Whose Public Action? Analysing Inter-sectoral Collaboration for Service Delivery

End of Award Research Report

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This is the final report made to the UK Economic and Social Research Council in October 2008 on research undertaken between 2006 and 2008.

1. Background
Our research objectives emerged from previous DFID-funded research which examined experience of collaboration by government with non-state providers of basic services. The ESRC-NGPA programme offered the possibility of deepening this to explain the different perspectives and interests of actors and the organizational limits on their collaboration.

The core hypothesis of the current research was that government and non-state providers involved in a service delivery relationship have structurally different perceptions and priorities which are likely to lead to contention about the purposes and processes of public action. The way that their relationship is formally and informally organized, by setting the rules of the game, affects the capacity of the ‘partners’ to assert influence.

Much literature on relations between government and non-government organizations involved in service delivery is concerned with the opportunities for partnership between actors with complementary roles. However, a growing body of evidence from the mid-1990s threw doubt on the stereotypical advantages of types of organization and on the meaning of ‘partnership’, identifying the tensions and power imbalances in their relationship (Brinkerhoff 2002, Hulme and Edwards 1997, Lewis 2008). (References in Annex 1).

Our main theoretical point of reference is in organization theory as it has developed since the 1980s. This is rooted in the long standing debate about the degree to which organizations are determined by their context and tasks or whether organizational actors have capacity for strategic choice. The neo-institutional perspective resolves the debate by linking the two sides of the argument: organizations are both a product of institutions and can influence them; institutional conditions both constrain actors and provide opportunities for some to advance their interests. It emphasizes the “interaction of organizational actors with institutional contexts, recognizing the duality of structure and action” (Greenwood and Hinings 2006).

Our research therefore had two main concerns: (i) the context of macro-institutional conditions, inter-organizational resource dependence, networks of organizations, and the rules of particular (semi-)contractual relationships, (ii) within which actors exercise agency or strategic choice. How we understood these factors is indicated in the findings below.
2. Objectives
The research aims to understand how relationships between governments and non-state actors are organized, and what balance of influence emerges between them. The original objectives were slightly revised, following our literature review, to understand:

1. The factors that condition the definitions of public action by government and non-government actors.
2. How actors’ goals and influence are accommodated in alternative forms of relationship.
3. Whether and how the characteristics of service sectors influence the perspectives of actors and the forms of collaboration between them.
4. The strategies that actors employ to manage the relationship.

The research focused on the education, health and sanitation sectors in India, Pakistan and Bangladesh, selected because our earlier work had shown that the sectors and countries offered a useful basis of comparison. Among service providers, the focus was on bodies that described themselves as ‘not-for-profit’, non-governmental, voluntary and community organizations – described here collectively as NGOs. We decided this focus because, by comparison with for-profit providers, they were more likely to have public policy goals.

The objectives were addressed in stages:
Stage 1 covered international and national literature and policy reviews
Stage 2 addressed Objectives 1 and 3, examining the history of government-NGO relations in each country and in the policy spheres selected for study
Stages 3 and 4 addressed Objectives 2, 3 and 4, through in-depth case studies.
Stage 5 again addressed Objectives 1-4, taking the findings of the case studies back to the general and policy levels to check gaps in our understanding. This stage also examined the policy relevance of our findings in feedback meetings with practitioners in each country.

3. Methods
A causal flow was developed as a governing framework for the analysis, as outlined in the diagram at Annex 2. Moving from the macro-institutional factors on the right of the diagram to the study of particular organizational relationships on the left, this indicates a hypothetical chain of influences from institutional conditions, to organizational identities, structures and agendas of public action, to the encounter of NGOs with government in an organized relationship, and back to the impact of the encounter on the participating organizations.

Our research was designed to obtain the benefits of the case study approach while also avoiding its weakness: to understand relationships we needed to look at how they operated in concrete cases, but also how the dynamics of the relationship were externally influenced. We located the case studies in a wider framework so as to use
them as ‘windows’ on more general experience. An important aspect of this was the identification of ‘programme’ areas of state/non-state engagement for study across the countries. They were selected because they involved substantial state and non-state roles, had some history that would allow us to consider how relationships had changed, and presented scope for contestation over the means or ends of public action.

