

The Nonprofit Organizations in Regional Public Management

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Abstract

With the rise and development of the new public management, nonprofit organizations have become an important force in providing public services. In the global administrative revolution from the public administration to public management, nonprofit organizations have become the main body in the regional public management. Due to the popularity of the new public management and the depth of regional public administration in different regions, nonprofit organizations are also rising gradually in China. With the transition of the economic system and the transformation of government functions, multi-governance model of public management is forming; nonprofit organizations play an irreplaceable role in the social and public management and public service. Nonprofit organizations have an important influence in the development of governments to improve the regional public management.

Keywords: Nonprofit Organizations, Regional Public Management, Participation, Influence

In public management, the role of government is often compelling. However, there is another organization can also play an important role in public management; it is non-profit organizations (also known as the third sector, non-governmental organizations, and social intermediary organizations). Due to various reasons, The functions of nonprofit organizations did not arouse enough attention in the public administration in our country for a long time, With the development of the socialist marketing economy and the transformation of society, the number of nonprofit organizations increasing, they influence are also growing. The study of nonprofit organizations has essentially practical significance; it helps to improve the management of our public, the regional public management. In China, with the restructuring of the market economy, the nonprofit organizations play an increasingly important role in the regional public management. The nonprofit organizations which have the purpose to serve the community rather than for-profit, together with the public sector and enterprises (market), constituting the three main organizations of the organizational structure of modern society. The market cannot effectively solve the public issues of our society, in the public areas, the market can be considered as the overall failure. Market failures in the public make up by the government and its public sectors, because the government and its public sectors are designed to solve the public issues of our society. The public sector is not necessary to intervene in the problems which the market solves well. However, sometimes the government and its public sector have failures

(like the failure of public governance, cannot provide personalized services to the members of the society). Nonprofit organizations can play an important role in the above areas, to make up the government failure. Therefore, it is of great importance to study the nonprofit organizations which have important practical significance to improve the public management.

1. Introduction

17th Chinese Communist Party Congress, held in 2007, officially proposed to comprehensively promote the construction of our society, to raise the economic construction, political construction, ecological construction and social construction and an equivalent strategic height. Since then, our leaders emphasized to build a harmonious society, promote social reform and innovative social management system in their speeches during several important meetings. National 12th Five-Year Plan also focuses on tackling the problem of strengthening and innovative social management issues in particular. In the macro-political context, local governments have also introduced policies to amend and improve relevant management laws and regulations. The social organizations the policy space to develop. Relax controls the dynamic mechanism of the development of social organization will gradually choose therefore, not only the number of various social organizations will be a substantial increasing, the breadth and depth of their participation in social and public affairs there will have important changes. One of an

important manifestation of the above changes is that various NGO. NPO involved in the regional governance of public affairs.

2. Definitions and Development of Nonprofit Organization

Since the 1970s, the failure of the Western welfare state, the crisis of the transformation of socialist countries, the development model crisis of the Third World countries etc. These social problems make people doubt the ability and willingness of the government dealing with the social affairs. In this social context, some developed countries have set off a wave of administrative reform into market and social orientation, such as the famous "New Public Management Movement" this wave swept across the continents and has a profound impact on the traditional public administrative mode, also have a promotion to the rise of the nonprofit organizations. From developed countries to developing countries, the nonprofit organizations are playing an increasingly important role in the public domain.

2.1 The Definition of Nonprofit Organization

Nonprofit organizations are what we called non-governmental or nonprofit organizations which differ from the governmental organizations (the first sector) and for-profit organizations (the second sector). The NPOs provide public goods and services, emphasize personal devotion, members add chance values. Nonprofit organizations deemed to meet the public needs rather than to the accumulation of private wealth. This is the reason why the NPOs can be the body of public administration. The nonprofit organization, also known as the third sector, this concept appears in the context of the market economy that the government and the corporate sector have a strict division of labor. Nonprofit organization is referred to the social organizations (including community groups and private non-enterprise units) for the purpose of not-for-profit, volunteer in the public interest or for mutual benefit social activities and without affiliated with the government and its departments or agencies. In developed countries, the flourish of nonprofit organizations demonstrated a trend: the government and nonprofit organizations to govern the society together. In China, the non-profit organizations and the enterprises & public institutions, have gradually become indispensable social forces, play an irreplaceable role in society.

