

Importance of Partnership and Cooperation for Territorial Development

Anna VAŇOVÁ

University of Matej Bel, Slovakia
anna.vanova@umb.sk

Kamila BORSEKOVÁ

University of Matej Bel, Slovakia
kamila.borsekova@umb.sk

Miroslav FORET

Mendel University of Agriculture and Forestry in Brno, Czech Republic
foret@svse.cz

Abstract. *Partnership of public and private sector should contribute by solving problems in local or regional self-governments. By using methods and tools of places marketing and relationships marketing it is possible to increase synergy effect of activities. Through marketing methods and tools, especially marketing research, market segmentation and marketing promotion is possible to find out, analyze and publish opinions, needs and imagines of local public-citizens, entrepreneurs, investors, organizations and local self-government. Then it is advisable to find optimal way of partnership realization of impletion public needs and self-government duties in the interest of providing local development. According to importance of partnership and cooperation between various sectors by territorial development, authorities of Slovak and Czech public and non-profit marketing association settle on common project. The keystone and plans are presented in the text.*

Keywords: partnership; local development; marketing research; promotion; relationship marketing.

JEL Code: L16.

REL Code: 16B, 17G.

1. Introduction

The main mission of local self-government is an assurance of sustainable development of territory and superior conditions for citizens' life. From the development in various territories, which have different level and quality, is apparent that it does not go well in every territory. Follow from our researches, the most frequent reason is the lack of professionals and ideologues on positions, which decide about happening in territory; setting-out political, or regular and subjective interests, expectance and dependence on help of state and European union; absent effort and abilities how to use strategic marketing planning; insufficient participation and involvement of important subjects in territory development, which is often the result of insufficient quality of relationships and communication between territorial representatives and important subjects actuating in territory – big entrepreneurs, interest association of legal and natural persons, citizens etc. (Vaňová, 2006, p. 17).

Territory of town, city, and region consists of various types of goods, as free, public (collective) and private goods. For its development, their owners or administrators respond – public, private and non-profit subjects (Vaňová, 2006, pp.17-42).

Territorial government can be a subject of regulation and economics guidance in the own territory, or can be a subject which has authority and responsibility for some kind of public goods (Švantnerová, 1997, p. 23), which are managed through its authorities.

Municipal authorities govern the territory as a unit and try to coordinate activities in the territory effectively and try to use territorial resources with the aim to ensure its sustainable development and prosperity. Development in the territory is influenced by owners of private goods as well – personalities, several private, non-governmental and non-profit companies and organisations. A difference between them and municipality in contribution of territory development is that municipality responds to handled territory generally, but others introduced subjects influence the development of territory only mediate – following its own, individual goals and its development influence only partially (Vaňová, 2006, pp. 43-45).

The needs of these groups are often different, what should be the source of problems and barriers of territorial development. Sometimes individual interests should be in conflict with interests of territory as a unit. The challenge of local government is to overtake these difficulties and to solve them through the finding of consensus. Resolution is a creation of partnership on local level and relevant part of public should be interested on participation by territorial development and by solving problems of public life.

Aims and methodology

Project *partnership for local development* is related to experience and results reached in international project Communicating city from second half of 90s (Foret, Foretová, 2006) which was realized in Czech Republic. In Slovak Republic, the project is related with the international comparative project OSF Communicating city (Vaňová, Kološtová, 2001); international project of British KHF Marketing for self-governments I, II (Vaňová, Bernátová, 1999, 2000); faculty grant FG 77. The level of relationship marketing with stakeholders in small and medium enterprises, 03/2007-11/2008 realized on EF UMB in Banská Bystrica and international project Relationship marketing in MSE's along with territorial self-governments -international comparison. The paper is running issue from solving project VEGA n. 1/0726/08 The influence of decentralization of public administration in Slovak Republic is given by condition of behavior local self-governments and possibilities of their endogenous development. Results is given from these projects are mentioned on possibilities of using marketing methods (market research) and tools (especially marketing promotion) in self-governments by finding consensus between needs of various parts of public and by creating and sustaining relationships (relationship marketing) on behalf of creating functional partnership on a local level.

