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Autonomy and Coordinating Mechanisms of State-Society Boundary Organizations in Mainland China

Wei Li* 

Chinese University of Hong Kong, Society for Sustainability Studies and Actions, China

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ABSTRACT

State-society boundary organizations face the challenge to maintain autonomy as well as flexibilities to respond to various goals and needs of state and non-state actors. Chinese state used to exert much control over intermediary NGOs (boundary organizations) and some have become bureaucratized. Recent reforms have sought to transform them to be more autonomous from the government and more responsive to NGOs. This paper investigates the managerial autonomy and coordinating mechanisms of 29 intermediary NGOs in Shanghai, Beijing and Guangdong. Regardless whether they are initiated by the state or non-state actors, as boundary organizations, they can effectively play a bridging role when they simultaneously deploy multiple mechanisms to sustain autonomy and at the same time integrate differences of interests between state and non-state actors.

1. Introduction

In an era of collaborative governance between the state and society, collaborative boundary practices are essential to align differences of interest and create flexible connections that multiply options to solve public problems^[1]. Collaborative boundary practices are often perceived as being connecting, bridging, interactive and permeable, in contrast to distancing and separating bureaucratic practices^[2,3]. Others argue that boundaries should be organizations (such as think

tanks) which maintain independence from their sponsoring state agencies or companies^[4]. The boundary organizations (such as research councils) maintain independence or autonomy by balancing the goals and needs of multiple principals (political authority and scientific community)^[5,6]. The challenge is what coordinating mechanisms boundary organizations adopt to achieve this balance.

This study focus on a specific type of boundary organizations (BOs): *intermediary NGOs* that mediate resources

*Corresponding Author:

Wei Li,

Chinese University of Hong Kong, Society for Sustainability Studies and Actions, China;

Email: lwhk10@hotmail.com

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from donors, government and financial institutions to support local NGOs that serve the disadvantaged^[7], or *support organizations* that provide services (such as staff training, research, networking, policy analysis etc.) and resources to NGOs to achieve their mission^[8].

This challenge of BOs described from the outset applies to intermediary or support NGOs in public service networks. Government funding provides them abundant resource but also imposes many regulatory and service scope constraints. However, diversification of resources pressures BOs to provide new skills and reframe its core mission^[9], and bring about tension in balancing goals of hierarchical steering from the state, consumer choice from the market and voluntary participation by the non-profit sector^[10].

Compared with their counterparts in liberal democratic countries, state-society BOs in China face more challenges associated with government control. Since mainland China is a multi-party cooperative regime dominated by the Communist Party, the state sponsors have directly established and managed intermediary NGOs (BOs) to reach, serve and regulate societal groups. These BOs lack organizational autonomy from the state sponsors.

In recent years, however, facing mounting social challenges, Chinese state has been re-positioning its role, from being control-minded to being more enabling, to the private initiation to solve social problems. In parallel, the state has allowed more autonomy and awarded more resources to BOs, encouraging the latter to strengthen the capacity of grassroots NGOs.

Based upon the original data collected, the paper will first verify varied dimensions of autonomy of both state-initiated and privately-initiated BOs in China. It will then be demonstrated that more autonomous BOs can effectively respond to goals and needs of both state sponsors and NGOs they serve by deploying network and market mechanisms.

2. Literature Review

2.1 Autonomy of State-Society Boundary Organizations

BOs' autonomy from the state in mainland China has three dimensions:

First, legal status affects the autonomy of BOs. With restrictive regulations, BOs found it difficult to obtain legal status and are vulnerable to be closed down^[11,12]. There is widespread mistrust and mutual avoidance between the state and unregistered NGOs such as those specialized in labor, sex worker health, HIV-AIDs issues^[13]. In such a context,

only state-initiated^① BOs used to have good chance to legally register.

Second, sources of financial resources impact BO's autonomy. Many BOs rely on state revenue and assist the state to implementing regulations^[14]. Less financial support pressured the BOs to actively seek non-state resources and became more autonomous in project implementation^[15].

