

THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY STUDIES

**THE FUTURE OF CHINA'S MEDIA: ADAPTING TO
MARKET AND POLITICAL CONDITIONS**

Mr. Ching-Lung Huang
CNAPS Visiting Fellow, Taiwan

The Brookings Institution
Washington, DC
November 1, 2007

[REMARKS AS PREPARED FOR DELIVERY;
Q&A TRANSCRIPT PRODUCED FROM A TAPE RECORDING]

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
(703) 519-7180

I. Introduction

It is no simple task to provide a complete explanation of the current conditions of China's media, not to mention to forecast its future.

According to a 2007 World Press Association report, China had the highest volume of daily circulation for newspapers in the world, reaching 98.7 million copies. In comparison, the United States stands in the fourth place in the world, at 52.3 million copies. At present, there are 8,000 magazines, 700 television stations, close to 2,000 cable television stations, and 56,000 hours worth of radio programming in China. The China Internet Network Information Center (CNNIC) reports that by the end of 2006, the number of internet users in China reached 137 million, and is estimated to approach possibly 170 million by end of 2007, coming in second only to the United States. However, this represents only 13 percent of the total population with further room for growth. Mobile phone users in China already total 550 million, ranking it number one in the world. With only 35.4 percent market penetration, there also remains extensive room for growth.

There is no doubt that the Chinese media is developing vigorously. But there still exists a huge undercurrent in the development of media in China: the belief of the Chinese government that the media is a mouthpiece has not changed; pressure on and persecution of professional journalists who try to report factually regardless of government pressure and express public opinion which might reflect negatively on the government have never eased. China continues to be the number one record holder in the world of actions negative to the free press. Based on statistics by the Committee to Protect Journalists (CPJ), up to and including 2007, China has detained the highest number of news workers in the world. At this moment, it has detained 31 workers, three-quarters of whom are being held for vague legal charges of "opposing the government."

While China's internet has made giant strides, China is without a doubt the most advanced country when it comes to filtering Internet content. China today has a huge number of internet users. However, topics on the internet are heavily censored. When sensitive topics do emerge, they are quickly deleted; disobedient websites are shut down, and those who publish inappropriate discussions can be arrested. According to a statistic by CPJ, 61 individuals, including at least 19 news workers, have been arrested for publishing their opinions or comments on the Internet in China.

The extent of control exerted over the Chinese media is at times meticulous. A Chinese friend of mine in New York, who was helping a newspaper in Southern China to compose an article about the U.S. media's coverage of China, was told that his article, which tried to cite a New York Times report about the problem of poisonous food products from China, would not be suitable for print in early June because Chinese authorities feared that type of news would lead to social instability.

As to the future of China's media, which is simultaneously influenced by market forces and government control, different sides have divergent views, ranging from the

pessimistic to the optimistic. However, several recent events highlight the evolution of the Chinese communication media and have inspired some to come up with new ideas concerning the media's future development and potential functions. The influence of new technology and market forces will certainly be central to observing the future development of China's media.

II. Chinese Media Development—Market Aspects

Since 1949, China's media development can roughly be broken down into three stages: the period from 1949-57, which were the early years of new China's socialist transformation; 1957-1978, from the Anti-Rightist Campaign through the turmoil and paralysis of the Cultural Revolution; and from the beginning of 1979, when the Shanghai-based Liberation Daily began carrying advertisements, through the present period of market development.

In late 1949, China closed all the newspapers owned by foreigners and the Kuomintang, and reorganized the remaining newspapers to build a socialist media system under the Party leadership. They established the media in the role of the mouthpiece of the party. However at this stage, the Chinese government still encouraged newspapers to obtain advertisements and reader subscriptions. When the Anti-Rightist Campaign began in 1957, it marked the end of the first media marketing test in the new China. In the mid 1960s and through the Cultural Revolution, the market factor was totally replaced by planning in the Chinese economy system. All non-government owned media organizations completely disappeared, and the media thoroughly became a tool for ideology and became dependent on financial allocations by the state for their survival.

1) Advertisements Returned to the media in 1979

In 1979, following the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party (CCP), the CCP began to promote reform and started opening up to the outside world. These measures led the media to gradually restore market vigor. The Shanghai-based Liberation Daily began carrying advertisements in the beginning of 1979, which was a significant symbol of market development in China's media. Starting in the early 1990s, the effects of the reform and opening policy gradually appeared. The increase of consumer buying power and a rising public demand for all sorts of information gave the development of the media a new source of vitality. As advertising returned to newspaper spreads, radio broadcasts, and television channels, it became the greatest force for pushing the media towards greater sensitivity to market forces. In 1990, the turnover for national advertisement had already reached 2.5 billion RMB, leading to an increase of 40% growth per year for the next several years. By 1998, it had reached 25.9 billion RMB. In 2006, total revenue in the Chinese advertisement market reached 386.6 billion RMB, which was about the same as Japanese revenue and about one-fifth the size of U.S. revenue.

2) Consolidation of the Media Due to Entry into WTO

At the turn of the century, in preparation for entry into the World Trade Organization, China pushed for greater consolidation of the media, leading the Party to issue an appeal to “Strengthen and Build the Party Media.” It originally aimed at establishing a new control system for the media while simultaneously reducing the financial burden to the government. Today China has established giant media groups in Beijing, Shanghai, Guangzhou and Sichuan. According to China’s first newspaper industry blue book issued by the General Administration of Press and Publications of the People’s Republic of China, (“Development Report of Chinese Media Industry 2007: Innovations, Achievements and Future”) by 2005-2006, the situation in China of the party newspapers leading the other newspapers has been further enhanced. The party newspapers have become more professionally managed, focusing on coverage of important political, social, and cultural issues, with policy makers, managers, and researchers of different trades as their main readers. The Chinese government hopes that through the rapid development of the party media that it can strengthen its own influence and control.

