Karst Hoogsteen and Peter Schouten both expressed that they (or WMD) are more focused on the long term goals/strategy, whereas Anton Schouten mentioned that the focus shifts over time. This could be related to the tasks these managers have to execute. Whereas Karst Hoogsteen and Peter Schouten are more focused on the long term of the partnership (either in relationships between partners or financing), Anton Schrijver is mainly focused on the organizational aspects of the partnership.

As for WWn, it also seems to be the case that the level at which the managers operates influences how much time and energy is spend on the long and short term goals. Eddy Yedema, project leader, is more focused on the short term goals, whereas Otto Ferf Jentink, coordinator of all projects, is more focused on the long term perspective.

In case of PWN & WFH (WOP 6, Tirta Riau), most attention is paid to the long term goals. This is, according to the managers, normal as they are take part in the board of commissioners. In case of PWN & Aquarwanda (WOP 7, Aquavirunga), Jos van Gastel mentioned he is more focused on the short term as this is demanded by the current state of the water company. He is, in case of the partnership of PWN & Aquarwanda, working at a lower level than Leo Commandeur. This, therefore, seems to be a logical situation.

Differences between cases

With regard to the kind of model applied in a partnerships as well as the formality of the partnership, it does not seem to be the case that there is a link between the model/degree to which the WOP is formal and the time spend on either short term or long term goals. The same applies for country specific factors influencing the partnership. Rather, the state in which the poor operator is defines whether managers will be mainly focused on the short or long term goals. Anton Schrijver mentioned that since the PT is not at its breakeven point, the main focus is on the short term; hence, ensuring that the PT becomes profitable.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal design	Country specific aspects
Short term focus – long term focus	Managers at different levels have a different focus	Celebrating small successes depends on preferences by manager	Not related	Not related	Not related

Table 5.18. Short term focus – Long term Focus. Influencing factors.

5.8 Content or process?

Poor performing water operators have to cooperate to become financially and managerially independent, as well as to improve their efficiency and effectiveness of operations. This makes the content of a partnership of extreme importance. But the process of working together is of equal importance. Time needs to be spent on the process of working together to avoid conflict and promote cooperation. It is expected that these alternatives might conflict in time.

All respondents mentioned that they focus both on content and process. Jan Hoffer (VEI), 'one cannot do without the other. Process and content interact, so you will have to pay attention to both'. That does not imply that all managers equally focus on both. Some managers focus more on the process. Karts Hoogsteen (WMD) mentioned that he is fully focused on the process of cooperation and that he has limited time for content related issues. Eddy Yedema (WWn) similarly mentioned that his primary task is to coordinate and communicate and for that reason mainly focuses on the process of cooperation. This could be the case as several managers made clear that they are generalists and not specialists when it comes to techniques. Bert Jansen (WFH), 'as far as technique goes I can hardly contribute [...] For that reason I am more focused on the process'.

Other managers are more focused on the content. Anton Schrijver (WMD), 'I think that up till now, content has predominated, but this is changing'. Leo Nijland (Dunea) similarly explained that since he is the only one within the organization that works full time on international projects, he has to focus on the content. Nevertheless, it is also his responsibility to establish a network and lobby, but it takes up less time.

And for others, the time and energy spent on process and content changes over time. This depends on the phase in which the partnership is. Bert Jansen (WFH), 'you have in different phases different responsibilities'. Or, according to Jan Hoffer (VEI), 'if there are problems, you need to pay attention to it'. In the beginning, some were more focused on the process. According to Jos van Gastel (Aquanet), 'in first instance, I focused on the relationship between the district and Aquavirunga and Aquarwanda and PWN. Now that the relationships are established and they are fine, I focus more on daily operations'. Others were more focus on the content. Leo Commandeur (PWN), 'I am now more focused on the process, but used to be more focused on the content'.

To sum, all respondents acknowledged that they focus on both. Consequently, based on the definition of a tension, there is strong support that both opposing pressures are present at the same time. That is not to say that all managers experience this as a tense situation. That all depends on their perception whether they have to or can make a choice in dealing with these alternatives.

Tension	Not a tension	Not applicable
13 respondents (WMD (3); VEI (3); WWn (3); Dunea; WFH; PWN; Aquanet)	None	None
7 cases (WOP 1,2,3,4,5,6 7)	None	None

Table 5.19. Content – Process.

As for some managers, they feel they have to focus on content and/or process. For example, Karst Hoogsteen (WMD) points out that focusing on process and content is a dilemma, in which he cannot make a choice, with the process demanding up all time and energy. Gerard Soppe (VEI) similarly mentions, ‘I think that I should achieve the goals. [...] But I know that if I do not focus on the process, the results that we have achieved will be short termed. I also think that if I do not invest in the process and the way in which we cooperate, the goals will not be achieved at all’. In some cases, managers behave in the way they believe is expected from them. Peter Schouten (WMD), ‘it is my interpretation of what I think is expected of me’. Others believe they have no choice. Anton Schrijver (WMD), ‘it was kind of enforced. If you start with improving management, you will be investing money in the first year. Our fund is not an inexhaustible source. Something needs to happen [content wise]. That creates some tension’.

Whereas most of the respondents believe they have no choice, others feel that the time spend on either content or process progresses naturally. Ad Doppenberg (VEI), ‘it is something that evolves naturally and I think this is personal’.

In most cases, managers deal with this tension through trade-offs. They either view one alternatives as a means to achieve the other, or believe that (for different reasons) they have to focus mainly on one of them. Nevertheless, in most cases, managers do strike a balance. Only one manager dealt with these alternatives through a dilemma approach.

	Dilemma	Trade Off	Paradox
<i>What</i>	Choose for Process	Strike a balance	
<i>How</i>	Solely focus on relationship management	1. Focus more on process 2. Focus more on content 3. Changing over time	
<i>Who</i>	WMD (1)	1. WMD (1), VEI (3), WWn (3), WFH, 2. Dunea 3. WMD (1), PWN, Aquanet	

Table 5.20. Content – Process. How managers deal with it.

Differences within cases

In case of VEI, all managers focus more on the process than on the content. However, they do have a different point of view how to deal with these alternatives. Whereas Ad Doppenberg views it as a natural, evolving process, both Jan Hoffer and Gerard Soppe argue that they feel they have to focus on one of the alternatives; either when a problem occurs (Jan Hoffer) or to reach the targets (Gerard Soppe). These differences in opinions can hardly be related to their job, but more to their personal characteristics, as Ad Doppenberg indeed mentioned.

As for WMD, both Karst Hoogsteen and Anton Schrijver acknowledged that there is a tension. Peter Schouten, on the other hand, claimed that he focuses on the process as he thinks that is what is expected from him. It remains unclear whether this can be defined as a tension. In addition, these managers do deal differently with these alternatives. Karst Hoogsteen is solely focus on managing the process of cooperating, whereas Peter Schouten is limitedly focused on content, and Anton Schouten is mainly focused on the content. This most logically stems from the tasks these managers have to fulfil. Karst Hoogsteen's main task is to manage the relationships between partners. This task however, becomes more and more intertwined with Peter Schouten's tasks. Consequently, Peter Schouten is also more focused on the process of cooperating and less on the content. Moreover, Anton Schrijver's main task is to focus on the organizational aspects. Consequently, these three managers have a different point of view.

