

# *A new model of comprehensive regulation of social organizations: Implications, challenges and responses*

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**Abstract:** The new comprehensive supervision model of social organizations arises under the background of regulatory difficulties and the modernization of governance capacity brought about by the coexistence of multiple forms of access for social organizations. The model elements include five aspects: party leadership, comprehensive supervision and service of government departments, social organization autonomy and industry self-discipline, third-party evaluation and credit evaluation. The model faces challenges in actual operation, such as the weak leadership role in party building, inadequate legal and regulations system, poor operation of internal governance mechanism, and weak regulatory synergy. To this end, suggestions are it has proposals for the implementation of a party building-led mechanism, the improvement of information technology to enrich the means of supervision, and the establishment of a comprehensive multi-sectoral supervisory mechanism.

Social organization has become an important part of the modernization of China's national governance system and governance capacity. The work of social organisations is highly political and policy-oriented, highly sensitive and concerned, involving a wide range of fields and great social influence<sup>[1]</sup>, so a slight omission can easily lead to risks. The pressure on the supervision of social organizations is increasing day by day, and the violations of laws and regulations have also increased in the past few years. How to promote the healthier, orderly and high-quality development of social organizations is related to the overall situation of the reform, development and stability of the construction of socialism with Chinese characteristics, and is a practical problem facing management departments at all levels<sup>[2]</sup>.

## **1. Background and meaning of a new comprehensive supervision model for social organizations**

(1) Background of the emergence of a new comprehensive supervision model for social organizations

After the reform and opening up, China's social organizations have gradually formed a "double management system" with "integrated management, dual responsibility and hierarchical management" as the core content. This management system ensures the stable and orderly management order of social organizations for a long time, but its high registration threshold also has

restricted the development of social organizations to a certain extent. Since 2004, the state has gradually partially adjusted the "dual management system". In November 2013, the Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning the Comprehensive Deepening of Reform clearly pointed out that it is necessary to focus on cultivating four types of social organizations, including "industry associations, chambers of commerce, science and technology, public welfare philanthropy and urban and rural community services", and to allow them to register directly in accordance with the law when they are established. In April 2014, the Ministry of Civil Affairs(MCA) announced the opening of the registration of the above four types of social organizations nationwide, and the direct registration system will be implemented. By the end of 2020, the total number of social organizations across the country had approached a high of 900,000 and maintained a growth trend<sup>[3]</sup>.

The coexistence of multiple forms of access for social organizations brings new regulatory difficulties. After the implementation of the direct registration system, the emergence of social organizations has increased the regulatory pressure of civil affairs departments. At the same time, the coexistence of multiple forms of access not only causes the difference between the identity of social organization and the management model, but also blurs the responsibilities of the original business administration unit, increasing the difficulty of supervision and uncertainty of governance. In 2016, a series of documents such as the Opinions on Reforming the Management System of Social Organizations and Promoting the Healthy and Orderly Development of Social Organizations and the Comprehensive Supervision Measures of Chambers of Commerce of Trade Associations (Trial) are aimed at reconstructing the supervision system of social organizations and gradually forming a new comprehensive supervision model for social organizations in practice.

## (2) The meaning of the new comprehensive supervision model of social organizations

The new model of comprehensive regulation of social organisations is distinguished from the previous management model of administrative access. Specifically, the five aspects: the leadership of the Party, comprehensive supervision and services of government departments, autonomy and industry self-discipline of social organizations, third-party evaluation and credit evaluation constitute its basic framework. The governance framework with "comprehensive supervision of social organizations" at the core has repositioned the regulatory responsibilities of the state, social organizations and other diversified social subjects, optimized the supervision structure of social organizations, and made comprehensive use of political guidance, administrative norms, financial means, laws and regulations to form a combination of supervision by a combination of government supervision, rule of law supervision, autonomy and self-discipline and social supervision. Through the mutual cooperation of multiple regulatory bodies and the complementarity of different regulatory approaches, a comprehensive supervision model of shared supervision responsibilities and reasonable division of labor among multiple subjects is established to achieve the diversified goals of supervision, standardization and effective governance of social organizations.

