

The Effect and Development Direction Studies about Chinese Non-Governmental Organization Participate in the Social Security

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Abstract

With the rapid development of economy and society, NGOs (Non-Governmental Organizations) are playing an increasingly important role in the field of public service for its characteristics of flexibility, mobility and the unique advantages of non-administrative. They can provide a variety of services, create a good atmosphere of participation, optimize the allocation of resources and pay attention to the vulnerable and marginalized groups. But, the malpractice of imperfect institutions, low policy support, incomplete legal system and confused relationship between the government and NGO also restricts its role in the field of social security. This paper mainly explore the Non-governmental organization's effect and development direction when they participate in social security, by analyzing the participation of NGOs in the role of social security and the problems existed, we can put forward reasonable proposals for the future development of NGO itself and the improvement of China's social security system.

Key Words: Social Security, Non-governmental organization, Government, Function, Development direction

1. Introduction

The model has continued for centuries that government control the rights of implementation in the field of social security since the British government promulgated the *poor law* which marks the birth of modern social security system in 1601. Today, our world is becoming more and more diversified, the same is true of the development of social security. The traditional development model which government act the only provider of social security has been difficult to adapt to the increasingly diverse needs of social security, the objective development situation of social security also require the NGO's participation and play the role of a third dominant force actively. With China's deepening political and economic reform in recent years, the reform of the social security system is gradually being put on the agenda. In the current context of socialization in China's social security, the government, NGO, business organizations and individuals shared responsibility for social security has become a social consensus.

2. The summarize of world NGO's development

2.1 NGO's Definition and Characteristics

NGO is the abbreviation of Non-Governmental Organization in English. The word-NGO first appeared in the United Nations Charter Article 71 of the Articles of Association which signed in June 1945, "Economic and Social Council should take appropriate measures to discuss the matters within its competence and responsibilities with various non-governmental organizations" In 1952, United Nations Economic and Social Council defined NGO as "where an intergovernmental agreement is not based on established international organizations can be seen as non-governmental organizations" in its resolution^[1]. Word Bank defined it as "any folk organizations can

be called a NGO as long as it intended to aid the poor, safeguard interests of the poor, protect the environment, provide basic social services or promote community development ". In 1968, UN Resolution 1296 provides for the legal framework of relations between the United Nations and NGO and Give them the consultative status at the United Nations. Since then, the development of NGOs get the increasingly attention in worldwide^[2]. Since the 1980s, NGOs had a rapid growth around the world through its own constantly improvement. American scholar Salamon called it "global association revolution".

He raised the "Five characteristics method" which widely recognized by the international academic community, namely "organization, non-governmental, non-profit, autonomous and voluntary"^[3]. Since the 1990s, so far, NGO is accelerating the pace of development in worldwide and entered a mature stage of its development. We can say that the influence of NGO has reached the every corner in our social life. From the development rate, there were about 1,000 NGOs on a global scale in the 1950s. This number reached 2500 in 1976 and 4649 in 1986. According to the "Yearbook of International Organizations (1988-1989),"the number of international organizations was 4827 while the NGO was 4518 in 1989. According to the Union of International Associations Statistics in 1991, the total number of international NGOs was 4620 and reached 4830 in 1994. NGO accounted for more than 95% in the existing 48,350 international organizations, at least 46,000 in 2003^[4]. NGO dedicated to promoting regional, national and even world-wide political and economic structural reforms, they gradually become a guide from a direct provider of public services, which means NGO has gradually transformed into an important force of assist in their development from the initial rescue organization.

2.2 History of NGO's participation in social security in western countries

The NGOs are closely related to the development of the social security system. They had already begun to engage in various activities such as social assistance with their own power before the social security system formed such a large-scale in the context of the world. These activities help them to accumulate a great deal of practical experience. Then the NGO participate in the affair of social security far and wide with its own unique advantages and effect after the social security system established in the major western capitalist countries.

