

# **Integrating Coproduction Theory into Voluntary Sector Theories: Approaches and Implications for Chinese Governance**

Beth Gazley, Indiana University-Bloomington

Yuan (Daniel) Cheng, University of Minnesota

## **ABSTRACT**

This article argues for a fuller and more integrated application of *coproduction theory* into explanations for social and voluntary sector activity around the globe. Coproduction also has potential value for understanding some aspects of an emerging and somewhat turbulent Chinese nonprofit sector. This article uses a literature review of voluntary sector theories to first offer three reasons for more emphasis on coproduction research to explain social sector behavior: its consumer- and systems-oriented perspective, its emphasis on citizen initiative, and its temporal flexibility. We then demonstrate the value of the coproduction theory for Chinese governance by employing a systematic literature review of Chinese coproduction and related collaboration scholarship. The articles produced, although quite limited in number, offer promising examples of all three of these ways in which the concept of coproduction has been used to date in Chinese contexts. We conclude with some suggestions for future China-oriented research to better integrate coproduction theory into voluntary sector theories.

## Introduction

In China, both the development of a national policy emphasizing a “service-oriented government” (*jianshe fuwuxing zhengfu*) as well as the pace and complexity of China’s rapidly emerging market economy has created opportunities for citizens to play a role in public service delivery, especially at the local level (Ahlers, Heberer, and Schubert 2016). As a result, coproduction theory has been gaining interest among Chinese scholars seeking frameworks to predict and explain Chinese citizen participation in producing public benefit goods. A promising example of such interest was seen in China’s first academic conference on coproduction hosted by Zhejiang University in December 2018, from whence this article emerges.

A surprising fact of nonprofit-government theory development, however, is that despite the resurgence of interest in coproduction theory, its scholarly treatment has largely been isolated from major voluntary sector behavioral theories such as Weisbrod’s, Hansmann’s, and Salamon’s three-failures theory, Salamon’s and Anheier’s interdependence theory, and Young’s “three lens” theory. These theories are in widespread use in voluntary sector scholarship around the world, including in China, yet coproduction is not a concept familiar to voluntary sector scholars, although it is becoming much more familiar in public management fields.

This article confronts this paradox by asking and attempting answers to two questions. First, using a review of voluntary sector theories, in what ways might coproduction be understood as a voluntary sector theory? Second, in what ways can a coproduction framework help to explain aspects of collective citizen support of public services in the Chinese context? We argue that this endeavor is worth the effort because of the uniqueness of China’s increasingly decentralized public service delivery system, and renewed opportunity for citizen participation. The

coproduction theory adds value to the study of joint public service provision in China because of its consumer- and systems-oriented perspective, its emphasis on citizen initiative, and its temporal flexibility.

### **A review of the literature: Voluntary sector theories**

A central stream of social and voluntary sector research around the globe, particularly cross-national and comparative research, has explained nonprofit behavior through “origins theories” developed in the 1970s-1990s. In addition to Salamon’s *social origins theory* of nonprofits, economic theories of mostly the demand-side have offered *market failure*, *government failure*, *demand heterogeneity*, and other explanations for nonprofit emergence in market and quasi-market economies (Hansmann 1979; Salamon 1987; Salamon and Anheier 1998; Weisbrod 1975)<sup>i</sup>.

A closely related stream of theory development has also used loose demand- and supply-side frameworks but has focused not only on “origins” but also on nonprofit “behavior”, such as how civil society organizations manage joint efforts, power dynamics, and resources. Thus, *coproduction*, *three lens*, *resource dependency*, and *interdependence* theories help to explain citizen and nonprofit behavior in the shadow of the state and the market, and how governments encourage, discourage, or otherwise respond to voluntary and nonprofit activity (Grønbjerg 1990; Saidel 1989; Young 2000; Salamon and Anheier 1998; see also Lecy and Van Slyke’s 2012 treatment of interdependence theory as closely related to collaborative governance). Such behavioral theories have been especially important to creating a rich thread of downstream scholarly activity such as the more recent study of inter-sectoral collaboration (see for example Gazley and Brudney 2007; Guo and Acar 2005).

Each of these frameworks has known limitations. For example, *resource dependence theory* is mainly interested in funding flow. And *three failures theories* emphasize “either/or” scenarios in which one sector offers a preferred market niche for citizen services over others. Few efforts have been made to explain cases in which two or possibly three markets all succeed or fail together (for an exception, see O’Donovan’s, 2019, application of three failures theory to natural disaster response).

We argue that an “either/or” framework is not realistic because effective public service provision involves “both” in that it cannot happen without both the involvement of regular service producers and active user involvement. Situated in a systematic comparison of privatization and coproduction, Brudney (1987) pointed out that both coproduction and the failure theories seek the balance between public and private action in addressing community needs. However, privatization emphasizes the withdrawal of government involvement while coproduction emphasizes the complementary role of citizens in public service provision.

