

Local Government and NGOs in China: Performance-Based Collaboration

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<Abstract>

The phenomenon of numerous non-governmental organisations (NGOs) emerging and cooperating with local governments under China's one-party authoritarian regime has puzzled many observers. Moving beyond the debate on civil society and corporatism, this article seeks to explain why and how local governments and NGOs collaborate within a performance-based framework, arguing that performance-based decentralisation motivates local governments to collaborate with NGOs and that the performance-based empowerment determines how local governments and NGOs cooperate. Case studies drawn from Shanghai city and Ningbo city suggest that when local governments become aware that the performance of the NGOs can contribute to local development, they develop a strong desire to start the collaboration process and empower the NGOs: the better the performance of the NGOs, the more empowerment the NGOs are granted by local governments. In this article, improvements in the performance-based collaboration between local governments and NGOs are also discussed in the context of extending the role played by NGOs in Chinese society.

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<H1>INTRODUCTION

The ongoing decentralisation of Party-state power has led to the emergence of new civil society forces in authoritarian China, including the expansion of non-governmental organisations (NGOs).¹ In 1988, there were only 4,446 NGOs, but the number increased dramatically to 381,000 in 2007 and to 606,000 in 2014.² The activities of the NGOs have also diversified since the mid 1990s. Most NGOs operate at the local level and participate in the fields of industry development, environmental protection, philanthropy, poverty alleviation, health care, basic education and so on. Cooperative relationships between local governments and Chinese NGOs, whether these are government-organised non-governmental organisations (GONGOs), can be found in the areas of economic development and public services provision.³

The phenomenon of Chinese NGOs emerging and cooperating with the state has puzzled many observers, due in part to the expectation that emerging NGOs would eventually result in the civil society opposing the state. Some scholars have argued that, by collaborating with the state, NGOs would gradually increase their influence on the state and play a role in bringing about democratic social changes, such as accountability and transparency.⁴ Others, however, explain the current situation as evidence that the continued dominance and strength of the state is being exercised by means of a strategy of managing or co-opting NGOs,⁵ NGOs are therefore yet another arm of the state. Beyond the debates

¹ In this article, non-governmental organisations (NGOs) in China refer to social organisations officially registered at the Ministry of Civil Affairs and local Bureaus of Civil Affairs, including social groups, foundations and private non-enterprise organisations. The authors do not differentiate between the NGOs which were established by the government and those which were not.

² “The Statistical Report on the Development of Civil Affairs in 2007”, at <http://www.mca.gov.cn/article/zwgk/mzyw/200801/20080110010511.shtml> [10 April 2017];

“The Statistical Report on the Development of Social Work in 2014”, at <http://www.mca.gov.cn/article/sj/tjgb/201506/201506008324399.shtml> [10 April 2017].

³ The collaboration not only exists between government-organised non-governmental organisations (GONGOs) and the local state, but also between international non-governmental organisations (INGOs) and self-organised non-governmental organisations (grass-roots NGOs). See the following works for cases of collaboration between INGOs/grass-roots NGOs and the local state in China: Anthony J. Spires, “Contingent Symbiosis and Civil Society in an Authoritarian State: Understanding the Survival of China’s Grassroots NGOs”, *American Journal of Sociology* 117 (2011): 1–45; Jessica C. Teets, *Civil Society under Authoritarianism: China Model* (New York: Cambridge University Press, 2014), pp. 60–7; Timothy Hildebrandt, *Social Organizations and the Authoritarian State in China* (New York: Cambridge University Press, 2013), pp. 124–37.

⁴ Yang Guobing, “Environmental NGOs and Institutional Dynamics in China”, *The China Quarterly* 181 (2005): 46–66; Yu Jianxing, Zhou Jun and Jiang Hua, *A Path for Chinese Civil Society: A Case Study on Industrial Associations in Wenzhou, China* (New York: Lexington Books, 2012); Tony Saich, “Negotiating the State: The Development of Social Organizations in China”, *The China Quarterly* 161 (2000): 124–41.

⁵ Bruce J. Dickson, “Cooptation and Corporatism in China: the Logic of Party Adaptation”,

on civil society and corporatism, some scholars have tried to find new approaches to explain the current state–society cooperative relations. The model of “consultative authoritarianism” that encourages the development of civil society and creates more indirect methods of state control is used to describe the state–NGO cooperation, which is driven by the dynamic process of policy learning.⁶ Other scholars have employed institutional theories to explain state–NGO relations, for example, whether NGOs’ organisational strategies and goals, the isomorphic pressures within state–NGO relations, insufficient epistemic awareness of NGO activities on the part of the state, and the institutional experience of NGO founders contribute to the state–NGOs collaboration.⁷

This article does not intend to join the debate or question the validity of other approaches, except to point out that none of these fully explain why and how the collaboration starts and continues from the perspective of local government. Although the central government has launched various policies to advance the development of NGOs, the state–NGOs cooperation mainly takes place at the local level.⁸ Given that local governments in China are exerting a growing influence on NGOs,⁹ it is important to examine the local governments’ motivation for collaborating with NGOs. Furthermore, recent research has focused more on the role played by NGOs in state–NGO relations. For example, although it is easy for GONGOs to collaborate with local governments since they have an innate relationship,¹⁰ state–NGO relations are shaped by NGO leaders’ adaptation to the limited opportunity structure.¹¹ Nevertheless, the benchmark that local governments adopt to collaborate with NGOs has been insufficiently studied.

