

Study the Credibility of Charitable Organizations in China Based on the Third-party Evaluation

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Abstract. Charitable organizations play an important role in social development, but many charity scandals have occurred in recent years. Resulting in public mistrust of charitable organizations and the charity industry as a whole. Based on the perspective of third-party evaluation, this paper analyzes the problems of charitable organizations in China in terms of access mechanism, internal management, and public participation. It also analyzes in detail the shortcomings of charitable organizations in supervision and evaluation. And put forward countermeasures, especially given the lack of supervision of charitable organizations in our country, make full use of third-party evaluation and mass media to improve the supervision of charitable organizations.

Keywords: Charitable Organization, Credibility, Third-party Evaluation.

1. Introduction

In recent years, the problems of charitable organizations in China have occurred frequently, which not only brings great challenges to the development of charitable organizations, but also aggravates the trust crisis of charitable organizations in our country, and makes it difficult to reshape the credibility of the charitable industry in our country. However, we can see more deeply the problems existing in the development of charitable organizations in our country, so our country should continue to strengthen the reconstruction of the credibility of charitable organizations and clarify the relevant regulations of charitable organizations. Promote the diversified development of charitable organizations and third-party evaluation institutions, so as to improve the supervision system of charitable organizations and further enhance the credibility of the charitable industry.

2. Definition of related concepts and the development of third-party assessment

2.1 Third-party evaluation

The first party refers to the object to be evaluated, the second party refers to the customer, and the third party refers to the identity of a third party independent of the first party and the second party in the evaluation of charitable organizations. The most important feature of third-party evaluation is that it has independent responsibility subjects, which makes it easier to build a flexible, efficient and clearly defined system of powers and responsibilities in the evaluation of charitable organizations [1]. Some western developed countries use the third party to evaluate and supervise charitable organizations earlier, but the third party evaluation is relatively late in our country, so the development of the theory and practice of the third party evaluation is slow.

2.2 Third-party evaluation institution

At present, there is no exact definition of the third-party evaluation institution for charity. In a broad sense, it includes not only the evaluation organization composed of experts, the professional social evaluation organization, but also some evaluation institutions composed of the public. In a narrow sense, a third-party evaluation institution refers to an independent, professional and social evaluation institution, and the important thing is that it has no interest relevance with charitable organizations [2].

2.3 The development of the theory and practice of the evaluation of third-party charitable organizations

At the beginning of the 20th century, third-party evaluation institutions for charitable organizations were established one after another, and the related theories of charity evaluation index construction were also developed. Some scholars think that the "3E" theory put forward by British Professor Chick-lander can be used, but it is difficult to implement. As a result, some American charity evaluation institutions have begun to try to establish effectiveness evaluation indicators. Later, Professor Grace made an in-depth analysis of the application of the "three E" theory in evaluating charitable organizations, and further put forward the "3D" theory. "3D" theory refers to diagnosis, design and development [3]. The theory not only evaluates the relevant development data of charitable organizations, but also pays more attention to the ability of charitable organizations. This requires that the process of evaluation tends to be dynamic, so that the results can better show the ability and deficiency of the future development of charitable organizations. However, in the actual evaluation process, the importance of long-term repeated evaluation is often ignored, and the evaluation still stays in data and quantity. In recent years, China is also gradually attaching importance to and encouraging the development of third-party evaluation institutions, in which the Charity Law of the people's Republic of China supports charitable organizations in our country to use third-party organizations for evaluation [4].

At present, many countries are aware of the common problem in charity evaluation, that is, the evaluation of charitable organizations is too dependent on data, especially financial data. This leads to the lack of dynamic and continuous evaluation, so some evaluation institutions begin to build a new evaluation system and innovate the evaluation methods of charitable organizations [5]. And pay more attention to the use of evaluation results to achieve effective evaluation.

2.4 The present situation of the Development of Charity organizations in China.

Since 2006, philanthropy in China has developed rapidly. Especially after the WenChuan earthquake in 2008, philanthropy in China has experienced a period of rapid development, but it also shows a lot of problems. The number of charitable organizations and charitable participants in China has been greatly improved compared with before the reform and opening up, and the amount of charitable donations is also increasing, but the proportion is still very low. In terms of system, although the review and access system before entering charitable organizations is very strict, there is a lack of effective evaluation and supervision mechanism, which leads to many charitable organizations taking advantage of loopholes and having a negative impact on the whole charitable industry. The emergence of a series of charity scandals has led to greater public doubts about charitable organizations, and the credibility of charitable organizations has declined [6]. In addition, as the public awareness and understanding of charitable organizations is not enough, and charitable organizations themselves are not open and transparent, it is difficult for the public to judge whether the news is true or false, and they can only accept all the relevant news. With the frequent occurrence of charity scandals, it is difficult to reverse the public's perception of charitable organizations in a short period of time.

