Collaborative Governance in China and the United States: Theory and Practice

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Abstract

In the public realm, China and the United States alike have needs that far outstrip the abilities of their governments to deliver. In response, both have sought innovative ways to create public value by drawing on the private sector, a process that we label “collaborative governance.” We first briefly articulate the theory of collaborative governance and make the case for collaboration between the public and private sectors, defined as government sharing with the private sector a real measure of discretion as to the means and, to some extent, the ends of collective action. The private sector includes both for-profit and nonprofit entities. Though nonprofit organizations (civic societies) play but a modest role in China at present, recent policy changes indicate that role will expand significantly.

We compare and contrast the practice of collaborative governance in China and the United States at the local level, drawing from unique survey data collected from 6 US cities in 2010 and 18 PRC cities in 2013. The survey directly compares the extent to which the selected medium-size cities in both countries utilize collaborative governance in park management, job
training, and early education programs. In both countries, the collaborative process has been under-studied relative to its current significance, and (to an even greater extent) relative to its potential.

**Introduction**

China and the United States, nations seemingly destined to lead the world over the coming decades, are in many ways utterly different. Hundreds of millions of Chinese remain impoverished; America is relatively rich. While China is dramatically on the rise, America appears to be resting on its laurels. China is officially still a communist state; America enshrines free enterprise. China is a one-party autocracy; the United States is democratic. Some observers see the radical disparities between these two nations as a likely source of future conflicts over resources, technologies, and international agendas and influence.

Yet the two countries feature important similarities. Despite stark disparities in pro forma economic dogma, both have economies powered by entrepreneurialism--and both economies, at the moment, are stumbling. China and the United States alike have public needs that far outstrip the abilities of their governments to deliver. For both countries, plausible public goals are limitless; resources are finite. Neither society can afford to squander any opportunity to advance public goals. In response, both have sought innovative ways to create public value by drawing on and sharing discretion with the private sector, a process that we label “collaborative governance.”

Donahue and Zeckhauser (2010) show how government and the private sector sharing of discretion and authority in pursuing a range of specific public goals, if conducted and monitored
properly, can sharply augment a community’s capacity to advance its overall welfare. The tasks considered in that volume, although overwhelmingly set in the U.S. context, are functions that any modern society must perform, such as providing for health care, public safety, basic education, foreign aid, recreational opportunities, infrastructure development, and technological advancement. This paper adds to that analysis an exploration of how China also has sought to harness the strengths of a collaborative approach across a range of sectors. The two countries’ experiments with collaborative governance—the similarities and differences, the successes and failures—are its subject. We are not the first to compare public service delivery models in China and the United States; see for example Yijia Jing and E.S. Savas (2009). Our contribution lies in the consistent application of a specific definition of collaborative governance and its motivations in the two countries, alongside suggestive evidence gleaned from unique survey data collected from 6 US cities in 2007 and 18 PRC cities in 2013.

We first briefly articulate the theory of collaborative governance and its comparative advantage in pursuit of different public goals, illustrating with sketches of collaborative arrangements in both countries. We then utilize the unique survey data to compare and contrast the practice of collaborative governance for the same public services in China and the United States. The survey directly compares the extent to which the selected medium-size cities in the two countries utilize collaborative governance in park management, job training, and early education programs, among other services. We conclude with a discussion of patterns of public service delivery in the two countries and provide suggestions for improvement in collaborative governance.

**Collaborative Governance: The Concept**
Standard models of public-private relationships assume that the two sectors’ tasks are largely disjoint and that, where the private sector does engage public goals, it does so either as a paid servant doing government’s bidding—paving roads, transporting students, developing weapons systems—or as a free agent pursuing its own definition of public value through philanthropy or social entrepreneurship.

However, many private contributions to public value fall outside the traditional models of contractual service or stand-alone philanthropy. Governments often lack the productivity, information, legitimacy, and resources to identify and advance value-creating activities. Private organizations, acting in isolation from the government, are often unable or unwilling to serve the public interest efficiently and accountably. Therefore, the public and private sectors can achieve greater value if they collaborate to meet the designated public goal. We define collaborative governance as engaging the private sector under terms of shared discretion, rather than through simple contracting or voluntarism, on the one hand, or direct governmental action on the other. The key is the sharing the discretion.¹

**Motives for Sharing Discretion**

There are four chief justifications for collaborative governance—that is, for engaging the private sector under terms of shared discretion, rather than through simple contracting or voluntarism, on the one hand, or direct governmental action on the other. These four justifications are private-sector advantages that can further the accomplishment of public-sector

