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Models of Co-operation
between Local
Governments and Social
Organizations –
Migration: Challenges
and Solutions

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Outsourcing and Networking – Common Trends of Local State-NPO Cooperation in Germany and China

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The Research Project

Models of Co-operation between Local Governments and Social Organizations in Germany and China– Migration: Challenges and Solutions (LoGoSO Germany China) is a comparative research project of the Freie Universität Berlin, the Westfälische Wilhelms-Universität Münster and the Chinese Academy of Governance, funded by Stiftung Mercator.

This comparative research project looks at the co-operation between state and social organizations (SOs) in China and Germany. It focusses on social service delivery in the area of integration of migrating populations with special attention to the fields of education, employment, vulnerable groups and social assistance (incl. legal aid) as a crosscutting issue to all of the fields. Within this subject area, the project wants to identify different models of state-SO co-operation and analyze which models are successful and why and where this co-operation is problematic. It aims to capture the different models of co-operation in Germany and China, to analyze and compare the underlying structures and to show potentialities for development.

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1 Introduction

Under the influence of the New Public Management, the cooperation between nonprofit organizations (NPOs) and local governments became a crucial part of modern governance (Salamon 1995). For a long time, theories of the welfare state have based their explanations for the involvement of NPOs in governance processes on a kind of government failure, where local governments cannot sufficiently provide social services, inducing social actors to step in and fill the gaps (see Salamon 1987: 33-36). Salamon (1987) further developed this debate and introduced his theory of voluntary failure to explain the importance of cooperation between NPOs and the government. According to this theory, the government mobilizes and supports the nonprofit sector to participate in governance processes. Thereby NPOs support the social service provision of the government, while, at the same time, the government balances the shortcomings of NPOs such as limited resources and inadequate distribution of resources (Salamon 1987: 36-42). Recently, this discussion gained momentum in both Germany and China in response to the challenges associated with social service provision for migrants. In Germany, approximately 890,000 asylum seekers¹ entered the country in 2015 and overloaded the capacities of local administrations (see Altröck and Kunze 2016). Civil society actors responded by developing new programs and showing high potential for engagement and innovation. Chinese cities face similar challenges in regard to huge numbers of migrant workers moving from the poor rural areas in China to the affluent cities (see Cai and Liu 2015). In 2018, about 288 million migrant workers were counted in the whole country.² Local governments must develop new means to provide social services and integration opportunities for these new populations in their cities. The administrations of Germany and China are in search of solutions to these new challenges, and in both countries, civil society has stepped in and played an increasingly important role in governance processes (see Hasmath and Hsu 2018, Freise and Zimmer 2019).

Based on the results of a three-year German-Chinese comparative research project³, this article investigates the underlying structures of state-society cooperation. Taking social services offered by societal actors to migrants in two Chinese and two German cities as case studies, we identify and analyse characteristics and underlying rationales of cooperation between local governments and NPOs. The results of our qualitative field research in the two countries show that German and Chinese local governments and NPOs display similar trends of cooperation structures, outsourcing, and Network Governance, albeit against different backgrounds and with differing power relations. We argue that NPOs and local governments deploy similar strategies in their cooperation that are aimed at tackling social problems, regardless of their political background. This research is based on first hand observations of social organizations in the provision of services for migrants in Germany and China. By categorizing cooperation models of NPOs and the state, this research contributes to the broader political science issue of governance.

¹ Press release of the Federal Ministry of the Interior, 30 Sept. 2016, available at <http://www.bmi.bund.de/SharedDocs/Pressemitteilungen/DE/2016/09/asylsuchende-2015.html> (last accessed August 16, 2019).

² National Bureau of Statistics of the Chinese government, 29 April 2019, available at http://www.stats.gov.cn/tjsj/zxfb/201904/t20190429_1662268.html (last accessed August 16, 2019).

³ Models of Cooperation between Local Governments and Social Organizations in Germany and China—Migration: Challenges and Solutions (LoGoSO Germany China) is a comparative research project of the Freie Universität Berlin, the Westfälische Wilhelms Universität Münster and the Chinese Academy of Governance, funded by Stiftung Mercator (project number: 1533200). The duration of the research project was September 2016 – August 2019.

In recent years, the integration of migrants has become an exceptional challenge for local governments in China and Germany. The two countries look back at very different histories of migration. China has relatively little foreign immigration but experienced a short, intense phase of internal migration. Whereas Germany has a long history of immigration from foreign countries, which had many peaks during the last centuries (Ketels 2019: 7). This study focuses on the recent migration trends in both countries. In China, this refers to an intensified and more permanent internal migration in recent years. Huge numbers of people move from the poor rural regions to the affluent cities to improve their living conditions. The Chinese system does not recognize these migrants as full residents in their new destination but labels them as floating population, referring to persons who stay in one location only for a limited amount of time. The floating population is usually not eligible for the household registration (hukou) at their destination which is necessary in order to access social services. Migrant workers moving to the Chinese industrial centres in search of a better economic situation for their families are the largest group within the floating population (Levy 2017: 7-8).

In Germany, the recent influx of large numbers of refugees from war-ridden countries like Syria, Iran and Afghanistan is at the centre of this study. Since 2015, the so-called “refugee crisis” has dominated the public debate, challenged the capacities of local administrations and aroused the engagement of NPOs. There are different legal forms of asylum in Germany, however, as they entail similar rights for the persons in question, all these groups will be referred to as “refugees” in this paper. Most refugees are expected to stay long term in Germany, therefore their access to social services and integration is a long-term political goal (Ketels 2019: 8, Levy 2017: 8-9).

The challenges involved in the social service provision for the floating population in China, and for refugees in Germany, are similar in that the migrants do not have full access to regular social systems and local administrations lack resources and expertise to develop adequate solutions. In both countries, NPOs have responded to this challenge and showed exceptional engagement to develop support systems for migrants. Local administrations benefit from this work force and its expertise and readily establish cooperation models with NPOs. Migration therefore provides an excellent policy field to explore NPO-state cooperation models.

The remaining part of this article is structured as follows: The literature review in section 2 provides an overview of previous research on state-NPO cooperation in western, i.e. North American and European, societies and in China. We then introduce our methods of data collection and analysis in section 3. In section 4, we develop the theoretical framework of outsourcing and networking for the analysis which is, in the subsequent section (5) deployed to the qualitative content analysis of nineteen cases of state-NPO cooperation. In the conclusion we summarize and discuss our results.

2 State of the Art: Structures of State-NPO Cooperation in China and Germany

State-NPO cooperation in China and Germany originates from very different backgrounds and contexts. In China, the authoritarian system, and the Communist Party’s exclusive claim to power, determine practically every development. Whereas, Germany traditionally depends on a corporatist power sharing system with the nonprofit sector as the backbone of the welfare state. However, both systems are confronted with similar in social service provision challenges and current discussions on best practices in service provision show parallels. Against the background of the New Public Management

concept⁴, the governments in both countries develop cooperation forms with NPOs to make use of their productivity and expertise in social service provision.

In Western research, several approaches have been taken to explain this cooperation. Zimmer emphasizes the markedly multifunctional nature of NPOs, which makes them open to different types of cooperation, including with the state (Zimmer 2010: 201). Najam (2000) identifies four different possibilities for state-NPO cooperation 'based on institutional interests and preferences for policy ends and means, i.e. cooperative, confrontational, complementary or co-optative. Young (2000) found that complementary, supplementary and adversarial relations between the state and nonprofit sectors exist in different countries but vary over time and relative dominance. For Salamon (1987), efficiency and effectiveness are the major drivers for government-third sector partnerships (Zimmer 2010: 201). Finally, Salamon and Toepler combine 'voluntary failure' and third-party government/new governance theory in their explanations for state and nonprofit cooperation. Voluntary failure denotes the deficiencies of the NPOs themselves that combine with the deficiencies of the market and the government and therefore enhance cooperation. In their view, typical deficiencies of NPOs are philanthropic insufficiency, philanthropic particularism, philanthropic paternalism, and philanthropic amateurism. New governance theory considers a broad range of government limitations with regard to solving social problems and complements the insights of New Public Management by emphasizing not only internal management mechanisms in state bureaucracies but also the different instruments of state/nonprofit cooperation. In particular, it seeks to utilize the special strengths of NPOs, such as their flexibility, their own institutional structures and their ability to tailor services to individual needs (Salamon and Toepler 2015: 2162 ff.).

As for China, the predominate (Western) explanation for the close relationship between the state and NPOs is the theory of corporatism (Schmitter 1974), i.e. the top-down establishment, management and control of NPOs by the state (Unger and Chan 1995). More recently, Teets has added the concept of consultative authoritarianism to this China-related set of explanations for state/nonprofit cooperation. She shows how recentralization and tax reform in favour of the central government have forced local governments to consider NPOs as alternative public service providers. Increased dependence on NPOs has made the government reluctant to take violent and extra-legal actions against them (Teets 2014). Furthermore, recent approaches include Hildebrandt (2013), who explained the Chinese state-society relationship as a form of co-dependency. Levy and Pissler (forthcoming) take a functional perspective and suggest seeing the Chinese state/nonprofit cooperation as a form of governance.

Recent economic and social developments in China required NPOs to develop new strategies and lead to a more complex involvement of them in governance processes (Ma and Liao 2015). Jing (2015) shows that, in reaction to these new economic and social developments and challenges, the Chinese government simultaneously intensified its control strategies and also began to actively empower the development of NPOs. In a similar vein, Kang and Han (2008) apply their "system of graduated controls" to analyse how far the extent of state control depends on the scope of the organization, its capacity to

⁴ New Public Management (NPM) is an approach to make public services more market based rather than hierarchically organized. It first developed in the UK and Australia during the 1980s and soon gained popularity all over the world. Christopher Hood summarizes the main ideas of NPM as follows: "Hands- on professional management in the public sector; explicit standards and measures of performance; greater emphasis on output controls; shift to a disaggregation of units in the public sector; stress on private-sector styles of management practice; stress on greater discipline and parsimony in resource use" (Hood 1991: 4f).

challenge the state, and its value to public services. Wang and Kang (2018) observe a tightened policy and power reconfiguration, which commenced after the 18th party congress in 2012. This goes along with a reorientation from a purely state-centered, economically oriented policy to a more diverse and sustainable development policy and encompasses an increasing involvement of NPOs into state structures (Wang and Kang 2018: 1). In course of this development, the system of government service purchasing (GSP) from NPOs gained momentum, and the Chinese government stressed to “fully recognize the importance of GSP from social forces” (Wang and Snape 2018: 4).

In Germany, the neo-corporatist welfare state traditionally involves non-state actors in the provision of social services (Evers 2011). For decades, a limited number of umbrella organizations operated in close partnership with the government and enjoyed a privileged position in policy making and access to funding (Zimmer 2010). Since the early 1990s, this position changed and gave way to a system in which NPOs must compete with for-profit social service providers (Freise and Zimmer 2019: 14). Freise and Zimmer (2019) argue that a new assessment of the German welfare state and the role of civil society is needed as the traditional welfare mix is currently at a crossroad defined by changing actor constellations, new social problems and new political strategies (Freise and Zimmer 2019: 395).