Third, BOs' administrative integration with the state constrains its managerial autonomy. Many state-initiated BOs are led and staffed by retired government officials^[14]. At one extreme are Mass organizations¹ that historically co-opted societal groups such as women, workers and the youth, who provided political support to the Chinese Communist Party (CCP)^[16]. After they have become integrated into the state, their duties have shifted from representing their members' interests to propagating ideology, administering policy programs and recruiting political supporters for the Party^[17]. Although some state-initiated BOs provide financial and administrative support to privately initiated NGOs, or allow unregistered NGOs to operate as their subsidiaries, in general, they are seen to be bureaucratized, or being more responsive to state authorities than to their constituents^[11].

The Chinese state has recently changed its policy paradigm towards privately initiated NGOs from across-the-board restriction to selective nurturing. The state sponsors collaborate with privately initiated BOs through contracts and grants^[18].

2.2 Reforming State-initiated BOs

Several reform measures encourage BOs to be more autonomous and service-oriented than before.

First, it is easier for four types of BOs to register: guilds and chambers, charities, BOs specialized in science and technological services, and BOs providing rural and urban community services^[19].

Second, state sponsor's direct involvement in the management of BOs shall be reduced^[19].

Third, the Party urged state-initiated BOs to reach out to grassroots NGOs. The Central Committee of CCP criticized the Mass organizations to be "hierarchical, bureaucratized, aristocratic and entertainment-oriented"^[20]. Pilot reforms in Shanghai seek to decentralize their bureaucratic

① Mass organizations are federations, associations, and foundations that are officially designated by the Chinese Communist Party as "bridges" and "belts" between the Party, the government and the ordinary citizens. Three enjoy highest political status, namely Federation of Trade Union, Communist Youth League and Women's Federation. Until 2015, there are altogether 22 Mass organizations whose administrative staff are recruited and managed according to the civil service system. Xin Jin News 2015.

structure and establish service-oriented networks into the grassroots society ^[21].

Fourth, more state resources are distributed to the non-profit sector. Trade unions in Beijing, Shenzhen and Guangzhou are delegated by the government to sub-contract service programs to grassroots labor NGOs ^[22]. Local governments established new BOs (SO federations and service centers), allocated public funds through the former to grassroots NGOs, and extended the Party-building activities to the latter ^[23].

2.3 Research Questions

This study seeks to shed some lights on the following questions:

1) Given the reform initiatives described above, how much autonomy from the state sponsors do state-initiated BOs have in China?

2) In what ways privately-initiated BOs can collaborate with the state sponsors without losing too much autonomy?

3) When serving as “bridges” between the state sponsors and grassroots NGOs, how do both types of BOs accommodate state sponsors’ goals while responding to the needs of NGOs they serve?

2.4 Coordinating Mechanisms of Effective State-society Boundary Organizations

This section will review what coordinating mechanisms BOs may adopt to balance the goals and needs of state sponsors and NGOs they serve. It will discuss in what ways each mechanism relates to autonomy of BOs.

This paper shares the view that the presence of managers who have boundary spanning or connecting skills to align differences and find common ground among multiple stakeholders can facilitate collaboration ^[1,2,24]. At the same time, boundary as an organization is said to be useful to balance the tension between flexibility and stability/efficiency of public service networks ^[25].

Effective functioning of boundaries at all levels requires two imperatives: 1) establishing and maintaining boundaries to assure appropriate levels of differentiation and autonomy; 2) flexibility of boundaries to assure integration in situations of crisis and change ^[26]. From a similarly dialectical perspective, Abbot would not view stable social entities (organizations or professions) and changeable boundaries as two separate things. Instead, boundaries as sites of differences can be assembled into entities that have endurance, internal coherence and autonomy ^[27].

Accordingly, this paper proposes that effective

functioning of state-society BOs has two imperatives: 1) maintaining autonomy from the state sponsor and NGOs they serve; and 2) being flexible to accommodate the goals and needs of these two parties.

What coordinating mechanisms may BOs adopt to realize the two imperatives? Coordinating mechanisms refer to collective action mechanisms that facilitate the exchange of control over resources among social actors ^[28]. Coordinating mechanisms can be used to enhance voluntary or forced alignment of tasks and efforts of organizations: “All governments have to do is to have their programs and organizations identify the means of taking into consideration the actions of other organizations and programmes, and consider in advance the consequences of their decisions.” ^[29] Coordination mechanisms can not only align elements of a system into ordered pattern without intent ^[30], but also be designed into organization of boundaries.