¹ Let us be specific about what we mean by the term “collaborative governance” in the Chinese context. The term does not refer to the existing policy of welcoming entrepreneurs into the Chinese Communist Party; nor does it refer to efforts by authorities to co-opt and control business associations, to establish state corporatism, or to collude in what has been labeled “crony communism.” These are all issues amply explored by political scientists studying public-private relations in China. Instead, our focus is on how the government does and could harness private capabilities to the pursuit of specific public missions. – A major difference with prior discussions of collaboration in China is that we explore the current contributions and future potential for nonprofit entities to add public value in that nation.
missions, and that can only be fully activated under conditions of shared discretion. They are advantages in **productivity, information, legitimacy, and resources**. We briefly develop each of these justifications, with sketches of examples from both countries. Our explorations of collaborative governance in China have just begun, and we expect that the emphases in these four areas will differ strongly from what they are in the United States, and that other advantages may be identified.

**Collaboration for resources**

In China and much of the developing world, engagement with the private sector has conventionally been justified as a method to increase the resources available for the government to deploy for given task. Indeed, the private sector often does bring the advantage of needed **resources** to a collaborative enterprise. Partnership with the private sector can augment a government’s own financial resources with those of the private partners who have an interest in a particular governmental endeavor. The interest may be commercial (as with pharmaceutical firms that contribute user fees to speed up the US government regulators’ review process for new drugs), or community-minded (as when wealthy American citizens offer financial support to charter schools). In China, where charitable giving and nonprofit activity more generally are much less developed, most private contributions are made to enhance private profit-making interests, whether directly or indirectly. For example, private businesses may see profit opportunities eventually flowing from certain infrastructure assets and therefore invest heavily in those alongside the government, as was the case for some of China’s recent high-speed railways.

An example from the US comes from the resurrection of New York City’s Central Park (an episode explored in detail in chapter 7 of Donahue and Zeckhauser 2011). New York City’s government, strapped for cash, secured substantial private resources by using the “Partnership”
strategy and granting discretion to a private group, the Central Park Conservancy. Now the Conservancy essentially runs the park, and provides millions of dollars and thousands of volunteer hours every year in support, with modest oversight and contributions from the City. There is no dispute that the Park, having fallen into disrepair, thus little used and dangerous, has been resurrected as a prime recreation area for city dwellers and visitors.

The Yunnan Great Rivers Project bears some similarities. The Nature Conservancy, an international NGO, is working with the Chinese government in an unprecedented effort to balance economic development with the preservation of millions of acres of landscape in Yunnan Province. Another parallel example of collaboration for resources is the Beijing 2008 Olympic Games Sponsorship Program, which corralled resources from a broad array of Chinese corporations, in much the same manner that the United States has gathered support for its recent Olympic Games, or indeed its pavilion at the Shanghai Expo 2010. Other examples of collaboration with for-profit firms for large municipal infrastructure projects in China include Beijing’s No. 5 subway line (Liu and Zuo 2012) and the Hangzhou Bay Bridge (Jing 2009a, Jing 2011).

Collaboration for productivity

The most commonly asserted and widely accepted justification for collaborative governance in the United States—and, arguably, for China in the future—is not augmenting overall resources but rather the private sector’s advantage in productivity. Productivity plays a role in almost all the cases in detailed in Donahue and Zeckhauser (2011), particularly in America’s Space Shuttle Flight Operations (chapter 4), in which the US government engaged the private sector and capitalized on the extraordinary productivity of the American aerospace
industry.⁡ Education offers a related, and even richer, realm of productivity-based collaboration. The principal argument supporting the growing charter school movement in the United States is that such schools will deliver more education for the dollars spent than will conventional public schools.³ Charter schools, little known in China, bear some resemblance to minban schools in China, for which the resource (rather than productivity) arguments have been salient (please see our companion paper).

As Jing (2009a) notes, outsourcing in China—which in several circumstances has developed from pure contracting to collaborative governance—has expanded from peripheral to core functions, including support of pure public goods like national defense. For example, in February 2007, the Commission of Science Technology and Industry for National Defense proposed the *Guiding Opinions on the Participation of Non-Public Economy in National Defense Industry*, adjusting the military procurement system to involve private enterprises in the investment, production and research components of China’s military industry. In this case, the expansion of private engagement appears primarily driven by the desire to enhance productivity. Another example of collaborative governance for productivity is China’s use of private asset managers to administer the National Social Security Fund. The extraordinarily active area of real estate development also illustrates collaboration for productivity. Such a collaborative approach is essential, given that the government lacks expertise in real estate development, despite owning all of the nation’s land and bearing the responsibility of managing rapid urbanization. The

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² In 2011, the US government space program – the domain of NASA – was shut down. A number of private companies, however, are pursuing space exploration.

