

## Research on Questions of the Government's Public Service Outsourcing

Jiang Ke

School of Public Management, Yunnan University of Finance and Economics, Kunming, P.R. China

( E-mail: 1341824069@qq.com )

### Abstract

The government's public service outsourcing is an innovative public service institutional mechanisms, an important way to build efficient service-oriented government, and it is an important part of government reform. Government's public service outsourcing is to achieve improved government efficiency, improve the quality of public service purposes. However, the presence of government cost accounting errors, corruption and lack of supervision and other issues in the implementation process outsourcing services, the careful analysis and to take effective measures to solve these problems for improving service quality of public administration, improve public satisfaction with the government is very important.

**Keywords:** Government;, Public, Service, Outsourcing, Countermeasures.

### 1. Introduction

Since the 1970, along with the new public management and government reform movement mushroomed across the globe as well as deepening the reform of the government's public service delivery mechanisms, the role of government in the process of re-locating to the public service. Government gradually abandon monopolistic public services direct production mode, using contracting, franchising, multiple ways of privatization of government subsidies, foreign sales, etc. to achieve the supply of public services. Outsourcing contract system in which public services in the form of government contracting, and handed over to the private sector with high efficiency to bear became widely used in the public sector and the western high-profile way of privatization. Use of government public services outsourcing, reduce costs, improve efficiency and quality of public services has become a trend, have a profound impact on the theory and practice of public administration[1].

At present, China is in a period of rapid economic development, the public demand for public services is increasing, but the "free rider" feature of public

services, the public's willingness to pay for public services did not increase significantly. Therefore, the government limited the growth rate of public money always keep up with demand. Government public service outsourcing model applied effectively solve this problem, but there are some problems accordingly, as the Government's internal management deficiencies, corruption, monitoring system is not perfect, these issues will affect the government's public service outsourcing effect. Outsourcing contracts fully understand the problem that may arise, to take active preventive measures to avoid problems, not only to provide more and better services to the public, but also to reduce the cost of production, saving public expenditure.

### 2. The Meaning of The Government's Public Service Outsourcing

Broadly speaking government services outsourcing is the Government agency logistics services, administrative work related technical services, and public services for enterprises, public organizations and various markets, such as social organizations, government agencies or departments, as contracting

Fang , the main contractor to the relevant market ( the main social organizations ) civil behavior. Pay for services from the narrow sense , the outsourcing of government services mainly refers to outsourcing of public services , the government will be part of the public services through contracts way to make the body outside the government to bear, and based on its quality of services provided , according to certain criteria assessment . Led by the Government to participate in different subjects so as to form a pattern [2].

As a special type of public goods , public services, including non-governmental production and service provision of defense, security , judicial, administrative , economic regulation , but also including education, health , environment , broadcasting, culture , both between the government and private energy production and service provision . This article discusses the main aspects of government outsourcing narrowly that the government's public service outsourcing.

### **3. The Government Characterized the Public Service Outsourcing**

Implementation of the government's public service outsourcing help save production costs, innovation and institutional mechanisms of public services, improve the efficiency and quality of public services, building service-oriented government. But also conducive to promoting transformation , improve people's livelihood and realize the expansion of domestic demand growth of co-ordination, speed up the development of modern service industry , but also help serve the consumer market cultivation , growth conducive to political affairs, government and intermediary organizations separately and management innovation . Promote the government's

public service outsourcing , is to let people get more clients and services , better service and more satisfactory service.

But everything has two sides , public service outsourcing opportunities to the government and its reform and innovation but also accompanied by risks , and bring some of the damage. Outsourcing inconsistency issues arising from the agency of both objectives , information asymmetry caused by adverse selection , the contractor may exist opportunism , cut corners on quality of service , or the use of information asymmetry to obtain excess profits on pricing regulation not in place may cause the value of an uncertain environment will be outsourced so infrequent events have a significant impact .

China is in transition, with the economic development , the community calls for reform of the political system is large, realistic conditions of reform has also been formed . Government public service outsourcing transformation of government functions as an important part of the work , as the government an important economic behavior, found that the outsourcing issue, play their profits and evade its victims , is that we urgently need to think about .

### **4. The Government's Public Service Outsourcing Problems**

#### **4.1 The cost of public services is difficult to measure sexual**

Measure of the cost of public services is an important part of public service outsourcing , contract pricing is determined public service outsourcing is an important content. These include how much the quantity and quality to ensure the completion of the case , the government and how much the service costs and other content can only be paid by the contractor .

