

Private Roles for Public Goals in China

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In areas ranging from the education of migrant children to the housing and care of the elderly, from historic preservation to the promotion of environmental quality, China's public needs outstrip government's capacity to deliver. Thus Chinese government, at all levels, has recognized the need to engage private-sector capacity, both for-profit and non-profit, to achieve public missions. New mechanisms, and sometimes new mindsets, will be required to meet this challenge.

This project will explore three modes for tapping private-sector capabilities: contracting, collaborative governance, and delegation. These represent increasing levels of private-sector discretion: effectively none with contracting, shared discretion with collaborative governance, and almost complete discretion with delegation. The analysis will have three parts: 1. Empirical evidence on the current scale of each mode in China. 2. A conceptual exploration of the merits and drawbacks of each mode. 3. A limited comparison of these modes in China and the United States.

Past work, particularly by Jing, has explored the role of contracting with the private sector in China. Recently, the four researchers joined together on a study of collaborative governance in China. This included a study of its function in 18 cities across 10 provinces. That study found extensive contracting for affordable housing construction, park management, and public transportation, as well as contracting with some shared discretion for *minban* schools and long-term care for the elderly and disabled. The private sector role in China's health sector is limited—with little presence in population health, a small but growing presence in hospital services and supplementary health insurance, a slightly larger share in primary care, and a significant presence in fostering biomedical innovation.

As part of this project, we will conduct a new study on a comparable scale of delegation practices in a range of cities in China. This work will be complemented by an in-depth examination of the literature on all three modes. Informed by this overall assessment, we will then develop and test conceptual frameworks exploring the way the three modes function. These frameworks will draw contrasts with Western models, recognizing such distinctive features of the Chinese system as: a) Government ownership of all land, b) Party control of virtually all significant nonprofits, and c) The need to elicit information from a citizenry that has limited ability to express its preferences in ways considered standard in the West. In their recent trip to China, Eggleston and Zeckhauser had the opportunity to identify significant case studies on such areas as parks, historic preservation, and elder housing, to discuss research plans with Jing, to participate in the conference on Civic Society at the Harvard Center, and to talk with scholars who have written on particular projects where the private sector has been involved in promoting public value.

This project has already involved two Harvard undergraduates and one recent Kennedy School graduate as research assistants. Its findings will find their way into the Kennedy School curriculum in both its analytic methods and policy analysis courses, which are responsibilities of Zeckhauser and Donahue, and ultimately in courses on China or those that look at comparative models.