³ Their greatest promise may be as laboratories and role models for public schools.
private sector has demonstrated a strong productivity advantage in developing urban land, in the context of an increasing diversity of land-use rights.\textsuperscript{4}

\textit{Collaboration for information}

Beyond contributing resources and productivity advantages, the private sector frequently has much better \textit{information} than the government, whether in China or America. The cost of getting pertinent information may be high for the government in many contexts, and the private sector may refuse to divulge some critical information that it possesses. Or, information may be so deeply embedded in a private organization that it is hard to provide or interpret outside its context, so that even the most willing private player cannot fully and credibly share it with the government. Therefore, governments in both nations have a strong motive to collaborate with their better-informed private-sector counterparts.

The recognition that the private sector has more information and expertise in an area than the government drives many collaborative arrangements. For example, the US government uses a collaborative approach in some areas of regulating workplace safety because of the private sector’s superior access to relevant information (Donahue and Zeckhauser 2011). Similarly, a municipal government in Guangdong Province has conducted a collaborative campaign with a manufacturing company to crack down on counterfeit digital products. That private company is much better equipped than the local government to identify counterfeits. Collaboration for information also plays a role in the close cooperation of China’s central and local governments with wind-farm developers and wind-turbine manufacturers, as they collect and share data on the

\textsuperscript{4} Unfortunately, numerous scandals involving Chinese land use, including confiscatory acquisitions of farmland to exploit for urban development, plague these arrangements, which at times have descended into blatant corruption. These challenges partly illustrate the hazards associated with a collaborative approach, a subject we address in more depth in the next section.
wind resources in areas such as Xinjiang and Guangdong provinces (Zhao et al. 2010; Zhao and Chang 2013; Zhao et al. 2013).

China uses collaborative strategies for developing new technologies (by building science parks and other programs promoting innovation) and for dealing with technological and environmental challenges. For example, the government authorities constructing the Qinghai-Tibet railway accepted a proposal developed in 2002 by an environmental NGO, which used detailed information about the migration patterns of the Tibetan antelope to propose halting traffic during specific times of specific days on specific roads to allow migrating antelopes to cross. The very first environmental lawsuit filed by grassroots environmental NGOs was accepted by a court in Yunnan in October 2011. The NGO “Friends of Nature” gathered the evidence and filed the case against a chemical plant, with the local environmental protection bureau participating as a third party in the suit. Zinda (2012) recounts how The Nature Conservancy conducted extensive ecological data collection in support of establishing China’s first national park, Pudacuo National Park in Yunnan.

The examples above all dealt with cases where a specific private organization had information that could effectively inform public policies. Often, however, the critical information resides in the citizenry at large. The question then becomes whether there is some entity that effectively assembles this information. In the United States, there is an extensive realm of civic organizations who see one of their prime functions to inform, indeed to pressure, the government to pursue various policies favored by their members. For example, virtually

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6 Similarly, joint surveys conducted by the World Wildlife Fund and China’s Ministry of Forestry provide invaluable information about numbers and distribution of pandas; the WWF has also provided China’s government with detailed information monitoring the Amur Tiger, Amur Leopard and their prey, including data collection determining that a fixed-point monitoring system would be more effective and suitable for China than the route survey method used to monitor the same endangered species (the Amur Tiger) in Russia (WWF China Program 2011).
every time when there is a project under consideration that could adversely affect the environment, environmental organizations come forth to oppose it. Indeed, much of current environmental legislation was spurred by a vibrant nonprofit environmental movement in the United States.

China has traditionally lacked a vigorous civic society, though there is now some effort by the government to encourage civic society across a broader segment of activities. If such encouragement produces results, we expect that collaborations will emerge where civic associations help to inform and pressure government policy. That is, they will provide information in a collaborative fashion.

Collaboration for legitimacy

The private sector also often has the further advantage of greater perceived legitimacy in the US, with its long-standing reverence for private enterprise and characteristically jaundiced view of collectivism. With foreign aid under attack, Secretary of State Colin Powell sought legitimacy in the eyes of government-wary Americans by creating the Global Development Alliance to deliver US foreign aid through private organizations, both for-profit and nonprofit (Donahue and Zeckhauser 2011, chapter 6).

The private sector in China does not have the same systematic legitimacy advantage as it does in the United States. Indeed, the US is an international outlier in this regard. But many legitimacy-motivated collaborative arrangements in America are replicated, albeit for different mixes of motives, in China, offering opportunities to exchange lessons. Indeed, China’s recently announced initiatives to work more closely with the private sector for development goals in a sense embodies the motive of legitimacy: by partnering with social organizations, the local and
central government can demonstrate willingness to acknowledge and respond to social groups as conduits of social preferences, enhancing the government’s legitimacy in “serving the people.”

