IS IT LEGITIMATE TO IMAGINE CHINA'S MEDIA AS SOCIALIST?

THE STATE, THE MEDIA AND "MARKET SOCIALISM" IN CHINA

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Abstract

This paper puts forward a polemical questioning of whether it is still possible to imagine or construct China's media as socialist, or if the potential for bringing out a socialist media order in China has been exhausted. It starts by describing the debate that seems to have been evolving between China's new left and its liberals since 1997 which has as one focus the issue of whether economic freedom and social justice are compatible. Then it is suggested that, in theory, liberal socialism can be perceived as a qualified candidate for guiding China's immediate future. Some data indicate that, economically, the Chinese media have not yet totally failed its "truth claim" of market socialism. For example, the taxation policy on broadcasting is used to raise revenue from the richer regions of China that is partly transfer-red to help improve the infrastructure and services available in the poor, remote and rural areas. Although further reforms are required, China does not need to make its media ownership policy "clearer" lest the policy becomes another method for legitimating private ownership. Issues related to the "public sphere" under party-state control are also examined and it is demon-strated that there has been a rise in citizen involvement in the public controversy. The paper concludes it is not inevitable that Chinese media will develop into full market capitalism. The author detects the possibility of third way market socialism.

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Socialism, the State, and Intellectuals

Debates between the new left and liberals in China have arisen against the background of, or more accurately, emerged as a response to, the Asian financial crisis (or, crisis of the world capitalist economy) in late 1997 with the publication of *Contemporary Chinese Thought and the Question of Modernity* (Wang 1999). Since then there have been some heated exchanges of views, from which progress has been made.

For instance, although noting that in China the "new left" is marginalised and liberalism has gained a "sacred status" by the late 1990s, Xu (2000) subscribes to the view that "a third way" has to be found, and that values of liberty and justice should both be equally emphasised. In his analysis of the 1989 student (social) movement, Wang Hui (2001), one of the leading "new left" intellectuals, argues that liberals fail to appreciate an important dimension of urban workers' and residents' demands — namely calls for equality and justice — when they interpret the movement's causes. Significantly, Wang does not downplay "bourgeois freedom." Instead, he unequivocally believes that "without the constitutional arrangement for safeguarding the public space, there will be no free speech and public discussion ... [so that] we have to reject any such thesis that should devalue political freedom as secondary or false" (Wang 2001, 43). Responding to and disagreeing substantially with Wang Hui, the liberals Wang and He (2002, 243) nonetheless concede that "political democracy and economic socialism are mutually constitutive and contribute to, rather than contradict, each other's growth." Therefore, the question of whether liberal or market socialism can better inform such theoretical or even practical construction should not be rejected immediately, and can even be converted into a discursive weapon.

However, is it impossible to state that the Chinese state is not oppressive "in nature" and that the best hope for press freedom since the late 1980s did not die with the clampdown of the student movement in 1989? In addition, can anyone claim that the Chinese state is not a rent-seeking machine that cares much more about sucking in a bigger share of the surplus than redistributing it among the people? . How can such a state allow fuller "discursive democracy" and promise a more just society to meet its "truth claims" of "market socialism" (Renwick 2003, 301, 312)?

These questions are difficult to raise and to assess. I do not pretend to know how to tackle them or design effective criteria to measure the state's performance, other than economic growth and its distribution function so far. (It seems commonly agreed that China's commendable economic achievements since 1979 are overshadowed by widening social inequalities during the past decade). And yet, these are crucial issues for committed socialists to confront, even though such an intellectual exercise may cause embarrassment down the line.

Hence, I suggest that we raise four issues. To begin with, in what aspect should we consider the Chinese state as strong or weak? Second, should we judge the Chinese state's intervention in media economics as rent-seeking behaviour or effective macro-management of the culture industry? Third, does the Chinese state need a clearer definition of media ownership? And finally, is there such a thing as a "controlled public sphere" that the Chinese party-state tolerates or even encourages?

Weak State, Less Free Market

In the age of capitalist globalisation, many states' economic might, measured in terms of taxation as a percentage of GDP, has actually been going up, not down. For example, the Group of Seven leading industrialised economies (G7), along with Sweden, Australia, and Spain, reported figures of 25.1%, 33.1%, and 37.6% for 1960, 1980, and 1997 respectively (*Economist*, September 11, 1999). Andrew Gambles once described British governance under Mrs. Thatcher as a "strong state and free market" and this can be applied generally to at least *these* ten industrialised economies. However, the picture is not so for China, as Table 1 indicates. Not only is this state less able to extricate income from the economy, its share of GDP, amid fluctuation, has decreased from 12.7% in 1980 to 11.1% in 1997, although it seems that it has been on the rise during the past few years.

