TRANSNATIONAL CAPITAL, THE CHINESE STATE, AND CHINA’S COMMUNICATION INDUSTRIES IN A FRACTURED SOCIETY

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Abstract

China’s accession to the World Trade Organisation has significantly accelerated the country’s integration with global capitalism through its bureaucratically-controlled and market-driven communication industries. The specific terms and conditions of this integration has meant that a newly reconstituted power bloc — consisting of the bureaucratic capitalists of a reformed Party state, transnational corporate capital, and an emerging urban middle class, whose members are the favoured consumers of both domestic and transnational capital — has assumed hegemonic dominance of the communicative processes both in and out of China. At the same time, this process has been highly contentious, and continues to be mediated by both nationalistic and leftist ideological legacies of the Chinese state and emerging forms of social and cultural contestation. This paper examines this integration from a transnational and transcultural political economic perspective. It begins with a critique of the Chinese nationalist and democracy frameworks in analyzing this integration, and then moves on to analyze the structural and ideological dimensions of China’s semi-integrated communication industries and markets and identify new patterns of inclusion and exclusion in the distribution of communicative power. At the centre of this analysis lie tensions between national and class interests; between the imperatives of capital accumulation and the communication needs of an increasingly fractured society; and, between horizontal and vertical communication among different social groups in a globalising context.

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China’s accession to the World Trade Organisation (WTO) has significantly accelerated the country’s integration with global capitalism through its rapidly expanding communication industries. On the one hand, transnational media corporations, as a key component of their globalisation strategies, are extending the scope and depth of their penetration into the Chinese market, both through and beyond the formal provisions of China’s WTO accession agreements. On the other hand, domestic Chinese players, from Party officials to private entrepreneurs, are using the WTO entry as both material and symbolic opportunities to pursue their respective agendas of re-structuring Chinese communication industries. Consequently, the basic character of the Chinese communication system is undergoing a process of profound transformation.

This paper offers a critical assessment of both the nature and dynamics of this transformation. First, I provide a critique of two prevailing analytical frameworks on this transformation. Second, I examine the defining characteristics of this transformation from a transnational and transcultural political economic perspective. This entails discussing the specific ways in which transnational capital and domestic Chinese forces have intersected to structurally reshape the Chinese communication system, creating particular patterns of inclusion and exclusion of access to communicative power. Finally, I discuss the political and social implications of this integration, identifying potential sources of conflicts and challenges against the emerging communication order in China. Throughout, my attempt at developing an overarching analytical framework that cuts across China’s telecommunication, news media, and cultural industries is supported by specific analyses of the uneven articulations of domestic and transnational capital in these sectors.

Making Sense of the Integration: Two Prevailing Analytical Perspectives

Two broad analytical frameworks have underscored much of the academic and journalistic literature on this integration. In broad strokes, these can be called the Chinese nationalist framework, and the democracy framework.

The Chinese Nationalist Framework

The Chinese nationalist framework is a conglomeration of various positions. First, throughout Chinese press and academic writing on this topic is a very strong national industry perspective, which invokes spectres of the “Chinese media industry under siege” (Jiang and Xie 2003). Symbolised by the widely circulated “wolves are coming” metaphor, such analysis focuses on the struggle between transnational media corporations — the strong intruder — versus the Chinese media industry — the weaker native. Shunning any broad political and ideological debates, this dominant Chinese academic and policy perspective is anchored in the pragmatic question of “how to” — that is, how to connect the Chinese media industry with the global flow; how to effectively absorb foreign media capital, management, production and marketing expertise; and, most important of all, how to strengthen the global market position of the Chinese media industry. This is precisely the framework within which the re-centralisation, consolidation, and capitalisation of the Chinese media industries has been justified by Chinese officials, media managers, and media scholars. It is also the framework in which pri-
vate Chinese capital is trying to secure a space in the post-WTO domestic media market. The rational is that China needs to mobilise all the capital and resources within its boundaries — be it state and private — to compete with transnational media corporations.

