Research on Multi-supply Mode and Mechanism Innovation of Public Service Based on Synergy Theory

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Abstract. At present, the public service supply is facing such problems as government failure, market failure and social failure. A supply mode featuring pluralization, collaboration and synergy has yet to be established. Guided by synergy theory, the paper aims to construct a public-service collaborative supply mode which is scientifically standardized, highly efficient and sustainable, defines roles and functions between government, market and social organizations, and proposes a set of mechanisms involving participation, decision-making, coordination, incentive and evaluation, to ensure the effective operation of the mode. The paper is intended to offer some helpful reference for local governments to promote public service reform and build a service-oriented government.

Introduction

With the development of the market economy and the increasing diversification of social demand, the contradiction between the supply and demand of public services has become increasingly striking. At present, some problems are found in education, medical care and culture, such as insufficient supply, uneven distribution, and low efficiency. So, there is a growing calling for the supply—side reform of public service sectors. The supply mode solely relying on the government faces enormous challenges. By contrast, the diversified mode, to certain degree, leaves some space for different supply entities to play their own advantages in organizational function. But, it also faces the problem of how to coordinate relations among supply entities. At present, the multi-subject mode has existed at home. For instance, the construction of transportation facilities is usually conducted through multi-collaboration. A service system for the old is also established with the pattern of government-led and market participation. However, orderly synergy has not yet been achieved among the multiple entities, and “collaboration” and “governance” have yet to be institutionalized. Based on existing researches, this paper applies the theory of collaborative governance to constructing a multi-entity collaborative mode for public—service supply, and designing an operational mechanism for the mode.

Literature Review

The research and practice on public—service entities and operational mode has gone through stages of "market failure" (Paul Samuelson), “government failure”(Bolton Weiss Brod), “contract failure”(Henry Hansmann), "Volunteer Failure" (Salamon). From the perspective of public service supply mode, the development of public service supply theory has experienced four stages: single government supply, market orientation, social participation and diversified supply. The domestic research on public service supply starts rather late. And it mainly discusses the connotation of public service, the main body of public service supply, and the supply mode. Li Junpeng (2004), Liao Xiaoming, Huang Yifeng (2005), and Liu Houjin (2011) believe that the government must dominate the supply of public services, with obligations to build a public service—oriented government, carry out public management, and improve public service systems. Most scholars agree that the diversification of governance subjects has the practical significance in resolving market failure and government failure, and that introducing market and social resources into the
public service supply mechanism as well as improving service efficiency without expanding
government scale and expenditure, certainly contribute to the transformation of local government
functions. Tu Xiaofang (2004), Shi Chuanlin (2008), and Zeng Rihe (2014), starting from the
current situation of China's public service supply and existing problems, proposes to add market
mechanism and social mechanism to public service supply mechanism, in order to solve problems
of high cost, low efficiency and poor quality in the current public service supply. Wu Chunmei and
Zhang Binbin (2012) propose to improve the network trust mechanism, innovate the network
coordination mechanism, and perfect the network maintenance mechanism, in order to promote the
cooperation awareness of main entities in public service supply, enhance cooperation consensus,
and strengthen cooperation commitment.

Currently, most researches on the innovation of the public service supply simply focus on
expanding the supply subject to make the supply diversified. However, there is little study on how
to cooperate among diversified subjects to ensure maximum efficiency. "Synergy Theory", which
was first proposed by the physicist Haken in the 1970s, suggests that synergy is the interaction
between the various parts of the system, so that the whole system forms a new structure and
features that do not exist at the micro-individual level. The concept of “synergy” was first
introduced into management by H Igor Ansoff (1965) who expressed the idea of synergy by the
formula: 2+2=5. Zheng Hengfeng (2009) believes that the market competition mechanism should
be introduced into the collaborative management to establish a synergetic system for the positive
interaction between the government and market. He Wei (2010) and Xu Zurong (2011) believe that
social organizations should be encouraged to cooperate with the government to provide public
services. Therefore, following the synergy theory, this paper establishes a public service supply
mode based on collaborative interaction among the government, market and social organizations,
and designs a scientific and rational operational mechanism, with the aim to promote the
high-quality development of public service supply as a whole.