For WWn, the three managers differ in the time spend on both. It seems that Otto Ferf Jentink is a bit more focused on the content of the partnerships than Gerard Rundberg and Eddy Yedema. It remains however unclear why this is the case, while it sounds more logical if it would be the other way around. Perhaps this could be related to personal preferences.

Finally, with regard to the managers from PWN and WFH (WOP 6, Tirta Riau) as well as PWN and Aquanet (WOP 7, Aquavirunga), they are divided in the time spend on content and process over time. Jos van Gastel points out that, in the beginning, he was more focused on the process, whereas Leo Commandeur was more focused on the content. This could be related to the tasks they have fulfilled or fulfil at the moment. As their tasks changed over time, Jos van Gastel became more focused on the operational aspects of the partnership, whereas Leo Commandeur became more focused on the partnership at a higher level. However, Bert Jansen (WFH) is also involved with operational procedures yet spends little time on the content. Thus, whereas there is a slight indication, there is no strong support.

Differences between cases

Almost all managers deal with this tension through trade-offs. In most cases, the division between process and content does not pose any problem. Furthermore, comparing TAM-partnership with TOM-partnership managers shows that how they deal with these alternatives

does not lead to a clear link. Hence, some managers are more focused on process, whereas others are more focused on content, but this applies for both TAM- and TOM-partnerships.

A similar reasoning is applicable to the degree to which the partnership is formal. It does not seem to be related to the focus of the manager on either process or content. Similar cases deal differently with these alternatives. Finally, managers seem not to be influenced by country specific factors as different approaches are found for similar countries.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal design	Country specific aspects
<i>Rigidity – Flexibility</i>	Indication that tasks have an influence on the aspects are that highlighted	View how to deal with alternatives seems to be related (VEI)	Not related	Not related	Not related

Table 5.21. Content – Process. Influencing factors.

5.9 Conflict prevention or conflict appreciation?

Conflicts can have disastrous consequences if not managed well. On the one hand, conflicts might be a reason for parties to end a partnership. For that reason, management may decide to prevent conflicts as much as possible or postpone them. On the other hand, conflicts can also be a means through which problems can be solved. When organizations cooperate, conflicts are likely to occur. Partners might have different approaches to deal with conflicts and this might result in tense situations.

Several respondents noted that they have not experienced conflicts. There have been heavy debates and discussions, but they would not want to call that conflicts. Otto Ferf Jentink (WWn), ‘conflict is a big word, but occasionally, we do have disagreements’. These disagreements lead to debates and discussion. As such, the definition of a conflict was broadened to include debates and discussions as well. Consequently, managers acknowledged that conflicts were present, however, not all. For example, Eddy Yedema (WWn) explained that he has not yet ran into conflicts, debates or discussions.

For those who have experienced conflicts, respondents have different approaches to deal with these conflicts. Some prefer to appreciate conflicts and talk them through. Otto Ferf Jentink (WWn), ‘I think that if there is a disagreement, you need to talk it true. If you do not, in time it will start to bother you’. A high level of trust between the partners enables partners to communicate when there is a disagreement. Ad Doppenberg (VEI), ‘when you, as partners, become ‘friends’ you can be quite open with one another’. That does not imply that one should

not think about the consequences. Anton Schrijver (WMD), ‘you have to make sure that you will find a solution that does not harm either of the parties’. Nevertheless, for these respondents, ignoring conflicts is seen as not solving the problem. Peter Schouten (WMD), ‘if you would ignore conflicts, you can question whether you have truly solved the problem’.

Other respondents claimed they prefer to deal with conflicts indirectly, even if this implies that the true conflict is not resolved. Gerard Soppe (VEI), ‘I look for an indirect way to deal with conflicts. [...] You do not really solve the conflict, but no one is harmed’. And still others prefer not to discuss conflicts at all and rather ignore them. Jan Hoffer (VEI), ‘it might be my age, but I do not think that everything needs to be discussed. [...] I would prefer to ignore conflicts’. Gerard Soppe (VEI), “a conflict is a conflict when you call it a conflict’.

And still others referred to contracts as a means to deal with conflicts. Jos van Gastel (Aquanet), ‘we have procedures included in our contract that explain how one should be dealing with contracts’. Bert Jansen (WFH), ‘dealing with conflicts is taken care off through procedures’. Others referred to middle men to solve problems. Ad Doppenberg (VEI), ‘we have one person, Trung No, who is acquainted with the Dutch culture and can explain to the Vietnamese why something is wanted by the Dutch partner’. Peter Schouten (WMD), ‘our advantage is that the director of TID informs us when something is wrong [...] We have purposely included this link’.

Nevertheless, some Dutch managers at times behave ‘Dutch’. Most often, these managers do so to make a point, and only when they feel it will not harm the relationship with the foreign partner. For example, Otto Ferf Jentink (WWn) argued that as an external party that only advises, he at times does not have to take all sensitivities into consideration when communicating and giving advice. One, accordingly, can be blind for all these things.

This tension does not centre around the question whether conflicts are present, but whether two partners have different ways in dealing with these conflicts. As such, it seems to be the case that most respondents have adapted to the way in which the foreign partner (culture) deals with such tensions. Others at times behave “Dutch” while this is not appropriate. Only in these latter cases do the opposing pressures come about simultaneously. Hence, only in a few cases can it be argued that there is a tension.

Tension	Not a tension	Not applicable
5 respondents (WMD (2); WWn (1); Dunea, PWN)	8 respondents (WMD (1); VEI (3); WWn (2); WFH, Aquanet)	None
4 cases (WOP 1,3,4, 6)	3 cases (WOP 2, 5,7)	None

Table 5.22. Conflict prevention – Conflict appreciation.

How then, do these managers deal with these alternatives. As was mentioned before, most of the managers adapt to the manner in which the foreign culture deals with conflicts. For example, in Indonesia, conflicts are dealt with through informal networks and meetings. Conflicts will not be openly communicated. Similarly, in Vietnam, one does not communicate openly about conflicts, nor does one get angry in the presence of others. Consequently, the Dutch managers deal with these alternatives through dilemmas. Namely, they adapt the approach of the foreign culture, which is either conflict prevention/ignorance, or conflict appreciation.

Nevertheless, in these cases in which Dutch managers behave ‘Dutch’ managers deal with conflicts through a paradoxical approach. That is, whereas these managers respect the foreign manner in which conflicts are dealt with, they at times behave Dutch to achieve some results. Thus, they reap the most from both worlds, depending on the situation.

And some managers referred to a third party that understands/knows both cultures and can control the damage that has been done. This third party can smooth the situation. This approach is also considered to be a paradox, in which the best of worlds is combined. Finally, some managers refer to contracts as a means to solve conflicts. In these contracts, procedures are defined to deal with conflicts. Based on earlier operationalization in which conflict prevention was also defined as installing procedures beforehand, it seems to be the case that these managers deal with this tension through dilemmas.

Moreover, as the Dutch partner is helping out the foreign partner, the foreign partner tolerates more. Jan Hoffer (VEI), ‘they have a certain reserve to show dissatisfaction [...] There is a certain flexibility not to be too harsh when VEI makes a mistake’. Nevertheless, the Dutch partners respect the foreign culture. According to Karst Hoogsteen (WMD), solving conflicts implies dealing with them in a Indonesian way. Gerard Soppe (VEI), ‘why would the Dutch way of solving problems be the best way?’.