The programmes selected were:
1. Education: NGO provision of ‘non-formal’ education and support to government primary schools
2. Health: NGO management of government primary health care centres

After studying each of these at a national level, the research focused on cases of governmental collaboration with specific NGOs in each programme. An initial scoping of options led to the selection of nine cases - one per sector per country - using similar criteria as for programmes, picking ones where there was a relationship between government and the NGO that had the status of a type or model seen by the parties as replicable. (Cases are listed in Table 1, Annex 3)

The data collection methods varied with the stage of the research:
- The initial literature and policy reviews drew on documentary analysis and interviews with key informants among government, NGO, donor and research organizations.
- Histories of government-NGO relations in each country were derived from analysis of academic literature, legislation, policy documents, and key informant interviews with researchers and commentators.
- The initial analysis of programme areas was based on interviews with key informants (government, non-government and donor officials, researchers, journalists, donors) and analysis of literature, legislation and policy documents.
- In-depth case studies were undertaken over a period of 15 months using repeated semi-structured interviews with state and non-government actors involved in the partnership, together with observation and documentary analysis, interviews and focus groups with other NGOs and donors.

We dropped the proposed pre-coded social surveys of staff of non-government, government and donor organizations, the intention of which was to strengthen the basis of comparison. However, initial scoping identified that the sampling base would have been too weak for this to be viable.

An Ethical Review checklist (Annex 4) was signed by the lead researcher and field researchers, based on University of Birmingham guidelines. Interviewees were invited to sign a consent letter and were consulted about the publication of materials.

4. Results
The overall conclusion of the research is that: **While NGOs are subject to external constraints and the rules of relationships, they exercise strategic choice in their response to these pressures.** This conclusion emerges from the following sequence of findings that first explore the structural constraints (the history of relationships with the state, resource dependence in the particular policy area, and the organizational form of relationships with government) and then the strategic response of actors.

**Finding 1: NGOs’ relations with governments are influenced by the histories and institutional characteristics of states. While Pakistan and Bangladesh are overtly more committed to policies of ‘partnership’, these rest on a less stable, internally directed and plural political environment than in India.**

The research examined the macro-level institutional conditions under which government and NGOs relate. There are some broad similarities of basic legal and regulatory frameworks between the countries. However, practice differs markedly depending on: the régime type (its stability, inclusiveness, openness); the location of authority for service provision between levels of government; the stability of the policy and legal frameworks within which NGOs operate; the role of international agencies in influencing national policies; the scale and organization of the NGO sector; and the resource dependence of NGOs on governments and donors.

Pakistan is a case of changing relationships and policy instability with regard to civil society actors, resulting from abrupt changes in régime and in the balance between military, religious and external forces. Between 1950 and the 1980s, suppression of left/liberal/advocacy movements gave way to support for welfare NGOs, takeover by the state of private schools, and periodic support or control of faith-based organizations. In the 1990s, elected governments also sought to limit the influence of advocacy NGOs as a challenge to their political constituencies. However, in the 1990s and 2000s, commitment to partnership with NGOs and the private sector grew under donor influence and was consolidated under Musharraf’s military government, at least partly as a way of bypassing the civil bureaucracy and provincial political leaders.

Bangladesh, while also politically unstable and alternating between military and elected (but exclusionary) governments, has maintained a more stable relationship with non-state actors due largely to the strong presence of donors. It offers the clearest national case of the archetypal institutional models that are common to all three countries: first, the emergence, with strong donor support, of NGOs as an autonomous sector in the 1970s and 1980s, and their development as parallel systems of service delivery in the 1980s and 1990s; and second, in the 2000s, donors’ encouragement of ‘partnership’ between government and NGOs, whilst also continuing to support each separately. Relations between governments and NGOs are ambiguous: the state attempts to regulate and control their access to funds, but at the same time to incorporate them. NGOs have split on political lines and government has taken action to limit their political activities.
India is the more ‘normal’ case of a stable and plural political environment, where there is greater variety of modes of action in different political territories and levels of government. Relationships are therefore less inclined to lurch in response to external pressure and changes of régime. The state has set the parameters of the relationship, incorporating and defining the role of NGOs and the private sector. In the 1990s, internally sponsored liberalization of the economy was accompanied by more openness to partnership with non-state actors. External funding is not an important influence except in specific local cases. Recognition of state dominance in provision is the starting point for NGOs’ attempt to influence services whether through advocacy or service delivery. Service delivery NGOs maintain an ambivalent relationship with government, seeking funding or engagement but concerned not to compromise their autonomy where the state has a dominant position.

**Finding 2: NGOs’ discretion is structurally limited by two main aspects of dependence on government – policy authority and financial control.**

Resource dependence is signified by the degree to which actors’ discretion is limited by other actors’ policy authority, control of finance, information and other inputs. In none of the programme areas in any country are NGOs wholly dependent on government or donors. It is a matter of degree, as indicated in the following typology going from more to less dependency. For each we cite a main example. The Indian cases tend to be associated with least resource dependence, and the Bangladeshi ones with most. Sectorally, the sanitation cases are associated with lesser resource dependence compared with education and health programmes.