This article wishes to contribute to the larger discussion on state-society cooperation. Particularly, to bring a more nuanced understanding of why state and non-state actors, in different societies, turn to outsourcing and Network Governance for the provision of social services.

3 Data and Methodology

This paper is a result of the comparative research project LoGoSO Germany China. The project is a three-year long cooperation between the Freie Universität Berlin, the Westfälische Wilhelms-Universität Münster and the Chinese Academy of Governance, and is funded by Stiftung Mercator. It aims to identify, analyse and compare models of cooperation between local governments and NPOs in Germany and China. The country teams chose two sample cities in each country.⁵ In order to ensure comparability, the two country teams selected cases of NPO-state cooperation in the four policy fields of education, employment, social assistance (including legal aid) and vulnerable groups, which represent core areas of social services for migrants in both countries. For crosschecking the results concerning the conditions for cooperation success and failure, we further selected one case in each city that was considered by stakeholders as a failure in respect to the cooperation.⁶ The two research

⁵ The sample cities were chosen to represent one of the largest cities in each country (Berlin, Guangzhou) as well as one middle-sized city (Cologne, Hangzhou), which function as economic hub in their region. All cities share the characteristic of being immigrant cities with a well-established third sector. Berlin is the German capital and largest city of the country. As a city-state in the federal system, it enjoys relative freedom concerning policy development and implementation. Cologne, on the other hand, is subordinate to the state of North-Rhine Westphalia and bound to the guidelines and regulations as dictated by the state level. Likewise, Guangzhou is relatively independent as a city in China, which is due to its status as one of the richest and largest Chinese cities, which enjoys the status of a “Model City” for developing a public management system for migrants. Hangzhou is the capital and economic centre of Zhejiang province, its policy development and implementation however is mostly in reaction to guidelines from provincial or national level (Ketels 2019: 17). All four cities are strongly influenced by migration and turn to SOs in the quest for effective solutions for this challenge (Ketels 2019: 17-18), Available at: <https://refubium.fu-berlin.de/handle/fub188/17676>.

⁶ In our cases, failure means that a desired cooperation between NPO and state that did not take place, was aborted, or did not achieve the desired outcomes. This does not necessarily mean that the project of the NPO is also a failure. Due to the difficult traceability of cooperation that did not come into being or does not exist anymore, the selection of the failure cases turned out to be extremely difficult and in one city, Cologne, finally was not successful.

teams did field data collection between July 2018 and April 2019. In each city, following an organizational approach, five cases were selected according to the following criteria:

- All cases are a cooperation between an NPO and the local government
- All cases are programs/projects that focus on services for migrants
- The following characteristics of the NPOs bear the largest possible variety: size, age, run by migrants or not, funding source, competition, administrative level⁷

The German and Chinese research teams conducted interviews with managers, staff and volunteers of the NPOs as well as with local government representatives. The authors of this paper were involved in all phases of the research. Backed by desktop research and observations, the interviews are the foundation of extensive case studies on each case.

For this paper we applied a secondary analysis of the nineteen case study reports written by the two research teams based on their fieldwork. The aim is to identify underlying structures of cooperation in the German and Chinese cases and find patterns and reasons for them across different societies. Based on existing research we, deductively, tested earlier theories on state-NPO cooperation and, complemented these insights by, inductively, identifying the rationales underlying this cooperation. We argue that, while the structures are similar in Germany and China, the rationales behind the application of certain models of cooperation are different.

In order to identify the structures, we coded the nineteen case study reports with the help of the software MAXQDA along the categories that we developed based on the theoretical framework of Third Party Government and Network Governance (see section 4). For the identification of the underlying rationales we inductively developed the categories during the coding process. The transcriptions of the Chinese interviews and secondary literature, including the LoGoSO Research Papers⁸, were consulted where additional information was needed.

4 Outsourcing and Networking Models

Since the early 1980s, third sector research in Western countries increasingly focused on the relationship between governments and NPOs. The realization that modern welfare states rely on the joint effort of governments and third sector organizations gave rise to various perspectives on this partnership focusing on the NPOs' role in policy processes, the activities of NPOs, the modes of cooperation or the effects of the cooperation (Zimmer 2010). Coston's Model is a concept applicable for classification and comparison of state-NPO relationships. It will be employed for a brief overview of all cases. To analyse these relationships in more depth, *Third Party Government* and *Network Governance* are concepts that capture well the complex relationships and operational work of the NPOs in both countries across the policy fields. In this chapter, we give a short overview of these three theoretical approaches.

4.1 Coston's Model of Government-NGO Relationships

Building on the related research literature, Jennifer M. Coston (1998) has developed a "model and typology government-nongovernmental organization relationships" in order to enable actors in the third sector to identify the most productive types of relationships for a particular context (Coston 1998:

⁷ An overview of the nineteen cases' basic characteristics is attached in the appendix of this paper.

⁸ Available at: <https://refubium.fu-berlin.de/handle/fub188/17676>.

358). This model distinguishes eight types of state and NPO-relationships. The types are defined along the following variables: whether the respective government resists or accepts institutional pluralism, the kind of government-NPO linkage, relative power in the relationships, the degree of formality in the relationship, and how favourable government policies are for NPOs. Each of the eight types is shaped by different dimensions and characteristics.

We take Coston's model to categorize the cases of our study in order to compare them.

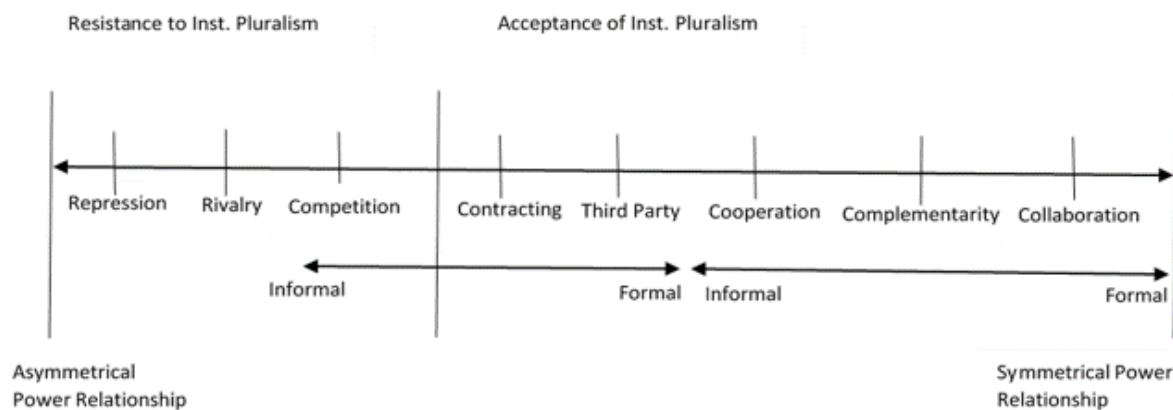


Figure 1: Coston's Model of Government-NGO Relationships (Coston, 1998)

Coston's model proposes a linear increase of asymmetry in the power relationship. It argues that the exercise of government power is stronger at the left end of the model where governments do not accept institutional pluralism and therefore oppress NPOs. This kind of cases are expected to mostly appear in authoritarian regimes (Coston 1998: 363). However, our analysis in section 5.1 shows that institutional pluralism is accepted in all Chinese cases while the state exercises power to control this pluralism. In China, the state has a clear power advantage in each relationship and the degree of asymmetry does not necessarily correspond with the cooperation model as we will show in our analysis. We have therefore adapted the model by transferring the degree of asymmetry to the y-axis, so that the model becomes applicable for the simultaneous categorization of the Chinese and the German cases (see 5.1).

4.2 Third Party Government

In reaction to the fact that NPO-state cooperation was still a largely overlooked topic in the early 1980s, Lester Salamon started to develop and explore the concept of "third-party government", which is summarized in his book on "Government-Nonprofit Relations in the Modern Welfare State" (Salamon 1995). Salamon argues that a "lack of theory" was responsible for the absence of research in the growth and significance of the third sector in the United States. A new form of governance, which Salamon named "Third Party Government", had developed and required a theory that acknowledges a government-NPO partnership that goes beyond welfare state and the voluntary sector theories (ibid.: 15-16). Under "Third Party Government", NPOs fulfil various government functions. Via different channels, the government transfers funds and responsibilities to NPOs, who become crucial actors in public service delivery and, at the same time, derive large parts of their income from the government (ibid.: 33-34). The theory of the welfare state obscures this development as it ascribes all authority for providing social services to the state alone. Likewise, theories of the voluntary sector, such as the market failure/government failure theory, cannot do justice to an effective state-NPO partnership

because they only explain the existence of the nonprofit sector as a substitute for shortcomings of the government and the market. These theories fail to explain regulated cooperation, government support for NPOs and joint efforts for an effective public management, thus a remaking of theory was needed (ibid.: 38-40). Salamon points out that the voluntary sector, just as the government and the market, also has some inherent limitations, as for instance limited resources, favouritism or a lack of professionalism (ibid.: 44-45). Regarding the concepts of this kind of voluntary failure and government failure, it becomes apparent that both the nonprofit sector and the government can profit from a partner who compensates the respective limitations. Salamon argues that “the voluntary sector’s weaknesses correspond well with government’s strengths, and vice versa” (ibid.: 48). A collaborative partnership where one actor is not a substitute for the other, but instead, the most efficient solution is for government and NPOs to join forces for effective public management. In other words, the modern welfare state “[...] is an elaborate system of ‘Third Party Government’ [...], in which government shares a substantial degree of its discretion over spending of public funds and the exercise of public authority with third-party implementers” (ibid.: 41).

Costen (1989) locates Third Party Government in the middle of the continuum between asymmetrical repressive relationships and symmetrical collaborative relationships (ibid.: 363). As a concept that accepts and formalizes institutional pluralism, Third Party Government is similar to contracting. However, it is more complex and goes beyond contracting in the way that it not only includes specified contracts for service delivery but may also consist of formalized tools such as loans or insurances, which transfer service delivery to NPOs in a more flexible way. Moreover, under Third Party Government the government not only shares assigned funds with NPOs, but also transfers authority about decision-making processes regarding the spending of funds and public administration (ibid.: 369).

Our analysis in section 5 shows that both Germany and China employ many ideas of Third Party Government in different ways.

