

# The Construction of Order for Social Organizations to Carry out Social Innovation: Evolutionary Logic, Operational Mechanism and Path Choice

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## Abstract

**Social innovation refers to the innovative phenomenon of bringing new solutions and development opportunities in the field of social development through changes in the way of thinking, technical means and management mode by means of social forces such as organizations, institutions and social groups. During the 30 years of reform and opening up, the innovation practices led by social organizations and the social networks they build have gradually become an important main body of social innovation in China. The article analyzes the course of change of the management system of social organizations from the perspective of historical institutionalism, places the social innovation led by social organizations in the three-dimensional analytical framework of "system-course-behavior", and examines the logical evolution of the order of social innovation and the mechanism of social innovation along the trajectory of the interaction between the government and social organizations. Under the operating mechanism consisting of the institutional arrangement of the authoritative body, spontaneous exploration and dynamic strategic choice of social organizations, the benign interaction between the government and society can reduce the cost and risk of social innovation, reduce the loss of resources and vicious competition, and achieve the balance and stability of social innovation order.**

## Keywords

**Social Organizations, Social Innovation, Historical Institutionalism.**

## 1. Formulation of the Problem

Social innovation emerged in the context of modernization, informatization and the rise of civil society, and as an emerging practical procedure, it transforms innovative ideas into realistic concepts and actual behaviors, and solves social problems and meets social needs by means of new services and institutions. Since the Industrial Revolution, the wave of industrialization and urbanization has pushed the productivity level of human beings to increase rapidly and brought about the prosperity of the world economy, but it has also given rise to a series of social problems, including the aging of the population, the gap between the rich and the poor, and the deterioration of the ecological environment, etc. It has become difficult for the market mechanism to satisfy the needs of the survival and development of some groups of people, and in the face of the impact of such an impact, the government's power has not been able to catch up with it. As a result, social reformers around the world have turned their attention to social innovation in an attempt to stimulate social vitality and improve the social environment in a new way. After half a century of practical exploration, social innovation has become an important way to solve governance problems and promote social development in western countries.

In China during the transition period, the emergence of social problems and contradictions has become a dilemma for our country in coping with the great changes that have not occurred in a

century. After the reform and opening up, the unitary system was gradually disintegrated, social forces became more and more active, and associations and organizations continued to emerge, all of which were consciously or unconsciously carrying out social innovation activities. In the 1990s, domestic scholars began to learn from the Western model of social innovation and formally introduced it into China as a creative means of improving the social system, vigorously carrying out localized exploration of social innovation. Since 2006, when China and the United Kingdom jointly organized a seminar on "Social Innovation and the Construction of an Innovative Country", the role of social innovation in promoting social development has attracted much attention, and a wave of "innovation fever" has arisen in all walks of life. Since the 18th Party Congress, China has been facing increasingly severe and complex governance realities, including the aging crisis, pandemic, international tensions, and the rapidly developing information technology revolution, all of which have brought challenges to the national governance system and governance capacity. As a result, the Party and the government have continued to explore new breakthroughs in social governance, and the idea of social innovation has continued to receive attention, with words such as social governance modernization and social governance innovation gradually becoming hot words in policy documents. The Fourteenth Five-Year Plan emphasizes the need to adhere to innovation-driven development, firmly establishes the centrality of innovation in social construction, and makes the enhancement of the effectiveness of national governance one of the important goals of current economic and social development, calling for the effective play of the role of the Government and the improvement of grass-roots social governance.

For this reason, it is necessary at this stage to build a productive social innovation order based on social reality, focusing on social innovation and clarifying institutional mechanisms, so that people and organizations as a social community will have the opportunity to participate in the construction of society, and after the formation of the rationality of the order in which social innovation can effectively regulate the social governance, we will gradually achieve an innovation order in which technological innovation and social innovation are isomorphic. The essence of social innovation order is a relatively stable and consistent dynamic equilibrium state in a certain period of time formed in the process of continuous interaction between the government and social innovation subjects led by social organizations, the market and social innovation subjects, and social innovation subjects in the innovation action with broad participation of the society. At present, social organizations and social enterprises are blossoming everywhere, and social innovation practices are springing up, but the innovation projects are mixed, and there is a great waste of resources, the requirements for the construction of a stable and sustainable social innovation order have become more and more urgent, and the important premise is to clarify the logic of the evolution of social innovation and the operation mechanism. In Hayek's dualism of social order, the order or arrangement originated from outside is called "artificial order or constructed order", which is established by human's rational thinking and social contract; the order originated from inside is called "self-generated order or growing order". It is spontaneously formed by the interaction and game within the group. So, under the special political system background of China, what kind of constructive order should the social innovation order follow? This paper intends to establish a three-dimensional analytical framework of system-course-behavior under the guidance of the "binary constructive view", and utilize the research paradigm of historical institutionalism to sort out the history of China's social innovation at the meso level, so as to see the formation mechanism and functioning mechanism of social innovation order.

## 2. Conceptual Dimensions and Analytical Framework

### 2.1. Conceptual Dimensions

#### 2.1.1. Internal Characteristics of Social Innovation: Pluralistic Synergy Led by Social Organizations

From the perspective of global competition, innovation has become a fervent pursuit of countries and organizations. Technological innovation and social innovation are two major branches of the innovation movement, both of which are equally driven by demand and supported by resources to create new ideas and means to achieve goals, but the former tends to solve economic problems and promote economic development, while the latter focuses on solving social problems and promoting social development. In the transformation of industrial society to modern information society, compared with the development of technological innovation for a long time, social innovation started late, is an innovation practice far ahead of the theoretical research of the emerging field. 1973, Peter Drucker in the book "Management: Tasks, Responsibilities, Practices" for the first time put forward the concept of "social innovation," he in 1973, Peter Drucker first proposed the concept of "social innovation" in his book "Management: Mission, Responsibility, Practice", in which he advocated that in the process of innovation, enterprises should turn social needs and problems into profitable business opportunities. Jeff Morgan of the Young Foundation elaborated on social innovation in depth, arguing that social innovation is a mode of creative action to achieve social goals, driven by social needs, and engaged in and diffused by organizations that are primarily concerned with the realization of social purposes.