**Type 1: A fixed government policy stance is supported by associated flows of funding. NGOs are bound into this by contract and mainly hierarchical relations with government and donors, without significant collaboration with other NGOs**

*Example: Contracting out of urban primary health centres in Bangladesh*

Bangladesh is distinct in regard to the depth of its national policy commitment to the contracting out of primary health care centres. Its Urban Primary Health Care Project is funded by donors and coordinated by the Asian Development Bank but finance is channelled through national government. In the poorer areas of the country’s six largest cities, government primary health centres serving a population of 10 million have been contracted out through open competition to 20 NGOs. The project is administered through an elaborate structure linking levels of government and through contracts that specify in detail the activities and functioning of the NGO-managed centres. Reflecting this structure of authority and finance, the networks of the participating NGOs are not so much with each other as in ‘vertical’ relations with government agencies and to a limited extent with donors. NGOs’ dependence arises from their incorporation into a government-managed system of implementation with national coverage, and from the unity of government authority with donor funding.

*Similar cases:* Pakistan’s programme for contracted out health centres; government funding of NGOs to deliver non-formal education in Bangladesh.
Type 2: The policy framework creates opportunities for alternative methods of non-governmental engagement, with different sources of funding. This permits more or less formal and contractual relationships between NGOs, government and donors.

Example: Non-state provision of government sponsored NFE in India
While Indian education plans are oriented to government provision, they recognize the role of NGOs in supporting government’s objectives. Programmes of non-formal education (NFE) for out of school children were initiated by some state governments in the 1970s; then adopted in a central scheme for educationally backward areas. By 2000, more than 300,000 NFE centres were funded by the national and state governments. Donors and philanthropic organizations also fund NFE centres directly. From 2000 government and donor funding was consolidated into one Education for All programme, with some non-government centres receiving funding as part of the programme. So government now provides a broad framework of policy and funding within which state and local governments negotiate and collaborate with NGOs, including by contracting them to run NFE centres, or to support government schools. Many NGOs bring to these relationships additional funding contributions from other non-governmental sources.

Similar cases: NGO support for school improvement in Pakistan; Bangladesh’s community led total sanitation programme.

Type 3: Weak or absent government policy not supported by significant resources. Programmes and funding are generated through particular relationships between NGOs, regional or city governments, and funders. The primary networks of NGOs are of mutual support with local governments, funders and other NGOs.

Example: Community-based urban sanitation in Pakistan
In Pakistan, urban sanitation has received low national priority and strong cases have depended on the initiative of particular city councils and provinces. There are two significant cases of community-led total sanitation where large NGOs work in partnership with local governments, smaller organizations and communities. The most influential is the Orangi Pilot Project (OPP) in Karachi which has been replicated by invitation of other local organizations and city governments. OPP rejects foreign-aided projects and supports regular programmes funded by city government budgets, and community contributions in kind with each supporting particular components. Its own activities (social and technical guidance) are funded by an endowment and specific contributions from international NGOs. Its networks are with local government and communities, trusted contributors and other voluntary associations.

Similar cases: Indian urban community sanitation and primary health centre programmes.
**Finding 3: Most contracts and agreements by NGOs with government and all those with donors are formally hierarchical but in practice also relational**

In addition to conditions determined by historical context and policies described above, the research also examined the nature of the agreements between NGOs and governments – whether hierarchical contracts or mutual agreements and whether based on written documents and/or on informal, relational understandings (Annex 5 explains terms).

Figure 1 (Annex 3) shows that most of the relationships between NGOs and government, and all those between NGOs and donors, could be described as formally hierarchical, where one party (the NGO) was funded by and acts as the agent of the other. There were fewer mutual agreements - where government and NGOs contributed their own separate funding to common or complementary ends. The figure indicates that the NGOs that were most likely to relate with government on the basis of mutuality were those that were most independent in their general funding, i.e. they did not depend on tied project funding but on untied grants and donations. As indicated in the figure, some mutual agreements have moved over time to become more hierarchical.

Co-production (mutual agreements with the consumers of services) was scarce. All NGOs claim to have a strong relationship with communities and to represent their needs. However, only in the case of community sanitation were consumer organizations recognized as intrinsic to the provision of the service and included as parties to agreements and contributors of resources.

There was only one purely relational agreement, that of the sanitation Orangi Pilot Project with the Karachi City authorities and with community organizations. OPP has deliberately avoided written agreements on the basis that these would make their relationship rigid and have the effect of undermining trust. However, in other cases, most formal agreements are supplemented by an important relational element involving unwritten understandings about working arrangements. This was true of all direct relationships between NGOs and international agencies and all but three relationships with governments. The three exceptions are the Bangladeshi cases where funding is channelled by some donors through government departments to contracted providers. The donors’ requirements for the delivery of measurable results are passed on by government to NGOs as rigid contracts specifying the inputs and activities required.

