Asia Pacific Science Press

Asia Pacific Economic and Management Review
ISSN(O):3005-9275
ISSN(P):3005-9267
Vol. 3 No.4 (2026)

Research on the Transformation Path of Social Organizations under the Two-Way Empowerment Mechanism: A Practical Analysis Based on the K Social Work Center

Bingchao Liu*

School of Public Administration, Shandong Technology and Business University, Yantai, Shandong, 264005, China

Corresponding author: Bingchao Liu

Abstract: Against the backdrop of local fiscal austerity, social organizations that are overly reliant on government procurement of services are facing a systemic survival crisis. Data shows that as of the end of 2023, the total number of social organizations in China had dropped to 881,600, a decrease of 9,700 from the previous year, representing a growth rate of -1.09%. This change not only exposes the industry's deep dependence on policy resources but also reflects the state's underlying intention to drive social organizations from quantitative expansion towards qualitative improvement. Through a case study of the K Social Work Center, this research finds that the key for social organizations to break free from resource constraints lies in leveraging the dual forces of government institutional guidance and market value orientation to build a sustainable ecosystem characterized by "compliance as a foundation, professional breakthrough, value feedback, and efficiency enhancement." Specifically, by implementing a "dual-end optimization" strategy—on one hand, adhering to the government end to solidify regulatory baseline, and on the other hand, expanding the market end to activate self-sustaining capabilities—the organization has successfully driven a triple transformation in governance modernization, service productization, and diversified self-financing capacity. This pathway ultimately facilitates a role shift from a passive policy-dependent entity to an active value co-creator in social governance.

Keywords: Social Organizations; Two-Way Empowerment; Value Co-creation; Transformation Path

Published: Jul 17, 2026

DOI: https://doi.org/10.62177/apemr.v3i4.1561

1. Introduction: Growth and Transformation Pressure Driven by Policy

Within the social governance system, social organizations play a crucial role, and their development is closely intertwined with the policy environment. Driven by robust policies such as government procurement of services, social organizations experienced rapid expansion and ushered in a golden period of development. However, this prosperity conceals a deep-seated dependence on policy resources. Once the external environment changes, the industry's inherent vulnerability becomes apparent.

1.1 Rapid Growth Driven by Policy

In 2013, the 18th National Congress of the Communist Party of China proposed the strategic goal of "innovating the social governance system" marking a significant shift in China's social governance philosophy from "social management" to "social governance." Subsequently, the Guiding Opinions of the General Office of the State Council on Government

Procurement of Services from Social Forces formally incorporated social organizations into the main body of public service provision, establishing the institutional framework for government procurement of services. [1] This policy direction unleashed substantial institutional dividends, significantly scaling up government procurement funds and directly fueling a surge in the number of social organizations. Data indicates that between 2013 and 2022, the number of social organizations nationwide grew from 547,000 [2] to 891,000 [3], with an average annual growth rate of 6.2%. During this process, government procurement of services gradually became a crucial channel for social organizations to obtain resources. Driven by intensive fiscal investments at all levels, "competing for projects and scrambling for funds" evolved into the operational norm for many social organizations.

1.2 Industry Contraction under Fiscal Pressure

The policy-driven rapid development of social organizations often carries structural risks. Propelled by policy dividends like government procurement, some social organizations were hastily established to quickly acquire resources, neglecting core competencies and long-term planning. This short-sighted behavior resulted in inadequate adaptability when the policy environment shifted. In 2023, affected by local fiscal pressures, the scale of national government procurement contracted slightly. Many social organizations heavily reliant on a single government funding channel were forced to cease operations, confronting the entire industry with severe challenges.

Analyses of the causes of this phenomenon, grounded in institutional environments and fiscal logic, point to several factors. First, the intensifying contradiction between fiscal revenue and expenditure led local governments to prioritize cutting non-essential spending. Second, the "tighten the belt" policy imposed rigid constraints, strictly controlling general expenditures. Third, reforms in government procurement deepened, with procurement structures continuously optimizing; while the share of services increased, the government placed greater emphasis on service quality over quantity. Fourth, government supervision over the procurement sector intensified, cracking down on illegal and non-compliant activities, thereby restricting irregular procurement practices. Fifth, as the economic structure was adjusted, the government paid more attention to the quality and efficiency of project investments. These factors, individually or collectively, likely contributed to the slight decline in the scale of national government procurement in 2023 and the sustained negative growth in the number of social organizations. This change not only reflects the direct impact of fiscal pressures but also reveals the central government's underlying intention to steer social organizations from "quantitative expansion" towards "qualitative improvement".[4]

