

CHINA: ONE CITIZEN

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A clock frozen at the very point of impact (top); Prime Minister Wen Jiabao inspects the rescue effort in the wake of the disaster (above); a massive crowd gathered at Tiananmen Square with the flag at half mast to honor the victims in a moment of silence (below)

The Earthquake and its Aftermath

Elizabeth H. Yang,
China Chief Representative, LEADERS Magazine

APPROXIMATELY 2:30 PM MONDAY, MAY 12TH, THE SICHUAN EARTHQUAKE rocked China and shocked the world. Within hours, the rescue mission was underway, the leaders of China were rushing to the frontline, and the media was mobilized in full force. As the scale of the destruction became increasingly clear, the whole of China focused on one mission – saving lives at all costs – and on one vision: China is all one family and no one will be left behind.

In the face of such a momentous calamity, Chinese leaders have shown that they are not only individuals with wisdom and strength, but, more importantly, they are citizens among their people. With the enormous challenge of rebuilding that lies ahead, China's citizens and leaders will be tested by the effort of turning all the touching moments of rescue into an enduring reconstruction of the lives, hopes, and dreams of 45 million people.

In this special section, we invited guests from the public, private, and media sectors to share their insights on the rescue mission, the omnipresent compassion and awakening of social responsibility; the profound social change that is reflected in China's efforts to overcome this natural disaster, working together as One Citizen.

Our deepest gratitude goes to all the participating leaders who squeezed time from their busy rescue schedule to speak to our readers and to Xinhua News Agency for providing us all the photos taken from the earthquake site. Our heartfelt thanks also goes to our staff and volunteers for being an MIP (Mission Impossible Possible) team. We salute the ultimate MIPs who are devoting their lives to rescuing and rebuilding.

If you want to know more about the earthquake and its aftermath, or want to offer help or suggestions with the reconstruction effort, please contact us at China@leadersmag.com. We thank you and will pass on your kindness to those in need. 🇨🇳





Unity Means Power

An Interview with Li Rongrong, Chairman, State-Owned Assets Supervision and Administration Commission of the State Council

EDITORS' NOTE After graduating from Tianjin University with a bachelor's degree in electrochemical engineering, Li Rongrong served successively as a worker, Workshop Chief, Deputy Director, and Director of a factory. He was appointed Vice Chairman of Wuxi Municipal Economic Commission, Jiangsu Province, and proceeded to hold the posts of Director of Wuxi Municipal Light Industry Bureau, Chairman of Wuxi Municipal Planning Commission, and Vice Chairman of Jiangsu Planning and Economic Commission. In February 2001, he was appointed Chairman and Party Secretary of the State Economic and Trade Commission (SETC). In addition to his responsibilities as Chairman of the State-Owned Assets Supervision and Administration Commission of the State Council (SASAC), Li is Party Secretary of the SASAC's Communist Party of China (CPC) Committee and a member of the 16th and 17th CPC Central Committee.

INSTITUTION BRIEF Authorized by the State Council in March 2003, in accordance with the Company Law of the People's Republic of China and other administrative regulations, the State-Owned Assets Supervision and Administration Commission of the State Council (SASAC) guides and pushes forward the reform and restructuring of state-owned enterprises (SOEs); appoints and removes top executives of enterprises, and evaluates their performance through legal procedures, either granting rewards or inflicting punishment based on their performance; and directs and supervises the management work of local state-owned assets according to law.

How were the 152 SOEs under the SASAC affected by the recent earthquake? How is the relief work being conducted at the moment?

Sichuan is the headquarters site for three central SOEs, as well as the subsidiary and branch location for more than 50 central SOEs. Casualties and losses among the ranks of SOE workers alone exceeded 3,000 people as of May 22, 2008. According to the central SOEs' own assessment, the earthquake caused between CNY 26 billion and CNY 28 billion in direct losses. Combined with indirect losses, that figure could be over CNY 50 billion. SOEs affected by the disaster divided their time between organizing self-rescue efforts and helping local governments carry out relief and rescue work. Nationwide, SOEs have actively engaged in operations to help minimize the casualties.

As China's national economic backbone, how will the SOEs best utilize the overall planning mechanism to help get themselves and the country through this crisis?

