Development and Improvement of Celebrity Foundations in China

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Abstract: As a form of contemporary philanthropic organizations, celebrity foundations have emerged as a new entity in the field of social charity. Supported by the personal identity and influence of celebrities, the development of celebrity foundations is significantly influenced by their fame and impact. Compared to traditional foundations, celebrity foundations possess broader influence and quicker fundraising capabilities. However, Chinese celebrity foundations also encounter challenges during operation, such as excessive reliance on celebrity effects, insufficient management capabilities, lack of transparency, and insufficient specialization. In response to these challenges, celebrity foundations should improve in the following aspects: firstly, celebrity foundations should moderately separate from celebrities and establish their own brand and credibility. Secondly, internal governance structures need further enhancement, with increased supervision and standardization of fund utilization and project management, as well as collaboration with professional teams to provide more specialized support for celebrity foundations. Lastly, talent recruitment and cultivation should be emphasized to establish a specialized team belonging to the foundation's brand, thus enhancing the foundation's management level and operational efficiency.

Keywords: celebrity, foundation, specialization, independence

1. Introduction

Celebrity foundations, as a burgeoning phenomenon in the field of social charity, aim to actively engage in addressing societal issues by leveraging the fame and resources of celebrities. These foundations possess distinct characteristics and advantages, playing a significant role in philanthropy. The emergence of celebrity foundations signifies a new era in charitable endeavors, where celebrity involvement serves not only as a catalyst for fundraising but also as a driving force for social change. However, with the increasing prominence of celebrity foundations, they inevitably face a series of dilemmas and challenges, including how to maintain transparency, effectively manage funds, and ensure the equitable distribution of donated funds. Previously, academia primarily focused on conventional foundations, lacking sufficient attention towards these specialized celebrity foundations. Therefore, this paper will focus on celebrity foundations as the research subject, analyzing their characteristics, advantages, as well as the problems and challenges encountered during operation, and proposing corresponding improvement suggestions.

2. Characteristics and Advantages of Celebrity Foundations

2.1. Status Quo of Celebrity Foundations

Through investigations into celebrity foundations in China, it is evident that the establishment of foundations by celebrities is no longer a novelty, with an increasing number of celebrities initiating foundations named after themselves. For instance, a significant influence is exerted by the Han Hong Foundation. According to the official website of the Beijing Han Hong Charity Foundation, the core charitable projects of the Han Hong Foundation revolve around three main aspects: "emergency relief, medical assistance and development, and social care." Among them, the well-known "Family Love Hut" project by Mercy Corps provides medical assistance to impoverished patients, covering surgical expenses, medication costs, and more. Another project, "One Heart One Water," aims to improve the water conditions for children in remote areas by providing clean water facilities, ensuring the healthy growth of children. These projects reflect the Han Hong Foundation's focus on medical care and children's welfare. Another example is the Jet Li Charitable Foundation - One Foundation. The foundation focuses on multiple fields such as cultural education, health, disaster relief, etc. This includes the "Rehabilitation Education for Autistic Children" project, which aims to improve the living conditions of autistic children by supporting rehabilitation education programs and providing related educational resources and medical support. Additionally, there's the "Fight against SARS" public welfare activity. During the outbreak of atypical pneumonia, the Jet Li Charitable Foundation actively participated in public welfare activities to combat SARS and provide support for epidemic prevention and control. These projects reflect the efforts of the Jet Li Charitable Foundation in caring for children's welfare, education, health, and disaster relief. Through these initiatives, the foundation actively participates in social philanthropy, contributing to the improvement of various societal issues.[1]

2.2. Characteristics of Celebrity Foundations

Chinese celebrity foundations, as a unique presence in the field of social charity, rely on the fame and social influence of celebrities to actively engage in various philanthropic projects and participate in social welfare undertakings.

Firstly, the uniqueness of Chinese celebrity foundations lies in their reliance on the fame and influence of their founders. These foundations are often established by actors, musicians, sports stars, etc., whose social status and prestige garner broader attention for charitable endeavors. For example, the Jack Ma Foundation, with his success in the business world, has attracted more attention to philanthropy.

Secondly, Chinese celebrity foundations typically involve multiple fields, including education, healthcare, environmental protection, social welfare, etc. For instance, the Tencent Charity Foundation is committed to promoting technological innovation and supporting education, while the Jet Li Charitable Foundation focuses on cultural education, health, and disaster relief. This multi-domain involvement in public welfare projects enables celebrity foundations to more comprehensively contribute to social development and construction.