According to the definition of the concept of nonprofit organizations by American scholar Salamon and Anhtier, nonprofit organization has six basic characteristics: (1) Informality. (2)

Nongovernmental nature. (3) Nonprofit. (4) Autonomy. (5) Volunteer. (6) Public nature.^① From the constitution of social organizations, non-profit organization is funded by the civil, self-management, for the purpose of serving the community. Governmental organizations, for-profit organizations and non-profit organizations become the three parts of the organizational structure of modern society, representing the main forms of social organizations in the political sphere, the economic sphere and the social sphere. From the aspect of social function, governmental organizations mainly provide monopoly of public goods, the for-profit organizations mainly provide private goods, the nonprofit organizations provide non-monopoly of public goods, to fulfill the special needs of certain social groups. According to the organizational goals, the government's main objective is the public interest, the for-profit organization's main goal is to business interests, while the nonprofit organization's goal is the collective interests or the public interest.

2.2 The Development of Nonprofit Organization

Since the 1980s, from western countries like the U.K and the U.S.A to global set off a public management revolution wave to the transformation of public administration to public management, this reform movement in the field of public administration is the "new public management movement". The new public management theories emphasize the socialization of the public policy of the government and public administration. With the deepening of economic reform in China, the whole change of our community proposed requirements for social and public affairs management system reform. In the era of global competition, building a public management system with Chinese characteristics becomes an important task of the government reform in China. The theory of new public management and foreign practical experiences in public management gives us a reference, and the local practice of public management also has an important reference value. With the development of public management in China, the research and the use of regional public management gradually show its important role in the development of the nonprofit organization and regional economics.

① L·M·Salamon, H·K·Anhtier. Defining the Nonprofit Organization [M]. New York: Walter de Gruyter, 1997. 20.

2.2.1 The Background of Nonprofit Organizations

The welfare state policy was in vogue in Western countries in the 1950s and 1960s, the Keynesianism nearly became a panacea to "cure" all of the economic problems. During this period, the welfare state policy has become a mainstream mode of the development of capitalism. In the 1970s, this policy led to an increasingly large sum of welfare spending, and damaged the private investment. The government produced a crisis of confidence, a growing number of people believe that the government is limited as the driving force of economic development. The nonprofit organization has its advantages in this field. The rise of the nonprofit organization is basically conscious action of the people, is in the spirit of the people's autonomy based. Social autonomy of these Western countries is the reason that nonprofit organization has been able to be prevalent in their society. The government functions are transferred to the nonprofit organization is also inseparable from the social autonomy. The rapid development of nonprofit organizations is generally considered to be a response to market failure and government failure. Nonprofit organizations can gather our resources so that the common needs of individuals can be fulfilled which the market mechanism cannot supply. As a provider of public goods, nonprofit organizations can overcome the inherent limitations of the mechanism of the government monopoly. Nonprofit organizations make up for the market imperfections government defects.

2.2.2 The Development of Nonprofit Organizations

The purpose of nonprofit organizations is serving the public, not-for-profit. Since the 1970s, on a global scale, various types of non-profit organizations became flourishing, including charitable foundations, organizations, societies, associations, research agents etc. Their fields covering social welfare, education and training, health care, community service, ecological environment, science and technology, culture and the arts, international cooperation, religious and so on. They launched non-governmental forces, mobilized many huge material and human resources of the community, also play a unique role in promoting social and economic development, building a harmonious society, and promote the development of regional public management. Chinese sustained economic development and social prosperity, more and more people began to care about social welfare undertakings. The concept of relying on government has been broken, more and more

people are solving the problem by mutual assistance and consultation. This provides important cultural foundation for the development of Chinese nonprofit organizations. The diversification of

Chinese society became increasingly evident. The government is no longer the only domination of people's social life, especially in the field of social and public affairs. The citizens' social participation is growing higher, public participation mechanisms are progressively developing. Our government creates a complete system in the registration and management of nonprofit organizations, making the nonprofit organizations have a rapid development in the civil and plays an important social role.

