

## STATUTORY BODIES AS INSTRUMENTS OF GOVERNMENT IN HONG KONG: REVIEW BEGINNINGS AND ANALYTICAL CHALLENGE AHEAD

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### SUMMARY

This article addresses the review of statutory bodies in Hong Kong by the Home Affairs Bureau of the Hong Kong SAR Government. It examines the focus and scope of the review and, thereafter, discusses the work, power and responsibility arrangements which the review should now embrace. The classification scheme, principles and related factors canvassed by the Bureau constitute the beginnings of what ought to be a detailed and thorough study. The analytical challenge facing the Bureau is to make sense of statutory bodies as dynamic entities in a complex system of governance. Copyright © 2006 John Wiley & Sons, Ltd.

KEY WORDS — statutory bodies; boards of management; roles and tasks; power; responsibility; performance

### INTRODUCTION

In April 2003, the Home Affairs Bureau in the Government of the Hong Kong Special Administrative Region of China issued a ‘consultation paper’ on the *Review of the Role and Functions of Public Sector Advisory and Statutory Bodies*. The paper argued the need for these bodies to be reviewed ‘in order to enhance their openness, effectiveness, representativeness and transparency’ (HAB, 2003, p. 2). This emphasis on their operational enhancement was consistent with stated government policy, which also holds that the bodies should only be established or continue to exist in response to demonstrated need, and that in undertaking their work they are to be accountable to the Chief Executive of the HKSAR or relevant principal officials as bureau heads (HAB, 2003, p. 3). These aspects of policy supported the wider need to bring the structure and activities of the bodies into line with the evolving political and administrative reality through the introduction of the ‘principal officials accountability system’ in July 2002 (Burns, 2004, Chaps 3–5; Scott, 2005, Chaps 2 and 5).

Since issuing the consultation paper, the Home Affairs Bureau has presented a number of ‘progress’ and ‘interim’ reports to the Hong Kong Legislative Council Panel on Home Affairs (HAB, 2004a–o). Almost 500 bodies have been considered, with over 200 of them being in statutory form and thus of immediate relevance to this discussion. Included are bodies established over several decades of British colonial rule, as well as those created since the resumption of sovereignty by China on 1 July 1997.

Overall, the consultation paper and subsequent reports identify several important features of the bodies, including bases on which they can be classified, along with principles, rules and a benchmark concerning their structure, operation and reform. In themselves and together, most of the matters covered make good sense and are to be applauded. The rather clinical analysis of them, however, is much less appealing and compelling. It lacks depth and breadth, with seemingly little appreciation of the dynamic nature of organisational life in modern governance. Accordingly, once the ‘review beginnings’ have been addressed below, the rest of the discussion considers the

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‘analytical challenge ahead’ for the Bureau. The challenge, in essence, is to examine how statutory bodies actually fit into and function within a complex system of governance in which integrative forces and requirements have to be balanced against desires and drives for varying degrees of autonomy.

#### REVIEW BEGINNINGS: CLASSIFICATION, PRINCIPLES, BENCHMARK AND RULES

The consultation paper set the scene for the review, with the subsequent reports largely being confined to the matters raised in it. The Bureau’s main initiatives have been to identify bodies in terms of a proposed classification scheme, and to examine them with reference to various principles and related factors.

##### *Classification scheme*

Broadly, statutory bodies are considered by the Bureau (HAB, 2003, pp. 4–5, 2004e) to be either ‘advisory’ or ‘executive’. In more specific terms, they are classified as being:

- (a) ‘advisory bodies’ which have been ‘set up to provide ongoing information, professional expertise in particular areas or subjects, and/or to advise on the development of policies or the delivery of services’—for example, the Banking Advisory Committee, the Fish Marketing Advisory Board and the Hong Kong Council on Smoking and Health;
- (b) ‘non-departmental public bodies’ which ‘are non-commercial organisations set up to deliver services to the public at arm’s length from the Government’—for example, the Consumer Council, the Hong Kong Productivity Council and the Hospital Authority;
- (c) ‘regulatory boards’ which ‘can be divided into four types, namely registration boards, licensing boards, supervisory boards and [industry/economic] regulatory bodies’—for example, the Architects Registration Board, the Broadcasting Authority, the Electoral Affairs Commission and the Securities and Futures Commission;
- (d) ‘appeal boards’ which ‘usually perform a semi-judicial function by adjudicating on appeals’—for example, the Administrative Appeals Board, the Appeal Panel on Housing and the Immigration Tribunal;
- (e) ‘trusts’ which are trust fund management boards or committees ‘set up to hold and control property for the benefit of named beneficiaries or for [other] stated purposes’—for example, the Board of Directors of the Widows and Orphans Pension Scheme, the Chinese Temples Committee and the Environment and Conservation Fund Committee;
- (f) ‘public corporations’ which ‘are commercial entities set up by law to provide goods and services’—for example, the Airport Authority, the Kowloon-Canton Railway Corporation and the Urban Renewal Authority; and
- (g) ‘miscellaneous boards and committees’ which are bodies that ‘cannot readily be grouped in any of the above categories’—for example, the nine universities, the Construction Industry Training Authority and the Hong Kong Arts Centre.