**Finding 4: Contracts and agreements usually evolve from informal contacts and retain a relational aspect**

Literature on developed countries suggests that formal contracts commonly precede the emergence of trust and relational understandings (MacNeil 1978, Gazely 2007, Van Slyke 2006, Brown and Troutt 2004). This research indicates a different evolutionary path. In most cases, formal agreements evolved out of pre-existing informal relations.
between governments and NGOs. Sometimes the original trust-based relationship was threatened by the formalization; more often it became a relational adjunct to the written agreement.

Three trajectories of evolution can be identified:

i) The NGO has a long track record of providing its own services and working informally with government. On the basis of its reputation it is invited (or proposes) to formalize an agreement as an MOU. In the case of Door Step School (DSS) in Mumbai, this was first within the framework of informal understandings and mutual agreements for school improvement; later it also entered into a contract for the supply of NFE under a programme of the municipal corporation. A similar track would apply to the education case in Pakistan (Idara-Taleem-o-Aagahi - ITA), the health case in India (Karuna Trust) and to some extent most others.

ii) Similar to (i) but international agencies support the transition. A donor gives direct project funding to encourage joint working. The case of UST in Bangladesh is one where the NGO is funded by an international NGO on the understanding that it works with government and within the framework of national policy for community sanitation.

iii) Once established, the relationship is deepened and extended by the NGO's cultivation of working relationships with government officials. The objective may be to develop policy and to influence the terms of contracts – as in the case of the Karuna Trust in primary health care and ITA in school improvement programmes. Findings 5 and 6 show how all NGOs invest in building relations to win official and political cooperation.

Counter cases to these examples of evolutionary relationships are the contracts between government and NGOs in Bangladesh. These are supported by international agencies (ADB and UNICEF with bilateral funding) but funds are channelled through government. The international agencies promote acceptance by government of collaboration with NGOs as a condition of funding. In each service sector, government has consulted selected NGOs on the design of projects and the terms of their involvement. Thereafter, the consulted organizations have to compete with others for the award of contracts. Those that win are then faced with strict and scarcely alterable contractual conditions. These are the only cases where the award of contracts is based on formal competitive tendering rather than on the evolution of a relationship or on the submission of a proposal by the NGO.

Finding 5: While actors are constrained in their choices, within limits they may exercise strategies to manage their resource dependence

The previous analysis has established that actors operate within the framework of structural constraints. To what extent can they exercise agency, making strategic choices to manage their resource dependency? The answer is that they can make choices but within limits.
Organizational theory presents two classic responses of organizations to resource dependency: they may seek to control the environment or adapt to it (Pfeffer and Salancik 2003). Analysis of our cases suggests that control can be broken down into ‘avoiding’ dependence and ‘shaping’ it.

1. Avoid dependence on other organizations:
Two types of avoidance strategy present themselves. The Orangi Pilot Project in Pakistan avoids financial support from government or donors (except from allied international NGOs), has untied independent funding, avoids written agreements, and pursues its own approach to community sanitation in informal, relational agreements with government and communities. The sanitation case in India (Shelter Associates) reduces its dependence by maintaining multiple relationships with donors. While Shelter depends on donors and enters into mutual agreements with local governments, it is assertive about the terms and the policy environment in which it will work.

2. Shape the environment of resource dependence:
Two NGOs – ITA (education) in Pakistan and Karuna Trust (health) in India - have embraced the opportunities presented by the partnership paradigm and have established themselves in the role of knowledge brokers between government and external agencies. They are able to explain and ‘sell’ new approaches to collaboration, and even take on the role of drafting for government the framework of agreements between them. While ITA enters into mutual agreements with government, in practice it manages to take control of the relationship. Karuna Trust is formally financially and contractually dependent on government but in practice it also shapes the policy and the terms of the partnership. Both NGOs are also influential on policy development at national level.

3. Adapt the organization to the resource environment:
The three Bangladeshi NGOs believed that funding was increasingly likely to come through government and that donors expected them to work in partnership; it was important to show willing and, at least for now, to accept very detailed contract specification. In the case of the Punjab Rural Support Programme, it was a political deal that led it to take on the management of government health centres. As long as the agreement lasted, PRSP could use political authority to shape the project but, when its political support ran out, PRSP’s vulnerability was exposed.

The education NGO in Mumbai (DSS) is an apparently anomalous case, with a high degree of financial independence mainly based on untied contributions and endowments. Its relationship with Mumbai Corporation has evolved from informal understandings through mutual agreements to more formal, hierarchic contracts – without leaving any of the earlier stages behind. DSS has adapted to the changing environment but without losing its basic relationship of trust with the Corporation.

