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THE STAKEHOLDERS CONCEPT IN INTERNATIONAL SOCIAL COOPERATION PROJECTS

У статті здійснено коротке визначення основних стейкхолдерів нідерландсько-українських соціальних проектів співпраці (у сфері допомоги дітям локальних громад), спираючись на Концепцію стейкхолдерів.

Ключові слова: *концепція зацікавлених сторін, стейкхолдери, міжнародна співпраця, міжнародні проекти, громада.*

В статье подано краткое определение основных стейкхолдеров голландско-украинских социальных проектов сотрудничества (в сфере помощи детям локальных общин), опираясь на концепцию стейкхолдеров.

Ключевые слова: *концепция заинтересованных сторон, стейкхолдеры, международное сотрудничество, международные проекты, общество.*

The article considers the key stakeholders in Netherlands-Ukrainian social projects of cooperation (in the field of assisting children to local communities), based on the “Stakeholders concept”.

Keywords: *“Stakeholders concept”, Stakeholders, international cooperation, international projects, community.*

In the modern form of “**Stakeholder concept**” is spreading from the middle of the 80th of the XX century, when the light comes out in the work of Robert Edward Freeman, “Strategic Management: Concepts stakeholders” (1984). The author

introduces the concept of “interested party” (stakeholder), gives his definition and offers to consider the original model of the firm. R. Edward Freeman’s idea is to represent the company, its external and internal environment as a set of interest in the activities of the parties, the interests and requirements of the company which managers should take into account and address.

Stakeholders are the group that can affect or be affected by the achievement of a business’s core purpose [1], but in communities’ environments we have the same processes. So, **the main purpose of this Article** is to describe the Stakeholders Concept in International Social Cooperation Projects between Dutch and Ukrainian organizations.

One of the important applications of the **Stakeholders theory** is the theory of Strategic management. Strategic management as a field of activity aimed at creating and maintaining a sustainable competitive advantage of the organization. This can be achieved actively interacting with numerous groups and individuals, as their support is needed in the implementation of the strategy [3].

Present situation shows us a lot of examples, when we could apply the “Stakeholder concept” in other spheres of communities’ social life. For example, there are ten principles of Stakeholder Management. These are from “Managing for Stakeholders” [3, p. 60].

1. Stakeholder interests need to go together over time.
2. We need a philosophy of volunteerism – to engage stakeholders and manage relationships ourselves rather than leave it to government.
3. We need to find solutions to issues that satisfy multiple stakeholders simultaneously.
4. Everything that we do serves stakeholders. We never trade off the interests of one versus the other continuously over time.
5. We act with purpose that fulfills our commitment to stakeholders. We act with aspiration towards fulfilling our dreams and theirs.
6. We need intensive communication and dialogue with stakeholders – not just those who are friendly.

7. Stakeholders consist of real people with names and faces and children. They are complex.

8. We need to generalize the marketing approach.

9. We engage with both primary and secondary stakeholders.

10. We constantly monitor and redesign processes to make them better serve our stakeholders [3, p. 60].

These principles we could implement in practice using example of international social cooperation projects. We should admit that the shortest and comprehensive definition of “Stakeholder concept” gave Bradley Googins, director of the Center for Corporate Citizenship at Boston College. Stakeholders are groups, organizations or individuals that are affected by the company and on which it depends. Usually, we distinguish between two groups of stakeholders: primary and secondary. **Primary**, have a legitimate and direct impact on the business (inner circle):

- * The owners, customers, employees;

- * Business partners in the supply chain .

Secondary, which have indirect impact on the business (high range):

- 1) Administrations (local and state),

- 2) Competition, and

- 3) Other companies, and

- 4) Investors, and

- 5) Local community, which include:

- * The media,

- * Non-profit organizations, including public and charitable ones;

- * Local activists,

- * Opinion makers.