This classification is based on a combination of legal and functional criteria. It serves to indicate important aspects of the structure and activities of statutory bodies, but is not clear on some of their significant similarities or differences. For example, bodies in all of the categories can, and often do, have advisory commitments of one kind or another, thus reducing the significance of the separate advisory category. Also, while a reasonable distinction is made between non-departmental public bodies as non-commercial entities and public corporations as bodies with commercial objectives, the former actually include a number of bodies which are incorporated as statutory corporations, such as the Hospital Authority, as well as the universities in the miscellaneous category.

A more thorough and appropriately discriminating classification is required. It needs to take account of the work and power arrangements addressed below in a way that meaningfully locates statutory bodies within the system of government in Hong Kong.

##### *Principles, benchmark and rules*

The ‘issues and concerns’ identified by the Bureau are presented and examined as a set of ‘guiding principles’ which include ten ‘principles’, one ‘benchmark’ and two ‘rules’ (HAB, 2003, pp. 6–8, 2004f–m). Six of the principles, the

benchmark and the rules deal with important aspects of the composition of the statutory bodies' boards of management. The other four principles focus on wider features of the structure and operation of the bodies.

The principles, benchmark and rules concerning the boards of management are (HAB, 2003, pp. 6–8):

- (a) the 'pre-set criteria principle' which advocates that, 'as far as practicable, appointment criteria should be set before the appointment process is under way', and that 'all candidates put to the appointing authority (e.g. the Chief Executive or the Chief Secretary for Administration) should meet the appointment criteria set down';
- (b) the 'merit principle' which holds that 'the candidate most suitable for the post be appointed', other than possibly where there is a 'need to maintain a balance of skills and background';
- (c) the 'voluntary service principle' which reaffirms the position 'that the service of non-official members is voluntary and, as a general rule, unpaid';
- (d) the 'equal opportunity principle' which emphasises that 'when making appointments, care should be taken not to discriminate on the grounds of gender, age, race, disability, religion, marital status, sexual orientation or social background';
- (e) the '25% benchmark' which recognises that 'the ratio of women members . . . is low at present', that 'steps should be taken to promote the participation of women' and that, while no fixed quota is necessary, 'at least 25% of either gender has been suggested for the purpose of benchmarking';
- (f) the 'declaration of interests principle' which holds that each body 'should put in place a system for its members to declare and register interests, particularly financial interests and membership of societies';
- (g) the 'conflict of interest principle' which builds on the declaration principle by stressing that members 'should take care to avoid conflict of interest';
- (h) the '6-year rule' which states that 'as a general rule, a member should not serve more than 6 years'; and
- (i) the '6-board rule' which complements the 6-year rule by stating that 'as a general rule, a person should not serve as a member on more than 6 [boards]'

These principles, benchmark and rules constitute a package of 'good practice' aspirations, aims and requirements. The assessments of various aspects of them broach elements of government policy and cover relevant technical matters, with supporting reference to U.K. and Ontario experience in the case of the 6-year rule. Mention is made of the need for a regular turnover of members, the injection of new ideas, equity and fairness, the opening-up of opportunities for service and so on. All of the ideas are sound and clearly worth pursuing. The logical way forward is to relate them to board roles and the related competencies and knowledge which members require in order to be effective contributors to the activities of the bodies.

The other four principles that address matters extending beyond the boards of management are (HAB, 2003, pp. 6 and 8):

- (a) the 'accountability principle' which holds that principal officials 'should be ultimately accountable for the . . . bodies under their purview' and that 'such bodies should not detract from the role, authority, responsibility and accountability of principal officials';
- (b) the 'rationalization principle' which states that 'existing . . . bodies should be delayed and restructured so as to simplify the system and to avoid duplication of work';
- (c) the 'transparency principle' which stresses that 'in order to gain public confidence, the work of . . . [the] bodies should be open and transparent'; and
- (d) the 'proportionality principle' which, as an underlying consideration, holds that 'any exception to the [other] principles should be proportional to the special circumstances of the case'.