In the local language, scholars are accustomed to attributing social innovation exclusively to social organizations; in 1993, Xiang Baohua, in his article "Research on the synergistic mechanism of social innovation and technological innovation", proposed that social innovation refers to the restructuring of the relationships, structures and behaviours of social organizations, so as to encourage them to carry out innovations in the social sphere and to enhance the vitality of society. According to scholar He Zengke, social innovation is an effective creative activity initiated or implemented by social actors led by citizens and social organizations to solve social problems. The 18th Party Congress emphasized the synergistic effect of multiple actors in social governance, focusing on the positive role of social organizations. Combining the views of scholars and officials, social organizations, as intermediaries between the government and the public, are important suppliers of social resources, and are the main practitioners of social innovation practice, assuming a role value that cannot be ignored in social innovation. Subject plurality is an important feature of social innovation, and the government and enterprises are also an important part of the social innovation system. Taking social organizations as the main body of innovation and the collaborative participation of government and enterprises, social innovation can form the synergy of multiple subjects in practice, and it is more likely to realize the orderliness and sustainability of social innovation.

#### 2.1.2. The Value Proposition of Social Innovation: Social Needs-based Innovation Goals

The value orientation of social innovation is to emphasize the satisfaction of social needs, which is not only the starting point of social innovation but also its normative content dimension. The Stanford Social Innovation Review defines social innovation as a solution-oriented approach to addressing social needs, responding to complex problems and finding innovative solutions that meet both individual needs and social goals. Another important feature of social innovation is the social orientation of the innovation goal. The fundamental purpose of social innovation is to satisfy unmet needs and solve difficult problems in the social field, and through the effective synergy between social organizations, government and enterprises, a strong innovation

synergy is formed to satisfy the various social needs of social members, so as to realize the optimal solution of social governance. On the contrary, in China, which is in a critical period of social transformation, the social structure has become more complex and social needs more diversified, and it is difficult to break through the bottleneck of development by relying solely on market-driven technological innovation and government-driven management innovation. Taking social innovation as a remedy to solve social ills, promoting social change and stimulating the vitality of social governance with the endogenous power of the society can effectively deal with the two realities of increasingly prominent social problems and diversified social needs, provide the organizational foundation and social support for technological innovation and management innovation, and help to integrate resources, reduce internal conflicts, alleviate contradictions, improve people's livelihoods, and promote the harmonious development of the economy and society and its orderly operation. It is conducive to integrating resources, reducing internal conflicts, improving people's livelihood, and promoting the harmonious development and orderly operation of economy and society.

## **2.2. Framework of Analysis**

### **2.2.1. The Mesoanalytic Paradigm of Historical Institutionalism**

Although social innovations arise from certain social movements voluntarily initiated by civil society organizations and social activists, their development has always been influenced by external driving forces, which are different from the behavioral motives of individuals or organizations, but are "structural motives" originating from the policy system and the cultural environment, etc. Similarly, in the omnipotentist-like cybernetic theory, the institutional driving factors of social innovations are not social needs but the will of the country. Similarly, in the cybernetic theory of omnipotence, the systemic driving factor of social innovation is not the social demand but the national will. Although China has not really established an institutional system of social innovation, social innovation mainly relies on the innovation practice carried out by social forces led by social organizations, and thus the real attitude of the state towards social innovation can be seen from the dynamic evolution of the management system of social organizations. In the view of historical institutionalism, these structural motives exist in different historical periods, but their effects are different, and it advocates discovering and sorting out institutions in the historical lineage, with institutions as its core analytical concept. According to Hall, institutions are formal rules and standardized practices that shape relations between individuals and groups in political, economic and social spheres. As a middle-level analytical paradigm, historical institutionalism, in terms of its structural view, the past political system is very important as a prerequisite for analyzing political action, and it is only by fully grasping the macroscopic background of the existence of a specific system that institutional change at the micro level can be better analyzed, realizing the orderly connection between the macro and the micro. In terms of its historical outlook, the "history" proposed by historical institutionalism does not only mean what happened in the past, but also focuses on the excavation of political events that have had a considerable impact on human society, emphasizing a historical causal relationship in which the impact of the past continues to this day. Based on this, this paper hopes to draw on the analytical paradigm of historical institutionalism, taking time as the scale and the system itself as the core, placing social organizations in a grand historical perspective, sorting out the systems related to social organizations after the reform and opening up, reviewing the changes in the relationship between politics and society and the innovation practice in our country, and analyzing the construction process of China's social innovation order through the historical context.

### **2.2.2. A Three-dimensional Analytical Framework of System-journey-behavior**

The order construction of social innovation refers to the fact that in the practice of innovation, the innovation body headed by social organizations continuously evolves, forms and identifies

certain rules and systems due to social changes, so as to ensure the stability, fairness and orderliness of the innovation process. In this paper, the order construction of social innovation is regarded as a kind of institutional change, and according to the "dual structure view", it is emphasized that social innovation originates from the endogenous development of social organizations and the external embedding of institutional background. Therefore, this paper attempts to construct a three-dimensional analytical framework of "system-course-behavior" (Fig. 1), in order to systematically explain the driving factors and developmental motives of social innovation.

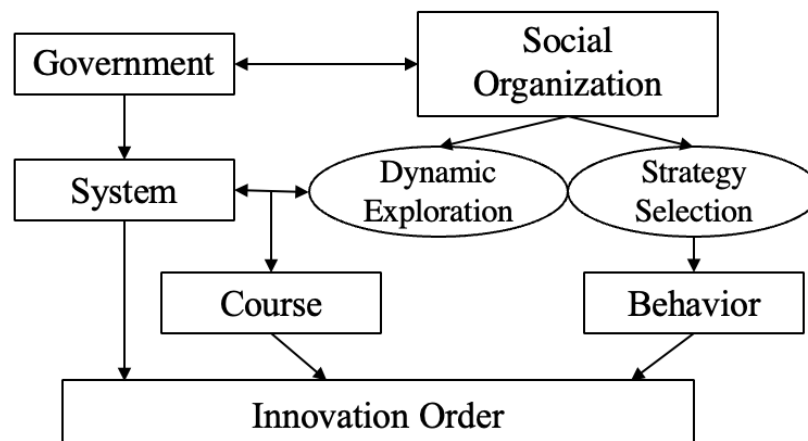


Fig. 1 Three-dimensional analysis framework of system-journey-behavior

Specifically, the system is a kind of authoritative input from the outside, as a means of resource allocation to provide norms for the activities of the innovation subject; the course is the action path established by the innovation subject spontaneously, which also includes the interactive game process between the subject and the authoritative body; and the behavior is the innovation subject's dynamic strategic choices formed under the institutional arrangement and self-adjustment, which directly determines the formation of the innovation order in the society.

### 3. Evolutionary Logic

As pointed out by scholar Ding Yuanzhu, the change of social system cannot be separated from the change of political system, and the regulatory policies of government departments have a non-negligible impact on social innovation, and the change of government governance creates opportunities and space for social innovation. The characteristics of the main body of social innovation in China are consistent with the international development trend, with social organizations as the main body and the government and enterprises as the supplementary body. Social organizations are the main providers of social innovation resources and the important participants in building the order of social innovation, and the adjustment of the Party and the government's action strategy towards the social organizations has clearly demonstrated the logic of the social innovation from the passive response to the conscious promotion.

#### 3.1. Historical Trajectories

##### 3.1.1. A Period of Liberal Growth under Liberal Management: 1978-1987

At the beginning of the reform and opening-up period, in order to focus on revitalizing the economy and reducing the government's burden, the government began to promote the socialization of social management, and adopted a more relaxed management model for social organizations, which ushered in a period of rapid development in which social organizations were free to grow. At this stage, the main policy documents for the regulation of social organizations continued to be the Provisional Measures for the Registration of Social Organizations and the Rules for the Implementation of the Provisional Measures for the

Registration of Social Organizations, which were promulgated in the 1950s, and the basis for the policies showed an obvious lag. Although China established the Ministry of Civil Affairs in 1978, it did not establish a unified registration authority for social organizations, nor did it introduce corresponding regulatory policies, resulting in the disorderly development of social organizations during the decade. At that time, at the practical level, the unwritten management style of separate approvals and management continued, with various party and government organs involved in the management of social organizations in the relevant areas, and social organizations were not required to register centrally. As a result, the growth of social organizations was rapid at this stage, and by the beginning of 1988, the number of national associations had grown from nearly 100 during the Cultural Revolution to more than 1,600, and the number of local associations had grown from more than 6,000 to nearly 200,000. The lax regulation brought about a series of chaotic phenomena such as speculation, corruption and bribery, which led directly to the introduction of a series of relevant regulations after 1987.

### **3.1.2. Macro-constrained Clean-up Period: 1988-2012**

The period from 1988 to 2012 was an important stage in China's efforts to promote the construction of a socialist market economy, with the difficulty and cost of reforming the economic system increasing, the imperfections in the system exacerbating the deepening of various types of social contradictions, and the task of guarding against social risks becoming more prominent, a situation which was reflected in the management of social organizations in the form of increased efforts to clean up and rectify the situation. In order to avoid the risks posed by the rapid development of social organizations and the impact of their innovative activities on the political and economic order, the State, through the establishment of a unified management system, has abolished unregulated associations, weakened the economic functions of associations, and regulated and restrained the operation of social organizations through dual management.

In July 1988, the Ministry of Civil Affairs of the People's Republic of China set up the Department of Social Organizations Administration, which is responsible for the registration of social organizations, and also set up corresponding administrative bodies in local government departments to administer them under their respective portfolios. Since then, policy documents such as the Measures for the Administration of Foundations, the Provisional Measures for the Administration of Foreign Chambers of Commerce, and the Regulations on the Registration and Administration of Social Organizations have been gradually introduced, initially forming a dual management system for social organizations. During the same period, in order to prevent cults and hostile forces outside China from interfering with China's social order, the State Council promulgated the Decision on Cleaning Up and Rectifying Associations in 1989, and carried out three large-scale cleanups and rectifications of social organizations between 1990 and 1999, and further established the system of "registration under the centralized portion of the State Council, with dual responsibility and hierarchical management". The dual management system for social organizations is set out at. After joining the WTO, the country began to shift to a service-oriented government, emphasizing the strengthening of the government's public functions, and at this time the country put forward a social management system of "party leadership, government responsibility, social coordination, and public participation," and the number of social organizations grew at a small peak. By the end of 2011, there were more than 460,000 social organizations registered in accordance with the law nationwide, at which point government supervision of social organizations became more standardized and legalized, and the development of social organizations gradually became more stable and orderly.