Table 1: Taxation as % of GDP in China, 1980 - 2000

Taxation as % of GDP								
1980	1985	1990	1995	1996	1997	1998	1999	2000
12.7	22.8	15.2	10.3	10.2	11.1	11.8	13.0	14.1

Source: Liu 2001, 503-4.

What are we to interpret from this contrast? Financially, the Chinese state does not have much at its disposal, and yet it is competent at suppressing or silencing political, cultural, and even economic dissent. Liberals tend to emphasise this despotic power of the state, or at least believe that political freedom needs to be dealt with before any talk about boosting the state's other roles. The new left is often accused of turning a blind eye to the oppressive state-centrism of the Chinese Communist Party (CCP). Hence, the New Left advocacy for the state assuming a more positive and active role in reducing inequalities is, at best, futile and, at worst, akin to aligning itself with an authoritarian regime.

And yet this may better be seen as a false dilemma because, for analytic purposes, a dichotomous concept that differentiates right and left hands of the state can be of use. In practice, however, they are inseparable and when the state wields its power, both strengths and weakness are exposed. In this regard, Wang Shaogong's work during the past 12 years is of great value. Since he published the article, "Aiming at constructing a well-administered and democratic state" in 1991, Wang has, by way of comparative studies of developed and developing countries, completed at least ten more essays or reviews forcefully advancing the urgent need for, and practical ways of, building up the powers of the central state in China.[1]

After investigating data between 1973 and 1992 compiled from 27 countries, Wang (1995) warns of the danger that the further weakening of the Chinese central state would bring. It would worsen tendencies of developmental disparities between the east and the west, between urban and rural areas, and it would be destructive to China's already fragile ecological system. One key piece of evidence indicating the weakness of the central state is that China and the former Yugoslavia were the only two countries where the central government was taking less than 10% of the GDP and less than 50% of all governmental expenditures simultaneously. The peril of this situation is echoed by a lengthy research paper into the causes of the breakdown of decentralised "market socialism" in Yugoslavia (Zhang et al. 2002).

How, in principle, should such an implosive condition be defused? Wang (1997b) demonstrates why "a representative regime can more effectively extract resources from the economy to finance its operation than a despotic one." After reviewing the work of Holmes and (1999), Wang (2000, 114) reaffirms that "although the liberal left admits that the state infringes upon citizens' freedom, quite often the way forward is not dissolving but reconstructing the state democratically ... the objective towards which China retransforms itself can only be a well-administered and democratic state."

Rent-seeking and/or Coordinated Uses of Media Resources

As a thesis originally developed between the 1960s and the early 1970s, "rent-seeking" is meant to account for unproductive activities that benefit only interested people and state functionaries while society as a whole pays the cost in the form of an inefficient economy. At first, this concept was applied mainly to Turkey, India, and the US (translator's note in Tullock 1993, 6). Later, in particular since the 1980s with the rise of public choice schools, a number of economic liberals came to appropriate this idea as a weapon to attack state regulation. "Rent-seeking" now refers more and more to transitional societies like Russia, the Eastern European block, or China (Tullock 1993, 2, 7; Zhang 1998, 519), and is employed to attack state enterprises where "actually existing socialism" had existed.

It is true that corruption is prevalent in China. The film about corruption, *A Matter of Death or Life* (Sheng-Se-Ju-Ze), claimed a box office record of 127 million tickets sold and other anti-corruption TV series have been very popular. But, it should not be assumed that rent-seeking is the best analytic tool for interpreting China's state officials and the media sector; rather, this possibility should be thoroughly evaluated.