Furthermore, Chinese celebrity foundations are characterized by their emphasis on fundraising efficiency and public relations management. Leveraging the influence of celebrities, fundraising for public welfare projects becomes more accessible, attracting more donors. Tencent Charity Foundation's "Tencent Charity" platform serves as a typical example, mobilizing Tencent's vast user base to participate in charity activities through online platforms, achieving broader social engagement.

2.3. Advantages of Celebrity Foundations

Chinese celebrity foundations have emerged as prominent players in the field of social charity, actively promoting social development and improvement. Firstly, the celebrity effect of Chinese celebrity foundations is both a characteristic and an advantage. Foundations established by celebrities from various sectors can more easily attract media attention and evoke social resonance due to their own celebrity effect and popularity.[2]

Secondly, celebrity foundations can leverage the social influence of celebrities to facilitate fundraising activities more effectively. Celebrity support often attracts attention and donations from a broader range of people or communities in different industries, and can even drive greater achievements in charitable endeavors. For example, in late 2023, a 6.2-magnitude earthquake struck Gansu Province, China, causing severe casualties and direct economic losses of 532 million RMB to agriculture, animal husbandry, and fisheries. It was the most serious earthquake in Gansu Province in the past decade. The Han Hong Foundation, leveraging its influence in the Chinese entertainment industry, saw many celebrities choosing to donate to Gansu through the Han Hong Foundation rather than the Red Cross Society.

Furthermore, Chinese celebrity foundations typically excel in public relations. Involves the use of celebrities to provide an entertainment-based incentive to draw a crowd and to communicate a political message in and/or around the entertainment, whether in person, through television, or online.[3] Celebrity involvement can garner media attention for the foundation, increasing public awareness of charitable causes. For instance, the Jet Li Charitable Foundation, through its founder Jet Li's public image, has successfully attracted more people to participate in its charitable projects in areas such as children's welfare and health.

Additionally, celebrity foundations often demonstrate a high level of professionalism in project management and execution. Viewed positively, it has the potential to provide an alternative source of funding for NGOs, encourage a focus on neglected areas or issues other than those backed by government, and improve professional standards and financial transparency.[4] Many founders have achieved success in relevant fields themselves, enabling them to effectively plan and implement charitable projects. This professionalism helps ensure the effectiveness and sustainability of charitable activities. Foundations such as the Han Hong Love Charity Foundation, One Foundation, Beijing Jackie Chan Charitable Foundation, Louis Koo Charity Foundation, etc., typically display publicly transparent annual financial reports on their official websites, providing detailed explanations and disclosures of the progress of each activity and the donating celebrities.

3. Challenges Faced by Chinese Celebrity Foundations During Operation

3.1. Excessive Reliance on Celebrity Effects

One of the main challenges brought about by celebrity foundations is their susceptibility to the personal and professional fluctuations of these celebrities. For example, when celebrities encounter scandals or false accusations, the fundraising efforts and overall image of the foundation may be affected.[5] Taking the example of the Smile Angel Foundation, founded by Li Yapeng and Faye Wong in 2006, this was the first celebrity-established charity foundation in mainland China. Li Yapeng and Faye Wong leveraged their appeal to launch a grand charity banquet, with the participation of renowned celebrities such as Carina Lau and Vicki Zhao, ultimately raising nearly 100 million RMB. However, in 2014, the Smile Angel Foundation was embroiled in a controversy. Li Yapeng and three others were accused of allegedly converting the 53.22 million RMB raised for the Smile Angel Hospital into private assets, and of allegedly misappropriating nearly 55 million RMB in donations from other celebrities and organizations. There were also allegations that the

average treatment cost per patient sponsored by the foundation was higher than that of similar charitable organizations. At least 70 million RMB of donations went missing, raising suspicions of graft. Subsequently, relevant authorities investigated the Smile Angel Foundation but ultimately found no evidence of the alleged issues. This rumor reveals the potential problems that can arise from excessive reliance on celebrity effects. Firstly, the sustainability of the foundation is threatened because once involved celebrities face negative impacts, the reputation and fundraising capabilities of the foundation sharply decline. Secondly, the transparency of donation usage is questioned, and the public begins to scrutinize whether funds are genuinely used for charitable purposes. According to the Red Cross Foundation's 2014 annual report, the Smile Angel Foundation only received donations of 1.265 million RMB in 2014, which was 12% of the 2013 figure of 10.62 million RMB. This data represents the lowest annual income for the Smile Angel Foundation since its establishment in 2006.