### 3.1.3. Incubation Support Period for Classification Control: 2012 to present

The report of the 18th CPC National Congress and the Program for Institutional Reform and Functional Transformation of the State Council have included the acceleration of the formation of a modern social organization system with "separation of government and society, clear powers and responsibilities, and self-governance in accordance with the law" as one of the tasks and objectives of social system change, and have put forward a series of new requirements for the functions and positioning of social organizations. "In 2011, the Outline of the Twelfth Five-Year Plan explicitly proposed to promote the transfer of functions from government departments to social organizations, and to open up more public resources and fields to social organizations. In 2013, the Third Plenary Session of the 18th CPC Central Committee emphasized the need to innovate the system of social governance, improve the way of social governance, and stimulate the vitality of social organizations. In August 2016, the State promulgated the Opinions on Reforming the Management System of Social Organizations and Promoting the Healthy and Orderly Development of Social Organizations, which emphasizes that social organizations are an important force in China's socialist modernization. At this stage, although China's brand-new regulations on the registration and management of social organizations, the management of foundations, and the management of social service organizations have not yet been formally introduced, important documents of the Party and the government, such as the report of the 18th National Congress, the report of the 19th National Congress, and the report of the 20th National Congress, show that the new classification and management system of social organizations has already taken shape, and that it has become a necessity to stimulate the vitality of social organizations. The 14th Five-Year Plan proposes to give full play to the role of social organizations in social governance, smooth and regulate the ways in which market players, new social strata, social workers and volunteers can participate in social governance, and fully stimulate the vitality of grassroots social governance. It is foreseeable that, through the construction of "effective government, orderly market and dynamic society", social organizations will better serve the innovative practice of social governance.

## 3.2. Institutional Evolutionary Logic

Historical institutionalism advocates the direction control and logical guidance of historical context on institutional change, and emphasizes the cyclic path of "break-equilibrium" of institutional change. That is to say, in normal times, the system maintains stability and enters a self-locked equilibrium state under the effect of inertia; at critical junctures, it emphasizes that major historical events break the equilibrium state, ushering in new institutional changes.

### 3.2.1. Opportunities for Change: Key Points of Systemic Fracture

Based on the previous examination of the changes in the management system of social organizations in China, three key nodes can be found: first, the convening of the Third Plenary Session of the Eleventh Central Committee of the CPC in 1978, the Party and the government shifted the focus of their work, and the social management system was loosened on all fronts; in order to reduce the cost of economic reform and further release social vitality, the extensive mobilization of the masses and the autonomous participation of associations became an important feature of social governance in this period, giving the space for social organizations to grow freely. Secondly, with the establishment of the Department of Association Management in 1988, the management of social organizations was gradually standardized, and the introduction of the Regulations on the Registration and Management of Social Organizations in 1998 changed the previous decentralized and chaotic management system and pushed the management of social organizations towards legalization. Thirdly, the Eighteenth National Congress of the Communist Party of China (CPC) proposed the accelerated formation of a modern social organization system that separates the government from society, distinguishes

between power and responsibility, and is autonomous according to law, and vigorously develops social organizations in order to stimulate social vitality, thus bringing social organizations into a new stage of vigorous development.

The four key nodes mentioned above were preceded and followed by periods of drastic changes in the historical environment and political forces, during which the key nodes played the role of carrying on the previous and the next. At the beginning of the reform and opening-up period, the development of social organizations was clearly ahead of the improvement of the management system, and the State successively issued relevant management measures, established a dual management system, and changed the management status of decentralized registration and multiple approvals. Meanwhile, at the end of the 1990s, the concept of social innovation began to receive attention from all circles in China, and gradually evolved into the fields of community development, public governance, sustainable development, social change, etc. Social innovation activities led by social organizations have gradually received the attention of the Party and the government. Since the 18th CPC National Congress, the construction of socialism with Chinese characteristics in the new era has been continuously promoted, and the revolutionary value of comprehensively deepening the reform of the social system has been highlighted. Under the strategy of "mass entrepreneurship and innovation for all", social organizations have demonstrated their strong resource integration and social mobilization capabilities, responded to social needs with their keen insight and action, provided important assistance to the development of social innovation practices, and the reform of the management of social organizations has gradually risen to a strategic position in national governance.

### **3.2.2. Inertia of Change: Path Dependence in Institutional Succession**

Path dependence is a self-reinforcing process of the system, that is to say, once entering a certain system mode, the system established in the past will have an inertial influence on the present or future system choices. After the system rupture triggered by the critical node, the social organization management system ushered in a new starting point of path dependence. On the one hand, there is the institutional dependence on the socialist path, and adherence to the Party's leadership has enabled social organizations to regain opportunities for development. After the reform and opening up, under the timely regulation of the Party and the government, social organizations of good and bad quality were able to get back on the right track, serving social governance and social innovation. At the same time, the establishment of a sound management system for social organizations was carried out with reference to past experience in the management of associations. The Regulations on the Registration and Management of Social Organizations issued in 1998 were revised on the basis of the Regulations on the Registration and Management of Social Organizations issued in 1989, further supplementing and improving the conditions for the registration of social organizations, their procedures, and the system for the regulation of penalties, among other things. Overall, with regard to adjustments to the management system of social organizations, the Party and the Government have fully drawn on the experience and wisdom of previous reforms, and have not completely abandoned the original management system; rather, as the construction of socialism with Chinese characteristics deepens, the Party and the Government have steadily promoted changes to the management system of social organizations, relying on the institutional frameworks and organizational resources that have been accumulated over a long period of time, and on the basis of socially innovative activities, and in the form of organizational innovations to promote practical innovations.