This disaster tested our country's organizational and coordination abilities. Our central SOEs, including local enterprises, were highly praised by our leadership and the public for their efficiency in heading rescue efforts under the direction of central and local government. An hour after the earthquake struck, we received a report from our local SOE requesting aid. We quickly coordinated with periphery SOEs, and six of them immediately responded by sending six rescue teams, who were at the scene within twelve hours. A portion of the group set up self-rescue work, while the majority hurried off to save students.

At that time, heavy lifting equipment was needed most. We could see and hear the people buried underneath, but couldn't dig them out. Without delay, China Railway Engineering Corporation sent the necessary equipment to the scene, and also helped to rescue people along the way. Time is critical in such a dire situation, and many people's survival hinged on a difference of hours or minutes. More than 40 people were saved on the first day.

We were able to provide shelter for our SOE staff because our organizational network was already in place. Regardless of which society you are from, an established organization brings strength and ability. When the moment of truth strikes, it is critical to have an organization in place, and it should be a powerful one.

You once said that the SASAC's most important functions are its ability to control, influence, and motivate. How are these features represented in its response to this disaster?

It's obvious that nobody wants a disaster. However, if there is one, the central SOEs will be fully committed to emergency rescue work. We set guidance "to save lives at all costs." As of May 27, 2008, the SOEs donated CNY 3.2 billion, deployed 10,000 personnel, and contributed over 2,000 large-scale machines. If you add materials, our assistance exceeds CNY 7.5 billion.

The central SOEs' actions directly impacted the overall rescue situation. The central SOEs brigade spent seven hours crossing terrain to get to the most severely affected areas and restoring connections to the outside world. Some people spent over 80 hours working nonstop. Driven by their spirit and persistence, they were lifelines for the victims. We led through every step. Many times, we accomplished tasks before the local government had a chance to get started. We were the first to implement a victim resettlement plan and supplied free food and much-needed daily necessities before assembling tents. Also, we built shelters and provided medicine and disinfection supplies before anyone else. The central SOEs formed teams to go anywhere, anytime we were needed. The local governments needed this strength.



In the planned economy 30 years ago, each person belonged to an organization that would take care of him or her. Now, after market economy reform, there are state-run and private enterprises. Still, there exists the phenomenon of unattached individuals who are unaccountable to anyone. What concerns do you have for this group? Since the previous organizational structure has disappeared, how can the government take care of people in this category?

This is indeed a weak link. A planned economy and a market economy are different systems. Yet, one cannot say that a market economy lacks organization; it has a different form of organization. A planned economy relies on a precise plan; a market economy relies on the legal system. We must utilize lawful regulations to realize the strength of the market economy. During the transition from a planned to a market system, China did not have established legal standards and relied on the SOEs. I'm not saying SOEs will exist forever, but they must exist in the interim stage. They are needed to successfully complete the integration of a market economy.

Every society should have a precise organization to respond to risks. We regulated prices during the Sichuan earthquake, as well as the 2003 SARS crisis. We either had to increase production speed and supply, or rely on commodity reserves. If neither can be ensured, government intervention is the only solution. Thus, the government must have a means for regulation. Otherwise, it will be difficult to deal with even small-scale fluctuations, let alone deal with catastrophes.

Concerning socialized management, we must first look to the organization. Each government depends on the framework of an organization during an emergency. No man can deal with such a catastrophe alone. Especially when rebuilding the disaster area, it is not a matter of months, but rather years. We need to rely on sound organizations and institutions to communicate information and solve numerous problems in the resettlement process. People trust the authority of organizations rather than a single person. This is the key point.

In terms of disaster intensity and relief, and the participation of the SOEs and the public, how is the Sichuan earthquake different from other calamities you've experienced? What profound changes in Chinese society do these differences reflect? What has moved you the most?

The greatest difference is China's demonstration of enhanced national strength. Our

Chinese rescue workers and military come together to transport an injured man from amidst the rubble.



Entire neighborhoods were flattened – creating the mountains of debris, meticulously sifted for survivors by the People's Armed Police.

economic power and ready infrastructure was brought into full play. The present conditions are much better than those during the Tangshan earthquake. This time, we reacted promptly and were well organized, which is essential when responding to an emergency. This also summarizes my feelings about how we handled the snow and ice disaster earlier this year. From the state to the local level, the leading cadre personally led the way.