3.2. Insufficient Management Capability

Poor management directly affects the credibility of foundations. Public trust in charitable organizations is built on a foundation of transparency, standardization, and efficiency in management. Once the management capability of a foundation is called into question, donors and society may harbor doubts, impacting the foundation's sustainable development.[6] Celebrity foundations are generally initiated by celebrities, but celebrities often lack the ability to manage foundations due to busy schedules and lack of professional knowledge, resulting in poor management of some foundations, affecting their sustainable development.[7] Take the example of the "Yang Mi Donation Scandal." The incident originated from media reports in 2015 alleging that Yang Mi had promised to donate goods to visually impaired children, but two years later, this promise remained unfulfilled, leading to accusations of fraudulent donation by Yang Mi. It was not until 2018 that the full details of the "Yang Mi Donation Scandal" were exposed. It was reported that in 2018, Yang Mi planned to donate 500,000 RMB, but the entire amount was not paid at once. According to the lawsuit, when Yang Mi was sued by Li Meng, only about 56,000 RMB was actually received, and the remaining more than 400,000 RMB donation was gradually completed later on. Yang Mi's intermediary in the whole incident made mistakes, and there was no supervision to ensure the implementation of donated goods. Yang Mi herself also admitted that regardless of the reasons, the delay in the arrival of the donated goods was due to her and her studio's negligence. The mismanagement by Yang Mi and her team resulted in a serious delay in donations, severely damaging Yang Mi's and the foundation's credibility. The exposure of the "Donation Scandal" has led to doubts about the management level of celebrity foundations. This crisis of trust not only affects Yang Mi's image but also poses challenges to the future operation of celebrity foundations.

3.3. Lack of Transparency

Insufficient transparency directly undermines the credibility of foundations.[8] Social support and trust in charitable endeavors are based on foundations being able to clearly and transparently present the use of their funds. Once transparency is lacking, the public may doubt the management level of the foundation and its charitable goals, leading to a loss of trust. Take the Sunshine Culture Foundation established by host Yang Lan as an example. In the six years since its establishment, the homepage of the Sunshine Culture Foundation cannot be found through search engines such as Baidu and Google, indicating that the operation of the Sunshine Culture Foundation is completely non-transparent. There is a lack of transparency regarding the collection and use of funds, whether they are used for charitable purposes, and the specific costs of charitable operations. As a public welfare organization, the Sunshine Culture Foundation has also not disclosed information about its financial

statements publicly, making it impossible for society to effectively supervise the implementation of its charitable activities. Meanwhile, Yang Lan has been implicated in several negative incidents, leading many netizens to question the Sunshine Culture Foundation. Insufficient transparency reduces society's trust in the Sunshine Foundation, damages its reputation and social influence, and raises questions about the legitimacy of the foundation.

3.4. Lack of Professionalization

Chinese celebrity foundations face multifaceted challenges in professional operation:

(1) Difficulty in Project Execution: Taking the One Foundation founded by Jet Li and the Smile Angel Foundation founded by Li Yapeng as examples, during the early development of charity in China, non-governmental foundations faced many difficulties in organization and operation. The One Foundation faced challenges in executing charitable projects after the Wenchuan earthquake. Despite the aura of superstar Jet Li, the implementation of projects was restricted due to the lack of legal personality and official seals. For instance, attempts to allocate funds from donations for post-disaster reconstruction were hindered by the complex approval process of the Chinese Red Cross, resulting in delayed funding and forcing the team to advance payments personally. The Smile Angel Foundation faced challenges in finding suitable hospitals. After its establishment, finding suitable hospitals became a top priority. However, due to Li Yapeng's "three major conditions" for public hospitals, which were difficult to accept, the foundation encountered difficulties in cooperating with public hospitals. Eventually, it had to resort to cooperation with private hospitals, increasing the complexity of projects.

(2) Insufficient Professional Talents: "Human resources are the core competitive strength of enterprises nowadays, and foundations should also value the role of human resources."[6] The lack of professional talents means that foundations may not be able to operate efficiently in various aspects of their business. For example, foundations lacking professional talents in investment management, taxation, law, and finance may experience low efficiency in handling issues, thereby affecting the proper utilization of funds and the smooth progress of projects. In the absence of professional talents, foundations may face more risks.[9] For example, improper handling of legal and tax-related issues may lead to lawsuits or tax penalties, thereby adversely affecting the foundation's reputation and financial status.