To be a bit more concrete, we argue that legitimacy drove the long-time private role in the US student-loan system (chapter 6 of Donahue and Zeckhauser 2011). That arrangement involved the collaboration of the US federal government and commercial banks to provide student loans at government-subsidized rates because private banks were widely considered to be the more legitimate providers. However, the program was substantially revised under the Obama administration when it was determined that banks were being far too “entrepreneurial,” chasing subsidies despite bearing virtually no risk because the government was covering all bad-debt losses. A different public-private relationship, granting banks less discretion and much smaller subsidies, proved more appropriate and affordable to government than the original collaborative model.

The Chinese government also runs a financial-aid program for college students, in which commercial banks (both state-owned and private) are heavily involved. The processes are similar except that, in China, if a student defaults, the bank loses money, not the government or university. This design explains why Chinese banks target the students most likely to be able to repay. Thus, the banks’ desire to avoid losses leads to actions that conflict with the public purpose of supporting educational opportunities for the Chinese poor. A better understanding of the uses and abuses of shared discretion could accelerate China’s mastery of such arrangements. Thus in the next section we turn to a more general description of the promise and perils of a collaborative approach.

Promise and Perils
**Promise of collaboration**

A truly collaborative approach, with shared discretion between the public and private parties, is an option that may or may not turn out to be superior to direct provision, regulation, simple contracting, or autonomous voluntarism. At its best, collaboration with carefully designed, monitored, and adapted structures for sharing appropriate discretion can harness private sector advantages such as productivity and resources in service of public goals, and subsumed under wise public stewardship. Effective public-private collaboration hinges, perhaps paradoxically, on key capabilities within government itself, as well as the scope for sharing discretion without imperiling accountability (Donahue and Zeckhauser 2011). But striking this balance is a challenging task.

**Hazards of collaboration**

However, collaborative governance may also lead to ambiguous authority that invites shirking or twisting of performance to increase private rewards (to individuals in government, in the private organization, or both) at the expense of the broader public interest. The hazards of collaborative governance fall into two major categories.

*Payoff discretion.* “Payoff discretion” arises when private collaborators divert payoffs to themselves from the public at large. A private party with discretion over production often acquires some control over the distribution of the extra value. Private players can exploit their discretion to siphon resources from the public at large, such as collecting rewards without being constrained to deliver public value, or enhancing private skills with public money to yield mostly private payoffs. The student loans example from the United States is a case in point. One example from China comes from the Shanghai Pension Fund scandal and lawsuit of 2006, in
which the Shanghai Labor and Social Security Bureau was embroiled in a scandal of risky and sometimes illegal real estate investment projects (see Jing 2009a, pp. 243-4) that siphoned off large sums into projects from which specific private collaborators (and their government connections) benefited at the public expense (Caijing magazine cover story 2006).

Preference discretion. “Preference discretion” occurs when private collaborators substitute their own preferences for those of the overall community. This is a greater danger with nonprofit providers, who have limited ability to deploy their authority to increase their financial take, but may have strong preferences, say in pushing forward their religion. If a collaborative arrangement is misconstrued as straightforward contracting, for example, without attention to how the private party can redefine the goals and outcomes, then the desired goals are undermined.

There could be a case for preference discretion actually improving public welfare, if the government agency involved is not itself acting as a faithful agent for citizen’s interests, in what economists would label a second-best situation. Many analysts suggest that environmental NGOs might play such a role in constraining the entrepreneurial business instincts of China’s local governments (with large pressure on officials to deliver rapid economic growth; e.g. Zhou and Grumbin 2011, Zinda 2012). However, in most of our analyses we assume fidelity of the government to citizen’s interests, in which case preference discretion that distorts outcomes from those interests constitutes a hazard of shared discretion.

A Tale of 24 Cities

Six US Cities
“Tales from Six Cities” in Donahue and Zeckhauser (2011) summarizes how the same set of four governmental services was handled in six different locales in the United States: Boston, Colorado Spring, Louisville, Miami, Oakland, and Raleigh. These cities range in size from about a quarter to a half million population. The services were park maintenance, emergency medical transport, job training, and preschool services delivered under the Head Start program, as they were delivered as of the summer of 2007. Of course, the results from this small survey are exploratory, not definitive. But they do reveal interesting patterns.