For the purpose of deductively identifying the outsourcing structures, we coded the case reports in our qualitative content analysis along the five basic criteria for a state-NPO cooperation in Salamon's Third Party Government concept:

1. existence of formalized cooperation: a cooperation which is somehow formalized and in which the NPO is officially recognized
2. transfer of administrative responsibilities: a cooperation in which the NPO assumes public administration responsibilities
3. complementary cooperation relationship: a cooperation in which the functions and responsibilities of state and NPO in the cooperation are complementary in the way that their respective strengths and limitations are balanced
4. congruence of goals: a cooperation which is based on a congruent between state and NPO regarding the goals of public administration
5. favourable power relation: a cooperation in which the state has a power advantage but there is also a certain degree of autonomy and/or participation in decision-making on the side of the NPO

4.3 Network Governance

Most of the case reports in our sample show a high degree of networking on the side of the NPOs. Networks, or the embeddedness of (economic) actors, were most prominently described by Granovetter in order to explain economic exchanges (Granovetter 1992). Network Governance theory was originally derived from the observation that many industries increasingly use a form of coordination which is characterized by informal relationships rather than by bureaucratic structures within organizations. In addition, formal contractual relationships coordinate complex production procedures or services in uncertain and competitive environments. Jones et al. (1997) integrated the concepts of Network Governance and the theory of transaction cost economics in order to explain when it is likely that these kinds of relationships might occur and how they can help the involved organizations (businesses or NPOs) resolve their problems. Based on this approach Jones et al. redefined Network Governance as follows:

"Network governance involves a select, persistent, and structured set of autonomous firms (as well as nonprofit agencies) engaged in creating products or services based on implicit and open-ended contracts to adapt to environmental contingencies and to coordinate and safeguard exchanges. These contracts are socially—not legally—binding." (Jones et al. 1997: 914)

By "select" they mean that network members usually form a subset of an industry in which they exchange frequently with each other. "Persistent" denotes the dynamic process of organizing and reorganizing the network by its members. In this definition, the network exchanges are described as "structured", in the sense that they are "neither random nor uniform but rather are patterned, reflecting a division of labor". Finally, "implicit and open contracts" are used here in the sense that exchanges are not governed by authority structures or legal contracts, but formed in a process of adapting, coordinating exchanges that rely on "social coordination and control, such as occupational socialization, collective sanctions, and reputations". This does not exclude the existence of formal contracts among some members of the network as long as "these do not define the relations among all of the parties" (Jones et al. 1997: 914 ff.). In order to explain, why this form of governance form is preferred by the organizations, Jones et al. use the basic ideas of transaction cost theory. They pose that organizations choose to organize themselves in networks under the conditions that environmental uncertainty demands adaption, the exchanges involve "unique equipment, processes, or knowledge developed by participants to complete exchanges, and the exchange is frequent, because frequent exchanges facilitate the transfer of tacit knowledge, facilitate embeddedness, and may provide cost efficiency" (Jones et al. 1997: 916).

For the purpose of deductively identifying the existence and structures of Network Governance in the cooperation relationships between NPOs and local governments in our cases, we coded the case reports in our qualitative content analysis along the following four conditions proposed by Jones et al. as heuristic devices:

- demand uncertainty: slightly adapted to this research project involving nonprofit actors we adapted the original uncertainty of (market) *demand* to an *uncertainty of funding*.
- asset specificity, i.e. particular knowledge, skills or other assets are necessary to provide the required services,
- task complexity, i.e. the service to be delivered involves several parties and subtasks that need special coordination,

- and high exchange frequency, i.e. regular exchange in the networks over a longer span of time⁹

In the next section we conduct the analysis of the research reports.

5 Analysis: State-NPO cooperation in migrant service provision in China and Germany

The analysis comprises of three parts: First, we apply Coston's model of state-NPO relations (5.1), thereby showing that the relationship between state and NPOs – despite the obviously different political and legal backgrounds in China and Germany – may take similar forms. The main difference is not in the degree of informality/formality, nor is it in the degree of the acceptance of institutional pluralism by the state. Rather, the main difference between the cases of the two countries lies in the degree of symmetry in the power relationship. Second, we analyse whether and how outsourcing of social services is put into practice in the two case countries. We show – along the criteria of Salamon's Third Party Government theory – that outsourcing takes place and how it is implemented. In addition, we identify the rationales behind the outsourcing practice from the perspective of the local governments. Third, we identify and examine the rationales of networking behaviour of the NPOs, thereby taking the Network Governance theory as proposed by Jones et al. as analytical device.

5.1 State-NPO relations – an application of Coston's Model

Coston's model classifies state-NPO relationships by considering “government's resistance or acceptance of institutional pluralism, government NGO linkage, relative power relationship, degree of formality, favourability of government policy vis-à-vis NGO, and other type-specific characteristics” (Coston 1998: 360). The cases in our sample cover six of Coston's relationship models (see figure 3).

⁹ In the analytical part we will concentrate on the first three heuristic devices. As for the high exchange frequency, we presume that such frequency is given in all the networks that we have analysed, otherwise we would not have regarded the network as existing (see 5.3.1).

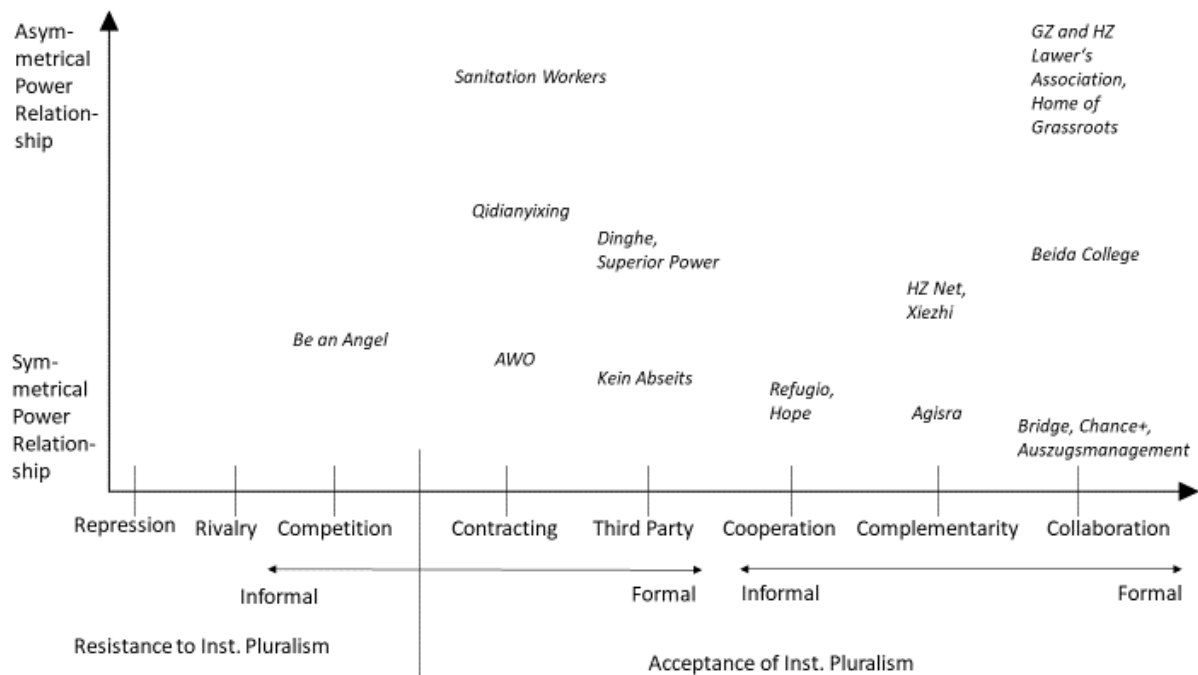


Figure 2: Adapted from Coston's Model of Government-NGO Relationships (Coston, 1998)

There are competition, contracting and Third Party Government on the side with less acceptance of institutional pluralism. Competition is a relationship in which no formal linkage between government and NPO exists and the government regards the NPO as competitor rather than partner. Contracting and Third Party Government are formalised cooperation models where the government transfers responsibilities to NPOs but the government-NPO linkage is moderate. On the right side of the model, with high acceptance of institutional pluralism, cooperation, complementarity and collaboration are classified with an increasing degree of formalisation in the cooperation. Cooperation is an informal relationship where government and NPO coexist and are supportive of each other without engaging in any form of close cooperation. Complementarity is a bit more formalised in the cooperation and collaboration on the very right end of the model stands for the relationship model with the closest connections between state and NPO. In a collaborative relationship the linkages between state and NPO are very strong, responsibilities and information are shared and state and NPOs are highly supportive of each other. The German cases in our sample cover all these six categories, while the Chinese cases only show characteristics of the four more formalised relationship models. According to Coston's model, governments exercise more power towards the left end of the model. Towards the right end of the model, governments are more supportive of the NPOs and allow for a more symmetrical power relationship (Coston 1998: 363). This model is applicable to the German cases in our sample leading to a linear decrease of power asymmetry with an increase of state-NPO linkages and a growing acceptance of institutional pluralism (as shown in the in-depth analysis of the German case studies by Lovelady and Grabbe 2019). The power relationships in the Chinese cases follow a different logic, we therefore adapted Coston's model with an additional y-axis to be able to show the power relationships in the German as well as the Chinese cases. As can be seen in figure 3, the Chinese cases can be classified with Coston's model if the power relationship is regarded separately from the relationship types. According to Coston's model, NPOs would have most autonomy in a collaborative relationship. At the same time, there is a high linkage between government and NPO, information and resources are being shared, NPO and government jointly act and NPOs are also involved in processes such as planning and policy development (Coston 1998: 362). The Chinese cases classified in this

relationship type show these characteristics, with the exception that the government has a huge power advantage in these relationships and accepts, but at the same totally controls, this kind of institutional pluralism and linkage with NPOs. Institutional pluralism and linkages between state and NPOs have distinct top-down characteristics in the Chinese cases. Informal relationship models as well as relationships where the government gives up its strong power advantage do not occur. The degree of power asymmetry in the Chinese cases is irregular and depends on other factors such as field of work of the NPO, governance and structure of the NPO, as well as advantages or disadvantages of individuals, and their relationships to officials. The following analysis of outsourcing and networking trends in the German and Chinese case studies explains the characteristics and rationales of the state-NPO relationships in more detail.

5.2 Outsourcing trends in comparison

When analysing the models of cooperation between local governments and NPOs in social service provision, a general trend of outsourcing from the former to the latter can be observed in the German and Chinese case studies. This section explores the characteristics and rationales of this outsourcing trend. Salamon's (1995) Third Party Government concept is employed as a tool to deductively identify the characteristics of the outsourcing systems observed in this study by analysing the case studies along the five criteria of Third Party Government as explained in section 4. Subsequently, the rationales underlying this outsourcing trend, which have been identified in an inductive content analysis with the help of MAXQDA, will be explicated. The cases that are classified as Third Party Government in Coston's model represent the criteria of this concept well, however, the analysis shows that outsourcing happens across different relationship types and that these criteria capture the complex characteristics of the outsourcing trend regardless of the relationship type. Fifteen out of nineteen cases in our sample have distinct outsourcing characteristics, which are similar across countries and policy fields, while the rationales for outsourcing are different in China and Germany.

5.2.1 Outsourcing characteristics

Out of the nineteen case studies analysed in this paper, fifteen cases have distinct outsourcing characteristics, thereby fulfilling at least two of the five Third Party Government criteria. In our sample, four cases exhibit almost no Third Party Government criteria, eight cases exhibit some of the criteria and seven cases fulfil all criteria in one way or another. The four cases, which hardly meet the criteria, are the three cases of unsuccessful cooperation as well as one German case of a grassroots organization, which does not maintain any direct cooperation with the local government (Berliner Stadtmission/Refugio (Refugio))¹⁰. In Coston's model, as for the German NPOs, these cases resemble informal relationship types (competition and cooperation), while for the Chinese cases the asymmetry in the power relationship is relatively higher. The seven cases, which meet all criteria of Third Party Government in Salamon's sense are the three cases classified as "Third Party" as well as the German cases which have been classified as "Contracting" and "Collaboration" in Coston's model. In what follows, the German case *Kein Abseits! e.V. (Kein Abseits)* and the Chinese case *Guangzhou Dinghe Social Work Service Center (Dinghe)*, which show the characteristics of the Third Party Government concept in an archetypal way, will be employed to illustrate the criteria for the analysis:

Kein Abseits is a Berlin based association, which offers mentoring services for children and youth refugees to enhance equal opportunities. In 2011, the organization started out as a small private initiative and gradually grew as the demand for services, as well as the willingness for engagement,

¹⁰ A list with all cases and their characteristics is available in the appendix of this paper.

increased. In 2016, the NPO began to co-operate with the government in the framework of the Master Plan for Integration and Security (*Masterplan Sicherheit und Integration*) (in the following “Master Plan”) which was developed in response to the new administrative challenges resulting from the large numbers of refugees entering the country since 2015.

Dinghe is a nonprofit service centre for homeless people in Guangzhou. It developed out of voluntary engagement and was able to register as private non-enterprise unit¹¹ in 2013, with the help of a private sponsor and the support of the local civil affairs bureau. In 2014, the organization won a contract in a competitive bidding process to receive government funding for a project in social assistance for homeless people and thereby began to develop a closer cooperation relationship with the local authorities.

Both NPOs fulfil government functions and cooperate with the local authorities according to the Third Party Government criteria. However, Kein Abseits appears to pursue its own agenda in this framework while Dinghe develops into an agent of the state.

In the following, the outsourcing cases will be analysed and compared along the lines of the five Third Party Government criteria. In each section, the two exemplary cases serve to illustrate an archetypal fulfilment of the criteria.

5.2.1.1 Existence of formalised cooperation

According to the Third Party Government concept, the NPO has to be officially recognized and the cooperation must be somehow formalized to be successful. Contracting is a common form of formalized cooperation, however, the Third Party Government concept goes beyond this form and also includes other cooperation set-ups.

In our sample, in all cases of successful cooperation, the NPOs are officially registered and have a legal status, which grants them organizational independence and the official recognition by the state. In our sample, the German NPOs are either registered as associations (e.V.) or as private limited liability companies with public benefit status (gGmbH). The Chinese NPOs are registered as private non-enterprise unit (民办非企业单位) or as membership-based association (社会团体).

Kein Abseits is a registered nonprofit association. In 2016, the organization applied for a call of the Senate Department for Education, Youth and Family and entered into a contract to receive funding for providing services in the frame of the Master Plan.¹² Since then, it is also officially recognized as provider of children and youth welfare services (*Träger der freien Kinder- und Jugendhilfe*).¹³ In this case, the German state provides funds on a contracting basis for NPOs that offer innovative and efficient solutions to deal with the challenges in the service provision for refugees (also see e.g. RheinFlanke gGmbH (Rheinflanke), Auszugsmanagement, Kein Abseits, AWO Kreisverband Südost (AWO)).

In China, straightforward contracting usually happens under the framework of the system of government purchase of services that has been promoted by the Chinese government in recent years (e.g. Superior Power Social Work Development Center (Superior Power), GZ Lawyers Association,

¹¹ Private Non-enterprise Units (PNUs) (民办非企业单位) are one of three officially regulated types of NPOs in the Chinese Law, the other two kinds are foundations (基金会) and membership-based associations (社会团体).

¹² Berlin\Education_Kein Abseits_Berlin: 54 – 54.

¹³ Berlin\Education_Kein Abseits_Berlin: 15 – 15.

Dinghe, Zhejiang Xiezi vocational college (Xiezi), Qidian Yixing). In the case of Dinghe, the local government in Guangzhou started a service purchase initiative as increasing numbers of homeless people, mostly migrant workers, on the streets of the city became a problem that the state could no longer handle alone.¹⁴ As the NPOs' service provision met the requirements of the government, the Guangzhou civil affairs bureau and Dinghe signed their first three-year service contract in 2015. Since, the NPO has provided services according to the contract and the government, not only funds the daily expenses of the NPO, but has also purchased five additional projects after the initial bidding round.¹⁵

These exemplary cases illustrate contracting as the most common form of formalized cooperation in our German-Chinese sample. Altogether, thirteen out of the fifteen outsourcing cases meet the criteria of a formal cooperation. In other forms of formalized cooperation the government employs or directly finances the project coordinator (e.g. Bridge network (Bridge), Chance+ Netzwerk Flüchtlinge und Arbeit (Chance+), Agisra)¹⁶ or the cooperation developed out of a joint idea and is based on an agreement, which regulates the responsibilities of three involved parties (Guangdong Beida Economic and Trade College (Beida College)).¹⁷ In China, the formalized cooperation can also have the characteristic of a top down government project, when the government establishes and – based on a cooperation contract – completely controls the work of NPOs (HZ Lawyers Association, GZ Lawyers Association).¹⁸

5.2.1.2 Transfer of administrative responsibilities

Another criterion of Third Party Government that specifies the form of cooperation between state and NPO is the involvement of NPOs in public administration processes and the transfer of responsibilities from the government to NPOs.

Apart from the described formalized cooperation, Kein Abseits is also involved in various structures of public administration, and not only receives funding from the government, but also exercises public authority and assumes certain responsibilities. In its part of the city, the organization is acknowledged as important actor and influences public decision making.¹⁹ As co-founder of the “Netzwerk Kinderpatenschaften” – a network of Berlin social organizations that offer mentoring services, Kein Abseits has an impact on the social agenda of Berlin and organizes the distribution of mentoring services for refugees in the whole city.²⁰

Dinghe provides policy supervision, service guidance and takes government functions over so as to increase awareness and to satisfy basic needs of the people in Guangzhou.²¹ E.g. the NPO submitted a policy proposal on social services by NPOs on behalf of the homeless²² in 2017 and regularly publishes

¹⁴ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 3 – 3.

¹⁵ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 24 – 24.

¹⁶ Berlin\Employment_Bridge: 86 – 86, Cologne\Employment_Chance+: 8 – 8.

¹⁷ Guangzhou_en\Education_Beida College: 44 – 44.

¹⁸ Guangzhou_en\Social Assistance_GZ Lawyers Association: 49 - 49, Hangzhou_en\Social Assistance_HZ Lawyers Association: 30 – 30.

¹⁹ Berlin\Education_Kein Abseits_Berlin: 7 – 7.

²⁰ Berlin\Education_Kein Abseits_Berlin: 45 – 45.

²¹ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 58 – 58.

²² The paper is called “Policy Proposal to Actively Guide the Intervention of Social Forces in Providing Social Assistance to Vagrants and Beggars”.

handbooks on their field of work that not only provide guidance to social workers and NPOs, but also seek to have an impact on public administration.²³

Such a transfer of administrative responsibilities from the government to NPOs can be observed in six of the cases in our sample. These are the cases which fulfil all Third Party Government criteria being intensely involved in governance processes and constituting exemplary outsourcing cases.

5.2.1.3 Complementary cooperation relationship

Salamon (1995: 48) argues that both the state and NPOs have inherent limitations and that they therefore need cooperation partners. In the Third Party Government concept, the strengths of NPOs counterbalance the limitations of the state and vice versa. The cooperation is therefore characterized by a complementary distribution of functions and responsibilities between the NPO and the government.

The cooperation between Kein Abseits and the local government developed as a result of an urgent need on both sides. The NPO faced difficulties regarding their financial situation and sustainability and had to gain the trust of its target group, which was more likely to recognize an established player with government connections.²⁴ At the same time, the local government faced huge challenges in providing services for the incoming refugees and administrative structures could not sufficiently deal with social inequalities.²⁵ The biggest strength of Kein Abseits was a large voluntary workforce and its innovative and flexible portfolio which the local authorities cannot offer.²⁶ The local government on the other hand was able to provide funds, development perspectives and more public recognition for the organization.

In the case of Dinghe the cooperation developed out of similar needs. The local government lacked expertise and human resources to provide services for homeless people in Guangzhou and therefore sought a cooperation with a partner who could provide these services.²⁷ Dinghe was the first NPO to provide such services in Guangzhou and was ready to fill this gap.²⁸ At the same time, this NPO depends on regular funding and administrative support to provide its services and therefore depends on the complementary function of the government as purchaser of the services.²⁹

A complementary cooperation relationship between state and NPO appears as a basic precondition for a functioning outsourcing relationship, as all outsourcing cases in our sample fulfil this criterion. A key function of the NPOs in the cooperation is the provision of services the government does not provide but considers important. This is a distinct tendency in the Chinese cases, where many services are not covered by social policy. E.g. Xiezhi build a much-needed education and employment system in Hangzhou and won the support of the government as the local administration failed to bear this responsibility and welcomed the opportunity to outsource this task.³⁰ In Germany, NPOs more often have the function of a bridge between the government and the target group. They help the

²³ Guangzhou_en\Vulnerable Groups_ Dinghe Social Workers: 50 – 50, Guangzhou_en\Vulnerable Groups_ Dinghe Social Workers: 50 – 50.

²⁴ Berlin\Education_Kein Abseits_Berlin: 40 – 40.

²⁵ Berlin\Education_Kein Abseits_Berlin: 33 – 33.

²⁶ Berlin\Education_Kein Abseits_Berlin: 68 – 68.

²⁷ Guangzhou_en\Vulnerable Groups_ Dinghe Social Workers: 9 – 9.

²⁸ Guangzhou_en\Vulnerable Groups_ Dinghe Social Workers: 9 – 9.

²⁹ Guangzhou_en\Vulnerable Groups_ Dinghe Social Workers: 27 – 27.

³⁰ Hangzhou_en\Employment_Xiezhi: 30 – 30.

government to gain better access to the target group (e.g. Bridge, AWO), support refugees in dealing with the complicated bureaucratic structures (e.g. Rheinflanke) or go into direct communication with the target groups – tasks which the local authorities apparently cannot accomplish (e.g. Chance+). Another important function of NPOs is the introduction of expertise and innovative solutions which often make them the trainers of public and private actors (e.g. Chance+, Xiezhi, Superior Power).

Besides the allocation of resources, the state also fulfils the function of providing a support environment for the NPO. This is particularly important in China, where NPOs depend on a favourable political environment to be able to operate and gain some influence. The case of Xiezhi illustrates the importance of this government function in the cooperation particularly well as this NPO tried to develop a cooperative relationship with the local government to receive policy support and build a good environment for their own development while remaining independent of government resources.³¹

5.2.1.4 Congruence of goals

A cooperation in which state and NPO pursue congruent public administration goals is the basic precondition for a successful cooperation according to the Third Party Government concept.