4. Recommendations for the Improvement of Chinese Celebrity Foundations

4.1. Achieving Relative Independence between Celebrity Foundations and Celebrities

Chinese celebrity foundations, as an important force in social welfare, play significant roles in promoting earthquake relief, aiding the needy, and other areas. However, due to the inherent influence of celebrity personalities, some foundations may fall into the trap of excessive reliance on celebrity resources and lack of independence. When NGOs do not need government funding but contribute to the coffers of their supervisory agencies instead, they are usually in a good position to negotiate more autonomy for themselves.[10] Chinese celebrity foundations are often influenced and restricted by celebrities, leading to an overemphasis on the personal influence and brand effects of celebrities in promoting charitable activities. Moderate independence is crucial for the long-term development of foundations.[11] The "2022 China Entertainment Celebrity Philanthropy Observation Report" mentioned, "Celebrities are individuals with certain social influence. Their goals and actions in philanthropy often attract public attention. However, when it comes to celebrity philanthropy, the public's focus often centers on the entertainment and authenticity of celebrities, while the true essence of celebrity philanthropy projects, i.e., how to leverage the advantages of celebrity influence to guide the public's attention, participation, and attempt to address social issues, is often overlooked."[12] If

the foundation is too closely related to celebrities, public attention may focus more on the personal image and behavior of celebrities, neglecting the significance and impact of the charitable projects themselves. Personal preferences and interests of celebrities may influence the selection of charitable projects and the direction of activities, resulting in projects that do not align with the actual social needs, thus reducing the effectiveness and impact of the projects. Additionally, excessive reliance on celebrity foundations may lead to improper internal governance, lack of independence and transparency, and may even result in corruption and abuse of power, affecting the credibility and sustainable development of the foundation. Therefore, Chinese celebrity foundations need to achieve moderate independence from celebrities. While collaborating with celebrities, the foundation should ensure that it has an independent governance structure and decision-making mechanism, independent property, and the ability to develop and implement projects that meet social needs according to the requirements of public welfare, without being influenced by the personal preferences of celebrities. Only in this way can the social influence of celebrities be better utilized to guide public attention and participation in addressing social issues, thus realizing the true essence and significance of charitable activities.

4.2. Optimization of the Internal Governance Structure of Celebrity Foundations

According to scholars' perspectives, the establishment of an internal control system within a foundation is essential. Several points are also applicable to improving the internal governance structure of Chinese celebrity foundations. Within Chinese celebrity foundations, refining departmental job responsibilities is crucial to ensuring accountability. Factor is whether NGOs' professional management units take their supervisory responsibilities seriously. If a government agency neither stands to gain nor to lose from the operation of the NGO under its supervision, it may feel no incentive to carefully monitor the NGO's activities.[10] By clearly defining the responsibilities of each department and position, issues such as overlapping or incompatible responsibilities between departments can be prevented, avoiding situations of centralization of power and lack of supervision. There are a number of real and important accountabilities to be addressed by NGOs, which stem from their responsibilities. First, there are organizational responsibilities, which include transparency in decision-making and accounting, efficiency of operations and working within legal confines in a transparent manner. The latter responsibility, however, assumes universal rights are respected in the context within which an NGO operates. Second, there are responsibilities embedded in the mission of an NGO, such as promoting rights for the poor, the alleviation of hunger, children's rights, or saving the environment. Third, there is a category of responsibilities to different stakeholders that are impacted by or involved in the activities of NGOs.[13] Such internal controls can ensure that each position and department can shoulder its respective responsibilities, thereby enhancing the management efficiency and transparency of the foundation.[14]

Chinese celebrity foundations should consider the uniqueness and uncertainty of fund projects when formulating budget systems. The existing comprehensive budget management system may not be flexible enough to adapt to changes and adjustments during project execution.[15] Therefore, improving the budgeting system for fund projects can provide the foundation with more management flexibility, enabling it to adjust budgets promptly to respond to actual project situations, thereby enhancing the foundation's flexibility and management efficiency.[16]

Clearly defining expenditure standards for fund projects is key to ensuring the reasonable use of internal funds within the foundation.[17] Uniform accounting standards, oversight system for audit quality and public access to audit report are key for improving financial accountability.[18] By hierarchically formulating expenditure standards for fund projects, the foundation can standardize its internal management of expenditures for charitable projects, improve the efficiency and transparency of charitable fund utilization, and help fulfill the foundation's social service functions.