This study seeks to explain why and how local governments and NGOs collaborate within a performance-based framework, formulating its argument that performance-based decentralisation motivates local governments to collaborate with NGOs, and that the

Political Science Quarterly 115, no. 4 (2000): 517–40; Kang Xiaoguang and Han Heng, “Graduated Controls The State–Society Relationship in Contemporary China”, *Modern China* 34, no. 1 (2008): 36–55; Ru Jiang and Leonard Ortolano, “Corporatist Control of Environmental Non-Governmental Organizations: A State Perspective”, in *Embedded Environmentalism: Opportunities and Constraints of a Social Movement in China*, ed. Peter Ho and Richard L. Edmonds (New York: Routledge, 2008), pp. 44–68.

⁶ Jessica C. Teets, “Let Many Civil Societies Bloom: The Rise of Consultative Authoritarianism in China”, *The China Quarterly* 213 (2013): 19–38.

⁷ Andreas Fulda, Li Yanyan and Song Qinghua, “New Strategies of Civil Society in China: A Case Study of the Network Governance Approach”, *Journal of Contemporary China* 21, no. 76 (2012): 675–93; Carolyn L. Hsu and Jiang Yuzhou, “An Institutional Approach to Chinese NGOs: State Alliance versus State Avoidance Resource Strategies”, *The China Quarterly* 221 (2015): 100–22.

⁸ Jennifer Hsu and Reza Hasmath, “The Local Corporatist State and NGO Relations in China”, *Journal of Contemporary China* 23, no. 87 (2014): 516–34.

⁹ Jennifer Hsu and Reza Hasmath, “The Rise and Impact of the Local State on the NGO Sector”, in *The Chinese Corporatist State*, ed. Jennifer Hsu and Reza Hasmath (New York: Routledge, 2013), pp. 120–36.

¹⁰ Hsu and Jiang, “An Institutional Approach to Chinese NGOs”; Wu Fengshi, “New Partners or Old Brothers? GONGOs in Transnational Environmental Advocacy in China”, *China Environment Series*, no. 5 (2002): 45–58.

¹¹ Timothy Hildebrandt, *Social Organizations and the Authoritarian State in China* (New York: Cambridge University Press, 2013), pp. 11–6.

performance-based empowerment determines how local governments and NGOs cooperate. The first step is to examine the way in which China's performance-based decentralisation allows local governments to manage NGOs and exert pressure on local governments with limited resources to draw on NGOs to achieve performance targets in areas such as economic development, public services provision, environmental improvements and social stability. The second step is to examine the way in which local governments empower NGOs by granting them financial support, favourable policies and other resources in exchange for fulfilling benchmark performance requirements. Notably, this study discusses possible improvements to the performance-based framework, which would render local government-NGO collaboration more effective and sustainable in the future.

<H1>NON-GOVERNMENTAL ORGANISATIONS' DEVELOPMENT AND STATE REGULATION IN CHINA

After the opening-up reforms in 1978, the collapse of the planned economic system and the "danwei" system allowed new social forces to emerge and develop. The emerging market economy and the changing roles played by NGOs and citizens have provided the motivation for reform and have also become the key source of reform.¹² Local individuals and groups began to pursue their own interests by establishing their own private businesses and by changing existing institutions.¹³ Private entrepreneurs, as a group, sought to protect their property rights through changes in China's constitution, which led to fundamental institutional changes in China.¹⁴ Industry and business associations emerged parallel with the market economy to play an active role in serving private enterprises.¹⁵

In the 1990s, an associational revolution started to occur in China. Not only did industrial and business associations start to grow, but other domestic social groups and INGOs as well. Surveys of NGOs in China showed a rapid growth in numbers and participation in diverse areas. The number of registered NGOs increased from 400 in 1986 to over 186,666 in 1996 and a large number of unregistered NGOs were excluded.¹⁶ More than 50 registered INGOs were present in China and approximately 150 INGOs had still not been registered in 1999.¹⁷ These NGOs were involved in industrial development, environmental protection, philanthropy, poverty alleviation, health care, basic education and so on.

¹² Kate X. Zhou, *How the Farmers Changed China: Power of the People* (Boulder, CO: Westview Press, 1996).