3. The reasons for the lack of credibility of Charity organizations in China.

3.1 Institutional factors

The "Guo Meimei" incident in 2011 prompted the reform of China's Red Cross Society and the promulgation of the Charity Law in 2016, which is the basic law of philanthropy in China. The legal system of charity in China has been established, and the legal system of charity is relatively perfect. However, there are still many problems in the materialization and implementation of the system. The entry threshold of charitable organizations in China is too strict, most western countries adopt the registration system for the establishment of charitable organizations, rather than the examination and

approval system, as long as they meet the legal conditions, they can become legal organizations. Although our country has been improving the access mode of charitable organizations, the specific way and process of actual registration, the scope of registration and the standard of registration are not clearly defined, so the registration of charitable organizations still uses the old way. Actually, the number of legal charitable organizations in our country is very small, which hinders the development of philanthropy in our country, and many complex regulations have caused social dissatisfaction.

3.2 Internal factors of charitable organizations.

The establishment and development of charitable organizations in China depends very much on the founders of the organizations. If there are problems with the founders, the charitable organizations will also have problems, which may seriously lead to the rupture of the organization. From this aspect, it also reflects that the internal management mechanism of charitable organizations in our country is very imperfect, and because most people do not understand the development concept of charitable organizations, they do not have a long-term plan for the development of charitable organizations. Once a problem occurs, it is difficult for charitable organizations to deal with. This is why some enterprises are unwilling to donate money to some private charitable organizations for fear of the collapse of the organization or the absconding of donations. On the other hand, some large-scale charitable organizations are basically government-run, the government interferes too much in charitable organizations, and charitable organizations have little right to speak, and lack the ability of self-management and development. In addition, charitable organizations in China generally do not attach importance to the construction of internal staff consensus, resulting in poor internal cohesion of charitable organizations. Therefore, it is difficult to effectively play the role of everyone in charitable organizations, and it is also difficult to establish an effective internal management mechanism.

3.3 Supervision and evaluation factors

The relationship between our government and charitable organizations is too close compared with other countries, and the supervision of charitable organizations by the government is mainly reflected in three aspects: examining the qualifications for the establishment of charitable organizations, supervising the financial status of charitable organizations and specific charitable acts and activities. But government supervision often only verifies the relevant data, and the supervision is not flexible and not in-depth, so it is difficult to have a corresponding effect. Most of the subjects of external supervision are institutions established by the government. It seems that the external supervision system of charitable organizations in China is complete and involves a wide range of fields. But in fact, due to the professionalism and diversification of the supervision content of charitable organizations, the role of the relevant institutions established by our government in the external supervision of charitable organizations is very limited, and it is simply unable to solve the problems existing in the development of charitable organizations. The information openness and transparency of charitable organizations in China is very low, which makes it difficult for third-party evaluation institutions to obtain real and effective information in the process of evaluation, so it is difficult to carry out accurate evaluation. Because of the lack of authority of third-party evaluation institutions in our country, the public does not know much about third-party evaluation, so many charitable organizations seldom use third-party evaluation institutions for evaluation and supervision.

3.4 Social factors

In our country, the public's awareness and participation of charitable organizations are insufficient, and the publicity of charitable organizations is not very strong. The public's awareness of charity and participation is not strong. When some charity scandals occur, there is a great reaction and resistance from the public, but they seldom actually participate in charitable activities. Although some enterprises often make charitable donations, they are more likely to establish a better corporate image than to really run philanthropy [7]. Moreover, as most of the charitable organizations in our country

are established by the government, some people think that charity-related problems should be dealt with by the government. And the credibility of charitable organizations also affects the participation of the public. In recent years, donations, materials and other private use of charitable organizations have occurred frequently, resulting in people's mistrust of charitable organizations and social donations, unwilling to participate in charitable donations, and low degree of charitable participation.