3) Innovation and New Directions of the Media

At the same time, China’s traditional media have been adjusting to the impact of new technologies, moving positively towards greater innovation and overcoming challenges. According to a Tsinghua University publication, *2007: The Chinese Media Industry Development Report*, the Chinese news industry has already begun to explore new directions, such as combining Internet and mobile communications networks to produce electronic newspapers, mobile phone newspapers, websites, and so forth. Furthermore, the development of internet blogs has also been the focus of attention, with the number of Chinese blogs in 2007 estimated to 60 million, and in 2008 to possibly even approach one hundred million. Last June, when I visited Shanghai-based Liberation Daily, they showed me what they have done for the development of new media, which include: electronic newspapers, mobile phone news, and the use of two-dimensional code in newspaper spreads. I was very impressed.

III. Chinese Media Development—Control Aspects (1978-2007)

Although the development of China’s media flourished during the period of the promotion of free markets, Chinese media reform and freedom of the press still had to follow a winding path because of the influence of politics.

1989 was a watershed year. 1980-1989 was a period of so-called “New Enlightenment,” in which the media faced relatively loose restrictions from the government. The intelligentsia cooperated with reform-minded government officials in using the media to discuss a series of public issues: liberation from thought control, opening up of the economy, political reform, and freedom of the press, etc. This received a strong response from the public. For instance, the Chinese Youth Daily (*Zhongguo Qingnian Bao*)

initiated critical reports and discussed hot social issues, and the Shanghai-based World Economy Leading Daily (Shijie Jingji Dao Bao) published bold opinions different from the government. A mid-1980s national public survey showed that the media had a huge influence in the shaping of public opinion. In 1987, news reform was brought into the agenda of political system reform. In the report of Communist China's 13th Party Congress, it was proposed that people should be allowed to know and discuss the major events and public problems. The notion of "monitoring by public opinion" became increasingly prevalent.

However, in the aftermath of the June 4th incident in 1989, the Chinese government believed that the incident was the consequence of "Western bourgeois values," leading them to adopt new measures to manage and control the media and journalists. These included: 1) requiring oversight of all media by a government agency and the assignment of administrative ranks; 2) allowing persons responsible for the media, upon being admitted into the party and government rank system, to enjoy equivalent political and economic treatment as party/government officials; and 3) dual-track leadership by the party propaganda department and news publication bureau to establish a system of review and critique based on careful reading, watching, and listening.

1) The Administrative Ranking of the Media

The system of assigning administrative ranks to the media in a multi-tier system is one of China's unique characteristics. For example, there are two different ranks of media systems located in Beijing. The People's Daily, the Xinhua News Agency, and the China Central Television Station are a part of the national media system, and the Beijing Daily, the Beijing Television Station, and the Beijing Youth Daily belong to the Beijing municipal media. In case the two media systems cover the same news event, they cover from different points of views and give the event different treatment. One example would be last year's October 1st national holiday, when Chairman Hu Jintao went to survey construction for the Beijing Olympic Games. This news would appear on that night on the national newscast of CCTV. In comparison, local Beijing TV could not obtain an interview on this event and could only report on it based on the news source from CCTV on the next day (Oct 2). Also, if the city of Beijing had heavy snow or rain, resulting in a traffic disruption, some of the national media system would criticize the municipal government after reporting on the incident. However, the local media only would report on how well the police directed traffic and how municipal workers performed. While the national media system could take advantage of its higher administrative ranking, however, its reports and claims would not always go unchallenged. For example, in the August 2006 Sang-Mei typhoon incident, when the Xinhua newsnet criticized the Fujian provincial government relief efforts, Xinhua was challenged immediately by the Southeast newsnet, a news organization sponsored by the Fujian Province Party Committee.

This system was originally used as a convenient way to manage the media. From the perspective of government officials, the media's subordination to local government jurisdiction ensures that the media will never reflect negatively or disgrace the local

government. From the perspective of the media, giving them a higher rank is advantageous when covering the lower ranking government. In the 1990s, a large number of city newspapers, which were sponsored by the provinces, appeared in the market. Those city newspapers took advantages of their higher rank to monitor low-level local government activity and were greatly welcomed by the public. This enabled the news media industry to prosper.

2) Cross-Provincial Reporting

There was also the practice of so-called “cross-provincial reporting,” which grew out of the media’s need to ensure its own survival. This was the practice of turning a blind eye to the problems of one’s own local officials, while spending more effort to report on corruption problems in cities of other provinces. Some media reporters who were unable to report their news in the local media would try to find media outlets in other places where they could publish their reports. However, this practice also caused various local authorities to resist. For example, the frequent reporting of cases of corruption and accidents in other provinces by the Southern Weekend weekly, sponsored by Guangdong Province, caused the Guangdong Province party committee secretary and governor to be the target of criticism of the other provincial authorities during the annual March meetings in Beijing. As a result of the intense reactions coming from the different localities, “cross-provincial reporting” has recently gradually begun to disappear.

3) Unified Reports on Big Events

In addition to supervision by rank, the government requests the media to unify their reports on any big event—illustrated by the ideal of “singing the main-melody along with the party.” That is to follow significant reports of the Xinhua News Agency or the China Central Television Station report. For example, when the Shanghai Party Committee Secretary Chen Liangyu was dismissed in September 2006, the Xinhua News Agency published a draft by the supervisor organization. All other media could only reprint the draft and could not add any speculation or comment.

At the same time, based on the “Law on the Protection of State Secrets,” the government prohibits spreading rumors or libel or instigating subversion of the state regime in other ways, or illegally providing state secrets or intelligence to the outside world. This law was very crucial, for example, when a journalist named Jiang Weiping was given an eight-year sentence for publishing several articles in Hong Kong, exposing high-level corruption in China.

4) Media Hit Men—the Central Propaganda Department’s Reading and Assessment Unit

In 2006, following the “Freezing Point incident” of the Chinese Youth Daily, the “Reading and Assessment Unit” (RAU) of the Central Propaganda Department (CPD) has gained an extremely bad reputation for its aggressive behavior. This unit was founded in 1994 and generally had ten or so members. On average they publish two issue bulletins a day, and up until now have published approximately 9,000 issues. With its mission to monitor, censure, pressure, and control the media, the RAU has been regarded as the

media police and media hit-man. Not only has it been established within the national CPD, but every province and city has also established their own version, constituting a concentrated network of monitoring and control. Newspapers and periodicals such as Strategy and Management, Twenty-First Century World Report, and New Weekly Report have all been shutting down; Southern Weekend, Southern Metropolis Daily, and New Capital News have repeatedly suffered heavy losses; and with the shut down of Freezing Point, the RAU showed its true aggressiveness.