There is also a culturalist component to this national industry perspective, concerned with the cultural implications of foreign media entry and the survival of “Chinese culture” in the age of globalisation. The pro-integration version is cautiously optimistic. Rejecting the notion of “cultural imperialism” and accepting the commercial logic in cultural production, this perspective highlights the pro-active role of the Chinese state in its cultural policy making, the creative energy of Chinese cultural entrepreneurs, and the fact that local audiences, given a choice, prefer domestic production and are more receptive to “Chinese cultural values.” The recent box office success of *Hero*, a made-in-China Hollywood-style martial arts blockbuster, for example, has been celebrated as a post-WTO Chinese response to Hollywood in the global marketplace. Meanwhile, the implicitly anti-integration perspective, a legacy of the Party’s anti-imperialist ideological legacy, opposes “Western cultural invasion” and “Western” culture values. Although less visible in mainstream Chinese publications partly because it implicitly opposes the Party’s embrace of global capitalism and its concomitant policy of market liberalisation in the cultural industries, this sentiment is nevertheless very strong in certain quarters. At an April 2002 international conference in Beijing that I attended, for example, a senior Chinese academic delivered an angry diatribe against Hollywood domination and attacked the “decadent” cultural values and marketing gimmicks of the Harry Porter franchise, which was imported into China in its various forms.

Notwithstanding their different emphases, these nationalistic positions share a number of assumptions. First, they hold an essentialist notion of Chinese culture and a nation state-centred analytical framework, viewing the “Chinese” media and culture industries as carriers of China’s national economic and cultural strengths on the global stage. These discourses invariably assume a unified “Chinese national interest” and a “Chinese culture” as their discursive tropes. What is lost here is any discussion about the domestic politics of “Chinese culture,” exactly what it means, and who has legitimacy as its representatives. Typically, these “legitimate” representatives of Chinese culture are in state-organised and market-oriented cultural production; grassroots practices and folk culture productions, from peasant paper-cutting to local theatre and ethnic music, meanwhile, are not. Similarly, though there is no question that *Hero* embodies one particular interpretation of Chinese history and martial arts culture, it is one viewed from the perspective of a hegemonic ruler, and one that erases the perspective of the dominated.

Second, by invoking the image of invading wolves and emphasising the “push” of transnational media corporations, this nationalist framework underplays the active role of various domestic agents in the process of China’s integration. To begin with, Chinese policy makers — the globalising and modernising political elites — either opened the domestic communications market as a matter of principle, with the objective of learning “more advanced” management and production expertises and/or as part and parcel of a broader political economic strategy of global integration. Curtin, for example, has noted that the Chinese state made concessions in the cultural industries to buy time to improve the competitive positions
of other industries where more jobs were at stake (2003, 237). Then there are the captains of China’s communication industries, eager to absorb foreign capital and collaborate with transnational media corporations and become local joint venture partners, suppliers and distributors. In fact, one of the major administrative challenges of the Chinese state in the various communication sectors has been to prevent unauthorised collaborations between foreign and Chinese firms. Similarly, while aspirations to become China’s Time-Warner may entail powerful public appeal that can mobilise nationalist sentiments, fledgling and insecure domestic private media producers are eager to collaborate with, or even be absorbed by transnational media corporations, thereby expanding their power base vis-à-vis Chinese state controllers and state-owned communication firms. Nor should one ignore the global ambition of the Chinese state or domestic capitals and their globalising initiatives (Schiller 2003). After all, the Chinese state approved the cable entry of the Mandarin satellite channels of News Corp. and AOL Time Warner in the Guangdong market in exchange for the cable landing of CCTV’s English language satellite channel (CCTV-9) in three major US cities through News Corp. and Time Warner’s cable networks. In fact, the political and market imperatives of Chinese global expansion have become increasingly acute in light of the global success stories like Al Jazeera and Crouching Tiger, Hidden Dragon. Notwithstanding the Chinese state’s opposition against the war on Iraq, CCTV, for example, apparently hoped to exploit the commercial potential of war coverage, thereby realising its global dream as “China’s CNN” (Chang and Hutzler 2003). Similarly, Hero embodies the global ambitions of Chinese cultural producers and aims to imitate the global success of Crouching Tiger, Hidden Dragon. A final blind spot of this nationalist framework is the agency of Chinese audiences. Who is to say that readers of Chinese editions of foreign magazines such as Elle are victims of external cultural imposition? Who is to say that former Chinese Premier Zhu Rongji was not sincerely articulating the viewing preference of China’s globally integrated political and cultural elites when he openly acknowledged that he liked to watch a Phoenix TV current affairs program in March 1998?