For example, according to Jane Duckett's detailed analysis, it is wrong to consider China's state mainly as a "rent-seeking" apparatus that functions inefficiently. It is also inadequate to include China as a developmental state in the same way as is used to describe Taiwan, South Korea, or Singapore. Following Marc Blecher, Duckett (1998) believes it is more accurate to define China as an "entrepreneurial State" and that the "department and offices that form the state bureaucracy ... engag[e] in state entrepreneurialism ... direct, profit-seeking, risk-taking business [activities] ... that is adaptive and potentially productive" (Lau 2001). One editor of Beijing's intellectual monthly, *Horizon,* has described this "entrepreneurial State" as simultaneously "*corruptive, innovative and professional*."[2] Whether these descriptions capture the essence or not, they do prompt us to reconsider the applicability or adequacy of "rent-seeking" in analysing regulatory behaviour of the Chinese state. In effect, as can be seen from three economists, occupying a left, a liberal, and a right position respectively, quoted below, "rent-seeking" can even have surprisingly positive contributions.

Firstly, one market socialist, John Roemer (1994, 151), has noted that "[r]ent-seeking ... is not necessarily wasteful; if we judge the redistribution of goods in question to be a social improvement." Stiglitz (1998) reminds us of the redistributive function, as opposed to the resource misallocation, of rent-seeking, and Tollison and Tullock, in addition to emphasising that rent-seeking can also be applied to the private sector (e.g., advertising promotion cost), lists three motives underlying "rent-seeking": bribing state officials, contributing legally to officials' benefits, and lastly, *appropriating as part of state budget for redistributive purposes* (Tollison 1982, 578-9, 587-8; emphasis added).

We can now come to the media sector and take a close look at the state's regulation. Although financial data needed for complete analysis is inadequate, we should at least formulate a reasonable basis for judging the extent to which "rent-seeking" is either unproductive or redistributive, and if it's the latter, then we probably should avoid using this term and simply say that the state is managing media economics in a more or less accurate and efficient way. One basic idea is that the less the monopoly rent goes to people working in media institutions, and the more this rent is taken away by the state and redistributed to media or communication infrastructures in other less developed provinces or less popular programs, the more the state is abiding by principles of market socialist economies. For the sake of clarity, what follows will concentrate on the broadcasting sector.[3]

According to Lynch's (1999, 78-84) interviews, Chinese media organisations pay two kinds of taxes; one may be classified as company tax, the other, a levy. It is stipulated that regulators should invest this tax and levy in other media or cultural enterprises that cannot survive in a profit-oriented market. The portion of this money that is transferred to regulators' pockets for their private (and illegal) use constitutes rent-seeking, but since the practice is illegal the amount will not be known. Also, there is likely mismanagement whereby this money is invested in areas unrelated to its own expanded reproduction. This sort of abuse is reported occasionally (Wang and Tan 2002).

Up to the mid-1990s, the levy paid to provincial regulators varied across different areas but normally stood at 20-30% of annual revenues (as opposed to profit). Among these broadcasting institutions, those in Yun-nan Province are special cases. From 1993 the province has had to turn over all its profits before taking back a certain amount from its regulator each month. Taking 1994 as one example, 60% of Yun-nan Province TV's profit of RMB 30 million was not available for its own use. From 1993 and up to late 1999, more than RMB 700 million was invested in construction of cable infrastructure in rural Yun-nan and over two million households had benefited from this project (Zhang 2000, 16, 19). Ly Ye (1998) presents the case of Shanghai Broadcasting Group where 50% of the TV institutions' revenue and 90% of its weekly profit must be returned to its regulator. Up to 2000, Shanghai's Broadcasting Regulator had an accumulated "investment of RMB 4.27 billion, and RMB 2.7 billion of which derives from media organisations under its regulation" (*Broadcasting Yearbook* 2001, 258).

This sporadic data seems congruent with figures from a more comprehensive survey, as presented in Table 2, which shows that the percentage of the rent returning to regulators for redistribution and other missions is on the decline. The figures, as indicated earlier, are 20-30% in the mid-1990s, while in 1998 it is only

19.5% and decreases further to 15.7% and 13.1% in 1999 and 2000, respectively. However, the proportion allotted to labour remains stable. Why, then, did the regulators' funds decrease? Is it because more resources have since been spent on upgrading equipment or expanded programming? After all, this segment took a 22.3% share of funds in 2000, the highest of the three years surveyed.

Table 2: Broadcasting Revenue Allocation in China*, 1998 - 2000

Expenditure as % of total income	1998	1999	2000
Return to regulators	19.46	15.67	13.08
Investment in equipment/new technologies	20.49	18.79	22.32
Labor cost and benefits	25.88	24.49	26.0
Producing or purchasing programs	21.19	25.72	25.82
Spending on buildings and other items for improving working conditions	10.13	10.77	12.01
Savings or reserves	2.04	2.64	2.6

Source: Huang 2001, 436.