As Figure 2 (Annex 3) shows, higher levels of structural dependence generally evoke more adaptive behaviour. However, the Karuna Trust case shows it is possible to
behave with autonomy in what is objectively a constrained environment. On the other hand, the Mumbai education case illustrates that an organization may choose to adapt without being constrained to do so, when it has confidence in the underlying relationship with government. The Bangladesh cases adapt to the new formal contractual environment also by choice but much more reluctantly, aware that the established model of parallel (government and NGO) service systems, separately supported by donors, may now be under threat.

**Finding 6: NGOs may assert policy influence through collaboration with government**

Non-state service providers and governments are less locked into conflictual policy priorities by institutional conditioning factors than our core hypothesis suggested. All NGOs share the broad stance that they seek to improve public services provided by government and they avoid confrontation with government. However, to various degrees the case-study organizations exercise policy influence by collaboration and demonstration.

Policy influence has two main purposes: making policy more inclusive of poor people and making implementation more effective. The boldest cases are those organizations that exercise some control over (avoiding or shaping) their relationship with government and that generally have more financial independence. However, some ‘adapters’ too exercise policy influence at an operational level.

Some NGOs have influenced the general framework of government policy. For example, the Orangi Pilot Project lobbied the city authorities against taking a large loan from the Asian Development Bank for infrastructure investment, persuading the mayor to accept a community-supported approach to sanitation that is now influential nationally and internationally. The director of Karuna Trust initiated a government programme of NGO partnership in primary health centre management, was instrumental in extending it to state and national levels, and now chairs a government task force which has developed an integrated health policy for the state.

Policy influence is also asserted more implicitly and incrementally through day-to-day practice. As one of the founders of Door Step School argued, provision of services ‘is itself advocacy, providing evidence of what can work’ and leading to ‘policy and system level changes’. Shelter Associates has deliberately avoided becoming involved in the direct provision of sanitation in order to focus on the institutionalization of processes: identifying need, organizing community demand, lobbying the state government for changes in policy, and generating local political support.

**Finding 7: NGOs cultivate an insider status both to defend the relationship and achieve policy influence**

As indicated in previous sections, a number of different and contradictory narratives infuse the relationship between government and service providers. These have normative connotations for how the relationship should operate; actors assert the
narrative that best suits their purpose. There is a widespread background narrative of distrust, corruption, inefficiency and unaccountability traded between the ‘partners’. However, in most cases there is also a long history of working relationships and understandings. These may in turn be challenged by the current tendencies to formalization which may suit donors that channel funds through governments, governments that seek control of NGOs, and NGOs that want clarification of roles and obligations. However, formalization also leads to discomfort on the part of many NGOs about being treated as ‘mere contractors’ or ‘mere arms of government’. Contractualization is at odds with many NGOs’ value premises and views of what partnership should signify. In response, they try to reconstruct or preserve informal understandings as a relational aspect of their formal agreements.

The assertion of NGOs’ role as trusted insider serves the functions first of winning the confidence of government and defending the relationship, and second of achieving the changes described in the previous two Findings. To obtain the insider relationship, NGOs need to establish their own credibility and demonstrate their willingness to work collaboratively with government. In our cases, credibility was established on the basis of three types of advantage: capacity to work with communities, specific technical skills or professional expertise, and access to funding agencies.

All the organizations put emphasis on cultivating relations with officials and politicians, and giving credit for any achievement to governments. For example, in Pakistan, ITA invests time in developing relationships for its education activities at both senior and operational levels of government – following the ‘normal channels’ and avoiding giving offence to officials. In India, Shelter Associates, after a difficult experience in one municipality where it was dependent on the goodwill of the municipal commissioner, was careful in the next one to involve a wider range of senior officials and local politicians in managing and approving its sanitation work.

The cases indicate that change is usually the product of a combination of external forces interpreted by internal actors. In most cases, where there have been significant organizational and policy changes, NGOs have played a role in constructing them - often creating awareness in government of the external pressures and opportunities to which a response was required. NGOs are outsiders to government but, through contracts or agreements, may become insiders to a relationship whose structure gives them influence. For example, ITA and the Karuna Trust, by acting as knowledge brokers with the wider worlds of professions and donors, were able to construct a response to an opportunity in current thinking about ‘partnership’ that they could sell to government. These and the other cases of organizational and policy changes given in Findings 5 and 6 are based on soft lobbying by NGOs rather than by hard advocacy from the outside.

This is the paradoxical link with the overall conclusion. Playing the ‘insider role’ may compromise actors’ independence and lead them to resist change, whilst also giving
them increased leverage to assert influence. Semi-insiders have the opportunity to understand the rules and constraints on change, and therefore to develop convincing explanations for why change is necessary, whilst also to demonstrate that their purpose is not disruptive. They exercise voice but with loyalty.

5. Activities

Academic conferences
2. Rose - Convenor of Section on non-state providers and education systems: UK Forum for International Education and Development. 2007.