3. The Participation of Nonprofit Organization in Regional Public Management

The 17th CPC report discusses to accelerate the reform of the administrative system, the construction of service-oriented government propose to accelerate the separation of government functions from enterprises, separate the government and funds, separate the political affairs and public affairs, separate the government and the market intermediary organizations, from which it is clear that the government is paying more and more attention to the function of the nonprofit organizations in the field of social and public services. In the West, the nonprofit organization has made considerable progress. Not only has the government given enough support, the populace's participation also in a wide range. While in China the development of a nonprofit organization is in the incipient stage without a complete structure, but the development and growth of the nonprofit organizations did raise the level of our public services and have a constructive sense.

3.1 The Social Functions Nonprofit Organizations

The social role of nonprofit organizations is its functions in social services, social communication, social evaluation, social adjustment, social coordination and advocate of social civilization.

3.2 Ways of Nonprofit Organizations Involved in Regional Public Management

There are two main ways that nonprofit organizations play a role in society:

3.2.1 The Traditional Way

Non-profit organizations in the name of a prestigious organization or religion, or directly donate or building bridges/ roads for villages, the species and the influence of this way are quite limited.

3.2.2 The Modern Approach

Nonprofit organizations in the form of outsourcing contractual concession, auxiliary system, purchase vouchers, voluntary service, self-service to provide a variety of services, the role of this pathway are broader and deeper impact. The goal of China's economic reform is to establish a socialist marketing economic system; the formation of the government management of the society at the macro level; regulate the market; make the market to play a fundamental role in the allocation of resources; then to form a new pattern that the society has a high degree of self-discipline and can constrain the government. Nonprofit organizations in China have participated in a variety of institutional changes, have the following unique features: to promote the transformation of government functions; cultivate and regulate the market; promote the transformation of enterprises; formation of self-discipline and social order.

4. The Functions of Nonprofit Organizations in Regional Public Management

Market failure and government failure caused the disparity between the rich and the poor, the public goods in short supply and inefficiency; lack of effective common mechanism between the government and the populace; the government's effect on self-management skills of society; these social issues increasingly serious and became social problems. As an effective complementary mechanism of the market, a connection of the society, the government and the populace, the role of nonprofit organizations in the regional public management is significant. Meanwhile, with the development of nonprofit organizations in China, their influences in public management and regional public management are rising, mainly in:

4.1 Involved in Solving Public Issues, to Make up the Market and Government Failure

The failure of the market mechanism and the failure of the government's public governance, making nonprofit organizations became the form to make up for the failure of market regulation and the failure of the government's public management. The non-profit organization

became the choice of the government to manage the public affairs of the community, mainly due to the social purposes consistent with the government. The nonprofit organization concerned about the common welfare of the whole society and socio-economic development, such as education, environmental protection, health care, science and technology; also pay attention to economic and social development in vulnerable groups, such as unemployed workers, the elderly, the disabled, children. This is the basic cooperation and coexistence with the government. It can make use of a variety of social relations channels, to increase the source of public welfare funds through public donations, corporate grants, service charges, foreign aid and other forms. For a specific social problem, it can contribute to solve the problem relies on a good mass base, flexible organizational mode of operation, the role of communication hub, the transmission of information between the relevant parties, technical, material and financial resources.