In the early 1930s, the Great Depression made the world economic into a situation of the great recession and affected the social development of Western capitalist countries seriously. So the demand of people for social security had become more and more intensive. With the prevailing of Keynesian in the capitalist world, western countries had established a government-directed public service system. Especially after The World War II, the rise of the "welfare state" concept made the European countries to establish a comprehensive social security system called "cradle to grave" at that time. However, by the 1970s, the "Oil Crisis" made the welfare state into a "stagflation" state. It was so difficult for the government to deal with the enormous financial pressure, so many countries had carried out the system reforms, the situation which the social security controlled by the government only had been adjusted, government had gradually focus on guiding the NGO involved in the construction of social security system so that NGO's function in the social security can be able to play. In developed countries, it had appeared in some new community sports or community integration movement. They set up various types of foundations, charitable organizations, voluntary organizations, unofficial community organizations and other community service organizations. Social security system has become diversified in the support of these non-governmental organizations.

2.3 China's NGO in social security

After the founding of New China, government promulgated the Interim Measures on Registration of Social Organizations on October 19, 1950 and started the socialist transformation to the various NGOs. As a result, those NGOs which do not meet the socialist values were canceled and the rest was transformed into a subsidiary body of the government. By the late 1970s, along with the implementation of reformation and opening policy in our country, NGO gradually developed in the space which released by the reform. In 1984, Ministry of Civil Affairs put forward the guiding ideology "social welfare handled by the society" and pointed out clearly that we should change the mode which government grasps the welfare system only and build up a new pattern which emphasizes cooperation between government and NGOs in the field of social security. The social welfare should be socially oriented and conduct with multi-channel, multi-level and multi-form, affirm the positive effect of NGO in the social security^[5]. In the 1990s, with the social development and the transformation of government functions, government had proposed the concept of socialization of social security with the purpose of change the situation that government and enterprises dominate the social security. It had been advocated that "we should mobilize all social resources fully and encourage various social forces to participate in social security matters actively under the government's advocacy, support and organization.

We should recognize the importance of associations, industry organizations and social intermediary organizations and give full play to their role of providing service, reflecting demands, regulating acts, promoting the formation of rational pattern of social management and social service^[6]. In the meantime, NGO's development had entered a peak period.

From the quantitative point of view, according to the Ministry of Civil Affairs statistics in 2006, there were only 4,446 NGO in 1989 in China. And different types of NGO which registered in China civil affairs departments were 266,600 up to 2003, the average annual growth rate was 34%; Among these organizations, there are 142,000 social groups and foundations, more than 1,300 foundations and 124,000 private non-enterprise, average annual growth rate was 23%. In quantity, China should have 300,000 to 400,000 NGO if the health, education, private non-enterprise class also included in the scope of registration^[7]. NGOs had been greatly expanded in its areas of activity, size of the organization and the social impact. Some typical representatives had spring up in the field of social security, like the "Project Hope", "Spring Bud Program", "Red Cross Angel plans," "Anti-poverty project" and so on, they has played a significant role in the field of education, health care, minimum living security. They had made an outstanding contribution to the development of China's social security. In recent years, China's NGOs participate in the management of social security matters actively. They have acquired a certain impact in the field of social security with their superiority of high quality and efficient, diversification in forms and flexibility in system. But how to locate and analyze their role and function correctly in the social security system, we still need a further exploration and research.

3. Theoretical basis for NGO's participation in social security

Due to the impact of the traditional system, the existing functions of social security mostly achieved by all levels of government and business. On the other hand, Government and enterprises solely responsible for the maintaining costs of running the social security system, it makes the participating subjects of social security system oversimplified and immobilized in China and left a vacuum zone in the management and service field of social security. Therefore there is an urgent need for NGO to participate in social security matters

3.1 Compensate for market failures phenomenon

Market economies allocate resources through the market demand and supply, and allocate products through the market and prices. But in real life, affected by the real factors, the phenomenon of inefficiency and misallocation often occurs when the market allocate resources, that is market failure. China's social security system includes social insurance, social welfare, and social assistance and so on. Most products are part of the public social security products from the view of economic. They have the characteristic of non-exclusive in consumption and non-competitive in obtaining. Such features make the people who spend money to buy the products enjoyed the same treatment with the people who do not want to buy, so fewer and fewer people want to make a purchase, and more people reap the profits^[8]. Because of the phenomenon of "free rider", market can not achieve the Pareto Optimality in the allocation of resources. So in this case, market economy can not provide social security goods by the mechanism of supplying and demanding transactions. The operating mechanism of the market economy determines that it can only meet the interests of some social groups and unable to achieve the balance between the public interest and private interests. Therefore, market failure occurred.