¹³ Kristen Parris, "Local Initiative and National Reform: The Wenzhou Model of Development", *The China Quarterly* 134 (1993): 242-63; Tobias T. Brink, "Perspectives on the Development of the Private Business Sector in China", *China: An International Journal* 10, no. 3 (December 2012): 1-19.

¹⁴ Kellee S. Tsai, "Adaptive Informal Institutions and Endogenous Institutional Change in China", *World Politics* 59, no. 1 (October 2006): 116-41.

¹⁵ Zhang Jianjun, "Business Associations in China: Two Regional Experiences", *Journal of Contemporary Asia*, 37, no. 2 (2007): 209-31; Kenneth W. Foster, "Embedded within State Agencies: Business Associations in Yantai", *The China Journal*, no. 47 (January 2002): 41-65.

¹⁶ Wang Shaoguang and He Jianyu, "Associational Revolution in China: Mapping the Landscapes", *Korea Observer* 35, no. 3 (Autumn 2004): 485-532.

¹⁷ Renee Yuen-Jan Hsia and Lynn T. White III, "Working Amid Corporatism and Confusion: Foreign NGOs in China", *Nonprofit and Voluntary Sector Quarterly* 31, no. 3 (September 2002): 329-51.

However, the Tiananmen protests in 1989 and the 1998 Falun Gong protests led the state to impose strict controls on NGOs. The State Council therefore issued the “Regulations for the Administration and Registration of Social Organizations” in 1989 and revised it in 1998. These allowed NGOs to be established under a “dual management system” according to which NGOs were first required to gain the approval of the government departments that provided professional leadership and guidance in their field before they could register with the Ministry of Civil Affairs. The Ministry of Civil Affairs is primarily responsible for the registration procedures and data statistics, while the government departments are responsible for determining the feasibility of establishing the NGOs and their day-to-day control. This system of dual management was based on “the logic of corporatism” and allowed the state to nip association-based protests in the bud.¹⁸ However, following the launch and introduction of the dual management system, many NGOs chose not to register formally since it was difficult to find the affiliated government department. Most of them continued to act informally or registered with the Bureau of Industry and Commerce as enterprises. Nevertheless, even registered NGOs in China faced significant challenges to their autonomy, not only posed by the state but also as a result of their limited capacity.¹⁹

Recently, the Chinese central government updated its strategy to deal with the rise of NGOs. The most significant change is the abolition of the dual management system initiated in 2013 for NGOs working in the areas of economy, technology, social welfare and community service. This offers the aforementioned four types of NGOs more autonomy in making independent decisions related to programme operation and organisation management. At the same time, some indirect methods of control and regulation have emerged, such as establishing branches of the Communist Party of China (CPC) within each NGO.

The emergence of NGOs and the registration system initiated a debate on the relationship between NGOs and the state. Some scholars asked whether Chinese civil society might become powerful enough to fight against the state and advance democracy in China.²⁰ However, many scholars maintained that NGOs, even industrial associations, were controlled by the government and were only an extension of the government.²¹ Corporatism, rather

¹⁸ Deng Zhenglai and Ding Yi, “The Logic of the ‘Tutelary-Style’ Monitoring System: An Assessment of State Policies on Social Organizations in the Past 30 Years”, *Journal of Chinese Political Science* 18 (2013): 21–40; Tony Saich, “Negotiating the State: The Development of Social Organizations in China”, *The China Quarterly* 161 (2000): 124–41; Bruce J. Dickson, *Wealth into Power: The Communist Party's Embrace of China's Private Sector* (Cambridge: Cambridge University Press, 2008).

¹⁹ Lu Yiyi, “The Autonomy of Chinese NGOs: A New Perspective”, *China: An International Journal* 5, no. 2 (September 2007): 173–203; Ma Qiusa, “The Governance of NGOs in China since 1978: How Much Autonomy?”, *Nonprofit and Voluntary Sector Quarterly* 31, no. 3 (2002): 305–28; Yu, Zhou and Jiang, *A Path for Chinese Civil Society*.

²⁰ Gordon White, “Prospects for Civil Society in China: A Case Study of Xiaoshan City”, *The Australian Journal of Chinese Affairs*, no. 29 (January 1993): 63–87; Gordon White, Jude A. Howell and Shang Xiaoyuan, *In Search of Civil Society: Market Reform and Social Change in Contemporary China* (Oxford: Clarendon Press, 1996).