User workshops
2. Rose - Presentation at Stakeholders’ Forum of 16th Conference of Commonwealth Education Ministers, Cape Town. 2006
3. Palmer and Rose – Presentations on non-state provision in health and education at DFID Human Development Retreat. 2007
4. Batley – Presentation on capacity challenges in non-state service provision, UN Development Programme 3rd Community of Practice Meeting on Service Delivery, Dakar. 2008

Towards the end of the research, the team presented and discussed findings in two forums:
1. Workshop with academic advisers associated with the Non-Governmental Public Action Programme: Prof. Jude Howell (LSE), Prof. Richard Crook (Institute of Commonwealth Studies), Dr David Lewis (LSE), Dr Anu Joshi (IDS), Dr Mark Robinson (DFID), Belinda Calaguas (ActionAid). February 2008
2. Presentations and meetings with NGOs, government departments and development agencies in Pakistan, Bangladesh and India during March/April 2008.

6. Outputs

Posted on Society Today are 24 occasional papers, six refereed articles, three policy guidance notes for DFID, and research guidance notes. In addition, the project’s website carries three research briefing papers published by ID21 (Institute of
Development Studies) and Capacity.org (European Centre for Development Policy and Management, and UNDP), and eight discussion papers prepared for the workshop with academic advisers. (http://www.idd.bham.ac.uk/research/Service_Providers.shtml).

The research team is now working on the following academic outputs

1. An edited book accepted by Sage entitled: ‘Partners or Rivals? Governments and
2. Non-State Service Providers in South Asia’. Delivery date May 2009
5. A planned Special Issue of a journal, to be confirmed, covering individual themes developed by each member of the research team.

7. Impacts

1. DFID continues to consult us on issues relating to non-state service delivery. Through commissioned papers, invited meetings with sectoral and governance advisors and invitations to present at DFID policy retreats, the work has an important influence in providing strategic guidance to DFID’s work with non-state service providers.
2. Meetings in Pakistan, Bangladesh and India at the beginning and end of the research included policy exchanges with groups of NGOs, DFID, the World Bank, Asian Development Bank, the Indian Planning Commission, and government departments for health, sanitation and education. The question of non-state services as a complement or substitute for government services raises a high degree of interest. In India, this is in the context of a new voluntary societies act; in Bangladesh and Pakistan, the possibility of extending government contracting of NGOs and the private sector for service provision is a matter of considerable debate among donors and government.

8. Future Research Priorities

Analysis of the current research material now focuses on the following aspects:

- Differences between the service sectors and whether these influence the nature of relationships and the exercise of influence by actors.
- The factors that explain why organizations behave differently in respect of the development and exercise of entrepreneurship, considering their funding sources, leadership, use of networks as means of influence, and organizational capacity.

Future priorities are to extend the research to examine (i) relations between government and private business service providers; (ii) relations of competition and collaboration between ‘for profit’ and ‘not-for-profit’ operators and government; (iii)
consumer preferences for private, ‘traditional’, NGO and state provision; and (iv) the influence of collaboration on quality and outcomes of services provided.
Annex 1: References


NOTE: Arrows denote stages of our research and flows of conditioning factors to both the state and non-state actors involved in the partnership.
Annex 3: Tables and Figures

Table 1: The Selected Cases

<table>
<thead>
<tr>
<th>Country</th>
<th>Sanitation</th>
<th>Health</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>Orangi Pilot Project (OPP) Research and Training Institute's facilitation of low-cost sanitation in Karachi</td>
<td>Punjab Rural Support Programme’s (PRSP) management of basic health units</td>
<td>Idara-Taleem-o-Aagahi’s (ITA) support for government school improvement and NFE provision for child labourers</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Unnayan Shahojogy) Team’s (UST implementation of a Community Led Total Sanitation programme</td>
<td>Population Services and Training Centre’s (PSTC) management of primary health care centres in Dhaka</td>
<td>Friends in Village Development of Bangladesh (FIVDB) primary education programme and government NFE programme in Sylhet</td>
</tr>
<tr>
<td>India</td>
<td>Shelter Associates (SA) collaboration with Sangli Municipal Corporation in low cost sanitation</td>
<td>Management of primary health care centres by Karuna Trust (KT) in Karnataka</td>
<td>Door Step School’s (DSS) relations with Mumbai Municipal Corporation in NFE and school support programmes</td>
</tr>
</tbody>
</table>
Table 1: Summary of the Nature of Relationships