The Applicability Analysis of Public Service Supply and Synergy Theory

The term "Synergetic" originates from the Greek language and is about the competition and
cooperation among various subsystems in a system. It aims to reveal the law of the system
evolution from disorder to order. The theory holds that all systems encompass some subsystems.
The types of these systems or subsystems vary widely, featured with complexity, openness,
dynamics, non-equilibrium and balance, coordination and cooperation. There exist some fits in the
public service supply and synergy theory. The specific analysis is as follows:

First, essentially speaking, China's public service supply system is a complex, open, long-term
unbalanced system. Each subsystem should take the public demand as the primary direction. By
integrating various resources of the society, the whole system will continuously exchange various
resources and information with the outside world to meet the supply demand of public services.

Second, the supply of public services in China is facing problems of structural imbalances, and
disconnection between supply and demand, etc. These problems leave China's public service supply
system in a non-equilibrium state. In sectors of public education and public health, the public’s
development needs are far from satisfactory.

Third, China's public service supply system can automatically form a relatively stable structure
and function. Many publics aiming at meeting the needs, gradually realize the self-supply of public
services; therefore, China's public service supply system is of a certain self-organization.

In summary, synergy theory can provide solid theoretical support for the research on China's
public service supply mode, and help us establish a new mechanism for collaboratively supplying
public service.

The Construction and Role Division of Collaborative Supply of Public Service.

According to the Synergetic, the collaborative supply of public services is a process in which
government departments; market organizations and social organizations work with each other to
provide public service. In the process, they take public demand as their orientation; achieve complementarity through drawing on advantages mutually and information and resource sharing through full communication and coordination. Besides, their coordinated actions and mutual cooperation are conducted under certain rules. Thus, a collaborative supply mode of public service in Ningbo is to be established, which will be dominated by the government with the assistance of social participation and market operation. The specific mode is shown in Figure 1:

Fig. 1 Multi-subject Collaborative Supply Mode for Public Service.

Government, market and social organizations are important public service suppliers. The premise for the collaborative mode to work is that the three parties can fulfill their own duties. Therefore, it is very important to define their roles and division of labor.

In public service, the government, as the main body, does not need to bear all, but to decentralize its absolute power in governance. Centering on the city's public service supply, the government should function as a partner with the enterprise, society and the public, and coordinate the relationship among various departments and subsystems within the government to ensure the effective collaboration of all parties. At the same time, the government must actively support other public service supply entities, supervise and promote their development, ensure effective collaboration among various entities, and encourage various entities to actively improve the supply of urban public services.

Enterprises are the main representatives of market organizations which are the products of transactions. There are two main ways for enterprises to participate in urban public services: one is that the government directly purchases public goods and services offered by enterprises; the other is that enterprises provide products and services to the city through social charity activities in a move to fulfill social responsibilities. It can be seen that the process of enterprises participating in the supply of urban public services is also a process in which enterprises realize their own interests and goals. The participation of enterprises in public services is consistent with the goals, behavioral mechanisms and positioning of enterprises, which thus determines important roles of enterprises in urban public service supply system.

Social organizations are important participants in the collaborative supply system of public services, and play an important role in supporting the supply of public services. As an important part of society, social organizations have the responsibility of directly providing urban public services, supervising the government and the market, developing public policies, promoting good social values, cultivating civic spirit, and enhancing the ability of citizens to participate in society.
The Establishment of an Effective Operation Mechanism for Multi Subjects to Collaboratively Supply Public Service.

Constructing a Participatory Mechanism That Can Motivate Multiple Supply Entities

Collaborative governance essentially requires government departments, market organizations and social organizations to participate in the supply process of public services. The legal status of organizations in the field of public service provision should be recognized in legal form. The government masters public power which determines its dominant position in the collaboration. That is also the political basis for the collaborative supply of public services. The government plays a leading role, but it needs to effectively transform its functions through the institutional reform, so that other supply entities are willing to cooperate with it; in addition, the government should allocate resources in a rational way to achieve power transfer and power sharing in specific areas, and form a relatively balanced structure that enables other suppliers to work with the government. Market organizations and social organizations act as collaborators. Under the leadership of government departments, they can give full play to their functional advantages and provide public services in specialized areas. They should maintain their relative independence and should avoid being subject to government departments. Only in this way can they make judgments independently over the decision making of public services. Through the establishment of corresponding systems, we will broaden the channels for different entities to participate in the provision of public services.