1.3 Escalating Dilemmas under the Quality-Oriented Shift

The shift in the policy environment triggered a systemic crisis for social organizations. Long-standing policy dependence has led to deep-seated problems in service effectiveness, talent structure, and industry ecology. These issues mutually reinforce each other, creating a vicious cycle that has resulted in a severe erosion of public trust in the philanthropic sector, plunging the entire industry into a developmental crisis.

Regarding service effectiveness, some social organizations exhibit drawbacks of "inflated indicators" and "mechanical execution." To meet project evaluation and funding disbursement requirements, many organizations oversimplify complex public services into quantifiable superficial data, neglecting actual impact and substantive quality. Some organizations even resort to fabricating activities or inflating expenses to obtain fiscal funds, crossing legal boundaries. As some scholars have pointed out in their analysis of policy texts concerning social organizations, one manifestation of policy "counter-governance" is the imbalanced structure of policy tools, leading to deviations in specific implementation. [5] This behavioral pattern fundamentally erodes the government's trust in the professional capacity and contractual spirit of social organizations.

In terms of talent structure, social organizations generally face the dual pressure of funding shortages and societal cognitive biases. Constrained by the historical stereotype that "public welfare workers should contribute selflessly," coupled with the organizations' own weak fundraising capabilities, they struggle to offer competitive salaries in the labor market. [6] Consequently, compensation becomes a primary driver of talent attrition, with many skilled young practitioners leaving after two or three years due to financial survival pressures. This continuous loss of professional talent leads to a depletion of in-house service capacity, forming a vicious cycle of "low salaries — low efficiency — low credibility — greater difficulty in attracting resources."

Regarding the industry ecosystem, the social organization sector exhibits governance failure manifested in evaluation fraud and homogeneous competition. To survive intense project bidding, some organizations resort to unethical tactics such as falsified evaluations and inflated results. Academic research categorizes this phenomenon as “social organization collusion,” where organizations implicitly cooperate to bypass regulatory boundaries, sacrificing public value for collective short-term benefits. [7] Meanwhile, a large number of social organizations offer highly similar services, lacking innovation and differentiation. Long-term reliance on government subsidies and a general absence of market-based self-sufficiency have become widespread predicaments. These issues reinforce one another, leading to a severe decline in public trust in the philanthropic sector, plunging the entire industry into a systemic crisis.

2. Inheritance: A Deep Analysis of the Accumulated Maladies during the Bonus Period

Behind the prosperity of social organizations during the period of policy dividends lie numerous deep-seated problems. As the policy environment shifts, these hidden dangers gradually surface, ultimately constraining the industry’s sustainable development. Tracing their roots, these problems are concentrated in three dimensions: organizational internal injuries, the myth of government procurement, and the absence of branding.

2.1 Organizational Internal Injuries: Governance Disorder and Capacity Hollowing-out

First, there is a lack of clear positioning and cognitive bias. Misplaced positioning is a key factor trapping social organizations in difficulty. Many organizations are established not from a profound understanding of social needs or mission-driven purpose, but rather attracted by short-term project funding. Driven by utilitarian motives, these organizations are hastily formed without adequate justification or long-term planning, carrying a strong opportunistic character from the outset. Many founders lack a systematic understanding of the non-profit nature, operational logic, and sustainable development models of social organizations, leading to vague strategic positioning. The most typical misconception is equating “non-profit” with “inability to charge fees.” This self-imposed restriction forces organizations to over-rely on government project “blood transfusions,” voluntarily abandoning self-financing pathways such as quality services, membership fees, and social enterprises. The consequence is a severe weakening of strategic autonomy, reducing the organization to a “project worker” drifting with the current.