As data presented in Table 2 do not include CCTV (China's Central Television), Table 3 assembles CCTV's advertising revenues and related expenses between 1994 and 2002. It seems that CCTV has not been handing in a higher proportion of its revenues than the less well-off provincial or city television institutions. There are two qualifications to be made for this observation, however. Firstly, one very well-researched and sociologically informed case study has pointed out that since the late 1990s, the criterion for deciding how much money should be paid back to the regulator has changed from a negotiated flat fee to a progressive percentage of the annual income and thus the amount returned "rises substantially." In addition, benefits and welfare accredited to labour was reduced by 30% (Yang and Zhao 1999, 303).

Table 3: Advertising Revenue* of CCTV and Its Distribution, 1994-2002

Year	CCTV advertising revenue*	CCTV advertising as % of all China TV advertising	Sum returned	Notes
1994	1000	22.3	110	Excluding Company Tax. Equivalent to 20% of all Central Government investment in broadcasting
1995	1970	30.3	--	Data not yet known
1996	3500	38.6	480	Levy and tax. 12.6 per cent of all income (3800m)
1997	4170	36.5	1290	Levy and tax 1290m. 28.9% of all income (4486m)
1998	4200	31.0	From this year onward, the levy and tax data are no longer presented in CCTV yearbooks. However, over Rmb1000m, including contributions from CCTV, were spent in 1998 and 1999 for constructing TV infrastructure in 100,000 remote villages.	
1999	4829	30.9		
2000	5350	31.7		
2001	5650	33.6		
2002	7000	36.5		

*RMB, in millions.
Source: compiled from various editions of *CCTV Yearbook* and other sources.

Secondly, we need to note that, CCTV not only has the privilege of its signal obtaining a "must carry" status in cable systems and other provincial or city terrestrial stations, it is also an organ implementing the Party's television policy. If what is reported is true, that 95% of CCTV's advertising income comes from Channel 1 (Sun et al. 2001a, 4), then the number of CCTV channels jumping from four to 12 or 13 between 1994 and 2002 is unthinkable for a profit-oriented organisation and would not be possible under private ownership. The latest beneficiary emerging from this cross-subsidy arrangement is the West Channel that aims to introduce investment into this poorer region. The Party and CCTV initiated its launch and will partially finance its operation for at least three years. Because the West Channel has a staff of fewer than 200 people, CCTV pays for news and programs provided by provincial TV stations and supplies an annual RMB1.2 million for them to carry the programs. Advertising revenues are split between CCTV (60%) and the 12 provincial TV organisations in the West (40%) (Tueng 2002; *21st Century Economic Report,* July 8, 2002).

Therefore, we probably could infer that the regulator, instead of taking and redistributing rent directly, instructs CCTV to fulfil certain policy requirements. In parallel with this sharp rise of the number of TV channels, the media labour market seems to have moved from a rigid structure to that of a very flexible and even "post-fordist" mode. This mechanism for saving labour costs is not only very attractive to media managers (those running CCTV included) it may also be driven by shrinking revenues relative to the quantity of programs needed to fill airtime of these channels. CCTV, owing to its prestige and abundant media labour reserves, especially in the Beijing area,[4] is in a good position to discipline people working there. CCTV employees know this situation well, and their pay does not seem to be above or even match CCTV's ranking.[5]

Is the Definition of Chinese Media Ownership Clear Enough?

It is estimated that in 1999, only 28.3% of China's GNP was accounted for by state enterprises, while collective and (domestic or foreign) private ownership took another 29.7% and 42% respectively (*The Economist*, June 28, 2001). The media sector, which the Party insists must always fulfil the "mouth-piece" function first should conflicting objectives arise, is one of the "forbidden areas" in which the private sector still finds it difficult or risky to invest.

This does not mean that the capital stays idle and waits. Rather, depending upon how you measure it, private interest has been quite active finding outlets or expanding operations whenever opportunities arise. Against this background, more and more discourses on media economics and case studies of "innovative" media institutions have been carried out since the late 1990s. China's entry into the WTO can do nothing but escalate this tendency to the extent that one communications scholar is indignant enough to protest "why should media studies become synonymous with the studies of media economics!" (*Southern Weekly*, February 27, 2003).