At the same time, we saw the true meaning of the saying “unity means power,” as exemplified by the disaster relief work, the people, and the manifestation of their love for mankind. The volunteers’ engagement has far exceeded that of the 1976 Tangshan earthquake. The public has shown their compassion and kindness through their generous help with disaster relief. This kind of strength from the people is unprecedented. In the disaster area, I saw some 18-year-old rescue soldiers who almost moved me to tears. I urged their leaders to treat them as if they were their own children, and have the young workers call home daily to report their safety.

This incident has allowed us to be aware of the fact that our society is now even more open. Donations from all over the world are already approaching over CNY 40 billion. This is evidence of a new stage. No matter how much one donates, benevolence is respected equally. A farmer carried a basket of cucumbers to the stricken area and that basket contained all of his harvest. I think his donation is priceless.

As for assistance from the SOEs to the quake-hit areas, we have provided manpower as well as materials. However, we advocate that enterprises consider their financial situation as regards monetary donations, and set no fund-raising quotas. Enterprises with higher profits have donated more than those with heavier development tasks. Our donations add up to a huge amount, but nearly half is from individuals. This pragmatism and rationality indicate that

the leaders of the central SOEs have a more profound understanding of their responsibility to society. For SOEs, the greatest responsibility is to provide consistent returns to society by increasing their profits, paying sufficient taxes, and offering more job opportunities. This is crucial for our nation and people.

Lastly, the transition in media coverage is regarded as a turning point for China. CCTV provides instant coverage to the event. This point has received great praise and support from our leadership. Media transparency and timeliness have helped to improve China’s image in the international community. This change has a lasting effect, and sets a standard for Chinese government supervision.

In the face of such a great catastrophe, China has shown the world a new level of social responsibility. How do you think this will influence the development of Chinese society and its SOEs in the long run? How can the enthusiasm expressed in the rescue work be channeled effectively into more enduring concern for society? Lastly, what does all this mean for rebuilding Sichuan?

In my opinion, citizens represent an essential and great power. People handle matters not because they are told to, but rather because they know in their hearts that it is the right thing to do. The rescue work shows that our time spent emphasizing social responsibility has not been wasted.

Before the earthquake, society would criticize those born in the ’80s and ’90s as self-centered and irresponsible, but they comprise most of our volunteers and have done an amazing job. The central SOEs outside the stricken areas set up their own young leagues that would hurry to the assigned areas at any time, which shows their sense of belonging to a larger “family.” This is a result of our continuous publicity about civil responsibility over the past few years. Such awareness should be nurtured in the central SOEs, so that they will more actively perform their social responsibility.

We can make it, as long as we spare no efforts in promoting high ethical standards. A great nation means responsible citizens. It takes more effort to have such citizens than a single generation of leadership can provide. Now that we have put forth a vision of a harmonious society, leaders should continue to strengthen citizens’ sense of social responsibility to bring such a society into existence.

One of the major functions of the SASAC is to assess the SOEs. With the promotion of enterprises’ social responsibility and civic awareness as an important goal, what mechanisms should the government establish to encourage enterprises to make a greater contribution to society and to assume more social responsibility on the basis of being accountable to shareholders and investors?

One of the indexes for enterprises to fulfill their social responsibility is to ensure profits and consistent sound development, including energy saving and emission reduction, as well as environmental protection. As listed companies, those enterprises’ top responsibility is to be accountable to their investors and shareholders, and to avoid any negative effect on

their development from donations. Without any mechanisms, it will be difficult for them to carry out more socially benevolent tasks on this basis.

I believe our government is certain to complete the mechanism of encouraging enterprises to repay society, step by step. For example, relevant mechanisms should be perfected to support charitable activity through policies, including those concerned with taxation. Charity is a business of cumulative efforts. Incentive policy can draw more enterprises and individuals into action. In this way, we can get past all kinds of difficulties more quickly and easily.

Furthermore, such a mechanism should ensure that enterprises, individuals, and society share common protection, which will provide help for this entire nation and its people. Even when you are not involved in any disaster, you can still feel secure, in the sense that you will be looked after in adversity.