Third, the nationalistic perspective presupposes a problematic dichotomy between the global and the national, equating the penetration of transnational media corporations in the Chinese media market with cultural homogenisation. As Dan Schiller and I have argued elsewhere, the transnational media industry is willing to “parasitise,” rather than flatten, cultural differences — whenever such variations give hope of profitability (Zhao and Schiller 2001, 140). Similarly, Hardt and Negri have noted that “the imperial ‘solution’” to ethnic and national difference is not to “negate or attenuate these differences … but rather [that it] recognise[s] existing or potential differences, celebrates them, and manages them” in an effective apparatus of command (2000, 200-201). Leslie Sklar has further argued that it is a misconception to see globalisation and localisation as mutually exclusive processes:

The global capitalist system is predicted on the accumulation of private profits on a global scale and the leading actors in the system have no particular interest in destroying or sustaining local cultures apart from the drive for increased profitability. Where local or national agents threaten profitability capitalists certainly destroy them, as colonial powers have done in the past wherever local enterprise interfered with their expansionist plans. Economic
globalization has changed this to some extent by making it easier for globalizing corporations to integrate local partners into their cross-border networks and to take advantage of local partners and resources, an advantage that can be shared with local elites. Always to see opposition between the local and the global is the result of a rather static view of traditional practices and cultures (Skair 2001, 256).

In fact, Chinese cultural elements, even Chinese nationalism, are no longer the exclusive product of mainland Chinese media industries. When political opportunism warrants it, Phoenix TV, for example, was quick to cry “China Can Say No” and was more articulate than CCTV in expressing nationalistic sentiments in the aftermath of NATO’s bombing of the Chinese Embassy in Belgrade in 1999. Nor does the nationality of media owner matters as much — after all, in the battle between the new generation of titans in the Chinese language media marketplace, it was the Australia-born James Murdoch who ridiculed the Hong Kong native Richard Li for failing to cater to local Chinese tastes by serving an impoverished English menu in Li’s programming line-up for his multimedia Network of the World (Manthorpe 2000).

The Democracy Framework

Equally influential, though less explicitly articulated within China, is the democracy framework — the idea that China’s global integration and opening of the domestic communications market will inevitably undermine the Party’s authoritarian control and facilitate the democratisation of communication. While this argument may have become less self-evident, ever since Rupert Murdoch retracted his famous remark that satellite television would undermine authoritarian regimes, “democracy” continues to frame mainstream discourse on China’s global integration. In fact, international media outrage over Murdoch’s blunt self-serving words and deeds is the exception that proves the rule. Invariably, the underlying assumption has been ideological incompatibility between the state-controlled communication system in China and the global communications market, and, the inherently democratising impact of the activities of transnational media corporations in China. In this Chinese application of the “free flow” doctrine in international communication, democracy is linked to the marketplace, citizen’s freedom of expression is conflated with the “freedom of commercial speech,” while freedom itself is equated with the free circulation of commodities (Mattelart 2000, 43-44). In the US, this “free flow” argument reached a fever pitch in the debates leading to the congressional ratification of the US-China WTO accession agreement in 2000. Industry lobbyists, mainstream media commentators, Republican and Democratic politicians alike, all proclaimed the same shibboleth: opening China’s communication markets “will make it virtually impossible for Beijing to control freedom of communications in China,” and, as former Vice President Al Gore continued: “As awareness of environmental problems and labour rights is spread through free communication, the pressure within China for improvements will naturally increase” (Davis 2000).

Though the democracy framework is less explicitly expressed in China, for apparent political reasons, liberal media scholars and commentators in Hong Kong and overseas Chinese publications have internalised this perspective and used “for-
eign media entry” as a discursive trope to oppose Party control and champion press freedom as an integral part of China’s economic integration with global capitalism. The essence of this argument is clear: since press freedom and capitalism go hand in hand in the West, from the embrace of global capitalism logically flows press freedom. Sun Xupei (2001), a Chinese media scholar with liberal inclinations, meanwhile, frames the “WTO challenge” as one of reducing the “information gap” between the outside world and China. According to him, Western countries possess a higher volume of information than China, and this huge information gap inevitably leads to debilitating effects when the Chinese system is opened up. Consequently, the best way to reduce the shocking effects is to increase the Chinese public’s access to information by internally circulating sensitive and negative information. Sun further argues that the Chinese body politic is more capable of dealing with bad news than the Party leaders have allowed. Sun is also among many others who have argued for the replacement of the Party’s arbitrary control by the rule of law, believing that the WTO will inevitably force the Chinese state to accept internationally acceptable “rules of the game” in media regulation.

The democracy argument serves as a powerful rhetorical device. As a normative framework, it reflects the inspirations of the Chinese liberal elite for a stable and more open form of intra-elite bargaining in Chinese politics through some form of constitutional governance. However, its usefulness as an analytical framework is dubious on a number of accounts.