There is nothing wrong with exploring media economics, but if its ascendancy to prominence increasingly legitimates neo-classical liberal economic doctrines or assists in building up a hegemony, as Steve Cheung[6] and others contend, then it has to be seriously debated.

So far my reading does not allow me to judge whether or which part of the liberal economic theses will dominate media economics. What can be certain is that practical interests are there to encourage a discourse that will sooner or later advocate further deregulation and more competition, rather than cooperation, across provincial boundaries and private/cross ownership of media (or at least a clearer definition of ownership) in the name of efficiency. In China, quite contrary to its political discourses, economic liberalism has ascended to a very prominent position, including inroads successfully made by the neo-institutional school as represented by Ronald Coase and Cheung. They have more than convinced many Chinese intellectuals that "to save transaction costs, you need to define ownership more clearly and that as a rule this normally cannot be done without state enterprises being privatised" (Cheng 1997, 3).

In a provocative, but persuasive, study of China's *"unit institution"* (dan-wei), Yang and Zhou (1999, 332-6, 351-2), enter a dialogue with Coase and develop a critique of his thesis. They contest claims that as ownership is vague and not clearly defined, the Chinese state has fallen victim to officials who exploit such vagueness to advance their own interests (rent-seeking). They argue that in reality, particularly for China where there is a great over-supply of labour, the state is the same as any official or individual: neither of which is "stupid" and all three have participated effectively in a game where each maximises its respective best interest. With this reasoning, what is roughly termed as "ownership" in the west can and should be more productively divided into three parts for China's "dan-wei" such as CCTV. Hence CCTV's ownership comprises: (1) the *administrative ownership* that provides its primary assets and determines later fiscal policy. It is the most decisive element conditioning the other two forms of ownership. There is then no wonder that the state resists the suggestion that it goes public (is privatised); (2) *welfare ownership*, manifest in how CCTV negotiates with its regulators concerning its financial obligations; and (3) *coordinated ownership*, manifest in quantity and quality of programming.

It is not possible to form a conjecture as to whether the Chinese state has this divided concept of ownership in mind, or whether it is simply out of a rigid practice and instinct of protecting its own power that it has been insisting on a "pure" state (administrative) ownership. But three inferences can be made. First, it is in the Party-state's interest therefore, as the state has repeated several times (even after the entry into WTO), it has no intention of changing this policy. Secondly, it is also widely recognised by industry and academia alike, that if capitalists cross the Party line they do so at their own risk. Finally, capital dynamics will be operating nonetheless and attempts will constantly be made to soften or even transform the state. In light of this, it seems likely that the capitalists will wage a more full-scale "attack" in the coming years.

Other than advertising, where the state could control only 63.75% of the agencies in 1999 (Zhao 2001, 14-15), all media content-producing or distributing units are, up to now, legally under full state ownership. This policy is time and again reiterated in various documents or meetings. For example, the No.219 document, released jointly in 1999 by the National Assets Bureau, Finance Department, and the General Office For Press Administration (GOPA), stipulates that "all newspapers are state assets, all investments from other sectors … cannot own any shares of the papers" (*International Chinese Newsweekly*, June 6, 2001). In mid-January 2002, CCP's Propaganda Bureau, the General Bureau of TV, Broadcasting, and Film (GBTBF), and the GOPA had a working conference, out of which it was reemphasised that "under no circumstances the media will open to foreign or private capital, the media must be owned and run by the state." A few days later it was reported in more detail that new regulations would allow resources to flow in various forms among the media sector itself or that media organisations in need could borrow from the bank, but foreign and private capital would still be prohibited. In regard to any private or foreign capital that had already been invested in China's media sector, the state was to, "buy back" illegally intruding capital, "transfer" legal investment to qualified state enterprises, and demand other forms of foreign or private capital, not included in the above, "be withdrawn" by whatever possible means in the first half of 2002 (*United Daily News*, January 21 and 22, 2002). And in the newly revised *Directories for Foreign Investment* that would become effective commencing in April 2002, the same message also came through clearly (*China Times*, March 13, 2002).