The RAU has not only been examining the media regarding questions of current political issues, but have also monitored the media's appraisal of historical questions and historical figures. The China Youth Daily supplement, Freezing Point, was compelled to stop publication after printing an article by Professor Yuan Weishi of Zhongshan University in Guangzhou titled, "Modernization and History Textbooks," which the unit declared "spared no effort to vindicate the acts by the imperialist powers in invading China." Thirteen senior party members and former officials then issued a joint statement severely criticizing the RAU for replacing "reading" with "censorship" and "assessing" with "judging." However, despite growing criticism from outsiders towards this unit, there does not appear to be any indications that it will be abolished.

5) Meticulous Internet Control

Starting in the 1990s, with the development of internet communications, the internet became one of the public's primary sources for obtaining the news. In 1996, the Chinese government began to promulgate regulations prohibiting the use of the Internet to disseminate anti-government messages, only to realize soon after that such prohibitions were fundamentally useless. Consequently, starting in 1998, the National Safety Bureau began to recruit large numbers of college graduates with technological skills to monitor the Internet.

In China today, tens of thousands of internet police spend days and nights browsing and searching for anti-Party information. Upon discovering objectionable information, they issue a warning, or simply close the website. During so-called "sensitive periods"—for instance, prior to the convening of the national congress of the CCP or the anniversary of the 1989 Tiananmen massacre—the shutting down of websites becomes more common. In extreme circumstances, relevant personnel may be arrested. According to a report by Reporters Without Borders, there were 69 arrests related to Internet usage worldwide, 61 of which took place in China. The majority of these 61 individuals were charged with the crime of "subversion" and sentenced to prison terms ranging from 2 to 12 years.

In August 2002, the government issued a new set of rules and regulations demanding that Chinese internet publications would be supervised by a specific organization. It set up a system of editors to mutually monitor Internet activities. In this way each person would have the power to supervise others and prevent them from committing errors. In March 2003, the Chinese government requested that China's internet service providers sign a "Chinese Internet Self-Discipline Agreement" with authorities. Approximately three hundred internet service providers signed on to the agreement, including Yahoo. Later in

2005, a news-worker, Shi Tao, was sentenced to 10 years in jail for having engaged in pro-democracy efforts deemed subversive after Yahoo turned over information about his online activities requested by the communist government.

What needs to be clarified is that one of the Chinese government's objectives in monitoring the Internet is to prevent extreme reactions in response to large incidents, and to have the government avoid being hampered by public sentiment in its dealings with Taiwan, Japan, or other international incidents. Besides these issues, in other areas, the Chinese government generally "looks the other way," and will allow other topics to flow freely without intervening. Therefore Chinese Internet users resemble those in other countries and are able to access materials, other than political content, from websites from around the world that have to do with, for example, technology, fashion, sports, music, finances, and even pornography, and so on. In these respects, the freedoms that Chinese Internet users enjoy are certainly not inferior compared to other countries.

IV. Is the Chinese Media Open to Outsiders?

At the outset of the 1990s, as the world's largest media organizations competed to enter the Chinese media, there were those who believed that the presence of multinational media bodies in China would, over time, slowly spur the Chinese news towards greater freedom of the press. But as reality has borne out, this idea has been a matter of wishful thinking. The Chinese government has stipulated, "China's media is a special profession, so no matter who is behind the investment, it is without exception a state-owned property."

1) No Commitment to Opening the Media Domain

Since China's entry into the WTO, there has been no commitment to opening up the media market to outsiders. They have merely allowed foreigners to invest in international internet companies in China and permitted the investment of foreign capital into the retail domain of publishing, such as newspaper retail sales, magazine and book distribution. The entry of Tom.com, one of the first "foreign capital" entrants into the Chinese media market and overseen by the government-friendly Hong Kong tycoon Li Ka-Shing is another example. In the end, China has only opened its doors to the retail trade and not the media industry.

2) Rupert Murdoch's News Corporation Hits a Brick Wall

Of all the multinational media corporations' bosses, Rupert Murdoch of News Corporation has perhaps engaged in the most persistent effort to penetrate into the Chinese market, but has also been repelled the hardest. Murdoch expended a good deal of money and other resources to please high-level Chinese officials, in hopes of becoming a good friend of the Chinese government. He even indicated that the media headed by News Corporation would not criticize the Chinese government and its officials (see June 2006 New York Post). But after the Chinese Ministry of Culture issued a report

“Regarding the Means of Strengthening the Management of Cultural Product Imports” on August 3, 2005, disillusionment set in for Murdoch. On September 19, 2005, in an interview with Bloomberg News, Murdoch acknowledged that News Corporation’s attempted plan to enter the Chinese market had failed. When he issued a complaint, the Chinese authorities asserted their initial welcome to overseas enterprises and multinational media to manage print and electronic media operations within Chinese borders, but as of today they have once more closed the front door to outside media.

3) Independence of Hong Kong’s Media Reduced: The Emergence of the “Chilling Effect”

Even though Hong Kong is already considered a part of Chinese territory, there are still no examples of its successful advances into the Chinese media market. To the contrary, as the presence of Chinese investments in Hong Kong grows stronger by the day, commercial advertising on which the news depends for its survival has begun to influence Hong Kong’s media. Under the pressure of the advertisements, Hong Kong’s freedom of the press has gradually subsided, and self-censorship and “the chilling effect” from the media have become more and more serious. On July 8, 2007, the Hong Kong Journalists’ Association released the 2007 Freedom of Speech Annual Report, pointing out that since Hong Kong’s return to China ten years ago, freedom of the press has been gradually shrinking, especially when it comes to topics that Beijing considers to be sensitive. The media has been practicing “self-censorship” as media organizations undergo changes in ownership, and the impact of advertisements on editorial orientation has grown, causing more media bosses to orient their bets towards the Beijing authority, impacting freedom of speech.

