

**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
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中国与美国

China and United States

- 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

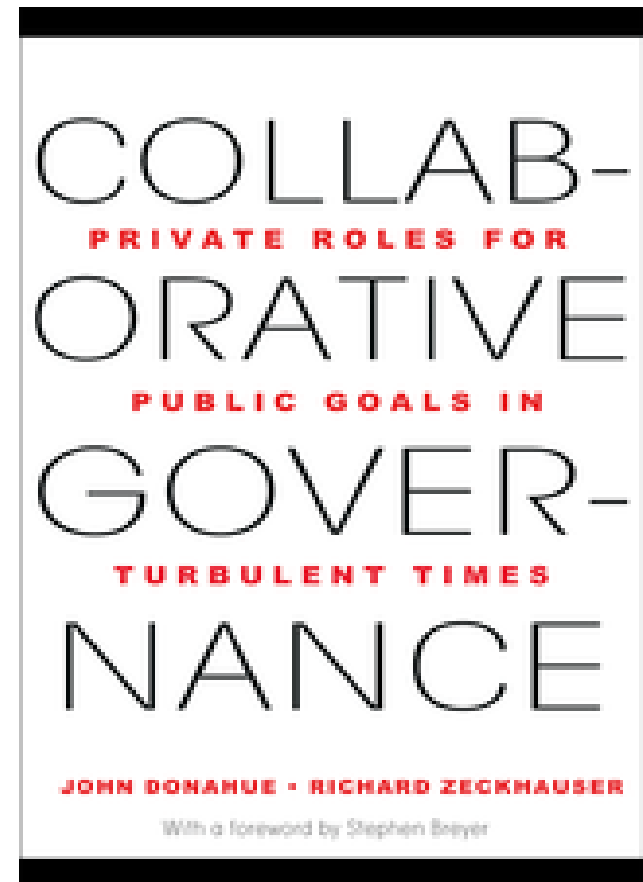


- Key component is sharing discretion between public and private sectors
 - ▣ Neither simple contracting
 - ▣ Nor complete delegation
- Ideal example is New York's Central Park ...
 - ▣ Now run by Central Park Conservancy
 - ▣ Effectively no monies from the City, and no revenues from visitors

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 CHINA (2)

□ 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)

City	Private Sector Engagement	City	Private Sector Engagement
Cangnan	Contract outsourcing	Jianshi	Competitive bidding and contract outsourcing
Mianyang	No private participants	Yidu	Competitive bidding and contract outsourcing
Tai'an	Not enough data	Shapingba	Not enough data
Yichun	No private participants	Lianyungang	Competitive bidding and contract outsourcing
Ninghai	Competitive bidding and contract outsourcing	Jiading	Competitive bidding and contract outsourcing
Changyi	Competitive bidding and contract outsourcing	Cixi	Not enough data
Xishui	Not enough data	Harbin	Competitive bidding and contract outsourcing.
Pudong	Not enough data	Ningguo	Competitive bidding and contract outsourcing
Cangzhou	Competitive bidding and contract outsourcing	Yan'an	Not enough data

Job Training

City	Private Sector Engagement	City	Private Sector Engagement
Cangnan	Independent operation	Jianshi	No private participants
Mianyang	Government subsidy	Yidu	No private participants
Tai'an	Government subsidy	Shapingba	Not enough data
Yichun	Government franchise and subsidy	Lianyungang	Government procurement
Ninghai	Not enough data	Jiading	Independent operation with government ranking
Changyi	No private participants	Cixi	Government subsidy
Xishui	Independent operation	Harbin	Government subsidy
Pudong	Government franchise	Ningguo	Independent operation
Cangzhou	Independent operation	Yan'an	Independent operation

Public Transportation

City	Private Sector Engagement	City	Private Sector Engagement
Cangnan	Not enough data	Jianshi	Government subsidy
Mianyang	Independent operation	Yidu	No private participants
Tai'an	Not enough data	Shapingba	Not enough data
Yichun	No private participants	Lianyungang	Government franchise
Ninghai	Not enough data	Jiading	No private participants.
Changyi	Not enough data	Cixi	No private participants.
Xishui	Not enough data	Harbin	government franchise and competitive bidding
Pudong	Not enough data	Ningguo	<i>The government purchased and recombined a private transportation company by holding 55% of its shares.</i>
Cangzhou	No private participants	Yan'an	No private participants.

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