Kein Abseits has the intrinsic motivation to improve the situation of young refugees. The NPOs' vision is to build a society where everybody is engaged in voluntary work and where the social inclusion of refugees is a matter of course, which does not need the support of public authorities anymore.³² With the development of the Master Plan, which states the social participation of refugees and civic engagement as key objectives, these goals officially became part of the public agenda.³³

Dinghe undertakes social service responsibilities that are desired by the government. In 2012, the central government of China issued the "Guiding Opinions of the Ministry of Civil Affairs on Promoting Social Forces to Participate in the Social Assistance to Vagrants and Beggars", which make this cooperation an important goal for the local government.³⁴ As an organization operating in lieu of the state, the NPO in this case adapts to the goals of the local administration.³⁵

The cooperation in our sample is mostly based on common public administration goals. In both countries, state-NPO cooperation is only successful if the basic goals of the NPO correspond with the political agenda. However, in Germany it is possible and common practice that the NPOs criticize the existing public structures and advocate for a different implementation of the political goals (e.g. Bridge, Agisra)³⁶, while the Chinese organizations see their role rather as an advisor of the government than as an advocate (e.g. Superior Power, Dinghe).³⁷

5.2.1.5 Favourable power relation

According to the Third Party Government concept, a favourable power relation is one where the state has a power advantage, yet the NPOs cannot be completely overruled and have some influence.

³¹ Hangzhou_en\Employment_Xiezhi: 29 – 29.

³² Berlin\Education_Kein Abseits_Berlin: 32 – 32.

³³ Berlin\Education_Kein Abseits_Berlin: 53 – 53.

³⁴ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 60 – 60.

³⁵ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 50 – 50.

³⁶ Berlin\Employment_Bridge: 97 – 97.

³⁷ Guangzhou_en\Employment_Superior Power: 9 - 9, Guangzhou_en\Employment_Superior Power: 9 - 9.

The cooperation between Kein Abseits and the local administration is based on the guidelines stated in the policy agendas for social service provision for refugees, i.e. the Master Plan and its follow-up concept, the Overall Concept for the Integration and Participation of Refugees (*Gesamtkonzept zur Integration und Teilhabe Geflüchteter*). Kein Abseits first had to apply for funds and adapt to the requirements of these government concepts. While this led to a structural imbalance of power in favour of the state, the NPO could still influence the policy making process. The organization managed to become a relevant and established player in the local public administration and was therefore able to build a cooperation with the local authorities based on mutual trust and understanding. On this basis, the NPO gradually enjoyed more and more autonomy and authority.³⁸

Dinghe signed a contract with the local government, which determines the rights and obligations of both parties. It specifies instructions for the execution of service provision by the NPO and grants the government the right to supervise and assess the project implementation. If the government is not satisfied with the performance of the NPO, it can terminate the contract and refuse to pay any further funds.³⁹ The government thus has a strong power advantage in this cooperation and the NPO must conform to the requirements of the government if it wants to sustain the cooperation. However, Dinghe is successful in offering services that the government cannot provide, and the local authorities therefore depend on the capabilities of the NPO. The NPO successfully influences policy making and has an independent board of directors, which manages its daily business.⁴⁰

These power relations illustrate how the legal basis grants a power advantage to the government in such a cooperation, however, successful and self-confident NPOs can build their own influence and keep a certain level of independence. Besides guidelines, regulations or contracts designed by the state, the power advantage of the government is usually granted through resources which the government can terminate any time or whose approval the government must renew regularly (e.g. Bridge, AWO, Beida College, Qidian Yixing). Staff overlaps, e.g. the NPO project co-ordinator is employed by a public agency also function as control instrument (Bridge, Chance+).⁴¹ In the cooperation relations of the Chinese cases the government is generally clearly in a dominant position. Only by winning the trust of the government, and following goals which are favoured by the state, can the NPOs work relatively independently, assume public responsibilities and even influence decision-making processes (e.g. Superior Power).⁴² Thirteen out of fifteen outsourcing cases in our sample fulfil this criterion. The exception in Germany does not stand in a hierarchical relationship with the government (Agisra), while the Chinese exceptions are completely controlled by the government and have no autonomy at all (Hangzhou and GZ Lawyers Association).

5.2.2 Rationales for the outsourcing of services by local governments

The analysis of the outsourcing characteristics shows that in fifteen out of the nineteen case studies, outsourcing of services from local governments to NPOs takes place. Four main motivations of the government for outsourcing have been identified: (1) to support the provision of public services; (2) to fulfil guidelines set by higher administrative levels; (3) to support government with NPO expertise; and (4) in the Chinese cases: to keep control and maintain social stability. In the following, the four

³⁸ Berlin\Education_Kein Abseits_Berlin: 69 – 69.

³⁹ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 27 – 27.

⁴⁰ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 61 – 61, Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 8 - 8.

⁴¹ Berlin\Employment_Bridge: 65 - 65.

⁴² Guangzhou_en\Employment_Superior Power: 54 - 54.

categories will be examined to identify the rationales of the local governments to outsource services to NPOs.

(1) Support public service provision

In all outsourcing cases, the cooperation with the NPO is established to support the government in providing public services. The character of this support depends on whether the state offers any services in the respective field itself and whether the NPO simultaneously offers the same services or completes the government services. Competing services in the same field that are simultaneously offered by the state and the NPO occur only in the cases which do not show characteristics of outsourcing from the local government to the NPO. Outsourcing therefore happens when NPOs add services to government services to improve the efficiency and effectivity of service provision or when NPOs provide services the state would otherwise not offer to improve the efficacy of service provision (see table 1).

Table 1: Characteristics of NPO support for the provision of public services

	The state offers social services in this field	The state does not offer social services in this field
The NPO additionally offers the same services as the state	<i>Competing services</i> (no outsourcing)	X
The NPO services add to the services of the state	<i>Improve the efficiency and effectivity of service provision</i> (German outsourcing model)	X
The NPO offers services the state does not offer	X	<i>Facilitate the efficacy of services</i> (Chinese outsourcing model)

In all German outsourcing cases, the NPOs add services to the services provided by the local government. This implies that the local administrations in Germany offer services in all policy fields that we studied; however, their services are not sufficient or need support and NPOs fill these gaps. Except the two networks Bridge and Chance+, which have been founded as part of a federal program to build local networks, in all German cases, the NPOs are the initiators of the project and actively foster the cooperation with the local government. The NPOs develop projects where there are problems and gaps in the service provision of the state and the local administrations develop cooperation with these service providers to support and direct their work and to make use of the expertise and innovative capacity of the NPOs. In these cases, the cooperation serves to improve the efficiency and effectivity of services. On the one hand, NPOs offer efficient solutions, to the bureaucratic and inflexible characteristics of local administrations in Germany. E.g. in the case of Keim Abseits, the NPO offers low threshold mentoring and education services for refugees in need, which cannot benefit from the services offered by the city administration as the bureaucratic preconditions and hurdles are too high.⁴³ In the case of Auszugsmanagement in Cologne, the NPOs in the network have developed a system to provide cheap and flexible housing options for refugees and approached the city administration to cooperatively work for better housing conditions. As the city administration reached its limits due the continuous demand, they took the more efficient solution of Auszugsmanagement into their service portfolio.⁴⁴ On the other hand, NPOs support the effectivity of

⁴³ Berlin\Education_Keim Abseits_Berlin: 33 - 33.

⁴⁴ Cologne\Social Assistance_Auszugsmanagement: 58 - 58.

government services, e.g. when the local administration struggles to access the target group. The NPOs build bridges between the target group and the administration and thereby support the services of the latter. Especially when dealing with vulnerable groups, a good connection and basis of trust is necessary to provide services. E.g. AWO in Berlin and Agisra in Cologne both have a long tradition of offering social services for women in need and facilitating the access of female refugees to public services.⁴⁵

The Chinese cases of successful cooperation show a different picture regarding the nature of NPO support for public services. While the German outsourcing models in our cases add to the government services, the services of NPOs in the Chinese cases offer services the state would otherwise not offer (see Table 1). This implies that the Chinese state cannot, or does not want to, provide its own services in the policy fields that have been studied and instead relies upon third party service providers to replace the government in this regard. The cases in our sample have three different characteristics: cases in which the governments takes the lead and initiates the project and cooperation (Superior Power, GZ and HZ Lawyers Associations, Dinghe, Qidianyixing Social Work Development Center (Qidianyixing)), cases in which the NPOs are the initiators and the government then transfers the responsibility for these services to the NPO (Hangzhou Net, Xiezhi), and a case in which the government and the NPO jointly took action to tackle a social problem (Beida College). In these cases, the NPO services facilitate the efficacy of public service provision. In the Chinese cases, the state wants to take pressure off the local administration and also develop solutions for social challenges. E.g. in the cases of the lawyers' associations in Guangzhou and Hangzhou, this happens in a top-down manner where the government establishes the NPOs and directs the creation of public services. The case of Xiezhi in Hangzhou, on the contrary, is a bottom-up development, which provides services that were originally the responsibility of the government. However, the local administration did not succeed in providing the necessary services and subsequently embraced the solutions offered by the NPO.⁴⁶ In other cases, social services provided by NPOs are arranged by the government to deal with new social challenges resulting from the large numbers of migrant workers entering the cities. E.g. in the case of the Superior Power in Guangzhou, the local government has reacted to social unrest and asked the NPO to develop new social services.⁴⁷

(2) Fulfil guidelines set by higher administrative levels

In Germany and China, the local governments have additional reasons for establishing cooperation with NPOs, they need to follow the guidelines from higher administrative levels. In nine out of fifteen outsourcing cases in our sample, concrete guidelines or programs are mentioned as a reason for the local government to attempt a cooperation with NPOs. The respective guidelines are city specific. In Berlin, the "Masterplan Sicherheit und Integration" (Master Plan for Integration and Security) has strongly promoted state-society cooperation for the integration of refugees. In Cologne, no such overall program for refugees has been installed, but smaller guidelines such as a city council decision to promote the integration of refugee children and youth has influenced the cooperation in our case studies. In China, Guangzhou has the special status of "Model City for Service and Management of Floating Population and Ethnic Minorities", which means that the central government regards it as a pioneer city and therefore establishes pilot projects of state-society cooperation for the integration of the floating population (Ketels 2019: 7). All successful cases in Guangzhou have developed as a result

⁴⁵ Berlin\Vulnerable Groups_AWO Frauenberatung: 46 - 46), (Cologne\Vulnerable groups_Agisra: 44 - 44.

⁴⁶ Hangzhou_en\Employment_Xiezhi: 30 - 30.

⁴⁷ Guangzhou_en\Employment_Superior Power: 52 – 52.

of this status and the corresponding expectations. Several additional guidelines such as the Guangzhou Social Work Service Matrix of “General Service + Specialized Service”, or the “Guiding Opinions of the Ministry of Civil Affairs on Promoting Social Forces to Participate in the Social Assistance to Vagrants and Beggars”, have further promoted the cooperation in our sample. In Hangzhou, the influence of such guidelines is much weaker. With the exception of the lawyers’ association, founded in accordance with national guidelines, no superior guidelines are mentioned. The majority of cases in Hangzhou are projects that developed out of grassroots movement or individual engagement, which the government later made use of (Hangzhou Net Volunteer Branch (HZ Net), Xiezhi, Home of Grassroots (Grassroots)).