Additionally, *interdependence theory* focuses only on those social welfare service delivery roles in which governments offer nonprofits grants and subsidies, legal authority, or other incentives to deliver services demanded by citizens. The main limit to this theory as it pertains to many national contexts is obvious in that it only describes those relationships which align with public policy and are non-adversarial and mutually supportive. Further, although nothing in its name suggests that the nature of the interdependence must follow prescribed rules, this theory has been used in a one-sided manner in nonprofit scholarship, almost exclusively measuring and describing relationships in which government acts as principal (e.g., as planner and financier), and nonprofit as agent (e.g., as the mechanism for service delivery) (see for example Salamon and Anheier 1998; Lecy and Van Slyke 2012). However, Gazley, Cheng, and LaFontant (2018)

have used the phenomenon of charities created to raise philanthropic funding for public services to argue for an expanded definition of interdependence theory, to encompass mutually supportive government-nonprofit relationships where the government still invites and legitimizes charitable activity but where the charitable sector is expected to bring the resources and possibly the programmatic leadership. Cheng (2019) further demonstrated that these charities are not only involved in service delivery and implementation, but also the planning and design of public services.

Young's (2000, p. 150) "three lenses" of nonprofit-government relations (*three lens theory*) may succeed better as a global framework, in that it acknowledges that the nonprofit role in public benefit service provision may serve to *complement* and/or *supplement* governmental activity but may also operate *adversarially* to government policy. This theory is designed to offer circumstantial and geographic flexibility: the activities may happen simultaneously, and they may change as economic circumstances and public policy cause inter-sectoral behavior to evolve. They are also not specific to Western contexts. They are interested in funding flows, but not exclusively. The supplementary perspective describes situations of government failure, in which nonprofits step in to meet a demand for services that government will not or cannot satisfy. The complementary perspective is closely allied with interdependence theory in that nonprofits help to carry out the work of government, which is still financed by government. Finally, Young (2000) describes the adversarial relationship as one in which nonprofits advocate for policy change or work in ways oppositional to government policy. While Young addresses the circumstances around how this advocacy might happen in a fairly narrow and mostly Western scope, the lesson is made clearly that governments may exercise a lot of control over their relationships with the nonprofit sector, across many political systems.

### *Coproduction's origins*

Young's theory offers a means of bringing coproduction theory into the fold of mainstream, global nonprofit theories. Young's supplementary lens is closely aligned with coproduction in that these nonprofits are expected to bring new resources. The complementary lens informs the coproduction theory as citizens/nonprofits often engage in partnership relationships with government in the process of coproducing public services. Individuals and groups engaged in coproductive behavior with government may also reserve their right to influence or challenge government behavior, which is closely aligned with the adversarial lens. Since all three models of government-nonprofit sector relations suggested by Young may take place in coproduction simultaneously, coproduction deserves attention from nonprofit and voluntary sector scholars.

Beginning with work by Sharp (1980) and Parks et al. (1981), and then expanded on by Brudney and England (1983), Ostrom and various collaborators defined coproduction as "the process through which inputs used to produce a good or service are contributed by individuals who are not 'in' the same organization" and are therefore not the "regular" producer of the service (Ostrom 1996, p. 1073). The theory was developed to address some observed "myths" (p. 1079) about the way in which public services are delivered. The first myth was that government is the single producer of public services. The second was that even if government is the expected provider and even when most taxpayers would be willing to pay government to perform a service (such as crime prevention), a measurable improvement in service quality could be found when citizens actively contributed to the public service (such as through neighborhood crime watches). Ostrom et al. argued instead that when the regular producer of a service is a government, such as it is for education, healthcare, or public parks management, governments may encourage clients

or consumers of the service to participate in its design or delivery. That citizen participation is coproduction.

### ***Three arguments for coproduction as a voluntary sector theory***

Somewhat surprisingly, while coproduction theory has been employed robustly, generating tens of thousands of articles, it has been applied somewhat separately from these voluntary sector theories and outside the mainstream nonprofit scholarship. An example of this gap is seen in Powell and Steinberg's (2006) highly influential text, *The Nonprofit Sector: A Research Handbook (2<sup>nd</sup> Ed.)*, which offers only a single passing reference to Ostromian theory and does not mention "coproduction" at all.

Of course, coproduction addresses only some voluntary sector activity, that part which engages with public services. Large areas of the social sector by design and preference have no interest in governmental engagement and operate in private, associational, or quasi-legal spheres. But there are still vast areas of nonprofit activity that are intertwined with governmental activity. So the reasons for coproduction's absence in that conversation may have more to do with disciplinary divisions than with usefulness. Indeed, Ostrom (1996, p. 1073) suggested quite some time ago that "disciplinary walls" may have trapped coproduction in too narrow a scope of usefulness.