²¹ Foster, “Embedded within State Agencies”; David L. Wank, “Private Business, Bureaucracy, and Political Alliance in A Chinese City”, *The Australian Journal of Chinese Affairs*, no. 33 (January 1995): 55–71.

than civil society, is seen as a state–society model that incorporates societal groups in state organizations to serve as a bridge between the state and society in China.²² Beyond the debate on civil society and corporatism, a new model of consultative authoritarianism has been adopted to describe the recent state–society relationship that combines the pluralistic aspect of democratic governance with the state control mechanisms prevalent in authoritarian regimes.²³ A hybrid form of social management combining state control and a fairly autonomous civil society has emerged.²⁴

<H1>MOTIVATING LOCAL GOVERNMENT–NON-GOVERNMENTAL ORGANISATIONS COLLABORATION: PERFORMANCE-BASED DECENTRALISATION

The control of NGOs is subject to the will of the central government and is implemented by local governments. Nevertheless, local governments are not always of the same mind as the central government. “Fragmented authoritarianism” shows cleavages in authority structures and bargaining between different government agencies.²⁵ Policy formulated by the central government has increasingly been adapted to fit in with the organisational and political goals of the local governments that are responsible for implementation and enforcement.²⁶ The actual policy results are therefore shaped by the interests of the implementing agencies.

Decentralisation between the central government and local governments is described as performance-based decentralisation: local governments have been given significant administrative and economic authority by the central government to regulate local markets and provide public services subject to their meeting specified performance targets.²⁷ Starting in the 1980s, China’s central government delegated significant decision-making processes and financial responsibility to local governments. Local officials have more discretionary authority and freedom to manage local administrative affairs and economic development. The reform of the fiscal system in 1994, known literally as “cooking in separate kitchens”, established a new fiscal discipline that allowed local governments to increase their expenditure if they obtained higher revenues.²⁸ This model of decentralisation also assigned

²² Jonathan Unger and Anita Chan, “China, Corporatism, and the East Asian Model”, *The Australian Journal of Chinese Affairs*, no. 33 (1995): 29–53; Jonathan Unger, “Bridges: Private Business, the Chinese Government and the Rise of New Associations”, *The China Quarterly* 147 (1996): 795–819.

²³ Teets, *Civil Society under Authoritarianism*, pp. 2–3.

²⁴ Jessica C. Teets, “The Evolution of Civil Society in Yunnan Province: Contending Models of Civil Society Management in China”, *Journal of Contemporary China* 24, no. 91 (2015): 158–75.

²⁵ Kenneth G. Lieberthal and Michael Oksenberg, *Policy Making in China, Leaders, Structures, and Processes* (Princeton, NJ: Princeton University Press, 1988); Kenneth G. Lieberthal and David M. Lampton, *Bureaucracy, Politics, and Decision Making in Post-Mao China* (Berkeley, CA: University of California Press, 1992).

²⁶ Andrew Mertha, “Fragmented Authoritarianism 2.0: Political Pluralization in the Chinese Policy Process”, *The China Quarterly* 200 (2009): 995–1012.

²⁷ Qian Yingyi and Barry R. Weingast, “China’s Transition to Markets: Market Preserving Federalism, Chinese Style”, *The Journal of Policy Reform* 1, no. 2 (1996): 149–85.

²⁸ Alfred M. Wu, “Searching for Fiscal Responsibility: A Critical Review of the Budget Reform in China”, *China: An International Journal* 12, no. 1 (April 2014): 87–107; Albert Park, Scott Rozelle, Christine Wong and Ren Changqing, “Distributional Consequences of Reforming

responsibility for providing public services, such as basic education and health care, to local governments.²⁹ Consequently, local governments had to pursue greater economic growth in order to raise the revenue to meet their increased expenditure responsibilities.³⁰ However, local governments in China did not have enough revenue-raising capacity to pay for all the public services required. The central government also limited local governments' debt and fiscal deficits by means of various rules and laws. Although there were some fiscal transfers from the central government, these were not sufficient to satisfy the expenditure responsibilities involved in providing public services. The gap between their responsibilities and their limited funding provided the motivation for local governments to cooperate with social forces to bridge the resources gap. Local governments invited private capital to help with economic development, and NGOs to help with the provision of public services.

The associational revolution created opportunities for local governments to engage with NGOs. Local governments used these opportunities to implement new policies for managing local NGOs. The abolition of the dual management system for NGOs was one of the innovative policies that were implemented before 2013 to comply with local governments' interests. In Shenzhen city, for example, pilot policies were adopted to relax the strict registration system for NGOs. In 2008, industrial/business associations, social welfare associations and charities in Shenzhen city were authorised to register directly with the Bureau of Civil Affairs, and this was extended to NGOs working in the areas of technology, public services, environment protection, sports and entertainment in 2012. In 1995, the local authority in Shanghai had started to provide financial support to facilitate the development of NGOs and to purchase the services provided by NGOs, and this later spread to other cities and other provinces afterwards. In contrast with the central government's emphasis on controlling NGOs, local governments focused more on the potential role that NGOs could play in facilitating local development.