Compared with China's traditional "double management system" supervision framework, the comprehensive regulatory and governance framework of new social organizations has undergone significant changes in concepts, subjects, means, processes and contents. (See Table 1)

It is particularly noted that comprehensive supervision means changes in the direction of social organizations. The supervision of the dual management system focuses on risk control based on the preventive mechanism, while "integrated supervision" is reflected in procedural supervision. Secondly, the diversification of regulatory-subjects has circumvented the limitations of a single regulatory model, realized the transformation from the original supervision model dominated by government departments to a comprehensive supervision model involving multiple subjects, and promoted the sharing of regulatory responsibilities. This reflects that under the background of the modernization of national governance, the state has gradually realized that the supervision and

governance of social organizations must be based on the multiple goals "orderly management + standardized governance + cultivation and development", and gradually establish a modern social organization supervision system with "organizational development as the goal, standardized supervision as the means, and risk control as the limit".

Table 1: Comparison of the characteristics of the "dual management model" and the "new comprehensive supervision model" of social organizations

Dimension	Dual management model	New integrated regulatory model
Regulatory objectives	Risk control	Orderly regulation, standardised development, fostering and incentivising social organisations
Regulatory subjects	Administrative organs (business administration + civil affairs departments)	One core, multiple': party committees, administrative departments, industry associations, third-party assessment organisations, other stakeholders
Regulatory methods	Administrative approval, annual inspection	Social organisations Party building leadership, integrated supervision and services of government departments, industry supervision, third-party assessment, internal governance, annual reports, etc.
Supervision content	Pre-qualification, co-operation	Full-process, full-cycle supervision

## 2. Challenges of a new comprehensive supervision model

Under the new social organization supervision model, unprecedented attention has been paid to the construction of social organizations, basically achieving full coverage of the Party organization and the Party's work; the legal and regulatory system for the supervision of social organizations has been initially formed; the internal management of social organizations has been strengthened; the supervision capacity of social organizations has been comprehensively improved; and a good atmosphere of joint supervision has been initially formed. However, from the perspective of the modernization of governance capacity and the high-quality development of social organization, the following challenges are mainly faced:

### (1) The effectiveness of party building in social organizations needs to be improved

First, the management system is not smooth. After the investigation of the localities, it is understood that the management of the party building work of social organizations is the responsibility of the business competent unit. If there is no business competent unit or the competent unit is unclear, it shall be led by the civil affairs department at the same level. If it is small and closely related to township (street roads) and village (community), the party organization in which it is located shall implement territorial management. It seems that there is a 'master', but in practice, due to the lack of clarity of the main responsibility for party building and the tendency of various departments to pass the buck to each other, coupled with the lack of professional talents for party building in social organisations and the incentive mechanism that has not yet been formed, some social organisations have only achieved organisational coverage, but have not yet formed work coverage. Secondly, the concept of party building work is outdated. Social organizations themselves have a certain degree of flexibility, diversity and looseness. There are often many part-time personnel, and the development of social organizations in different categories, industries and different places is also uneven. There is a widespread idea of emphasising "party building" over party building. Most of

them use traditional indicators, statements and work-side styles. Party building activities are not rich in carriers, in form and inactive work, which can easily lead to a lack of vitality and vigour in party affairs. Third, the party building work is not strong enough. At present, it is basically possible to establish party organizations according to their own conditions at the urging of the organizational department and the registration management department, but after the "stage" has been set up, the role of "singing" is not well played, and the overall quality of the party building work of social organizations needs to be further improved.

(2) The legal and regulatory system for the supervision of social organizations is not perfect.

There are many overlaps and overlapping contradictions between the management responsibilities of the main regulatory bodies, without a clear division of labour. Registration and other management organs enjoy the legal administrative penalty power for the illegal acts of social organizations in accordance with the law, while the relevant business centralized competent registration units only play a coordinating role of cooperation. There is a mismatch between the rights and responsibilities of the registration administrative organs and the competent administrative units of other businesses. In the actual operation process of supervision and management, it is often easy to cause the business executive law enforcement unit to turn a blind eye to the suspected network illegal acts of the social organization. For some supporting regulations for the supervision of emerging Internet social organizations in China are relatively absent, there is no way to supervise the law. For example, the legal supervision of offshore community enterprises, the legal supervision of emerging network social organization enterprises, the legal supervision of network community social organization enterprises, the legal supervision of grassroots social organization enterprises.etc. At present, some domestic laws and regulations are in a state of blankness, and there is no way to rely on them and no rules to follow.