V. The Present Condition of the Chinese Media: Three “C’s” and One “G”

In the past, some people remarked that China’s media sector was defined as being “phony, boring, and censored,” a view that seems obsolete in light of present conditions. There is no doubt that censorship is still present, and falsehoods cannot be eliminated, but to say that the news is “boring” is to be blind to the facts. If anything, there is sensational news—the use of violence, embellishments, and sex appeal— which comes closer to the reality, but that is still only part of the picture. Here I would like to borrow the three “C’s”: Control, Change, and Chaos, put forth by Director Qian Gang of the China Media Program at the Hong Kong University Journalism and Media Research Centre. I will add a “G”: “Gaming”—push and push back—to describe the present conditions and future of the Chinese media.

1) Control

The history of the various forms of control that the Chinese government has used to control the media have been described above. Recently, in 2003, it set as its target the “Four No Change” policies, as emphasized by Vice-Minister Xu Guangchun of the Central Propaganda Department, namely, “the media’s function as mouthpiece of the

party cannot be changed; the party's system of managing the media cannot be changed; the party's system of managing cadres cannot be changed; and the correct guidance of public opinion cannot be changed." Under the "Four No Change" policies, the means of controlling the media within the government's reach have become increasingly refined.

As shortcomings in social development wrought by the period of reform and opening become more obvious, the government faces an increasing surge in cries for human rights and up to 100,000 incidents of mass resistance every year. For the government to guarantee social stability, it cannot tolerate non-cooperation from the media. To ensure this outcome, it has to adopt even more methodical methods of control. For instance, targeting specific journalists, charging them with crimes of endangering national security, leaking state secrets and conspiring to subvert the government, in some cases even fabricating crimes such as taking bribes or corruption, instead of crimes of a political nature. Meanwhile, documents are not transmitted to lower levels in print but rather transmitted through telephone messages, internal meetings, and other such means to prevent them from leaking. The content of these meetings cannot be recorded, taped, or shared with outsiders.

In addition, the Chinese government has recently shut down several well-known publications and websites, including the highly reputed Century China Net, the Beijing-based China Development Brief, which had been distributed from Beijing for over ten years, and the Chinese NGO publication, Folk. These publications and websites did not necessarily cross any explicit Party lines. It is because they invited discussion among western scholars, carried out research on social issues without government authorization, and promoted research on local organizations. They also wrote about the experience of foreign NGOs in China. Seeing these activities as a danger to social stability and a threat to its basis for rule, the Chinese government shut down these publications and websites.

On the other hand, in response to demands by the international community, on December 1, 2006, China's Foreign Ministry announced regulations governing foreign reporters covering China during the Beijing Olympic Games and its preparation period. The regulations stated that foreign reporters covering a region or story in other parts of China only needed to get the permission of the unit or person being covered to visit. They no longer will need to be permitted and accompanied by units from the government. It was explicitly stated that the new regulations were only to be in effect for twenty-one months: from January 1, 2007 to October 17, 2008. This demonstrated that the easing policy of press coverage was a temporary measure solely for the Olympics. The Chinese government had no intention of easing up on its control of the media, including foreign media.

2) *Chaos*

As previously mentioned, since the mid 1980s, the dramatic transform to free markets has led to deep and rapid changes in both the structure and business model of the media. Although on the surface the government system has not reformed at all, in reality

the regulatory environment is in the midst of change and the media industry has also undergone tremendous transformations. In the midst of all this change and frantic efforts to keep up, it appears that at present and for many years to come, the development of the Chinese media will be characterized by a chaotic state of affairs.

Reality has forced the mouthpieces of the party gradually to coexist with the media that are led by market forces. This was a very unique phenomenon for Chinese media. Especially after the Tiananmen incident, when markets were increasingly freed up, the mainstream media took advantage of the principle of nationalism as an effective cause to make a profit. They created sensational issues under the permission of the authorities to excite the public and obtain substantial profits. To lead the public to consume those products related to nationalism and to encourage consumption in the name of economic development became an important business objective of the media. This is why since the 1990s, Chinese media have promoted Anti-Americanism as a symbol of nationalism and patriotism.

Originally the media was the mouthpiece of the Party, and was subsidized by it. Nowadays, while the media still needs to follow the Party and State, its finances are increasingly independent. As a Party mouthpiece, they can only transmit the official line and orders. On the other hand, the business requires that they respond to market forces and to the public's needs and sentiments. For instance, since the mid-1990s, the city newspapers which made their fortune from entertainment news have responded to market pressure and on their own initiative begun to function as a monitor for public opinion. Reporting by the Guangzhou-based Southern Metropolis News on the case of detained worker Sun Zhigang led the State Council to annul the custody regulation; and the Beijing-based Finance and Economics Magazine (Caijing), whose major function is to report on financial topics, such as the stock market, had continuous and ample reporting on SARS which enabled the Chinese public to understand the realities of the epidemic situation. There are also numerous reports covering disasters, attacking the unfair administration of justice, challenging policies from the perspective of the public, and discussing the legal protection of citizens, whose occurrence in the Chinese media is nothing new.

The Chinese media has been portrayed by the popular view: "the marginalization of mainstream media, the mainstreaming of marginal media." That is to say, marginal media such as the city newspapers are greatly welcomed by the public, while the influence of the mainstream media such as the People's Daily have been reduced because of their boring reporting. Whether this chaotic state of affairs can enable the Chinese media to evolve in the direction that Caijing aspires to reach, of "independent standpoint, exclusive coverage, and unique perspective" is still too early to tell. However, the fact that a single publication can have such aspirations does indicate that the Chinese media has reached a certain level of sophistication means that such specialization of the media is already under way. For perspective one can review the experience of the development of the news industry in Taiwan when it was under martial law to better understand the media's significance and future impact.