The aim of project *Partnership for local development* is a contribution in solving local problems by using marketing tools – especially marketing research (research of common repute), marketing promotion (public relations) and relationship marketing. With their help, findings should be more objective, opinions and imagines of entrepreneurs and local self-government should be presented to local publics. Then all these subjects together with their initiatives should try to find optimal realization of these initiatives. So we can find here partnership of local public, entrepreneurs and public administration as a basic assumption for local development.

Solutionists of local partnership in this way will be specialized collage workplaces. Their practical application of marketing tools and processes would appear from unified and consistent methodic processes and models. The staff of the collage would active cooperate on solving problems of local development and their partnership will contribute to local development. In this connection, we should speak about nation solving specialized collage workplaces partnership. At the same time, these workplaces and other relevant institutions should be expert referee, consultant and assistant by achieving maximal methodological quality.

In case of interest more members of IAPNM international cooperation should be covered by International Association for Public and Nonprofit

Marketing (AIMPN/IAPNM). This association will contribute to reach and wide new abroad experience and knowledge with practice using of marketing processes in public sector, especially in partnership, cooperation and promotion local development. Also this will be the third level of partnership – partnership of international solving academic workplaces, their cooperation and changing experience.

The project will not be orientated only on cities, in which are collages, but also will be able to show in other places, how effective and useful in practice way this transfer of marketing tools in public sector should be.

Partnership and territorial development

The centre of municipal interest is a citizen. Kotler presented in one of his publication an idea that when authorities of public sector are interested on needs, problems and preferences their citizens, then they know to satisfy them better (Kotler, Lee, 2007, p. 13). Citizens are more satisfied and loyal; their trust in authorities of this sector is increasing. Morgan and Hunt (1994) say that trust together with “commitment” is keys to relationships. Good relationships are an assumption to partnership and cooperation on a local level and these are an assumption for successful realisation of marketing development strategies.

Most presented form of partnership is a public-private partnership, what means partnership between authorities from public and private sector. Public-private partnership (PPP) is according to proposal of European Committee defined as a form of cooperation between public and private sector with a purpose to finance building-up, reconstruction, service and maintenance of infrastructure and delivering of public services by this infrastructure.

In case of presented project, it's not only about this type of partnership, but also about partnership which aim is a cooperation and a participation on public events with an ambition to achieve sustainable development of territory and satisfaction of all concerned parties.

To define the term partnership on a local level according to literature is not clearly possible from this point of view. So we will come from “general” conception of partnership. As a partnership on a local level we will understand “free and coequal partnership of two or more subjects, which by coaction (by finding consensus on the principle of complementarity) fulfill common purpose or purposes.” Partnership as a form of relationship should respected some kinds of principles and rules. No one from subject should feel the partnership as a liability or as a treat of its own identity. Partnership on a local level can have a character of formal or informal relationship.

Purpose of partnership on a local level is to share resources, abilities, skills and experience between subjects of partnership in the interest of achieving common purpose, or common defined purposes. The subjects of partnership share responsibility, contribution and risks. It means that the relationship should be free, each other profitable, bringing innovative impulses and reward to all parties concerned.

When we are speaking about partnership on a local level as about relationship, it is needed to define subjects of this relationship. By defining these subjects, we will come out from relationship marketing (Vaňová, Petrovičová, 2008, pp. 157-158).

Relationship marketing as a new line of marketing has a big potential of utilization not only in private commercial sphere, but also in public sphere in local self-governments. Relationship marketing topic in public administration is defined in foreign literature (Box, 1999, Wright, 2001, Kotler, Andersen, 1991, Walsch, 1991, Rees, 2000, Vaňová, Petrovičová, 2008, 2009 etc.).

