COLLABORATIVE GOVERNANCE IN CHINA AND THE UNITED STATES: THEORY AND PRACTICE
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PRESENTATION TO CONFERENCE ON COLLABORATION BETWEEN GOVERNMENT, MARKET, AND SOCIETY
MAY 2013

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Strong similarities –
- entrepreneurialism,
- giant economies,
- unequal incomes,
- stumbling now

Stark differences –
- levels of development,
- China rapid growth,
- different political and economic systems

Both have public needs that far outstrip abilities of government to deliver
Critical Questions

- Is Collaborative Governance a key component of the solution for both countries?
- Is Collaborative Governance fundamentally the same or different in the two countries?
United States

- Key component is sharing discretion between public and private sectors
  - Neither simple contracting
  - Nor complete delegation
- Ideal example is New York’s Central Park …
  - Now run by Central Park Conservancy
  - Effectively no monies from the City, and no revenues from visitors
Justifications for Collaborative Governance UNITED STATES

- Productivity – private sector efficiency advantage – charter schools
- Information – job training
- Resources – Central Park
- Legitimacy – foreign aid

- Both for-profit and nonprofit partners
China

- 18 city study
- Also current trip looking at elderly services in Nanjing and parks/conservancy
- Our study found very few examples of sharing discretion
- Best examples
  - Elderly services – recently reviewed in Nanjing
  - Services for the handicapped
- Both for-profit and nonprofit partners
- Government has announced much greater emphasis on nonprofits
- No examples found where discretion is extensively shared
Justifications for Collaborative Governance  
CHINA (1)

- **Productivity** —
  - nonprofit to run elderly housing, Nanjing Provisional Old Folks Home
  - Jiuzhaigou public park, private asset managers of National Social Security Fund
  - NOTE – Outsourcing (e.g., China’s military) is not the same as collaborative governance

- **Resources** —
  - Olympic Games sponsorship, philanthropy???
  - NOTE – When rapid capital expenditures are needed, as say for China building old age homes, or US when first covered nursing homes, for-profit entities may prove to be a promising source.
Justifications for Collaborative Governance

Information –
- Nature Conservancy and ecological data for Pudacuo National Park
- NOTE – Nonprofits play key role in US providing information from citizens
- Some examples in environmental area CHINA

Legitimacy –
- Grander objective of government
- Citizen involvement in public decisions
- However, “civil society” controversial – pace of involvement unclear
Key differences: China and the United States (1)

1. Nonprofits well established in US; new but expanding China

2. Nonprofits independent in US; under “social management” in China

- March 29, 2013 Proposal for the Institutional Reform and Function Transformation of the State Council
- Underscored the importance of encouraging the healthy and orderly development of social organizations: science and technology foundations, philanthropy, and urban and rural community service organizations.
Key Differences: China and the United States (2)

3. Much less sharing of discretion in China
4. Government owns the land in China
   - Frequently gives land lease as initial support for collaborative activity
5. Philanthropy well established in US
   - Contributions reduce taxes
6. LEGITIMACY
   - Private sector long has had strong legitimacy in US, skepticism of government — EXTREME EVEN AMONG WESTERN GOVERNMENTS
   - Private sector only established in 1979 with Deng reforms, steady increase in responsibilities (but few claims of distinctive legitimacy)
Critical Concerns Both Nations

- Preference discretion – private organization tilts output toward own preferences
  - Role of environmental organizations in both nations
  - Environment versus economic development

- Payoff discretion – private organization tilts payoffs toward self
  - Student loan programs in US – banks made huge profits
  - Shanghai Pension Fund Scandal, 2006 – illegal real estate projects with private parties
Samples from TABLE 3: 18-city survey
# Park Management (Gardening and Landscaping)

<table>
<thead>
<tr>
<th>City</th>
<th>Private Sector Engagement</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Cangnan</td>
<td>Contract outsourcing</td>
<td>Jianshi</td>
<td>Competitive bidding and contract outsourcing</td>
</tr>
<tr>
<td>Mianyang</td>
<td>No private participants</td>
<td>Yidu</td>
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<td>Tai’an</td>
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<td>Jianshi</td>
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<tr>
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<td>Government subsidy</td>
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<td>Yichun</td>
<td>Government franchise and subsidy</td>
<td>Lianyungang</td>
<td>Government procurement</td>
</tr>
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<td>Not enough data</td>
<td>Jiading</td>
<td>Independent operation with government ranking</td>
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<td>Changyi</td>
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<td>Government subsidy</td>
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# Public Transportation

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<td>Harbin</td>
<td>government franchise and competitive bidding</td>
</tr>
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<td>Pudong</td>
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<td>Ningguo</td>
<td>The government purchased and recombined a private transportation company by holding 55% of its shares.</td>
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Conclusions

- Collaborative Governance in China is at a beginning stage
- Great potential
- New leadership – its strategies not yet clear on collaborative governance
- The nation’s willingness to experiment and innovate are significant assets
- Discover replicable and scalable institutions