Table 2 reproduces Table 9.1 from Donahue and Zeckhauser (2011), categorizing as a direct, contractual, or collaborative the delivery model for each service in each city. The interviews and associated documents from each city showed that at least one city used the collaborative approach for each of the four services. However, it was not the case, as theory and intuition might predict, that a service managed collaboratively in one locale would be more likely to be collaborative elsewhere as well. Instead, delivery models were “all over the map,” without a clear indication of clustering by service or city. For example, parks management—a service with rich opportunities for collaboration—was delivered essentially exclusively by city employees in Oakland, and with only a fairly circumscribed private role in Boston, Colorado Spring, Miami, and Raleigh; only in Louisville was collaboration at the heart of its park management strategy. (Interestingly, Central Park in New York and Millenium Park in Chicago get prominent mention in that book as exemplars of public-nonprofit collaboration.) Similarly, Boston employs a sophisticated network of public and private organizations to deliver job-training services, but none of the other five cities demonstrated such a collaborative approach, despite the fact that federal law come close to mandating a collaborative structure for job training by requiring a major private role in governance.
Overall, somewhat surprisingly, no service displayed more of a trend toward collaboration than the other services, and no city relied on collaboration dramatically more than the others. These patterns suggest that evolution of public service delivery models follows its own logic distinct natural selection in biology or survival of the fittest among private firms, with quick imitation of successful variants. Do similar patterns arise in China? The next section summarizes a more recent and larger sample of Chinese mid-size cities.

Eighteen Chinese Cities

China is diverse and highly decentralized in many respects, much more so than the United States, and more than Westerners generally believe. The ratio of highest to lowest statewide per capita incomes in the US is about 2 to 1, but the ratio is more than 5 to 1 between the richest and the poorest provinces in China. Different localities have taken contrasting approaches to social problems affecting China as a whole. We were curious whether approaches to specific public services differed systematically across cities, or were rather haphazardly heterogeneous, as we found for the US. Thus, during January and February 2013, a group of Fudan University students under our direction gathered information about public services in 18 cities medium-sized cities (or districts within larger cities). We do not claim national representativeness; indeed, the cities are a convenience sample of hometowns of the Fudan students. They nevertheless do capture a broad range of geographic diversity and economic development, as summarized in Figure 1 (map) and Table 1 (descriptive statistics). The cities range in population from 0.4 million in Ningguo, Anhui Province, to 9.9 million in Harbin, capital of Heilongjiang Province, with an average population among the 18 of 2.6 million. Per capita income ranges from a low of 9,568 RMB per year (about USD$1,551) in Jianshi, Hubei
Province, to 183,995 RMB/year (about USD$29,832) in Pudong district of Shanghai, with a sample mean being 42,519 RMB per year (about USD$6,894).

The surveys involved a series of semi-structured interviews with local government agencies about the delivery and governance arrangements for nine public services: emergency medical transport (ambulance services); park management (gardening and landscaping); job training; public transportation; medical insurance and health care delivery; care for the elderly; care for the disabled; compulsory education; and affordable housing. This paper focuses on the first four services (most comparable to the services covered in the US cities summarized in Donahue and Zeckhauser 2011).7

Table 3 summarizes the results. Unsurprisingly, private engagement is most common for park management and affordable housing, and absent for Emergency Medical Services (where it is technically illegal). Most such private engagement involves straightforward contracting, often combined with competitive bidding. Few services appear to have truly “collaborative” governance, that is where discretion is actively and effectively shared. Many government officials’ interviews reveal caution about more extensive sharing of discretion with private parties is driven by concern about payoff discretion, that is private parties grabbing excessive profits.

Table 4 creates a numeric index indicating the amount of private engagement in public service provision, with higher numbers indicating a greater tendency to collaboration. We omit the one city (Shapingba) for which we were unable to gather sufficient information about more than 3 of the 9 services to make a proper classification.

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7 For a description of results regarding the other services—medical insurance and health care delivery; care for the elderly; care for the disabled; compulsory education (grades 1-9); affordable housing construction and management—please see our companion paper.
Table 4 shows that more than three out of four cities had some form of private engagement for park management (gardening and landscaping) and for affordable housing construction and management. But only two services yielded examples of collaborative governance: park management and long-term care for the disabled. Indeed, 3 of the 4 instances of true collaboration in our sample of Chinese cities arose with care for the disabled. This suggests that as China’s social protection system expands to provide more safety net services previously left to households, the scope and reality of collaborative governance in China may expand. Overall, there are fewer cases of collaboration for the sampled services in China than in the US, but this gap may close in the future, particularly if the civil sector expands significantly. We find that private engagement occurs both in poorer and richer Chinese cities, with a positive correlation between per capita income and the tendency to collaborate (i.e., the correlation coefficient is 0.351 between city per capita income and the city ‘collaboration index’—defined as the total score across services, with 0 for direct provision, 1 for contracting with non-government parties, and 2 for collaboration).

