

The share of nonprofit organisations in the provision of selected public services – culture and social services

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Abstract

The paper presents preliminary findings from a three-year project of the same name, The share of nonprofit organisations in the provision of public services, supported by the Grant Agency of the Czech Republic under No. 402/05/0974. It contains the results of the work of a team of researchers from the Faculty of Economics and Administration, Masaryk University and from the Centre for Nonprofit Sector Research.

The goal of the project was to test the hypothesis that even though almost twenty years have elapsed since the collapse of the centralized communist state, private nonprofit organisations (NPOs) do not represent significant competition for public sector providers of public services. The principal reason is that the public providers invariably take the legal form of the so-called 'subsidised organisation' (ie. government-subsidised quango). These organisations are entitled in law to annual mandatory contributions to their budgets from their founding government departments or agencies, which ruins the even playing field for other service providers (including NPOs) that compete for financial grants from public sources. This situation did not improve after the recent reform of public administration; some renewed hope is being put in the currently on-going standardisation of public services.

The project only explores those fields of public service in which NPOs play a significant role. NPOs have hardly any presence in such public services as transport, defence, technical infrastructure, or communications. Detailed analysis of the share, role and behaviour of NPOs in the provision of public services was carried out in the fields of culture, education, social services and health.

The conclusions that the authors draw are based on the comparison of the analyses of the provision of public services in culture and social services.

The findings confirm among other things the fact that NPOs' share in the provision of the selected services is not very high but that it is definitely not negligible either. The size and the importance of the NPO sector as a public service provider differs both from field to field (e.g., in recent years, the NPOs' share in the provision of health and education has only represented several percent while in the provision of social and cultural services it has been expressed in tens of percent) and within the individual fields themselves. NPOs do not generally participate in the provision of the full range of public services, but only in the provision of specific services within an individual field.

Relevant literature

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