3) Games

After the *Freezing Point* incident in 2006, the Chinese government followed through with purges against the press. The press continually came under various constraints by the Central Propaganda Department in reporting on unanticipated and sudden events such as the breaking of corruption stories and other sensitive news items. These movements created an atmosphere of fear in the news media. However, the strength and effectiveness of the authorities (CPD) face challenges. Qian Gang of Hong Kong University observed that even though the authorities restricted coverage of the 30th anniversary of the Tangshan earthquake disaster, “Large (main) newspapers had a ‘low’ voice, whereas small newspapers had a ‘loud’ voice”; the internet managed to cover the news completely; and, finally, TV news coverage was very close to “the redline” of regulations, if not over it. Given that there is competition between different segments of the media, one can assume that even the CPD has to take into account risks to the competitiveness and credibility of news organizations closely allied with the government when setting official guideposts of coverage. If the guideposts are very restrictive and yet certain, news manages to “leak through” anyway—it is damaging to those organizations who choose to follow the official guideposts rigorously and will be seen by the public as being a 100% mouthpiece. The Chinese media exists in a delicate balance of control and change, but more and more media are shoring up courage to play game of pushing and pushing back while being under the control regimes of the authorities.

The case of *Freezing Point* is a concrete example of the game played between the media and the authorities. This was the first time that the staff of a Chinese news outlet publicly called into question the legitimacy of the government’s power to control the news. This inevitably had a profound and long-term influence on Chinese journalistic circles. Furthermore, even after *Freezing Point* stopped publication for several weeks, it considered resuming publication, not to be killed off due to a single incident. The two chief editors were prohibited from writing. However, they were not punished under fabricated charges as in the past. This demonstrates that even as the Chinese media goes through alternate cycles of suppression and breakthrough, it is still slowly moving forward.

In the National People’s Congress Standing Committee’s deliberations of the draft revision of the “Emergency Response Law (ERL),” the deletion of the penalty clause is another example of the results of gaming. The primary reason for the Chinese government’s adoption of the “Emergency Response Law” had to do with the exposure of the SARS epidemic by the media. At the outset of the drafting of the law, the media raised the question of fairness in the event that the government conceals the truth or reports false information, yet follows through on its duty to punish journalists for reporting on such cases. In response to those voices opposing to the ERS, the Standing Committee of the NPC responded in the end by leaving out the draft’s punishment clause.

In summary, by vigorously countering the authorities and their control, the Chinese media personnel have broken through various restrictions in a period of chaos. Hopefully, it appears that the media has rounded a turning point of change.

4) *Change*

Up until now, the Chinese government has attempted to have absolute control over the media and public opinion. Under Hu Jintao, the government's control of the media has not shown any signs of loosening. However, the Chinese government has also discovered that in this rapidly changing and increasingly complex economic and technology environment, it is harder to maintain comprehensive control of the media

Effective control of the media requires a basic condition: that the majority of those being controlled lack alternate channels of information. In China today, with the development of new technologies, the use of the Internet, the proliferation of blogs, and the spread of text message transmitted news, picture-transmitting cell phones, and mass-produced illegal CDs, that basic condition has disappeared. Another condition of media control is that those producing the news, including the reporters and the editors, must generally believe that "news is propaganda." Although there are people in China who still hold true to this belief, they are becoming the minority. Li Datong, the former chief-editor of Freezing Point, has remarked, "The next generation of news personnel already share the same professional values as their colleagues in other countries. This is why the Chinese media is starting to see more and more genuine news and commentary."

Besides the new technology factor, market pressures are also accountable for the media's inevitable changes. The Chinese media today depends on demand from the marketplace for their survival, except for a small handful of newspapers such as the People's Daily, Guangming Daily, and Economic Daily. Whether a media outlet can survive as well to ensure its workers wages and benefits depends entirely on the degree to which it is received within the market. This inevitably induces the media to change. While administrative oversight still plays a key function in media operations, competition over profits has intensified, and it is this that has served as a driving force for reform. While changes in the Chinese media have only come about slowly through perseverance, some transformation has already happened and more changes seem likely.

VI. Concluding Remarks—Two Inspiring Cases

In June 2007, the consecutive occurrence of two cases left a significant mark on the development of the Chinese media. One of these was the case of slave laborers at a Shanxi brick kiln, and the second of these involved the dispute over the construction of a PX (paraxylene) factory in Xiamen's Haicang District. The former case brought to light the indifferent attitude of Chinese local officials toward natural and man-made disasters, while the latter case revealed the Chinese public's unwillingness to sit by and watch as the environment is destroyed arbitrarily in the name of economic development. What is of special significance is that, these stories emerged through the latest technologies, which included internet and mobile phone text messaging.

The slave labor case at a brick kiln in Hongdong County of Linfen City in Shanxi Province broke out at the end of May 2007. The case began when the parents of 400 missing children in Henan united to publish a letter seeking help, but when the mainstream media ignored it, they circulated it widely on the Chinese internet. The letter eventually caught the attention of the Henan Province Television, which took the initiative to report it, and compelled several other national media outlets to report on this case in succession. Finally this led to the exposure of the slave and child labor problem in the Shanxi brick kiln. Internet readers responded with extreme indignation and requested that the state respond with harsh punishments. Nearly one month after this case took place, Shanxi Province Governor Yu Youjun finally acknowledged the government's negligence and issued a public apology to the victims. In the past, such public apologies by leaders at the province-level in China would have been unheard of; this has set a new precedent.

News is circulated from the internet to television, and from newspapers back to the internet, constituting a dense and dynamic information network that, without a doubt, represents a turning point in the circulation of information. The use of the Internet as a posting board has gradually become a common strategy of information-sharing among China's under-privileged groups. Nowadays, information about mass protest activities across China, whether in the form of photographs or other forms of communication, is posted by individuals aspiring to break the monopoly of local authorities on information.

In contrast to the influence of the internet in the slave labor case at the Shanxi brick kiln, the dispute over the construction of the PX factory in Xiamen highlights the role that new media, including SMS, can play. The PX factory issue was first brought to the attention of the Chinese parliament in March 2007. This led 105 committee members of the Chinese People's Political Consultative Conference to jointly sign a "Proposal Recommending Moving the Xiamen Haicang District PX Project." The case was widely reported on by the media and led to intense reactions in Xiamen. The citizens of Xiamen used their mobile phones to organize a protest opposing the building of the PX factory. This forced the local government to change the policy.

