

*Original Paper*

Public Choice Theory Perspective—Issue Research on Public  
Project Construction Involving Non-Governmental Organization  
(NGO)

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**Abstract**

*General Secretary Xi has repeatedly stressed the need for redevelopment of public projects in the party's nineteenth report, accelerating the construction of projects and seeking for greater development. Public project construction is the main vehicle of public administration and is the cornerstone of overall social operation. Due to the majority of public welfare projects that are characterized by economic and social development services, which are non-profit, difficult to profit or have a long payback period, they are often necessary for the development of national or regional economic development. Therefore, NGO need to participate in and participate in the public project construction with their advantages and particularity. NGO undertake many governmental responsibilities and functions that cannot be performed by the government. However, in practice, the NGO faces many problems and difficulties.*

**Keywords**

*NGOs, public project construction, public choice theory*

**1. Definition and Significance of NGOs**

In the traditional concept of people, social organizations are often divided into two parts. This is a generalisation that ignores a large part of the social fabric of the “blank space” between the government and the private sector. They are engaged in what the government and the private sector “do not want to do, do or do not do very often”. In addition to the word “NGO”, there are a series of names that describe the emergence of civil society organizations in the world, such as “non-profit organizations”, “charity organizations”, “volunteer organizations”, “tax-exempt organizations”, “third departments”

and “NGOs”. It is more likely that appropriate name will be chosen based on that custom, emphasis on the relative properties.

### *1.1 The Concept of NGOs*

NGOs are, in general, non-profit organizations, which are established and responsible for the government and the state, and are, in general, a non-profit organization that is engaged in the social welfare services that the government and the enterprise are powerless, unintentionally and unworthy to act, representing the interest of the population, and the public interest is pursued in the pursuit of public interests. It is the opposite of the “economic man hypothesis” in the theory of public choice. It is the “political assumption” of traditional political science, which is a kind of benevolent, philanthropic and altruistic, striving to maximize the public interest.

### *1.2 The Significance of NGOs*

NGOs are a new approach to the organization and institutional innovation of a new group that appears outside of market institutions and national institutions. Government organizations can't do all social affairs, thus made a play space is created for the NGOs. At the same time, NGOs are a way to make up for the failures of the market and the problems of the government. Therefore, the emergence of NGOs is compatible with the social and economic development of our country and is the inevitable outcome of the social development to a certain stage.

#### *(1) Public administration: open up new areas*

The government is the government of governance in the future. The ability to do good things does not come from the power of the government, and it does not depend on whether the government is hands-on, ordering or using its authority. However, in order to provide a better quality of public service, the government can transfer its own functions to NGOs, which is also government's capacity and responsibility. By sharing social responsibility in this way, NGOs will play a more important role in the future.

#### *(2) Economics: a third option for resource allocation*

The scarcity of resources is the fundamental standpoint of economic research. Therefore, the optimal allocation of social resources is an eternal theme of economics. Traditional western economics divides all economic subjects into two main types: the public and private sectors. NGOs are independent of the two sectors, giving new value to NGOs when government failures and market failures occur. Market failures and government failures, for example, need to be regulated by third-party forces. And NGOs have an active role in overcoming the “free riding” behavior, inefficient bureaucracy and abuse of public power, so it becomes an indispensable balance force to compensate for market failure and government failure.

#### *(3) Sociology: the common meaning of social citizens*

In traditional feudal society, citizens are not entitled to participate in national management. But since the 1980s, the failure of Keynesianism and the crisis in the welfare state have caused widespread thinking among social citizens. Is the government “omnipotent”? So citizens voluntarily and

spontaneously join groups in an effort to protect or enhance their interests or values. Moreover, it has found the intersections with NGOs, and has become the most active factor of NGOs. It has strengthened the empirical research and provided new ideas and theoretical basis for national governance.

## **2. The Particularity of Non-Government Organizations in Public Project Construction**

As one of the main suppliers of public services, NGOs also play a unique and special role in the public service, which is consistent with the government's goals and forms the necessary complementarities in the supply of resources, thus improving the efficiency and service quality.

### **(1) Share the responsibility of the government and take on government duties**

Now, NGOs are gradually penetrating the core areas of the public domain that the government has previously controlled, and are playing an increasingly important role. For example, in the evaluation stage of public project construction, it includes technical evaluation, financial evaluation, economic evaluation and social evaluation of public projects. The subject of evaluation is no longer limited to the government, in terms of technology and social evaluation. Government is a leader in the overall public project strategy and NGOs are more specialized and practical in their implementation.

### **(2) To make up for government defects and provide public services**

In the theory of public choice, "arrow cannot theorem" suggests that it is impossible to convert all personal preferences into a social preference. Therefore, some people are satisfied, some people must not be satisfied. For example, the world famous three gorges project, while the three gorges project has become a world-class water conservancy project, there are 1.127 million people who have emigrated from their homes, which is no less than the most difficult problem to immigrate to the reservoir. The psychological counseling of immigrants leaving their hometown, the process of getting along with the local people, the adaptation of the settlement and the follow-up of their living conditions can't be ignored. However, the government's public power makes it not equal to the main body of the immigrants themselves. Only the NGOs have equal status, and there are professional volunteer service teams and psychological doctors, which are more suitable for solving such problems.

### **(3) Increasing the transparency and rationality of resource utilization**

Due to the defects of the government, corruption and rent-seeking behavior of the government are possible in the construction of public projects. NGOs, with their strong enterprising spirit and high operational efficiency, win the trust of the society, making the construction of public projects more transparent and flexible, and their every move will be subject to stricter supervision by the society. This ensures a fair, rational and efficient allocation of social resources.

## **3. Under the Oerspective of Public Choice, the Dilemma Faced by the NGOs in the Construction of Public Projects**

China's NGOs is in the initial stage of development, although in recent years its number has increased

rapidly, and its capacity has been improved, but China's NGOs have encountered many obstacles in their progress, and there are many problems.

(1) Lack of basic conditions for the development of organizations such as capital and talents

In the individual's choice, the costs associated with independent voluntary individuals are essentially equal to the returns that you get. However, in the public choice, the reciprocity of cost and benefit is broken by the particularity of choice. Most of the choices are based on the majority rule. In addition, due to the non-profit and social benefits of NGOs, the requirement for talents is to assume different "altruism" and "dedication spirit" from economic people. Therefore, the appeal for qualified talent is weak. Moreover, NGOs lack professional and scientific institutions for talent training, and NGOs have received a large number of retired workers and social idle personnel, which seriously hindered the entry of excellent talents into the organization.

(2) Imperfect laws and regulations

In the rational aspect of decision makers, in market selection, subject to cost constraint, the information of individuals is always limited. In the process of collective selection, the individual decision has the indecisive characteristic and lacks the incentive to understand the information. A lack of legal and regulatory norms and constraints is not only not very operative, but also has a narrow range of applicable laws. The laws and regulations are too principled and abstract, and it's difficult to operate in practical terms. And there is hardly any social evaluation and oversight, and the consequence of this is that there's a lot of moving space in all sorts of illegal operations, and it's increasing the cost of trading in society.

(3) Public recognition of NGOs is not high

Since the government has long been the main body of public service and has a high concentration of public power and absolute authority, the public has a high degree of dependence and trust on the government. For NGOs with strong functional characteristics, the public tends to treat them as government and give the same confidence. In the case of a less powerful non-governmental organization, there will be an unconsciousness of skepticism and extreme distrust, thereby neglecting their existence or resistance. This has great obstacles and adverse effects on the development and future development of NGO work.

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