On the other hand, there is path dependence under the influence of traditional culture, and the negative and backward traditional culture has obviously impeded the institutional changes in the management of social organizations in China. Under China's special political system, social organizations are inevitably affected by the "official-oriented" thinking in China's hierarchical system, and the management of social organizations has become bureaucratic, with a lot of



centralized control phenomena within the organizations, resulting in the rigidity of the organizational system, backward concepts of the members, obstruction of the transmission of information, and restriction of the initiative to innovate, which greatly curbs the vitality of the development of social organizations and even hinders the socialization and marketization of the organizations themselves. This has greatly curbed the vitality of the development of social organizations, and even hindered the socialization and marketization of the organizations themselves. As a matter of fact, many social organizations are attached to government agencies, or even converted from institutions, influenced by the idea of "government-oriented", with obvious tendency of administrativeization, and subject to the institutional pattern of strict management, and become the second hand of the government in the practice of social innovation. The transformation of the role of this "second government" has also become the second hand of the government in the practice of social innovation, and it is also the second hand of the government. The transformation of the role of the "second government" has also become the difficulty of social organization innovation and social innovation development.

## **4. Operating Mechanism**

### **4.1. Institutional Arrangements: Top-down Orientation by Authoritative Subjects**

The European Commission believes that the promotion of social innovation not only leads to a better handling of social problems, but also makes it possible to develop new ideas, services and organizational models, and therefore advocates the active use of social innovation at the governmental level to play a special role in promoting sustainable development, increasing employment rates and alleviating social conflicts. Institutions are customized behavioral norms formed in a society, which are instructive and stable. Institutional arrangements have a powerful role in the promotion and dissemination of social innovation and are indispensable in the construction of an order for social innovation at the grass-roots level.

#### **4.1.1. Structural Optimization of the Institutional Environment**

Social innovation is embedded in a meso-institutional environment, within a set of rules and regulations, and controlled by the competitive structure, interactive procedures and opportunity space brought about by the system. In an open and inclusive institutional environment, social innovation is more likely to emerge, and when the external system creates an environment characterized by "mass innovation", it is more conducive for social organizations to make use of their resource integration endowment to build up an innovation cooperation network, which in turn reduces the cost and risk of social innovation. As mentioned above, the establishment of dual management system provides legal guarantee for the construction of social organization system, and provides legitimacy basis for social organizations to carry out innovation practice, and the planning of classification management system helps to promote the de-bureaucratization and de-administratization of the management of social organizations with complete rule system and flexible institutional arrangement, reduce the transaction cost and administrative cost of social innovation, and promote the benign development of social innovation. Since the 18th CPC National Congress, the Party and the government have been committed to promoting the construction of socialist society with Chinese characteristics in a coordinated manner; the report of the 19th CPC National Congress emphasized the creation of a new pattern of social governance for the new era of building and sharing, and the report of the 20th CPC National Congress further emphasized the improvement of the social governance system, the improvement of the social governance system of building and sharing and the enhancement of the effectiveness of social governance, and the relationship between the government and the social forces has moved towards synergism and institutionalization, and the social The relationship between the

government and social forces has become synergized and institutionalized, and the channels for social forces to participate in public affairs have become more open, more diversified, and more in-depth at different levels, further deepening the functional differentiation and dual-activity of political and social forces. Under the leadership of the central government, local governments have also actively guided social organizations to participate in exploratory changes in the social sphere by means of party building leadership, policy support, and financial support, which has greatly stimulated the vitality of social innovation and provided a broad institutional space for social innovation.

#### **4.1.2. Incentives and Constraints in Institutional Arrangements**

The formal system built around the social innovation system headed by social organizations is the structure of institutional arrangements in the social innovation order. For social organizations, which are the main initiators of social innovation, the government directly manages their innovation activities through entry thresholds and registration rules. At the same time, the government controls the resource allocation process of innovation subjects by means of purchasing services and other financial support, and screens innovation projects entering the social field, indirectly generating institutional incentives and constraints on the development and competition of social innovation subjects. Reasonable institutional arrangements not only maintain the basic order of social innovation, but also can stimulate and maintain the innovation vitality of social organizations. On the one hand, under the in-depth promotion of simplification and decentralization, the government has been releasing social vitality in the form of giving social organizations more space for independent innovation, actively exploring measures such as the filing system and direct registration to lower the threshold of entry for social organizations, and giving social organizations the qualification of public fund-raising by reducing or exempting social organizations' taxes and fees and perfecting the supportive policies for charitable foundations and social enterprises in order to reduce the operating costs and innovation costs of social organizations. On the other hand, as the government has various qualifications and certifications, it is not easy for social organizations to enter the market. On the other hand, as the government has various kinds of qualifications, project authorization and other permissions, and firmly grasps most of the social resources at its disposal, in order to obtain the basis of legitimacy and resource advantages, social organizations are forced to regulate their own behaviors, adapt to the trend of reforms, and avoid speculation and vicious competition, so as to ensure that social innovations are in line with the requirements of the society and the policy objectives. In this way, it is not only conducive to reshaping the structure of political and social innovation and stimulating the vitality of social innovation, but also conducive to the formation of a good competitive effect and avoiding vicious internal conflict.