	Dilemma	Trade Off	Paradox
<i>What</i>	<ol style="list-style-type: none"> 1. Choose for conflict prevention 2. Choose for conflict appreciation 		Have the best from both worlds
<i>How</i>	<ol style="list-style-type: none"> 1. Through ignoring conflicts or contracts 2. Through indirect communication 		<ol style="list-style-type: none"> 1. Appreciate foreign way, behave Dutch when necessary 2. Have a third party to smooth out conflicts
<i>Who</i>	<ol style="list-style-type: none"> 1. VEI (1), WFH, Aquanet 2. WMD (1), VEI (2), WWn (2), PWN 		<ol style="list-style-type: none"> 1. WWn (1); Dunea, 2. WMD (2);

Table 5.23. Conflict prevention – Conflict appreciation. How managers deal with it.

Differences within cases

The managers of VEI are different in their perception of these seemingly contradictory alternatives. Whereas Ad Doppenberg claims that he prefers open communication, both Gerard Soppe and Jan Hoffer prefer to ignore conflicts. In their view, not everything needs to be discussed and at times can do more harm than if some issues were not openly communicated. It seems that this is more related to their preferences than their jobs. Gerard Soppe mentioned that he has become more Vietnamese and that he only should be a bit shorter and have different eyes. Jan Hoffer similarly relates this to his age and personal preferences as a manager.

As for WMD, there are no differences in perception how to deal with conflicts. All managers from WMD prefer to communicate about disagreements, even if this has to be in an 'Indonesian way'. Nevertheless, Peter Schouten did point out that he once behaved 'Dutch' to ensure the financial director would be fired. He thereby noted that the a third party that understands the Dutch culture was intentionally established to solve conflicts. Overall, however, these managers do deal with these conflicts in the Indonesian way. Similarly, all managers from WWn prefer to communicate openly about conflicts. According to Otto Ferf Jentink, being an external party can sometimes be to your advantage as you can ignore some sensitivities and be direct.

In case of PWN & WFH (WOP 6, Tirta Riau), there is a lack of communication which leads to frustration. Leo Commandeur expressed that he believes that (open) communication is the best way to resolve disagreements. Ignoring them would not work. According to Bert Jansen, formal procedures, as specified in the contract, should be followed. Finally, as for Aquanet, Jos van Gastel as well expressed that when there are disagreements, formal procedures as specified in the contract should be followed.

Differences between cases

Comparing TOM-partnerships with TAM-partnership shows that TOM-partnership managers (except for WMD) prefer to refer to contracts and formal procedures than the TAM-partnership managers. Again, this could be linked to the more business-like approach of these TOM partnerships. Nevertheless, TAM-partnership managers are divided. Some prefer to ignore conflicts, other prefer to deal with them (either directly or indirectly).

Looking at the degree to which these partnerships are formal, there is no clear link. It seems that the least formal partnership managers prefer to openly communicate, whereas the comprehensive partnership managers prefer to ignore conflicts, and the most formal partnership managers stick to formal procedures. This reasoning is however not applicable for WMD nor for PWN.

However, how managers deal with conflicts seems to be related to the foreign culture. This was also confirmed by several respondents. Asians do not openly communicate about conflicts, and it seems that most managers in those partnerships respect this way of resolving conflicts. Nevertheless, at times, the Dutch managers will behave according to Dutch standards, ‘just’ to make a point.

Tension	Task/Job	Personal Preferences	TAM/TOM partnership	Formal design	Country specific aspects
<i>Conflict prevention – Conflict appreciation</i>	Not related	Some indication that personal preferences influence how managers deal with conflicts	TOM partnership managers seem to prefer contracts	Not related	Foreign culture of importance

Table 5.24. Conflict prevention – Conflict appreciation. Influencing factors.

5.10 Final remarks

Besides the predefined tensions, managers were asked whether there were other tensions not yet defined. All of the respondents claimed that there were no other tensions and that, besides from PWN & WFH, all partnerships were doing well. When asked why the seeming opposing alternatives did not come about as tense situations, respondents provided the following reasons. According to the respondents, understanding the culture and political system of the foreign country is a prerequisite to have a successful partnership. According to Otto Ferf Jentink (WWn), ‘if you do not have a clear understanding of how it works, there are many pitfalls. You have to be able to assess who takes decisions and what are the stories behind these decisions’. Moreover, cultures and political systems are known facts and they together make up the rules of the game. Managers, as a result, have to operate within this framework.

That does not imply that all managers were well acquainted with the foreign culture when they started to manage these partnerships. Gerard Soppe (VEI), ‘I did not understand how it worked. The Vietnamese culture is quite opaque. You only see the tip of the iceberg. It takes time to understand what the stakes are, the motivations, why someone tells the truth and others do not. Culture has been a problem factor in the beginning’. But in time, managers find their way. According to Gerard Soppe, ‘I have become a bit Vietnamese’.

In addition, Dutch partners, especially in case of former colonies of the Netherlands, have to be careful not to dominate the foreign partner. Gerard Rundberg (WWn), ‘if you fall short, you will immediately be called a colonizer. In Suriname, because of the historical relationship, this is a very delicate issue’. Although there is an imbalance between the partners, Dutch managers

strive for equality. This could be achieved by showing the foreign water operator that the Dutch water operator is a sister company and that they do not have any other reason to cooperate than to help them. In several partnerships, foreign partners are invited to visit the Dutch water operator. In addition, according to several respondents, communication determines whether the partnership will succeed or not. Through communication, partners should not be cornered but feel that they are equal.

Consequently, *Equality & Inequality* can be considered to be a tension. That is, on the one hand, managers strive for equality but yet they are not equal. This was also acknowledged by the respondents. Whereas some mainly focused on the stronger position of the Dutch water operators, other managers also acknowledged that the foreign partner has knowhow the Dutch partners do not have. That is to say, according to Jan Hoffer (VEI), many of the foreign water operators operate in big cities. Providing water to these urban areas requires knowhow the Dutch partners do not have. Whereas *Equality & Inequality* can be argued to be a tension, it is simultaneously acknowledged that this tension comes about in *Control & Autonomy* (preventing Dutch water operators to be paternalistic) and *Contractual agreements & Trust* (ensuring that the partner feels equal not to harm their trust). Therefore, this tension is not elaborated in further detail.

The political system as well can influence the partnership. With the absence of a mayor and director of the PT, WMD was struggling to improve the PT. Only when there is a strong interest from the municipality, could WMD carry through some (operational) changes. WWn, in addition, only found out, after some time, that the electorate in Suriname is strongly ethnically oriented. Gerard Rundberg (WWn), “depending on what you say to whom, does it have an influence or not”.

But there are other political problems. Tariffs, for example, are for all partnerships delicate issues. In many countries across the world, tariffs are not covering all costs. If water operators, however, want to become a (financially) healthy organization, tariffs need at least to be covering all costs. According to Otto Ferf Jentink (WWn) and others, “whenever it comes to tariffs, it is a delicate situation [...] as it enters the political level”. Especially during election times problems arise. For example, in Indonesia, the mayor has to be re-elected every 5 years. Claiming as a mayor that you will increase the tariffs will not be beneficial during the election campaigns. For that reason, Dutch partners agree to raise the tariffs after the elections.