Second, internal governance is largely nominal. The root cause of internal governance dilemmas can be traced back to formalized registration procedures. During the registration phase, key documents such as organizational bylaws and internal structure designs are often simplified into formalities to satisfy approval requirements. Most organizations blindly use templates, making these documents seriously divorced from their actual circumstances, leading to blurred lines of authority and responsibility, chaotic decision-making processes, and a lack of checks and balances. The board of directors, intended to bear strategic decision-making and oversight responsibilities, is often composed of the founder’s relatives or figureheads incapable of substantive supervision. More critically, internal board meetings become perfunctory, the supervisory board’s functions are sidelined, and internal oversight mechanisms completely fail. External regulation also has shortcomings; Civil Affairs departments struggle to implement normalized, in-depth supervision given the vast number of organizations. This dual absence of internal and external oversight allows misconduct to go uncorrected in time, continuously exacerbating governance disorder.

Third, the talent dilemma and vicious cycle persist. Social organizations generally face the dual pressure of funding shortages and cognitive biases. Due to self-imposed restrictions and over-reliance on unstable project funds, social organizations lack stable and reliable income sources. Coupled with societal stereotypes that non-profit practitioners should “work selflessly,” organizations struggle to offer competitive market salaries. For instance, due to funding shortages, a certain social organization long relied on part-time staff and short-term volunteers, leading to high instability in core positions, severely impacting service quality and project execution. The distorted compensation system also incapacitates core management, as founders and board members often lack the professional background to fulfill strategic leadership functions. In this situation, organizations lack professional talent to efficiently execute projects and standardize internal management, resulting in poor performance and damaged credibility. This, in turn, makes it harder to attract funding and talent, forming an inescapable cycle of capacity hollowing-out.

2.2 The Myth of Government Procurement: Goal Displacement and Implementation Alienation

Government procurement of services is intended to be a crucial mechanism for optimizing public service supply and invigorating social organizations. However, many social organizations have distorted it into a singular "competition for funds." This cognitive bias leads to systematic behavioral distortions in both goal setting and project implementation, wasting resources and eroding the trust foundation of government-social organization cooperation.

During the project application process, social organizations often fail to rationally analyze government objectives and their own capabilities, simplifying the core goal from "effectively solving social problems" to "successfully obtaining project funding." This "goal displacement" makes funding an end in itself, while service outcomes become secondary or even sacrificial. As the purchaser, the government repeatedly encounters issues like unmet objectives, inefficient fund utilization, and inflated results, fostering deep skepticism about the professional competence and contractual spirit of social organizations. This damages not only the reputation of individual organizations but also triggers negative evaluations of the entire industry's capacity to undertake projects, undermining the sustainability of the government procurement policy itself. A vicious "adverse selection" ecosystem thus forms, where organizations prioritizing project acquisition over outcomes crowd out resources and space from those committed to solving problems effectively.

In project implementation, many organizations fall into a cycle of "early-stage slackness and last-minute rush." After signing contracts, they neglect resource coordination and dynamic management during the process, hastily "compiling homework" only as evaluation deadlines approach, even resorting to data fabrication to pass inspections. This behavior distorts the core objective of project management from effectively serving clients and achieving substantive results to merely passing evaluation checks, completely betraying the fundamental purpose of government procurement. Government procurement thus degenerates into a resource-consuming "compliance performance," where the intended public nature and professionalism of public services vanish. The logic of serving indicators rather than service recipients not only wastes public resources but also severely undermines policy effectiveness.

2.3 Absence of Branding: Fragmented Services and Innovation Inertia

The deficiency in brand building among social organizations fundamentally stems from a fractured service value chain and a continuous weakening of innovation capacity. This deficiency manifests not only in the fragmentation of service content and stagnation of project renewal but also reflects deeper, multi-layered dilemmas faced by the non-profit sector under resource pressure.

First, there is a widespread misconception about services. Many organizations simplistically equate public welfare services with maximizing the number of activities, rather than viewing them as systematic solutions to social problems. This cognitive bias leads to services remaining at the level of isolated activities, neglecting the inherent logical connections between service content, implementation processes, technology application, and ultimate outcomes, making it difficult to form standardized and replicable service models.

Second, there is severe path dependence in project planning. Many organizations consistently follow traditional fixed templates when designing projects, making only basic adjustments to parameters like time, location, and participant numbers, while avoiding costly iterative experimentation. A deeper problem is the lack of knowledge management. After projects conclude, systematic evaluations and experience-capturing mechanisms are absent, hindering organizations from converting practical experience into internal knowledge assets. This ultimately results in service fragmentation, brand hollowing-out, and loss of core competitiveness.