What new meaning should leaders attach to the concept of “leadership” in rescue and resettlement work in the future? What do you think of the Chinese leaders’ performance in the face of such a catastrophe? To prepare for disasters, how can the leaders transform the rescue-work-related enthusiasm of enterprises and society into consistent and efficient resettlement work? Recalling this painful experience, what lessons has this catastrophe taught us?

Leaders should be responsive, decisive, and farsighted. They should also have commanding and organizing abilities to control emerging situations. Good leaders can organize rescue efforts once they receive news of a disaster; they can start arranging resettlement during the rescue stage, and can begin to plan the future life of victims during the resettlement. The victims cannot sleep in tents day after day. Leaders’ foresight can spare the victims from more suffering. In addition, leaders should put themselves in the shoes of the victims. This is the same theory I used in implementing work safety in SOEs. I always tell leaders to think of their workers as part of their family, and to think about how it feels to have untouched dinnerware on the table for those who you’ve lost for good.

Our entire leadership responded swiftly and was efficient in its organization efforts. Timing is critical when saving lives during emergencies. We learned some lessons when Hunan was hit by icy rain and hazardous freezing conditions, which enabled us to respond promptly this time. Our leadership has good qualities, considering they focused on their job and kept their work in order, even though family members of some leaders were suffering in this disaster.

As for lessons learned, I think it is still about having a scientific outlook on development. Humankind must follow the laws of nature. Those who go against these laws will certainly get punished.

In your last interview with LEADERS magazine, you were asked what the name Li Rongrong stood for, and you answered, “Responsibility.” Today, after the catastrophe, what do you expect people to think of Li Rongrong as Chairman of the SASAC?

A person who can be trusted and can bring great hope to others.☺



At the Frontline of the Rescue

An Interview with Peng Shujie,
Earthquake Frontline News Commander-in-Chief, Xinhua News Agency

EDITORS' NOTE Peng Shujie was born in 1963 in Bengbu, Anhui province. He graduated from Anhui University in 1983 with a degree in foreign languages, and proceeded to study journalism at the Chinese Academy of Social Sciences, earning a master's degree in 1989. Peng has worked at Xinhua News Agency since 1989, first in the department of home news for overseas services, then in the Chief Editor's office. He joined the Chinese Communist Party in 1994. Peng now serves as Vice Editor-in-Chief of Xinhua News Agency and was appointed frontline Commander-in-Chief for the agency's Sichuan earthquake reports in May 2008.

INSTITUTION BRIEF Xinhua News Agency (www.xinhuanet.com/english) is the official news agency of the People's Republic of China. It aims to communicate to the world on behalf of the Chinese Communist Party and the Chinese people, and serves as China's official international news agency. Its 13,000 journalists and staff members produce news in the form of text, images, audio, and video, working in the agency's China headquarters, five regional editorial offices (Africa, Americas, Asia and Oceania, Europe, and Middle East), and more than 100 bureaus around the world.

As China's most important official media entity, how did Xinhua News Agency react to the Sichuan earthquake? What specific instructions did you receive about reporting this catastrophe?

On May 12th at 2:28 PM, an earthquake struck Sichuan. Only seven minutes later, we transmitted a newflash informing the public that Beijing felt the quake, when we had not heard about the disaster from the National Earthquake Bureau or any other source.

At 3:00 PM, a moment after the epicenter was announced, we dispatched a three-person team: a writer, a photographer, and a correspondent. They conducted interviews, took pictures, and sent back the first batch of reports from the disaster area. Shortly afterward, we learned that all roads leading to Wenchuan, the epicenter, were cut off. We sent another five reporter teams, equipped with maritime satellite phones. They tried to get to Wenchuan by helicopter, amphibious landing craft, and on foot with the troops. On May 14th at 11:35 AM, we arrived at the epicenter, becoming the very first media team on the scene.

We were instructed to produce timely, accurate, open, and transparent reports, with a full commitment to earthquake disaster relief. Xinhua is China's official press agency, and it is our duty to offer full media support to the rescue mission during such an immense national disaster.

How were you appointed to be the frontline news Commander-in-Chief?