Even more significant is that, in the aftermath of this incident, the China News Weekly, a subsidiary of the central news agency, China News Service, specially featured "The Power of Text Messages—Highlights from the Xiamen PX Dispute" on its front cover. In this case, the People's Daily also indicated a willingness to bend to public sentiment, stating, "In the future, text messaging and other new media will function as an additional channel of the popular will; without a doubt it will broaden opportunities for people to participate in politics, and bring the government's policies more in line with public opinion."

As to the future of China's internet development, different sides have divergent views, ranging from the pessimistic to the optimistic. The China 2007 annual report by Reporters Without Borders declared that just five years ago, many people thought Chinese society and politics would be revolutionized by the internet, a supposedly uncontrollable medium. Now, with China enjoying increasing geopolitical influence,

people are wondering the opposite, whether perhaps China's internet model, based on censorship and surveillance, may one day be imposed on the rest of the world. On the other hand, one can see that the introduction of new media has brought with it not only changes in the way that the media operates, but also the influence of citizens' power. After the two incidents happened, a wave of discussion on how to achieve a democratic society and demonstrating citizens' power, has swept across the Chinese media. Some would claim that citizen journalism is currently penetrating Chinese authorities' news censorship. In any case, the influence of new technology and new media will inevitably be central to the observation of the future development of China's media.

RICHARD BUSH: Thank you very much. We will now open the floor to questions. If you have a question, I will ask Huang Ching-Lung to recognize the questioners. Please wait for the mike and state your name, and then pose your question clearly. Who has the first question? Pete Schoettle?

QUESTION: Thank you very much. My name is Peter Schoettle from Brookings. My question is, could you please give us some insight into coverage in the Chinese media about stories coming from the United States or from Taiwan? In other words, how accurate are they, how colored are they, to what extent are they distorted or whatever?

MR. HUANG: As I mentioned, the Taiwan issue is considered a big event in any Chinese media. Most media in China cannot have independent thinking about this issue so most of the media have only followed the Xinhua News Agency.. So how can they report about it? If the policy of the government changes, they will follow the change. But if the policy does not change, I think they can only just follow and reprint the reports from the Xinhua News Agency or the central television station.

QUESTION: What about Chinese reporters in the United States? How accurate are their stories when they are printed in China? Are they skewed ideologically or what?

MR. HUANG: I don't know. Maybe we have some reporters or colleagues here who come from China. I think part of the reporters from China who are in Washington are not real reporters. Maybe their work is to collect the information or intelligence. The second is based on my experience: I have talked with some reporters from China who work here. They are different of course, based on your company. For example, if you are the correspondent for the Xinhua New Agency or People's Daily, I think they have the same thinking and they will choose the news from the materials and what it is they need. They are very strong-willed, not so objective, but if for example some reporters work in New York City and they report fashion or some other aspects, that's okay. As I mentioned, just like in the Internet world, the Chinese government only restricts some politically sensitive issues, but in spite of this, the other areas like entertainment and sports, yes, it's very free.

QUESTION: Jacob Chang from the KMT-PFP office here. I am really

curious and interested in learning more about the entry into China's market by foreign media. In your slide you have (inaudible) what is that? Forgive my ignorance. Could you use some cases to illustrate this point? Thank you.

MR. HUANG: Thank you, Mr. Chang. Yes, this is a question. Has the Chinese media market opened to outsiders? Actually, the answer is no—but why? So here I will talk about this. In the 1990s, as the world's largest media organizations competed to enter into the Chinese media market, at that time some people believed that the entry of international media in China will slowly increase the freedom of press. But this idea has been a matter of wishful thinking, you may say. The Chinese government has firmly stated that the Chinese media is a special profession so no matter who is behind investment, it is without exception state-owned property. So here we can see the case of (inaudible) since China's entry into the WTO, there has been no commitment to opening the media market. That is a very important issue, but many people, especially in the international media groups, ignore it and they have merely allowed foreigners to invest in international Internet companies and permit the investment of foreign capital into the retail domain of publishing, such as newspaper and retail sales, magazine and book distribution. Some Hong Kong entrepreneurs have made superficial progress, but in the end, China has only opened its doors to the retail trade of the media industry and not the media industry itself.

So we will go to Rupert Murdoch. As the founder of News Corporation, he has perhaps engaged in the most efforts to enter the Chinese market but has also been unsuccessful. Murdoch expended many resources and money to please the Chinese government officials and he even asked his group media not to criticize the Chinese government and its officials. You can see the report this June 2007 in the New York Post. But after the Chinese Ministry of Culture issued a report regarding the means of strengthening the management of cultural product imports on August 3, 2005, Murdoch's dream was broken.

On September 19, 2005, in an interview with Bloomberg News, Murdoch acknowledged that News Corporation's plan to enter the Chinese market had failed. He complained that the Chinese authorities extended their initial welcome in China but today they have once more closed the door to outside media. Actually, we can see the very special case in Hong Kong. Even though Hong Kong is already part of China's territory, there are still no examples of successful ventures into the Chinese media market. To the contrary, as Chinese investment in Hong Kong grows stronger day by day, commercial advertising has begun to influence Hong Kong's media. Under the pressures of advertisement, Hong Kong's freedom of the press has gradually subsided and the chilling effect has become more and more serious. On July 8, 2007, the Hong Kong Journalists Association released a new report that pointed out that since Hong Kong's return to Mainland China 10 years ago, freedom of the press has been gradually shrinking especially when it comes to topics that Beijing considers to be sensitive. So the media has been practicing self-examination which has impacts on the freedom of speech in Hong Kong.

QUESTION: Thank you. I was wondering if you can make some comments on the cross-section of Chinese population on the whole situation you described with the media. Do you feel there is a need for a more open press there among the citizens or the civil society? Thank you.

MR. HUANG: I think absolutely, yes. As I said, Chinese people are like people from other countries: they are eager to have the freedom to receive information from all over the world, and they are eager to have the chance to share their opinions with the public. As I mentioned, as part of the third C, change, in the past the Chinese people, did not have any choice to receive information, but that did not mean they do not want different kinds of informational resources. So you can see that the Internet now is flourishing in China, so that provides many different kinds of channels for information to the Chinese people and I think that can also explain that they need information and they want different kinds of information of course.