(3) Support government with NPO expertise

Another objective of local governments in their cooperation with NPOs is to utilize NPO expertise in the policy-making processes or their capabilities of training public officials or social workers. Eight case studies, without difference between China and Germany, explicitly name this rationale for the cooperation. E.g. in the cases of Bridge and Chance+ in Germany, the federal program (ESF-Integrationsrichtlinie Bund), which promotes and funds the cooperation, explicitly states the goal of gaining experience and providing information to policy-makers and other public actors. In China, e.g. the projects and cooperation with the lawyers’ associations in Hangzhou and Guangzhou are explicitly developed by the government to utilize the expertise of lawyers for government objectives.

(4) Keep control and maintain social stability

The fourth rationale has only been identified in the Chinese cases. In every Chinese case, a major factor of local governments/NPO cooperation in social service provision, is maintaining control and social stability. This factor has two aspects. On the one hand, the government wants to reduce risks in regard to social stability by taking care of social unrest factors and entrust NPOs with the execution of this task. E.g. in the case of Dinghe, the government seeks to prevent social unrest that could result from large numbers of homeless people living on the streets of Guangzhou by cooperation with an NPO that provides homeless services on behalf of the government. On the other hand, the government seeks to control and channel the productivity of certain groups according to government objectives. E.g. in the cases of the lawyers’ associations, the NPO serves to control and utilize lawyers by issuing lists about the social responsibility of lawyers and recruiting them for voluntary services that are directed by government agencies.⁴⁸ In the case of Beida College the NPO helps to channel and control the workforce of migrant workers as the local government wants to avoid social conflicts and instead utilize the migrant workers to promote Guangzhou’s development.⁴⁹

5.3 Networking trends in comparison

All cases in our sample applied networking to various degrees. In this section we first – inductively – describe the various networking activities⁵⁰ that occurred in our case studies (5.2.1); then, in a second

⁴⁸ Guangzhou_en\Social Assistance_GZ Lawyers Association: 37 - 37.

⁴⁹ Guangzhou_en\Education_Beida College: 68 - 68.

⁵⁰ In practice, the boundary between cooperation and networking is sometimes blurred. For the sake of the analysis in this report, we distinguish cooperation and networking as follows: Cooperation is directly related to the creation of the product/service that is offered by the NPO; while networking activities indirectly support this creative process. E.g. cooperation is the case when the local government signs a contract with or informally makes the NPO provide a certain service; networking applies when NPO and representatives of local state authorities meet regularly in roundtable meetings to ensure a similar understanding of the services purchased by the state from the NPO.

step, we apply – deductively – the operationalized Jones et al.’s (1997) theory of Network Governance in order to understand the rationales behind the networking activities of the NPOs (5.2.2). Since networking is an essential part of the work of all the organizations in our sample, this section will not feature a “model case”. Instead, we will analyse and compare the cases along the categories developed from the Network Governance literature.

5.3.1 Existence of networks

As mentioned above, all NPOs in our cases were embedded in some kind of network, albeit the degree of engagement and size of networks differ. We identified different four types of networks: (1) networks in Germany and China which centre around organizations that are themselves organized as networks, (2) German and Chinese networks that have built complex stakeholder networks comprising of different organizations, (3) networks which explicitly do not include government agents in the German context; and (4) networks which are under the supervision and leadership of a local government agent in the Chinese context.

First, some of the NPOs are themselves organized in the form of a network: the German Chance+ Network and Bridge are organized in networks, comprising of other NPOs, government agents, other networks, and cooperation partners for service provision. In both cases the government had, in the bidding process, explicitly requested applicants that were organized as networks.⁵¹ In the case of Auszugsmanagement, the local government itself has started organizing coordination meetings in order to build up the network for finding accommodation for refugees.⁵² In the case of the AWO Kreisverband the organization is embedded in the large network of the umbrella organization AWO. Beida College can also be subsumed under this category, since it is a network of the Guangdong Beida College of Economics and Trade, the Beida Alumni Association, other universities and the Guangdong Provincial Government.⁵³ Kein Abseits, similarly, is a network and has initiated several new networks as well. That includes contacts to sponsors and with many organizations and institutions for the recruitment of the mentors for their programmes. This network is mainly composed of stakeholders and involves only few government agents.

Second, other organizations are not organized as networks, but have built networks that include all relevant stakeholders. Xiezhi in Hangzhou, for instance, has built a network that connects the organization with various levels of government agencies and Communist Party officials in the capital Beijing and Hangzhou City, Zhejiang Province. A considerable portion of the network is comprised of funders: Xiezhi is funded by various foundations (YouChange Entrepreneur Foundation for Poverty alleviation, Zengai Charity Foundation, and Zhejiang Women and Children foundation) and by large enterprises like Alibaba. The network also includes the companies that are potential employers for the migrant workers who are lodged and trained in the different facilities of Xiezhi and the universities that use the big data employment intermediation services of Xiezhi. In addition, the leadership of Xiezhi is a member of the board of a regional development centre (which might also be interested in the services that Xiezhi offers). Xiezhi also maintains tight relationships with all important media agencies and outlets. Similarly, the German organization Refugio is centered around a share house and coffee shop and has built a network that comprises of all the important stakeholders. It is managed by the Berliner Stadtmission, under the umbrella of the Protestant Church, which is a huge network

⁵¹ Cologne\Employment_Chance+: 60 - 60, Berlin\Employment_Bridge: 50 - 50.

⁵² Cologne\Social Assistance_Auszugsmanagement: 14 - 14.

⁵³ Guangzhou_en\Education_Beida College: 3 - 3.

organization itself. Like Xiezhi, Refugio also combines its social services with for-profit-enterprises, albeit on a smaller scale. The Refugio Café is an enterprise that helps to finance the work of Refugio, but it is also the venue for language courses for Refugio residents and a channel through which the organization engages with its neighbourhood community. It further maintains a relationship with the Technical University in Berlin, by cooperating in the design of a rooftop garden for the university. Rheinflanke is organized around its services for young people in asylum homes and offers leisure time activities and education programmes. It is organized in the form of a stakeholder network that includes sponsors, resources for its services i.e. complementary service providers, providers of expert personnel and expert knowledge and government agents. These stakeholder networks generally include government agents.

Third, another group (in Germany only) is imbedded in networks which do not include government officials. Agisra is such a case. Agisra is member of the umbrella organization Deutscher Paritätischer Wohlfahrtsverband and other working groups and networks (German and International). It has initiated an umbrella association and cooperates with the media. Agisra does not receive funds from the government. Be an Angel, one of the cases that turned out to be unsuccessful in terms of its cooperation with the local government, is another example of an NPO with a network that, overall, excludes government-related members.

Forth, in several Chinese cases government agents had supervisory functions within the networks of which they were members. Dinghe, the project for homeless people in Guangzhou, is a good example. It is embedded into the network of “rescue stations” organized by the local government as well as a volunteer service supervised by the Social Affairs office of the local government. Although the two Chinese cases of the Lawyers’ Associations in Hangzhou and Guangzhou are huge networks⁵⁴, due to their politically sensitive members (lawyers and law firms) and the work they do (counselling in labour disputes), they are tightly supervised by the local governments of their localities. Superior Power also belongs to this category of networks, since it was invited by the government to take over research work and supervision work for the government. Like other Chinese organizations, it has maintained ensured a certain network in its governance structure, with three external directors in the board from the media, university and a law firm. HZ Net is a branch organization of Hangzhou Charity Federation, which is a membership-based non-governmental organization in Hangzhou. Its network is widespread due to the good connections of the Hangzhou Charity Federation; it comprises of media, government and sources for volunteer recruiting. According to the field report, the local government has a guiding role that extends beyond the service contract signed between the government and HZ Net.

The networks of the three cases in our sample, which we regard as failed as to their cooperation with the government, are embedded in networks as follows. The Volunteer Service for Sanitation Workers (Sanitation Workers) have a very small network that mainly comprises of, on the one hand, the volunteers, and, on the other hand, the sanitation station and the community neighbourhood committee, which have to be considered as representatives of the local state in the working area of the organization. One reason for not being able to extend the network appears to be the fact that the organization Sanitation Workers were not able to register officially and therefore cannot act as legal person on its own. The second Chinese “failed” case is Grassroots. This organization had a network of sponsors in the beginning, but lost all its connections to them later, when the organization became

⁵⁴ According to the field reports, the Guangzhou Lawyers Network has 15,000 individual and 700 group members, while the Hangzhou Lawyers Network has 7,213 individual members and 487 group members.

part of the local government administration. The fact that its legal status was unclear, because it was not registered as a social organization but as a business enterprise may also have contributed to its problems. The German “failed” case, Be an Angel, is embedded in a network of type 3 (a stakeholder network without particular tight government relations). The field report in part explains its failure was due to weak relationships with all members of the network.

Table 2 Gives an overview of the types of networks that we could identify in our sample cases.

Table 2: Overview of network types of sample cases

Name of the NPO	Type of Network
Kein Abseits	(1) Network Organization
Bridge	(1) Network Organization
AWO	(1) Network Organization
Chance+	(1) Network Organization
Auszugsmanagement	(1) Network Organization
广东北达经贸专修学院 Beida College	(1) Network Organization
Refugio	(2) Stakeholder Network
Rheinflanke	(2) Stakeholder Network
杭州市慈善总会杭州网义工分会 HZ Net	(2) Stakeholder Network
浙江携职专修学院 Xiezhi	(2) Stakeholder Network
Be an Angel	(3) Network Exclusive of Government Agents
AGISRA	(3) Network Exclusive of Government Agents
广州市黄埔区优势力社会工作发展中心 Superior Power	(4) Stakeholder Network, Supervised by Local Government
广州市律师协会 GZ Lawyers Association	(4) Stakeholder Network, Supervised by Local Government
广州市鼎和社会工作服务中心 Dinghe	(4) Stakeholder Network, Supervised by Local Government
杭州律师协会 HZ Lawyers Association	(4) Stakeholder Network, Supervised by Local Government
杭州市下城区起点益行社会工作发展中心 Qidianyixing	(4) Stakeholder Network, Supervised by Local Government
关爱环卫工人志愿服务队 Sanitation Workers	Apparently very small or no functioning network. ⁵⁵
草根之家 Grassroots	Apparently no functioning network. ⁵⁶

Table 2 shows, first, that all organizations in our sample work in networks; and, second, that different variants seem to be more common in one country than in the other. The German case organizations are mostly organized as network organizations themselves, embedded in larger stakeholder networks. Organizations that are embedded in stakeholder networks exist in Germany and China. While in Germany we see stakeholder networks with and without government agents, the dominant Chinese variant in our sample, however, is the organization that is embedded in a stakeholder network under the supervision of the local government. This corresponds with our categorization of the organizations in Coston’s model above, which showed that, in China in general, the governments’ power is much stronger in the relationship between government and NPOs.

⁵⁵ Sanitation Workers uses its network (comprising of the community neighbourhood committee) mainly for recruiting volunteer workers.

⁵⁶ The network of this organization which was mainly comprised of sponsors dissolved completely after the organization took up relations with the government.