First, it underestimates the ability of the Chinese state to negotiate with transnational capital over the terms of entry while maintaining the imposition of censorship. For example, one of the three principles that governing the accession of Chinese-language satellite channels to Time Warner/AOL and News Corp.’s Star TV in Guangdong is the right of the Guangdong cable network to block sensitive information during transmission (Sun and Liu 2003). Moreover, as the Wall Street Journal has stated quite frankly, not only have transnational media barons such as Rupert Murdoch “found out that he had much less leverage than he thought” in dealing with the Chinese government, but “when big sums of shareholders’ money are involved, it can be difficult to resist the impulse to self-censor” (“Beijing Calling,” 2001). The simple fact is that transnational media corporations are in China to make a profit, not to promote democratic communication among the Chinese citizenry. Instead of being “messengers of democracy,” Lee, for example, has predicted that “global media companies will be as “politically correct” as many U.S. companies that have advocated reductions in labor costs and more restrictions on labor rights in China” (2003, 10, emphasis original).

Second, even assuming that foreign media can enter China unfiltered, the democracy framework contradicts the well-documented double-standards of the US-dominated transnational media in the coverage of global affairs and their complicity in sustaining authoritarian regimes throughout the world (e.g., Herman and Chomsky 2002). Although China is by no means a US client state and the discourse on democracy and human rights will continue to serve as a relevant ideological frame for reporting China, transnational media corporations, like firms in other sectors of transnational capitalism, have a more pressing agenda: securing a stable environment for capital accumulation in China. Democracy does not exists independent of class interests and conflicts, and the evolution of democracy in nation
states within the global capitalist system is fundamentally contingent on various factors, including “hegemonic relations among states” (Petra and Veltmeyer 2001, 110). From the US media’s imperialist involvement in Latin America to their complicity in Indonesia’s genocide in East Timor, the record of US-based transnational media allegiance to democratic communication is, to say the least, mixed and highly contingent on the interests of US transnational capital in any given country. Similarly, though the “rules of the game” may create predictable and stable conditions for capital accumulation, and a more preferable form of media regulation in China, the state can always use draconian legislations to curtail popular expression. As Keane (2002) notes, causal connections between market liberalisation, pluralism, and civil society are flawed in analyzing the political implications of WTO membership for China.

Third, the democracy argument takes for granted ideological conflicts between global capitalism and Chinese capitalism. To be sure, China still espouses a communist, though heavily revised, political ideology. Ideological differences between the Chinese state and Western media are unavoidable. However, with China’s embrace of the market ideology and consumerism, the realm of ideological convergence between global capitalism and “socialism with Chinese characteristics” is considerable. More substantively, as Chinese society assumes the general social economic and cultural characteristics of a capitalist social formation, the potential for ideological cross-promotion between capitalist and Chinese media is limitless. For example, where does one draw the communist versus capitalist ideological line when former Party boss Jiang Zemin admired the Hollywood blockbuster Titanic for its ideological work — e.g., its discourse on class relations — thereby turning himself into the highest-profile promoter of the film in China (O’Neil 1998)?

Finally, the democracy framework, especially as expressed by Chinese media reformers such as Sun Xupei, is oblivious to the profound social tensions in Chinese society and the relationship between communication and social control. Though Sun has confidence in the ability of the Chinese people to deal with negative information, and he even used the fact that citizens in the more open media environment of Guangzhou did not participate in the 1989 urban-based pro-democracy movement to support his argument that increased media openness is compatible with social stability, the reality is, in today’s Guangzhou, the media were not even allowed to carry job advertising aiming at migrant workers (“Labour Department” 2003), not to mention initial press reports on the spread of Severe Acute Respiratory Syndrome (SARS). Why? The plain truth is, with millions of migrant workers descending each spring on Guangzhou desperately in search of jobs, a job advertisement in the media can be an open invitation for the formation of dangerous mobs. Similarly, it is not whether urban elites like Sun are capable of dealing with “negative” news stories about labour strikes and farmer tax riots, it is whether such communication will serve to circulate these struggles among these groups, amplifying their demands for more say in the reform process, and whether the beneficiaries of the reforms are willing to negotiate a better deal with “obsolete” workers and “surplus” peasants. At a time when a minority urban population fear of being outvoted by the huge rural population, and when private property owners fear of being (re)expropriated by another radical populist social revolution, the social basis for political authoritarianism is deeply entrenched. The role of commu-
nication must be understood within this context of class relations and social conflicts. Political censorship aside, analysts such as Sun are often oblivious to the issue of journalistic self-censorship and market constraints, and the complicated power relations between the Chinese media, the Chinese state, and a increasingly polarised and conflict-laden Chinese society (Zhao 2001).