Within an hour of the earthquake, we established the Xinhua earthquake special reporting group. In the evening, the roads to the earthquake region and other communications were wholly suspended. We completely lost contact with all the reporters covering the Premier and those covering the National Rescue Team. When confronted with this chaotic situation, everyone had one goal: to get to the epicenter as quickly as possible. In the early hours of May 13th, we founded our frontline headquarters unit, and I was appointed the frontline Commander-in-Chief.

After you reached the frontline, what was your most important command responsibility? What was the most difficult part of heading a media agency in the midst of such a crisis?

I've been with Xinhua for more than 20 years and have engaged in reporting significant political and diplomatic events without having any disaster-reporting experience. I set out to take a two-hour plane ride from Beijing to Chengdu and ended up waiting 11 hours at the plane. Finally, at 6:00 AM, I arrived in Chengdu. On the same day, 80 reporters also arrived from all over the country.

My command work had five elements: to communicate intentions and act as a liaison between the reporting and editorial departments; to manage the reporters; to gather source material from the scene to give to the editorial department; to deal with the blind spots – to ensure all of the heavily impacted areas had Xinhua reporters present; and to select a daily theme, and adjust our emphasis based on the changing situation in the disaster zone, since the higher levels of government needed to understand the situation.

The situation was more difficult than I had ever imagined: There were over 7,000 aftershocks in the first 10 days after the quake – 175 over 4.0, 27 over 5.0, and 4 over 6.0 on the Richter scale. We felt violent aftershocks 20 times per day on average, which was quite scary. Communication was much worse than we had predicted. All the dispatched reporters lost communication with headquarters. Although they had 35 maritime satellites and five satellite phones, to save electricity, they kept the machines turned off, except when contacting headquarters. Therefore, headquarters basically became blind and mute. Later, we used solar power and a diesel generator, assigned reporters into different groups, and required them to report to headquarters at fixed times, in order to track them. The way we dispatched reporters was identical to how the troops were organized, which was to deploy the People's



Liberation Army [PLA] and medical treatment teams to enter all the disaster areas simultaneously. By 11:30 AM on May 15th, Xinhua was in all the heavily hit areas. Our first batch of reporters covered rescue work for 10 days, and then switched to treatment and resettlement.

As the Commander-in-Chief, what was the most difficult decision you had to make? Can you describe the state of mind among the reporters at the frontline? Was anybody injured?

The hardest decision was that we knew some reporters were badly affected and the environment was dangerous, but we still needed to send them to the scene. Some reporters were exhausted, while others had psychological trauma, but they still had to go. We have two female reporters who slept by the side of the road for seven days and nights, with no way to brush their teeth or wash their faces, and lacking food and water. One group had to drive more than 650 kilometers to reach a site. Just when they entered the area, a muddy flood blocked their path and they couldn't get out. Finally, they were lifted out by an army helicopter. I also had to decide between ensuring the reporters' safety or keeping them at their posts to accomplish their job. In the face of danger, my ultimate decision was to withdraw them. Protecting lives is more important.

The Xinhua correspondents exceeded my expectations by throwing themselves wholeheartedly into the effort. We rapidly increased to 151 people within two to three days. Among those were people on leave and on their honeymoon. One-third of the first batch of reporters was female. Everyone requested to go, even now people are unceasingly signing up. From the first shake and the first newflash to having our reporters fill each of those "blind spots" was less than four days. We were the first of any media to get there. In some cases, we even arrived before rescue troops.

We take reporters' safety very seriously. Up to now, we haven't had one case of serious injury or death. We did have car-accident-related injuries and close calls with death. Some were almost buried alive by a landslide. We had four reporters in Li county discover that they had left their maritime satellite phone in a building after an interview. When they went back to retrieve it and were inside the building, a violent 5.9 aftershock suddenly hit. They had to push over a wall in order to escape.

As a frontline leader, what instantly comes to mind when referring to "speed of response"? What were the most moving and most inspiring moments that touched you?

On response speed, I feel Xinhua comes

Rescue workers pry loose a trapped victim.

first on several fronts. Out of all participating Chinese media, we were the first to submit a written report and photograph, and were the first group to follow our nation's leaders to enter the earthquake scene and all the heavily hit areas.