Working in its favor as a theory useful to nonprofit behavior is the fact that it has been built on economics, a discipline that is centrally important to both nonprofit origins and behavioral theories. However, working against coproduction's wider application has been its early emphasis on citizen action without much interest in how *collective* citizen action translates to organized nonprofit behavior. Although coproduction and the conceptual development of larger theories of polycentricity were intensely interested in multi-sector behavior, they were less interested in its

implications for the behavior of the institutionalized, nonprofit sector. And coproduction is rarely applied in some of the other disciplines important to nonprofit scholarship, such as sociology or management sciences.

However, this situation seems to be changing. The global academy has made efforts to weave coproduction into bigger conversations about how services are delivered in market and mixed economies. A robust conversation about coproduction has continued in public management circles in which third sector interests are increasingly well-represented, reflected for example in the influential 2013 book, *New Public Governance, The Third Sector, and Co-Production* (Eds. Pestoff, Brandsen, and Verschuere). And some scholars representing other influential nonprofit sector disciplines such as political and organizational sociology have discovered and found uses for coproduction theory, suggesting the theory is spreading across multiple disciplines (see for example Lelieveldt et al., 2009).

This article offers three possible ways in which coproduction may be helpful to explaining nonprofit behavior, including in Chinese contexts. First, it is a systems-oriented theory that conceptualizes nonprofit organizations as an institutional arrangement under which the interaction of service users and regular producers take place. Next it places the emphasis on citizen initiative so is friendly to regimes with an emerging social service sector such as China. It also represents an alternative mechanism of how citizens take governments accountable. Finally, it has temporal flexibility in that it can explain collective citizen activity as it evolves and formalizes in different stages of public service provision. The following section explains these three arguments, and a brief test of the arguments follows through an analysis of current scholarship on Chinese coproduction.



## Coproduction as a systems-oriented theory

By a “systems” orientation, we mean the wide variety of ways in which collective coproductive action happens within political and economic systems, across legal divides. Bovaird (2007, p. 848), for example, described coproduction as being especially friendly to a systems-oriented view since “...[o]nce clients and community activists become engaged in the coplanning and codelivery of services alongside professional staff, the networks created may behave as complex adaptive systems, with very different dynamics from provider-centric services.”

We point to two particular characteristics of coproduction as reflections of its adaptability: first, coproduction is interested in citizen behavior across the sectors without much concern about their legal boundaries or status. Coproduction fits very well into explanations of optimal social sector behavior, since it emphasizes the fact that quality public service provision simply cannot take place without the joint efforts of citizens and government. For example, quality public education is a result of three-sector effort: good education policy, good teachers, good students, and good parenting. An effort to focus on just one aspect will likely fail. This is the essence of coproduction. Its roots rest in the idea of a systems-oriented, multi-party governance approach “beyond markets and states” (also described as “polycentric”) as both the more efficient and effective choice wherein citizens and government are involved simultaneously in making service decisions (Ostrom 2010, p. 641). It is therefore a more comprehensive perspective than some other theories, especially those focused narrowly on resource flow.

As Aligica and Boettke (2009, p.38) have synthesized, there are at least six different institutional arrangements for the provision of public services in the polycentricity framework: (1) services financed and provided by local governments; (2) contracting to nonprofits; (3) contracting to

other governments; (4) contracting to private firms; (5) vouchers, allowing consumers to choose different service providers; and (6) establishing service standards that must be met by private producers. Coproduction in the polycentric governance framework does not, therefore, assume the involvement of nonprofit organizations as either a necessary or sufficient condition for service users and regular public service producers to work together. Instead, nonprofit service providers serve as only one type of institutional arrangement under which coproduction takes place. The empirical focus should be on what institutional arrangements may promote and inhibit coproduction. Voluntary sector theories can be very informative to the coproduction theory as they lay out comprehensive arguments about the conditions under which nonprofit organizations are preferred compared with their government and for-profit counterparts (such as government failure or contract failure theories).

Second, coproduction emphasizes individual voluntary activity, but has the easy ability to also capture voluntary behavior that may become increasingly institutionalized, i.e., through a formal nonprofit organization. Coproduction was conceived as mainly a citizen activity, with some early ambiguity about the specific forms in which organized citizen activity might manifest itself collectively. However, the theory did originally embrace the idea that citizens might organize into voluntary efforts by “individuals and *groups*” to enhance service quality or quantity (Parks et al., 1981, p. 1002, emphasis added). The originating literature refers to institutionalized forms in which that activity may happen, such as neighborhood associations or interest groups (Brudney and England 1983).

Both the volunteer, and the nonprofit organization created to support that voluntary activity, therefore belong under the umbrella of coproduction. Such a viewpoint was fully understood by its originators, even if not carried to its logical conclusions for another generation. Brudney and

England (1983) argued that the collective form of coproduction was possibly more important if one were interested in overall impact of citizen action. Ostrom (1996) and colleagues recognized that the specific design of the institutional arrangement could hinder or help the success of the joint activity, and provided several reasons why an institutionalized arrangement might be preferred over unorganized citizen activity.