The Trajectory of Chinese Integration: Toward a Transnational and Transcultural Political Economic Perspective

Capitalist Triumph in the Chinese Media: A Longer View

The trajectory of the Chinese communication industries’ integration with the global system is better understood through a transnational and transcultural political economic perspective. To start, it is important to put China’s two decades of “openness” and its more recent WTO accession in a longer historical context. The language of “openness” and the focus on the WTO accession proper as the new beginning for the Chinese communication industry obscures the important fact that the Chinese communication system had always been “open” to varying degrees even before the reform period. This is the case with both traditional and state socialist culture — two analytically distinct legacies of contemporary Chinese culture. Just as there was no essential “Chinese culture” from within to begin with, foreign ideologies, from Buddhism to Marxism, have long shaped Chinese culture. Nor was cultural isolationism the official policy of choice in Mao’s China. Here a distinction must be made between cultural isolationism and the selective importation of foreign culture. The fact that Mao’s China re-established national control of communications and rejected capitalist culture does not mean that it was closed to foreign interaction. After all, Leninist media theory and practices shaped the Party’s press system from the very beginning of its history, and the Chinese television system was set up through the importation of technologies and programming formats from the Soviet Union and East European countries in 1958. For a whole generation of Chinese growing up in the 1950s, Soviet movies and songs were as popular as today’s American pop culture. Moreover, the isolationist image of a Maoist China contradicted sharply with the Cold War image of an expansionist China bending on exporting Maoism to the Third World. Indeed, Mao’s “Little Red Book” even found a market niche among the counterculture youth in the West. In fact, Mao’s policy of self-reliance was as much an ideological choice as a virtue made out of necessity — the West, led by the United States, was isolating China politically, economically, and culturally. This history is important to revisit, because it is precisely its suppression that helps to sustain an a-historical “isolationist” versus “openness” dichotomy. Finally, pre-reform China’s cultural screen against the Western was never total. It had always been erected to shield ordinary people, not the power elite. Party elites always had access to Western media through the classified information system, and Hollywood movies were available, though very limited, for private screenings among elite circles. At issue here is the pattern of inclusion and exclusion: who have access to what, and on what terms; not a binary between inclusion and exclusion. The binary framework makes sense only
if one internalises the expansionist and profit logic of the global communication industries: China as a media market was indeed closed to them. Party elites reading selected foreign wires stories were not targeted as consumers by multinational advertisers.

While WTO entry is certainly a historical landmark, the Chinese communication system became an integral part of the global capitalist communication system at the very beginning of the reform process: from the first transnational advertisement on Chinese television in 1979, to the decision in the early 1980s to prioritise the development of the telecommunication networks in coastal China, coordinating transnational capital’s shift toward post-fordist flexible accumulation by making use of cheap labour in China. While the fact that transnational communication corporations can now expand their scope of operations in China is certainly highly significant regarding their capital accumulation, as far as the Chinese national communication system is concerned, the most significant transformation is its commercialisation and its transformation into a platform of capital accumulation per se — regardless of the national origins of capital. What is at issue is the nature and character of Chinese communication, a question inextricably linked to the very mode of communication and culture provision.

If the Communist Party had blocked out Western media in an attempt to develop a non-commercial form of communication up to the late 1970s, it is the same Party that now champions the commodification of information and culture. What distinguishes the reform and pre-reform periods are the commercialisation of Chinese communication and cultural provision, and the creation of Chinese information and communication markets. Although elements of a commercial media system co-existed with foreign media in pockets of Chinese capitalism before 1949, only the reformed Communist state has succeeded in turning China into a relatively stable mass consumer society, thereby creating a unified and lucrative national communication market. The Party state has been promoting “informatisation” as part of its development strategy, prioritising the information technology sector as a new site of economic growth and a key aspect of its integration with transnational informational capitalism since the 1980s (Zhao and Schiller 2001). By the early 2000s, the Party state was strategically promoting the market-oriented development of the more sensitive cultural industries, ranging from news operations to video game installations, as new sites of economic growth. This development of cultural industries as a strategic economic and cultural objective was first officially articulated in the Party’s proposals for the 10th “Five Year Plan” in 2001. The 16th Party Congress Report in 2002 further assigned the market-based and profit-oriented cultural industries a positive role, foregrounding this sector as a key site for policy development. Instead of taking the capitalistic character of the Chinese communication system for granted, a transnational and transcultural political economic perspective takes the apparently national-centric reorganisation of the Chinese communication system along the market logic since the early 1980s as an integral part of the global restructuring of communication systems under the neo-liberal logic of capitalist development, and the formation of a truly global communication system.