The hardest part – the part that distressed me the most – was to see a lot of students lose their lives. What moved me the most was the teachers who sacrificed their lives to save students. We all criticized corruption in education. However, the Minister of Education once said, “You may curse me, but you may not curse my teachers.” The most inspiring thing I saw was our people. In the face of disaster, the people show co-

hesive power and the unifying force of a nation – this is a true source of the power of China.

You were in the critical disaster area, watching history unfold before your eyes. Please share with us the stories of the leaders, military personnel, civilians, rescue workers, and volunteers that made the deepest impression upon you.

Our leaders made the deepest impression on me, with their timely reaction. From the Party Chief to the Premier, to the various leaders in charge, the fastest ones left for the disaster areas within two hours of the earthquake. The people leading the rescue mission at the frontline were all the top-ranking officials. All the efforts centered on “people” in rescue missions, resettlement, and reconstruction, which is very different from the past.

The People's Army and the Armed Police and public-security police were the principal force behind the rescue and relief efforts, and performed many miracles. Fifteen soldiers blindly parachuted from 5,000 meters up without oxygen. They couldn't see their landing area through the thick layer of cloud. In order to get critical information on the damaged, they risked their lives to jump into the unknown. Their heroism is very moving. Medical aid workers were also key. News workers showed their professional spirit and ethics. The help that poured in from all walks of life and the international community reaching out to offer aid – were all very moving too.

You've spoken about so many moving moments. Can you please tell us some concrete numbers that can help us comprehend the magnitude of this disaster?

First comes 8.0 – the most destructive and widest-ranging earthquake in 60 years. By June 4th, the Sichuan earthquake had killed 69,122 and wounded 373,606. The number of people still missing is 17,991, and 46 million people are affected by the calamity. The PLA and the People's Armed Police combined sent 113,080 soldiers from 20 divisions of service. In addition, 115 medical teams were dispatched, as well as 90,000 doctors and nurses from disease control and psychological trauma intervention teams. Tens of thousands of volunteers spanning the country left for the disaster area. Rescuers saved and transferred over a million



Victims too injured or too inaccessible to move were given emergency medicine and supplies where they lay

people, and provided medical treatment to 675,064 patients. Donations total more than CNY 4 trillion.

From May 12th to June 4th at 7:00 PM, Xinhua's earthquake coverage totals 29,642 reports, a record-breaking figure in Xinhua's history. Nearly 500 reporters were dispatched to the disaster area. Also, 66-year-old Premier Wen Jiabao inspected the frontline disaster area three times and convened seven meetings. Those are all the numbers that leave a deep impression on us.

For many years, the West has thought of Chinese media as a “government mouthpiece”

and a “tool for propaganda.” Have you seen any changes with regard to government's involvement in the media in the last 30 years of reform? How did these changes manifest themselves in the reporting of the earthquake?

China is a socialist country. It is a fact that the media is government-owned and plays the role of voicing government policy to the public. Domestically, we deliver information, propagate policy, and motivate the public to do good things for the country. Internationally, we handle our work according to international media standards, and make sure the message that gets delivered abroad reflects the reality of China's development, meets foreign audience's demands, and can be easily understood by the world. In this respect, foreign news agencies and Xinhua function identically.

For a certain period of time, government involvement in Chinese media will be inevitable. However, this does not affect the truthfulness of the news. We now pay more attention to reporting the “grassroots” truth. The Chinese media is gradually adapting to international standards and the essence of the so-called government involvement has also changed, which is inseparable from China's 30 years of reform. For example, 30 years ago, after the Tangshan earthquake, the government put forth the slogan, “Get one furnace of steel, one cart of coal out earlier,” which positioned its rescue priority as expediting production recovery. This time, the government emphasizes that “people come first” in the rescue missions. All the actions are prioritized according to how to better settle the victims and how to help childless senior citizens, orphans, and disabled people at all costs. Consequently, the government started with a mass search effort over mountainous terrain. Officials are trying to give everyone who has a chance to live, the hope of rescue and treatment. For the Chinese media, the real test is whether we can convey this changed focus on people to the whole world.

Therefore, in the aftermath of this earthquake, government involvement in Chinese media means utilizing its resources to more accurately, truthfully, quickly, and transparently report facts to stabilize society and eliminate

panic, through our credible and authoritative source of information.

