THE EVOLUTION OF A COLLABORATIVE GOVERNANCE MODEL: PUBLIC-NONPROFIT PARTNERSHIPS IN CHINA

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AGENDA

- Preview research questions and findings
- Case study: contracting HIV services in Yunnan
- Policy suggestions: build governance model to deliver social innovation, improved policymaking, and CSO development
RESEARCH QUESTIONS

- How may contracting lead to better policymaking and CSO outcomes?

- What is the best governance model and basic supporting infrastructure for achieving this?
OUR ARGUMENT

- **Differentiated Goals** - reimagine contracting model to achieve traditional goals of cost savings and quality service AND building strong CSOs and policy feedback.

- **Differentiated Relationships** - contracting might occur through multiple relationships between state and nonprofits simultaneously.

- **Differentiated Contracts** - need to build variety of contracts to do different things like deliver services, build capacity and encourage social innovation.
GOALS OF CONTRACTING

- Cost savings & efficiency
- Transition to regulatory state
- Social innovation & service delivery
- Develop nonprofit sector
- Improve policymaking

In China, the bottom four goals might be more important than the first goal which is the dominant one for many developed countries.

This has significant implications for PNP model.
PNP RELATIONSHIP MODELS

- Principal-Agent
  - Regulatory relationship focused on securing goal alignment for service delivery.
  - Concern is monitoring.

- Principal-Steward
  - Collaborative relationship focused more on goal convergence and relationship building.
  - Concern is collusion and poor quality services.

- Corporatism
  - Dependent relationship focused on executing principle’s goals.
  - Concern is lack of development of nonprofit sector and poor quality services.
CIVIL SOCIETY IN HIV RESPONSE IN CHINA

- Rapid growth of the civil society in HIV sector in the last decade – estimated at 1,500 organizations (MoH; 2012)
  - Positive political climate for AIDS response since 2003.
  - Formal recognition of the role of CSOs in AIDS response.
  - Financial and technical support for CSOs involvement by several major international cooperation programs.

- Differentiated control
  - Inability of most CSOs to register as non-profits resulted in widespread practice of “pass-through” agreements with local government partners.
  - Umbrella organization mechanisms to manage CSOs developed using an all-China GONGO.

- Decline in foreign funding has resulted in China’s commitment to significantly expand purchasing of services from CSOs.
  - Large scale, national level service outsourcing program being prepared for launch in late 2013.
HIV SERVICES CONTRACTING IN YUNNAN PROVINCE

- Study – 39 key informant interviews at national, provincial and city/county level and two surveys conducted in July 2012 and April 2013 with 129 and 103 Yunnan CSOs, respectively.
  - CSOs deliver more than 25 kinds of HIV services of different levels of complexity.
  - CSOs shoulder a significant responsibility for delivery of basic services resulting in cost reduction for local health authorities.
  - Local level (city/county and provincial) outsourcing started in 2011, despite lack of policy guidelines and implementation frameworks.
  - HIV service outsourcing developing largely in disconnect with outsourcing programs in other sectors.
RELATIONSHIPS BETWEEN CSOs AND GOVERNMENT - FINDINGS

Differentiated relationships

- **Groups of Volunteers – 15 identified in Yunnan** Low technical and no organizational capacities; Full dependence on government; Lack of legal registration; Deliver basic services only in full alignment with government workplan.

- **Community Based Organizations - 78 identified in Yunnan** Midlevel technical and organizational capacities; Self-managing; Varied levels of dependency on government – Attached, Partner and Disconnected CBOs; Deliver basic services, but sometimes outside of government workplan; Several cases of successful advocacy actions at county/city level.

- **Non Governmental Organizations - 5 identified in Yunnan** Relatively high levels of technical and organizational capacities; Relative independence from local government; Deliver more complex, innovative services, as well as services for other CSOs: capacity building, creating networks for service delivery, monitoring and evaluation; Several cases of successful advocacy and policy feedback actions at the national level.

Evidence of Corporatism and emerging Principal Steward relationships
POLICY RECOMMENDATIONS

- Allow existing variation in relationships, but develop legal and financial infrastructure to support development of strong nonprofit sector.
  - Expand direct registration
  - Provide regulations outlining contracting process
  - Allow core costs to be covered through service outsourcing
  - Allow fundraising beyond government outsourcing
  - Differentiate contracts to allow social innovation and services for CSOs
  - Differentiate levels of contracting

- Increase monitoring and evaluation including central level to avoid collusion or dependency.
  - Mechanisms for feedback will also improve policymaking.

- Train local government managers, CSOs, and central government monitors.
FUTURE RESEARCH

- Add other case studies to test generalizability
  - Shanghai migrant education & elder care show evidence of P-A relationships (Jing 2013; Teets 2012) which might point to differences among sectors and an evolution in contracting practice rather than simultaneous differentiated relationships.
  - Examine if variation in local regulations on contracting impact services or CSO development.

- Draw lessons learned on how donor agencies can best help prepare for and support the transition to a fully country-owned and funded service delivery system.
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