3.2 Compensate for government failure phenomenon

Like the market failure, the phenomenon also remains when government providing public goods. First, people's demand and preference for social security is also showing a feature of variety because of the difference in the political status, economic base, and cultural extent. However, the Government's capacity is limited, under the conditions of public goods is given, government can only meet the protection needs of part of people, some marginalized and vulnerable groups are often caught in a situation that benefit policies can not take into consideration. Second, the government has a dominant position in the traditional bureaucracy. They lack the necessary competition mechanism and the intrinsic motivation to reduce the cost of social security affair when they supply public goods. Consequently, government activities are often accompanied by the problems of high cost, low efficiency and even making mistakes, right seeking and so on. China's traditional social security system is established to adapt to the requirements of the planned economic system, it is a typical model that government monopolize everything of social security matters.

This "omnipotent government" type of security model has been unable to meet the needs of economic and social development, and it also in contradiction with the public's growing and diverse security needs. Government, market and NGO can be substitutes for each other in the provision of public goods, the limitations of government and market in the provision of social security and its own shortcomings of the operating mechanism led to the functional requirements for NGOs.

Therefore, it is the practical requirements and the inevitable trend for the development of social security system to make the NGOs to play a role in this field and achieve the diversification of participating subjects finally.

4. The functional studies about China's NGO participate in the social security

Nowadays, we should break the pattern of social security which undertaken by the government, and realizing that approving the role of NGOs in the field of social security and giving full play to the role of NGOs is significant for our country to promote the improvement of social security system and improve the whole level of social security. NGOs have the flexibility and efficiency characteristics, so that they can provide appropriate services for different social groups by using its own resources and strengths and make up the lack of government and market effectively in the field of social security. Specifically manifested in the following aspects:

4.1 Meet the diverse needs of social security

With the rapid development of economy in our country, our society is divided into different interest groups and organizations; the demand for social security is also showing a trend of diversification. Government is difficult to make a timely response and meet the need of pluralism demand for social security services in a short time; the weakness of the government in this aspect is precisely the advantage of non-governmental organizations. Thanks the feature of flexibility and non-administrative, NGO can carry out their services in a fast and flexible way. They can provide the specific services for specific needs so that to make up the blind area which the governments not take into consideration when the resources are allocated. In addition, NGO has an obvious folk characteristic, the staffs that come from different occupational areas, with different backgrounds and skills enriched the personnel structure of organization. They can deal with various protection needs effectively. And most of them come from grass-roots organizations so that they can reflect the actual needs more accurately. In that condition, NGO have undertaken the most of the micro-level functions of social security services. It can alleviate the current pressure of demand for diversified services to government in a large extent. And there are so many NGOs around us, close to life and wide coverage. Thus they are more capable to meet the diverse needs of social security than government departments.

4.2 Increase the funding sources of social security

At present, China's social security is in a condition that combined with social pooling and individual accounts, it has produced a generated huge transition costs at the process of institutional transformation, and the empty status in personal accounts are becoming more and more serious. Our country's social security tends to homogenization in the aspects of sources funding, so the funding problems also become the key issues that affected the development of China's social security. Because of their characteristics of friendly and folk, they often have a solid social foundation and public image. They also have the diversified funding sources. China's financial provision for social security was 360 billion Yuan in 2005 while NGOs serviced for social security in the total amount of about 14 billion Yuan in the form of various substances and currency, if the volunteer labor was converted into in monetary terms for the same period, totaling 700 billion Yuan. We can see that NGO has been constituted an important part in the fund-raising aspect in Social Security. It can act as a bridge between the government and civil society depends on the market mechanisms and the principle of voluntary donation, so we can together the social idle funds which the government can not mobilize, and give full play to the advantages of scale funding by putting them into the field of social security. On the one hand, it will expand the funding sources and compensate for the lack of government financial resources to some extent. On the other hand, it will improve the current dilemma status effectively that social security fund over-reliance on the government financial allocation. It also can play a good role in solving the shortage situation of social security fund in our country.