To be sure, the restructuring of the Chinese political economy, including its communications system, under the logic of globalising capitalism has not been a smooth
process. The anti-capitalist and anti-imperialist legacies of the communist state expressed itself in the anti-spiritual pollution and anti-bourgeoisie liberalisation campaigns of the 1980s, the crisis of 1989, and the leftist ideological backlashes in its aftermath. Since the early 1990s, ideological struggles have been carried out in covert debates on the capitalistic and socialist nature of the reforms, the resurgence of nationalistic and anti-imperialistic sentiments, and leftist opposition to the Party’s embrace of capitalists as its members and a revisionist constitution all the way to the 16th National Congress in November 2002 (Fewsmith 2001). There were also tensions between vertically and horizontally integrated bureaucratic interests within the Chinese state as they struggled to maximise their respective self-interests in the processes of capitalist reorganisation and global integration. These tensions were articulated in complicated ways; in covert debates on the “commodity nature” of news between leftist and liberal scholars through the 1980s and early 1990s; later; in theoretical and policy discourses on the “industry nature” of communication operations; in the bloody street battles between China’s broadcasting and telecommunication bureaucracies over market shares and the terms of technological and institutional convergence (Zhao 2000a); in struggles between central, provincial, municipal, and county-level authorities over the restructuring of the Chinese broadcasting system (Hu 2003; Guo 2003), and finally, in the tensions between the protectionist impulses of traditional “line industries” organised around the pre-reform regime of import substitution as personified by Wu Jichuan, the former Minister of Information Industry, and the globalising vision of national leaders such as former Premier Zhu Rongji.

As a result of these tensions, Chinese articulations of the global neo-liberal logic of commercialisation, liberalisation, and privatisation have been quite unique. The re-structuring and rationalisation of China’s national media system under market logic has predominantly taken the form of bureaucratic monopoly capitalism. Under this system, media organisations under the control of the Party state, which had previously single-mindedly pursued ideological and cultural objectives, are now more or less in line with the capitalist system, assuming the twin objectives of capital accumulation and ideological legitimisation. Similarly, liberalisation occurred predominantly within the bureaucratic sector both vertically and horizontally, characterised by the entry of low-level bureaucratic units in the Party’s propaganda hierarchy, and bureaucratic units in non-communication sectors into the communication industries. The Chinese version of market consolidation in the context of globalisation, meanwhile, has taken the form of state-engineered centralisation and conglomerations within the Party state sector (Zhao 2000b; Keane 2002; Hu 2003). By minimising the role of non-communication bureaucratic capital and domestic private capital and keeping it at the periphery in this restructuring process, Chinese national media capital is politically constituted and consolidated predominantly as Party state capital, with a secretly asserted proprietary and managerial division of power between the Party and the state organs that signifies the Party’s proprietary claim over major media outlets (Hu 2003). After twenty years of reform, China’s media and cultural industries have emerged as the fourth industrial pillar in terms of revenue, one of the most profitable and fast growing sectors of the Chinese economy, while the Communist Party is posited as the dominant media capitalist in the country.
This re-organisation of the Chinese communication system under market logic in the context of political authoritarianism has had profound implications for popular expression in China. Although access to various means of communication has improved dramatically across the country, the dominant position in the Chinese communication system have been assumed by transnational businesses, domestic political and economic elites, and the largely urban-based middle class — who are the most favoured costumers of transnational and domestic advertisers. In the mass media, the voices of China’s popular classes are systemically repressed, marginalised, and contained through the double mechanisms of political control and economic marginalisation. This neo-authoritarian market ideological hegemony is evident in a wide range of media discourses throughout the system — from elite print media coverage of the US-China WTO accession agreement to the politics of investigative reporting at CCTV and tabloid discourses on the rich, laid off workers, rural migrants, and criminals (Zhao 2000c; 2002; 2003). While the rising business and urban middle classes are increasingly using the media to articulate their interests and shape state policies toward their preferred ends, the rally cries of tens of thousands of Chinese workers and farmers in their struggles for economic and social justices, for example, have simply fallen on deaf ears in the Chinese media system. Regional and urban-rural disparities in terms of media consumption and access to information are staggering (China Publishing Science Research Institute 1999).

