

## The Problem and Solution of Chinese Network Charity Management- Based on the “Luo Yi Xiao” Incident

Linxing Yu

Master Graduate, Major in Public Administration, Southwest Jiaotong University, China

### \*Corresponding Author:

Linxing Yu

Email: [xye940813@163.com](mailto:xye940813@163.com)

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**Abstract:** With the development of our society, more and more people would like to take part in the public welfare. And using the high-tech method, we also combine our charity activities with network, such as Wechat, Facebook and so on. However, we should have the sense of that the network charity has been ignored by public and government for a long time. And presenting an incident of “luo yi xiao”, a child died of disease and her father got some donation from internet (WeChat) before that, this essay want to analyze the situation of our present situation of the network charity management and point out the problem of it.

**Keywords:** charity management luo yi xiao present situation problem.

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### INTRODUCTION

After opening and deforming our society, we had implement a number of policy to promote our philanthropy, but nowadays, the government charity is getting a lower feedback from our public. On the contrary, civil charity organization has been recognized by us, further more with the evolution of our internet, those charity forms began to connect with it. As we can see from the web, personal donation is popular because it is convenient for both of the donors and accept donors, and don't need be taxed. However, we have to be caution, is it really a good way to help the vulnerable groups? If not, what can we do to support them in an effective way? I will analysis the situation and problems of Chinese contemporary charity from the perspective of charity management.

### THE STORY OF “LUO YI XIAO”

In the 25<sup>th</sup> November 2016, the beginning of this incident, our moment of wechat was full of an acritical, from luo er the father of luo yi xiao, named *luo yi xiao stop!* Then, thousands of people was touched by this article and willing to donate some money to help the poor girl, who suffered from a despaired disease— leukaemia, whose bill of treatment was overwhelming the general family. As more and more warm-hearted people took part in this incident, the charity fund reached the upper limit of donation.

Then some of the kind people found that luo er, a writer in the real life, isn't a poor guy. And there was a company, major in media, handled this incident, in order to improve their company's popularity and establish a positive imagine. Moreover we also found

that luo er has three houses in Shenzheng, and 80% of the medical expense can be covered by social security. So he didn't need to any help from us. As the exposure of the truth, many people expressed their opinion online which caused the government take the network charity management into account. At the same time, facing the question from public, luo er, being silence for a long time, posted a statement online, saying that taking off enough money for his daughter's treatment, he will donate the rest of the charity fund to other children who also suffer from the disease. Finally, the Civil Affairs Bureau of Shenzheng start to deal with this incident in case it cause lager and deeper negative influence on society.

The out come of the event is that through the mediating between luo er, the company and other aspects, we decided to return the fund to public who had donated money to luo er, and government will supervise the processes of sending back.

### PRESENT SITUATION OF NETWORK CHARITY MANAGEMENT

The story of luo yi xiao just is one of the case, a typical incident, among the behavior of network charity. As we know, nowadays we live in an Information Age, there are uncountable massages around the world, so we can not avoid to involve into such situations. However, most of us are the kind people with warm-heart, so we can not ignore those unfortunate things, and those people who need our help. What's more, who will reject that express your love to the world just by poking the massage to others, giving the thumbs-up to the story or donating one Yuan online.

All of the things only need 5 second or less, so we don't have to think more about if this is a false information, if there is a company behind or if the money can really help the people, because we don't care about. So after that, if the story has a happy ending, no one will be complained, but how about we find that we were deceived by the sad story, we may not trust the society anymore.

#### **What cause the unexpected situation?**

It is obviously that there are no specific rules of network philanthropy, such as who can post a help information online? how to detect the authenticity of those affairs? How can we supervise the charity fund in case some corrupt people use it? And so on. So as a result, all of us have the right to post our miserable story and ask for some help, despite it's true or not. In view of the above-mentioned facts, most of us, the kind people, sometimes will be deceived by those false messages. From my perspective, I think it's the time to solve this problem seriously. I will elaborate as follows [1].

#### **THE PROBLEM OF CHARITY MANAGEMENT**

There are problems will be mentioned in the next, from the perspective of government, law and companies.