(3) The internal governance structure of social organizations is lax and not functioning well

While the power intervention of the old system in some parts of China has quietly withdrawn from the vision, the new power intervention of the new system will also quietly appear on the stage. For example, although social organization management agencies can also implement independent declaration and management, they are still required to report their major activities to their higher authorities, business guidance authorities and higher party organizations on time. And thus, the major matters reporting system and the interview regulations for persons in charge have begun to become a new important part of the newly established internal management system of social organizations. With the increasing emphasis on party building and governance of various social organizations under the new situation, party organizations will certainly play an increasingly active guiding role in the construction of the Party in various social organizations, not only being able to lead the mainstream political direction of the construction of social organisations as a whole, but also having the right to give advice on the reform of organisational construction and management of various social organisations and the innovation of the mode of business development. Some changes in such situations show that although the current dual-management social system has begun to be transformed in an all-round way, market subjects are still more dependent on the inherent path of the institutional structure of transformation, and there is still a broad space for development for market-oriented independent participation in governance at the level of social organization.

(4) The joint supervision of social organizations has not yet been formed

First, there is insufficient professional law enforcement. Some areas have not established corresponding leadership mechanisms as required, and in the objective context of lack of establishment; insufficient proportion and limited funds, most grassroots cities and counties have not set up a full-time law enforcement team, which cannot meet the basic requirements of more than two law enforcement officers. Part-time staff often find it difficult to meet the needs of supervision work in time and energy. They are often only investigated and understood through daily mastery or media

reports that they do not participate in the annual inspection, and do not change the term of office on the expiry of the term, masses report, feedback from relevant departments, etc. The weaker the law enforcement capacity of grassroots staff is. The more at the grassroots level, the weaker the law enforcement ability of the staff is. Second, the effectiveness of joint supervision is not obvious. Some progress has been made in establishing an interconnected social organization credit system and cross-departmental joint meetings, but due to the imperfect establishment of the system, it is easy to lead to poor coordination and docking between business departments, industry management departments and registration management departments, and unclear responsibilities between social organization supervision departments and public security and taxation departments. Although a joint conference system for social organization work has been established in various places, from the perspective of practical effect, these joint meetings have limited role and lacks an effective solution mechanism. Third, the exit machine system needs to be improved. There are two 'outlets' for the termination of social organisations, namely application for cancellation on one's own initiative and revocation by the registration authority, but in reality there are 'blockages' in both cases. The problem with applying for cancellation is the need to issue the consent of the competent unit, liquidation report, bank account cancellation certificate and other materials. In addition, there is also a lack of effective supervision and restraint mechanism for non-apply for cancellation and prolonged delays, which leads to the subjective reluctance of the parties to apply for cancellation. The problem with deregistration is that grassroots law enforcement is inadequate, which often leads to difficulties in obtaining evidence, while deregistration procedures are numerous and time-consuming, requiring the filing of a case, investigation and collection of evidence, final approval, and service of process (public notice), which is time-consuming, labour-intensive, and costly.

### 3. Suggestions for strengthening the comprehensive supervision of social organizations

The construction of a new comprehensive supervision system for social organizations is the construction of governance order, but also a kind of value construction, which affects the regulatory framework and reform of social organizations. Generally speaking, the new comprehensive supervision system of social organizations is still being explored and practiced, and needs to be further improved from the following aspects.

#### (1) Implement the leading mechanism of party building in social organizations

The comprehensive supervision of new social organizations should establish and improve the Party's construction work pattern. It forms a five-in-one work pattern led by the industry party committees under the leadership of the organization and jointly managed by party committees at all levels, and standardizes the party building of social organizations. Comprehensive supervision of new social organizations strengthens the training and evaluation system for party building work. When social organizations are established and registered, party organizations are formed or party building instructors are selected at the same time, and the party building work is included in the daily annual inspection and grade evaluation assessment to ensure the effective implementation of party building work. The comprehensive supervision of the new social organization should consolidate and improve the working mechanism. Only by giving full play to the role of the social service organization Party Working Committee's comprehensive service party committee platform and the establishment of the long-term work assessment model of the entity branch + functional branch of the party organization, can the county's social autonomous organization establish the party organization mechanism and improve the target work goal of the party bank, and further strive to improve the basic work level of party building in the social self-organization system. The comprehensive supervision of new social organizations plays the role of a battle fortress of party organizations. We should seize the "key minority" to promote the cross-service of the head of social organizations and the head of the party

organization, advocate the head of the party member and social organization to serve as the secretary of the party organization, promote the participation of the party organization in the decision-making of major issues and other institutional arrangements, effectively control the political and activities, unswervingly listen to the party, follow the party, and guide social organizations to consciously maintain a high degree of consistency with the Party Central Committee in ideological and political actions.