In relationship marketing, subjects of relationship are defined on the basis "six markets model" (Christopher, 1991, In: Payne, 2005), which was audited by Payne (2005, p. 862). As a parties concerned, called stakeholders, we will understand especially authorities of local self-government and citizens in a wide sense. If we come out from original conception of ownership goods in territory, owner of public goods is a public administration. From the relationship marketing point of view, stakeholders will be representatives of public administration – local self-government and state administration: elected members (mayor, chief magistrate and deputies), administrative staff from bodies of self-government and state administration. Representatives of private sector are particularly inhabitants living in the area, entrepreneurs, investors, non-profit and non-government organisations, civil formal and informal initiatives, financial settlement, churches, academic institutions, research units etc. The quality of partnership should be influenced also by political party through its authorities on positions in local self-government and state administration. All of these subjects influence development of territories and are influenced by territorial development. So we will regard them as stakeholders, as attendants of relationships in territory, whose can enter in partnership and cooperate.

Within realisation FG 77 Standard of relationship marketing with stakeholders in small and medium enterprises, 03/2007-11/2008 we investigated in quantitative research through qualitative interviews, with which subjects is a local self-government in some kind of relationship, it means, which subjects are considered as stakeholders. In the question, with what subjects have local self-government establish long-term relationship, by voluntary

answer 100% of respondents designated as stakeholders offices of state administration. Other self-governments and entrepreneurs noticed 93% of respondents. “Only” 87% of respondents noticed that they have establish long-term relationships with citizens and other subjects (schools, hospitals etc.), as next stakeholders self-governments consider organizational associations in sport and culture field (80%), church and non-profit organisations in social sphere (67%), financial institutes (60%), administrative staff and advertising media (53%), political parties and universities (33%) (Vaňová, Petrovičová, 2008, pp. 158-159).

By appeared answers, respondents (magistrates, mayors, chief of city administration) presented that the most important subjects for the reaching their aims in the local municipalities are citizens and office staff (Table 1), on the third place are employment agencies and then other subjects (represented by schools, hospitals etc.) and state administration. The least important subjects are according to respondents in term of reached values universities and political parties. We, as representatives of academic ground, can not be satisfied with relation to collage workplaces. Detailed results are in Figure 1.

Table 1

Rate of relationship importance with subjects in fulfilling aims of local authorities

Stakeholders	Rate of relationship importance		
	A	SD	Rank
Citizens	10.0	0.0	1.
Self-governments (micro-regions)	7.2	2.4	9.
Church	5.3	2.2	13.
Entrepreneurs, enterprises	7.7	1.8	5.
Other subjects (schools, hospitals...)	8.0	2.1	4.
Financial institutions (banks, insurance companies...)	6.1	2.1	11.
Non-profit organisations (social sphere)	5.5	2.0	12.
Other non-profit organisations (sport, culture)	7.3	2.1	7.
State administration	7.7	1.8	5.
Employment agencies	8.1	1.8	3.
Deputies	7.3	3.4	7.
Political parties	4.2	2.5	15.
Office staff	9.7	0.9	2.
Media	6.2	3.1	10.
Universities, research departments	5.2	2.7	14.

Source: Vaňová, Petrovičová, 2009, Košice.

Note: A = average, SD = standard deviation.

Similar as by assessment of importance value of particular stakeholders by reaching self-government purposes, we asked representatives of local self-governments how they would assess the quality of mutual relationships with stakeholders by 10-index scale (1 means the lowest and 10 means the highest

quality of relationship). The results prepared in accordance to average and rank of relationships quality with stakeholders' are presented in Table 2.

As the best quality, respondents evaluate quality of their relationship to their own employees, employment agencies and non-profit organisations. Average of relationship quality ranking in relation to citizens reached 7,4 point, what means in final rank only 5th place. Lowest quality of relationships evaluates respondents with enterprises and business subjects (Vaňová, Petrovičová, 2009, pp. 257-263), non-profit organizations, deputies and political parties.