There are three coordinating mechanisms to describe. Hierarchical mechanism relies on authority to coordinate and exert a higher degree of coercion over individual or groups’ behavior ^[31]. It is often associated with a top-down command structure and regulatory coordination for the purpose of implementing political decisions ^[30]. Hierarchical organizations are reliable and efficient for service provision, and are more accountable for the use of resources ^[32]. They are able to buffer market uncertainties and contingencies by internalizing transactions that require specific knowledge and high cost of negotiation ^[33,34]. However, greater stability and certainty in resource exchange may render such organizations less autonomy for independent actions and adjustment to future changes ^[35].

Market mechanism relies on bargaining and contracts to coordinate competing suppliers and buyers ^[29]. Market competition provides incentives for organization managers to maximize profits ^[36]. Idealized markets offer choice, flexibility, and non-coercive coordination among independent actors through prices but are said to have no integrative effects ^[32]. Markets are adaptive systems driven by satisfying “consumer preferences” through innovation ^[30].

Network mechanism relies on trust, negotiation and consensus-building to coordinate a wide range of actors endeavoring to identify common problems and interests, find shared values and common goals, share knowledge and contribute resources ^[29,37-40]. Since building and sustaining trust requires long term interactions among participants, effective network mechanism brings about more stability and certainty than market mechanism does. At the same time, since consensus building is based upon

mutual adjustment and mutual learning among network partners^[38], network mechanism is more flexible than hierarchical mechanism.

Three coordinating mechanisms can be deployed by state-society BOs at four dimensions: resources, knowledge and information, and policy decisions and implementation. Resource and knowledge generation and sharing are important for non-government actors to effectively collaborate with government agencies in public policy or public program decision-making^[41,42]. Using indirect policy tools (such as contracts) to deliver public services requires coordination between government and non-government actors^[43]. Policy implementation needs coordination among multiple actors, including lower level government officials and non-governmental actors^[44].

3. Methods and Data

This paper is based upon a database of archives, questionnaires and transcripts of 45 semi-structured interviews collected from two fieldtrips in Shanghai, one field trip in Beijing, and two fieldtrips in Guangdong from December 2014 to December 2015.

The snowballing strategy^[45] is used to sample managers of BOs and NGOs. After consulting local policy documents and news reports, a list of mass organizations, associations, federations and service centers that use Party and government resources to support NGOs was compiled. State-society BOs in Beijing, Shanghai and Guangdong are chosen because state actors there are among earliest in China to adopt reform measures. At the same time, state actors in three places differ in degrees of tolerance over non-state actors' efforts to influence public policies and programs. Variation of BOs' autonomy from their state sponsors are then maximized.

Party and government officials responsible for social work and social services in Beijing, Shanghai and Guangdong Shunde were interviewed. They were then invited to introduce managers of the BOs in the compiled list for interviews. Sometimes, the interviewed officials, after understanding the research topic, would recommend BOs not in the compiled list but fulfilling the sampling requirements. After the managers of BOs were successfully interviewed, they were invited to introduce 2-3 service delivery NGOs the BOs serve for interview. The potential bias of this sampling method is that respondents might be less critical of the state or the BOs. These interviews involved four Party and government officials, managers of 29 BOs and 12 NGOs served by BOs. On average, each interview lasted about 1.5 hours.

All of 29 BOs have financial support from the state and provide NGOs capacity-building services such as

training, resource bridging and consultation. Among them are 26 BOs initiated by government agencies (like culture bureau), Party committees (such as Social Work Commission), and Mass organizations (e.g. Youth League, Women's Federation, Federation of Trade Union). Three are privately initiated BOs.

These BOs (except one) have two types of organization structure. One type are service centers or incubators. They provide capacity building services to NGOs. Some of these NGOs deliver social services to citizens in a specific geographical jurisdiction. Other NGOs deliver services across jurisdictions but have specialization in certain services such as cultural services, youth services and services for workers, women or the disabled. These NGOs are *clients* of BOs. Another type of BOs sampled are federations or associations which have NGOs as their affiliated members. These NGOs serve citizens in a specific geographical area or specialized in certain types of services. They are *member* NGOs of BOs. The twelve client or member NGOs interviewed provide services in entertainment, health care, education, vocational training and legal services to disadvantaged groups.