On the one hand, institutionalized arrangement such as formalized nonprofit organizations can clarify and strengthen the weak incentives that government may provide to encourage citizen participation. When a formal nonprofit organization is created around the citizen activity – such as a Parent Teacher Organization to mobilize parental involvement in public education – the incentives may become clearer, since parents now have a specific idea in their mind of what needs their support, and since the necessity of keeping that organization legally compliant increases the stakes and therefore their incentives for participation. On the other hand, organizing citizen coproduction through a legal nonprofit may also discourage corruption. Ostrom notes the value in partnerships built on contractual arrangements, to increase their credibility. These partnerships are easier to accomplish through formal, institutionalized activity. Finally, organizing coproductive activity through voluntary organizations is congruent with Ostrom's ideas on polycentricity, whereby the problems of monocentricity or centralized governmental rules can be avoided because the citizen activity is formed into smaller units of the right size and scope to achieve “meaningful contact” between citizens and governments (1996, p. 1082).

Despite multiple benefits institutionalized arrangement may bring to coproduction, the Ostromian perspective of coproduction emphasized the central role of service consumers in the production of public services. Ostrom and Ostrom (1977) used a service paradox to refer to the possibility that the more professional the services are, the less satisfied citizens may feel about

those services as experts become the key decision makers in professional public service provision. This lesson is informative for nonprofit scholars interested in the trend of professionalization of nonprofit organizations, especially in contexts where nonprofits play key roles as public service providers. The professionalization of the nonprofit sector may inhibit the coproduction of public services by service consumers/citizens as service professionals take over the voice of service users. From this perspective, looking only at the scale of funding interactions between government and nonprofit actors will not be sufficient to understand the scale and scope of coproduction. In fact, focusing only on expenditures may paint an opposite picture of how much citizens are involved in the public service provision process. This idea is consistent with Grønbjerg et al. (2010)'s U.S.-based research which observed the large amount of nonprofits operating as informal organizations, beyond the purview and control of state and federal registration expectations, but the observation can surely be applied to other, non-U.S. contexts.

#### Coproduction as a Reflection of Public Entrepreneurship and Citizen Initiative

Another advantage of coproduction theory is that it reflects the supply side of voluntary actions in the form of public entrepreneurship and citizen initiative. The traditional understanding of the Ostromian perspective of polycentricity comes from a classic 1961 article by Ostrom, Tiebout, and Warren. In it, they describe how citizens “sort” different bundles of public services and move to different locations as a mechanism of holding local government accountable and keeping public officials attuned to citizens’ preferences. In such situations, “exit” from the service regime is oftentimes not realistic or sufficient to hold local government officials accountable. The voice and initiative by citizens therefore become a very important mechanism to complement the sorting mechanisms. It is the combination of public entrepreneurship and

citizen voice that moves the system forward and drives social innovation (Oakerson & Parks, 1988).

From this perspective, citizens' role in public service provision is not only as consumers or coproducers. They are the central actors to drive new forms of public services through their participation and voice. Public entrepreneurs then respond to the voices of citizens and collectively drive system change. Citizens and government are not only coproducing the substantive contents of public services, they are also coproducing new forms of public services and social innovation.

This emphasis on voice and initiative by citizens complements the sorting mechanisms proposed by Ostrom et al. It serves as a supply-side theory of explaining why nonprofits are set up for people to use. As nonprofit scholars have argued, existing theories in voluntary sectors emphasize theories of demand, or why consumers want to support nonprofit organizations through purchase or donations. However, less well understood is the supply side, such as how, why, and when nonprofits are created to respond to demand incentives (Steinberg, 2006, p.128). Coproduction's idea of public entrepreneurship and citizen initiative may therefore complement the emphasis on demand-side factors in existing voluntary sector theories, especially the largely demand-side but theoretically important "three-failure theory".

Ostrom's design principles of governing common pool resources offers the starting point of thinking about how effective coproduction may take place (Verschuere, Brandsen, and Pestoff, 2012). These insights are also informative as nonprofit scholars think about the conditions for effective supply of voluntary actions. According to Verschuere et al. (2012, pp. 1088–89), the main design principles that are useful to third sector research include the following: (1) clear

boundaries to describe the resources and the group of users; (2) rules that are adaptive to local conditions; (3) participation of the user in the decision-making of service provision; (4) the recognition of self-organizing activities by the external authority; and (5) effective mechanisms of conflict resolution.

### Coproduction's Temporal Flexibility

Coproduction theory also has a potentially more flexible temporal dimension than other nonprofit theories, spanning both the “origins” and the consequent “behavior” of voluntary action. Two dimensions of temporal flexibility are useful to consider: how emergent citizen actions evolve to formalized institutional actions, and how citizens are involved in multiple stages of public service provision.