(2) Strengthen the foundation of social organizations to supervise the rule of law

First, a good top-level design for the creation of legislation<sup>[4]</sup>. For a long time, the field of social organization legislation has always been a situation where the "three major regulations" are put together, and there is a lack of complete and standardized basic laws. In the face of the new trend of the vigorous development of social organizations in the new era, it is urgent to formulate a high-level basic law to guide the business of various social organizations, so that the regulatory laws and regulations of social organizations can gradually form basic laws, supplementary laws, supporting laws and other regulatory systems one by step. Previously, the Regulations on the Administration of Social Organization Registration have officially solicited opinions from all sectors of society. We should not only focus on adjusting common, principled and fundamental social norms in the field of social organizations, but also on solving the specific regulatory problems faced in decoupling pilot, direct registration and daily operations, so as to truly make the regulations on the registration of social organizations a pragmatic and effective law. Second, it is improving and introducing relevant normative documents. We will earnestly strengthen the construction of standardization to avoid different policies and standards on the same matter in localities and departments, which will cause new contradictions and problems. In the daily supervision of social organizations, the comprehensive supervision of new social organizations should formulate or revise normative documents on the regulations on registered funds of social organizations, direct registration methods, model texts of social organizations, social service institutions, foundation articles of association and the format of legal person registration certificates, etc., so as to truly strictly implement the government. The policy stipulates standards, refines the procedures, standardizes the operation procedures, and urges social organizations to do a good job in the submission of articles of association, annual inspection, evaluation and financial audit. Third, we need to continue to increase policy support. The comprehensive supervision of new social organizations should learn from the practices of developed countries, give full play to the "third pole" role of social organizations, promote the introduction of relevant policies on tax exemption or tax exemption for non-profit social organizations engaged in charity, education, medical care, culture, sports and other public welfare undertakings, and clarify the income of eligible social organizations in accordance with the law. Enjoying tax-free qualifications or a small amount of tax qualifications, and for institutions and individuals who donate to public welfare organizations, we will further increase the preferential treatment of the pre-tax policy of public welfare donations.

(3) Strengthen the construction of professional talent teams

Comprehensive supervision of new social organizations should increase financial security and manpower investment, expand the establishment of management of law enforcement personnel, and create a team of administrative law enforcement personnel with a legal and professional nature. At the same time, we should strengthen the implementation of comprehensive supervision and law enforcement, random inspection and punishment evaluation, assessment guidance and supervision to crack down on the illegal use of social organization staff, and severely and effectively punish social activities to crack down on crimes that violate the law and illegally use the name of other social organizations. The purpose is to provide the most direct, sufficient and reasonable and effective social policy resources provided in the administrative system and reform and construction process of promoting the registration and standardized management of classified legal persons in Chinese

enterprises.

The comprehensive supervision of new social organizations establishes a social organization training system and a social organization cultivation base, carries out regular training for social organization legal representatives, main leaders and business backbones, continuously improves the overall quality of employees, promotes the establishment of social organization sectors among Party representatives at all levels, deputies to the National People's Congress, and members of the Chinese People's Political Consultative Conference, and includes social organizations, especially social think tanks, into the official channels for participation in politics. In addition, we should actively promote the construction of a social organization talent training service system, integrate social organization talents into the talent training plans of all walks of life, improve career development, salary, social security and other systems, open up the evaluation and mutual recognition of professional and technical personnel of social organizations, and continuously improve the professionalization and professionalization level of social organizations.

#### (4) Establish a self-regulatory mechanism for social organizations

The internal checks and balances of the general meeting of members (representatives), the board of directors, the supervisory board and other bodies should be brought into full play; decision-making, supervisory and executive powers should be separated; members of decision-making, executive and supervisory bodies should not hold concurrent positions with each other; and the presidents, secretaries-general and financial officers of social organisations should not be in any kind of related relationship. Different social organisations are being guided to revise and improve the provisions of their statutes in the light of their actual situation, to establish a system of work norms with the statutes as the core, democracy as the orientation, and institutions as the safeguard, to consciously operate within the laws and regulations and the statutes, and to give full play to their roles in providing services, reflecting demands, and regulating behaviour.