Politically and economically constituted urban and rural disparity, meanwhile, is dramatised by the following two anecdotes. At the peak of fierce battles for market shares between urban-oriented newspapers affiliated with different Party state branches between 1999 and 2001, in some urban centres, consumers were given a full-year’s subscription for free (the subscription fee was returned in the form of consumer goods of equal value) (Sun 2002). Meanwhile, in rural Jiangxi, some farmers were forced to buy a book at 10 times the original cover price in the black market. The book, legally published, contained state-sanctioned information aimed at alleviating the financial burdens of poor farmers. Specifically, it outlined regulations banning illegal fees charged by local officials, bolstering farmers’ resistance against such illegal taxation and appropriation. Local officials, realising the power such information in the hands of farmers, deemed the book “illegal,” and the local police managed to retrieve 9,500 of a 10,000 press run through a door-to-door search (Ho 2001). The absurdity of market entitlement matches the absurdity of political deprivation. The result is an equally absurd pattern of inclusion and exclusion in social communication.

While political leaders have no intention of loosening control, the agents of Chinese bureaucratic media capital are positioned to deepen the logic of capital in media industry restructuring in the post-WTO market. Nowhere more evident is this dual triumph of the capital logic and the ideological/organisational fusion between the state and the market — that is, the “spirit” and the “structure,” to invoke the terms used by Robert Brady in analyzing German fascism (1937), of “socialism with Chinese characteristics” — than in the following journalistic summary of major indu-strial, policy, and conceptual developments in the Chinese media industry in 2002:
March: Our country must gradually get rid of the notion of “TV watching for free,” Xu Guangchun said in the No 3 issue of Television Research. The whole country has 350 million television sets, with a pay-TV market of 15 billion yuan. Yet CCTV only garnered a mere 380 million yuan in subscription fees. An article by deputy editor-in-chief of CCTV Sun Yusheng in the same issue [of Television Research] noted that the further development of television depends on the end of the conventional model of singular dependence on advertising revenue (95% of domestic television stations’ revenue derives from advertising). [We] must not only pick on the pockets of enterprises [for advertising revenue], but also on the pockets of audiences [for reception fees]… Zhang Haitao, Vice President of CCTV’s International Television Corporation, pointed out in a high-level television forum that foreign television mostly adopts the sell-it-twice system of advertising and paid reception. Our country must tackle the topic of pay television, exploring new points of growth…. 

April: The banning of prescription drug advertising in the mass media … according to China Journalism Gazette’s March 26 interview with advertising expert Huang Shengmin is not “connecting to the world track” behaviour; the US had opened up the prescription drug advertising market as early as two years ago (Sun and Liu 2003).

Among the individuals cited above, Xu Guangchun personifies the fusion of the Party, state, and business logic in the Chinese media. Simultaneously, he is a deputy chief of the Propaganda Department of the Communist Party; Director of the State Administration for Radio, Film, and Television (SARFT), the state regulator and manager of the broadcasting and film industries; as well as the Director of the Administrative Committee (the equivalent of a corporate Chairman of the Board) of the China Broadcasting and Film Corporation, the largest broadcasting conglomerate that controls broadcasting and film production and distribution at the national level. Sun Yusheng is formerly a model journalist and the single most important professional journalist behind the creation of CCTV’s highly acclaimed investigative shows such as Focus Interviews. Sun’s personal biography embodies the Party state’s co-optation and containment of the Chinese professional strata’s reformist ethos. Zhang Haitao, a former deputy chief of the SARFT who now wears a corporate hat, symbolises the corporatisation of state-owned media properties. Finally, Huang Shengmin, an advertising professor with Japanese academic training and now one of the most quoted experts on the Chinese media by the Chinese media, is the archetype of “integrated intellectuals” who “are riveted to functional observations at the request of those who commission their research,” while leaving these observations “atomised and decontextualised in relation to the implications of change in the social and economic model” (Mattelart 2000, 82).

Nowhere is the “socialist” objective of “serving the people” to be seen in the above discourse. There is only the crudest expression of the naked logic of capital — as in the thief’s metaphor of picking somebody’s pockets. Moreover, as far as these captains of Chinese media are concerned, history and ideology have indeed ended in the realm of media policy. All one needs to do is to follow the practices of “foreign television” and invoke the political slogan of “connecting to the world track,” that is, to integrate China into the orbit of the transnational capitalism. Though direct investment by transnational media corporations in China is signifi-
cant, the reshaping of the Chinese media system after the image of the transnational media corporations — from their operational principles to their organisational structures, content formats, and value orientations — must be the starting point of analysis from the point view of social communication in China.