## **4.2. History of Innovation: Bottom-up Exploration Driven by Social Organizations**

### **4.2.1. Social Issues Generate Demand for Innovation**

Innovation is born on the brink of collapse, and social development is characterized by countless risks, crises and uncertainties, which require new ways of solving social problems at the inflection point of the social process. At the present stage, China is in a critical period of social transformation, the social structure is more diversified, social problems are more complex, social contradictions are more prominent, social problems such as climate change, ecological degradation, environmental pollution, unemployment, discrimination, and polarization of the rich and the poor have become a major challenge to social governance, and a single technological innovation is no longer able to solve the real problems completely. Similarly, with the changes in social structure and the awakening of social consciousness, people's demand for new knowledge, technology, culture and services is gradually increasing,

and the social needs of different groups are becoming more and more differentiated, with special groups such as the aging population, the disabled, and the left-behind children having different demands for survival and development, and it is difficult for the government to respond to the diversified needs of different groups through the provision of unified and standardized public services. As technological innovation is not enough and government management is not enough, there is an immeasurable demand for social innovation in the whole society. Social innovation led by social organizations is oriented to satisfy social needs, aims at maximizing social interests, and is motivated by multiple synergies of social forces. Through the strong resource integration capability of social organizations and their role as a bridge between the government and the public, social organizations are able to transmit information to and from the public, and respond quickly, thus providing an important social foundation for technological innovation and governmental governance. In order to cope with increasingly prominent social problems and increasingly complex social needs, social innovation has been put on the agenda, and the need for innovation provides opportunities and space for social innovation.

#### **4.2.2. Profit Fit Stimulates Innovative Behavior**

As a practical process involving social organizations and government and enterprises, social innovation involves the expectations, resources and interactions of a large number of stakeholders, which not only helps to solve social problems and innovate the mode of public service provision, but also releases market vitality and improves the effectiveness of government governance. From the point of view of attributes, social innovation based on the practical activities of social organizations is a concept of public welfare, and its leaders and participants should have the public spirit and be guided by the goal of maximizing public benefits. However, social innovation is a kind of creative decision-making behavior, and its cost and risk should not be ignored. When the benefit is greater than the cost, the value of its innovation is more replicable and scalable. Therefore, innovation subjects in the process of social innovation will not only focus on the collective benefits, but also consider the individual benefits, and their innovation enthusiasm depends largely on the degree of fit between public interest and personal interest. For example, social organizations, as the initiators of social innovation, are often driven by a sense of social mission and responsibility, dedicated to discovering the social needs of marginalized groups or unattended social problems, and are driven by dissatisfaction with the reality and sympathy for special groups to integrate all kinds of resources to provide social services. The motivation of government leaders to promote social innovation is to diffuse the results of fruitful social innovations, or even elevate them into policies and systems to enhance the effectiveness of social governance, and at the same time, to seek promotion opportunities and realize their political ambitions. Enterprises, on the other hand, are more inclined to participate in social innovation through commercial operation, identifying market opportunities and providing social services at low cost and high efficiency, pursuing corporate profits while realizing social values and winning public favor. For the above stakeholders, social responsibility, political performance, social recognition and economic gain are the strong incentives for social innovation, and only after cost-benefit calculations and weighing the gains and losses will the innovation subject make rational behavioral decisions. When society creates an environment rich in responsibility and innovation, social organizations, governmental enterprises and citizens will be more likely to jointly promote social innovation to achieve the same social goals, leading to profound and orderly social change.

#### **4.2.3. Resource Allocation Affects the Effectiveness of Innovation**

Social innovation is a strategy for innovation subjects to acquire and integrate resources based on social needs and problems, and its key is the scheduling of social resources, and the effectiveness of social innovation activities depends not only on its own advantages, but also on

the resource advantages and integration ability of innovation subjects. The government often has sufficient funds, policies, technologies and other resources, and is the biggest dominator of public resources, while social organizations have strong social mobilization ability, are the bridge between the government and the public, are closer to the social facts and the public, and have a sharper insight into the social problems, but in the course of the social system change, the social organizations with limited resources have become the dominant players of the social innovations, while the government with strong resources has become the participants and supporters. Therefore, the flow of resources and the rules of resource allocation in the process of social innovation are crucial to the success or failure of innovation practices. As an important resource allocator, the government realizes resource allocation by screening innovation projects. For example, social innovation projects that are in line with the current policy orientation or focus on mainstream social issues are more likely to pass the examination and obtain resource support and policy protection; on the contrary, innovation projects with political risks or focus on sensitive issues are difficult to obtain the attention of government departments and may be subject to many thresholds in the process of obtaining resources or carrying out projects. It has been proved in practice that the projects with government policy inclination and resource support are more likely to achieve excellent innovation results in the short term, and even become demonstration projects for innovation diffusion around the world; whereas the neglected or cautiously controlled innovation projects are difficult to implement, and the implementation difficulty and transaction costs are higher, so the success rate of innovation activities is not optimistic. This has a direct impact on the behavioral choices of innovation subjects, causing most social organizations to derive path dependence and resource dependence, the erosion of independent creativity, and the solidification of the form of innovation, leading to the emergence of a large number of homogeneous and high social innovation activities in a concentrated manner.