<table>
<thead>
<tr>
<th>General level of financial independence - main sources</th>
<th>Nature of the specific relationships examined</th>
<th>Vertical agreement with donor</th>
<th>Mutual agreement with government</th>
<th>Vertical agreement with government</th>
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<td>Informal-relational</td>
<td>Informal-relational</td>
<td>Informal-relational</td>
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<td>High</td>
<td>OPP (Community sanitation)</td>
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<td></td>
<td>DSS (School support)</td>
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<td>ITA (NFE and school support)</td>
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<tr>
<td>Medium-high</td>
<td>SA</td>
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<tr>
<td>Several sources of tied donor funds plus (for FIVDB)</td>
<td>FIVDB (Community schools)</td>
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<td>income from charges to clients</td>
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<tr>
<td>Medium-low</td>
<td>KT</td>
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<td>Several sources of tied funds through government</td>
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<td>Low</td>
<td>UST (WaterAid community sanitation)</td>
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<tr>
<td>Few sources of tied donor and government funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key: Dotted lines with arrows indicate trajectories of a relationship. Continuous lines without arrows indicate the span of relationships across types of agreement. Where there is no line, the NGO’s relationship with government is static and of only one type.
**Figure 2: The Relationship between Structural Constraints and NGOs’ Strategic Response**

<table>
<thead>
<tr>
<th>Level of independence of NGOs’ financial sources</th>
<th>Authority of programme policy and financing</th>
<th>Nature of agreement with government (main characteristic)</th>
<th>Strategic response to resource dependence</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Low</td>
<td>Mutual-relational</td>
<td>Avoid</td>
</tr>
<tr>
<td>Orangi Pilot Project (Pakistan)</td>
<td>Medium</td>
<td>Mutual-relational shifting to hierarchy and formalization</td>
<td>Adapt</td>
</tr>
<tr>
<td>Door Step School (India)</td>
<td>Medium</td>
<td>Mutual-relational</td>
<td>Shape</td>
</tr>
<tr>
<td>ITA (Pakistan)</td>
<td>Medium and with alternatives</td>
<td>Mutual-formal &amp; relational</td>
<td></td>
</tr>
<tr>
<td>Medium-high</td>
<td>Low and with alternatives</td>
<td>Mutual-relational</td>
<td>Avoid/Shape</td>
</tr>
<tr>
<td>Shelter Associates (India)</td>
<td>High but with alternatives</td>
<td>Hierarchic-formal</td>
<td>Adapt – but wish to avoid</td>
</tr>
<tr>
<td>PSTC (Bangladesh)</td>
<td>High but with alternatives</td>
<td>Hierarchic-formal</td>
<td>Adapt – but wish to avoid</td>
</tr>
<tr>
<td>FIVDB (Bangladesh)</td>
<td>High but with alternatives</td>
<td>Hierarchic-formal</td>
<td></td>
</tr>
<tr>
<td>Medium-low</td>
<td>Low</td>
<td>Mutual-relational shifting to hierarchy and formalization</td>
<td>Shape</td>
</tr>
<tr>
<td>Karuna Trust (India)</td>
<td>High but with alternatives</td>
<td>Hierarchic-formal &amp; relational</td>
<td>Adapt</td>
</tr>
<tr>
<td>Punjab Rural Support Program (Pakistan)</td>
<td>Medium</td>
<td>Hierarchic-formal</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Medium</td>
<td>Hierarchic-formal</td>
<td>Adapt</td>
</tr>
</tbody>
</table>

**Key:**

- **High financial independence:** Untied grants and donations by family, foundations, private contributors
- **Medium-high financial independence:** Mixed sources of mainly direct donor funding or user charges
- **Medium-low financial independence:** Multiple government sources of tied funding
- **Low financial independence:** Few sources of mainly tied funding
Annex 4: Ethical Review Checklist for Research Project on ‘Whose Public Action?’ within Research Programme on Non-governmental Public Action (sample form signed by one researcher)

The purpose of this checklist is to enable researchers within the project to consider the ethical implications of their research, to reach an ethically acceptable position and to be able to justify their position if challenged.

It should be used in conjunction with the ethical guidelines, agreed in January 2006.

NAME OF TEAM LEADER: Prof Richard Batley DATE: signed in August 2007 on the basis of agreement in July 2006

ORGANISATION: IDD, School of Public Policy, University of Birmingham

TITLE OF RESEARCH COMPONENT: (1) Faith based service providers, (2) Whose Public Action: Analysing Inter-sectoral Collaboration for Service Delivery

PART 1

A. Does the research involve human participants? (pls tick)
   YES ✓ □ NO □

B. Does the research involve the interpretation of representations or artefacts which may invoke ethical concerns? (pls tick)
   Note: These may include, for example, images and/or texts which represent people in ways which may be considered discriminatory.

   YES □ NO ✓ □

If you have answered NO to both A and B there is no need to answer the following questions

If you have answered YES to either A or B, please answer the questions in Part B.

PART B

1. What steps will be taken to ensure that all participants understand the process in which they are to be engaged and that they have given their voluntary and informed consent?