In a report aimed at providing professional services to investors, Zhao (2001; see also Qian 2002) gives a relatively comprehensive picture with regards to listed media companies, and foreign and private money in the press and the cable and television sector. Zhao's conclusion is that such "investment runs a certain risk." Wei Yong-zen, from Shanghai's Fu Dan University, believes that although it was not uncommon for all sorts of private capital to be plunging into the media business, "it is illegal and there is no guarantee for its return" (*International Chinese Newsweekly*, February 12, 2001). In one recent case from 2002, the Broadcasting Regulator of Nan-chang City in Jiang Xi returned RMB 29 million in investment to a private company and took back 29% of its shares in the city cable network (*Economic Observer*, April 22, 2002; see also how Wu-han City Government solved its conflicts with a Hong Kong company and reinstated its full ownership of the cable system, *Economic Observer*, December 17, 2001).

This risky prospect for capital accumulation is coupled with money-losing ventures for nearly all foreign investment in the Chinese media. One year after entry into the WTO, many transnational media corporations have reported disappointing performances. In early 2003, the *Economic Observer* (January 13, 2003) reported that so far not one of 30 foreign satellite TV channels with landing rights has made any profit, not even the most popular Phoenix Channel. The biggest book club in China, Bertelsmann, was also running in the red. Even with 1.5 million subscribers, it still managed to run up a loss of RMB 60-70 million from 1997 to 2002 (*21st Century Economic Report*, January 16, 2003). It seems that not even mighty Hollywood has been able to take its "due" share of earnings from China, even though American films may have contributed to more than 70-80% of China's box office. When *Titanic* sold tickets worth over RMB 359 million, 21st Century Fox could only take back a meagre RMB 10 million, and when the United States was threatening to put China on the 301 list it was Hollywood that "intervened" to ask its government to give China another six months to curb copyright violations (Rosen 2002, 341, 351-4).[7]

There is no enigma why capitalists have not yet relinquished their faith in China's (media) market and continue to invest — capitalism is, by definition, dynamic.[8]

It also has deep pockets, which allow it considerable patience to finance over long periods of time and to endure hardship. It is obvious the foreign capitalists maintain a high level of interest and confidence in this huge "promised land" (*Far Eastern Economic Review*, December 26, 2002). In particular, the media has now entered into a situation where "competition is being intensified by the minute" and new technologies are calling for fresh investment (Sun et al. 2001). It is the destiny of China's democracy, under a state not yet "usurped" by capitalists, be they domestic or transnational that needs care and attention, not the fate of the capitalists (Wang Jing 2000).

A Party-State Led Public Sphere: Contradictory in Terms?

During the early 1990s many commentators subscribed to the view that as capitalism developed in China, a more open and just society would evolve and some form of public sphere empowering the media to play a watch-dog function as the fourth estate would shape the future of the nation's society (Feng 2000, notes 20 and 21). As time goes by and the Party-state continues to reign over society relatively effectively, even against a background of increasing unemployment and worsening inequalities, there seems to have been a change in the climate of opinion. Committed observers may not be pessimistic, but it appears clear that "optimism of the will" is petering out; it is now concluded that "we should not overestimate the positive democratic effect foreign investment in the media is going to bring to China ... these transnational media conglomerates are not very likely to challenge ideologies of Chinese government" (Lee 2002, 115-6). Capitalists are, after all, timid most of the time and would rather collaborate with the state, democratic or not, in order to make a profit.

But then this is not to deny that media in China does play a certain role in the public sphere. It is a "watch-dog" in the public sphere it is, but in the same way as in an authoritarian country like Singapore, there is a "controlled commodification" (Wong 2001), when the Chinese media fulfils its duty and supervises the powerful. It has to accept that there are limits demarcated by the Party-state. A number of people have written on its origin, strength and weakness, evolution, constraints, and reforming prospects, for example, seeking to have a press law to grant more protection and autonomy to journalists.[9] This may possible push the state into a more accommodating position. Lamenting over or being angry at oppressive aspects of the state should not exhaust our imagination, deter us from trying to organise, or simply convert us to cynics.

As can be seen from Table 4, from one content analysis, if the number of articles with "supervision by the press" (xin-wen jian-du) or "supervision by public opinion" (yu-lun jian-du) as keywords is taken as one indicator, it then becomes clear that we witness an expanding "public sphere," at least in discourse. The number of such articles published has seen a very substantial increase since 1998, with the exception of 2001 when related publications suddenly decreased to a meagre seven. (Data presented in note nine indicate a similar pattern that books on this topic were mostly published after the late 1990s.)