5.3.2 Rationales for the networking of NPOs

We will look at the rationales behind the networking activities of the NPOs in our sample. According to Jones et al. (1997) organizations tend to make use of Network Governance under four exchange conditions: (1) asset specificity, i.e. when the NPO need special skills and knowledge to offer their services; (2) funding uncertainty, i.e. when the NPOs work in conditions, such as short-term funding programmes or fiercely competitive government bidding processes, which make long-term planning difficult; (3) task complexity, i.e. when the organizations have to implement tasks that involve multiple stakeholders and/or multiple problems and/or require multiple types of expertise.

5.3.2.1 Exchange condition: asset specificity

Jones et al. have found evidence that business organizations tend to build networks when they need special knowledge and skills for the delivery of their products. We find that this also pertains to the NPOs in our case studies. The analysed field reports contain ample evidence that NPOs maintain networks in order to make use of the skills and knowledge of the different network members. In particular, NPOs use these assets to (1) improve their visibility in the public and in the media, (2) ensure access to vital information for their work, (3) make use of for-profit-entities for their nonprofit work, (4) ensure access to expert knowledge for the provision of their services, and (5) function as an information platform in their field of expertise as one of the services in their portfolio.

(1) Improving the visibility of NPOs

Despite the different roles of the media, and the different degrees of media freedom in Germany and China, we found that NPOs in our sample maintain close relations to news media representatives and use the media to make their voices heard. Beida College cooperated with the Southern Newspaper Group, Guangdong Telecom Company and Xinhua Net in the fundraising and promotion activities during the start-up phase of the organization.⁵⁷ Superior Power invited a reporter from Yangcheng Evening News into their board of directors.⁵⁸ The founders of Xiezhi and of Dinghe are trained as media professionals themselves (a news anchorman and a journalist). When talking to the LoGoSO research team, the interviewees from HZ Net also underscored the organization's media connections.⁵⁹ The restaurant managed by Be an Angel is praised in the media⁶⁰; Be an Angel also uses the media for advocacy purposes.⁶¹ Rheinflanke's board of trustees is "manned with celebrities from film and television [...]"⁶².

(2) Ensuring NPOs' access to vital information for their work

Successful NPOs need access to government information, including administrative requirements and bidding processes. Therefore, many NPOs include government personnel in their networks (as shown in the section on the existence of networks (section 5.3.1). While the connection to the government is usually the best choice for Chinese NPOs in terms of information access, in Germany, the connection to one of the big umbrella organizations or churches can also be helpful in this respect. Accordingly, many of our sample NPOs are members of umbrella organizations: Agisra and Rheinflanke are members of the *Deutscher Paritätischer Wohlfahrtsverband*,⁶³ Chance+ Network and

⁵⁷ Guangzhou_en\Education_Beida College: 48 - 48.

⁵⁸ Guangzhou_en\Employment_Superior Power: 12 - 12.

⁵⁹ Hangzhou_en\Education_HZ Net Voluntary Branch: 31 - 31.

⁶⁰ Berlin\Unsuccessfull_Be an Angel: 62 - 64.

⁶¹ Berlin\Unsuccessfull_Be an Angel: 33 - 33.

⁶² Cologne\Education_Rheinflanke: 31 - 31.

⁶³ Cologne\Vulnerable groups_Agisra: 28 - 28; Cologne\Education_Rheinflanke: 32 - 32.

Auszugsmanagement belong to the catholic *Caritas Verband*,⁶⁴ and the AWO Kreisverband is part of the *Arbeiterwohlfahrt* (AWO).

(3) Making use of for-profit-entities for their nonprofit work

Several NPOs in our sample combined their welfare services with business enterprises, often with coffee shops or restaurants, but also with other for-profits. Apart from generating additional income, this cooperation with (or sometimes establishment of) for-profits also provides potential workplaces for the NPO clients (e.g. the cooperation between Xiezhi and Alibaba and other regional firms), venues for education and training (e.g. the cooperation of Bridge with Vivantes), or places to live (such as the co-habitation house of Refugio)⁶⁵. A third function of such cooperation is further networking and exchange between clients (such as the Cafés of Rheinflanke and Refugio). Sometimes this kind of cooperation fulfils more than one function, such as the Restaurant “Kreuzberger Himmel” by Be an Angel, that is a venue for generating income and for the training of the NPO’s clients. Xiezhi specialized in big data technology and set up its own business. The firm deploys big data technology to facilitate more efficient and effective matching between the countries job advertisements and the graduates of China’s universities,⁶⁶ thereby generating income, promoting the networks with universities across China, and solving the problem of matching talent and job opportunities.

(4) Ensuring access to expert knowledge for the provision of services

Probably the most widespread function of the networks for NPOs is to have experts at hand for the provision of the services. These experts might be lawyers, trainers, or others who are willing to share their knowledge and skills with the clients of the NPO. Dinghe, for example, established the “Guangzhou Street Friends Care Service Alliance” by uniting fifteen public welfare organizations in order “to provide training on handicraft production skills and lawyer consultation services for vagrants and beggars.”⁶⁷ The teachers at Beida College come from their “teaching resources network,” which consist of fifty-four colleges and universities, “including Peking University, Renmin University of China, Zhejiang University, Sun Yat-sen University, and South China University of Technology.”⁶⁸ For its project HaPiEnd, the NPO Agisra, connects its clients (refugee women) with “motivated craftswomen or volunteers and provides the necessary materials and tools” in order to help them renovate their flats before moving in.⁶⁹ Kein Abseits recruits students at Berlin universities to become mentors for young refugees to help them in with their school homework and communicate with authorities.⁷⁰ Auszugsmanagement, which was originally focussed on finding and renting accommodation for refugees, has discovered that their clients often need further assistance and counselling. Therefore, the NPO has set up a network of related “public institutions, social organizations and welcome initiatives” that can assist professionally.⁷¹ Although this is a tendency across the two countries of the

⁶⁴ Cologne\Employment_Chance+: 31 – 31; Cologne\Social Assistance_Auszugsmanagement: 6 – 6.

⁶⁵ Refugio is not profit-oriented, but generates some rental income: While the staff of the Refugio house is paid by the *Stadtmission*, which also owns the building, the inhabitants either pay their rents from earned incomes or have their housing costs covered by public entities (e.g. the job centers) if they are unemployed or if their incomes are insufficient to cover living expenses. (Berlin\Social Assistance_Refugio: 19 - 21).

⁶⁶ Hangzhou_en\Employment_Xiezhi: 54 – 54.

⁶⁷ Guangzhou_en\Vulnerable Groups_Dinghe Social Workers: 19 - 19.

⁶⁸ Guangzhou_en\Education_Beida College: 20 - 20 (0); Guangzhou_en\Education_Beida College: 56 – 56.

⁶⁹ Cologne\Vulnerable groups_Agisra: 37 - 37.

⁷⁰ Berlin\Education_Kein Abseits_Berlin: 41 - 41.

⁷¹ Cologne\Social Assistance_Auszugsmanagement: 73 - 73.

investigation, we found that Chinese NPOs are often tightly connected to universities and also are involved in research projects, while this is the case only for some of the German NPOs in our sample.⁷²

(5) Functioning as an information platform in their field of expertise information platform (internet, social media etc.)

Since NPOs accumulate a lot of knowledge, skills, and contacts in their daily work, it is a natural consequence that the organizations set up their own information platforms or establish their own think tanks. This is especially true for China, where the NPOs in our sample were often founded by intellectuals and had tight connections to academic institutions. Superior Power, for instance, set up “the Private Think Tank for Social Construction in Guangdong” focused on issues of government, philanthropy, women and corporates.⁷³ GZ Lawyers’ Association uses internet technology to innovate legal aid, “including legal counselling, legal publicizing, and legal training.” With this technology, particularly mobile APPs like WeChat, it is possible to reach more clients and disseminate information in a more effective and efficient manner than offline.⁷⁴

In a nutshell, German and Chinese NPOs make ample use of networks and the available knowledge and skills in it, in order to improve their visibility (and thereby enhance public trust and increase donation income), ensure access to vital information for their own work, make use of cooperation with for-profit enterprises, guarantee access to expert knowledge needed for their manifold services, and build information platforms to share the information they accumulate in their projects.

5.3.2.2 Exchange condition: funding uncertainty

Jones et al. also found evidence that organizations build networks to mitigate the transaction costs for “demand uncertainty”. In the cases they investigated, such uncertainty would, for example, occur when the manifold companies in film industry involved in the production of movies would go through phases of uncertainty concerning their next mandate. We find that in the case of the NPOs in our sample there, is actually no demand uncertainty, because the demand for their services is overwhelming. However, there is a *funding* uncertainty that similarly affects the NPOs in our sample.

The problem of most of the NPOs is not so much whether they can get contracted, but rather for how long, because there is a constant applying and reapplying process to access public funds.⁷⁵ Another problem, in some cases, is that funding is limited to certain expenditure. Chance+, for example, found during the duration of one project phase that their clients needed a certain kind of counselling. So, they changed part of the project to meet this demand, but were not allowed to transfer part of the budget accordingly.⁷⁶ We find that, in such situations, the NPOs in our sample resort to networks, similar to the supplier companies in the film industry. Many of the reports in our sample tell the story of networking with potential funders, in China as well as in Germany.⁷⁷ Usually the NPOs must contact a number of different funders in order to implement one project. Rheinflanke finances part of its projects with funds from the European Union and other portions from different departments on

⁷² Kein Abseits! is no exception to this observation because its existing connections to Berlin’s universities serve no scientific purposes but rather the recruitment of mentors for the education services of this NPO.

⁷³ Guangzhou_en\Employment_Superior Power: 22 - 22.

⁷⁴ Guangzhou_en\Social Assistance_GZ Lawyers Association: 52 - 52.

⁷⁵ Berlin\Employment_Bridge: 111 - 111, Berlin\Unsuccessful_Be an Angel: 18 - 18.

⁷⁶ Cologne\Employment_Chance+: 88 - 88.

⁷⁷ For example: Hangzhou_en\Employment_Xiezhi: 54 - 54, Berlin\Employment_Bridge: 110 - 110, Guangzhou_en\Education_Beida College: 61 - 61, Cologne\Vulnerable groups_Agisra: 56 - 56; Cologne\Education_Rheinflanke: 69 - 69.

different levels of government.⁷⁸ Kein Abseits receives public funding for 30 per cent of its work and needs to solicit the remaining funds from other sources.⁷⁹ In some cases it takes years to achieve a commitment from local governments to fund certain projects or programmes.⁸⁰ Administrative requirements for NPOs applying for public funding can entail reporting requirements that may have an impact on the work of the organization;⁸¹ in some cases the requirements to obtain certain licenses as proof of competence in specific areas also mean additional expenditures for the NPOs that they cannot afford.⁸² However, it seems that for some NPOs in China, once they had gone through the competitive bidding process and won, they can be confident of funding on a long term basis. This seems to be particularly true for those NPOs that take over government functions, such as Dinghe and Superior Power.

In short, although the demand for the NPOs was high, most of them work in difficult funding situations. Their cooperation within networks helps them to secure funding by incorporating funders into their networks and connect with them on a long-term basis.