The discretion that is allowed to local government and the pressures they face due to their limited resources encourage local governments to collaborate with NGOs. This is reinforced by China's performance management personnel system. The central government uses its personnel control system ("nomenklatura") to induce desirable economic outcomes.³¹ Research has found that the promotion of provincial leaders is highly correlated to their economic performance and many local leaders compete with each other to improve economic growth.³² In recent years, performance targets linked with the efficient provision

Local Public Finance in China", *The China Quarterly* 147 (1996): 751–78.

²⁹ Christine Wong, "Budget Reform in China", *OECD Journal on Budgeting* 7, no. 1(2007): 1–24; Yu Jianxing and Gao Xiang, "Redefining Decentralization: Devolution of Administrative Authority to County Governments in Zhejiang Province", *Australian Journal of Public Administration* 72, no. 3 (2013): 239–50.

³⁰ Qian and Weingast, "China's Transition to Markets: Market Preserving Federalism, Chinese Style".

³¹ Hon S. Chan, "Cadre Personnel Management in China: The Nomenklatura System, 1990–1998", *The China Quarterly* 179 (2004): 703–34; Pierre F. Landry, "The Political Management of Mayors In Post-Deng China", *The Copenhagen Journal of Asian Studies* 17 (2005): 31–58.

³² Li Hongbin and Zhou Li-An, "Political Turnover and Economic Performance: The Incentive Role of Personnel Control in China", *Journal of Public Economics* 89, no. 9–10 (2005): 1743–62.

of public services has also become an important part of the assessment system for deciding cadres' future careers. The performance-based decentralisation and the personnel management system both serve to motivate local governments to cooperate with NGOs, provided the NGOs do not pose a threat to the CPC's political monopoly—the key concern of the central government.

<H1>LOCAL GOVERNMENT COLLABORATION WITH NON-GOVERNMENTAL ORGANISATIONS IN CHINA: PERFORMANCE-BASED EMPOWERMENT

Collaboration between governments and NGOs has frequently been observed in Western countries since the 1980s and 1990s.³³ Government often shares responsibility for providing public services with NGOs through information-sharing, resource-sharing and joint action.³⁴ Within the collaboration relationships, however, NGOs in Western countries maintain their autonomy and their own missions.³⁵ By contrast, NGOs in China are a relatively new phenomenon and have not yet developed sufficiently to become part of a mature civil society.³⁶ In China, local governments still play a dominant role in collaboration relationships. In order to satisfy local development requirements, local governments in China prefer to collaborate with NGOs that have good performance records.

The authors describe the collaboration between local governments and NGOs as “performance-based collaboration”: local governments tend to collaborate with NGOs that have good performance records and then empower them according to their performance.³⁷ In the current context, a “good performance” means that NGOs' activities or services have successfully promoted local development.³⁸ In the process of performance-based collaboration, the local governments share responsibility for the provision of public services and social governance with NGOs, and the NGOs also gain access to policymaking, financial funding and other administrative resources.³⁹ When NGOs show that they can perform well

³³ Richard Mulgan, “Government Accountability for Outsourced Services”, *Australian Journal of Public Administration* 65, no. 2 (2006): 48–58; Lester M. Salamon, *Partners in Public Service: Government-Nonprofit Relations in the Modern Welfare State* (Baltimore, MD: Johns Hopkins University Press, 1995).

³⁴ James M. Ferris, “Co-provision: Citizen Time and Money Donations in Public Service Provision”, *Public Administration Review* 44, no. 4 (1984): 324–33; James M. Ferris, “The Use of Volunteers in Public Service Production: Some Demand and Supply Considerations”, *Social Science Quarterly* 69 (1998): 3–23.

³⁵ Jennifer M. Brinkerhoff, “Government–Nonprofit Partnership: A Defining Framework”, *Public Administration and Development* 22, no. 1 (2002): 19–30.

³⁶ Reza Hasmath and Jennifer Y.J. Hsu, “Isomorphic Pressures, Epistemic Communities and State–NGO Collaboration in China”, *The China Quarterly* 220 (2014): 936–54.

³⁷ Here, a “good performance” always means that NGOs' activities or services are good enough to fully satisfy local governments. Usually, NGOs which are capable of a “good performance” are the most competitive of the NGOs,

³⁸ The aim of local government with regard to cooperating with NGOs is to improve local development. Usually, NGOs with a “good performance” are perceived as fully satisfactory in the area of local development. The “good performance” can consist of best services or activities but, in practice, for a variety of complex reasons, this is not always the case.

³⁹ Yu Jianxing, Kenichiro Yashima and Shen Yongdong, “Autonomy or Privilege? Lobbying Intensity of Local Business Associations in China”, *Journal of Chinese Political Science* 19, no.

enough to promote local development, the local governments are more willing to empower them to undertake professional activities to facilitate economic growth, provide public services and promote environmental protection.