4.3 Reduce service costs and improve the work efficiency and the level of social security

Our government is a centralized system government, it is easily to be affected by the shortcomings that traditional bureaucracy had, like the overstaffed organizations, lack of awareness of service, so there will be inefficiency, waste of resources and other phenomena when the government in the provision of public goods. However, NGOs have much advantage that governments do not have, such as nonprofit, voluntary and professional characteristics. They will be more flexible compared to government departments concerned. Generally speaking, NGO will pay more attention on a particular area. Therefore, they will be more specialized than government in the provision of social security products. Furthermore, NGO's operation is governed by the system with smaller constraints of administrative. It is not only have the high working efficiency, but also the social security services it provided is lower cost than the government.

So it can help the government to improve the quality of service, complete the programs and projects and to regulate the behavior, we can avoid the evils of bureaucracy effectively.

4.4 Providing charitable relief and more concerned about the interests of vulnerable groups

Philanthropy is an important part of spiritual civilization construction after the economic construction achieved some success. It is play an important role in the protection of the basic interests of marginalized vulnerable groups. Meanwhile, philanthropy is a way to redistribute the social wealth. It is conducive to promote the principle of social justice. The non-governmental organizations which committed to charitable aid have had a profound social impact in supporting the old, disaster relief, educational assistance, and medical care. In the planned economy period, our government in charge of social relief and social welfare for a long time, that leads to the people's concept of charity behind the social development and the lower participation rate of personal initiative charity. NGO can give full play to his advantage of friendly nature, and actively promote a good atmosphere of charity and the spirit of dedication, thereby enhancing the awareness of the whole society to participate finally. NGO can expand the relief for vulnerable groups from all aspects they can with the advantages of wide coverage and low participation threshold. It can improve their living environment and protect the lives of its minimum requirements. It also can make up for the lack of government strength in this area. According to China Charity Network data, in 2007-2012, China Charity Federation accepts donations of 30.41 billion Yuan altogether. Only in 2011, China Charity Federation have already raised funds and materials for a total of 4.087 billion Yuan which include 1.253 billion Yuan of funds, all kinds of charity materials equivalent to 2.833 billion Yuan^[9]. It has laid a good material basis for our society to relief the socially vulnerable people and carries out charitable activities comprehensive. Apart from these actions, China's NGO also increasingly showing its important role in the emergency relief of public crisis, ease the employment pressure and develop the new areas and new vision of social security.

5. The problems in China's NGO participate in social security

The NGO in China's social security plays an increasingly important role and make a positive contribution to expand the field of social security services. But it started very late and lack of the construction experience and the support of national policy, so there are still many negative factors and defects in the development of NGOs, and hindered their social security function to play. Mainly in the following points:

5.1 The political and social relations is unreasonable

The long-term impact of the concept of planned economy leads to the excessive expansion of our government's rights. Most NGOs in our country are built up from top to bottom, and it has long been used as a subsidiary body of the government exists, so administrative color is still relatively strong and it is lack of independence and autonomy. Due to the excessive reliance on government, and even as a subsystem of the government to operation, the government's supervision has been greatly weakened and it is even a mere formality.

5.2 The legal system is not perfect

In our country, the legal items which related to the NGO are mainly *Registration of Social Organizations Management Regulations*, *private non-enterprise units Provisional Regulations on Registration* and *Foundation Management Regulation* sat the present stage^[10]. But mostly of these are just regulations, legislation level is not high and lack of systematic and bridging. Until now, there is no one specific and comprehensive "NGO Law" which can be the specification of NGO development. The NGO as a social security provider, their legal status and rights can not be guaranteed, administrative legitimacy and social legitimacy has been questioned. It not only dampens the enthusiasm of their participation, but also leads to the NGO's management easy to fall into disarray. As a result, it will limit the NGO's role of social security.

5.3 The organizational mechanisms is inadequate

The sustainable development of NGO must rely on a sound system. As China's NGO is mostly dependent on the government, it has a relatively strong government-run color. The design of the system is lack of an effective institutional and arrangements in many aspects, such as efficiency, talent, accountability, monitoring and so on. Many internal mechanisms of NGO are inadequate, rules and regulations are not sound, lacking of an independent third party evaluation and social supervision system. Some NGOs even engage in illegal activities, seriously affected the NGO's reputation. So that the presence of NGO has many problems, such as low efficiency, the brain drains patriarchal behavior and low social credibility.