The latter three principles are straightforward and sensible—though, as with all of the principles, it remains to be seen whether or not they will be heeded in practice. The accountability principle is limited in being applied in a strictly unitary way to the hierarchical line of command involving principal officials who formally are solely accountable to the Chief Executive. This is fully in keeping with the executive-led basis of government in Hong Kong. It pays no regard to the interests and possible demands of other relevant stakeholders. As such, it is quite out of step with accountability and wider responsibility concerns and developments in many other systems of government.

## ANALYTICAL CHALLENGE AHEAD: WORK, POWER AND RESPONSIBILITY

The classification scheme, principles, benchmark and rules adopted and addressed by the Home Affairs Bureau are useful beginnings of a necessary ongoing review of statutory bodies in Hong Kong. The challenge now for the Bureau is to use them as foundations for a comprehensive analysis of how statutory bodies are situated and function within a system of governance requiring the effective management of various integration-autonomy equations. In this regard, the Bureau ought to be mindful of the work, power and responsibility arrangements to which the discussion now turns. If future assessments of the bodies are not informed by an understanding of such arrangements, the principles, rules, etc will remain rather static and of limited affect and significance.

*Work, alignments and relationships*

Statutory bodies, as with all other types of organisations within and beyond government, are locked into governance arenas in which work is shaped and reshaped in response to numerous forces and demands. The particular work in each case helps to define an organisation's reason for existence and distinctive character as a meaningful, operational entity. It clearly needs to be addressed in any detailed organisational review, with an associated appreciation of the alignments and relationships spawned by it.

Not surprisingly, work can be, and usually is, depicted in a variety of ways (Thynne, 1994; Lane, 1995, Intro. and Chap. 1). For example, a sectoral study will use broad categories such as 'health', 'education', 'transport', 'trade', 'the environment' and so on. A functional approach will talk of 'policy', 'administration' and 'management', or possibly of 'thinking', 'doing', 'reviewing' or the like; while a discussion of objectives might distinguish between, say, the 'public interest' and 'private interests', or between the 'social' and the 'commercial'. In addition, reference is often made to 'allocative', 'redistributive' and 'regulatory' activities; and also to 'funding', 'purchasing' and 'providing' schemes, with associated reference to 'in-house' and 'outsourcing' initiatives as well as to 'build', 'own' and 'operate' arrangements.

These activities, schemes, arrangements and so on can be captured in the form of five broad roles, with each comprising three broad tasks. The five roles are 'production', 'ownership', 'provision', 'regulation' and 'facilitation': with production including the growing, building, construction or manufacturing of various goods; ownership including property rights as well as ownership-type interests; provision including the delivery or supply of services; regulation including certification, licensing, standard-setting, etc; and facilitation including the giving of various forms of support, both material and non-material. The three tasks are: 'policy formulation' involving the determination of objectives, plans, specifications, requirements and so on of relevance to each role; 'policy implementation' involving the need to achieve or comply with those objectives, plans, etc; and 'policy evaluation' involving an assessment of whether or not the objectives, plans, etc are achieved or complied with in an appropriate manner and with acceptable consequences.

The five roles and three tasks apply to all sectors or areas of activity, however defined and whether of significance to initiatives of government, the market or community. Individually and together, they constitute a sensible basis on which to study work and associated organisational alignments within all sorts of governance arenas.

With regard to the production, ownership, provision, etc of a particular good or service, the following broad alignments are possible:

- (a) the roles and tasks could all be united in one organisation which would thus be responsible for the formulation, implementation and evaluation of all policies concerning the production, ownership, provision, regulation and facilitation of that good or service;
- (b) the roles could be united, but with the tasks divided among three organisations, with one responsible for the formulation of all policies concerning production, ownership, provision, regulation and facilitation, another responsible for the implementation of those policies and a third responsible for their evaluation;
- (c) the roles could be divided among five organisations, but with the tasks in each case united in those organisations, such that different organisations would be responsible respectively for production, ownership, provision, regulation and facilitation, with each in turn responsible for the formulation, implementation and evaluation of the policies relevant to its role; and

- (d) the roles could be divided, with the tasks also divided, such that there would be 15 organisations responsible respectively for the formulation, implementation and evaluation of the policies concerning in turn production, ownership, provision, regulation and facilitation.

