



Non-Profit Organizations growth opportunities in Israel by collaboration with government

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Elisa Gotesman Bercovici is an entrepreneur who was partner in the establishment and managing of non-profit organizations in Israel (like [Midot](#) , [ELYIA](#), [DRIVE](#)).

In the present she is a part of a group of advisors which work with 120 large businesses in Israel on their responsibility to narrow social and economic gaps through their business activities. We achieve this by assimilating management tools on issues such as Employment Diversity, Diversifying the [supply chain](#), Philanthropy promoting social mobility of citizens.

Previously she was an investment manager on the Israeli stock exchange.

She is currently a PhD student researching models of development on nonprofit organizations with other sectors.

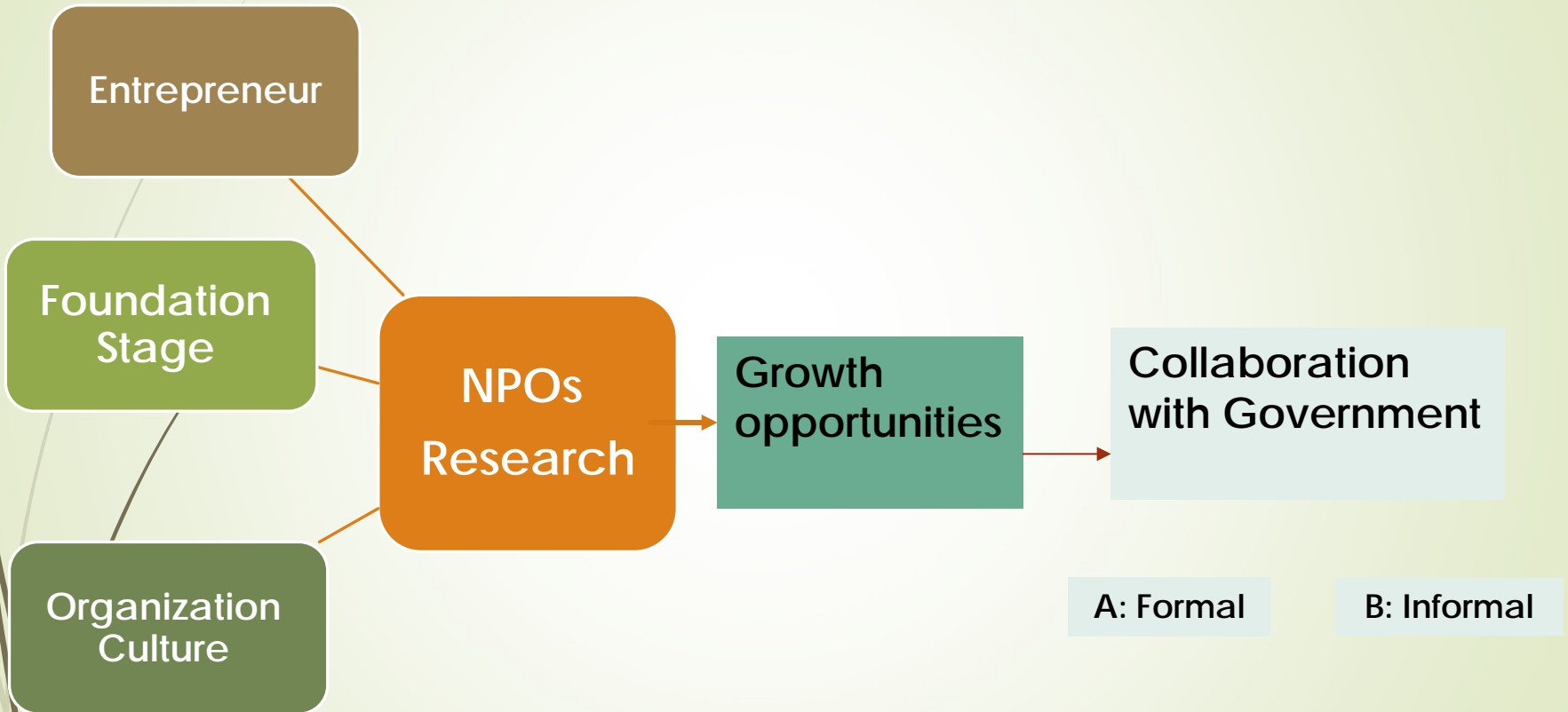
NPOs

- ✓ NPOs (non-profit organizations) are non-government institutions aiming to find practical solutions to social problems.
- ✓ NPOs are playing a more and more important role in society. Researchers (Anheier, 2005; Lewis, 2007; Rahman, 2003; Salamon et al., 2003 cited in Kuruvila, 2015, p.20) have identified several reasons for this development such as **increased knowledge in information technology**, a **high level of literacy among the population**, **increased interest in human rights**, **environmental and gender consciousness**.
- ✓ As part of the **global trend of privatization** and **decentralization of public services**, we witness more governments around the world increasing collaboration with businesses and NPOs. This phenomenon helps promote global and local economy in developing and developed countries (Gebba, et al., 2013).