   Organizations that are the subject of study are given an explanation and introduction prior to interviews being conducted or information being asked for. Where required this takes the form of a letter. All interviewees are asked for permission prior to interview.
2. Do you need to get the permission of gatekeepers or other authorisation in order to undertake the research?

YES ✓ □ NO □ (pls tick)

If yes, from whom, and have you obtained such permission?

Letters seeking consent are presented to the senior manager of the organization under study.

3. Has due consideration been given to the nature of the power relationships inherent in the research design?

YES ✓ □ NO □ (pls tick)

How will it be made clear to participants that they can, if they wish, withdraw from the study?

As above, the organization’s permission is sought and interviewees are asked for permission prior to interview or observation.

4. Is it possible that the research will have detrimental effects?

YES ✓ □ NO □ (pls tick)

If yes, what are the possible detrimental affects? What strategies have been put in place to deal with them?

It is conceivable that an organization’s or an individual’s position could be damaged by exposure of opinions that they wish not to be divulged. Three steps are taken: (i) their permission for the interview or for access to information is requested, (ii) they are asked to indicate whether the source of any of this information is not to be revealed, (iii) the research team reviews the sensitivity of any reports prior to publication.

5. Has due consideration been given to confidentiality?

YES ✓ □ NO □ (pls tick) If yes, how will it be safeguarded?

As indicated above, individuals who are interviewed or from whom information is sought are asked to indicate whether the source of any of this information is not to be revealed, and the research team reviews the sensitivity of any reports prior to publication.
6. Where confidentiality is not to be a feature of the analysis and presentation of findings, what is the justification for this? How will it be communicated to participants?

As indicated, where personal confidentiality is sought it will be respected in any published material.

7. Does the study involve working with vulnerable groups (e.g. children)?

YES √ NO (pls tick)

If yes, in what ways will their rights and their protection be safeguarded?

8. Is it possible that the research will lead to disclosure or nondisclosure of harmful or illegal behaviour?

YES √ NO (pls tick) If yes, how will this be dealt with?

It is possible. Where this is so, organizational and personal wish for confidentiality will be respected.

9. Does the research design demand some degree of subterfuge or undisclosed research activity?

YES √ NO (pls tick) If yes, what is the justification for this?

9. Do you or any member of the research team have any personal interests in the research that are likely to lead to a conflict of interest or to compromise the independence of the research?

YES √ NO (pls tick)

If yes, what measures will be taken to ensure that the research is not biased?

If any of these questions raise further queries, researchers should discuss them with the country coordinator in the first instance.

Team leader: Name_Richard Batley  Signature__________________Date 30 August 2007, based on practices agreed in June 2006 and prior to the publication of any sensitive interview based material.

Country coordinator:
I confirm that this checklist satisfies the local requirements for ethical review of research

Name_Padmaja Nair_ Signature___Date__30.08.07
It is advisable to keep a copy of this form for your own records
Annex 5: The Organization of Relationships

Much of the government-NGO literature lacks a framework for understanding the organization of relationships. On the other hand, this is at the core of the literature on public-private partnerships. Our initial hypothesis was that it may be easier for governments and for-profit organizations to make and maintain ‘subordinated’ contracts (formal, vertical arrangements where there is a clear principal and agent) and easier for governments and NGOs to enter into mutual joint venture or co-production agreements or contracts (formal or informal, horizontal arrangements of mutual responsibility).

We described alternative organizational forms using two basic variables:

- Relationships may vary from the more to the less formal, where formality means there is some form of overt agreement (probably in writing, but perhaps recorded in particular meetings or public policy statements) about the way the relationship is supposed to function. At one extreme the relationship is fully prescribed in the law.
- Relationships may vary from the more vertical to the more horizontal where, in an extremely vertical relationship, one actor (the principal) subordinates or controls the other (the agent). A horizontal relationship is not based on subordination but on mutual responsibility.

Ideal types: From these variables, we established three ‘ideal-types’ of contract or agreement:

- Classical (or ‘hierarchical’) contracts with a legal basis where the agent is expected to execute the requirements of the principal who controls the flow of finance. However, some deeper and longer-term classical contracts (management and service contracts, franchise and concession) give more responsibility, discretion and autonomy of action to the agent.
- The term ‘relational contract’ is used to describe unwritten understandings about obligations, built on trust, and sustained by the wish to preserve future relationships. They are likely not to depend on formal institutions for enforcement. Classical contracts may often be supported by relational understandings.
- Mutual agreements where parties take on separate tasks, probably funded by their own sources and where each expects to benefit from the other’s contribution. These may be based on legal or relational contracts or agreements. A sub-set of mutual contracts is co-production where the relationship is between the producer agency and the consumers of services.