The movement from the first to the last of these possibilities involves an increasing degree of organisational specialisation. This suggests a number of questions of immediate relevance to organisational integration and autonomy. Thus: to what extent does specialisation represent or ensure a degree of autonomy? Does it necessarily follow that the greater the degree of specialisation, the more there is a need for effective coordination? To what extent does coordination equate with integration as it brings together the various, and often disparate, decisions taken by organisations on the basis of some form of specialisation? Are the answers to these questions affected by, or possibly even dependent on, the organisations involved being statutory bodies or some other type of organisation—or being a mixture of types? These are all questions on which organisational reviews need to focus and for which empirical evidence could be obtained.

The possible alignments in (a)–(d) above are affected by a range of relationships that are forged in the performance of the roles and tasks. The relationships include those with consumers and users in the case of production and provision; with leasees, renters and the like in terms of ownership; with regulatees in various guises through regulation; and with an array of beneficiaries as a result of facilitation. Some of these relationships are superior–subordinate, while others are coordinate. Some are command-based, while others are based on some form of exchange. Some exist within government, while others extend into the market and community. Most, if not all, have a variety of dimensions which in turn are influenced and potentially complicated by the extent to which the tasks of policy formulation, implementation and evaluation for each role are united or divided, as indicated in (a)–(d).

The alignments and relationships, with associated specialisation and coordination components, suggest that the poles of any integration-autonomy continuum can simultaneously be both integration and autonomy in terms of the operational modes and commitments of the organisations involved (Macmahon, 1961; Seidman, 1983; Ellison, 1995; Thynne and Wettenhall, 2004). For example, a welfare provision organisation in statutory form might be integrated into the core of government through being closely supervised by an associated department, while concomitantly having a considerable degree of autonomy from welfare beneficiaries and their supporting bodies in the community. Alternatively, an industry regulatory organisation in statutory form might enjoy a high degree of autonomy within government, but be subject to market integration through a degree of capture by the firms being regulated. These and other such possibilities need to be recognised and factored into any study which endeavours to understand integration and autonomy in practice.

While potentially being both integration and autonomy at the same time, the poles of each integration-autonomy continuum can also have both positive and negative components (Thynne, 2000). In broad terms, cooperative interaction is a positive manifestation of integration, while subjugation is negative; just as dynamic self-governance is a positive expression of autonomy, while isolation is negative. At least in some cases, these positives and negatives can each become interrelated and even interdependent. Thus, to take the examples just given: in positive mode, the ability of the welfare organisation to maintain its dynamic autonomy from beneficiaries and associated bodies could well be dependent on its cooperative stance *vis-a-vis* the department from which it gets a degree of protection from forces beyond government. In negative mode, the regulatory organisation, by succumbing to a degree of industry capture and thus subjugation in the market, could quickly find itself being isolated within government by being excluded from policy and administrative deliberations of significance to its work. Again, these and associated matters have to be acknowledged and taken into account when analysing particular integration-autonomy arrangements.

Where statutory bodies and other types of organisations have boards, councils or the like at their apexes, the capacities of board members can be significant in shaping the various alignments and relationships involved, with immediate implications for integration and autonomy (Corkery *et al.*, 1994; Wettenhall *et al.*, 1997; Cornforth, 2003). Possibilities include a capacity to engage in strategic thinking and high-level policy; to network as a means of generating resources and ensuring appropriate interdependences; to appreciate and be empathetic concerning stakeholder needs and demands; to act as a guardian of the organisation's interests or those of other stakeholders,

including those of the government involved; and to provide passive but loyal support to that government. These capacities coincide respectively with likely expectations that members be stewards, resource facilitators, community and stakeholder representatives, bridges and buffers and willing endorsers.

The capacities and the expectations which members seek to fulfil are matters which governments are able to plan and manage through the processes by which board appointments are made. The matching of capacities to expectations should be directly related to the roles and tasks of the organisations concerned. This is usually appreciated when a statutory body is an administrative tribunal with a review task which requires that it have a high degree of autonomy from all relevant stakeholders within and beyond government. It is often less clearly appreciated with regard to bodies with other roles and tasks. It certainly deserves much more attention in reviews and particular appointment decisions. This is especially so if governments are to ensure that the bodies concerned are positioned and equipped in ways which appropriately balance the competing and potentially incompatible demands of integration and autonomy.