In the past, the West thought that Chinese media would often downplay disasters in order to maintain the country's image. This time, the Chinese government's lenient attitude toward the scope and volume of news coverage, as well as the level of transparency, astonished the West. What prompted this profound change?

Nowadays, there are multiple channels through which to get information and the Chinese people can choose their news source. This has presented a huge challenge to the government-run media. China has experienced a phenomenon over the last 10 years: The government-run media, as well as the mainstream media, have not grasped the power of speech. For its own survival and development, the government-run media must show up and speak out on the key issues, hot spots, and focal points to which the Chinese people and the whole world will pay attention. During the first week of earthquake reporting, the world's reports were nearly all from Xinhua, which is very different from in the past.

In addition, the change in media reporting is in step with world change. We are in the Internet age, and the mass media cannot monopolize the dissemination of news and information. What isn't written in the newspaper appears online. The government and media all realize whatever is left unsaid will be said, so saying it sooner is much better than later, and letting others speak about you is not as advantageous as saying it oneself. China as a huge nation, accepts globalization for its economic interests and it must undertake some global responsibility. China's masses and international society have the right to understand China. This process started with our open-door reform, as well as with worldwide change. China is becoming an equal member of international society. This great change was sealed on January 1, 2007, with the implementation of the regulations for foreign correspondents covering the Beijing Olympics. As a media professional, I feel the government's current attitude toward media is to make us faster, more accurate, and to have more detail in our reporting.

Therefore, the national image we communicate to the world is: open to the world, sincere, honest, and responsible. After standing the test of a national emergency, China's media has shown a great deal of maturity, courage, and decisiveness. It has become a powerful force to unite society.

Soon after you returned from the disaster frontline, you hurried to be an Olympic torch bearer. As you pass the torch to the world, what message do you want to send?

China's media and media professionals are growing with China's development and forward progress. This earthquake has shown us the strength of our nation and the sincere affection and support of our people, which confirms that we have emerged victorious from this calamity and overcome the obstacles caused by the earthquake. Our country and people have become more united and cohesive. Therefore, we can host a more distinguished and brilliant Olympic Games this summer. 🇨🇳



Social Responsibility and Compassion

An Interview with Huang Guangyu,
 Founder, GOME Electrical Appliances Group

EDITORS' NOTE In 1987, Huang Guangyu (also known as Wong Kwong Yu) established GOME Electrical Appliances Group in Beijing. Utilizing a business model based on competitive pricing from high volume and customer service coming first, he proceeded to grow the company into the largest retailer of electrical appliances and consumer electronics in China. As such, GOME has become the template for retail companies in China. Huang was recognized as one of TIME magazine's 100 Most Influential People in 2006. The recipient of the World's Young Entrepreneur Award, Huang has also been named the Most Influential CEO in China, the Most Influential Leader in Chinese Real Estate, the Best Business Leader in China, and the Best Brand Leader in China.

COMPANY BRIEF Since its inception in 1987, GOME Electrical Appliances Group (www.gome.com/eng/), a privately owned enterprise, has been the largest retail chain in China, operating more than 1,200 stores in 280 cities in mainland China, Hong Kong, and Macau. The group's main retail business focuses on home electrical appliances and consumer electronics in mainland China. GOME has approximately 200,000 employees.

The Wenchuan earthquake in May 2008 brought much misfortune to the Chinese people. How did you respond so quickly to this tragedy, and what did you do to win the unanimous support of your employees?

I owe our quick response to two factors: GOME's passion and our business processes. GOME Group and its personnel have a strong sense of social responsibility and compassion, which has been incorporated into our corporate culture over time. In Sichuan, 36 GOME shops suffered structural damage, and merchandise was damaged in 11 shops. In the midst of the earthquake, one salesman was killed and three staff members were injured. Dozens of staff have family members whose homes collapsed.

When GOME heard about the earthquake, we immediately thought of our staff's safety. Within an hour, we started to organize rescue efforts and mobilize aid. I directly headed the emergency action group and positioned our Chengdu branch to provide aid. Right away, GOME's Chongqing branch started utilizing our logistics system to assemble goods. Within 48 hours, our Chongqing branch started delivering the most-needed items in the disaster area, such as tents, food and mineral water, quilts, and coats to the disaster area to assist with the larger rescue operations. Our business and individual donations totaled more than CNY 60 million.