A fuller account has yet to be given for interpreting the abrupt rise (and near disappearance in 2001) of this sort of publication. But, if this cannot be accepted as just an accident and if a functional explanation is not enough (there have been more social problems since the late 1990s, which is bound to increase the need for ventilating outlets by whatever possible means), then we probably should surmise that the impetus is initially from the state. Subsequently, ordinary citizens, academics, and the media have seized this opportunity and have attempted to expand it.

Table 4: Expanding the "Public Sphere" with Constraints in China, 1994-2002

Number of articles with key words:	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total
Supervision by the press	0	0	2	1	5	12	11	0	13	44
Supervision by public opinion	25	24	28	57	110	204	193	7	200	848

* Calculated from *Chinese Journal Network* (http://cjn.csis.com.tw) which collects full texts and abstracts of hundreds of journals published in China since 1994.

One source of momentum from the Party-state is that, from the 13th to the 16th National Party Congress (1987 to 2002), the CCP has consistently highlighted the significance of "supervision by public opinion" in its main political report. In 2001 and 2002 the *Chinese Youth Politics University* held two conferences to advance this cause by reviewing achievements and limitations of "supervision by the press and public opinions." One Hong Kong monthly reported that most academics, including veteran supporter for media reform Sun Xu-pei, attending these events had high opinions of the practice.

More crucial progress was made in 1986 when China enacted the Civil Law affording citizens some legal protection against libel. Since then there have been four waves of lawsuits against the media. This has resulted in an improvement in the supervision of the media in two respects: in that the subject of supervision has changed; and that the practice has spread to the whole country. Originally, average citizens filed suits. Later, celebrities continued this trend, followed by business people. Then starting in 1993, state functionaries, ranging from administrators and police officers to judges and tax auditors, began taking the media to court as well. In addition, almost all the first cases were concentrated in the two major metropolitan cities of Shanghai and Beijing. But by the mid-1990s, the trend had "spread across the country and is in full bloom" (Xu 2002, 21). Why has this encouraging development occurred? It is likely that the news commentary program, *Dongfang Shikong,* launched by CCTV in 1993, and which has been emulated by many media organisations, has reinforced this development, but also it is because "politically active Chinese citizens ... refuse to accept fate and have not internalised [the] oppression" (Zhao 2000, 587). Table 5 shows that the number of contacts by viewers through letters or other means conveying their ideas to CCTV has increased 10-fold since 1998 (if CCTV's records are systematic and correct).

Table 5: More Citizens Getting Active in China*, 1987-2000

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
140	199	156	137	218	250	200	360	300	300	300	4430	4051	7311

*Number of letters to CCTV, in 1,000s, 1998 onwards. Telephone calls and emails were also included with over two million letters, 5.27 million calls and 40,000 emails in 2000.

Source: *CCTV Yearbook* 1997, 25; 2001, 334.

If we do not consider the public sphere as something completely independent from the state and if we accept, perhaps reluctantly, a conception that recognises there is space within which to manoeuvre before the Party-state can be effectively challenged, we then can discover many desirable or laudable changes at micro-levels. The sole purpose of the public sphere is not to supervise political authority. However, as it is this authority that legitimately monopolises the use of force in society, it must be constantly kept in check. Whether it is a capitalist or a socialist public sphere this matter cannot be overlooked. Whether order is regulated by private ownership with profit considerations or by the Party-state and equally profit-driven, an alternative for China's media future must be identified, constructed, and struggled for.

Conclusions

The liberal weekly *The Economist* wrote in 2001 (March 1) that "the coming two decades ... could be the decades when China truly joins the world and when the crushing legacy of a socialist economy is swept away." As if having this message of "peaceful transformation" in mind, two months later in May the would-be chairperson Hu Jintao replied that "western hostile forces led by the Americans are intensifying their efforts to westernise and break us up. We must lead our cadres to gain the upper hand in the struggle between subversion and counter-subversion, containment and counter-containment, separatism and counter-separatism" (*The Economist*, November 23, 2002).

What are we to make of this anticipation and the reply to it? It should be reasonable to say that the first statement is serious by definition since capitalism has not yet exhausted its life, while credibility of the second is less certain. However, more worrying is that there is no guarantee that even if "the cadres" really roll back the West, Chinese or other peoples will benefit from it.