First, there are some Grey Zone between the management of government and network charity [2]. Now, China has approved 13 network companies to organize donations and publish the help information. However, transferring money on wechat is a form of personal gift instead of a behavior of donation, because donation can be exempted by government and can not be returned. As for private, in Chinese law, private person are forbid to initiate the public donations. Yet, some behavior of asking for help such as the article of *luo er* are cleverly avoid the law of donation, and this area becomes the grey zone of government's management.

Getting back to the incident, we should point out it, *luo er*, using his writing skills, published his experience online to get some donates, is a personal behavior instead of a donating. So our government doesn't have the rights to manage it and supervise the charity fund if it use in a right way because those are private goods. Furthermore, public also don't have the right to know the person how to dispose the fund.

Second, we lack the law of network charity management, Through we already have passed the law of charity, some network platforms are able to take part in the network charity and organize some people donate money, the legal charity behaviors are not including transfer money on wechat or some other private transferring methods. So the company who hasn't get

the qualification from government and use the story of *luo yi xiao* to improve its public awareness has already violated the law. However, now, we don't have any punishment forms to deal with those problems. Even that, we don't have a specific law only use for encouraging or punishing the behavior of network charity.

And we can see this problem in the case easily. The disease of the child is a truth, but the economic condition of *luo er* also not as worse as he post online [3]. So it is common for us that we propose some questions to him. According to the absence of law, the only thing we can do is that make some public opinion to blame those companies and person, but the effect of public opinion is limited.

The last problem presented here is that companies don't have the sense of being responsible for our society. The features of information dissemination are faster and wilder, so many enterprises often make use of it to advertise for themselves. We should admit that it's a cheaper and faster way to enhance the influential of the company on our society, at the same time the company will establish a positive image on public's mind. Excusing for helping the other person get donation, many companies set up a brand marketing, and improve their popularity.

In the case of *luo yi xiao*, the company is a P2P company focus on internet finance. After they published the essay of *luo er*, they got more attention from public, and then they began to advertise their own products such as insurance, financing and investment. We find the question of the company but it's late, because some of us already donate our money and love to the child.

#### **THE SOLUTION TO THE PROBLEM OF NETWORK CHARITY**

What can we do now to solve above questions? I propose three methods. First, our government should take the network charity into account, and adapt to the now condition of charity form. At the same time government need some new methods to govern the charity field such as focus on internet, supervise the media and publish the law of network charity [4]. As we know that in the past, charity was controlled by our government, and every activity should be organized by government, though there were still some problems, the process of charity is transparent.

So the most vital method should be implemented by the government is that pass the law about network charity, because institutionalization and standardization are the foundation of government and the mandatory and sanction of law tell our public what should do and not clearly. What's more, the government

should specify the obligation of initiators and participants of the network charity, and register the name of initiators and participants. Only in this way, when there are something happened unexpectedly, we can find the responsible person immediately.

And the government should complete the supporting facilities of the law, such as recruit new members to supervise the network charity. On the one hand, we should encourage people to report the false information and post it online. On the other hand we should set up the tip-off website, and hotline for public report and supervision. It will be convenient for people take part in charity activities online and supervision them at the same time [5].

Moreover, as for another important part of charity: charity fund. We should pay more attention to it. It not only presents the hard-working of peoples but also the warm hearts of our society [6]. So the people got help should public a specific list of the using of the money. And the company also should be ruled by the regulations and make a good use of the charity fund.

So in order to govern the fund, at first, we have to record the original of the money, and how they use the money also should be reported to public. And we should guarantee the fund be used for right person in a right way. Final, we should follow the company and the people, and double check that the charity fund not be corrupted by privates [7].

## **CONCLUSION**

Our society has developed in a new condition, which creates new forms of charity: network charity. Nonetheless, our government's sense is a little behind this phenomenon, but it's not too late yet. So we should take some measures to deal with the problem of the contemporary network charity, and make sure it will develop to a better situation in the future.

Only in this way, the government adapt to the new environment of our society, the public will trust our government and follow the policy proposed by government. And finally, our society will have a brilliant future.

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