Discussion

These survey results provide an “existence proof” of collaborative governance in municipalities in both China and the United States, notably for two of the same public services. They provide supportive evidence for our argument that the Chinese government has recognized the advantages of engaging the private sector for public goals, and China does engage in collaborative governance, albeit with its distinctive emphases on goals and with methods reflecting its own government, social structure, and level of development. We hypothesize that

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8 China’s government has embraced variants of collaborative governance throughout the reform era, explicitly recognizing the need for collaboration. Tony Saich cites State Councillor Luo Gan, who in 1998 called for development of social organizations because “government has taken up the management of many affairs which it
the pattern of service collaboration we see is consistent with private sector engagement in both the least and most developed areas, but for different reasons and with different trajectories. In less developed cities, “collaboration by default” occurs when the government lacks resources to provide on its own, and/or when pure contracting hits obstacles so that intended competitive bidding transforms into long-term defacto partnership with a single dedicated private entity. At the other extreme (and perhaps best illustrated by the districts of Shanghai in our sample), local governments in more developed areas undertake collaboration by design, for reasons of productivity and information. This strategy is employed in more developed areas because they are fiscally stronger and have different expectations and capacities for collaboration.

Unfortunately, this description leaves many questions unanswered: What factors determine the patterns of collaboration? Does political priority interact with the characteristics of the service to impact its service delivery evolution over time? Seemingly random situational and individual leadership characteristics no doubt play a role in the awareness of local governments about the potential risks and benefits of collaboration. What is the nature of interdependence between governments and contractors in China's context? What are the dynamics of collaboration and the path dependence within any given city or service?

Despite such questions remaining, this suggestive evidence from city surveys, along with the case studies mentioned earlier, indicate that the similarities are greatest between China and the U.S. in their collaboration for productivity and information. We find that both Chinese and US authorities implement collaborative governance, although the differences in governmental should not have managed, is not in a position to manage, or actually cannot manage well” (Saich 2000, p.128). The proper “scope of government” has been transformed over time as organizations “negotiate” their positions in relation to the state, and the state in turn increasingly formalizes the goals and scope of shared discretion for specific public goals.
structures, economic arrangements, and political cultures are stark. In the pursuit of public goals in general, the Chinese government is more likely to choose agencies affiliated with the state. For example, in China, higher education and healthcare provision are overwhelmingly government activities, whereas in the United States, they are primarily delivered by private entities. Competition is enshrined in the United States, much less so in China.

When it does collaborate with the private sector, the Chinese government typically has more power than its American counterpart. In the US, only occasionally do a private organization’s returns from collaborative approaches stem from the “status and bragging rights that come with being the government’s chosen partner” (p. 226); in China, those returns are arguably the norm. Given its immense power, the Chinese system turns the American legitimacy argument on its head. Private firms gain legitimacy by working with the government, rather than vice versa. The overwhelmingly dominant position of the government in China’s society creates both opportunities and hazards. In collaborations for resources, private Chinese organizations are often induced to serve public purposes in order to gain legitimacy and connections with government agencies. Conversely, since unclear property rights and the dominance of the executive over the judicial and legislative branches of the Chinese government deprive private organizations of legal recourse if conflicts arise, private organizations in China may have less incentive than their American counterparts to provide resources for public purposes. Adding to that, the charitable sector is much better established in the United States than in China, even correcting for income.

Our overarching theme is that, although China and the United States differ dramatically in their societies, economies, and governments, they both have chosen to draw heavily upon the private sector in their pursuit of public goals. Moreover, although this approach holds great
promise, both countries have experimented with collaborative governance without fully examining or understanding the process. Some activities are not delegated to the private sector when they should be. Others are delegated, but in an ineffective and sometimes inappropriate fashion. In particular, government shares discretion haphazardly rather than strategically, needlessly incurring costs from shared discretion. By going beyond description, by clarifying the anatomy of this process, and by ultimately moving to prescription, we aim through this research to help improve collaborative governance in both nations.

**Conclusion**

The United States and China—despite their vast differences—face a common challenge: they must find innovative and sustainable ways to provide for the welfare of their citizens. The resources and capabilities of their respective governments are simply too limited to complete this task alone. Thus, both nations are likely to call increasingly upon the private sector, and to share discretion—knowingly or unknowingly, strategically or accidentally, to good effect or ill—when doing so. Limited recognition of collaborative governance often leads, in both China and the United States, to unnecessarily poor performance.

Donahue and Zeckhauser (2010) describe an iterative cycle of collaborative governance with four major stages: analyze, assign, design, and assess. This framework fits well with the ideal of “scientific development” to which China officially aspires. China also has long relied on experimentation and pilot reforms to test policies prior to scaling them up, as with the Special Economic Zones set up at the beginning of the reform period. Since then, official policy has called for bold experimentation to find solutions to the innumerable, and often seemingly intractable, challenges of China’s modernization. Since China’s public and private institutions remain works in progress, there may be greater risks of shared discretion compared to the US,
but also potentially higher rewards. Instances of collaborative governance that prove effective and scalable, however, may yield tremendous public benefits.