NPOs in Israel

- ✓ The total job employment only in the NPOs sector is 13.6% (448,000) out of the total employment in Israel (year 2016)
- ✓ NPOs provide services for education, culture, religion, health, welfare
- ✓ Incomes of Israeli NPOs : 50% from the public, 35% self-generated income and 15% philanthropy

Research aim



NPOs growth by new Relationships with the Government- background in Israel

In 2008 the government approved a decision which acknowledged the contribution of the civil society –NPOs to the Israeli society.

Since 2008, round-tables have been serving as a vehicle meant to create a dialogue between the government, the business sector, NPOs and the corporate-philanthropic sector.

This mutual acquaintance has led to a better collaboration between sectors, supplying an efficient mechanism which promotes joint activities. In this presentation we will focus on NPOs-government collaboration in Israel.

As a result, the government took decisions intended to build partnerships with NPOs.

This strengthens the collaboration, at the same time maintaining the partners' independence.

According to the Bureau of Statistics, the government's social purchasing budget in 2014 in Israel was 2.1 billion EUR, which constitutes 40% of the total government procurement of that year.

Relationships between NPOs and the Government- what happens in Israel?

Cooperation

A: Formal relationships

Collaboration*
in Israel

Coordination

- ✓ *Specific Regulation*
- ✓ *Existing regulation*
- ✓ *Collaboration through a third party*
- ✓ *Collaboration as a joint venture*
- ✓ *Collaboration by tender*
- ✓ *Collaboration with exemption from tender*