The performance-based collaboration between local governments and NGOs develops in two ways. First of all, local governments cooperate with GONGOs and empower GONGOs according to how they perform. It is easy for GONGOs to enter into collaboration with local governments since they have already established close relationships. However, the performance of GONGOs determines the level of empowerment that will be granted by local governments during the process of collaboration. Secondly, local governments prefer to enter into collaboration with self-established NGOs that are performing competitively. If local governments perceive that the self-established NGOs have the proven capability to perform, they start the collaboration process and empower NGOs according to how they perform.

<H1>DATA AND METHODOLOGY

This study presents case studies of performance-based collaboration between local governments and NGOs. Interviews were conducted in Ningbo city and Shanghai city from late 2013 to mid 2014, an analysis of work reports and official documents was conducted, site visits were carried out and relevant survey and research literature was reviewed. The authors chose Ningbo city as a case study since it is one of the first local innovations or experiments in developing collaboration with NGOs for the purpose of providing a home-based care service for the elderly. The local government established the Starlight Elders' Association in order to provide a home-based care service for the elderly. The authors interviewed the leader of the Starlight Elders' Association, the leading officer from the Bureau of Civil Affairs in Ningbo, and some volunteers who were helping to provide the care service for the elderly. The authors' aim was to observe how the performance-based collaboration between the local government and the GONGO in Ningbo city functioned in practice.

The authors chose Shanghai city as the next case study since the Shanghai municipal government has developed innovative ways of encouraging NGOs to participate in policymaking and policy implementation. The Shanghai municipal government has involved Shanghai Indoor Contamination Control Industry Association (SICCA), an NGO, in the policymaking process and policy implementation. SICCA is composed of enterprises working on indoor contamination control. The authors conducted interviews with the SICCA leader, members of associations and an officer from Shanghai Construction Administrative Office. The details of the performance-based collaboration between the local government and the self-established NGO are examined in the context of this case study in Shanghai city.

Since the study's objective is to examine existing performance-based collaboration and how it functions, the authors focused on two cases: the local government–GONGO type of collaboration for the provision of public services and the local government–self-established NGO type of collaboration for economic development. Although this study features only two specific cases, the authors assume that performance-based collaboration can also be found

3 (2014): 315–33; Zhang Changdong, "Non-Governmental Organisations' Policy Advocacy in China: Resources, Government Intention and Network", *China: An International Journal* 13, no. 1 (April 2015): 181–99.

elsewhere in China. This study therefore introduces a framework for performance-based collaboration as a way of explaining the local government–NGOs collaboration at local level in China.

<H1>COLLABORATION OF NINGBO CITY GOVERNMENT WITH THE STARLIGHT ELDERLY ASSOCIATION: PROVIDING HOME-BASED CARE SERVICES FOR THE ELDERLY

Ningbo city covers an area of 9,816 square kilometres and lies in the east of Zhejiang province.⁴⁰ By the end of 2014, Ningbo city had a population of 5,838,000, 21.5 per cent of whom were over 60 years old.⁴¹ The large proportion of elderly people led to exponential increases in demands for facilities and services. The Ningbo municipal government came under increasing pressure to provide services to take care of the elderly. Neither public nor private nursing homes could satisfy the demands of such a large number of elderly people. An innovative way of providing home-based care for the elderly was thus created, which involved NGOs in providing services for the elderly at home.

Starlight Nursing Association (SNA) is a GONGO that was established in 2003 to provide home-based care for elderly people in the Haishu district of Ningbo city. The chief of SNA is a retired officer from the propaganda department in Haishu district of Ningbo city. The local government offered offices and daily expenses of RMB300,000 per year to SNA during the early stages of its development. SNA provides two kinds of care services for the elderly. One is home based including offering meals, hairdressing, cleaning and emergency services. The other is community based including entertainment activities and health-care services.

The first guidelines for the provision of home-based care for the elderly in Haishu district were published by the local government on 12 May 2004. The guidelines proposed that a home-based care pilot project would be organised by SNA in 65 communities across the entire Haishu district of Ningbo city. However, in order to qualify for financial support from the local government, SNA had to reach a specific satisfactory standard of performance. Prior to providing services for the elderly above 80 years old, the SNA had to check whether the applicants were entitled to the free services financed by the local government. In order to guarantee service quality, SNA offered training courses for carers and volunteers, including unemployed people in the community, to provide home-based care services for the elderly. For some professional services, such as medical care and meal deliveries, SNA invited hospitals and restaurants to participate.

In 2005, Haishu district of Ningbo city decided to allocate 1.5 million yuan per year to purchase home-based care services for the elderly, organised by SNA. In 2007, elderly people above 80 years old who lived alone were granted a budget of 2,400 yuan per person to purchase one hour of daily care services or other services each week. The local government checked the service quality of the care provided for the elderly. The feedback obtained from the elderly who received the services was also important, as a way to evaluate the work of SNA. The performance evaluation result determined whether there should be an increase or

⁴⁰ See the introduction to Ningbo city on the official website, at <http://gtoc.ningbo.gov.cn/col/col136/index.html> [10 April 2017].