The semi-structured interviews allowed the respondents, especially those highly educated, to fully articulate their responses, including the nuanced context^[46]. The interviews started with open-ended questions and then the respondents were assisted to complete a survey questionnaire comprising 30 items for managers of BOs or 21 items for managers of NGOs. Most items in two questionnaires were the same, asking about respondents' main service activities, sources of resources, relations with various stakeholders (including the Party and government agencies), and attitudes towards state-society boundary relations. Party and government officials were asked to complete the attitudinal items only. Managers of NGOs were asked additional questions about the effectiveness of services they received from the relevant BOs. Most interviews were tape-recorded and transcribed by research assistants. The recordings were checked and all the transcripts were proof-read to ensure they are correct and complete.

Recurring categories and themes emerging from the transcripts in the process of coding were identified^[47]. The coding process is also guided by the research questions and the framework of BOs' autonomy and coordinating mechanisms. To minimize coding bias, the coding has been reviewed, verification has been carried out and constant comparison has been made^[48] between the transcripts, questionnaire data from the same respondent, the interviews of other managers that have working relations with the respondent, and publications of the BOs.

Relations between categories have then been identified to develop a systematic understanding of the research topic ^[39].

4. Analysis

Three dimensions of BOs’ autonomy are identified as expected: legal status, managerial integration with the state sponsor, and sources of financial support. Two new dimensions emerge from the data: use of policy tools, and control of information and knowledge.

Table 1. Legal Status and Location of the BOs

Legal status	Beijing	Shanghai	Shunde, Guangdong
Registered as non-enterprise private agencies	1	5	1
Registered as associations or federations	3	6	7
Not registered	2	1	2
Registered as a public service unit	0	0	1
Total	6	12	11

4.1 Legal Status

Legally registered BOs have more autonomy since they can compete for grants from various sources. All five unregistered BOs in the sample are GONBOs. They cannot have independent financial accounts, and solely rely on government finance for revenue. By contrast, legally registered GONBOs can increase revenue by bidding for grants and contracts of various state sponsors (Interview SS1 2014; Interview HS10 and HS11 2015).

Type of BOs is also relevant to their autonomy. In China, BOs can register as associations (including federations) or non-enterprise private agencies (NEPA). Associations are more difficult to register and more likely to be initiated by the state. In our sample, 15 of 16 BOs registered as associations are GONBOs. The structure of associations is legally mandated to have *member* NGOs ^[49], and therefore have more capacity to mobilize social resources.

BOs registered as NEPAs do not have member NGOs but only provide non-profit services to *client* NGOs ^[50]. It is expected that privately initiated and more autonomous BOs are more likely to register as NEPAs.

4.2 Sources of Financial Support

Financial resources from the state sponsors may have stringent accountability requirements that constrain BOs’ autonomy. In some cases, the state sponsor will determine

the salaries of the personnel hired by BOs, which are too low to attract high quality professionals. To earn a market level salary, the director of a service center has to do several part-time jobs for the street-office government^② that are beyond her job duty: “We are unable to be paid at a market level if we only do the job for the Center. ... Here we are hired as non-civil service staff but managed by the street-government.” (Interview HS3 2015)

To be more independent from the state sponsor, GONBOs have tried to diversify sources of finance by contracting with several government agencies. They will then have more bargaining power when negotiating with the government and more room to decide how to deliver services (Interviews BS3 and SS8 2015).

4.3 Managerial Integration

BOs’ managerial integration with the state sponsors impacts their autonomy. Sources of financial support alone do not determine BOs’ autonomy since most of them rely on state funding. Among 29 BOs, only one has its major revenue generated from the private sector. Still, there are variations of autonomy among the rest.

At one extreme, BOs share personnel, office space and assets with the state sponsors. For these BOs, their managers have to be more responsive to the state sponsor than to their clients or member NGOs. In one case, government officials gave detailed instructions concerning the association’s daily operation (Interview SS8, 2015). In another case, a service center established by a lower level government has to carry out the instructions given by the service center established by the higher level government, as if they have hierarchical relations. Yet, in fact, both service centers are registered as NEPAs (Interview HS3 2015).