* Ministry of Finance in Israel

<http://www.financeisrael.mof.gov.il/FinanceIsrael/Pages/En/Home.aspx>



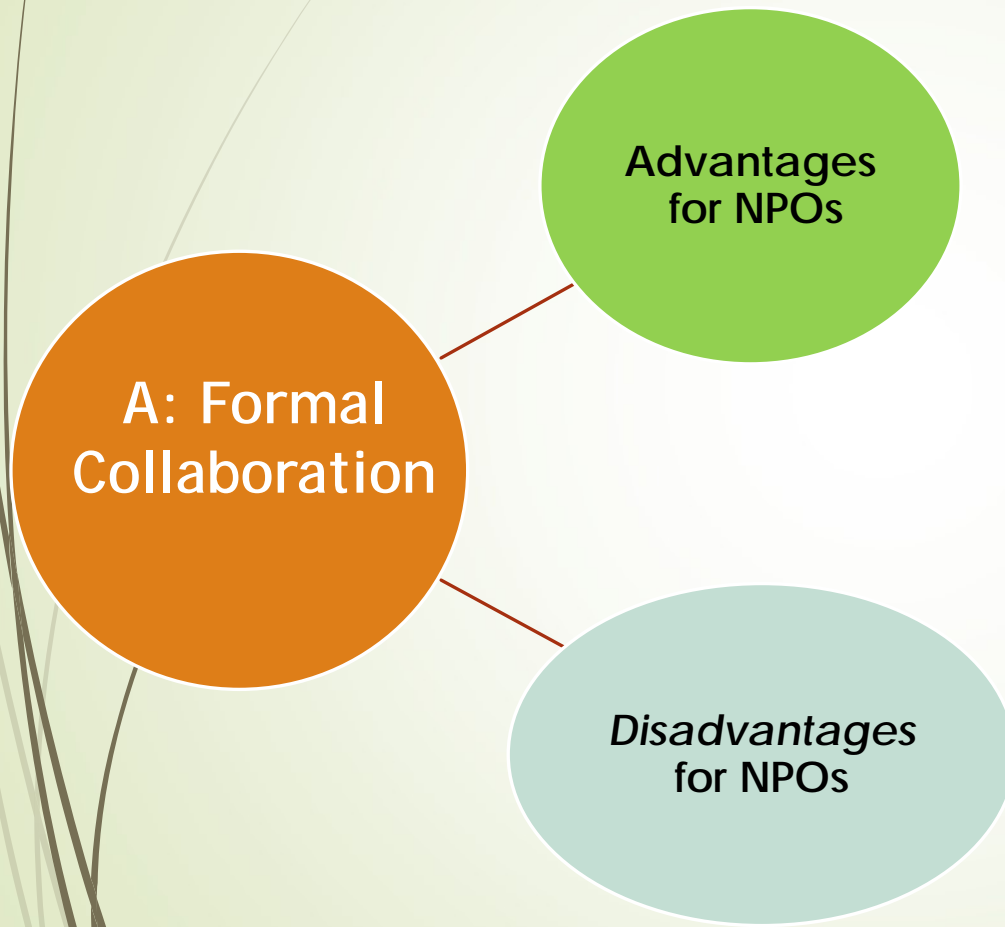
Relationships between NPOs and the Government- what happens in Israel?

While the NPOs offer the flexibility, creativity and basis for innovation that the government lacks

the Government sector provides the resources, technologies and license needed to diffuse innovative approaches and to make them sustainable (Salamon et al., 2015).

Formal collaboration between NPOs and the Government in Israel

Main advantages and disadvantages



- ✓ Large budget activity
- ✓ Multi-year collaboration with the government
- ✓ Acquiring information about target audience

- ❑ The process is relatively long and can take up to a year for approval/not be approved at all
- ❑ Requires a high financial capability on the part of the NPOs
- ❑ Fierce competition on government budgets



Informal relationships between NPOs and government in Israel

Another view of relationship that is less analyzed tries to understand **the informal collaboration** between NPOs and government outside the contract formal arena.

Researches like Gazley, B., (2008) show that government representatives engage in collaboration with NPOs for professional learning.

