

The Logical Basis of Nonprofit Sports Organizations' Participation in Public Service Purchasing in the Chinese Perspective

Jianing Cui^{1,a,*}, Jixiang Liu^{2,b}

¹Department of Physical Education, Shanxi Normal University, No.339 Taiyu Road, Xiaodian District, Taiyuan, Shanxi, China

²Department of Physical Education, Changzhi University, No.96, East Outer Ring Road, Luzhou District, Changzhi, Shanxi, China

^acjnlemon@163.com, ^bliujixiang678@163.com

*Corresponding author

Abstract: The participation of non-profit sports organizations in public service purchase is an institutional arrangement and policy tool to innovate the way of public service provision, improve the level of public service and enhance the core governance capacity of the government. Studying the theoretical system of government purchase of social organizations' services is of great theoretical and practical significance for providing high-quality and efficient public services and nurturing social organizations, accelerating the process of government function transformation, improving government governance capacity and building a public service-oriented government. We examine the current operation of this system in the Chinese context in terms of the logical basis and advantages of the participation of non-profit sports organizations in public service purchasing, and analyze the reasons and opportunities for the rapid development of the participation of non-profit sports organizations in public service purchasing in China. It is expected to provide a reference for the construction of a theoretical system for the participation of non-profit sports organizations in public service purchase with Chinese characteristics.

Keywords: Chinese nonprofit sports organizations; public service purchase; logical basis

1. Introduction

The government is generally considered to be the provider of public services, but the direct production of services by the government is also constrained by conditions such as high cost, low efficiency and lack of specialization, resulting in low quality and inefficiency of public service supply, therefore, the government public service supply mechanism needs to be reformed. Since the 1970s, the government has been purchasing services from nonprofit organizations as a result of the new wave of public management triggered by the fiscal crisis in Western welfare states. In the United States, social organizations have played an important role in social governance and public service provision, forming what Lester M. Salamon calls "third-party governance" through collaborative partnerships between the government and social organizations^[1]. In 2001, the Canadian government signed the Canadian Government-Voluntary Sector Agreement, followed by the Code of Good Practice in 2003^[2]. In 2010, the Australian government signed the "National Agreement - Working Together", a multi-faceted partnership between the government and non-profit organizations^[3]. In 1995, the Social Development Bureau of Shanghai Pudong New Area commissioned the Shanghai YMCA to manage the Luoshan Civic Hall in Pudong New Area, which is the earliest record of the government's purchase of public services in China^[4]. In 2005, the State Council's Poverty Alleviation Office, the Asian Development Bank and four other organizations jointly launched the "Pilot Project on NGO-Government Cooperation in Poverty Alleviation Planning at the Village Level," which was the first public service purchase project to be tendered at the national level. This mode of public service provision not only provides economic support and space for the development of non-profit organizations and promotes the quality and level of public services, but also strengthens the cooperation and exchange between the government and non-profit organizations and promotes the development of civil society, the improvement of national governance and the modernization of governance capacity.

Nonprofit sports organizations are a common form of nonprofit organizations, which are important

for integrating social sports resources and optimizing sports services. With the increasing diversification of public sports needs, non-profit sports organizations have become more active in promoting the development of sports and are better able to adapt to the management requirements of civil society, and their importance and necessity have become increasingly prominent^[5]. In fact, sport is to some extent a public good, a fundamental part of the educational system and a cause to improve the health of citizens^[6], and non-profit organizations have become an important part of the public sport service provision system. How to explain the rapid development of nonprofit sports organizations' participation in public service purchasing in China? This paper will examine the current situation of the operation of this system and analyze the reasons and opportunities for the rapid development of the participation of Chinese nonprofit sports organizations in public service purchasing from both the theoretical basis and advantages of the participation of Chinese nonprofit sports organizations.