Third, service provision faces a systemic crisis of fragmentation. Projects often operate in isolation, lacking cross-sectoral collaboration, making it difficult to integrate resources into comprehensive solutions for complex social issues. This fragmentation leads to two major contradictions. One is service discontinuity: after project cycles end, the rights and interests of beneficiary groups are often interrupted due to a lack of continuity support mechanisms, exposing the organization's neglect of long-term value creation. The other is resource wastage: substantial funding and human resources are repeatedly invested in addressing superficial needs, failing to delve deep into core pain points to achieve scale effects. Consequently, social organizations become mere "project contractors" for the government or foundations, passively executing short-term tasks without building sustainable service agency. This fragmentation is essentially an outward manifestation of structural governance defects, lacking both the institutional design for cross-departmental coordination and the integration capacity for the service value chain.

In summary, the core logic underlying the current developmental predicament of social organizations encompasses organizational alienation and capability degradation due to excessive policy dependence, a value creation crisis arising from short-sighted goal setting, and service inefficiency and unsustainability resulting from a lack of professionalism and sound governance structures. These three factors intertwine, forming a difficult-to-escape vicious cycle that severely constrains the healthy development of social organizations.

3. Transformation: The "Dual-End Optimization" Breakthrough Practice of the K Social Work Center

Against the backdrop of local fiscal austerity and increasingly demanding governance requirements, for social organizations to achieve sustainable development, they must base their actions on professional norms, be driven by proven effectiveness, and proactively transform government evaluation criteria into opportunities for their own growth. As a core hub institution at the county level, the K Social Work Center, guided by a "dual-end optimization" strategy, focuses on consolidating the government service end while actively expanding the market service end, achieving a breakthrough reform and providing a practical paradigm for the industry.

Since its establishment in 2017, the K Social Work Center has defined its mission as "rooted locally, serving the community, helping people to help themselves," committed to promoting social organization participation in grassroots governance through professional services and building a "Five-Society Linkage" ecosystem. Leveraging university resources and a provincial-level social work research center, the center has established a platform for talent cultivation and resource integration, fostering the professional development of local social organizations. In recent years, the K Social Work Center has efficiently undertaken multiple social service projects, covering areas such as government-commissioned social services, public interest venture philanthropy and community governance, social work station operation and demonstration construction, and social organization incubation. It has actively explored pathways for social organization project-based transformation, cross-sector integration, and service productization, achieving notable results.

3.1 Consolidating the Government End: Emphasizing Both Standardization and Professionalism

The K Social Work Center views government projects as the baseline for organizational survival and the cornerstone of standardized development. It focuses on building "baseline standards" through governance restructuring, project implementation, and outcome-oriented evaluation, shifting from passive execution to proactive management.

First, restructuring governance around the charter. Establishing a modern management system for social organizations with clear rights and responsibilities, coordinated operations, and effective checks and balances is crucial for stable organizational functioning. The K Social Work Center breaks away from the traditional "merit-based system," implementing a Standardized Management Manual to establish a modern governance structure with clear authority and effective checks and balances. Specifically, the center promotes a "Project Claim System" and a "Teaching by Doing" plan, linking task completion with personal growth, implementing the management principle of "more work, more reward; less work, less reward; no work, no reward," thus creating growth space for young talent. Concurrently, the center emphasizes talent development by co-establishing practice bases with universities to host social work interns, fostering symbiotic growth between the organization and individuals, and cultivating a positive organizational ecology and culture.

Second, delivering efficient services through project implementation. Using government projects as a vehicle to achieve high standards of service management—ensuring basic services are enhanced, service delivery is tracked, and service outcomes are summarized—is fundamental to healthy organizational development. The K Social Work Center clearly recognizes that "90% of funding still originates from government procurement" and proactively shifts from passive execution to active management, promoting the "project-based" transformation of social organizations. Since 2017, the center has participated in six rounds of the "Party Building Leading, Benefiting the Community" public interest venture philanthropy activity, designing, optimizing, monitoring, and evaluating 156 projects. These projects cover areas including Party building, community governance, elderly services, youth services, disability services, and poverty alleviation. The center has nurtured 5 local professional social work institutions, making its region the administrative district with the highest number of local social work institutions in the city.