The earthquake has definitely had an impact on our business. For our employees, rebuilding

homes is the most important priority. I want to do something for our staff whose families are in the disaster area and for other victims. This is not just because they have suffered hardship, but also because I feel compassion for them and it is my instinct to help. GOME employees believe that money should be spent where it is valued most. I would rather contribute more to disaster relief in order to make a difference.

How do you define "social responsibility" – particularly now, when China is receiving many donations for disaster relief?

In the past, social responsibility was a vague term for me. I feel differently now. Being successful is a company's number-one way of fulfilling its social responsibility. GOME currently has a staff of 200,000. Without GOME, approximately 50,000 other people would lose their jobs. The implementation of our social responsibility is in our daily work. A business's most important responsibility is to provide a platform for its personnel to further develop themselves and to realize their own self worth. At the same time, it should create more societal wealth, generate more tax revenue for the country, solve more societal job-placement problems, and develop more talent for the industry. These are all very concrete examples of social responsibility. GOME bears that responsibility for each one of its 200,000 workers.

On the other hand, when a natural disaster occurs, an enterprise should do its best to provide disaster relief. This is also part of our fulfillment of social responsibility. Charity ought to be given out of kindness. Compassion is not simply enthusiasm; rather, it is a combination of different things. One needs to have the ability and the heart to do it. In the early years, GOME's principal interest was profitability. Now, the business is progressively expanding and already has a basic foundation and a solid platform. Our responsibility has evolved and has become more specific. In response to the earthquake, we reacted quickly and could donate in a timely manner. We will also help with the reconstruction of the disaster areas. Inside our company, we issued a call for help and asked our nationwide staff to donate, so that we could strengthen GOME's ability to reduce the burden on our society.

Given that GOME Group is a Hong Kong-listed company, have you considered how a large economic contribution to disaster relief will affect stockholders' interests?

Our donations came from three sources: Approximately CNY 7 million came from the business, CNY 2.4 million came from our staff's volunteer donations, and HKD 50 million came from me. I ensured the largest donation came from my personal savings because I had our shareholders' interests in mind. The first social responsibility of a private enterprise is to manage both its tangible



and intangible assets properly. It also needs to expand its influence upon society and preserve its strength for sustainable development. When this foundation is set, an enterprise should focus on its ability to help others. We want to fulfill our responsibility to our shareholders and our employees. This is the essence of our brand.


From a social responsibility perspective, how does GOME Group build its competitive branding power?

Social responsibility and business development are inevitably linked. Regardless of what anyone says, in order for an enterprise to develop, it must give back to society. The business must be socially responsible. Today, GOME's influence can be a great contribution to society. GOME grew its business by providing its consumers with the best value in electrical appliances. As a result, GOME guarantees jobs to its employees, and studying GOME's model has helped even more businesses to develop. The ripple effect of all the positive actions are closely linked with the profitability associated with being a listed company. As we increase our corporate social responsibility, more people will grow fond of GOME, and that will enhance our development and increase our possibilities for sustainable growth. If you compare our company to an evergreen tree, the profit is the crown of the tree while the social effect is the roots. The social effect directly affects a company's healthy, smooth, and rapid development.

As China's leading electrical appliances retailer, GOME has always sought the opportunity to enter international markets. How would you carry out your corporate social responsibility as a global company?

It is GOME's duty to repay society. As our business has expanded overseas, so has our vision for public charity. After the Indonesian tsunami, I gave CNY 7 million – and GOME donated CNY 3 million – to the orphanage-building project. We all believe in economic globalization, but social responsibility should also be a global concept. Regardless of where it is, when a company has a solid foundation, it should repay society to the best of its ability.

As GOME's leader, what do you hope comes to mind when people think of GOME and Huang Guangyu?

I have grown up under the GOME brand. Because there is GOME, there is Huang Guangyu. Without my official title with GOME, I would not be the same Huang Guangyu. I am the same as each of the 200,000 GOME Group staff members. Through GOME, our individual value can truly be realized. 

Childless elders and orphans have been a particular focus for the Chinese rescue workers