The comprehensive supervision of new social organizations strictly implements the internal information publicity system of social organizations. Social organisations disclose their names, residences, contact numbers, registered capital, legal representatives, donations, changes in registration matters, financial income and expenditure, scope of business, and results of regular inspections to the public in a timely manner by means of annual reports, evaluation reports, disclosure of significant matters and information, and regular inspection results. 'Social organisations disclose to the public in a timely manner information such as name, residence, contact number, registered capital, legal representative, donations received, changes in registration matters, financial income and expenditure, scope of business, internal system construction, and commendations and penalties, in order to continuously promote the standardised and orderly development of the internal affairs of social organisations, and to comprehensively enhance their own service capacity.

#### (5) Enrich the daily supervision methods of social organizations

First, a system of classified supervision of annual reports is being implemented. Define the costs, methods and resources of undertaking annual inspection according to factors such as industry, scale, and characteristics of social organizations, so as to improve the effectiveness of annual inspection. Through the classification supervision of different types of social organizations, we will strengthen the classification guidance, classification development and classification supervision. For social organizations in different industries, fields and levels, the comprehensive supervision of new social organizations and industry management departments will jointly study the specific methods and measures of classified management. Usually, the smaller the size of the organization, the more concise the information provided, and the larger the size of the organization, the more comprehensive and detailed the information provided. It is clear that the regulatory authorities should put their main energy and resources into the supervision of large and important social organizations. The comprehensive supervision of new social organizations can optimize the annual inspection system



from the management level, continuously reduce the cost of supervision and improve the efficiency of supervision. We clearly determine the supervision responsibilities of each department, pay close attention to the implementation of responsibilities, and build a comprehensive management system for registration management institutions, business units, industry management departments, and relevant functional departments to perform their respective duties, cooperate with each other, and supervise according to law.

Second, improving the third-party evaluation mechanism. Independent, scientific and standardized third-party social organization grade evaluation can obtain more objective and fair evaluation results. Through timely and public evaluation results, social supervision can be strengthened, and social organizations can respond more actively to social needs and accept public supervision, so as to further strengthen their own capacity building, enhance integrity and credibility, and achieve healthy development. In the context of the new era, it is all the more important to improve assessment methods, make the third-party assessment mechanism more practical and better, and, through the use of assessment to promote construction, assessment to promote improvement, assessment to promote management, and the combination of assessment and construction, reward social organisations that meet the standards or excel in a variety of ways, so as to form a positive incentive to promote the high-quality development of social organizations.

Third, strengthen supervision through government purchases. The daily supervision of social organizations improves and improves the government's service purchase mechanism from social organizations, and realizes the comprehensive and effective supervision of the content, process and results of social organization service delivery through open, fair, efficient and convenient service purchase process, inventory service purchase content, refined service purchase standards, and objective and independent third-party service effect evaluation.

#### (6) Forming a working pattern of joint supervision

First, multiple measures have been taken to strengthen the law enforcement forces of social organizations. Civil affairs departments at all levels actively strive to establish specialized law enforcement agencies and teams, identify full-time and part-time law enforcement staff by increasing staffing, internal adjustment, social recruitment, etc., and continuously improve the professional level and ability of law enforcement teams through regular training, equipment purchase, routine drills, etc., and effectively solve the "big difficulties" problems such as finding. Second, explore the establishment of a comprehensive law enforcement system. Taking the special actions of illegal social organizations as an opportunity, civil affairs departments at all levels and relevant departments such as public security, network information, market supervision, courts, etc. will strengthen contacts and work together to form an effective joint effort to promote the establishment of a comprehensive law enforcement mechanism. In daily work, we will explore the establishment of simple punishment procedures, rely on the existing law enforcement forces in various fields of civil affairs, explore the rapid response mechanism of law enforcement by social organizations, break down the respective law enforcement barriers of the civil affairs territory, uniformly handle administrative law enforcement matters in the civil affairs field, and fundamentally solve the situation of insufficient personnel and weak law enforcement. The third is to establish a health-wide and multi-department joint punishment mechanism. In the daily law enforcement and supervision of social organizations, the credit of social organizations should be incorporated into the social credit system, and social organizations that are seriously dishonest shall be included in the list of dishonests, and measures such as interviews, punishments and punishments should be taken.

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