### **4.3. Behavioral Competence: Dynamic Strategies of the Actor**

#### **4.3.1. Autonomous Innovation: Coordinated and Dynamic Innovation by All Agents**

The orderly operation of the social innovation order is centrally manifested in the full development of the creativity of social organizations, which leads to the emergence of creativity in the social field. The autonomous innovation strategy of social organizations lies in the fact that they give full play to their sense of social responsibility and sense of innovation, persistently pursue innovation opportunities and take the initiative to act as the guide and practitioner of social innovation. Spurred by the mission of meeting social needs, social organizations actively participate in social governance and the formulation of public policies with their unique way of resource integration, dare to break through institutional constraints and resource limitations, and continue to explore forms of social innovation and provide public services and products. Specifically, after independently developing a potentially beneficial social innovation project based on their own strengths, social organizations obtain funding through innovative resource acquisition methods such as public welfare fundraising and public participation; accumulate organizational advantages by recruiting volunteers through the network; gain the attention of governmental departments through media reports to obtain legitimacy and policy support; and finally, after the governmental departments adopt the innovative project, they cooperate with the government and the governmental departments to provide public services and products. After the government department adopts the innovative project, the organization will cooperate with the government and enterprises to promote the project. Through the above channels, social organizations can often explore a highly feasible model innovation strategy, which can be spread in different administrative regions and drive inter-regional social innovation practices with its replicability and sustainability.

#### **4.3.2. Complicit Innovation: Pseudo-innovation that Sets Aside Social Values**

The landing and diffusion of social innovation has a strong dependence on the institutional environment. Although many innovative practices have been widely diffused with the help of the government, they still face tensions and contradictions in the intrinsic relationship of value-behavior, etc. In reality, many social organizations have been established by the government, and even the heads of them have been appointed by the government. In reality, many social organizations are supported by the government, and some of them are even converted from institutional units, and not only the funds are allocated by the government, but even the heads of the organizations are also served by the government leaders. This is not a benign state of cooperation between the government and the social organizations, but a deformed participation of the government in social innovation, which is likely to result in the conspiratorial innovation behaviors of the government and the social organizations. Similarly, due to the high importance the state attaches to social governance innovation, grassroots governments will selectively cooperate with social organizations to gain the attention of higher levels of government by creating "highlight projects" of social innovation, so as to obtain more financial support and promotion opportunities. In the case of private social organizations, due to the lack of policy inclination, their own development is slower, the impact of their activities is smaller, and their social acceptance is lower, so they are more willing to seek shelter from the government, and cooperate with the government to reach a consensual innovation. The positive side is that, under the multiple pressures of inter-governmental competition, performance appraisal, and the "Double Innovation" strategy, the grassroots government will be able to guide the flow of social resources into the field of social innovation, provide permission for the operation of social organizations, provide start-up capital for the development of social innovation, and reduce the risk of innovation failure. The negative impacts of this behavioral strategy are, firstly, that it is very easy for the corresponding projects to be interrupted due to the government officials' governance preference or position transfer, which makes it difficult for the innovation practice to be continued; secondly, the social organizations are limited to act in the meantime, and lack of innovation space, so that some of the innovation projects can not be really implemented. In this case, without political pressure from the top and strong regulatory constraints, the practice of social innovation will seriously deviate from its value and mission, and become an accomplice to formalistic political shows.

#### **4.3.3. Competitive Innovation: Alienation of Targets Spawns Innovation Tournaments**

Under the dual strategy of pressure and incentives, the institutional system has produced undue inducement to the main body of social innovation, and it is difficult for social organizations to adhere to the goal guidelines of solving problems and satisfying needs in their innovation activities, showing the characteristics of involution and even giving rise to chaos in the innovation championship. Facing the government's encouraging policies and access restrictions on social innovation, in order to seek government support and competitive advantages, social organizations must rely on quantification and influence to gain greater recognition. Social innovation should be centered on social issues, problems, and obstacles, and is essentially a creative strategy to meet social needs. However, under the blind competition, the innovation projects of social organizations are more focused on avoiding problems, and constantly strengthening their own comparative advantages to create innovative "highlights" and "famous brands", leading to the modelization of innovation design and unidirectionalization of innovation strategy.

More importantly, in order to avoid complex social conflicts and solve problems that cannot be solved in a single way, social organizations tend to design innovative projects by "copying", "superimposing" and "combining". The innovative projects, ignoring the complexity and uncertainty of social governance, are very likely to become over-packaged formalized

behaviors. As a result, innovation projects lacking practical effects have caused the deflation of social innovation, and those social organizations unwilling to take the initiative to innovate have no choice but to make "convergent" changes in order to occupy a place in the trend of innovation, which not only stifles the vitality of deeper innovation, but also tends to form the internalization of social innovation, resulting in the illusion of a false high degree of innovation. This not only stifles the vitality of deep innovation, but also tends to internalize social innovation and create a false impression of high innovation.

## 5. Path Selection

By analyzing the evolutionary logic of social innovation with the three-dimensional analysis framework, it can be found that the top-down institutional arrangement of authoritative subjects, the bottom-up innovation exploration of social organizations and their dynamic strategy choices have jointly shaped the operation mechanism of social innovation order. The essence of social innovation is the practice of social forces to solve social problems and promote social change by creative means, which reflects the rise of social forces, the differentiation of state power and the awakening of civic consciousness from the perspective of social structural transformation. A society rich in innovativeness is inevitably a dynamic, stable and orderly society with healthy development, and the reasonable construction of the relationship between the government and the innovation subject is the key to promote the social order, solve the problems, and improve people's lives, as well as an important focus for promoting the development of social innovation. On this basis, the article provides the following two points of view on how to realize the stable order and dynamic balance of social innovation and development:

### 5.1. Conscious Advancement of the Main Body to Achieve Dynamic Equilibrium

The action ability of social organizations is the original driving force for the operation of social innovation order, and the key to give full play to the organizational advantages of social organizations in the field of social innovation lies in strengthening their main position and enhancing their awareness of independent innovation. First, social organizations should take the initiative to cultivate the spirit of innovation, consciously support issues or events of public concern, strengthen the sense of innovation and pay attention to relevant policies, adjust the direction of innovation according to policy preferences, and try to make self-developed innovation projects consistent with the government's governance goals, so as to improve the possibility of project implementation; at the same time, actively pay attention to the collection of innovation projects and participate in the declaration, and strive to form systematic cooperation with the government. to alleviate the resistance to innovation practice and reduce costs and risks. Secondly, social organizations should adhere to their goals and visions, have a keen insight into social needs, actively improve their ability to integrate resources, maximize the protection of public rights and interests, promote public interests, and respond to social needs; at the same time, they should further enhance their social mobilization ability, seek policy, financial and human resources support from the government, enterprises, and the public, and collaborate to carry out innovative practices, stimulate the innovation vitality of social members, and form innovative synergies, in an effort to create a stable and orderly innovative practice. We should further enhance the ability of social mobilization, seek support from the government, enterprises and the public in terms of policies, funds and manpower, collaborate on innovation practices, stimulate the innovation vitality of social members and form innovation synergy, and strive to build a stable and orderly social innovation system. In the order of social innovation, social organizations should dare to give full play to their own advantages, break through the limitations of government-oriented rules, change the role of "housekeeper" to "master", and become the main body of social innovation.

## 5.2. Strengthening the System to Correct the Bias and Return to the Innovation Track

Examining the operation mechanism of the social innovation order from the strategic actions of social organizations, it can be found that the institutional environment for social organizations to carry out innovative practices still needs to be optimized, which requires an overall adjustment of the governmental governance structure and the social participation mechanism at the level of the authoritative body, so as to make the institutional arrangement and the social innovation order fit. As a public authority, the government should undertake the mission of guiding the development of society and promoting the development of the public sphere, strive to support the growth of social forces, create new public demand, and provide a broad platform for social organizations to participate. For social organizations that are affiliated with government departments, or that have formed a collusive relationship with the government, dual management can be reformed and replaced with classified management, stripping them of their administrative dependence on the government from the system, avoiding excessive "administrative absorption" and returning them to their social and public nature. For the more mature social organizations, they should be given clearer resources through the establishment of special social innovation funding platforms, tax exemptions, etc., and guided to gradually delink from government agencies in terms of human and financial resources, weakening the tendency of social organizations to be administrative, and maintaining their autonomy and independence. For the "negative externalities" in the innovative activities of social organizations, timely correction and punishment should be made to prevent backroom operations and resource abuse. In this way, the boundaries between the public power of the government and the public sphere of society will be clarified step by step, and the leading role of the government will be brought into full play to ensure that the practice of innovation will not go astray.

## 5.3. Strong Government Support and Positive Interaction

As an important main body to promote social innovation, the government should actively promote the opening of social innovation space, give social organizations more policy inclination and opportunities for cooperation and participation, and at the same time give recognition to their practical achievements in social innovation, give full play to the advantages of social diffusion of social innovation, and authorize the social, grassroots, and complex social and public affairs to be dealt with by social organizations, activate the innovation vitality of social organizations, and make them The government should give recognition to the practice of social innovation and give full play to the advantage of social diffusion, authorize social organizations to deal with social and public affairs of grassroots and complexity, activate the innovation vitality of social organizations, and encourage them to be active in all aspects of social governance, so as to make up for the government's inadequacy in grassroots governance. In addition, the government should also speed up the planning and introduction of social innovation policies, innovate social organization cultivation policies, provide good development space for social organizations, mobilize all levels of society to provide resources for social organizations, and provide a relaxed policy environment for social innovation, so as to accelerate the formation of benign interaction between the government and the society and improve the efficiency of the allocation of public resources.

## 6. Concluding Remarks

Innovation is the eternal topic of social development, and in the context of open-source innovation, the orderly operation of social innovation in social governance is crucial to the sustainable development of society, and the expansion of innovation demand and the maturity of social development have given social innovation unprecedented vitality. Social innovation is

the new concepts, ideas, systems and technologies generated in the social field, which influence the optimization of the social system and the improvement of the operation mode, and is an important driving force for social development and progress. Social innovation does not operate independently in the social sphere; it is rooted in social political and economic system changes, and deeply embedded in the institutional arrangements of government management of social organizations. This paper is committed to the use of historical institutionalism to examine the driving factors and mechanisms of social innovation, and to present a systematic and clear picture of the internal mechanism of China's social innovation order from the level of social change, institutional arrangement and subject strategy. The value of social innovation lies in releasing social vitality, compensating for market and government failures, and promoting the integration and collaboration of social forces and the expansion of public participation. However, in practice, the interactive game relationship between social organizations, the main body of practice, and the government, the main body of promotion, gives rise to a series of innovation risks and uncertainties. Due to the inertia of institutional input of authoritative subjects and the path dependence of social organizations on the course of innovation, innovation subjects have generated three dynamic strategies, namely, autonomous innovation, collusive innovation and competition innovation, which, while exerting their organizational advantages in innovation, also face problems such as autonomy, legitimacy, and loss of publicity. In this regard, this paper takes the construction of benign interaction between social organizations and the government in social innovation as the starting point, and proposes two paths of bottom-up conscious promotion and top-down policy innovation. On the one hand, social organizations should actively play the subjective initiative and main role of innovation, take the promotion of social interests and public welfare as the guide for action, and serve the supply of social demand and the coordination of social relations. On the other hand, the government should pay attention to innovation demand in system design, ensure the rationality and fairness of system embedding, deepen resource sharing and rational communication at the social level, guide all parties to participate in collaborative innovation, and provide resources and environmental protection for social innovation. As a result, the flexibility of social organizations and the wholeness of government governance can be integrated, and the stability and sustainability of the social innovation order can be enhanced.

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