Third, rebuilding evaluation around outcome orientation. Establishing a monitoring and evaluation system based on service outcomes, characterized by "quantifiable indicators measurable, quality indicators improvable," is key to driving organizational quality and efficiency. Social organizations need to accurately grasp the core demands of resource providers and transform government evaluation standards into internal drivers for upgrading. In practice, the K Social Work Center operates the regional general social work station and 8 town/street-level social work stations in its area. Focusing on "leveraging the effectiveness of Five-Society Linkage," it strives to build a one-stop comprehensive livelihood service platform, achieving full digitalization of project application, review, and evaluation processes, significantly enhancing government regulatory efficiency and effectively promoting the construction of model town/street-level social work stations. Its self-developed "Precision Rehabilitation Management System" enables precise targeting of service recipients, intelligent interaction, and real-time data updates, visualizing service effectiveness and establishing a quantifiable, verifiable digital evidence chain to reshape professional discourse power.

3.2 Expanding the Market End: "Self-Sustenance" and Value Creation

As non-governmental forces, social organizations, while adhering to the fundamental principle of not distributing profits to investors, founders, or members, should follow market-oriented and rule-of-law principles, proactively respond to and serve industry needs, and engage in for-profit services. The K Social Work Center deeply understands that relying solely on government channels is insufficient for sustainable development. It recognizes the need to introduce market principles such as demand orientation, efficiency priority, and innovation drive to optimize resource allocation. By solving industry pain points like high human resource consumption and minimal outcome accumulation through service productization, the organization shifts from passively relying on policy "blood transfusions" to actively creating social value, ultimately carving out a sustainable path for "self-sustenance".

First, achieving service productization to break organizational efficiency bottlenecks. The K Social Work Center abandons the crude thinking of merely accumulating activities, striving to transform practical wisdom into replicable, high-quality public interest products. By developing digital tools, the center realizes quantitative evaluation of social impact. Its self-developed "Yihu APP" solves the fragmentation problem of public interest project file management through standardized filing processes, lowering professional supervision costs through a low-cost paid service model, thereby overcoming the persistent dilemma of high staffing costs. In rural revitalization practice, the center refined its "Three Identities, Three Transformations" working method (contextualizing education, projectizing services, and ensuring long-term outcomes) into a standardized study tour curriculum package. This methodology not only helped the Zhanggezhuang Base become a provincial-level demonstration site but also became a replicable public interest product transferable across regions.

Second, adopting enterprise-like governance to activate organizational internal drive. The K Social Work Center breaks away from the traditional seniority-based constraints of social organizations, striving to build a performance-oriented "enterprise-like" management system. By developing a Standardized Management Manual, it clearly defines rights, responsibilities, and checks and balances, transforming the originally vague decision-making process into a clear institutional framework. It introduces a "Project Claim System," allowing social workers to choose projects based on their expertise and directly linking the quality of task completion with opportunities for course development and career advancement. The concurrently implemented "Teaching by Doing" plan encourages experienced social workers to convert their experiences into training courses, forming a virtuous cycle of "practice — refinement — teaching." This mechanism, which rewards more work and better performance, accelerates the growth of young talent and solves the motivation deficit common in traditional models.

Third, realizing operational substantiation to build organizational financial resilience. While adhering to the fundamental non-profit principle, the K Social Work Center actively explores cross-sector integration models such as "social work technology + curriculum training" and "public interest resources + agricultural cooperatives." The center transforms social work techniques into paid study tour courses, developing standardized product packages like "Rural Revitalization Practice Courses" that provide actionable solutions for grassroots workers. Concurrently, it collaborates with agricultural cooperatives to customize specialty agricultural product gift boxes, leveraging the public interest brand premium to increase farmers' income, forming a virtuous cycle from supporting agriculture to generating revenue and reinvesting in public welfare. Furthermore, user feedback mechanisms become key drivers for service optimization. Data such as course satisfaction and product repurchase rates directly prompt service process iteration, creating a positive feedback loop of improved service quality, enhanced user stickiness, and revenue growth. These operational substantiation measures significantly reduce the organization's dependence on government procurement, building sustainable financial resilience.