4.4 Use of Policy Tools

This dimension emerges after the state sponsors uses contracts and grants to support BOs. By entering into contractual relations with the state sponsors, BOs can maintain autonomy and at the same time enjoy financial support from the latter. One privately initiated BO has 97 percent of its service cost financed by the government. Its manager believes that they have autonomy to negotiate the contract with the Party sponsor according to their own will, and their collaboration with the latter is based upon mutual interest and common goals. For example, it has successfully persuaded the Party sponsor to believe

^② The street-office government is the dispatched agency of the district or county government, which is the lowest level of administration within the Chinese government.

that funding service programs developed by its client NGOs can help the latter to achieve performance targets (Interview BS6 2015).

In another case, a GONBO (federation) completely relies on state finance through a service delivery contract. Yet, the federation has managerial autonomy from the government sponsor since the amount of financial support is based upon the number of NGOs joining the federation rather than its cost of personnel, office space and program operation (Interview HS9 2015).

Tax exemption is a policy tool that can be used in future to grant more autonomy to all BOs. Currently in China, tax exemption status has to be officially approved by the government case by case and is yet to be automatically granted to all registered NGOs. Given their proximity to the state, GONBOs are more likely to enjoy this status than privately initiated BOs^[51]. For example, one GONBO that enjoys tax exemption status has attracted a lot of societal donations and does not have to rely on state finance for revenue. This GONBO only needs to submit data and information about its operation to the government sponsor, and has managerial autonomy (Interview SS12 2015).

4.5 Control of Information and Knowledge

Since reform measures encourage private initiation, competition among BOs is facilitated. As a result, control of information and knowledge in order to better respond to the state sponsor as well as member/client NGOs becomes an important source of competitive edge of BOs. More competitive BOs are able to maintain autonomy from the state sponsor.

A manager of a privately initiated incubator explained how they declined the Party sponsor’s offer to be “authorized” as a hub-style social organization because they do not want to lose autonomy. This manager

perceived that developing professional knowledge needed by the market would enable them to remain competitive and autonomous in the long run:

A boundary organization shall develop its functions in a competitive market, not being defined by anybody. ... If we are authorized by the state to be a boundary organization, this means that our only function is to bridge the state and social organizations. ... We hope to collaborate with the state... But we prefer to see the state sponsor as one of our resource providers but not the only one. ...Now we are more and more professional and specialized because our clients are more demanding. This enhances our competitiveness because our products are less replaceable now. (Interview HS2 2015)

In another case, a service center initiated by the Youth League in Shanghai has been playing an information and knowledge brokering role between the Youth League and grassroots NGOs. It developed a list of NGOs for the Youth League at the municipal, district and street-office governments to choose as their contactors. In order to have first-hand information about the difficulties faced by NGOs, the service center also operated three voluntary service programs on its own (Interview HS8, 2015).

Three dimensions of BOs’ autonomy mentioned in the literature were corroborated: legal status, managerial integration with the state sponsor, sources of financial support. Two new dimensions emerge: 1) use of policy tools; 2) control of information and knowledge (Table 2). The latter two dimensions were found to enable BOs to enjoy high level of financial support from the state sponsors and at the same time maintain autonomy to serve NGOs.

4.6 Managerial Autonomy, Bridging Functions and Coordinating Mechanisms

This section investigates how BO’s autonomy and

Table 2. Five Dimensions of BOs’ Autonomy

Dimensions	Less autonomy → more autonomy		
Legal status	Unregistered	Registered associations or federations	Registered NEPAs
Managerial integration with the state sponsors	Co-managed by state officials and BO’s staff		Independently managed by BO’s staff
Sources of financial support	One state sponsor	Several state sponsors	State and non-state sponsors
Use of policy tools	Direct instructions from state sponsors	Service contract	Tax exemption
Control of information and knowledge	Sufficient information about the goals of state sponsors but limited information about the needs of NGOs; limited professional knowledge of service provision	Sufficient information about the goals of state sponsors and needs of NGOs; limited professional knowledge of service provision	Sufficient information about the goals of state sponsors and needs of NGOs; sufficient professional knowledge of service provision

bridging functions relate to their coordinating mechanisms. BOs' bridging functions involve four dimensions, including resource mobilization, knowledge & information generation and exchange, policy implementation and influence on policy decisions. An additional dimension emerges from the data: mobilizing political support.

