

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

Jessica C. Teets

Assistant Professor, Department of Political Science
Middlebury College

Marta Jagusztyn

Independent Consultant

Research on behalf of RTI International and Pact under USAID CAP-3D program



USAID
FROM THE AMERICAN PEOPLE

| **ASIA**



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.



Authors would like to thank the United States Agency for International Development/Regional Development Mission in Asia, based in Bangkok, Thailand for its support for the studies that informed this paper.

A special thanks is given to the staff and consultants of Pact: Shirley Lin, Jenny Xia, Li Chunhua and Frank LaMacchia, and of RTI International: Felicity Young, Cui Shicun, Han Junkui, and Richard Hair and for their contributions and support to the studies.



谢谢！

THANK YOU!