First, coproduction can realistically address both emergent citizen action in the form of voluntarism, and subsequent evolution into new forms of joint activity. Much of the ensuing scholarly discussion in the 40 or more years since Ostrom and colleagues defined this theory has been about the ways in which the theory can or should evolve to address the evolution in government-civil society relations. An important part of the evolution across the globe has been in efforts by both individual citizens and governmental agencies to institutionalize the coproductive relationships. A widespread outcome, therefore, of long-term coproduction is the creation of formal, nonprofit organizations to organize collective efforts. As noted above in the discussion of coproduction as a form of collective “citizen initiative”, this idea suggests that it is natural within the voluntary sector for individual volunteer initiative to evolve to informal but more associational forms, and possibly then to formal organizations.

Second, coproduction has the advantage of incorporating different roles citizens and nonprofits play in multiple stages of public service provision. Scholars increasingly recognize the importance of citizen participation in public service provision, not only in service delivery as originally intended by coproduction but also across the service cycle. Thus, the scope of coproduction has expanded to include citizen participation in the co-commissioning, co-design, co-construction, co-delivery, and co-assessment of public services (Cheng, 2019a; Jetté and Vaillancourt, 2011; Nabatchi et al., 2017; Voorberg et al., 2015). Informed by coproduction theory, Gazley, Cheng, and LaFontant (2018) showed that parks-supporting charities are involved in a multi-dimensional and highly collaborative pattern of engagement in the provision of state and national park services.

With the emergence of new theoretical frameworks such as co-creation (Voorberg, Bekkers, and Tummers 2015), co-governance (Pestoff, Brandsen, and Vershuere 2013) and collaborative governance (Ansell and Gash 2008), the coproduction framework offers opportunities for voluntary sector scholars to conceptualize the role of nonprofit organizations in these distinctive phrases of public service provision and track their evolution among these different types of roles. For example, are nonprofits more likely to engage in co-creation or collaborative governance when they also serve as coproducers of public services? If so, how do they evolve into shared decision-making roles? If not, what hinders their ability to do so?

We suggest a key barrier to further theoretical development in this area is the heavy focus within voluntary sector theories on the influence of government funding on nonprofit organization behavior, rather than the possible influence of nonprofits via citizen action on governmental behavior (Gazley, Cheng and LaFontant 2018; Cheng 2019b). Such a shift in perspective may also open up new opportunities for nonprofit scholars to better understand the impact nonprofit

service providers have on the characteristics, resources and cultures of their government counterparts and on the quality of public services.

### **Implications for Chinese governance: An empirical demonstration**

Given the unique advantages of the coproduction theory in explaining voluntary sector behaviors in many geographic and social contexts, to what extent have these ideas been used in China? Are these ideas useful in explaining the development of the voluntary and nonprofit sector in China, which is a very different context compared with that of North America and Europe? The next portion of this article reports a literature search we have conducted to understand the use of the coproduction theory in the Chinese context and its implications for Chinese governance.

### ***Method and Data***

A modified systematic literature review (Cooper, Hedges, and Valentine 2009; Higgins and Green 2011; Pittaway 2014)<sup>ii</sup> was conducted with the goal of finding and summarizing all research on Chinese coproduction. The goal was a full review of the literature, but limits to both the method and the results required some modifications to our plan. An explanation follows.

A systematic literature review is a method of reviewing a field of study through an organized analysis of the extant literature. This method is distinct from meta-analyses, bibliometric analyses, meta-reviews, or other efforts to assess a field of study. The goal of a systematic literature review is to provide the broadest and least biased view of a field, such as by maximizing coverage. It therefore avoids the bias and non-generalizability that occurs with “traditional literature reviews” when authors are selective in their choices or include only certain



journals (for example, based on reputation) or certain disciplines. Gazley and Guo (2015) have demonstrated that “reviews” of a single field (in their case, the field of “nonprofit collaboration”) may vary widely in coverage, limiting their reliability and validity. Systematic literature reviews therefore employ rules, standardized search protocols, and predetermined criteria for article inclusion. Researchers must be transparent in explaining decisions that might limit their searches. While not yet common in nonprofit and public affairs literature, a few recent examples demonstrate their growth and their value in assessing the state of a field, concept or idea (Brass et al. 2018; Gugerty, Biscaye, and Anderson 2019).

Our literature search, coding, and analysis was conducted from October 2018 to March 2019. Stage One involved a general search, locating articles matching the keyword protocol and adding them to a coding sheet. Stage Two involved locating and downloading full text versions of the articles. Stage Three involved content analysis to identify and code eligible articles. Google Scholar was used as the primary search engine to find relevant literature about coproduction research in the Chinese context.