2. Logical basis for the participation of Chinese non-profit sports organizations in public service purchasing

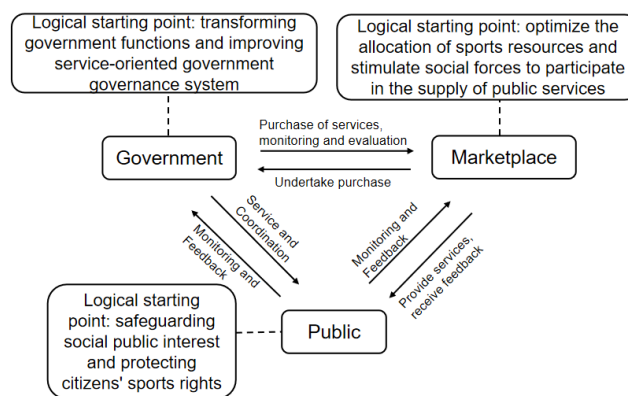


Figure 1: Logic diagram of non-profit sports organizations' participation in public service purchasing.

What is the logical basis for the emergence and development of nonprofit sports organizations' participation in public service purchasing? Why did the government divert its functions to non-profit sports organizations? Why do nonprofit sports organizations, as nonprofit social groups, extend their organizational functions into the area of "public services" that originally belong to the government? How does the participation of social forces affect the public as a direct beneficiary of public services, as opposed to the government alone? These are the logical foundations that must be clarified when examining the participation of non-profit sports organizations in the purchase of public services.

For the Chinese government, the participation of non-profit sports organizations in the purchase of government services is an inevitable way to transform the government's functions and improve the service-oriented government governance system. The transformation of government functions is the core and direction of the current reform of the administrative management system, and is a specific initiative to comply with the comprehensive deepening of reform, and the transformation of government functions requires the construction of an efficient and limited public service-oriented government. Public service-oriented government emphasizes efficient and high quality services, requiring the government to transform from "management-oriented" to "governance-oriented" and improve the attitude, awareness, quality and efficiency of services^[7]. By actively introducing social forces to participate in sports governance, the effective and limited transfer of government functions is an important way to realize the transformation of government functions and change the form of government's total management of everything, and the government's functions are changed from micro-management of everything to macro-control.

For non-profit sports organizations, the growing size of the organization and the strengthening of its own capacity have made it an important force in undertaking the transfer of government functions and providing public sports services to the public. Not only can nonprofit sports organizations undertake the transfer of government functions to streamline government personnel, prevent the expansion of government power, improve administrative efficiency and reduce government costs, but also stimulate sports social organizations to participate in sports governance and improve the quality of public sports service supply. Attracting social forces to participate in sports governance and encouraging sports social organizations to undertake the transfer of government functions is an important part of

modernizing the national governance system and governance capacity, and competing to further accelerate the pace of service-oriented government reform.

For market resources, the participation of non-profit sports organizations in the purchase of public services is an important way to optimize the allocation of sports resources and stimulate the participation of social forces in the supply of public services. Non-profit sports organizations to undertake government purchase of services is an effective way to optimize the allocation of sports resources and enhance the efficiency of the use of financial funds. As the living standard of the Chinese people continues to improve and their leisure time increases, the awareness of sports and fitness has been raised to an unprecedented level, accompanied by a gradual increase in people's demand for public sports services, showing a trend of transition from a single sports demand to a diversified sports demand and from a low-level sports demand to a high-level sports demand. In the face of this trend, the government has been increasing the financial investment in public sports services, but it is still difficult to meet the increasingly diversified and specialized sports needs of the public. With the awakening of civic consciousness, non-profit sports organizations are rapidly developing, and their social status and professionalism have been significantly improved. Against this background, it has become a common choice for both the government and society to stimulate social forces to jointly improve the quantity and quality of public sports service provision. The introduction of a competitive mechanism can maximize the effectiveness of the use of financial resources by attracting social forces to jointly improve public sports services. The introduction of market competition not only promotes sports organizations to improve their own service supply capacity in the competition, but also further reduces the administrative cost of public sports services and maximizes the efficiency of the use of government funds.

