

# **Government-N/P Cooperation: OVERCOMING A BLINDSPOT IN NONPROFIT SECTOR STUDIES**

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## A PUZZLE

- **Government-N/P Cooperation--- a common feature of N/P reality**
- **YET—overlooked in popular understandings and N/P studies**
- **WHY?**

# SHORTCOMINGS OF THEORY

1. Theory of the Welfare State
2. Theory of the Nonprofit Sector

## **SHORTCOMINGS OF THEORY**

- **Theory of the Welfare State**
  - 19<sup>th</sup>/20<sup>th</sup> c. expansion of state welfare expenditures
  - Image of state as bureaucratic behemoth
  - Both left and right had reason to downplay partnership

## SHORTCOMINGS OF THEORY

# Theory of the Nonprofit Sector

### → DEMAND SIDE

- Market-failure/  
government failure theory
- Trust theory

### → SUPPLY SIDE

- N/P entrepreneur theory

# A SOLUTION: VOLUNTARY FAILURE THEORY

## 1) VOLUNTARY FAILURE

→ NPOs as first responders

→ BUT: Voluntary failures



# A SOLUTION: VOLUNTARY FAILURE THEORY

## 1) VOLUNTARY FAILURE

→ NPOs as first responders

→ BUT: Voluntary failures

- Phil insufficiency
- Phil paternalism
- Phil particularism
- Phil amateurism

# A SOLUTION: VOLUNTARY FAILURE THEORY

## 1) VOLUNTARY FAILURE

→ NPOs as first responders

→ BUT: Voluntary failures

- Steering

## 2) NEW GOVERNANCE & TOOLS APPROACH



# The New Governance

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- **A revolution in the technology of public action**
- **Proliferation of new tools**

# EXPLOSION OF GOVERNMENT TOOLS

- Direct government
- Contracts
- Grants
- Direct loans
- Loan guarantees
- Economic regulation
- Social regulation
- Corrective fees
- Vouchers

**THE BEAT GOES ON**

- **Tax expenditures**
- **Carbon offsets**
- **Pay for Success/SIBs**

## RISE OF THIRD-PARTY GOVERNMENT

- **Common feature: Use of “Third Parties”**
- **Sharing of discretionary authority**
- **“Deconstruction” of public action**

**PATTERNS OF PUBLIC PROBLEM-SOLVING**

DELIVERY	FINANCE	
	Public	Private
<b>Public</b> (1) National (2) State/local	<b>A</b>	<b>C</b>
<b>Private</b> (1) Nonprofit (2) For-profit	<b>B</b>	<b>D</b>

## SCALE OF U.S. FEDERAL GOVERNMENT ACTIVITY, BY TYPE OF TOOL, FY1999

	Amt (\$ bns)	%
<b>Direct Gov't</b>		
Goods and Services	186.8	
Income support	550.4	
Interest	229.7	
Direct Loans (Obligations)	38.4	
<b>Subtotal, Direct</b>	<b>1005.3</b>	<b>28.1%</b>
<b>Indirect Government</b>		
Contracting	198.8	
Grants	286.4	
Vouchers	251.0	
Tax Expenditures	602.0	
Loan Guarantees (Commitments)	252.4	
GSEs (Loans)	409.2	
Deposit insurance (net additions)	376.1	
Regulation	200.0	
<b>Subtotal, Indirect</b>	<b>2575.9</b>	<b>71.9%</b>
<b>GRAND TOTAL</b>	<b>3581.2</b>	<b>100.0%</b>

# WHY?

- **Complexity of problems**
- **Limits on public resources**
- **Dissatisfaction with government performance**
- **Popularity of market ideology**
- **Producer political power**

# WHY “NEW” GOVERNANCE?

“Governance” → collaboration,  
interdependence

“New” → recognition  
of challenges



# CHALLENGES OF NEW GOVERNANCE

- **Management challenge**
- **Accountability challenge**
- **Legitimacy challenge**

# NEEDED: A NEW PARADIGM

Classical Public Administration	New Governance
Program/Agency	Tool

# The New Governance

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What is a “tool of public action”?

*“an identifiable method through which collective action is structured to address a public problem.”*

## POLITICAL ECONOMY OF TOOLS

- **Actors**
- **SOPs**
- **Skills**
- **Tasks**
- **Advantages**

# The New Governance

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## CLASSIFICATION: TOOL DIMENSIONS

- **Coerciveness**
- **Directness**
- **Visibility**
- **Automaticity**

- **Tool choices as technical choices**
- **Tool choices as political choices**

## THE NEW GOVERNANCE PARADIGM

<b>Classical Public Administration</b>	<b>New Governance</b>
Program/Agency	Tool
Hierarchy	Network
Public vs. Private	Public + Private
Command & control	Negotiation & persuasion
Management skills	Enablement skills

**NEEDED: NEW KNOWLEDGE**

- **Tool knowledge**
- **Design knowledge**
- **Operational knowledge**



**NEEDED: NEW SKILLS  
ENABLEMENT**

- **Activation**
- **Orchestration**
- **Modulation**

**NEEDED: NEW ENABLEMENT SKILLS**

**Are Russian public administration,  
and Russian NPOs, up to the  
challenge?**