

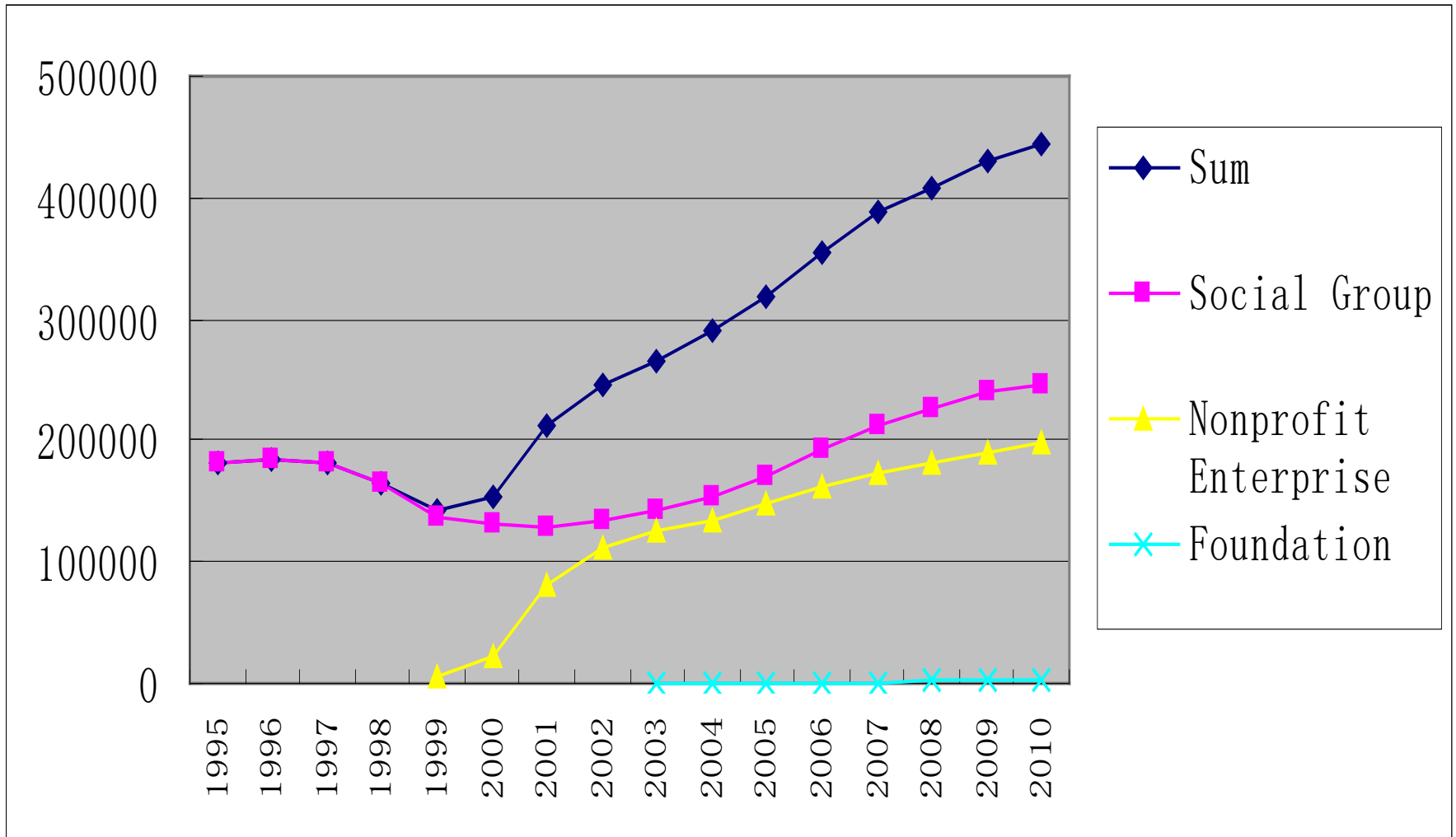
**From service procurement to
collaborative governance:
Forging sustainable public-nonprofit
partnership**

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Growth of registered nonprofits in China



Social service procurement:

A dominant and burgeoning type of public-nonprofit cooperation

- 1. Informal contracting has been widespread since the 1980s as governments tend to do business with affiliated nonprofits
 - 2. Formal contracting emerged in the 1990s
 - In 1995, the Social Development Bureau of Pudong New District contracted the operation of its Luoshan Service Center to the Shanghai Young Men's Christian Association.
 - 3. Competitive bidding emerged in 2005
 - In 2005, the China Foundation for Poverty Alleviation selected, through competitive bidding, six nonprofit contractors to implement poverty alleviation programs with a budget of RMB 11 million in Jiangxi Province.
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Shanghai's competitive contracting for social services in 2009

- 127 projects were given to 116 nonprofits out of 274 competitors.
- The value of contracts ranged from RMB 50,000 to 1,458,600, with an average of RMB 313,670
- The total value of the contracts was RMB 39.84 million.

Service types	Contracts awarded	Average number of Proposals	Average contract price (RMB)	Cost reduction (RMB)	Rate of cost reduction
Elderly	61	3.21	409,367	1,567,807	5.91%
Children	13	3.08	229,870	154,025	4.90%
Poor	11	2.82	215,503	194,745	7.59%
Disabled	19	2.89	234,815	236,477	5.03%
Other	23	3.09	219,307	407,810	7.48%
Total	127	3.09	313,667	2,560,864	6.04%

Social service procurement gets to be a long-term strategy of nonprofit development in China

- 1. Reform of governmental functions;
 - 2. Support to nonprofit growth and development;
 - 3. Improvement of service efficiency and quality;
 - 4. Soft regulation.
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Collaborative governance: a new trend

- 1. Nonprofits tend to be more autonomous;
 - 2. Nonprofits participate in decision making in many stages of service procurement;
 - 3. Nonprofits get into the community governance system;
 - 4. Nonprofits become one representative of community interests.
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Synergy and tension between service procurement and collaborative governance

■ Synergy

- Service procurement strengthens nonprofits, thus the organizational foundation of collaborative governance
- Service procurement creates natural mechanisms toward collaborative governance
- Collaborative governance may improve quality of service procurement.

■ Tension

- Service procurement focuses on pragmatic results, competition and participation. This may prevent long-term stable partnership.
- Collaborative governance may politicize the relation and distract attention from service goals.

■ Thank you!