The preliminary results revealed very few articles matching the keywords of “coproduction” and “China” simultaneously, suggesting that coproduction is still a very new concept for scholars to study the nonprofit sector and public service provision in China. To expand the scope of search, we expanded our keywords to include “nonprofit”, “coproduction”, “governance”, “collaboration”, “social enterprise”, in combination with the keywords “China”, “Hong Kong”, “Taiwan”, and “Macau” interchangeably. The main selection criterion was that the studies have to be related to joint public service provision among citizens, nonprofits, and governments in the context of China and its claimed territories. We recognized the limitations of expanding the scope of the search which may include scholarship that does not directly address coproduction.

However, given coproduction is still a new and foreign to the scholarship on public service provision in China, this approach offers us the flexibility and opportunity to learn how other related theories have examined the similar phenomenon, thus informing the implications of coproduction theory for Chinese governance.

A second limitation is that the analysis only includes articles that were published in peer-reviewed academic articles. Grey literature such as government reports and white papers was excluded from the literature search and coding. This decision increases the quality of the work but reduces its scope. Given that our goal was to assess the theoretical applications of coproduction, we were comfortable with the narrower search protocol.

Additionally, through content analysis of the main content and abstract of the downloaded articles, we only included studies that are directly related to joint public service provision among citizens, nonprofits, and governments in the context of China and its claimed territories in our final database. Last, a major limitation on our capacities was that only one of the two authors (and none of our research assistants) reads Mandarin. Therefore, only English-language articles were included in this assessment of the literature. We acknowledge that this limit makes our conclusions incomplete.

This protocol resulted in 20 articles, beginning with 44 articles in the initial data set, reduced to 31 when the abstracts were reviewed to identify whether the articles fit eligibility criteria, and reduced further by 11 due to access limitations (7 articles not available and 4 without a full text in English). It should be emphasized that this number should not be regarded as a small “sample” and therefore unworthy of analysis. Rather, it is the full population of articles that were found using the rules, standardized search protocol, and predetermined criteria we established. The key

finding, therefore, is that the field is very thin and not yet capable of generating a clear pattern of ideas and coverage.

This is a limited result, but it does not change the advisability of using the principles of a systematic literature review (SLR). In fact, the greater rigor of the SLR method reinforces the reliability of our finding of very limited coverage. However, the limited results do restrict what kind of analysis can be applied to the articles. In this case, we proceed with a more qualitative approach, attempting to understand the coverage, approaches, and opportunities we have outlined in the first half of this article.

These 20 articles suggest that coproduction has been rarely used in the Chinese context to understand public service provision and collaboration among citizens, nonprofits, and government agencies. Only one article explicitly used coproduction to frame its research question and theoretical framework. Other articles extensively used public participation, collaborative governance, or state-NGO relationships to build their theoretical framework. Environmental and natural resource management dominated the policy contexts under which these studies were conducted. With this very preliminary literature search, we are not in a strong position to make any claim that we have covered all the academic literature that is written about coproduction in the Chinese context. However, the fact that coproduction has not been widely applied to the Chinese context to explain or make sense of collaborative arrangement among citizens, social organizations, and government for public service provision offers an open invitation to scholars to engage the subject more widely.

### **Findings: How Can Coproduction Theory Contribute to Chinese Governance?**

In this section we select articles from this pool to offer observations on how each of our proposed three possible strengths of coproduction theory might apply to the Chinese context. The purpose is not to offer a comprehensive review of the literature but to demonstrate how coproduction may contribute to the study of joint public service delivery and citizen engagement in the Chinese context. First, as a systems-oriented theory, coproduction enables scholars to understand the distinctive intuitional arrangements in China that shapes user involvement in public service provision. We point to three articles in particular that make this point. First is Joshi and Moore's 2004 *Journal of Development Studies* article, "Institutionalized Coproduction: Unorthodox Public Service Delivery in Challenging Environments". The authors observe that "In developing countries, services are often delivered through unorthodox organizational arrangements that cannot simply be dismissed as relics of 'traditional' institutions." They argue that co-production serves as a more flexible conceptual framework for understanding citizen-state action in developing country contexts, especially when compared to concepts such as "New Public Management" which are familiar to Western scholars but assume a level of pragmatism and flexibility that may not be possible in non-Western political regimes. Large portions of their analysis do not seem to fit the Chinese context, since Joshi and Moore are largely interested in national contexts such as Pakistan and Ghana where weak state authority opens up opportunities for citizen-government engagement through "institutionalized coproduction". However, this distinction is deceptive and their argument takes a surprising turn when they use examples of strong centralized government such as China to argue that it is the logic of a modern global economy – a market system -- rather than a distinct political model which may drive coproductive activity. The reason is that there are still mutually defined needs and gaps in services that require multi-sector solutions. It is the familiarity of the Chinese public

and social service sectors with market solutions, not the existence of a centralized political system that allows the Chinese economic sectors to interact in so many hybrid, quasi-public ways.