This paper has suggested that, in theory, liberal or market socialism can be perceived as a qualified candidate for guiding China's immediate future, and some data, however insufficient, are presented to argue that, economically, the Chinese media has not yet failed totally a "truth claim" of market socialism, and although further reforms are required, China does not need to make its media ownership policy "clearer" lest it become another name for legitimating private ownership.

There are critics who believe China's reform over recent years is running against socialist ideas. There are also sympathetic observers who either believe that "the Chinese people ... are well placed to learn from the worst aspects of capitalism" (Gittings 1997) or wish that, since absolute poverty has been reduced to a substantial degree during the past two decades in the mainland, China can and should play a bigger role in helping to create a more sustainable and equal world economic order. It sounds disingenuous that anyone should expect China, still a backward economy, rather than the more affluent West, to play such a role. But then, as working people are not less willing to help than the richer bourgeoisies, this suggestion might be fanciful, but not less legitimate.[10]

Now, after entry into WTO, another hope is that China will turn its globalisation rhetoric into internationalist practice. China does not have to stress the need for competing in the global media market — there are better directions to follow for advancing mutual interests. In the coming digital age, when the cost of duplicating content is marginal, might China organise a regional and then world cooperative association such that participants can choose freely whatever content they wish to release at home. To set an example, China may make all her media content available at a marginal cost or even free in the world market without any profit considerations. This will mount a more authentic and effective challenge to a capitalist media order championed by the US capitalist bloc. In this event, the question of whether or not "is it legitimate to imagine China's media as socialist" would cease to be raised.

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Notes:

1. The 10 essays this author is aware of and have access to in time are: Wang Shao-gong 1994, 1995, 1996, 1997a, 1997b, 1999, 2001a, 2001b, 2002.

2. This is what Li Tuo described in a Beijing café on 26 October, 2002.

3. Other relevant data can be found in Lynch (1999), Lu (2002, 134) and *21st Century Economic Report* (June 24, 2002, 2; October 21, 2002, 6).

4. Since the state stopped providing jobs from 1987, graduates of eight art schools in Beijing have to look after themselves and most of them choose to stay in the capital. Artists from other provinces also gather in Beijing. The accumulated number of this work force in 2002 was estimated at over 30,000, or an equivalent to the number of people employed in 17 Beijing Film Studios (*United Daily News,* October 7, 2002, 13).

5. One producer in CCTV, Zhao Jueng, told me on October 28, 2002 that if she does not take an offer, there are many qualified people ready to rush in. Zhao's monthly income is around RMB 4,000. Wang Xin-fen, working in CCTV research and development department for three years, has an annual salary less than RMB 40,000. Seng Deng-men, with 20 years seniority in CCTV and an MA degree from Britain, has a more enviable income of over RMB 120,000 a year. All these do not seem to include other benefits like housing subsidies etc. In comparison, the average annual income in Beijing was RMB 46,611 in 2002 (*Taiwan's Central News Agency*, March 20, 2003). The *China Times* (March 17 2003, 11) reports that in 2002 there were 13 occupations with an average annual income of over 50,000.

6. Cheung is a media celebrity, who initially wrote for HK's newspapers. He has taught in Hong Kong since 1982. In the early 1990s he accompanied Milton Friedman twice to visit China's high-ranking officials and chapters of his economics textbook have been serialised in the prestigious *21st Century Economic Report* since 2001.

7. Putting money in China's stock market is a bad investment as well. The average profit of investing in China between 1993 and 2002 is -16%, the worst performance among 18 countries or items compared. The second worst is Thailand (-12%; *Economist*, Jan 4 2003, 58).

8. But China's ability in absorbing capital still lags far behind two or three countries. According to the OECD, from 1992 to 2001, foreign direct investment (FDI) into the US was one trillion and 270 billion US dollars, the UK took US$440 billion, and Belgium had US$420 billion. For China, it was at most US$380 billion (two thirds of which actually came from overseas Chinese). Also, a big chunk of FDI has been illegally siphoned away from the mainland. Between 1982 and 1999, the amount is estimated at (at least) US$ 130 billion (Yu 2002).

9. The most accessible English texts are Zhao (1998, 95-143; 2000), the rest are in the form of a

book (for a much greater number of articles on the watch-dog function of the media see Table 4) in Chinese (e.g., Hou 1989, Zan 1999, Jiang 2001, Zhan 2002, Xu 2002).

10. It is said that there was a time when China, much poorer than now, contributed an astonishing 6% of her GDP to countries in the South (Wang and He 2002, 240).

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