Whereas the political system and culture do demand Dutch managers to behave accordingly, Dutch managers do not encounter difficulties while working together with the foreign partner. It is a “known fact” with which one has to live.

5.11 Conclusion

Eight tensions were expected to be present in WOPs, including 1) profit maximization and social responsibility, 2) compete and cooperate, 3) control and autonomy, 4) contractual agreements and trust, 5) rigidity and flexibility, 6) short term focus and long term focus, 7) content and process, and 8) conflict prevention and conflict appreciation. The following table summarizes the findings.

	Tension	Not a tension	Not applicable
<i>Profit Maximization – Social responsibility</i>	7 respondents	None	6 respondent
<i>Compete – Cooperate</i>	7 respondents	5 respondents	1 respondent
<i>Control – Autonomy</i>	12 respondents	None	1 respondent
<i>Contractual agreements - Trust</i>	11 respondents	2 respondents	None
<i>Rigidity – Flexibility</i>	13 respondents	None	None
<i>Short term focus – Long term focus</i>	4 respondents	9 respondents	None
<i>Content – Process</i>	13 respondents	None	None
<i>Conflict prevention – Conflict appreciation</i>	5 respondents	8 respondents	None

Table 5.25. Overview tensions – are they tensions?

If a tensions is defined as two seeming (opposing) pressures that are simultaneously present, in almost all cases a majority of the respondents noted them to be tensions. That is, only for *Short term focus & Long term focus*, as well as for *Conflict prevention & Conflict appreciation*, only a few managers indicated these alternatives to be simultaneously true. Nevertheless, strong support was found for *Control & Autonomy*, *Contractual agreements & Trust*, *Rigidity & Flexibility*, and *Content & Process*. In these cases, all or almost all respondents acknowledged that both pressures are present at the same time.

One remark needs to be made. Whereas respondents indeed acknowledged both pressures to be present at the same time (for both those tensions strong support was found as well as for those little support was found), they simultaneously acknowledged that this does not necessarily lead to tense/problematic situations. Rather, managers have found (different) ways to deal with these alternatives, without causing problems. Consequently, table 5.25 would be different if only those situations were counted in which the alternatives were truly incompatible. Yet, whether alternatives are incompatible depends on how managers deal with these alternatives. An overview of approaches per tension is provided on the next page.

Although a clear link is missing in the coping behaviour of managers, some remarks can be made here. First of all, in almost all cases, managers try to incorporate both alternatives, either

through trade-offs or through paradoxes. Only in limited number of cases does a majority of the managers choose for either one of the alternatives. That is to say, only in case of *Compete & Cooperate* and *Conflict prevention & Conflict appreciation*, do several managers prefer to either choose for one of the alternatives. In all other cases, managers focus on both.

Whether managers deal with these alternatives through trade-offs or paradoxes depends on whether one of the alternatives is always of equal importance. For example, in case of *Profit maximization & Social responsibility*, managers acknowledged that profits are always important as the water operator has to become a healthy organization. As long as it cannot become a sustainable water operator, it will not make sense to connect the poor to the pipe system. Hence, in this case, how much importance is attributed to connecting the poor depends on the situation in which the water operator is. Managers, consequently, strive to have the best of both worlds. Similar results were found for *Contractual Agreements & Trust*. Nevertheless, in some cases, managers seem to be able to find an optimal solution line, for which the chosen solution depends on the preferences of the manager. For example, in case of *Content & Process*, managers either focus more on the process or on the content of a partnership, but they do focus on both.

Tense situations stem from the incompatibility of two opposing pressures, and were mainly found for *Compete & Cooperate* and *Control & Autonomy*. In these situations, partners seem to have different interests and points of view, that are at times different to bring together. Even so, managers do strive for consensus as to bring these diverging perspectives together.

To conclude, almost all tensions defined for WOPs in chapter two were found during this research. Based on the interviews, it cannot be argued that other tensions do exist as well. Moreover, whether these two opposing alternatives truly become incompatible and case fortense situations depends on how managers deal with them. Overall, managers try to focus on both, either through trade-offs or paradoxes.

5.11.1 *Influencing factors*

How managers deal with these alternatives can be influenced by several factors. To control for some, only WOPs were selected as social alliances. In addition, a distinction has been made between job characteristics (level at which the manager operates), personal preferences, type of model applicable for the partnership (Technical Assistance Model / Temporary Ownership Model), degree to which the partnership can be described to be formal, and country specific factors.

Tension	Dilemma	Trade-off	Paradox
<i>Profit Maximization – Social responsible</i>			Always focus on profits and on connecting the poor if possible
<i>Compete – Cooperate</i>	Stop activities until foreign party lives up to agreement, or make needs of partner their own	Through communication or contracts, persuade other party to behave in own interest	
<i>Control – Autonomy</i>		Focus more on control and less on autonomy, but after breakeven point, shift is made.	Influence partner to adopt the advice yet claim and push the foreign party to be as autonomous as possible in their decision making, or use a third person/pawn to influence decision making
<i>Contractual agreements – Trust</i>	Choose for trust		Strive for maximum trust, and simultaneously pay attention to contracts to extent that is needed
<i>Rigidity – Flexibility</i>	Focus on goals and do everything to achieve them, otherwise penalties.	Try to control as much in the beginning and allow for more flexibility over time, or define goals broadly and control for them only partially	Hold on to goals, take time to achieve them., or alter plans occasionally
<i>Short term focus – Long term focus</i>		Over time, short term goals become less important, long term goals become more important	Deal with them on different levels, or always focus on one whereas the other becomes more important
<i>Content – Process</i>	Solely focus on relationship management	Focus more on process, content, or change over time	
<i>Conflict prevention – Conflict appreciation</i>	Either ignoring conflicts , use contracts or indirectly communicate		Appreciate foreign way, behave Dutch when necessary, or have a third party

Table 5.26. Way in which tensions are dealt with.

When it comes to job/tasks of managers, it seems that they do have some influence on the perception and struggles of managers. For *Compete & Cooperate*, *Control & Autonomy*, and *Short term and long term goals*, it seems that managers are influenced by the job (position and task) they have. For example, operational managers are more concerned with short term goals, whereas strategic managers are more involved with long term goals. Note that for *Profit maximization & Social responsibility*, *Contractual agreements & Trust*, *Rigidity & Flexibility* and *Content & Process*, there is only little evidence, as a relationship could only be found within one case.

As for the personal preferences, it seems to be that this is of little influence for the balance manager make between *Rigidity & Flexibility* and *Content & Process*. Especially in case of dealing with conflicts as well as celebrating small successes does it depend on the preferences of the manager how one deals with these alternatives.

How managers deal with *Contractual agreements & Trust*, *Rigidity & Flexibility*, as well as with *Conflict prevention & Conflict appreciation* also depends upon the model that is applied to the partnership. For example, TAM-partnership managers are more flexible and appreciate communication more than TOM-partnership managers who can be described as more rigid and more focus on conflict prevention. Moreover, TOM-partnership managers attach more value to contracts compared with TAM-partnership managers. As TOM-partnerships are often referred to (by the respondents) as businesses, this seems quite logical.