3.3 Two-Way Empowerment: Ecological Reconfiguration through Institutional Guidance and Value Drive

The key to the successful transformation of the K Social Work Center lies in building a healthy ecosystem with two-way empowerment between the government and the market. The government end provides institutional traction through a "bottom-line thinking," using standardized evaluation systems (e.g., Social Work Station Guidelines, Kang'ai Station Standards) and policy pilots to drive organizations towards enhanced professionalism and compliance, converting regulatory pressure into motivation for optimizing processes and pursuing digital innovation. The market end injects sustained driving force through a "value thinking," promoting service productization, enterprise-like governance, and operational substantiation. It leverages competitive mechanisms to enhance efficiency and expands resource access through cross-sector collaboration, breaking away from traditional inefficient dependency models.

The core of two-way empowerment lies in the government guiding social organizations back to their essence of public service via institutional supply, while social organizations, through their market-oriented capabilities like productized solutions and data-driven effectiveness, feed back into enhancing government governance efficiency. This forms a sustainable cycle: "Government establishes the institutional foundation → Organizations achieve professional breakthroughs → Market provides value feedback → Feedback enhances government efficiency." The standardized plans developed by the K Social Work Center in areas like mental disability community rehabilitation and rural revitalization, which were subsequently adopted and promoted by the government, serve as strong evidence of this value feedback loop.

4. Synthesis: Pathways to Sustainable Development for Social Organizations

The "dual-end optimization" practice of the K Social Work Center offers a feasible breakthrough pathway for the social organization sector currently facing systemic challenges. Its core insight is that social organizations must transcend one-dimensional dependence on policy dividends. By achieving a dynamic balance between institutional guidance and market drive, they can reshape their development logic, transitioning from "resource consumers" to "ecological co-builders." The essence of this transformation pathway is promoting a fundamental shift from quantitative growth to qualitative improvement for social organizations, exploring a sustainable development path that creates value while adhering to baseline standards.

4.1 Upgrading the Government's Role: From Resource Allocator to Ecosystem Builder

Currently, the registration and management of social organizations has entered a new phase focused on promoting development through regulation and ensuring development through institutions. Facing this trend, the government's function requires a triple transformation, upgrading from a mere resource allocator to a shaper of the institutional environment and a cultivator of the ecosystem.

First, deepen procurement mechanisms and promote "evidence-based procurement" reform. The government should abandon crude models based solely on low prices or connections. Instead, it should establish a tiered evaluation and procurement system centered on the genuine needs of service recipients and measured by quantifiable outcomes. It is crucial to promote the model of payment based on service effectiveness, linking the use of fiscal funds to verifiable service results. This creates hard constraints on service quality, guiding social organizations from the outset to focus on service quality rather than merely pursuing project acquisition.

Second, shift the logic of support towards building a "capacity-oriented" support system. Fiscal resources should shift from "subsidizing organizations" to "subsidizing capacity," focusing investment on foundational capacity-building projects such as governance optimization, core talent cultivation, digitalization, and service product R&D for social organizations.

Simultaneously, establish "policy sandbox" and pilot mechanisms to support organizations with innovative potential in exploring novel service models, fundraising methods, and governance structures within a manageable risk scope. This not only accumulates experience for institutional breakthroughs but also accelerates the replication and diffusion of mature practices and standardized products.

Third, activate hub organizations and strengthen their ecological linking function. Hub social organizations should act as "community sensors," accurately perceiving grassroots needs and providing empirical evidence for policy formulation. Concurrently, their hub functions in standard-setting, capacity building, resource linkage, and industry supervision should be activated, making them effective extensions of government regulation and drivers of industry advancement.

4.2 Reshaping the Genetic Code of Social Organizations: From Resource Dependents to Value Creators

The transformation of social organizations requires focusing on four key directions while adhering to the fundamental non-profit principle, achieving a fundamental shift from passively relying on policy "blood transfusions" to actively creating social value.

First, modernize governance. Take the organization's charter as the core foundation, abandon traditional management models reliant on personal relationships, and establish governance structures with clear rights and responsibilities and effective checks and balances. Promote a performance-oriented "Project Claim System," linking task completion with personal growth to activate internal drive and create development pathways for professional talent.

Second, productize services. Transform fragmented experiences into replicable standardized products. By systematically reviewing project experiences, standardizing service processes, and strengthening brand management, create sustainable and assessable public service packages. The K Social Work Center's refinement of its rural revitalization practice into the "Three Identities, Three Transformations" curriculum package significantly boosted service efficiency, effectively solving the cost dilemma of public welfare services.