References


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Yeung, Stanley Chi-Wai, and Rodney Howes. "The Role of the Housing Provident Fund in Financing Affordable Housing Development in China." Habitat International 30, no. 2
## Table 1. 18 City Survey: Descriptive Statistics

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<th>Per Capita Income (RMB/year)</th>
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<td>4,977.3</td>
</tr>
<tr>
<td>Jiading</td>
<td>Shanghai</td>
<td>54,861</td>
<td>1,471.0</td>
</tr>
<tr>
<td>Cixi</td>
<td>Zhejiang</td>
<td>72,926</td>
<td>1,039.0</td>
</tr>
<tr>
<td>Harbin</td>
<td>Heilongjiang</td>
<td>36,951</td>
<td>9,920.2</td>
</tr>
<tr>
<td>Ningguo</td>
<td>Anhui</td>
<td>29,793</td>
<td>386.0</td>
</tr>
<tr>
<td>Yan’an</td>
<td>Shaanxi</td>
<td>40,621</td>
<td>2,302.2</td>
</tr>
<tr>
<td>Service</td>
<td>Park Management</td>
<td>Emergency Medical Services</td>
<td>Worker Training</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Boston</td>
<td>Significant private roles, but mostly through contracts controlled by city agency. Public resources swamp spending by private voluntary groups.</td>
<td>City ambulance fleet and employees handle most emergency calls, with small amount of overflow delegated by contract.</td>
<td>Extensive network of public, private, and nonprofit organizations collaborate to deliver training.</td>
</tr>
<tr>
<td>Colorado Springs</td>
<td>Some private grants for capital projects, some organized volunteer work, but city department with budget of roughly $20 million dominates park management.</td>
<td>All EMS services contracted out to a single private provider.</td>
<td>Most training delivered by public workforce-development center; a few specialized training services contracted out.</td>
</tr>
<tr>
<td>Louisville</td>
<td>Explicit and strategic use of collaborative model to upgrade city's parks and ensure long-term support for maintenance.</td>
<td>As in Boston, city ambulance fleet and employees handle most emergency calls, with small amount of overflow delegated by contract.</td>
<td>Not enough data</td>
</tr>
<tr>
<td>Miami</td>
<td>City employees do most park management work; trusts with joint public-private governance manage two parks.</td>
<td>Emergency medical services almost entirely handled directly by government.</td>
<td>Extensive reliance on for-profit and nonprofit private organizations to run training centers.</td>
</tr>
<tr>
<td>Oakland</td>
<td>City employees do most park management work; small amount of delegation by simple contract, not collaboration.</td>
<td>As in Colorado Springs, EMS contracted out to single private provider.</td>
<td>Mix of direct governmental delivery and contracts with nonprofits.</td>
</tr>
<tr>
<td>Raleigh</td>
<td>City employees do most park management work, supplemented by limited organized volunteering.</td>
<td>A network of nonprofits under agreement with government provides ambulance services.</td>
<td>Training centers operated by board with public funding and mixed public-private governance.</td>
</tr>
</tbody>
</table>
Table 3. Engagement of the Private Sector in the 18 Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Private hospitals participate in public health service and emergency resources?</th>
<th>No</th>
<th>Private participants</th>
<th>Not enough data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cangzhou</td>
<td>No</td>
<td>No private patients</td>
<td>No private patients</td>
<td>Not enough data</td>
</tr>
<tr>
<td>Xishui</td>
<td>No</td>
<td>No private patients</td>
<td>No private patients</td>
<td>Not enough data</td>
</tr>
<tr>
<td>Yichun</td>
<td>No</td>
<td>No private patients</td>
<td>No private patients</td>
<td>Not enough data</td>
</tr>
<tr>
<td>Mianyang</td>
<td>Participation of the private sector in public health service and emergency resources?</td>
<td>No</td>
<td>No private patients</td>
<td>Not enough data</td>
</tr>
<tr>
<td>Takamajin</td>
<td>Participation of the private sector in public health service and emergency resources?</td>
<td>No</td>
<td>No private patients</td>
<td>Not enough data</td>
</tr>
</tbody>
</table>

### Other Cities

- **Xining**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Yibin**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Hengyang**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Qingdao**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Fuzhou**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Ningbo**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Zhangjiagang**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Hefei**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Shenzhen**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Lianyungang**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Zhuji**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data