Closely related to the model that is applied is the degree to which WOPs are formal. It seems that this is of influence on *Control & Autonomy*, *Contractual agreements & Trust*, and *Rigidity & Flexibility*. A similar reasoning to TOM/TAMS can be applied in this case. The more formal and business wise a partnership becomes, the more important contracts, content and goals become. As money is invested, partners want to be sure that all possible unforeseen events are covered. As for conflicts, there is no proof that this depends on the degree to which the partnership is formal.

Finally, country specific aspects seem to have only a slight effect on *Compete & Cooperate* and a stronger effect on the way conflicts are dealt with. In case of *Compete & Cooperate*, all partnerships in Indonesia encountered difficulties. Out of 5 partnerships in Asia, 4 experienced some tensions. It therefore seems to be the case that the Asian culture leaves some troubles for the European/Western culture. As for conflicts, all managers are aware of the differences and for that reason, try to either adapt to this foreign culture or at least deal with conflicts in the foreign culture's way.

Tension	Job specifics	Personal preferences	TAM / TOM model	Formal degree	Country specific asp.
<i>Profit maximization – social responsibility</i>	Slight indication (WOP 2)	Not related	Not related	Not related	Not related
<i>Compete – cooperate</i>	Experience tensions at tactical and operational level, not at strategic level	Not related	Not related	Not related	Slight evidence, all Indonesian partnerships have difficulties
<i>Control – autonomy</i>	On lower levels, more likely to encounter opposing pressures	Not related	Not related	Not related, but degree of influence leads to certain behaviour	Not related
<i>Contractual agreement – trust</i>	Case of WMD, manager involved with legal aspects contract more important	Not related	TOMs find contracts more important than TAMs	The more formal, the more important contracts are	Not related
<i>Rigidity – flexibility</i>	Slight indication (WMD)	Slight indication (WOP 6 & 7)	TAMs allow for more flexibility, TOMs more rigid	The more formal, the more rigid managers are	Not related
<i>Short term focus – long term focus</i>	Focus on short or long term depends on level	Personal preference to celebrate small successes	Not related	Not related	Not related
<i>Content – process</i>	Slight indication tasks influence aspects that are highlighted	View how to deal with alternatives seems to be related (VEI)	Not related	Not related	Not related
<i>Conflict prevention – conflict appreciation</i>	Not related	Slight evidence	TOMs rely more on formal procedures than TAMs	Not related	Foreign culture influences how managers deal with conflicts

Table 5.27. Overview of contributing factors.

Last, it seems to be reasonable that several of the seemingly opposing alternatives did not lead to tense situations. Overall, the interviewed managers are open minded and they acknowledge that they are dealing with different cultures and political systems. Managers deal with conflicts as it is done in the foreign country and some even adapt to the foreign culture. Others do not believe that there is a difference between cooperating within the Netherlands or internationally. Otto Ferf Jentink (WWn), for example, mentioned quite often “but this is not different from here”, while he simultaneously acknowledged that international cooperation might intensify some differences. In addition, as several of the Dutch partners do not (financially) benefit from these partnerships, it seems that the Dutch partners can be quite flexible. Especially as the Dutch parties form these partnerships mainly for social responsible reasons. As Jos van Gastel (Aquanet) mentioned, “these Dutch Water Operators want to have a green line around their image”. Because of these social responsible reasons, the Dutch managers are less rigid than could be expected.

6. Conclusion and discussion

'If you follow reason far enough it always leads to conclusions that are contrary to reason'

Samuel Butler (1835 – 1902)
English Novelist, Essayist and Critic.

6.1 Introduction

Several studies have showed that cooperation between parties within the same sector or between sectors is in many cases difficult. Especially in those cases where organizations want to cooperate to solve complex societal issues, difficulties might arise. That is, in many cases (international) societal problems are wicked problems and relationships between actors from different sectors as well as between Northern and Southern countries are fragile and complex in nature.

In addition, many partnerships lack, according to Frisby, Thibault, and Kikulis (2004) the basic capacities to successfully manage a social partnership. Inadequate management might lead to unsuccessful partnerships; they might become extremely costly and thereby reducing synergy effects. But it might also lead to harmed reputations, loss of credibility, and dissatisfaction. Hence, good management is needed to make a partnership successful.

The main reason why management fails, is because management fails to manage interaction in the right way. This is attributed to the complexity of managing partners from different sectors/countries/spheres and is the result of content, strategic and institutional uncertainties. Absence of information, strategic oriented partners, and different (cultural values) all lead to unclearities, either in defining the rules of the game or the outcomes of actions.

These uncertainties often come to light as opposing alternatives, such as interests, principles and solutions. If taken separately, these interests, principles and solutions would only highlight one side of the coin. Management's struggle to balance these contradictions results in tensions that account for instabilities of alliances.

By defining tensions, the complexity of a situation might be easier to understand and better solutions can follow. De Wit and Meyer (2005) have defined tensions in terms of dilemmas, trade-offs or paradoxes that differ in the way and number in which optimal solutions can be reached. Dilemmas demand either/or choices, whereas trade-off balance between two alternatives and paradoxes are new ways to deal with these seemingly opposing alternatives (both/and choices).

As several studies have already showed that tensions are present in multinational corporations and public-private partnerships, this thesis aimed to define what kind and which

tensions are present in social alliances and how they are dealt with by management. To do so, the water sector, and more specific, development aid provided by the Dutch water operators through Water Operators Partnerships, was selected as subject of study. It allowed to control for external variables (hence sector, country) and still be able to compare cases. In total 7 Water Operators Partnerships in 5 countries were studied, for which 13 managers from 7 Dutch water operators were interviewed. The following two paragraphs will try to answer the research question.

6.2 Tensions present in social alliances

A tension was defined as a situation in which two seeming opposing pressures are present at the same time. Eight tensions were expected to be present in WOPs, including 1) profit maximization and social responsibility, 2) compete and cooperate, 3) control and autonomy, 4) contractual agreements and trust, 5) rigidity and flexibility, 6) short term focus and long term focus, 7) content and process, and 8) conflict prevention and conflict appreciation. These results are provided in table 6.1.

Tensions	Support		
<i>Profit Maximization – Social responsibility</i>		Mixed findings	
<i>Compete – Cooperate</i>		Mixed findings	
<i>Control – Autonomy</i>			Strong support
<i>Contractual agreements - Trust</i>			Strong support
<i>Rigidity – Flexibility</i>			Strong support
<i>Short term focus – Long term focus</i>	Little support		
<i>Content – Process</i>			Strong support
<i>Conflict prevention – Conflict appreciation</i>	Little support		

Table 6.1. Tensions, are they supported?

Strong support was found for *Control & Autonomy*, *Contractual agreements & Trust*, *Rigidity & Flexibility*, and *Content & Process*. In these cases, all or almost all respondents acknowledged that both pressures are present at the same time. In case of *Short term focus & Long term focus*, as well as for *Conflict prevention & Conflict appreciation*, only a few managers indicated these alternatives to be simultaneously true. That is, in most cases, managers dealt with only one of the alternatives. Finally, with regard to *Profit maximization & Social Responsibility*, as well as *Compete & Cooperate* more than half of all respondents acknowledged to simultaneously deal with both alternatives. This seems to indicate a tension as well. Consequently, it can be argued that several of the tensions defined by literature were also found in this research.