The first bridging function of BOs is to mobilize resources for NGOs they serve. BOs with less autonomy from the state sponsor tend to mobilize resources within the state sector, relying on a top down hierarchical mechanism (Interviews HS11 and SS5 2015). BOs with more autonomy tend to use network and market mechanisms. They encourage clients or member NGOs to attract private resources, and to collaborate among themselves to apply for state funding (Interviews BS2, BS6, HS1 and SS2, 2015). Some BOs use co-payment (rather than levying no charges), a semi-market mechanism, to identify true demands for training services and generate some revenue from NGOs (Interview BS6, 2015).

The second bridging function of BOs is to generate and share information & knowledge with the state sponsor and NGOs they serve. When BOs have less autonomy from the state sponsor, they are often instructed by the state sponsor to collection information from member NGOs. Such a hierarchical mechanism is often ineffective when member NGOs cannot benefit from the information collection (Interview HS3 and BS4 2015). BOs with more autonomy carried out this function to benefit their members, which is more effective and relies on market and network mechanisms (Interviews BS2 and HS9 2015).

BOs with less autonomy tend to use hierarchical mechanism to disseminate policy-relevant knowledge. The knowledge often embodies mainstream values and goals (Interviews SS6 2015). As a consequence, marginal or new values are often excluded.

BOs with more autonomy use network mechanisms to generate and share information. For instance, a privately initiated BO assisted the Party sponsor to identify new social problems and know more about the needs of grassroots NGOs (Interview BS6 2015). Several GONBOs and privately initiated BOs (federations) have within-network alliances or committees that facilitate professional knowledge sharing among member NGOs (Interviews BS2, BS4, HS9 and SS11 2015).

BOs with more autonomy use market mechanism to coordinate knowledge exchange. For instance, the profit-making members of a GONBO (federation) contribute expertise at lower-than market level price, motivated by the hope of gaining a larger social impact and a market share in the future (Interview HS7 2015).

The third bridging function of BOs is to assist the state sponsor to implement policies among NGOs. In cases of GONBOs with less autonomy, policy implementation is coordinated by the hierarchical mechanism (Interviews HS3 and SS8 2015). In cases of BOs with more autonomy, policy implementation is coordinated by the network mechanism, namely voluntary participation by relevant parties. For instance, a manager of a privately initiated BO (federation) supported the Party sponsor to improve member NGOs' transparency and compliance with regulations. This BO then applied for a state grant to achieve this purpose. Participation by its member NGOs is voluntary, and is encouraged (not commanded) by allocating more resources to the NGOs (Interview BS2 2015).

The fourth bridging function of BOs with more autonomy is to influence government programs or policies through network and market mechanisms. For example, a GONBO (federation) helps its member NGOs to design grant proposals that identify new social problems the state actors are interested to resolve (Interview HS9, 2015). By contrast, BOs with less autonomy from the state sponsor tend to shape NGOs' program design so as to align the latter's goals with state policy directions. For example, some GONBOs would: 1) invite leaders of NGOs to participate in meetings and events organized by the Mass organizations (Interview HS11 2015); 2) issue policy documents from the Mass organizations to NGOs (Interview SS1, 2014; Interview SS7, 2015). Such GONBOs may not be able to attract NGOs with alternative mission and goals. In fact, the leader of an elderly service NGO chose to receive capacity building services from a privately initiated BO, not from GONBOs: "Unlike us, cadres of the Mass organization in the street-office government do not have passion for services. When their superior come to supervise their work, they will organize (service NGOs or groups) for a show. In street-office X, there is a youth activity incubating center organized by the Youth League. No one goes there. A young person in charge of the center just idly sits there with nothing to do." (Interview BS6-1 2015)

The fifth bridge function of BOs with more autonomy is to mobilize political support for the state. Recruiting members from new social and economic groups has been a strategy adopted by the Party-state to mobilize political support and adapt to changing environment^[23,52]. However, despite the Party's policy to establish Party organizations in NGOs, very low percentage of surveyed NGOs are found to have done so^[53]. The Party has recently reiterated the importance of party-building activities among the NGOs^[54]. BOs, especially GONBOs,

play an important role in involving NGOs to participate in Party-building activities.