Constructing a Decision-making Mechanism for the Participation of Multiple Suppliers of Public Services

The decision-making for public service supply is a process of interest game of various stakeholders. There is a relatively close correlation between the outcome of the game and the strength of participants in the game. Therefore, the decision-making for public service supply should be unified with the construction of community—level democracy, in order to realize the transformation from “making decisions for the people” to “making decisions with the people” and “making decisions by the people”. The diversified development of public service suppliers is an establishment of public service supply mechanism that is public demand—oriented. A striking defect of traditional public service supply by the government is that the public will is replaced by administrative planning; the elite is responsible for designing instead of public participation; and public needs and preferences are ignored. In many places, for examples, from public project construction to public service delivery, government departments have the final say, and the public has limited impact on public service decisions. The main way to orient public demand is to increase public participation in decision-making. For example, in public service decision-making, the market and social organizations can influence the public policy making through hearings, debates, suggestions, and public opinions.

Constructing a Coordination Mechanism for the Participation of Multiple Suppliers of Public Services

An effective collaborative mechanism has a decisive influence on the realization of the coordinated supply of public services. Therefore, it is necessary to realize effective communication among suppliers through scientific means. Realizing effective communication first requires the integration and sharing of information resources. Information is the basic resource of collaboration. The possession and sharing of information determine the strategic choice of collaboration. Information integration requires a modern information network as its technical support. Collaborative entities can share information regardless of time, space and organizational obstacles through network platforms, and establish a structured information network system. Realizing effective communication also requires effective engagement of subjects participating in the network. The effective engagement of subjects through networks can quickly realize the effective allocation of various resources such as human, material and financial resources among subjects. Different subjects form a three-dimensional and open cooperative network on the basis of interdependence of resources, and each subject promotes communication in the network.
participation and facilitates the circulation of various information. To participate in the construction of the network, it is necessary to give full play to the role of the government. The government must play as a bridge between the market and the society, and also as a "voice tube" to convey information to the market and society. Acting as an intermediary, the government builds a bridge connecting three parties, forming a closely cooperative community.

**Constructing Incentive and Restraint Mechanisms for the Participation of Multiple Suppliers of Public Services**

An important part of the development of multiple suppliers of public service, is to form an effective incentive and restraint mechanism, so that the public sector can initiative provide public service with the goal of input—output maximization in the decision-making and execution process of public service supply. The government must efficiently allocate resources to meet the public demand as much as possible. Incentives and constraints are a unity, in other words, incentives are inseparable from constraints. Unconstrained incentives is like the exertion of rights unbound by supervision which will inevitably lead to undue pursuit of personal interests and harm the interests of others. Incentive and restraint mechanisms should vary according to different public service suppliers. By effectively motivating the participation of supply entities, different incentives mechanisms can be adopted for their needs that are always different. For example, for the government officials, the public service supply can be as a part of their political performances; for market organizations, financial subsidies and favorable policies should be available; for social organizations, it is necessary to support them financially and politically.

**Constructing a Monitoring and Evaluation Mechanism for the Participation of Multiple Suppliers of Public Services**

The implementation of results-oriented performance management is an internationally popular standard for the judgment of whether public service supply is effective. However, China has focused on the input and form rather than the output and outcome. Therefore, we should focus on the evaluation of public service performance and supervise the supply process in light of global experience. The public should act as the main body responsible for the evaluation and supervision because it is the main consumer of public services and ultimately bears the cost. The public has the right to supervise the public-service process and results which are jointly provided by government departments, market organizations and social organizations; then, with the public feedback, supply entities need to adjust the public service supply approach and institutional arrangements. In this process, the evaluation and supervision of results of collaborative supply of public services is an important criterion for measuring the public satisfaction with the public service supply. Along with the evaluation and supervision of the process and results of the collaborative provision of public services, an accountability system should be established to hold direct suppliers account for the public service provision, including government departments, market organizations and social organization. The public can question public service providers who fail to meet their needs and urge them to improve their supply approach. The corresponding reward and punishment can be carried out for government officials in charge. The failing market organizations and social organizations will receive warnings and even lose supplying qualifications in worse cases.

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