New Public Management and Its Impact on NGOs in Hong Kong
Tian Rong¹

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Abstract: The past decades witnessed the New Public Management springing up as the blueprint of the reform of Welfare State (Pollitt and Bouckaert, 2000). It has become an internationalization and global model (McCourt and Minogue, 2001). Under NPM, the government should shift its roles from “rowing to steering” (D.Osborne & Gaebler, 1992; OECD, 1996), and play the role as enabler (Gilbert, 2005) to encourage all sectors to shoulder the social responsibility. Commercial value and tools stressing on market and competition are incorporated into public governance to enhance the effectiveness and accountability. The government became more depend on “third party” to provide social service (Salamon, 2002). Many governments are actively working on the development and governance capacity building of NGOs, such as the British government enacting the Compact to promote a better partnership between government and third sector.

Such global trend influenced the Hong Kong government as well. The financial constraint encountered to the government after the handing over of sovereignty in 1997 and the Asian Financial Crisis in 1998 fasten the steps of government to introduce reforms in its public service sector to limit the continual expansion of public expenditure, such as Contracting out, Competitive Bidding, Service Performance Monitoring System, and the most far-reaching one is the introduction of new subvention mode, Lump Sum Grant (LSG). These reforms have exerted great influences on NGOs’ service, finance, governance, strategic planning, and their future roles. It implicates the redefinition of the relationship between the government and NGOs, and between social workers and their NGO employers. Tension built up between the NGOs and government, and between NGO administrators and social workers in the past years (Leung, 2002).

In Hong Kong, NGOs were independent and innovative in its early stage as charity organizations before 1950s, and with the development of welfare state the role of NGOs has some what downplayed since 1970s to 1980s. Most of them became implementers of government policy and relied on substantial government funding. The rise of New Public Management in 1990s has re-vigorated the role of Hong Kong

¹ Ph.D. candidate of Department of Social Work and Social Administration of the University of Hong Kong
NGO as providers of government services, as third party government. While with the budget constraints of the government recent years on the one hand, and funding support from the business sector and public donations has been limited on the other, the NGOs has developed more fee charge services, social enterprises and incorporated commercial skills into their operation. The Hong Kong NGOs’ nature changes from independent charitable organizations in its early stage, to quasi-governmental agencies with the development of welfare state, and in the last few years, to half-public and half-private enterprises.

This research aims to expound such kind of transformation of the nongovernmental sector and individual NGOs in Hong Kong in the past two decades. Case NGOs were selected and interviews were conducted in 2006 and 2007. Data collected from related documents and in-depth interviews will be mainly analyzed from the perspective of NPM approach. This study will mainly focus on the impact of NPM on NGOs from these dimensions: its impact on NGO’s partnership with other sectors, particularly with government; professionals; as well as the influence of marketization on NGO. In particular, how different types of relationships between individual NGOs and government have shaped different transformations of these NGOs will be discussed.

References: