Analysis of the Institutional Logic and Operational Effectiveness of Social Enterprise Participation in Community Public Service Supply

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ABSTRACT

Under the background of grassroots governance transition and the innovation of public service supply mode, social enterprises, as a new organizational form integrating social mission and market mechanism, are increasingly deeply involved in community public service supply. Based on the perspective of institutional logic theory, this article systematically discusses the institutional orientation, subject interaction structure, adaptation mechanism and operation effect of social enterprises embedded in community service field. Through theoretical construction and conceptual deduction, the study reveals that social enterprises are not simply service executors, but institutional adjusters at the intersection of national governance logic, market efficiency logic and community life logic. The generation of its public value depends on the dynamic balance of identity heterozygosity and institutionalized constraints. Its operating efficiency is limited by the allocation of rights and responsibilities among multiple agents, cognitive differences and the depth of cooperation. The current operation effect presents three dimensions: functionality, structure and standardization, but there are systematic gaps in institutional support, such as lack of standards, temporary platform and short-sighted cycle. Only through the clarification of legal identity, the institutionalization of cross-departmental collaboration and the institutionalization of community empowerment can the structural potential of social enterprises be released in grassroots governance.

Keywords: *Social enterprise, Community public service, Institutional logic, Multi-subject interaction, Operation effect.*

1. INTRODUCTION

In the macro context of contemporary public governance transition, the mode of public service supply is undergoing a profound evolution from single government-led to multi-coordinated governance [1]. As a new organizational form with both social mission and market operation ability, social enterprises have gradually become an important force to fill the gap in grassroots services and respond to the differentiated needs of communities [2]. Its unique value is embodied in the supplement of traditional administrative logic, and it is more important to reconstruct the tension relationship between publicity, efficiency and inclusiveness through institutional innovation [3]. However, there is still a lack of systematic explanation on the institutional basis and operation effect of social enterprises' participation in community public services, especially on key issues such as how institutional logic shapes its action boundary, how organizational legitimacy is maintained in multiple institutional fields, and how its actual operation effect is restricted by structural conditions [4].

Existing research focuses on the operation mode or case effect of social enterprises, and tends to simplify "effectiveness" to project output or user satisfaction, but ignores the deep regulatory role of institutional environment in its function [5]. The limitation of this analytical perspective leads to the lack of adequate response to the questions of whether social enterprises can really be embedded in the public service system and whether they have sustainable institutionalized ability. In fact, social

enterprises are not isolated providers of technical solutions, but embedded in a complex network of multiple institutional elements such as policy framework, legal identity, financial incentives and community culture [6]. Its participation behavior is not only restricted by the access rules and the allocation of powers and responsibilities of the formal system, but also by informal norms such as community trust and local governance habits. Therefore, it is difficult to reveal its real role boundary and evolution potential in the public service field only from the perspective of organizational ability or market mechanism.

This article holds that social enterprises must be examined under the analytical framework of institutional logic. Based on the theory of institutional logic, this article constructs a theoretical model to explain social enterprises' participation in community public service supply, so as to reveal the action logic and effect generation mechanism under multiple institutional pressures. This model explains why social enterprises can enter the community public service field, and describes the whole process of how institutional logic shapes its action mode and effect definition. Different institutional logics continue to collide and adjust in the community field, and social enterprises are at the intersection of these logics. Its operation effect is not only determined by internal management efficiency, but also depends on its ability to achieve logical coordination and identity integration under multiple institutional pressures. In view of this, the purpose of this article is to go beyond the level of experience description and systematically analyze the internal mechanism and effect generation path of social enterprises participating in community public service supply from the theoretical perspective of institutional logic.

2. THE SYSTEM ORIENTATION OF SOCIAL ENTERPRISES AND THE GENERATING MECHANISM OF PUBLIC VALUE

Social enterprises occupy a mixed position between government, market and non-profit organizations in the institutional spectrum. Its legitimacy is not derived from a single institutional logic, but is established by integrating the triple institutional elements of public responsibility, market efficiency and social mission [7]. In terms of legal status, most countries have not provided it with an exclusive legal person form, which often leads to its existence in existing forms such as private non-enterprise units, cooperatives or limited liability companies. This institutional ambiguity not only gives it room for strategic adjustment, but also brings continuous tension in identity. However, it is this institutional heterozygosity that forms the foundation of its unique public value. On the one hand, social enterprises improve the efficiency of resource allocation through market-oriented operation mechanism and avoid bureaucratic inertia in traditional public services. On the other hand, the social goals embedded in its articles of association constrain the excessive expansion of capital logic and ensure that the service supply does not deviate from the public interest track [8]. In this process, public value is not a preset result, but a continuous practice guided by institutional arrangements. These institutionalized mechanisms enable social enterprises to maintain their institutional commitment to publicity while responding to the real needs of the community, thus forming a new type of supplier with both resilience and responsibility in grassroots governance.

3. MULTI-SUBJECT INTERACTIVE STRUCTURE IN COMMUNITY PUBLIC SERVICE SUPPLY

In the community public service supply field, social enterprises are not isolated actors, but embedded in a complex interactive network composed of government agencies, residents' autonomous organizations, traditional non-profit organizations and market service providers. This multi-subject structure presents the characteristics of staggered responsibilities, complementary resources and goal tension. Grass-roots governments usually play the role of system providers and resource distributors, and guide the supply direction by purchasing services, policy pilots or space authorization. Neighborhood committees and owners' committees, as representatives of localization, undertake the functions of demand identification and feedback, but their professional ability is limited, and they often rely on external organizations to make up the position. Although traditional social organizations have the legitimacy of public welfare, they generally face the dilemma of insufficient resource sustainability. Although the pure commercial subject has the efficiency advantage, it is difficult to meet the universal requirements of community service [9]. It is in this structural gap that social enterprises gain the existence space. It undertakes the transfer of government functions through

professional services, gains local trust through community embedding, and relieves resource constraints with part of market-oriented income, thus seeking a dynamic balance between multiple logics.

This interaction is not a natural collaboration, but a differentiated collaboration model under the influence of multiple factors such as institutional rules, information asymmetry and target deviation. There are significant differences in the understanding of service effectiveness among different subjects. The government focuses on quantifiable performance indicators, residents pay attention to response speed and emotional identity, social organizations emphasize process fairness, and social enterprises need to give consideration to social output and financial sustainability. If this cognitive difference lacks institutionalized coordination mechanism, it will easily lead to cooperation becoming a mere formality or falling into the dilemma of selective cooperation.

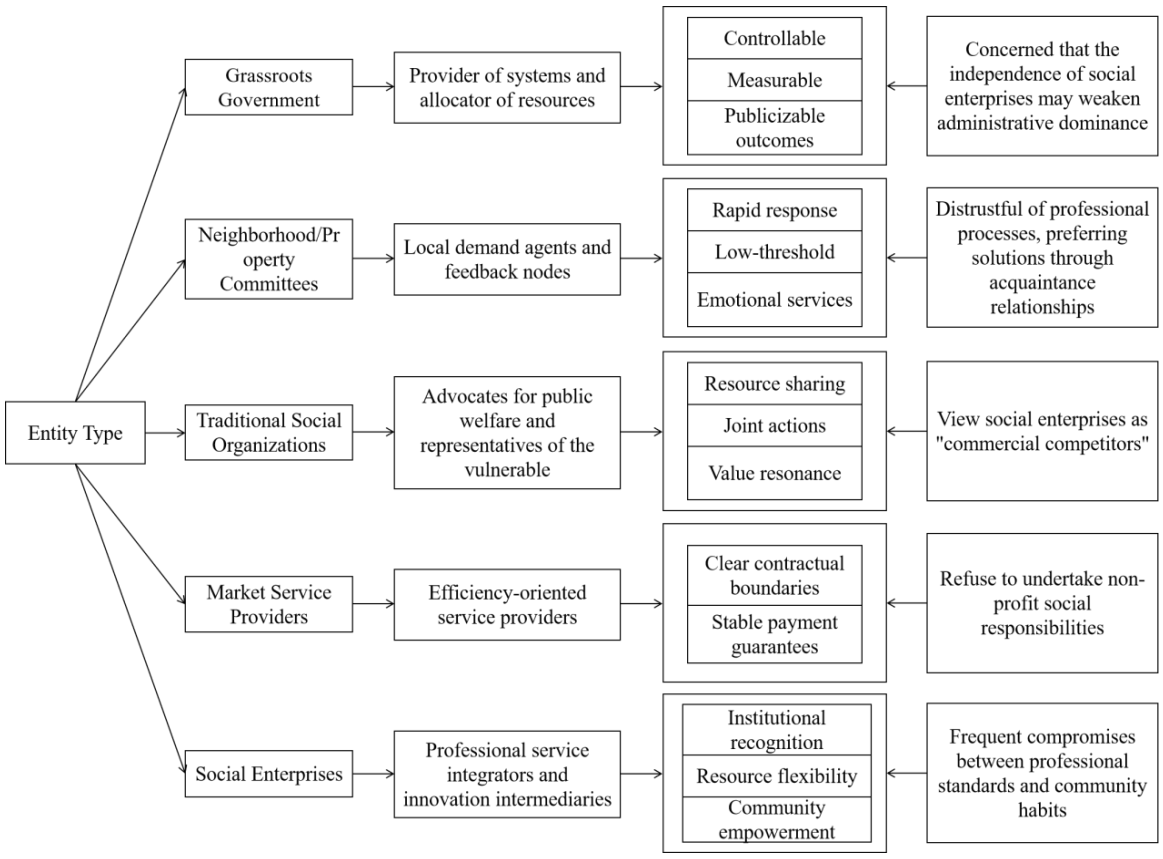


Figure 1 Roles and interactive tensions of multiple entities in community public services.

"Figure 1" systematically combs the behavior logic of each agent in typical service scenarios and reveals the structural tension under the cooperative appearance. Only by establishing a normalized discussion platform, clarifying the list of rights and responsibilities and sharing assessment criteria can the fragmented interaction be transformed into institutionalized collaboration, so that social enterprises can truly play a pivotal role in the pluralistic structure.

4. INSTITUTIONAL ADAPTATION LOGIC OF SOCIAL ENTERPRISES EMBEDDED IN PUBLIC SERVICES

The process of embedding social enterprises into community public services is not a simple organizational intervention, but a structural adjustment to seek legitimacy and operating space between multiple institutional logics. Its success depends on whether a dynamic adaptation mechanism can be built between the logic of state governance, the logic of market efficiency and the

logic of community life. The system design at the national level often gives priority to standardization, replicability and risk control, emphasizing procedural compliance and explicit performance. Market logic requires cost constraints, service pricing and users' willingness to pay; Community logic pays more attention to relationship trust, cultural fit and respect for informal norms. If social enterprises only follow a single logic, they will easily fall into the dilemma of system mismatch, or cling to the business model and deviate from the public mission. Therefore, its embedding strategy must reflect institutional sensitivity, and realize the compatibility of multiple institutional requirements through the coordinated adjustment of organizational structure, service design and discourse strategy.

This adaptation process is embodied in three mechanisms. The first is the identity reconstruction mechanism. Social enterprises obtain differentiated legitimacy in different institutional fields by selectively presenting their organizational attributes. Secondly, the rule translation mechanism transforms the abstract policy objectives into concrete community actions, so that the macro-institutional intentions can be localized. Finally, the patchwork mechanism of resources, flexible integration of financial subsidies, business income, voluntary labor and space donations and other resource heterogeneity, forming a resilient supply model that does not rely on the support of a single system. The effective operation of the above mechanism depends on a set of implicit institutional adaptability-that is, identifying institutional gaps, buffering conflict logic and constructing temporary consensus. "Figure 2" systematically summarizes the key elements of this adaptation process.

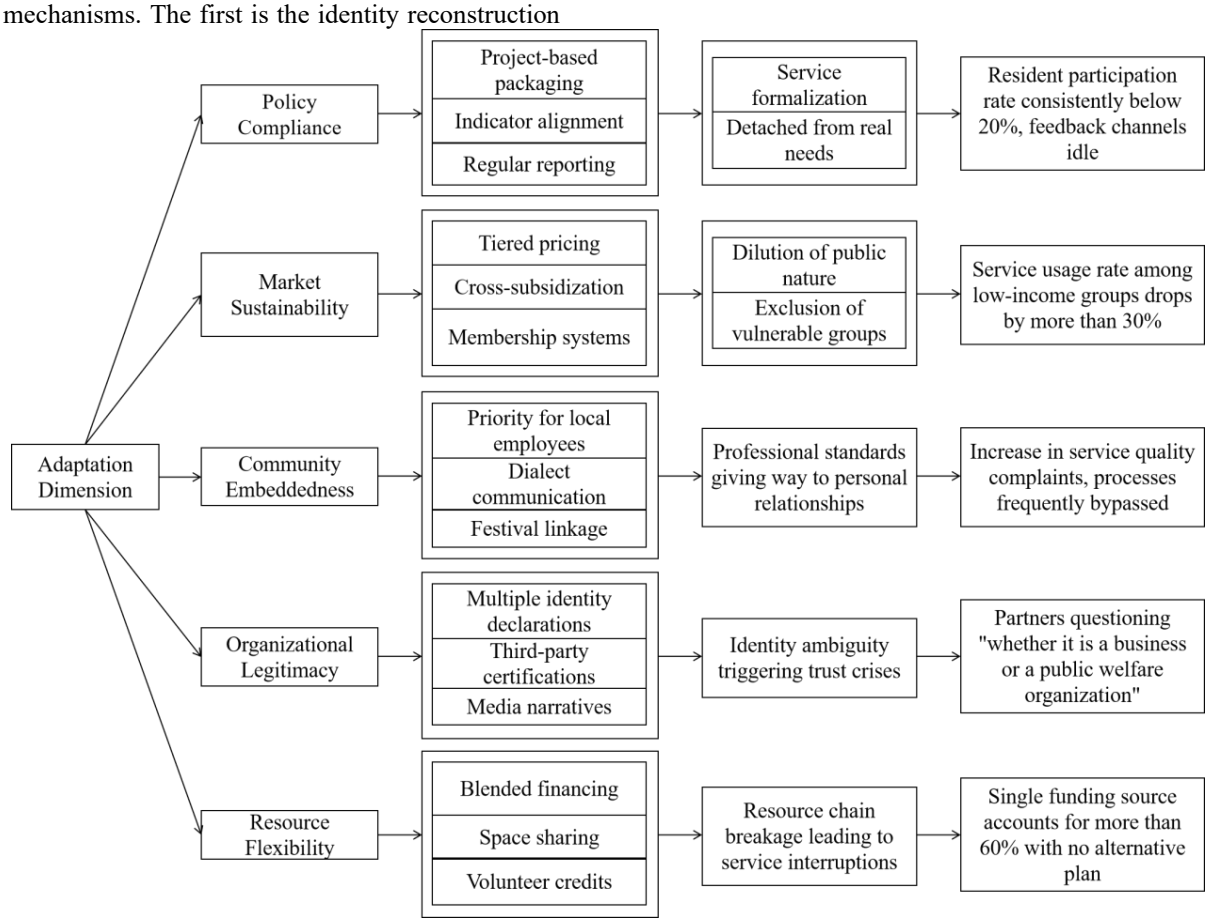


Figure 2 Key dimensions and risk boundaries for institutional adaptation of social enterprises.

Different institutional dimensions put forward differentiated requirements for social enterprises, and enterprises need to respond through specific strategic tools, and at the same time be alert to the legitimacy self-attack caused by excessive use of strategies. These strategies are not used in isolation, but are combined in dynamic trade-offs.

5. DIMENSION DECONSTRUCTION OF OPERATION EFFECT AND SYSTEM OPTIMIZATION PATH

The operation effect of social enterprises' participation in community public services cannot be simply summarized by the number of services or the satisfaction of users, but needs to be systematically deconstructed in the three-dimensional framework of system-behavior-value. Its effect is embodied in the delivery of specific services, as well as in the reshaping of grass-roots governance structure, the reproduction of public values and the feedback adjustment of institutional environment. At present, the assessment system often focuses too much on short-term output, ignoring the hidden contribution of social enterprises in cultivating community autonomy, bridging institutional gaps and stimulating the potential of collaborative governance. Therefore, it is necessary to redefine the operation effect from three dimensions: functionality, structure and standardization. Functional effect refers to the performance of service accessibility, response efficiency and professional quality. Structural effect focuses on whether it promotes the formation of a stable cooperative network among multiple subjects and the optimization of resource allocation mechanism. Normative effect measures its long-term influence in strengthening public spirit, rebuilding trust relationship and expanding citizen participation. These three dimensions are nested with each other to form a complete picture of the operation effect of social enterprises.

The realization of the above effects is highly dependent on the support strength and adaptation accuracy of the institutional environment. There are still significant shortcomings in the existing institutional arrangements. Vague legal identity leads to unclear rights and responsibilities, fragmentation of financial support restricts long-term planning, performance assessment focuses on quantitative indicators and ignores social processes, and insufficient community empowerment limits its deep embedding. These problems make social enterprises often fall into the predicament of high mobility and low system guarantee, and its operation effect is difficult to be continuously amplified. Therefore, system optimization should be promoted simultaneously from three levels. At the macro level, accelerate the construction of special legislation or accreditation standards for social enterprises and clarify their legal status in the public service system. At the meso level, an inter-departmental coordination mechanism should be established to integrate resources such as civil affairs, development and reform, and human society to avoid policy signal conflicts. At the micro level, it will also promote the revision of community governance rules, and give social enterprises institutionalized rights in deliberation and consultation, space use and data sharing. Only through multi-level system coordination can the practical kinetic energy of social enterprises be transformed into the governance efficiency of the system.

6. CONCLUSION

The participation of social enterprises in the supply of community public services is essentially an institutional practice of seeking legitimacy and effectiveness in the tension of multiple institutional logics. The research in this article shows that its role is far beyond the traditional supplementary supplier, but closer to the institutional intermediary and value integrator in the grass-roots governance ecology. Its unique value is not to replace the government or the market, but to build a buffer and transformation channel between the rigidity of bureaucracy, the profit-seeking nature of the market and the informality of the community through the mixing of organizational forms. The performance of this role highly depends on its sensitivity to the institutional environment and its capacity for strategic adjustment—it must strive for space within policy discourse while grounding itself in community practice; it must maintain financial sustainability without deviating from its social mission.

Although the current institutional environment offers certain local support, the overall situation remains fragmented and marked by short-term and ambiguous identity recognition. This results in an operational dilemma for social enterprises, characterized by high initiative but low security, making it difficult to fully unleash their structural and normative potential. Future institutional optimization should not merely focus on financial subsidies or pilot projects. Instead, efforts should center on building a three-tier support system. At the macro level, it is essential to clarify the legal status of social enterprises and define the boundaries of authority and responsibility, thereby addressing the issue of legitimacy. At the meso level, a cross-departmental mechanism for resource integration and collaborative decision-making should be established to overcome policy

fragmentation. At the micro level, revisions to community governance rules should be advanced, granting institutionalized rights to social enterprises in terms of participation, space, and data, thereby strengthening their embeddedness in local contexts. Only through such measures can social enterprises evolve from marginal supplements into an integral part of the grassroots public service system, and effectively contribute to building a new model of community governance that is efficient, equitable, and resilient. It should be emphasized that the main contribution of this article lies in reconstructing the analytical perspective for evaluating social enterprise participation, rather than in the empirical interpretation of specific cases.

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