For the public, the participation of non-profit sports organizations in the purchase of public services is an important means for citizens to safeguard the social interests of their individual sports rights. The public is the ultimate "consumer" and "beneficiary" of government purchased services, and it is the "original intention" and "mission" of non-profit sports organizations to participate in the purchase of public services to protect the social interests of individual sports rights and "mission". It is one of the basic rights of citizens to ensure that the public enjoys the most basic sports rights. As one of the main providers of public sports services for citizens, the government is the main body to protect citizens' sports rights. Introducing social forces and the government to jointly provide public sports services for the public can effectively improve the efficiency and quality of public service supply and better protect the public's sports rights. The public interest of society can only be truly satisfied when the basic sports rights of the public are in balance with the government's supply. Therefore, through the government's purchase of public services from nonprofit sports organizations, the government's leading role in introducing diversified social forces into the field of public service provision not only better meets the diversified sports needs of the public, but also reflects the essential characteristics of a service-oriented government - taking social interests and public needs as the starting point for all actions. It reflects the essential characteristic of a service-oriented government - taking the interests of society and the needs of the public as the starting point for all actions.

3. Advantages of sports social organizations to undertake government purchase of public sports services

3.1 Advantages of Organizational Nature

The nature of non-profit sports organizations determines their organizational characteristics of "public welfare", "volunteerism" and "non-profit". Scholars have proposed that "non-distributive constraints" is the core feature that distinguishes for-profit organizations from non-profit organizations. The "non-distribution constraint" refers to the fact that if a social organization is in a profitable state after breaking even, its profits cannot be distributed, and no property of a non-profit sports organization can be transformed into anyone's private property^[8]. In a market economy, information asymmetry and price discrimination are inevitable, and when a principal and an agent with conflicting interests emerge, the agent may harm the interests of the principal in the pursuit of maximizing personal interests, thus giving rise to the problem of "adverse selection". For-profit organizations are driven by profit and may not meet the quality and quantity of services required, or may even conceal fraudulent behavior. In contrast, non-profit sports organizations are constrained by the "non-distributive constraint" when they undertake the services of their clients, and are limited in the production and supply of public services by their inability to earn profits or acquire assets, so there is not enough interest to tempt them to reduce the quality and quantity of services produced. Therefore, non-profit sports organizations are

more trustworthy in the process of participating in public service purchasing because of their unique organizational nature, which fundamentally guarantees the provision of high quality and quantity of public sports services by non-profit sports organizations. This section must be in one column.

3.2 Domain and Resource Advantages

China's government has long monopolized almost all the rights of public sports service supply, forming a single public sports service supply system. With the specialization and diversification of public sports needs, the government actually cannot fully cover and provide public sports services in many fields, while the large number of finely classified non-profit sports organizations, as an important carrier of public sports service supply, have a mission not only to provide diversified public sports services to the public, but also in many fields that are difficult for the government to implement, such as a large number of community groups, scattered and isolated. In many areas where it is difficult for the government to implement, such as a large number of community groups, scattered and remote villages, non-profit sports organizations have more advantages in the convenience of public sports service supply^[9]. For example, in areas where it is difficult or costly to monitor the provision of public sports services, nonprofit sports organizations are often the best choice for service delivery.

The main characteristic of non-profit sports organizations is their "non-profit" nature, which means that they do not aim at seeking their own interests and rights, but have the "public interest" characteristic of seeking the maximum benefit of the public. The "volunteerism" also strengthens the ability of non-profit sports organizations to mobilize their members and integrate and utilize social resources^[10]. The demand for the supply of public sports services with a wide range of radiation and many types of involvement is inseparable from the support of various social resources, and the ability of non-profit sports organizations to obtain more social resource support is one of the key factors for their success in undertaking the transfer of government functions. The "public interest", "voluntary" and "non-profit" characteristics of non-profit sports organizations make it easy for them to gain the attention, trust and support of all sectors of society. The financial, policy and technical support from enterprises, institutions, for-profit organizations and the general public provides a strong resource backing for non-profit sports organizations to undertake government purchase of public services and provide public sports services to the public, thus enabling a more optimal allocation of resources, more professional team support and a rich gathering place for social resources, all of which contribute to the maximum effectiveness of social resources. These are the resources of the society that can be maximized.