QUESTION: Jason Ma from TECRO. We know that freedom of the press is pretty important for democratization in any country, so as a senior news worker like you, do you think there is anything that news workers all around the world can help in promoting China's press freedom?

MR. HUANG: Yes. Sometimes I think maybe the experience in Taiwan can be helpful. I am a journalist and worked in Taiwan for 20 years. Sometimes I think my experience maybe can set a good example to my colleagues in China. And based on my experience, many reporters or journalists from China, sometimes will be very careful when contacting Western journalist organizations because the government doesn't want them to do so and sometimes will put some very strange criminal charges against them. So this is the question: how the Western or other countries outside of China can help. When Freezing Point was shut down in 2005, at the beginning there was no reaction from inside China, but after the reports of the New York Times or the Washington Post and the letter of Li Datong and its delivery on the Internet, then, yes— senior communist members and the former officials were encouraged to appear for a joint statement to protest the government and I think that's why the two editorial chiefs are not charged with a crime, and Freezing Point began publishing again several weeks later. So, yes.

QUESTION: Charlie Snyder of the Taipei Times. Is there anything that came out of the 17th Party Congress that you saw that might indicate some sort of change in attitude towards the press or future policies towards the media?

MR. HUANG: My colleagues at the China Times told me they saw a performance at the Congress. I mean, many key members of the Communist Party, like the third generation or the leaders of provinces, are very open to the media at that time. But when you visit or interview them, there is nothing new, they just speak boringly. They will talk any content that the journalists want to know so I don't think they really decided to open to reform the media, the freedom of the press.

QUESTION: Thank you, Mr. Huang. Thank you for your outstanding

presentation. I am Jay Ling from CNA. I want to follow the issue about how the Chinese media has covered the Taiwan issue. Basically I agree with you that almost all Chinese media have loyally expressed Beijing's point of view, but I have a very interesting experience. Three years ago I had the opportunity to be invited to join a fellowship program in Hawaii. There were 12 reporters from 12 countries, each one from a different country, and there was one reporter from Southern China, Guangzhou province. I don't want to introduce his company or his paper.

There was a seminar where each fellow briefs the others on his or her country's situations. Then the Chinese reporter wanted to make a poll. He wanted to ask which of those 12 reporters supported Taiwan independence. Then at the end he raised his hand and he said he supported Taiwan independence because China is a rising power and China needs a positive image from the international community, and every time when Beijing touches the Taiwan issue, the way Beijing's leaders express or the way they exercise just portrays a negative image to the international community or the media. So I'm wondering if there are any different colors between the Chinese media such as in Taiwan you would say there are differences between north or south. Because this Chinese reporter was from Southern China, Guangzhou province, maybe Southern China has a different color from Beijing or Northern China, or it's different. Basically there is a trend that more and more Chinese journalists would like to express their personal points of view but they still follow Beijing's point of view. Which one do you prefer or do you think will be? Thank you.

MR. HUANG: We all know Southern China's media, the Southern Weekend or the Southern City Newspaper. First of all, I would like to share my experience: I think I can divide my colleagues in China into three different categories. First of all, a number of journalists today in China believe the news is not propaganda and they have to work just like in the other countries, especially in the Western countries. The profession of journalism is necessary for their work. The second kind may be a minority, but they still believe they serve for the party and that is why they are there so they have to show their loyalty to the government. And the third kind, maybe they think it is easy to earn money to work as a journalist in China. Those are the different kinds. So maybe that is from North China to Southern China.

But of course, there is a special situation in Southern China. First of all, because it is very close to Hong Kong and the Beijing authorities permitted the people in Guangdong, Guangxi, Guangzhou to watch TV from Hong Kong, so that is the difference. And I think as I said, the media China, they have the administrative ranking, so like the Southern Weekend or Southern Daily in China, all this media is just local media, is not national media like People's Daily or the Xinhua News Agency. So maybe that is why the government will allow the media in Southern China especially in Guangdong to be a little bit open and not like in Beijing.

QUESTION: I'm Akihiro Iwashita from CNAPS. My question is related to the previous. As a researcher of Sino-Russian relations I am a big collector of local papers, particularly Heilongjiang province, not only at the provincial level, but also the

local city level, in the border areas close to Vladivostok. So in my experience, 1992 was the breakthrough in China's media, the year that you remember Deng Xiaoping's famous speech.

MR. HUANG: Yes.

QUESTION: Many local papers were set up and much information on the local level started. But I try to buy some papers but I was rejected because I was a foreigner. Of course I got the papers through my Chinese friends, but in 1995 maybe the situation had dramatically changed. I could easily buy any local papers. So the local papers' contents are more rich as far as social life problems and economic life problems are concerned. Of course, they cannot touch on the high political issues. I think in this sense I have a question. Could you explain the central government's policy toward local level papers, how this changed in your general picture? Thank you.

MR. HUANG: I think before the 1990s the government provided financial sponsorship to all media, but after the 1990s—I don't remember the year—the government asked the media to deal with the finances by themselves. So that is the other reason that city newspapers grew at that time because those kinds of city newspapers can help the group to earn money. For example, there isn't just the local newspaper, like People's Daily. Now they have the Global News, which is very popular and that can earn a lot of money to help the People's Daily. I think that is the main reason that local newspapers could develop well since 1992 until now. But as I mentioned, the administrative ranks, those kinds of ranks—here I would like to touch on the cross-provincial supervision, that is a very special phenomenon in China's media. The media wanted to discover some corruption from the officials, but because they cannot investigate corruption or scandals in their own local governments, they discover it in other provinces. Also some media reporters who were unable to report their news in the local media, they would also use this method to try to find media outlets in other places. So that is another reason why the city newspapers, the local newspapers, can gain good developments.

However, this type also causes the other provincial authorities to resist. Maybe you know that for example the famous Southern Weekend (*Nanfang Zhoumo*) sponsored by Guangdong province which frequently reports cases of corruption and problems in other provinces. Therefore, the leader of Guangdong province usually will be the target of the other provincial authorities. The cross-provincial supervision reporting style has gradually begun to disappear. That is because of the pressure from the other provinces, and as a result, the central government forced the local authorities to stop allowing that kind of reporting style.