5.3.2.3 Exchange condition: task complexity

Another similarity of the NPOs in our sample, with the groups researched by Jones et al., is that their tasks are highly complex. Integrate migrants and refugees poses challenges to local governments. Complexity occurs because (1) there are high numbers of involved people and parties, such as the high numbers of refugees in Germany and migrants in China requiring help; (2) problems to be solved are complex and demand complex solutions, for example solving the problem of housing sometimes entails psychological problems, as the case of Auszugsmanagement has shown; and (3) the resources needed to solve problems are usually scattered, ranging from the need for volunteers, experts, potential landlords and employers to funds and media support.

Although the target groups and the political-legal and social background is different in China and Germany, some of these challenges are similar. And the NPOs, again, turn to networks to respond to these challenges.

One challenge is that the number of involved parties is usually large – target groups, experts, funders have all to be approached in a coordinated way. The numbers of involved people in China are much higher than in Germany.

(1) high numbers of involved people and parties

The organizations respond to this challenge with their networks. The NPOs organized as networks themselves can organize large numbers of helpers to answer this challenge. The above-mentioned two Lawyers' Associations in China and the Bridge and Chance+ networks are examples of this strategy.

(2) the problems to be solved are complex and demand complex solutions

The examples of the employment NPOs, and the solutions they offer, show how many different tasks, fields of expertise and people are required for the employment of freshly arrived refugees in Germany and migrants in China. These groups need supports such as temporary housing, language training,

⁷⁸ Cologne\Education_Rheinflanke: 42 - 44 (0); Cologne\Education_Rheinflanke: 55 - 55.

⁷⁹ Cologne\Employment_Chance+: 59 - 59.

⁸⁰ Berlin\Employment_Bridge: 112 - 112.

⁸¹ Berlin\Employment_Bridge: 112 - 112.

⁸² Berlin\Unsuccessfull_Be an Angel: 37 - 37.

professional training, potential employers, and education. Again, as we have seen above, the NPOs use their extensive networks to provide their multi-faceted solutions.

(3) the resources for solution of the problems are scattered

Similarly, networks are also needed because there is usually a single source that can provide all that is needed to solve a problem. The section on asset specificity has already shown how the NPOs built networks to access expertise, knowledge and personnel that cannot be acquired at one specific place or from one specific provider.

To conclude, networking is a trend that can be observed in all the cases in Germany and China. Organizations depend on networks – on relationships that are usually not governed by contracts - in order to deal with the steep requirements for skills and knowledge (asset specificity), the uncertainty of their funding and the complexity of their tasks, thereby ensuring access to the largest number of sources to help them solve society's pressing problems.

6 Conclusion

In this study we asked about the underlying structures of state-NPO cooperation. In a qualitative analysis of the field research reports of nineteen German and Chinese cases of NPOs engaging in the field of migration we, first, identified patterns of relationships between NPOs and local governments by applying Coston's model to the cases. We found that, across very different countries and political systems, NPOs both share many commonalities in their relationship types with the government and show a similar range of types. Taking a comparative perspective, we found that Coston's model needs slight modifications concerning the power symmetries in the NPO-state relationships to be able to categorize German and Chinese NPOs at the same time. Figure 2 shows that the main difference between the two countries lies in the power symmetry and that, contrary to Germany, no informal cooperation models appear in the Chinese cases. The authoritarian character of the People's Republic of China is reflected in this categorization.

Second, by analysing the outsourcing activities of the local governments in China and Germany, we found many parallels but also some fundamental differences. Deploying Salamon's Third Party Government approach in the analysis of our case studies, we found that outsourcing public services is a practice in most German and Chinese cases in our sample. The cases show outsourcing characteristics across different relationship types, countries and policy fields. In the German cases, the fewest outsourcing criteria are met in cases with an informal relationship type. The Chinese cases hardly meet outsourcing criteria when the power relationship is most asymmetric in favour of the government. Regarding rationales for the outsourcing of services by local governments, our data showed that local governments in Germany turned to NPOs to add to existing services, while Chinese local governments outsourced services that would otherwise not be offered at all. Outsourcing therefore improves the efficiency and effectivity of public service provision in the German cases and facilitates the efficacy of public service provision in China. This finding underlines the observation that China's development model has long departed from the socialist idea of the state being responsible for all areas of society. In a way, the state in China is to a high degree, ready to outsource some of its responsibilities, thereby maintaining the final controlling power, while in Germany's social market economy many responsibilities remain in the state's hands and the local governments seem to prefer to solve social problems in a cooperative manner with the NPOs. Against the background of the first finding, these insights show that a state being authoritarian is not to be confused with a caring state.

Third, our analysis of the NPO's networking behaviour was based on the theory of Network Governance as posed by Jones et al.. We showed that all German and Chinese NPOs in our sample turned to networking to overcome the difficulties of their working environment, which are mainly characterized by asset specificity, funding uncertainty and task complexity. We identified four kinds of networking: NPOs that were themselves organized as networks (sometimes upon the request of the local government, such as Chance+ and Bridge), stakeholder networks, networks excluding government agents, and networks in which the state had a dominant role. Against the backdrop of the authoritarian political system of China, and in accord with our findings on the cooperation patterns with Coston's model, our data demonstrated that many (but not all!) Chinese NPOs in our sample were embedded in a network where local government had a dominating role. At the same time, almost all German and Chinese NPOs decided to include agents of government in their network, which helps to ensure the congruence of general concepts on how to solve the social issues at hand. Outsourcing and networking are common strategies of NPOs in China and Germany – despite all the obvious differences. Although the state plays clearly a more dominant role in authoritarian China, we were able to show that local states and societal actors in China and Germany can choose among diverse – rather than uniform – strategies to tackle pressing social issues.

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8 Appendix

8.1 The Chinese cases

Name of the NPO	City	Policy Field	Founding date of the NPO	Type and administrative level of registration	Cooperation project: Name/ starting date	Project funding
广东北达经贸专修学院 Guangdong Beida Economic and Trade College (Beida College)	Guangzhou	Education	1999	private non-enterprise unit (民办非企业单位), registered at provincial level	University Dream of Migrant Workers/ 2010	Government funding, tuition fees, tuition reduction by Peking University
广州市黄埔区优势力社会工作发展中心 Superior Power Social Work Development Center (Superior Power)	Guangzhou	Employment	2011	private non-enterprise unit (民办非企业单位), registered at district level	Social Work Service Project for Migrant Workers in the Super Large Towns of Huadu District/ 2013	Government purchase of services
广州市律师协会 Guangzhou Lawyers Association (GZ Lawyers Association)	Guangzhou	Social Assistance	1988	social group (社会团体), registered at municipal level	Guangzhou Laborers' Rights and Interests Legal Aid Project/ 2013	Membership fees (98%), government subsidies, social donations, operating income
广州市鼎和社会工作服务中心 Guangzhou Dinghe Social Work Service Center (Dinghe)	Guangzhou	Vulnerable Groups	2013	private non-enterprise unit (民办非企业单位), registered at district level	Project to Serve Vagrants and Beggars/ 2014	Government purchase of services
关爱环卫工人志愿服务队 Volunteer Service for Sanitation Workers (Sanitation Workers)	Guangzhou	Unsuccessful case	2013	Not registered	Volunteer Service for Sanitation Workers/ 2013	Funding by the local sanitation station

杭州市慈善总会杭州网义工分会 Hangzhou Net Volunteer Branch of Hangzhou Charity Federation (HZ Net)	Hangzhou	Education	2005	social group (社会团体), registered at municipal level	“Little Migratory Birds” summer camp/ 2006	Private funding by the founder, funding by enterprises, infrastructure support by the government
浙江携职专修学院 Zhejiang Xiezhi vocational college (Xiezhi)	Hangzhou	Employment	2008	private non-enterprise unit (民办非企业单位), registered at municipal level	Job-seeking station for migrant workers, 2017	Private funding by the founder, operating income, funding by foundations, government funding
杭州律师协会 Hangzhou Lawyers Association (HZ Lawyers Association)	Hangzhou	Social Assistance	1991	social group (社会团体), registered at municipal level	Action for the Protection of Migrant Workers' Rights and Interests/ 2018	Membership fees, government funding, social donations, legal income
杭州市下城区起点益行社会工作发展中心 Qidianyixing Social Work Development Center (Qidianyixing)	Hangzhou	Vulnerable Groups	2016	private non-enterprise unit (民办非企业单位), registered at district level	Community integration project for elderly migrants/ 2016	Government purchase of services
草根之家 Home of the grassroots (Grassroots)	Hangzhou	Unsuccessful case	2006	Not registered	Cultural Center for Migrant Workers (X Service Station)/ 2010	Corporate sponsorship, Oxfam fund support, government funding

8.2 The German cases

Name of the NPO	City	Policy Field	Founding date of the NPO	Type of organization	Cooperation project: Name/ starting date	Project funding
Kein Abschts! e.V. (Kein Abschts)	Berlin	Education	2011	Association	Mentoring program for refugees/ 2016	Government funding, private sources, donations, membership fees

Bridge network (Bridge)	Berlin	Employment	1986 Arbeit und Bildung e.V.: 1986 / network of various organizations	Various organizations	Bridge Bleiberecht/ 2014	European Social Fund (ESF), funding by the Federal Ministry for Labor and Social Affairs, funding by the Senate administration
Berliner Stadtmission/ Refugio (Refugio)	Berlin	Social Assistance	1877	Association under the umbrella of the Protestant Church	Refugio/ 2015	Funding by Berliner Stadtmission (a mix of grants and subsidies, membership fees operating income), operating income of the project, case-to-case support by the government
AWO Kreisverband Südost (AWO)	Berlin	Vulnerable Groups	1919 AWO, 1994 AWO Kreisverband Südost	Association under the umbrella of AWO Bundesverband (federal association)	AWO Women's Counseling Center/ 1990s	Funding by the senate administration
Be an Angel e.V. (Be an Angel)	Berlin	Unsuccessful case	2015	Association	Be an Angel/ 2015	Private donations, sustaining members, fundraising campaigns
RheinFlanke gGmbH (Rheinflanke)	Cologne	Education	2006/2007	Private limited liability company with public benefit status	Project Hope/ 2015	Asylum, migration and integration fund/ funding by the European Union and the Federal Ministry for Labor and Social Affairs, operating income
Chance+ Netzwerk Flüchtlinge und Arbeit (Chance+)	Cologne	Employment	Caritasverband e.V.: 1897 / network of various organizations	Various organizations	Chance+ Network for Refugees and Employment/ 2014	Joint program of the European Social Fund (ESF) and the Federal Ministry for Labour and Social Affairs called ESF Integration Guideline (<i>ESF-Integrationsrichtlinie Bund</i>)

Auszugsmanagement	Cologne	Social Assistance	Cologne Refugee Council: 1984 / network of various organizations	Various organizations	Projekt Auszugsmanagement/ 2011	Funding by the city administration
AGISRA e.V. (Agisra)	Cologne	Vulnerable Groups	1993	Association	Activities for refugees/ 2015	Funding by state North Rhine-Westphalia, the city Cologne and the European Union, case-to-case funding by the public administration, donations