### *Legal and non-legal power*

Statutory bodies, as with other non-departmental organisations in government, are semi-autonomous entities that are structured and operate in systems of governance comprising a varied distribution of power (Hood, 1986; Gill, 2002; OECD, 2002). The power in question exists and is exercised in legal and non-legal forms. The legal form is tangible and able to be described and assessed as 'public' or 'private' and 'delegated' or 'devolved'. The non-legal is clearly more intangible and difficult to pin down, but is no less significant because of this. Both forms have significant implications for organisational integration and autonomy in government, the market and community (Macmahon, 1961; Ellison, 1995; OECD, 2002; Thynne, 2003, 2004; Thynne and Wettenhall, 2004).

While statutory bodies are established under legislation as a public law instrument, their legal power can be public or private, or both. This public-private distinction needs to be appreciated and reviewed, notwithstanding that it can often become blurred in terms of the roles, tasks, decisions, controls and accountability involved.

Public power applies to means by which activities or needs of individuals, groups and organisations are regulated, facilitated or provided for in the public interest. In the case of regulation, for example, there usually are requirements, standards, obligations and so on which need to be set and imposed, with some kind of sanction for non-compliance, however flexible or rigid the regulatory scheme might be. Accordingly, the relationship between the regulator and those being regulated is essentially that of a superior to a subordinate, even where the imposition entails considerable cooperation or collaboration by all concerned as a form of co-regulation.

Private power, by contrast, involves an organisation having its own legal personality as an incorporated entity and thus being able in its own corporate name to enter into contracts, to buy and sell property, and to sue and be sued. Organisations are usually incorporated when they have commercial objectives as producers, providers and/or owners. The relationships forged in the pursuit of these objectives are based on some form of exchange and therefore tend to be coordinate rather than superior-subordinate.

The public-private distinction can also be significant in the way in which a member of government interacts with a statutory body, especially in requiring a commercially oriented body to undertake a non-commercial activity as a matter of public interest—to discharge a 'community service obligation' as it is often called (Thynne, 2003). One approach, as an exercise of public power, is to issue a legislatively prescribed directive to the body and then, if necessary, to arrange for it to be compensated for any loss incurred in responding to that directive. An alternative approach, in the exercise of private power, is to enter into a purchase agreement with the body for an agreed price. These approaches similarly seek to balance commercial interests and social concerns, but they do so by different means. The former is a strategy of government command, while the latter is a market-type strategy involving negotiation. They are subject to different forces, expectations and assessment processes, other than with regard to the legislature's appropriation of the public money needed to support them.

Whether public or private, the power received and exercised by statutory bodies is decentralised from the centre or core of government by way of delegation or devolution. Delegation occurs when power is vested in one person or body but transferred to another, with the delegator still being able to exercise the power and being able to revoke the delegation at will. This is a weak form of decentralisation. It contrasts with devolution wherein a body receives

its power directly under legislation or other legal instrument. This is a strong form of decentralisation in that the power is acquired directly and more firmly rather than via another person or body with whom or which a dependency relationship exists.

Although statutory bodies normally acquire their role and task-related power by devolution under the legislation by which they are established, their power to take staff and financial decisions is often delegated to them by a central personnel body such as a Public Service Commission and a financial body such as a Treasury or Department of Finance—or sometimes they lack this power altogether and thus are dependent on these bodies to take the relevant decisions for them. Where this power is not devolved to them, they can end up being statutory in form and focus but treated as though they were departments in their staffing and financing. This kind of duality needs to be confronted and managed as they seek to perform their roles and tasks as semi-autonomous entities, while at the same time succumbing to the forces of personnel and financial integration in government.

The legal power of statutory bodies, as with other types of organisations, is complemented by power in non-legal form (Peres, 1969; Thynne and Goldring, 1987; Thynne, 2004). The legal form constitutes a legitimate right to act, whereas the non-legal has to do with the capacity to act.

The resource bases of organisational capacity are particularly pertinent in understanding degrees of integration and autonomy. Several basic questions arise. For example, is a statutory body which is dependent on legislative appropriations always likely to be more integrated into government than one which is able to generate most or all of its own funds? To what extent do formal links with government via departmental officials as board members either reduce or enhance a body's autonomy? In what ways do the qualifications and experience of staff affect a body's autonomy or integration? How relevant are informal lines of communication based on direct personal contacts, fostered in part by the physical location of a body? To what extent, if any, is the capacity of a body to act with a degree of autonomy inversely related to its legal power? These questions imply that numerous dimensions of legal and non-legal power need to be appreciated and analysed in any detailed study of organisations in operation.

### *Responsibility for performance*

In undertaking their work involving the exercise of power, statutory bodies operate within a governance context in which responsibility for performance is of fundamental significance. The situation is complex and sometimes uncertain, with the nature and extent of organisational responsibility being affected by various expectations and demands.