Saich expands on these “dynamics of [economic] change” (p. 125) in a 2000 *China Quarterly* article, “Negotiating the State: The Development of Social Organizations in China”. While the article is now outdated in terms of the public laws governing Chinese social organizations, Saich’s still argues for the impossibility of full state control over civil society relationships that are “symbiotic” (p. 139) and mutually dependent, most especially in a regime that is rapidly evolving and dependent on civil society to take on new functions in support of changing government social policy. Saich also argues that, contrary to the outsider’s view, there are many models of state-civil society relations operating within the country, regionally and locally, and many are open to coproductive relationships as “each social organization in China ...[negotiates] with the state its own niche that derives from a complex interaction of institutional, economic and individual factors” (p. 139).

Jing and Savas take on co-production’s close relation, “collaborative service delivery” in a 2009 *Public Administration Review* article. Their particular interest is in how a political and economic system may, over time, develop the capacity to manage collaborative service delivery successfully. They offer some essential rules for the development of a robust co-productive regime, such as risk-sharing, legal empowerment of civil society organizations, and attention to social equity since they argue, as did Joshi and Moore, that multi-sectoral service delivery arrangements challenge public accountability and control. These ideas are not unlike those of Verschuere et al. (2012) in pointing to central principles for legitimizing third-sector activity in the shadow of government. All three articles show examples of the institutional environment in

China that may significantly shape user involvement in public service provision. As Saich (2000) has argued, it is important to realize the institutional diversity and sometimes competing governing logics that are in existence in China.

Second, as a theory that incorporates public entrepreneurship and citizen initiatives, coproduction is friendly to regimes with an emerging social service sector such as China. We use a selection of articles from our review to suggest ways in which this argument can be applied.

First, Teets observes in *The China Quarterly* in 2013 that modern fiscal control is decentralized and increasingly local in China. Due to an unbalanced public policy wherein tax authority is mainly national and public service responsibility is mainly local, unmet public needs at the local level will emerge and will drive the opportunities for state-civil society cooperation. As we suggested earlier, citizens (through nonprofits) may provide voice and resources to mitigate social problems through innovations and ideas the state does not possess on its own (p. 29). Teets offers examples of citizen action, voice, and initiative to demonstrate the notion of a semi-autonomous civil society that is in many ways a partner rather than a subject of state control. But Teets also puts the brakes on any idea of a civil society operating by its own rules by pointing out that while it is an increasingly robust sector and partner in public service provision, the national government maintains the ability to steer, encourage, restrict, and motivate its growth in certain directions.

Of particular interest to several of these China observers is how a privatized regime may challenge public accountability values. Rosenbloom and Gong write in *Public Performance and Management Review* (2013) that collaborative governance has general “problematic trade-offs” (p. 546) well known to any scholar of agency theory. In “Coproducing ‘Clean’ Collaborative Governance”, they suggest that the solution towards the tendency of privatized public service

provision to become less accountable to the public over time is for governments to retain direct citizen participation in the service delivery. Although they focus on only one Chinese example, the practice of *jubao* used to expose corrupt activities, they make a creative connection of this practice to coproduction ideas by describing the act of whistleblowing as an expression of citizen “voice” and thus a coproductive act.

Saich (2000) also emphasizes the importance of entrepreneurship or initiative in contexts such as China where the boundary between state and society is not as clear. It takes entrepreneurial spirit and initiative from social organizations to “negotiate” with the state to maximize their members’ interests (p.125). The state-dominant theories or concepts may not be as useful in China even if the political system is more closed or unified compared with other Western contexts. The existence of public and citizen entrepreneurs creates a niche for social organizations to survive. Social organizations have also devised strategies to help them circumvent or deflect state intrusion. Although not in the context of coproduction theory, Wang (2016) has also pointed out that the Chinese government differentiates its control over Chinese nonprofits according to a number of political and practical considerations. In summary, it is dangerous to hold a predetermined and singular view about how state-society relationships look at in the Chinese context where the boundaries of the two are constantly being negotiated and challenged. More empirical research could be conducted to understand how public and citizen entrepreneurs discover the window of opportunity, reframe the problem they are trying to solve, mobilize resources, and prioritize their strategic focus.

Third, the temporal flexibility of coproduction theory can help explain collective citizen activity as it evolves and formalizes in the Chinese governance system. Several of the articles highlighted herein have already taken on the theme of temporal flexibility, such as Jing’s and Savas’s

suggestion that China and the United States have many similarities but are on different timeframes in terms of their development of a market economy friendly to civil society activity. Saich also suggests that looking at these state-civil society relationships through a chronological lens helps to evaluate whether and how nonprofits may become coopted or embedded within governmental systems over time (p. 139). We highlight two articles that apply ideas of temporal flexibility to the study of Chinese governance.