Table 2

Stakeholders	Level of relationship quality	
	A	Rank
Citizens	7.4	5.
Self-government (micro-regions)	7.3	6.
Parish	6.3	11.
Entrepreneurs, enterprises	6.2	12.-13.
Other subjects (schools, hospitals...)	7.5	4.
Financial institutions (banks, insurance companies...)	7.0	7.
Non-profit organisations (social sphere)	5.1	14.
Other non-profit organisations (sport, culture)	7.6	3.
State administration	6.7	8.
Employment agencies	7.8	2.
Deputies	6.2	12.-13.
Political parties	3.9	15.
Office staff	8.3	1.
Media	6.5	9.
Universities, research departments	6.4	10.

Source: Vaňová, Petrovičová, 2009, Košice.

One of the general valid deductions of project Communicating city and Marketing for self-government was that a local development is depending on partnership, cooperation and communication of general actors:

1. local public, especially citizens,
2. various civil initiatives, non-government organisations, local media, university and research departments, development, consulting and information centres, financial institutions etc.,
3. political subjects,
4. entrepreneurs and investors, including local associations (chamber of trade),
5. public administration and
6. local self-government, which guide and respond to local development.

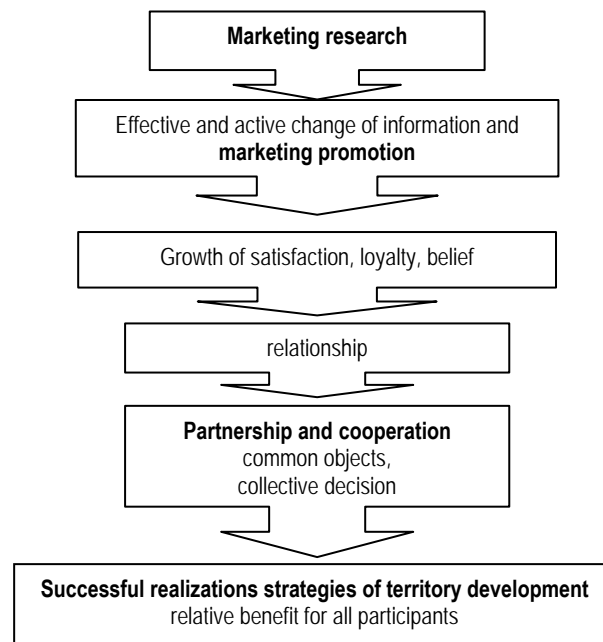
When we compare these researches, we have to say that, in field of creation and maintenance of partnership and cooperation between public and

private sector in the interest of territory development, it is needed to improve the current situation in this field.

As confirming former researches, one of assumptions of integrated access to territorial development, to a dynamic progressive development based on interactive cooperation of subjects in the territory, their participation, cooperation and partnership is effective, is a social and marketing promotion of all subjects concerned in territory, but also in neighbourhood and their respectable relationships.

In order to achieve effective and active marketing promotion between various stakeholders in territory, it is needed to know opinions and needs of target segment. For this aim used to be realising a marketing research. As a starting point of the whole project, we will consider realisation of marketing researches oriented on chosen groups of stakeholders. The object will be to find out their needs and opinions on happening in territory, opinion on other stakeholders, quality of relationships with them etc. These findings will be serving as a basement for active and effective promotion, as an assumption for building interaction relationships of partnership for local development.

Compiling base principles of project Partnership for local development, we come to next diagram:



Source: own work using.

Figure 1. Base principles of project Partnership for local development

Conclusions

For successful realisation of project Partnership for local development it is inevitable to create organisational, institutional and promotion background. Organisation and institutional covering of this project will provide Slovak and Czech IAPNM branch with site on EF UMB in Banská Bystrica and SVŠE in Znojmo.