This requires government agencies to properly accounted for internal operating costs and determine the cost of the bottom line of the public service. However , during the government accounting , it is easy to overlook the part hidden costs , including government regular operating budget does not include welfare expenditures facilities, equipment and transportation costs as well as other aspects of the employees . If you decide to services contracted out to the private sector, should also include the cost of the contract bidding and contract monitoring costs. Therefore, the ability to correctly whether the contract cost accounting can be successfully implemented with great impact.

#### **4.2 The contract system, the lack of maneuverability**

In the course of the government's public service outsourcing , the government is the principal , and the enterprise as an agent on behalf of the contractor , is to build relationships with each other through the contract between them. To set a reasonable principal contract to express their expectations to the agent , and the agent bound by contract to act to achieve this expectation. However, the government set the contract , it tends to ignore an important premise that in reality, the principal and agent information is asymmetric . Client agents can not really understand the real situation , and agents in the actual operation of the effect may also be less than the government proposed the construction sector , the quality , or the relevant rules . Plus , agents may deviate from the client's interest and the pursuit of their own interests, but they are difficult to observe and supervise the government's . In this case there will be serious differences between the two, eventually leading to a contract can not achieve the desired results, even impossible to implement.

#### **4.3 Corruption breeding contract bidding process**

Government open tender , its ultimate purpose is to choose the most powerful bidders to assume responsibility for providing public services . The whole tendering process requires strict accordance with legal procedures to follow just, fair and open manner , to ensure the legitimate interests of bidders . However, in actual operation , the government's public service outsourcing news most relevant departments " closed doors " closed , bidding companies want no relevant information can be known, in this case , either as a principal or as an agent of government enterprises , are likely to use the contract to seek benefits for themselves, this case will breed corruption. This is mainly due to the current legal market is not very sound , reasonable and transparent tendering system has not been established, the outsourcing of public services under this context, there will inevitably be the case, "black-box operation" . There is a set of data showed that 78 projects related to the national audit found that actually perform open tenders only 5 % , with 95% of the project tender failure[3].

#### **4.4 The contract implementation process Lack of supervision**

Outsourcing of public services to bring the typical commission --- proxy mode , as an agent of a private contractor has a natural benefits or reduce , in the case of unfettered , they are likely to improve by reducing the quality of service and service prices to pursue maximum profit , which is the target of public interest with the government seeking to maximize the contrary. In practice , the Government and the private sector contractor after signing the contract , often not for the fulfillment of the contract effective supervision on the one hand is the lack of specialized personnel for services provided during the technical

regulatory issues , on the other hand , the Government is to take into account the additional costs of those derivatives oversight , which is a lack of motivation and supervision. Some of the private sector takes advantage of the government and the contractor in performance of the contract as a public service on a positive asymmetry, surface information , but in reality for enterprises to seek business opportunities and benefits.

## **5. Improve the government's public service outsourcing strategies**

### **5.1 To ensure the correctness of the outsourcing decision**

The Government may object to determine a service contract for the outsourcing , the need to outsource this service to conduct a feasibility study .first , from a political perspective, contracting requires strong political support , Savas in elaborate public service contracting conditions that must be met is the leader of the first-mentioned grasp new ideas, initiatives and provide incentives. Like any great changes in the implementation of the organization , as political leaders must look for a strong manager and give full support to rely on him to guide the debate to promote new ideas[4].

Second, from an economic perspective, the economic viability of public services for the feasibility analysis is the analysis of contracting the most important and meaningful analysis . It needs to be accounted for separately the government's own cost of providing public services consumed by the cost of the implementation of public services and government contracting needs, cost analysis comparing the two public service outsourcing is becoming a viable direct basis .

Third , from a legal perspective, outsourcing is both an administrative action of the government's public service is also a legal act , the signing of the contract, performance, modification and termination are regulated by law, our laws for the behavior of government contracting constraints very strict , according to the contract signed premise is to implement public service outsourcing. Forth, from a technical level , the outsourcing of public services related to costing, contract bidding, contract formulation, evaluation of the effectiveness and many other links, each link requires the participation of a large number of professionals . While the Government can use existing human resources within the organization , on the other hand also need to hire experts and technical staff involved in the implementation of outsourcing contracts .

### **5.2 To achieve the desired objectives outsourcing**

The government needs to develop scientific tender contract rules.Details of the tender contract to develop a reasonable contract will determine whether the contractor in accordance with the client 's requirements and standards --- government to provide public services. The conditions stipulated in the tender contract must be clear , comprehensive, contract terms must be accurate no ambiguity[5].