6.3 How managers deal with (seeming) contradictory alternatives

Whereas the previous section answered only the first half of the research question (which tensions are present in social alliances), this section will answer the second part of the research question. That is, how do managers in general deal with these alternatives and hence, in what way do these alternatives come about?

Whether a tension leads to tense situations depends on how managers deal with these alternatives. Whereas in some cases all managers acknowledged that both alternatives were present at the same time, not all managers acknowledged that these alternatives were incompatible. What is more, managers have different ways to deal with these alternatives. Whether alternatives are incompatible is therefore expected to be related to how managers deal with these alternatives.

Managers did deal with the alternatives in a different way (see table 6.1). In only one case were all approaches classified as paradoxes. For all other cases, managers have different approaches. That is either two of the approaches were defined for dealing with one pair of seeming opposing pressures. In almost all cases, managers prefer to deal with both alternatives rather than to choose for one of the alternatives. That is to say, managers prefer trade-offs and paradoxes over dilemmas. Only in case of *Compete & Cooperate* and *Conflict prevention & Conflict appreciation*, do several managers prefer to choose for one of the alternatives. In all other cases, managers prefer to deal with both alternatives simultaneously. Whether this is done through a paradoxical approach or through a trade-off approach depends on the importance that is attributed to the alternatives. In case of paradoxes, managers strive for the best of both worlds. In case of trade-offs, managers balance between two alternatives. To be precise, in case of trade-offs, managers 'substitute' one alternative for the other alternative, while in case of paradoxes, managers do no substitute, but want to have the maximum of both alternatives.

Tense situations stem from the incompatibility of two opposing pressures, and were mainly found for *Compete & Cooperate* and *Control & Autonomy*. In these situations, partners seem to have different interests and points of view, that are at times different to bring together. As for *Compete & Cooperate*, managers either deal with these alternatives through dilemmas and trade-offs. In case managers deal with these alternatives through dilemmas, these alternatives become incompatible and lead to tense situations. However, in case of trade-offs, managers strive for consensus, and thereby the alternatives become compatible. However, as for *Control & Autonomy*, managers either dealt with these alternatives through trade-offs and paradoxes. In both situations, managers experienced these alternatives to be incompatible at times. Yet, in

Tensions	Deal with these alternatives through		
<i>Profit Maximization – Social responsibility</i>			Paradoxes
<i>Compete – Cooperate</i>	Dilemmas	Trade-offs	
<i>Control – Autonomy</i>		Trade-offs	Paradoxes
<i>Contractual agreements – Trust</i>	Dilemmas		Paradoxes
<i>Rigidity – Flexibility</i>	Dilemmas	Trade-offs	Paradoxes
<i>Short term focus – Long term focus</i>		Trade-offs	Paradoxes
<i>Content – Process</i>	Dilemmas	Trade-offs	
<i>Conflict prevention – Conflict appreciation</i>	Dilemmas		Paradoxes

Table 6.2. How does management deal with these alternatives?

case of trade-offs, tension stems from finding the optimal solution on the optimal solution line, not from incompatibility (as is the case for paradoxes).

These findings provide mixed results whether the coping behaviour of managers influences whether a tension also leads to tense situations. As for *Control & Autonomy*, this does not seem to be the case. Yet, in case of *Compete & Cooperate* it does. In addition, in two other cases strong support for the presence of a tension was found while the alternatives were not experienced as incompatible. Therefore, it seems to be the case that coping behaviour by managers influence whether a tension result in a tension.

6.4 Influencing factors

How managers deal with these alternatives can be influenced by several factors. Table 6.3 summarizes these findings. Job/tasks refer to the level at which the manager operates as well as his duties. Type of model makes a distinction between Technical Assistance Model and Temporary Ownership Model as described in chapter two. Formal WOP, finally, refers to the degree to which the partnership can be described to be formal (see appendix 1).

Overall, external factors influence the coping behaviour of managers. Whereas table 6.3 includes several findings, not all findings provide strong support. Therefore, only for those factors for which strong support was found are discussed here. One clear influencing factor is the type of WOP and model applied. When a partnership becomes more like a business, managers become more focused on contracts, formal procedures and goals. This is mainly related to the huge sums of money invested that needs to be earned back. Another influencing factor is the level at which managers are involved within the partnership. At strategic level, the managers are more involved with long term planning and with the process of working together,

	Influencing factors				
<i>Profit Maximization – Social responsibility</i>	Job				
<i>Compete – Cooperate</i>	Job/tasks				Country aspects
<i>Control – Autonomy</i>	Job/tasks				
<i>Contractual agreements - Trust</i>	Tasks		Type of model	Formal WOP	
<i>Rigidity – Flexibility</i>	Job/tasks	Personal preferences	Type of model	Formal WOP	
<i>Short term focus – Long term focus</i>	Job	Personal preferences			
<i>Content – Process</i>	Job	Personal preferences			
<i>Conflict prevention – Conflict appreciation</i>		Personal preferences	Type of model	Formal WOP	Country aspects

Table 6.3. Influencing factors.

whereas at lower levels, short term goals and with that content become more important. There was also a link found with the tasks managers have to fulfil. Those more focused on the legal aspects clearly attribute more value to contracts than those that are not. In addition, managers have personal preferences whether they celebrate small successes and how they should divide their time between content and process. But more important, how managers deal with conflicts is related to personal preferences as well as country specific factors.

Finally, managers try to cope with these seeming opposing tensions. That these alternatives were compatible could be explained by the attitude managers have towards these alliances. Overall, the managers were aware of the cultural and political differences. For example, managers deal with conflicts as is done in the foreign country and some even adapt to the foreign culture. Moreover, all Dutch water operators ally with foreign water operators mainly for social responsible reasons. All these factors allow for greater flexibility than could otherwise be expected.

6.5 Discussion

It was concluded that from the 8 tensions defined based on literature, 6 tensions were present in Water Operators Partnerships. It was furthermore argued that these 6 tensions only in minor cases result in tense/problematic situations. This could be the case as managers learn over time and find ways to deal with them. For example, twinning-partnerships were initiated in the late 1990s. As WOPs can be viewed as more formal cooperation than twinings, managers might

have had time to get over ‘teething troubles’. In other words, whereas managers might have experienced tensions in the beginning of a partnership (twinning), they might also have learned from it. Hence, in time, managers have found a way to overcome seemingly opposing alternatives.

It could also be that it is not how managers *perceive* tensions that influences how they are dealt with, but how managers *deal* with alternatives influences whether tensions are experienced. It was assumed that how managers perceive two seemingly opposing alternatives influences how they deal with them. It seems that while in several cases two opposing pressures can be defined, several managers do not perceive them as incompatible and consequently deal with these alternatives either through paradoxes or trade-offs. The reasoning could, however, also be turned around. The way in which managers deal with two seemingly opposing alternatives defines whether two alternatives are truly (perceived) as incompatible. This is graphically presented in figure 6.1.