5.4 The rate of policy support is too low

At present, there are still many problems in development of China's NGOs, including the shortage of funds. It is the important factor to impact their participation in social security affairs. Approximately, there are 50% NGOs primarily rely on the government's financial allocation to maintain their normal activities in our country. Judging from their capital expenditure structure, the average activity expenditures accounted for 45.5 % while labor expenses accounted for 34.16%. Because of its great expense and lack of stable economic support, NGO may gradually abandon its nonprofit properties to pursue their survival and development. Consequently, there will be a public misunderstanding to NGOs and reduced the efficiency of their participation in the social security, hindered the development of the entire social security undertakings finally.

6. The development direction of China's NGO participate in social security

Although there are still many shortcomings in China's NGO, its positive effect in social security field can not be ignored. We should constantly pay attention to promote their development from both subjective and objective, making it an important participant in China's social security and other areas.

6.1 The legal frameworks that NGO participate in social security need to be perfected

Not only the action of establishing the legal system for the non-governmental organizations can provide a better external environment for the healthy development of NGOs, but also it will be an effective measure to manage the NGO. So, according to our national conditions, we should strengthen the legal construct for NGOs, establish its legal status by legislation as soon as possible, and confirm its social orientation and the operation relationship in social security with the government. All of these actions can make the NGOs have legal support when they develop their social security functions. Combine different kinds of non-governmental organization's features, the legal systems of multi-level and matching need to be formed as fast as we can. Make sure of the specificity and the operability of related law for the NGOs, which can make the legal norms develop their practical effects rather than stuck in abstract rules .At the same time, the governments should confirm the principles of the rule of law and limited supervision to support the development of NGOs by favored policies, as a result, to guarantee the unity and independence of NGOs.

6.2 Strengthen the NGO's own construction

The NGO's development is a coordinated progress of overall structure. It involves every aspects of non-governmental organization's internal operation system. Only by focusing on self-improvements, can it obtain a sustainable development. First, in order to make sure the organization has a high-quality and professional talent team. We should pay attention to the cultivation of internal staff's quality, strengthen culture construction and set up a talent introduction and training mechanism. Second, strengthen self propaganda and shape the volunteerism to construct a better social involvement atmosphere. At last, complete the disclosure system for finance and information and make the NGO's system which include third party's supervision and assessment mechanism, assessment and commending system, audit system become more and more perfect and improve its social credibility.

6.3 Definite the relationship between the government and NGO reasonable

The government should insist on limited supervision principle at the process of supervising the NGOs. NGO should establish the autonomy principle. We should make a full aware of the importance of the government's favor. At the same time, the value of independence should not be ignored. Make the relationship transformed from reliance on administration to cooperative partner, from subordination to equal consultation. The participation of NGO in social security should also be changed from administration, power to folk style and socialization. Understanding their rights and obligations and making the operation of NGOs can be developed into standardization、legalization and the service efficiency and quality can be improved. What's more, it can also strengthen the independence of NGOs and improve its social influence.

6.4 Strengthen the government's support and encourage the NGO's participation

The government should formulate and improve the policy support system about revenue、personnel、employment and welfare to optimize the external conditions of NGO's development. Establishing personnel training and emergency system to stable NGO's professionals and volunteers procession so that government can delivery personnel directly to NGOs under the state of emergency. Then the financial support should be increased to support a number of NGOs which have positive social impact and good momentum of development.

Guiding them to participate in China's social security undertakings actively and inject fresh blood for its healthy development.

7. Conclusions

At present, it is beneficial for harmonious society to build the structure of social governance actively that deals with disparity widening, disabilities are marginalized and social contradictions and the effect of NGO in social security are important to improve the nation's social security level. The influence of NGO in social security had become more and more obvious. It has contributed a lot for the development of our social security. Our government has also jointed the work that encourages the NGO to take part in service of social security. Although the degree and level of NGO's participation in social security requires further improvement, the government should realize the potential of NGO in the process of setting up a social security system with Chinese characteristics and promote to come true the new situation that the government and the NGO establish our social security system together.

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