At the local level, the main stakeholders include the local authority, which itself depends on the business activities (in our case it’s charitable actions), customer relationship from which your company depends on its business performance (projects, vision, etc), non-profit organizations that shape public opinion in local community, the media, affecting the local population and the company’s reputation.

“Stakeholders” actively influence on success of the joint project. Not by chance 72 % of entrepreneurs around the world recognize that successful businessmen take into account not only the interests of shareholders, but also to the broader stakeholder groups: customers, employees, suppliers and local communities. The percentage in non-profit sector could be almost the same.

Stakeholders form an interdependent system, a kind of “web” that sometimes support the business (or international social cooperation projects) in difficult times, and sometimes, on the contrary, denies the organization its opportunity to act.

Some experience in contacting with primary and secondary groups of Stakeholders at regional level of Ukraine has **the Foundation “Oekroe”** (The Netherlands), which has complex understanding and vision of international social cooperation projects.

During 2003 activities started with the **annual summer camps**. Stitching “Oekroe” also provides support whenever children need this, for instance medical or financial support. Under “Child Relief” and “Other Support” you will find some examples. Foundation “Oekroe” only provides Child Relief when it is for 100% certain that the support is well spent. Furthermore in every case one of “Oekroe”’s local trustees is involved. Those and other cases are financed by the “Oekroe” Foundation from surplus funds that remain after the foundation’s organized activities have been paid. For all projects of Stitching “Oekroe” the principle is that those are supported for one year [4].

“Working Hands” Project: a number of people indicated they wanted to do something practical 'with their hands' in Ukraine. This activity started in 2007. That year the ground level of a small clinic has been converted into apartments for two foster parent families with 10 children each. During the summer of 2008 the construction started of a toilet facility at a school. In parallel Working Hands replaced the roof at a house destroyed by fire of a disabled widow (emergency relief). Two projects were completed during 2009: part of a small town hall has been converted into a crèche, while at a hospital 4 modern rooms were created at the maternity ward. For 2010 there were again two encouraging projects: a complete refurbishment of a

small hospital and the creation of 12 showers at a dormitory of a secondary school. In 2011 a project was started to convert an existing building into a revalidation centre for disabled youngsters. In 2012 two crèches were realized as is the plan for 2013 [4]. In 2013 two crèches and another one joint project were realized as is the plan for 2014.

Via large banners present at the project sites, the local population is informed on the cooperation between Ukrainians and the Dutch. The banner reads “Ukrainians and Hollanders work together to repair this building” (*look at photo*).



Photo of “Working Hands” Project, Letychiv, Ukraine (2013) [2]

Dealing with Ukrainian local communities during these years shows a lot of possibilities for involving some recourse (not only financial but mostly labor power in renovation project, and lobbying, and advocating at local and regional levels) in joint projects. It’s interesting to examine the principles from these different national value systems and to see how they compare. What’s interesting is how they work so well together. There are areas where workers have a lot in common, and there are areas where they address different concerns yet compliment each other well.

In international social cooperation projects stakeholders may include:

* Those who are actively involved in the project up and running in it (the project team (Team of “Woprking hands”, sponsors (Dutch people, which supported joint projects but giving money for implementation), steering committee, attracted by a third-party (a lot of special institutions, which give some permission documents for renovation projects), and other);

* Those whose interests might affect the project and who will benefit from the results (customers (parents and their children), heads of functional departments (Village Counselor, etc) and their employees (for example, kindergarten workers), business partners (other charitable foundations, which are involved in the implementation joint projects), clients (children of age 3-6 years old), communities, etc);

* Those who are not involved in the project, but who, by virtue of his position or profession, can affect it (foreign and domestic partners, government regulatory bodies, etc.).

Conclusions: so, for increasing community participation in the management of social development on local and regional level we need complex understanding of successful using the main principles of the Stakeholders theory: we need to create a continuous process flow to bring problems to the surface, and to build projects around motivated individuals, which understand all needs of other stakeholders in international social cooperation projects, for example, between Dutch and Ukrainian organizations.

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