References

- Box, R., „Running Government like Business: Implications for Public Administration Theory and Practice”, *American Review of Public Administration*, 29, 1, 1999, pp. 19-43
- Foret, M., Foretová, V. „Marketing Communication in the Czech Republic and Slovakian Localities: Ten Years of the International Project Communicating Town”, *International Review on Public and Non Profit Marketing*, Vol. 3, Number 1 (June 2006), pp. 81-92, ISSN 1812 – 0970
- Foret, M., „Marketingová komunikace”, 2. aktualizované vydání, *Computer Press*, Brno 2008, p. 371, ISBN 80-251-1041-9
- Foret, M., „Marketingový průzkum – Poznáváme svoje zákazníky”, 1. vydání, *Computer Press*, Brno 2008, 124 s., ISBN 978-80-251-2183-2
- Kotler P., Andersen, A. (1991). *Strategic Marketing for Nonprofit Organizations*, 4 th Edition, New Jersey: Prentice Hall, 1991
- Kotler, P., Lee. N.R., „Marketing in the Public Sector: The Final Frontier, Public Manager”; *Spring*, 36, 1, 2007, ABI/INFORM Global, pp. 12-17
- Payne, A., Ballantyne, D., Christopher, M., A stakeholder approach to relationship marketing strategy: The development and use of the “six markets” model, In: *European Journal of Marketing*, 39, 7/8, 2005, ProQuest European Business, pp. 855-871
- Petrovičová, J., Vaňová, A. Využitie vzťahového marketingu v podmienkach miestnych samospráv. In: Strišš, J. (ed) et. al. *Aktuálne marketingové trendy v teórii a praxi, vedecký monografický zborník*, Žilina: EDIS – Vydavateľstvo Žilinskej univerzity, 2009, pp. 156-162. ISBN 978-80-8070-964-8
- Rees, P., „Marketing in Local Government – From a Local Government Officer’s Perspective”, *Australia and New Zealand Marketing Academy Conference*, 2000, Gold Coast
- Švantnerová, L., „Predpoklady municipálnej ekonomiky”, *Studia oeconomica* 22, *Banská Bystrica: Ekonomická fakulta UMB*, 1997, ISBN 80-8055-078-6
- Vaňová, A., „Strategické marketingové plánovanie rozvoja územia”, *Banská Bystrica, EF UMB*, 2006, p. 126. ISBN 80-8083-301-X
- Vaňová, A., Bernátová, M., „Marketing pre samosprávy I. Marketing území”, *Banská Bystrica, Ekonomická fakulta UMB*, 2000, 180 s. ISBN80-8055-337-8
- Vaňová, A., Bernátová, M., „Marketing pre samosprávy II. Komunikácia s verejnosťou”, *Banská Bystrica, Ekonomická fakulta UMB*, 1999, 96 s. ISBN 80-8055-338-6

- Vaňová, A., Bernátová, M., „Experience of Local Governments in Slovakia with Learning about Citizens Preferences”, In *Government, Market and the Civic Sector - The Search for a Productive Partnership*: zborník z 9. vedeckej konferencie NISPAcee, Riga: NISPA cee, 2001
- Vaňová, A., Kološťová, A., „Výsledky projektu Komunikujúce mesto v Slovenskej republike”, In Bernátová, M. et al. (2001). *Komunikujúce mesto na prelome tisícročí*, Banská Bystrica: Ekonomická fakulta UMB, 2001, pp. 8-16, ISBN 80-8055-609-1.
- Vaňová, A., Petrovičová, J., „Attitudes and expectations of municipal offices towards companies”, In: Lukášová, R., Bajdak A. (eds.) *Relationship Marketing in Micro and Small Enterprises and Local Authorities – International Comparison* (scientific publication. Katowice: Publisher of the Karol Adamiecki University of Economics in Katowice 2009, ISBN 978-83-7246-443-9
- Vaňová, A. – Petrovičová, J., „Importance and Quality of Relationships among Local Self-Governments and Their Stakeholders”, In: *CERS 2009, Zborník z medzinárodnej vedeckej konferencie*, Košice: TU, 2009, (v tlači)
- Wright, G., Taylor, A., „Informing Effective Performance Management”, *Journal of Finance and Management in Public Services*, Vol. 1, 2001