4.3. Strengthening Cooperation with Professional Foundations

Chinese celebrity foundations often lack professional operation and management experience and need to collaborate with professional foundations to jointly promote the development of public welfare.[19] Professional foundations can provide consultation, training, and other support to celebrity foundations, enhancing the execution and impact of their public welfare projects. In the "2022 Annual Report on Public Welfare Observations of Chinese Entertainment Celebrities," expert Tao Chuanjin pointed out that "the celebrity public welfare system especially needs the construction of an ability system and a normative system."[12] When celebrities participate in public welfare activities, they may lack expertise and experience in relevant fields. Collaboration with professional foundations can provide them with professional guidance and support, helping them better understand the needs and practices of the public welfare field, and enhance the professionalism and effectiveness of public welfare activities.

Professional foundations typically have well-established normative systems, including norms for project management, fund utilization, transparency, and more. Collaborating with professional foundations can help celebrity public welfare activities establish standardized operating models, improve credibility, and enhance social influence. Professional foundations have rich practical experience and professional capabilities, with unique advantages in planning, executing, and evaluating public welfare projects. Collaboration with professional foundations can make celebrity public welfare field. Professional foundations can provide rich resource support and services for celebrity public welfare, including open and transparent information, the construction of professional platforms, verification of possible errors, and more. Through collaboration with professional foundations, celebrities can more effectively utilize resources, enhancing the efficiency and effectiveness of public welfare activities.

4.4. Emphasizing Talent Recruitment and Training

Chinese celebrity foundations need to have a professional and efficient team to support and sustain the development of philanthropic activities. Therefore, recruiting and nurturing talent are crucial for the foundation's development. A scholar pointed out that "the low efficiency of foundation work, unclear division of labor among personnel, lack of clear allocation of rights and responsibilities, and the absence of necessary incentive mechanisms", [6] along with a shortage of talent within foundations, are two key obstacles hindering the development of public welfare foundations. Talent scarcity is a common challenge for foundations in their development process, especially lacking professional talent in key areas. By emphasizing talent recruitment and training, foundations can fill talent gaps, improve organizational professionalism, and work efficiency. Having a suitable team of talent can promote the long-term development and sustainability of the foundation.[20] Some foundations have irrational personnel systems, leading to problems such as the lack of elected leadership and severe bureaucratization. By cultivating and selecting talents with professional competence and good moral character, the structure of the foundation's leadership can be improved, governance efficiency and transparency enhanced, and incidents of corruption reduced. The work of foundations requires a high level of moral integrity and sense of responsibility. Strengthening internal staff's moral education and training can enhance their sense of social responsibility and honor, reduce unethical behavior, and maintain the reputation and image of the foundation. Improving the salary and benefits of celebrity foundation personnel to better attract professional talents for governance is essential. Additionally, emphasis should be placed on training and evaluating existing staff of celebrity foundations to enhance their professionalism.

5. Conclusion

As an emerging entity in the field of social charity, celebrity foundations actively engage in solving social problems by leveraging the fame and resources of celebrities. However, they also face many challenges, dilemmas, and areas that need improvement. This paper analyzes the characteristics and advantages of celebrity foundations, as well as the problems and challenges they face in operation, based on relevant social news, research reports, and offers suggestions for addressing these issues. Firstly, the characteristics and advantages of celebrity foundations lie in the fame, resources, and social influence of celebrities, which can better attract public attention and active participation in charitable activities. They contribute to the provision of materials and funds for projects like public welfare relief, thereby facilitating problem resolution. However, celebrity foundations also suffer from problems such as excessive reliance on the celebrity effect, inadequate management capabilities, lack of transparency, and insufficient professionalism. To address these issues, this study combines relevant literature to propose suggestions. For example, celebrity foundations should achieve a moderate degree of independence from celebrities, establish sound internal governance structures, strengthen cooperation with professional foundations, and focus on recruiting and nurturing talent. Only through these efforts can celebrity foundations better and sustainably fulfill their roles in the field of social charity and achieve their goals. In the future, we hope that celebrity foundations can leverage their unique advantages, improve system and structural deficiencies, enhance management levels and transparency, and better serve society and charitable causes.

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