⁴¹ Data obtained from the Ningbo Municipal Statistics Bureau, <http://www.nbstats.gov.cn/read/read.aspx?id=28503> [10 April 2017].

decrease in the financial support granted by the local government in the following year. Compared with the average national cost of 250 to 500 yuan per person per month to care for the elderly in institutions outside the home, the provision of home-based care services for the elderly in Ningbo city cost only 165 yuan per person per month in 2006.⁴²

After 2010, following SNA's satisfactory performance in the evaluation, the local government expanded SNA's provision of home-based care services to a larger pool of elderly people. In 2012, the local government in Haishu district of Ningbo city decided to extend the scheme and purchase services for people over 60 years old who lived alone or were disabled. The local government also empowered SNA with funding and priority access to cooperate with the private sector and other NGOs to provide services. As Cui Dehai, the SNA leader, told the authors, as "the goal of local government is to use limited finance to deliver a good caring service for the elderly, SNA tries to motivate other NGOs and the private sector to participate in providing high-quality services for the elderly."⁴³ As a GONGO supported by the local government, it is easy for the SNA to cooperate with the private sector and other NGOs to provide care services for the elderly. For example, SNA offered financial and organisational support to develop many community NGOs under the "side by side" service provision category: this involved elderly people in good health working as volunteers to provide care services for other elderly people in the same community. In 2012, the telephone call system 81890 was first introduced by SNA as the "Assistance Service Center for the Elderly". SNA integrated communities, hospitals, restaurants, housekeeping companies and other NGOs in this "Assistance Service Center for the Elderly", thus allowing the elderly to order the services they need at home through the telephone call system 81890.

The collaboration between the local government and SNA brings many benefits to the local government of Haishu district. First, SNA can share the administrative workload of caring for the elderly with the local government. For example, SNA checks which individuals are entitled to have home-based care services and arranges for volunteers or other organisations to provide these services. Second, SNA offers training courses for carers and volunteers who provide the home-based care services for the elderly, which guarantees service quality. Third, SNA also offers unemployed people jobs in the community.

The performance-based collaboration between the local government in Ningbo city and SNA shows that although SNA is a GONGO, it still has to achieve a satisfactory performance during the local government–GONGO collaboration processes. As an organiser of the pilot project for providing home-based care services, SNA has to provide care services for the elderly at a low cost. An increase in the local government's financial budget is therefore deemed as a form of reward for SNA's efficient and low-cost provision of home-based care services. The satisfaction of the elderly, as customers of the services provided, is also important in evaluating SNA's performance. In fact, it was upon local government's assurance that SNA's performance in the pilot project was indeed of satisfactory standard that SNA was empowered to establish the "Assistance Service Center for the Elderly" through the calling system 81890, which integrated community NGOs, private companies,

⁴² Data was drawn from the analysis report on socio-economic performance, published by the Starlight Nursing Association in 2006.

⁴³ Interview with the leader of Starlight Nursing Association (SNA) on 10 October 2013.

hospitals and the elderly. In the performance-based collaboration between the local government and the GONGO, positive incentives were usually offered step by step to encourage the GONGO to achieve good performance.

<H1>LOCAL GOVERNMENT–NON-GOVERNMENTAL ORGANISATIONS COLLABORATION IN SHANGHAI: PROMOTING THE DEVELOPMENT OF LOCAL ECONOMY AND INDOOR ENVIRONMENT

Shanghai is the largest city in China. As the economic and financial centre of China, Shanghai has a developed modern service industry and manufacturing industry. The increasing demand for the specialised construction of air purification projects to support these industries has created a broad market for clean indoor environments. There was no accreditation policy in Shanghai for local enterprises to gain approval for specialised air purification projects, and local enterprises were therefore excluded from the air purification business. In order to regain the market share of local enterprises and to improve indoor environment quality, Shanghai's local government had to introduce regulations for qualification accreditation for specialised purification project contractors. However, Shanghai's municipal government did not have any experience in qualification accreditation for specialised air purification project contractors.

The Shanghai Indoor Contamination Control Industry Association (SICCA) is an NGO that was established by enterprises in 2006. Members of SICCA are enterprises engaged in indoor environment products. There were eight full-time staff working for SICCA, none of whom had had work experience in government departments. At the beginning of 2008, SICCA organised seminars and surveys for membership enterprises to discuss qualification accreditation for specialised purification project contractors. The technologies and standards for qualification accreditation were agreed after these discussions. SICCA also completed the compilation of "purification qualification" accreditation, including principles, references and explanations of proposed standards.