However, Party-building activities will be less effective if they remain unattractive to NGOs. A more effective way is to use the market mechanism, namely to award active participants some benefits. For instance, one GONBO (federation) allied with Party-branches in other organizations to co-develop service programs and helped its member NGOs to win government contracts. The NGOs’ contracted services embody the Party’s propagated core values such as altruism, contribution to society, volunteerism and serving the disadvantaged, and therefore achieve the purpose of Party-building (Interview HS4 2015). Similarly, the manager of another GONBO (federation) stressed the effectiveness of market mechanism in party-building:

“In what ways can a boundary organization play a bridging role? The answer is through Party-building. This is of Chinese characteristics. But if the government’s preferences are merely communicated to NGOs through lecturing, no one will be interested to listen. If you offer them business opportunities and open up the service market, they will be very interested to participate and promote themselves through us. If we only talk about ‘serving and sacrificing for the society’, NGOs may choose not to participate since they get no benefits.” (Interview HS7 2015)

The network mechanism that identifies common goals among NGOs can encourage their participation in Party-building activities, which in turn mobilizes passionate leaders of NGOs to contribute to network-level services

(Interviews SS3-2 and BS2 2015).

5. Conclusions

A multi-dimensional perspective towards the autonomy of state-society BOs questions the preconception that state initiation or state financial support necessarily constrains BOs’ capacity to serve their clients or constituents. The paper concludes that state-society BOs in mainland China’s social service sector can maintain autonomy from the state sponsors along several dimensions. Diversifying sources of financial support is not the only dimension. For state-initiated BOs, reform measures that encourage their legal status, limit managerial intervention from the state sponsors and distribute state resources through indirect tools (such as service contracts) also increase their autonomy. At the same time, privately-initiated BOs are able to utilize large amount of state resources without losing too much managerial autonomy if they have information and professional knowledge.

The convergence of GONBOs and privately-initiated BOs demonstrates the importance of analyzing coordinating mechanisms to identify effective boundary practices. State-society BOs, especially those initiated by the state, can play a more effective “bridging” role if they adopt market and network mechanisms. Effective BOs can motivate NGOs to provide information, deliver services, comply with government regulations and participate in Party-building activities. Effective BOs can mobilize resources and support within the state sector, while changing the state actors’ bureaucratic logic to consensus-based and service-oriented logics, and incorporating

Table 3. BOs’ Bridging Functions, Coordinating Mechanisms and Autonomy

Functions	Less autonomy	More autonomy	
	Hierarchical mechanism	Network mechanism	Market mechanism
Resource mobilization	Mobilizing resources within the state sector	Voluntary exchange of resources among clients or member NGOs for common goals and non-profit services	Voluntary exchange of resources based upon price mechanism and the exchange accommodates profit-making motives
Knowledge and information generation and exchange	Information collection based upon authority, top-down knowledge generation and dissemination that excludes marginal values	Shared knowledge production, information sharing and mutual learning among government, BOs and BOs’ clients or member NGOs for non-profit services	Information and knowledge exchange based upon price mechanism and the exchange accommodates profit-making motives
Policy implementation	Instructions based on authority	Negotiable service contracts	Encourage voluntary compliance by distributing benefits to NGOs
Influence on policy decisions	Shape NGOs’ program design to align with government policy directions	Balance the considerations and the needs of governments and NGOs	Influence government programs and policies to benefit NGOs
Political support mobilization	Instructions by party officials based upon authority	Identify common goals among NGO leaders to contribute to network-level services	Encourage voluntary participation by awarding NGOs benefits

marginal values cherished by the non-state actors.

The findings are consistent with Provan and Kenis' propositions that an effective network needs to balance stabilities and flexibilities, and that a network administrative organization (NAO) acting as a broker can best achieve this balance^[25]. However, it is not clear what coordinating mechanisms an NAO adopt to achieve this balance. State-society BOs in this paper is similar to NAOs. By focusing on BOs' coordinating mechanisms, this paper has sought to fill in the gap and clarify what makes NAO work.

Another finding is that network governance as a static structure does not preclude hierarchy, network and market as dynamic coordinating mechanisms. Arguably, what defines an organization in a collaborative network as a boundary organization is precisely because it can simultaneously deploy multiple mechanisms to sustain its autonomy and at the same time integrate differences of interests among collaborators.

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