Responsibility can take several forms which constitute a useful framework within or against which the performance of organisations can be studied (Thynne and Goldring, 1987; Mulgan, 2003). Three of the forms are particularly applicable to the operation of statutory bodies and other organisations in government. First is the idea of responsibility as it relates directly to the roles and tasks being performed. Second is the probity element of responsibility inherent in the need for roles and tasks to be performed in accordance with appropriate ethical standards. The third recognises that responsibility entails accountability in terms both of roles and tasks and of ethical considerations.

Together, these three forms of responsibility—'role/task-responsibility', 'probity-responsibility' and 'accountability-responsibility'—give rise to at least six interrelated requirements for organisations. The requirements are:

- (a) that roles and tasks be specified as clearly as possible and accompanied by an appropriate grant of legal power;
- (b) that relevant ethical standards be agreed on;
- (c) that appropriate mechanisms of accountability be put in place;
- (d) that roles and tasks actually be performed in accordance with agreed ethical standards and other relevant expectations;
- (e) that accountability mechanisms actually be invoked in relation to the performance of roles and tasks; and
- (f) that accounts rendered in the performance of roles and tasks actually be in keeping with agreed ethical standards by being full, frank, open and in good faith.

These requirements indicate the interactive and interdependent nature of responsibility in organisational life, with clear implications for integration and autonomy. They are such that organisations constantly have to accept

and comply with roles, tasks, power, ethical standards and accountability demands, while concomitantly striving to maintain a degree of operational flexibility and freedom. Similarly, those who allocate roles and tasks, distribute power, set ethical standards and call for an account have to be vigilant and rigorous in what they do, while also appreciating the legitimate and necessary operational needs of target organisations.

Key expectations, understandings and associated factors involved in these balancing exercises are often set out in performance agreements of one kind or another between organisations and the members of government responsible for them (Wettenhall and O Nuallain, 1990). Several interrelated matters are usually addressed, including the roles and tasks to be performed by the organisations; the resources to be allocated to them; the outputs and outcomes expected by government; the reporting arrangements in terms of the type, frequency and form of the information, explanations and justifications to be provided; and the rewards or sanctions which could be allocated or imposed by government, along with any required rectification or restitution in relevant situations.

Statutory bodies or other organisations embraced by these agreements need to be careful not to exclude other relevant stakeholders from their responsibility sights and activities. The legislature, courts and other scrutiny and control agencies in government, as well as other people and bodies in the market and community, can all have a legitimate interest in their work and thus rightly expect or require certain levels of performance. A consequence is that assessments of their performance need to be informed by an array of political, economic, social, legal and other indicators or signals.

All such matters should be recognised and considered in any systematic review of statutory bodies and other organisations in government. While they are not always easy to address and are frequently beyond quantification, they are clearly very important. They confirm the complex and multi-dimensional nature of work, power and responsibility in the governance of public affairs.

#### CONCLUDING COMMENTS AND QUESTIONS

Over time, most organisations develop their own operational modes, styles and language, possibly including ‘body language’, by which messages get conveyed to stakeholders and other people or entities (McKinlay, 1998). In the process, they inevitably forge or are drawn into numerous relationships involving some form of ‘complementarity’ as a loose coupling or ‘embeddedness’ as a more consolidated arrangement (Evans, 1997). Ultimately, they could well become ‘institutionalised’ in the sense of being ‘infused’ with the values, goals and aspirations of the environments within which they work (Selznick, 1957, 1996).

These aspects of organisational life are relevant to statutory bodies, just as they are to other types of organisations. They prompt a final set of questions. Thus: what problems, opportunities and challenges do styles, relationships and value infusion pose for the ways in which statutory bodies manage their various forms of integration and autonomy in government, the market and community? Are institutionalised bodies strategically integrated, or creatively autonomous, in relation to the immediate and wider environments of significance to their activities? Would it not be sensible for the study of statutory bodies and other semi-autonomous entities in government, in Hong Kong as well as in other countries, to address such questions, along with the other questions and issues raised in this discussion?

The immediate implication of all of this for Hong Kong is that the statutory body review agenda needs to extend well beyond the matters canvassed by the Home Affairs Bureau. The focus should now be on the bodies in terms of their work, power and responsibility arrangements, with an appreciation of how these arrangements shape their structure, operation and degrees of integration or autonomy. An analysis along these lines is essential if they are to be understood and managed as dynamic components of modern governance.

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