The Shanghai Construction Administration Office, recognising SICCA's professionalism in its work, turned to SICCA for a collaboration to establish a qualification accreditation system. The Shanghai Construction Administration Office realised that collaborating with SICCA to manage qualification accreditation for specialised air purification projects would better satisfy the demand for purification enterprises. However, before embarking on a collaboration project, the Shanghai Construction Administration Office still required further confirmation that the performance achieved by SICCA was of satisfactory standard.

In 2009, SICCA made further efforts to participate in a collaboration project with the local government by first developing a training programme for technicians in the air purification industry, and second, by formulating the standards for air purification technology and the production of goods to convert ISO14644 into a local standard (SAC/TC319). The success of these efforts had convinced the Shanghai Construction Administrative Office to authorise SICCA to launch a pilot project for the accreditation of air purification contractors that was, however, restricted to SICCA's members. The Shanghai Construction Administrative Office promulgated an announcement on the implementation of "Qualification Accreditation for Specialized Purification Contractors" in Shanghai. According to the head of SICCA, "SICCA is empowered to carry out a pilot scheme for implementing 'Qualification Accreditation for

Specialized Purification Contractors' in Shanghai. Membership Enterprises can apply for qualification assessment."⁴⁴ If SICCA completed the pilot scheme successfully, the Shanghai Construction Administration Office planned to empower SICCA to implement the "Qualification Accreditation for Specialized Purification Contractors" for all purification enterprises in Shanghai.

In early 2014, SICCA was authorised by the Shanghai Construction Administration Office to set up a programme for qualification accreditation for air purification. On 14 February 2014, SICCA submitted the "Proposal for Qualification Accreditation for Contractors in Special Projects (Air Purification)" to the Shanghai Construction Administration Office, which then accepted SICCA's proposal and gave SICCA responsibility for the qualification accreditation project. That is to say, SICCA was given the authority to approve permits for qualification accreditation for enterprises based on its own assessment reports.

In this case, the collaboration between SICCA and the Construction Administration Office in Shanghai demonstrated the case of a local government agency granting authority to a self-established NGO. Promoting the purification industry development and the indoor environment quality motivated the Construction Administration Office to cooperate with SICCA. However, for SICCA, gaining approval to participate in a collaboration project with the local government was not an easy journey. SICCA had to prove that it had adequate capacity to take part in such a project. In the process of collaboration, the Construction Administration Office first empowered SICCA to participate in the initial policy-making for qualification accreditation. When the Construction Administration Office assessed that SICCA as capable of implementing the policy for "Qualification Accreditation for Specialized Purification Contractors", SICCA was then allowed to launch a pilot scheme. SICCA was subsequently authorised by the Construction Administration Office to set up a programme of qualification accreditation for the entire industry. The improved performance achieved by SICCA led to greater empowerment of NGOs from the local government.

<H1>CONCLUSION

In this article, the authors apply the performance-based framework to analyse the collaboration between local governments and NGOs in China. On the one hand, local governments have been given authority to manage NGOs, and the performance-based decentralisation from the central government to local government has also exposed a significant gap between the responsibilities of local governments and the resources available to them. This provides strong motivation for local governments to cooperate with NGOs. On the other, local governments utilise performance-based empowerment to ensure that the collaboration serves the purposes of the local government. In practice, the performance-based collaboration can be described as the local governments' strategic response to the emerging NGO sector.

This study aims to shed light on the recent state–society collaborative relationships in China within the framework of performance-based collaboration. The authors' findings, based on a detailed examination of two cases drawn from Ningbo city and Shanghai city, show that local governments are willing to collaborate with NGOs (whether self-established

⁴⁴ Interview with the head of Shanghai Indoor Contamination Control Industry Association (SICCA) on 9 April 2014.

NGOs or GONGOs) to promote the local economy and provide public services. Local governments empower NGOs step by step according to the standard of performance achieved by the NGOs. When NGOs improve their performance, this can also lead to their being granted further empowerment by local governments. Even though only two cases are presented in this article, the aim of this study is to examine the performance-based collaboration between local governments and NGOs and how this functions at the local level in China, and not to over-generalise relations between local governments and NGOs in China. The framework of the performance-based collaboration described in these two cases could however be employed to analyse the performance-based collaboration between local governments and NGOs that occurs elsewhere in China.

The future success of performance-based collaboration between local governments and NGOs in China depends largely on two points. First, the capacity and autonomy of NGOs must be improved so that they are able to assume a greater share of the responsibility for economic development and public services provision. This may come in part from “learning by doing” through existing collaboration projects. Second, the collaboration processes need to be institutionalised for effective and sustainable collaboration. Local governments should not only evaluate the performance of NGOs, but should also establish contracts for setting out respective responsibilities. The institution should allow NGOs to compete for the right to participate in collaboration projects. Future research is required to examine whether and how NGOs take advantage of such performance-based collaboration to extend the role they play in Chinese society.

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