Firstly, from the contents of the contract , the contract should specify validity of the contract, the specific content of the service , service quantity, quality, liability for breach of clearly defined standards and quality of service contractors .

Secondly, from the contract to develop the technical point of view , the contract should avoid unnecessary restrictions Bye , Bye contracts need to develop a forward-looking , because no matter how perfect the performance of the contract the contract will be faced

with a sudden change in the test environment , for example, brought inflation changes in external conditions or the performance of the contract price of services accidental deletion , and so on . In this case , the contract itself is too detailed a problem , some of the simple rules of principle but more conducive to new situations and solve problems that arise during performance of the contract .

### **5.3 The principle of fair competition requires the government to carry out an open, transparent and fair bidding activity .**

Open tender procedure is necessary to the government's public service outsourcing , the use of competitive bidding can be obtained in a non- perfect market revenue structure, without the need for government intervention or random manner legally required to tender the project[6] .

In order to ensure that the contractor can make the best bid is successful , the government response to the tender specification widest possible publicity through the media to publish timely information to the public tender to ensure transparency throughout the public bidding process , which will put the sun administrative under focus.

News from the date of publication of the official bid to bid , allow sufficient time for bidders to prepare. According to " People's Republic of China Bidding" provisions of the tender evaluation committee 's representatives and experts in the technical, economic and other aspects of the composition , number of members to five or more singular , where expert technical, economic and other aspects of not less than Two-thirds of the total membership . This indicates that the result is the result of the bidding parties to produce a comprehensive assessment of experts , rather than some of the leading government departments without decision, bid evaluation

committee 's decision not affected by any external factors, the only way to put an end to individual bidders through bribery of government officials or other illegal means to disrupt the fair bid , providing a truly open and transparent competitive environment for the bidders who attract the most powerful government bidders involved in providing public services .

The best preparation to establish a specialized agency of the organization responsible for the project budget government outsourcing of public services, in the form of a regular press conference released to the public related to the content of all of the project budget . Public transparency project budget is the government's public service outsourcing effectively supervise the premise , but also to avoid the " black-box " an effective measure to better reflect the "open , just and fair " principle.

### **5.4 Further establish and improve the supervision and management system of public service outsourcing**

Public services outsourcing does not mean the government completely out of the realm of public service delivery , monitoring and evaluation of performance of the contract is still government bounden duty , therefore, to establish and improve the supervision and management system .

In the traditional model, the government has been playing a "arranged " role , and in modern public service outsourcing policy , the government is acting as a " delegate " role . Therefore, many government officials believe that the government will post a public service contract to the private sector , the supply of services does not assume any responsibility , on the contrary , in this mode , the government should assume responsibility for the supervision and management . As Porrett said: " greatly streamline the

public sector to become an authority , rather than a provider , concentrated to perform its functions and determine the supervision contract." In order to regulate the behavior and constraints of contractors , maintenance the public interest , the government needs to fulfill service contracts for system monitoring , according to the contract service quality and standards of performance of the contract the Contractor , the whole process of contract performance macro guidance. In addition, the government can set up a special internal complaints department , open to the public , open to the public , and other forms of publicity through the website and channel complaints , the timely receipt of public comments , the corresponding lack of perfect, establish and improve the error correction mechanism. [7]

Government regularly organized on public service satisfaction polls , provide valuable suggestions for improvement contractor services. Outside the Government, the innovative outsourcing oversight mechanisms established in the social development needs of the supervision system , give full play to the public oversight , media monitoring and expert supervision, combined with the development of diverse , specialized external oversight . For certain public services ( such as garbage disposal, street maintenance ) to monitor the strength of the public can play by individual citizens or civil society organizations to assume oversight responsibilities on a regular basis to reflect the situation to the authorities, promote the improvement of quality of service.

## 6. Conclusion

Public service outsourcing as a new path of public service provision, service outsourced to social

organizations, the use of market-oriented operation, the public provision of public services. Compared with the traditional direct government supply model, the implementation of this new model showing some success , butting the implementation of the models also facing some problems and obstacles, and therefore need to be based on actual local conditions and establish a sound regulatory system and evaluation system, and promote the development of social organization, a clear division of public service outsourcing , the eventual establishment of a new model conditions for the outsourcing of public services, create efficient service-oriented government, to improve the quality of public services to the people and serve more services better service , more satisfied with the service.

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