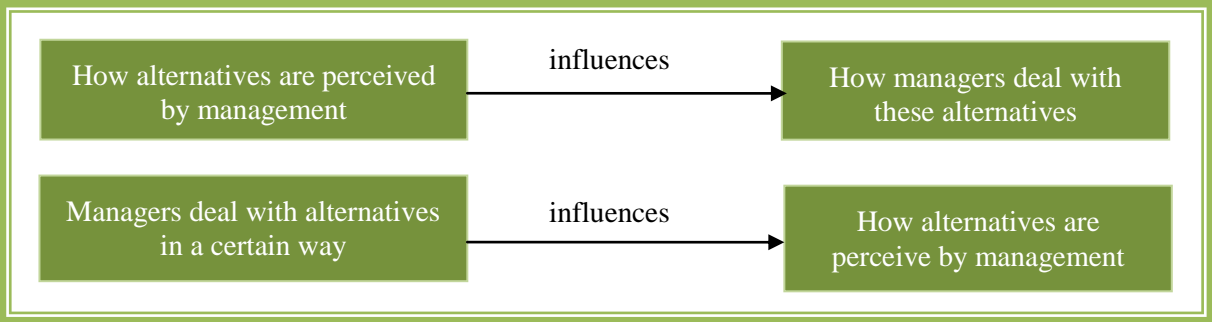


Figure 6.1. What comes first, the chicken or the egg?

For both claims arguments can be provided and stem from ‘a chicken and egg’ story. It all depends on what came first; the chicken (the two seemingly opposing views) or the egg (the way in which a manager deals with two opposing views). It would sound logic to claim that, when organizations cooperate, (seemingly) opposing views are present, that these views can conflict and that it is up to management to deal with them in such a way that it does not result in tense situations. This was also supported in many cases. For example, in case of *Compete & Cooperate*, managers acknowledged that while individual objectives and group objectives were present at the same time (indicating a tension) these objectives were in line and did not cause for competing and cooperating behaviour simultaneously. On the contrary, several respondents noted that partners only showed cooperating behaviour.

Yet, it could just as easily be claimed that how managers deal with two seemingly opposing views, influences whether the two seemingly opposing views are perceived as tensions. For example, long and short term goals are dealt with on different levels. Managers consequently, only have to deal with one of the alternatives and hence, there is no tension.

One argument for the existence of both propositions could be the level of influence a manager has on these alternatives, or whether there are (external) factors that he cannot control for. For example, dealing with conflicts depends upon the preferences of a manager and country specific factors. If a manager feels he can influence his counterparties to deal with conflicts in a similar way, there is no tension. If he, however, feels he cannot have any influence on this process or on the counterparties (due to culture), it might be more reasonable that a manager (when his method does not correspond with that of the counterparty) will perceive these alternatives as a tension. It, however, remains unclear what the perception of two seemingly opposing views of management and how they are dealt with are related. Whereas this study assumed the first proposition was true, further research needs to be conducted to assess whether the second proposition is simultaneously true.

6.6 Implications

In chapter two it was argued that previous studies were unable to define these tensions as either dilemmas or paradoxes and that ambiguity still exists. Some authors argued that tensions were dealt with through dilemmas and others through paradoxes. Based on these findings, it seems that these authors are neither completely right nor completely wrong. This study showed that for each pair of seeming opposites, managers have different ways in dealing with them. Only in one case did all managers treat the alternatives as a paradox (*Profit maximization & Social responsibility*). In addition, dilemmas in their purest form (an either/or choice) hardly ever exist. Managers will in almost all cases strive to deal with both alternatives; rather, the real choice management has to make is between substitution and 'the best from both worlds'.

In addition, these findings showed that alternatives can be segregated, either over time or spatially. That is, tensions are not always and constantly present nor need they be dealt with by the same person or on the same level. For example, some managers have been able to shift their attention over time from one of the alternatives to the other. Moreover, some managers did not need to deal with both as this could be done by more managers. That is, managers have been able to separate the alternatives and deal with them different levels. The most striking example is long term and short term goals. A practical implication that stems from this is that, if possible, managers can divide tasks and consequently do not have to deal with both alternatives simultaneously. It is however acknowledged that this is not possible for all tensions.

Furthermore, it was argued in chapter one that social alliances face additional challenges that stem from development aid sector characteristics. Most of all, these additional challenges stem from the fragile relationship between the 'aid-providing' and 'aid-receiving' organizations. For example, partners have to deal with physical and cultural barriers. This not only stems from

differences between countries, but also from differences between sectors (public, private and non-profit). Second, partners have to deal with politically loaded relationships (paternalism/colonialism) as well as unilateral financial dependency.

While also water operators have to deal with all these barriers, and some barriers were present, tensions were not as torment as could be expected in other types of social alliances (Profit – Non profit or Public-Private Partnerships). This, most likely, stems from the reason and context in which these WOPs are formed. These partnerships are formed to ensure that a poor performing water operator will become a healthy organization. Partnerships are solely formed when the poor performing water operator acknowledges help is needed and they are willing to change. Furthermore, Dutch water operators acknowledge that their main and primary interest is to help the other party. Consequently, partners allow for some flexibility and are not immediately punished when they make a mistake. Hence, development partnerships are complex, but there are factors that could reduce these barriers and managers should be aware of these before they start a partnership.

No partnership is the same and for that reason, different types of WOPs were included in this research. It showed that the type of model applied as well as the degree to which these partnerships are formal influences the degree to which partners can be flexible and consequently, how much value is attributed to contracts, formal procedures and goals. The more it becomes like a business, the more emphasis is placed on the performance of a partnership.

Finally, WOP 6 showed that clear agreements between all partners, even those that are indirectly involved, are important. Ambiguity leads to lack of responsibility and addressing partners in their behaviour. It makes, at worst, the partnership inert. Therefore, managers should ensure that there is a clear division of tasks, responsibilities and autonomy in order to prevent a partnership from failing.

6.7 Limitations and suggestions for further research

While these findings provide evidence that tensions are present but managers in Water Operators Partnerships only limitedly experience these alternatives as incompatible, one should be aware of the limitations of this research.

A first limitation stems from the manner in which the data was retrieved (methodology). This proved to be a time consuming process, which limited the number of managers that could be interviewed. In addition, more time should have been spent on one manager, to go deeper into the situation. It showed that one interview per manager was not sufficient and that a second interview would have allowed for more in-depth data. This became clear when one interview needed to be continued on another day and more information was provided. This could either be

overcome by focusing on less pair of opposing pressures, or have more meetings with the same respondent. In the latter case, the first interview should provide general information, whereas the second interview would allow for more in-depth discussion.

Closely related to this argument is the fact that only Dutch managers were interviewed. It seemed to be unfeasible to interview foreign managers. Whereas one foreign manager was contacted, he did not reply to any of the emails sent. In addition, several Dutch managers questioned whether interviewing foreign managers would be adding value. Accordingly, it would be difficult to assess whether foreign managers would be as open and honest as the Dutch managers have been. Most likely, they would be providing feasible answers, which could as well have negatively influenced findings and analysis. As a result, only the Dutch perspective on these tensions can be provided and it remains unclear whether the foreign counterparties have a similar point of view. Further research should perhaps be conducted by a diverse team, consisting of different ethnical backgrounds in order to retrieve more data. In addition, if this research would be repeated (even in a different sector), researchers should take more time.