4. Countermeasures to improve the credibility of charitable organizations

4.1 Improve the relevant mechanisms of charitable organizations

The specific conditions and contents of the access of charitable organizations should be clearly stipulated in the law, and a unified standard that can be implemented should be established to reduce the difficulty of registration of non-governmental charitable organizations. Only when you become a legitimate charitable organization can you enjoy the preferential policies of charitable organizations [8]. So as to make the public have more sense of security in participating in charitable activities and improve the participation and enthusiasm of the public. Whereas, we cannot blindly lower the standard, it is possible that some fake charities take advantage of the opportunity to profit from it. Charitable organizations may require office space, organizational funds and assets at the time of registration, and make the relevant requirements clear and written. Moreover, it is necessary to further refine the regional division of charitable organizations, classify according to fixed standards, and register according to classification. As one of the guides of social development, the government should support and encourage charitable organizations that are not yet legal to register as soon as possible and provide them with relevant preferential policies in a timely manner after registration. Promote the legal development of charitable organizations, further strengthen the strength of charitable organizations, and contribute to social development and stability.

4.2 Promote the development of charitable organizations themselves

Promoting the internal development of charitable organizations is mainly carried out from three aspects: Firstly, weaken the influence of the founders of charitable organizations on the development of charitable organizations. For employees to understand the development structure of charitable organizations, it is necessary to improve the degree of consensus and participation of the employees of the organization. Charitable organizations should have a clear vision and development direction, and let organizational staff participate in decision-making and implementation. Charitable organizations are different from the government and enterprises, members should have a strong sense of identity and participation in the development of the organization, members can better understand the direction and procedures of the organization, so that when the founder has problems, the charitable organization can still operate normally. Secondly, the government should also give sufficient autonomy to government-run charitable organizations to give charitable organizations room for development [9]. It is not only conducive to the building of the self-management capacity of charitable organizations, but also reduce the illegal behaviour of charitable organizations to a certain extent. Thirdly, charitable organizations should pay attention to staff photos and training. When recruiting, we should pay attention to the examination of employees' values, development concept and so on. We should also attach importance to spiritual education and training, strengthen the ideas of organizational staff, and cultivate and enhance the sense of mission of organizational members.

4.3 Improve the supervision and evaluation mechanism

The implementation of the reform of the access system of charitable organizations requires strict supervision of charitable organizations. It is necessary to increase the proportion of external supervision and actively cultivate independent and professional external supervision organizations. It not only reduces the work of the government, but also promotes the development of third-party institutions. But it does not mean that the government will give up. The government can do some coordination and support work, which cannot be done by charitable organizations or institutions alone.

For example, the government can merge some legitimate smaller charitable organizations under operational conditions, so as to reduce the waste of manpower and material resources [10]. On this basis, charitable organizations should strengthen the disclosure of charitable information and clearly put forward the contents and types of information that charitable organizations must disclose. Only by improving the transparency of the development of charitable organizations can we lay a good foundation for the supervision and evaluation of charitable organizations. Then third-party organizations should also actively develop and carry out certain publicity to improve the credibility of third-party institutions and further improve their own authority. The independence of third-party institutions is equally important, and the evaluation results may have reference significance only on the premise of independent responsibility subjects.

4.4 Strengthen social supervision

The public plays an important role in the development of philanthropy. To normalize philanthropy, the most important thing is to establish public trust in charitable organizations and the charitable industry. The development of mass media has enriched the way for the public to understand charitable organizations. Charitable organizations should pay attention to the use of WeChat, Weibo and other commonly used software publicity, and timely information disclosure, so that the public can see that charitable organizations are really engaged in public welfare undertakings. It can not only attract the attention of the public, but also strengthen the supervision of charitable organizations by the public. At the same time, to strengthen the interaction between the two sides, we should pay attention to the opinions of the masses and give timely feedback so as to enhance the enthusiasm and sense of achievement of the masses' participation. With the gradual deepening of the public's understanding of charitable organizations, public participation can be increased. Strengthening social supervision not only enhances the enthusiasm of the public to participate in philanthropy and activities, but also strengthens the strength of supervision of charitable organizations, so as to promote the rapid development of philanthropy.

5. Conclusions

If charitable organizations in China want to continue to develop and improve, it is particularly important to rebuild the credibility of charitable organizations. In recent years, our government attaches importance to innovative methods for the development of charitable organizations, but there are still many deficiencies. According to the national conditions of our country and the characteristics of the development of charitable organizations in our country, the government, charitable organizations and the public jointly promote the development of charitable organizations, and learn from the international advanced experience to find a method suitable for the development of charitable organizations in our country. To promote the public to really understand the development of charities and charitable organizations, so that participation in philanthropy has become a norm, so that charity benefits everyone.

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