Mitlin points out in a 2008 article on *Environment & Urbanization* that coproduction can be used as a grassroots strategy to access resources from government and gain political influence. This interaction of the service provision role – coproduction – and political role is very informative to the understanding of the development of grassroots organizations in China. Does the role of social organizations evolve and change as they get more involved in the joint provision of public services in China? Does coproduction serve as a channel for social organizations in China to gain political influence? Are social organizations able to participate in core activities of the state, or co-governance (Ackerman 2004; Cheng 2019) because of their service provision roles? A temporal examination is needed to fully understand the transition and transformation of social organizations in China. Coproduction theory's conceptualization of citizens' roles in multiple stages of public service provision is very helpful here.

Jing's and Chen's 2012 article about competitive contracting in China in the *International Public Management Journal* also demonstrates the importance of temporal considerations in examining government-nonprofit relationships in China. They point out that despite Chinese governments' push for competitive contracting, there is a very limited level of competition in Shanghai's social service contracting program. They attribute the problem mainly to decoupling: many contracts only appear to be competitive to cope with institutional pressure. However, as social



organizations continue to develop and mature, the institutional environment for competitive contracting may take root. As Jing and Chen conclude (p.424): “In China’s reforming experiences, if a reform strategy has two steps forward but one step back, it is often considered as the second-best but feasible reform path that finally takes root. It is still too early to conclude the results of China’s competitive contracting.” Hasmath and Hsu (2014, p.936) also attribute the lack of meaningful engagement between the state and social organizations in China to the “insufficient epistemic awareness of NGO activities on the part of the state”, which is a typical barrier for early collaborations. Coproduction theory provides insights in terms of how joint public service provision between governments and nonprofits/citizens may begin to formalize and evolve to different forms over time.

## **Conclusion**

Two decades ago, yet already two decades into coproduction’s existence, Ostrom (1996) expressed concerns about the “disciplinary walls” surrounding the coproduction concept. Even as recently as 2012, Verschuere, Brandsen, and Pestoff (p. 1096) observed that the study of coproduction lacked sufficient methodological and geographic diversity. They also noted the relative rarity of research addressing the institutional form that coproduction takes, especially as it relates to nonprofit activity. And they argued for more efforts to “link the study of coproduction more explicitly to general theories widely accepted in the social sciences”, particularly to take coproduction beyond its dominant economic model and bring in “competing theoretical frameworks that will enrich our understanding of the phenomenon.”

This article argues that coproduction should take its place next to dominant nonprofit theories as a flexible, integrative mechanism, and incentive for state-nonprofit cooperation and resource

mobilization as described by Verschuere et al. We also argue, using examples from Chinese scholarly literature, that coproduction is adaptable to many political and social contexts, most especially in quasi-market economies. Using a method with a likelihood of producing most of the English-language literature on Chinese production, we found just a small population of studies. Given the size of this population, we provide only modest descriptive characteristics about these articles since it is hard to find patterns in such a small but diverse group of articles. However, we think the results produce sufficient evidence to suggest that coproduction offers a legitimate, alternative theoretical framework for Chinese governance scholars to study joint public service delivery and other emerging forms of public service provision. We make specific recommendations and suggestions about the directions of future research that may benefit the most from incorporating the coproduction theory.

The arguments laid out in this article are not intended in any way to diminish the value of the variety of theory choices available to explain voluntary sector origins and behavior. We view these as choices, but not forced choices. Indeed, we suggest that recent revival of interest in coproduction theory is justified in that it offers a versatile and useful means of pushing forward the field of nonprofit research and theory generally. But we do suggest that coproduction theory has several useful aspects. It helps to correct the imbalance in the field of voluntary and social sector studies with its overemphasis on “origins” theories. As we note, more work on the “behavioral” explanations for nonprofit activity are necessary to understand whether and where these cooperative arrangements produce real public value. It also helps to describe the evolution of citizen behavior from individualized toward organized, from the single to the collective form of civil society activity.

Coproduction is not without its limits. It may find fewer applications outside of market economies, where corporatist forms of consumer service provision are the norm. Saich (2000, p. 141) argues that “Social scientists tend to dislike open-ended theories and seek to close down the range of options available for interpretation through a process of imposing order and logic” but that this limited perspective does not serve social contexts that are evolving rapidly, as China is. Indeed, coproduction “tries to do justice to the complexities of social reality in China. In the field of state-society relations, [it provides an explanation] for the shifting complexities of the current system, and the institutional fluidity, ambiguity and messiness” [of service provision at all levels of Chinese government]. As Alford (2014, p. 312) points out, seeing co-production as multi-faceted is the best demonstration of Ostrom’s “aversion to panaceas” and wise advice to think in contingencies. What works well in one context may not fit another. As coproduction theory may be informative to the development of state-society relationships in China, the potential of China serving as a distinctive context for theory refinement and development in coproduction and voluntary sector development is vast.

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<sup>i</sup> For an excellent treatment of the origins of these theories see Steinberg (2006).

<sup>ii</sup> For more on this method, see <https://blog.efpsa.org/2018/01/03/writing-a-systematic-literature-review/>