4.2 Participate in the Provision of Public Goods, Improve the Efficiency of Public Services

The nonprofit organizations in collaboration with the government to provide public goods, to make up the failure of the government, and promote the efficiency of the supply of public goods. As a third party for the provision of public services, nonprofit organization can eliminate the defects of the government or the market in the field of the provision of public services, can supervise the government to provide public services to improve supply efficiency of public goods through collaboration with the government. Nonprofit organizations not only provide the general public goods according to the homogeneity needs of the members of society, but also provide personalized service to the target of these social groups. In the framework of small government, big society, the government itself cannot be circumvented by the plight of government power vacuum, the absence of social management of government departments in the provision of public services which provides a broad space for the development and growth of the nonprofit organizations. Furthermore, the characteristics of nonprofit organizations have decided it has no financial allocation and no executive powers. In order to gain a competitive advantage, they must provide social services to meet social members' satisfactions. Nonprofit organizations take the initiative to take up micro social efficiency, reduce the cost of government, reduce the government's burden, and improve the efficiency of public services in the community through

various activities.

4.3 Bridge between the Government and the People, Promote the Building of Democratic Politics

Participation and cooperation of the people, are the key to effective public management. The nonprofit organization is an important force for community integration, hosting by enhancing civic engagement and to construct the political culture in order to achieve political and social functions, the government and the public to participate in the social affairs, to promote the realization of good governance. On the one hand, the nonprofit organizations on behalf of the common interests and aspirations of their own members, will have a mutual trust and interdependence in collective activities, establish effective information feedback system, to allow members to express their policy preferences and policy recommendations timely and effectively. On the other hand, nonprofit organizations can convey the government's policy intentions and related issues to their members, to promote the understanding and trust of the members of the government policy. Nonprofit organizations mitigate or eliminate some of the contradictions that exist between the government and the people, and to promote the cooperation of the government and the people, also promote the government's public management performance improvement and the development of democratic politics in the expression of public opinion and in the process of coordinating the interests of all parties.

4.4 Intermediary between the Government and Society, Improve Self-management of Society

Improving the relationship between the government and enterprises, improve the social self-management skills, are the basis of promoting the socialization of public governance. With the development of modern society, a number of facts show that the government's management of social affairs, is not more specific more the better. Highly concentrated of resources and the degree of government control, would hinder the development of social self-management skills. Government management of social affairs should fully reflect the effectiveness of the management. The effectiveness of the government, that is, according to the socio-economic development, and constantly powers back the social self-management functions to the community, give full play to the social self-management capabilities. As for society, that is, through the development of social intermediary system, improve self-management skills, making the society develop well. Under the conditions of

market economy, it is necessary to improve the relationship between government and society, and promote the socialization of public governance. One of an important ways is to development the nonprofit organizations, cultivate various social management body, it was possible for the relocation of government functions and powers to transfer to nonprofit organizations.

4.5 Advocate Social Civilization, Promote the Building of Socialist Morality

The development and growth of the nonprofit organization are actually in action to advocate social civilization, thus contributing to the social construction of public morality. China advocated the rule of virtue, and in the field of public service to further promote the construction of public morality is to establish the nonprofit organizations. Nonprofit organization is not-for-profit, nonprofit organization concerned about the vulnerable groups of society, and the social and public affairs. Its staff advocated personal morality and public morality, to carry forward the dedication for social welfare undertakings. They advocate the concern for human development, mutual help purport stick humanitarian spirit, which plunk for public morality. Therefore, the social construction of public morality is necessary. Nonprofit organizations can play their due role in the process of building public morality, and promote social civilization, thus contributing to the improvement in the level of society as a whole civilization.

5. Conclusions

There are a lot of public affairs management activities in modern society. Government is the core theme of these management activities, but the government cannot provide all of the public services and products. Therefore, it is necessary for nonprofit organizations to involve in these management activities. As an important part of public management and regional public management, non-profit organizations play an indispensable role in public governance and public service delivery. Since the 1960s, nonprofit organizations are developing rapidly around the world. Their rapid growth is considered to be a response to market failure and government failure. Nonprofit organizations in China have been developed well due to the transition of the economic system and the transformation of government since the 1980s. Although there are still many negative factors for the development of China's nonprofit organizations, we have to realize that in reality there are also positive factors conducive to the

development of them. The existence of these positive factors will promote the nonprofit organizations in the further development and growth in Chinese society. The role of nonprofit organizations in the regional public management will be gradually expanded with the development and growth of the organization, and become an important and indispensable part of public governance and management.

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