- **Cuihu**:
  - Private hospitals' participation: Not enough data
  - Private participants: Not enough data
<table>
<thead>
<tr>
<th>City</th>
<th>Public Participants</th>
<th>Private Participants</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harbin</td>
<td>No private</td>
<td>23 private hospitals</td>
<td>No collaboration observed. No private hospitals involved, with no collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Besides 4 public caring centers, 3 private caring centers involved with subsidies from the government. No collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Besides 6 public caring centers, 5 private caring centers involved with subsidies from the government. No collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Several private companies involved in the design and construction of city parks via contract outsourcing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>About 13 training schools help provide compulsory education (from 1995). No significant collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Several private companies involved in the design, construction and property management process via bidding and contracting. No significant collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Besides 2 public companies, 35 private companies involved via government franchise and competitive bidding. No significant collaboration observed.</td>
</tr>
<tr>
<td>Ningguo</td>
<td>No private</td>
<td>12 out of 14 hospitals are privately owned. No private insurance involved in social insurance programs. No significant collaboration observed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>One private caring center recruited with subsidies from the government. No collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>One private caring center recruited with subsidies from the government. No collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No private participants 5 private companies involved via contract outsourcing (from 2011). No significant collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3 private training schools involved, with no significant collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2 private schools involved (from 2008), with some teachers who go to private schools receive public salaries and benefits and can return to public school position if desired.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Several private companies involved in the design and construction process via competitive bidding. No significant collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The government purchased and recombined a private transportation company by holding 55% of its shares.</td>
</tr>
<tr>
<td>Yan’an</td>
<td>2 private hospital participants in the emergency medical network (from 2003). No collaboration observed.</td>
<td>No private participants. 7 out of 15 training centers are private. No collaboration observed.</td>
<td>No private participants. No private participants.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11 out of 17 hospitals are privately owned. No collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2 public and 2 private nursing homes involved (with no subsidy). No collaboration observed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No private participants. Not enough data.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The government purchased and recombined a private transportation company by holding 55% of its shares.</td>
</tr>
</tbody>
</table>
## Table 4. Numeric rankings of private engagement (0= direct provision; 1=private contracting; 2=collaborative governance)

<table>
<thead>
<tr>
<th>City</th>
<th>Emergency Medical Services</th>
<th>Health Insurance &amp; Services</th>
<th>Elderly Care</th>
<th>Care for the Disabled</th>
<th>Gardening and Landscaping</th>
<th>Employment Training</th>
<th>Compulsory Education</th>
<th>Affordable Housing</th>
<th>Public Transportation</th>
<th>Total Score (a)</th>
<th>Number of Services (b)</th>
<th>Collaboration Ratio (a/b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cangnan</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>0.429</td>
</tr>
<tr>
<td>Mianyang</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>9</td>
<td>0.333</td>
</tr>
<tr>
<td>Tai’an</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>9</td>
<td>0.222</td>
</tr>
<tr>
<td>Yichun (Yichun District)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Changyi</td>
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<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>0.400</td>
</tr>
<tr>
<td>Xishui (Qingquan Town)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>0.000</td>
</tr>
<tr>
<td>Pudong</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>0.600</td>
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<tr>
<td>Cangzhou (Xinhua District)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>9</td>
<td>0.333</td>
</tr>
<tr>
<td>Jiangshui</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>9</td>
<td>0.222</td>
</tr>
<tr>
<td>Yidu</td>
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<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>9</td>
<td>0.222</td>
</tr>
<tr>
<td>Lianyungang</td>
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<td>0</td>
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<td>0.333</td>
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<td>Jiaxing</td>
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<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>0.556</td>
</tr>
<tr>
<td>Chao</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>8</td>
<td>0.125</td>
</tr>
<tr>
<td>Harbin (Nangang District and Xiangfang District)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>9</td>
<td>0.222</td>
</tr>
<tr>
<td>Ningguo</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>9</td>
<td>0.222</td>
</tr>
<tr>
<td>Yan’an (Baota District)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>0.000</td>
</tr>
</tbody>
</table>

# with data: 15 | 16 | 16 | 17 | 12 | 16 | 15 | 13 | 16 | Average 0.336

% with 1+: 0.0% | 6.3% | 18.8% | 41.2% | 83.3% | 12.5% | 20.0% | 76.9% | 0.0%

# with "CG": 0 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 0

% with "CG": 0.0% | 0.0% | 0.0% | 17.6% | 8.3% | 0.0% | 0.0% | 0.0% | 0.0%

Correlation coefficient with per capita income: 0.351

TOTAL | 0 | 1 | 3 | 10 | 11 | 2 | 3 | 10 | 0 | Average 0.336

Correlation coefficient with per capita income: 0.351
Figure 1. Map of 18 Cities