Informal relationships between NPOs and government in Israel

B: Informal collaboration

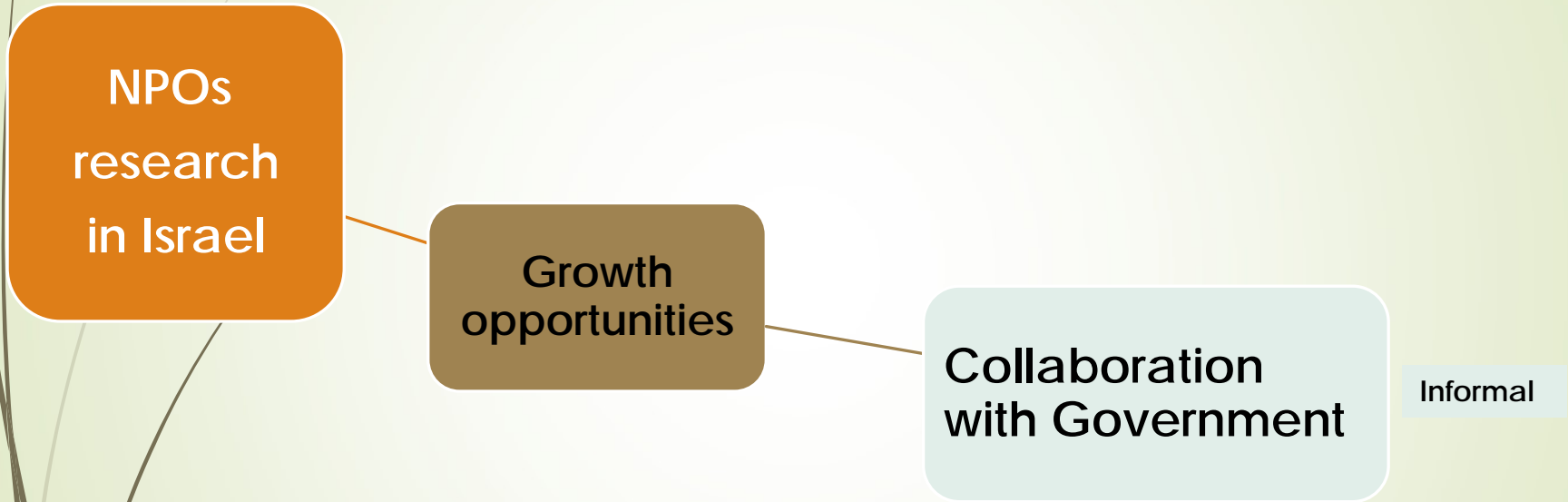
Advantages
for NPOs

- ✓ Professional learning
- ✓ Based mostly on trust
- ✓ Emerging from mutual goals, trying to solve a civil problem

Disadvantages
for NPOs

- ❑ Can take a long time
- ❑ Requires a high financial capability of the NPO

Research study in Israel in the field of NPOs



The organization

Founded in 2010, as NPO, its field of activity is training young people and staff in the fields of education.

Founded

During the years 2011-2016 the organization growth rate was 15% on average each year, in terms of revenues and beneficiaries.

Growth

In 2016 the organization provided services to 7,000 beneficiaries spreading over 83 local authorities in Israel.

Size

Its business model is recruiting outsourced instructors who teach the organization's courses to the customers.


Business model

- The outsource instructors(90) are self employees selected according to criteria like age, gender, training experience, academic degree and field of activity.
- Those who are found suitable are offered a 5 days course by the organization

Instructors

Case study- Risk management NPOs informal collaboration with the Government

- In 2016-2017 the NPO started a new program offered as a pilot to high level mathematics teachers from all over Israel.
- Registration for the program was on a voluntary basis and not compulsory by the Ministry of Education.
- **The Ministry of Education started an informal collaboration with the NPO meant to deliver professional knowledge only.**
- **No agreement was signed by the two sides.**



Case study- Risk management NPOs growth opportunity by informal collaboration with the Government

Methodology

•Personal interviews:
We asked 3 open ended questions:

5 NPO staff members

3 senior •
representatives of
the Ministry of
Education

Results

Risk management NPOs growth opportunity by Informal collaboration with the Government

Questions	NPO answers (n=5)	Government answers (n=3)
What were your goals in this collaboration?	<ol style="list-style-type: none">1. To understand the objectives of the Ministry of Education for such a program for a future wider collaboration.2. To learn how to reach the target audience of the program nationwide.3. To add relevant professional information to the facilitators of the program.	To support the program so that it can prove the feasibility of its pilot cycles in order to possibly become a permanent program in the Ministry of Education in the future .
What were the benefits from this collaboration?	<ol style="list-style-type: none">1. The organization acquired significant professional knowledge for the success of the program in connection with her target audience.2. The organization acquired knowledge of how to work in the future with a government ministry and how to measure the success of the program.	The government has been exposed to an innovative new method of motivating teachers and preventing them from dropping out of the educational system, without taking financial risks .
What were the difficulties of this collaboration?	<ol style="list-style-type: none">1. The gap in professional methodology2. The difficulty in engaging government officers.	<ol style="list-style-type: none">1. A relatively fast rate of work for a government ministry.2. Difficulty in creating professional trust.

Research study in Israel in the field of NPOs



Thank you
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