QUESTION: Thank you for your wonderful presentation. I am very interested in your topic. I believe that the Internet will maybe become the most influential media in China. But as far as I know—because before coming to America, I researched Internet media for 1 year—I believe on the one hand, the Internet media pushes forward China's democratic development, but on the other hand, its technical threat brings about a

serious problem such as limited freedom and the loss of control of mainstream public opinion. So I would like to know from your perspective because you are a very senior journalist in the Taiwan media and very professional in this area, I would like to know from your perspective how we can construct a free and responsible Internet media in China's future. I know this is a very broad question and a complex question. I just want to know your opinion. Thank you.

MR. HUANG: I may say it is mission impossible to ask for a free and responsible Internet media because in the Internet world there is no limitation and no names. That is the reason you can flow freely from any kind of information. So maybe sometimes it's not just to establish some kind of a balance. For example, if you are a blogger—I'm a blogger on Internet in the China News and I write some essay or articles and sometimes my viewers will share their different kinds of opinion or criticize me. But then the other side will show the opinion to the readers, so that is a kind of a balance. So just like Wiki, the basic function is to allow different kinds of people to provide the news, to balance or correct, or recorrect. So I suggest to you that you don't pay too much attention on how to establish that kind of Internet news.

QUESTION: My name is Keiko Yoshioka. I am a Visiting Fellow at CSIS now. Until this summer I was in China for the Asahi Shimbun Japanese newspaper, for almost four years and a half.

MR. HUANG: Beijing?

QUESTION: Beijing and Shanghai. Beijing for three years and Shanghai for one year and a half. After I arrived in Washington, D.C., I missed many Chinese friends, but I enjoy the freedom of the Internet and clean air. When I was in Beijing, I could not find some home pages of Taiwan. Of course, I could access the music-related websites, but I could not access the Taiwan authorities' websites.

MR. HUANG: Yes.

QUESTION: So at that time, I first dialed up to Japan, Tokyo, or Seoul, After that I connected at a Tokyo connecting point, after that I finally found the authority home page in Taiwan. So I also participated in the “gaming” between the Chinese government and citizens. So I have two questions. The gaming, as you have mentioned, between China government –

MR. HUANG: News workers.

QUESTION: -- and the news workers and citizens already started. Which side will win in the future?

MR. HUANG: Very interesting. Last June I visited China: Beijing, Shanghai, and Guangzhou. When I stayed at a Beijing hotel, my Internet just could not get connected to any “.TW.” TW means Taiwan websites. So I could not review

chinatimes.com when I lived in Beijing. When I moved to Shanghai, occasionally sometimes I could find out the websites from Taiwan and chinatimes.com. But then I moved to Guangzhou, and I could see all the information I needed. So that is “one country and three systems.” The gaming, in the long-term I believe the news workers and people will win in the long-term, but I don’t know how long it will take.

QUESTION: I’m Kevin Scott from CNAPS. I think you've presented a Chinese media community that is professionalizing in general, and you've quoted Li Datong saying as much. I'm wondering if the introduction of market forces creates pressures in the opposite direction, away from improving quality. Is sensationalism increasing, is hard news and reports of political, social, and economic issues being replaced with entertainment, or is that sector just growing? I'm thinking in part about the story of the television report over the summer that was fabricated, food being prepared with cardboard rather than food, sort of at the height of the American concerns about poor quality of Chinese products. So I'm just wondering if market forces especially create pressures for media outlets to lower the quality of their news rather than improve.

MR. HUANG: A Chinese reporter told me that the government of Beijing encourages the media to be full of maybe paparazzi or entertainment—all these things to attract the audience and to spend their time in those kind of content and forget the political issues. Yes, some friend told me that this is the motivation of the government.

But I also think the competition of markets is another reason. Although there aren’t any private-owned media in China, the competition is still very severe, just like in Taiwan. In Taiwan, nearly all the media is privately owned and the competition of course is very severe. It is also very severe in China. So when the competition is getting severe and quality... I don't know why, maybe in the United States it seems—of course here the media have competition, but it seems they have a different kind of media. I mean, some focus on the quality, some focus on the quantity, but maybe Murdoch would not accept this conclusion. But in China, in Hong Kong, and in Taiwan, we have different kinds of social systems and also the style of media and markets, but it seems that the competition styles are just very, very similar. So how to improve the profession of journalism in the Chinese market I don't know, but maybe first of all they have to reduce the restriction of the freedom of the press in China, and then maybe the public will join the discussion of any big event. As I said, the citizen power is very important in the coming China I think.

DR. BUSH: I'm going to ask the last question. Jason Ma said that a free press is important in a democratic system. I would suggest that a free press can be useful to the central leaders in an authoritarian system because the central leaders in an authoritarian system badly need feedback to know about the problems in their system. They need information, because often the lower-level leaders will deny them that information or they will lie to them about what is going on.

MR. HUANG: Yes.

MR. BUSH: So journalists can provide that information. We know for example that former Premier Zhu Rongji liked to watch the program Focus (*Jiaodian*) because it gave him good information, right?

MR. HUANG: Yes.

MR. BUSH: So to what extent do you think the central leaders today are using the media to gain information about what is going on in China? And if they are not using it, why aren't they? Why shouldn't they open up the media to gain more information about the system that they're trying to run?

MR. HUANG: Well, I think, Mr. Bush, you know that in China they have different level of internal stories which was gained by the journalists and maybe they are working in a foreign country. The journalists, for example, at the Xinhua News agency, deliver that information to customers, but despite this, they have to write some special reports, especially regarding sensitive issues and those kinds of reports will only provide the officials with high level and more sensitive issues. So, I don't know, maybe this is part of the reason they don't have to open the media because they can get enough information.

MR. BUSH: Thank you very much, Mr. Huang, for that really great presentation and stimulating a good discussion. As a final comment I would say that I'm shocked to learn that journalists in Hunan, Guangxi, and Fujian would criticize the leadership in Guangdong province, but that's an idle comment. Thank you all for coming and thank you for asking such good questions.

MR. HUANG: Thank you for coming.

* * * * *