Third, cultivate mixed self-sustaining capabilities. While adhering to the non-profit baseline, explore market-oriented channels such as low-cost services, knowledge payment, and sales of public interest products. Promote cross-sector integration models like "public interest resources + real economy" to build diversified income structures, enhancing financial resilience.

Fourth, achieve a digital leap. Elevate digitalization from a mere tool to a core driving force. Internally, optimize management processes like digital file systems. Externally, build platforms for real-time tracking and service outcome evidence chains. Ultimately, establish "digital credit assets" recognized by both the government and the market.

4.3 Building a Sustainable "Two-Way Empowerment" Ecosystem

The future of sustainable development for social organizations hinges on achieving a dynamic balance between government regulation and market drive, constructing a healthy ecosystem characterized by "institutional guidance" and "value-driven" two-way empowerment.

On one hand, the government needs to provide the framework and baseline guarantees for the standardized development of social organizations through institutional innovation, standard-setting, and scientific procurement. Currently, the standardized construction of social organizations has entered a phase of systematic deepening, with policy support shifting from universal coverage to targeted precision. The government should focus on building institutional traction through "bottom-line thinking," converting regulatory pressure into motivation for social organizations to optimize processes, enhance professionalism, and advance digital innovation.

On the other hand, social organizations need to focus on modernizing governance, productizing services, and building mixed self-sustaining capabilities, continuously improving professional service efficiency and autonomous survival capacity. By earning trust from both the government and the market through verifiable effectiveness, they can achieve a role elevation from terminal executors to governance partners. When social organizations, through their professional capabilities and innovative solutions, feed back into enhancing government governance efficiency, they can simultaneously optimize public service supply and expand their market survival space. This forms a sustainable cycle: "Government establishes the institutional foundation → Organizations achieve professional breakthroughs → Market provides value feedback → Feedback enhances government efficiency."

Ultimately, two-way empowerment will drive the social governance ecosystem towards continuous evolution characterized by efficiency, resilience, and innovation. The government solidifies the development foundation, while the market stimulates innovation vitality. Both collaborate to shape a sustainable, new public welfare ecosystem. Only by seizing the initiative in this transformation and continuously growing into a vital supporting force for industry development can social organizations earn the respect and trust of the public, and contribute more significantly to the modernization of China's national governance system and governance capabilities.

Conclusion

Although current challenges are severe, they are by no means insurmountable. The practice of the K Social Work Center reveals that the vitality of social organizations stems from the courage to break free from the policy greenhouse and the wisdom to embrace market rationality. Only by actively breaking the single dependence on government resources, reshaping the value chain through "dual-end optimization," and constructing a two-way empowerment system combining government institutional guidance and market value drive—where the government end uses standards to solidify credibility, and the market end uses products to activate self-sustaining capabilities—can the paradigm shift of public service supply from government monopoly to diversified co-construction be achieved. Only then can social organizations break through survival difficulties, transform from fragile resource consumers into resilient ecological co-builders, and ultimately achieve a value leap from survival to development, injecting lasting momentum into the modernization of Chinese social governance.

Funding

No

Conflict of Interests

The authors declare that there is no conflict of interest regarding the publication of this paper.

Reference

[1] General Office of the State Council. (2013). Guiding opinions of the General Office of the State Council on government procurement of services from social forces (Document No. Guobanfa [2013] No. 96).

[2] Ministry of Civil Affairs of the People's Republic of China. (2013). 2013 statistical bulletin on social service development.

[3] Ministry of Civil Affairs of the People's Republic of China. (2022). 2022 statistical bulletin on civil affairs development.

[4] Zhang, S., Zheng, Y., & Li, J. (2024). Big reveal of 2023 government procurement data: Experts analyze 2023 national government procurement information statistics. China Government Procurement News.

[5] Wu, J. B., Li, Q., & Huang, B. (2024). Project subsidies, service outsourcing, and the development of social organizations: A multi-case study of public interest venture philanthropy projects. Management World, 40(10), 131–146.

[6] Xiao, Z. L., Wang, Y., & Luo, L. Y. (2024). Quantitative analysis and optimization research of social organization policies from a multi-dimensional perspective. Journal of Zhengzhou University of Light Industry (Social Science Edition), 25(1), 78–87.

[7] Huang, X. C. (2015). The institutional environment and development of contemporary Chinese social organizations. Social Sciences in China, 9, 146–164, 206–207.