Also a third limitation results from the methodology chosen. It proved to be difficult to assess whether managers, even if they did claim not to be dealing with tensions, truly did not. Tensions are in the eyes of the beholder, and they might not have an objective view. However, a researcher is neither fully objective. That is to say, a different researcher could have found different results. Whereas this is partially overcome by assistance from two coaches, this cannot fully be overcome. Perhaps more than one researcher should analyse the data, to compare whether they find similar results. Another way to deal with this limitation is to (simultaneously) conduct quantitative research as Klijn, Edelenbos, Kort, and Van Twist have done (2006). Yet, they had difficulty defining tensions that could not be classified as dilemmas. Hence, defining tensions is difficult.

Finally, this research was done for the water sector. Although it controlled for tasks, personal preferences, type of model, degree to which the partnership was formal and country specific factors, it remains unclear whether similar findings can be found in different sectors. Every sector has its own rules, and this could be off influence whether managers perceive and in the way they deal with tensions.

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8. List of interviews

Commandeur, L.	Director International Projects, PWN, September 15, 2009
Doppenberg, A.	Project Director Da Nang, VEI, September 3, 2009
Ferf Jentink, O.	Manager Integral Water Projects, WWn, August 26, 2009 & September 14, 2009
Gastel, J. van	Project Director, Aquanet, September 3, 2009
Hoffer, J.	Manager Director, VEI, August 27, 2009
Hoogsteen, K.	Director, WMD, August 12, 2009
Jansen, B.	Director, WFH, September 3, 2009
Nijland, L.	Project Manager, Dunea, September 24, 2009
Rundberg, G.	Director, WWn, August 26, 2009
Schouten, P.	Project Director, WMD, August 18, 2009
Schrijver, A.	Deputy Director, WMD, August 18, 2009
Soppe, G.	Resident Project Manager Da Nang, VEI, August 19, 2009
Yedema, E.	Project Manager, WWn, September 11, 2009

9. Appendix

Appendix 1. Types of Formal WOPs

Type of WOP	Simple	Comprehensive	Legal and fully structured
Examples of interaction	Specific technical assistance Major training programs	Extensive technical assistance Institutional development and strengthening Project management Corporate Development Program	Association Contractual relationship Joint Venture Joint Stock company
Terms	MoU Written agreement	Written agreement Service agreement with owner/customers	Written agreement Service agreement with owner and customers
Financial agreements	Agreed cost split between the parties Owner subsidy Donor agreement Financial agreement with IFI	Agreed cost split between the parties Owner subsidy Donor agreement Financial agreement with IFI Guarantee agreement between government and IFI	Agreed cost split between the parties Owner subsidy Donor agreement Financial agreement with IFI
Supporting documents	Program Task specification Definition of objectives, inputs and outputs Resource specification (budget) Work plan Simple terms of reference	Legal form (charter) Definition of objectives, inputs and outputs Resource specification (budget) Business plan Full terms of reference	Legal form (charter) Definition of objectives, inputs and outputs Resource specification (budget) Strategy Business plan

Source: International Water Association, 2009.

Appendix 2. Questionnaire

Formality questions

1. Introduction into the thesis
2. Can I record this interview?
3. Can I use yours as well as the companies name in the report?
4. Do you want to receive a report of the interview?

Biographical questions

1. What is your name?
2. What is/was your link with the WOP?
3. What were your tasks?/ Can you give a task description?
4. Can you describe the WOP, in terms of
 - a. Structure, contracts and agreements?
 - b. When the WOP was initiated?
 - c. Reason to initiate a partnership/ the official and common goal of the WOP?
 - d. Selection of this partner?
 - e. Organization (central team etc?)
 - f. What has been done?/ What activities have taken place?

Nonobtrusive questions

- Please explain which difficulties you have come across working together during the partnership? Can you provide examples?
- Can you also tell how these difficulties came about and how it was dealt with?

Planned prompts:

1. Compete versus cooperation

- When parties work together, they might be more interested in maximizing their own stakes/interests than the group's interest. This might come about in the amount of information partners are willing to share. Have you experienced that partners had to make a choice between striving for their own or the groups interest?
- In what way did this come about?
- If you would position maximizing individual's interest at the one extreme and maximizing the group's interest at the other extreme, how did you deal with the situation? How did you manage this situation?

2. Control versus Autonomy

- a. The poor performing water operator had to become more autonomous. This would imply giving them some freedom in decision making. However,

it might also be desirable to steer the partnership as you invest money and time, providing little leeway for the poor performing water operator? Did you face this kind of situation as one in which you had to make a choice?

- b. In what way did this come about?
- c. If you would position central decision making (top down) at the one extreme and decentralized decision making at the other extreme, how did you deal with the situation? How did you manage this situation?

3. *Content versus process*

- To improve the operations of a water operator, it is necessary that at some moment in time, they are linked to concrete results. However, to avoid conflict and promote cooperation, the process of working together should also receive attention. Did you face this kind of situation as one in which you had to make a choice?
- In what way did this come about?
- If you would position focussing on the content of the partnership at the one extreme and focussing on the process of the partnership at the other extreme, how did you deal with the situation? How did you manage this situation?

4. *Trust versus Contractual agreement*

- Trust in partnerships is essential to have a successful cooperation. It would give partners an option to learn. Trust can also be easily lost. Contractual agreements might therefore be a way to assure that partners will do what is expected of them. Did you face this kind of situation as one in which you had to make a choice between the two alternatives?
- In what way did this come about?
- If you would position focussing on the content of the partnership at the one extreme and focussing on the process of the partnership at the other extreme, how did you deal with the situation? How did you manage this situation?

5. *Conflict prevention versus appreciation*

- Conflict can be disastrous for a partnership but might also be a means to get further. Management has two ways to deal with conflict, either prevent it as much as possible (for example by sticking to procedures) or it might appreciate it and give partners the opportunity to exchange standpoints and to create consensus. Did you face this kind of situation as one in which you had to make a choice?
- In what way did this come about?

- If you would position conflict prevention at the one extreme and conflict appreciation at the other extreme, how did you deal with the situation? How did you manage this situation?

6. *Rigidity versus flexibility*

- Uncertain environments can cause goals to change over time. In this way, uncertain environment demand some flexibility of management; to change operations when necessary. However, funders demand clearly specified results at the end of the partnership. Then, management has to stick to the goals specified at the beginning of the partnership. Did you face this kind of situation as one in which you had to make a choice?
- In what way did this come about?
- If you would position management flexibility at the one extreme and management rigidity at the other extreme, how did you deal with the situation? How did you manage this situation?

7. *Profit Maximization versus Social Responsibility*

- Development aid projects are altruistic in nature. However, private parties acknowledge to demand (indirect) benefits from cooperation. Moreover, private parties might demand more quantitative results whereas non-profit and public organizations might demand more qualitative (“vague”) result. Did you face this kind of situation as one in which you had to make a choice?
- In what way did this come about?
- If you would position profit maximization at the one extreme and Social responsibility at the other extreme, how did you deal with the situation? How did you manage this situation?

8. *Short term versus long term focus*

- Poor performing operators have to develop a long term strategy to show improved performance. Short term goals are necessary to achieve the long terms goals but also boost a partnership. Yet, the partnership might then become a project instead of a partnership. Did you face this kind of situation as one in which you had to make a choice?
- In what way did this come about?
- If you would short term goals at the one extreme and long term goals at the other extreme, how did you deal with the situation? How did you manage this situation?

Final questions

Small recap/summary of interview provided, correct?

Is there anyone I should interview to gain more insight in the process of cooperation for this WOP?