3.3 Advantages of interest representation

Public sports service refers to the government's use of relevant authoritative resources to respond to the public's sports needs through the implementation of some corresponding public policies, so that the majority of the public can generally obtain the benefits of this behavior, which has the characteristics of public, fair and democratic process. This requires that public sports service providers must take the satisfaction of the interests of the general public as the core value standard, represent the immediate public interests of the people, and take the public's needs as the guide for service provision, so as to maximize the quality and efficiency of public sports service provision. The characteristics of non-profit sports organizations to maximize the public interest of the public as the organizational mission, and the connotation and characteristics of public sports services fit. This requires sports social organizations to actively participate in the supply of public sports services, give full play to their role as a link and bridge between the government and the market, and form an interactive mechanism and system of synergy and mutual assistance among the government, non-profit sports organizations and the market. In the process of undertaking government public sports services, sports social organizations play the advantage of diversifying their social networks and facilitating communication channels to collect and integrate the public's demand for public sports services to the largest extent, so that they can be guided by the public interest and receive financial, policy and human support and encouragement from the government, society, the market and other resource providers. Rooted in the masses, sports social organizations are able to express their views as representatives of interests and propose practical and feasible solutions and measures for the provision of public sports services, thus maintaining a long-term cooperation with the government.

4. Conclusion

The research of the inherent logical basis and motive of the development of anything should be focused on. The participation of non-profit sports organizations in public service purchase is an innovation in the way the government manages society, which plays an important role in promoting the transformation of government functions, improving the quality of public services provided by the government and the development and growth of non-profit sports organizations. This study provides an in-depth analysis of the logical basis and advantages of nonprofit sports organizations' participation in public service purchase, and provides a reference for constructing a theoretical system of nonprofit sports organizations' participation in public service purchase with Chinese characteristics.

References

- [1] *The Compact on Relations between Government and the Third Sector in England* [EB/OL].http://www.TheCompact.Org.uk/information/10018/about_us.
- [2] *The Joint Steering Committee. Journey Continues 2004—The Second Report to Canadians on Implementing an Accord between the Government of Canada and the Voluntary Sector* [EB/OL].
http://www.vsi-isbc.org/eng/relationship/pdf/journey_continues.pdf.
- [3] Kevin Rudd. *Australia's National Compact with the Third Sector* [EB/OL]. <http://www.egovmonitor.com/node/34778>.
- [4] Yang Tuan. *Nonprofit Organization Evaluation: A Case Study of Luoshan Civic Hall in Shanghai* [M]. Beijing: Huaxia Publishing House, 2001.
- [5] Jacopin T., Urrutia L. *Why NGOs Matter for the Success of Sports Events: The Case of the Working Paper of Research Association No 702*.2007.
- [6] Javalgi R. Traylor M., Gross A. and et al. *Awareness of Sponsorship and Corporate Image an Empirical Investigation*. *Journal of Advertising* 1994, 12, 47-58.
- [7] Wei Huiqin. *Research on the transfer of government functions undertaken by social organizations under the new situation* [D]. Jiangxi University of Finance and Economics, 2018.
- [8] Wang Yuming. *The third sector and its social management function* [J]. *Journal of the Party School of Fujian Provincial Committee of the Communist Party of China*, 2001(7).
- [9] Wang Puchi, Lester M. Salamon. *A Study of Government Purchase of Public Services from Social Organizations: An Analysis of Chinese and Global Experiences* [M]. Beijing: Peking University Press, 2010.
- [10] Li Zengang. *A study on the interaction between contemporary Chinese government and non-profit organizations* [M]. Beijing: China Social Science Press, 2004.