**Cream-Skimining the Chinese Market: Patterns of Integration in Various Communication Sectors**

Because China’s open-door policy was initiated in the context of the restructuring of global capitalism along information networks, China’s communication system was selectively and strategically integrated into the global communication system from the onset of the reform process. Indeed, the first US-China business joint venture was established in the most-tightly protected print media sector in 1980. Today, this joint venture between International Data Group (IDG) and Chinese bureaucratic capital remains one of the most successful foreign investment stories in China (Mitchell 2000), and the only state-approved joint venture in the press sector, with terms far exceeding the scope of foreign operation in the Chinese media outlined in the WTO accession agreements 20 years afterwards. As the post-Mao leadership made information technology the key sector in its development strategy, *China Computerworld*, the Chinese version of IDG’s flagship publication, by bringing in the most update information and championing the ideology of globalisation through information technologies, was providing the right media product at the right time. It fit in perfectly with the informational needs of a Chinese technocratic elite gearing up to transform the domestic economy and integrate it with the rising global informational capitalism. At the same time, the paper provides a timely and effective advertising venue for transnational information technology companies eager to break into the Chinese market. With *China Computerworld* as the flagship, IDG’s publishing empire in China encompassed 22 titles by 2002. Although these publications do not seem to command the ideological significance of, say, a Chinese version of *Reader’s Digest* in popular imagination, their role in integrating China with global capitalism is profound.

If IDG has helped to create an information economy based Chinese middle class, other transnational media corporations have quickly followed up by serving this class with consumer advertising and lifestyle tips aiming to enfranchise them as the Chinese segment of the transnational consuming strata. Since the late 1980s, Chinese versions of transnational consumer and lifestyle magazines, including *Elle, Cosmopolitan, Esquire, Harper’s Bazaar, Good Housekeeping, Auto Fan, Golf* and many other American, European, and Japanese titles, have competed ruthlessly for transnational consumer advertising and the affluent urban middle class market. Rather than being deprived by a tightly controlled domestic publications regime, China’s affluent consuming elites are served with the best of all possible worlds through the magazine industry’s flexible advertising and copyright cooperation with transnational publishers. The resulting Chinese consumer and lifestyle magazine market is thus truly transnational and transcultural — that is, transnational consumer culture embellished with various national tastes. *Trends Traveller*, for example, has a copyright arrangement with the American based *National Geographic Traveller*, picture and text exchange cooperation with the French magazine *Guide Moncos*, and the Taiwanese magazine *To Go*. Combined with local content, the maga-
zeine is truly transnational and yet fully localised, a feast of incredibly appealing pictures and narratives catering specifically to the university educated high-income urban white-collar traveller between 25-40. The content of the magazine’s November 2002 issue is illustrative. As the Chinese transnational traveller and the sophisticated cultural connoisseur, you visit Scotland to learn its “history in a bottle;” you take “the classic petit-bourgeois trip” to the Louvre, the British Museum, and the Metropolitan Museum of New York; you idly surf the Internet to discover the pristine South Pacific Islands, and the next thing you know is that you are in your “final Eden” at Royal Islands, where there is “no meeting, no telephone, no newspaper, and no Internet.” You do see your native Chinese cities and villages, but these are the sites of cultural relics and contemporary consumption and leisure, not the cities of laid off and migrant workers, and these are the timeless Chinese villages of charm in the eyes of classic poets, without traces of economic dislocation and environmental degradation. Just as you will encounter local drinkers in a Scottish bar, you do encounter your fellow Chinese, including the innocent rural children who hide behind adults upon encountering a stranger, and the village women who do their laundry while leisurely chatting with each other in the open stream. In this “pleasant world” constructed jointly by transnational and domestic media capital, the possibilities of consumption and cultural enrichment are endless and your personal “Eden” is everywhere you go. Just as Mao’s statues have become historical relics, ideas such as democracy have become fashion adjectives. You are told where to spot Mao statues in Changsha, the capital of Mao’s home province. You are advised to seize the dusk light to capture photo images of the exotic Hui’an women with “a feudal head and a democratic belly” — as these mysterious women observe the exotic dress code of covering their heads and exposing their belly buttons. As these magazines help the Chinese consumer elite to globalise in their lifestyles and to connect themselves with their counterparts in Paris, New York, and Tokyo, they also couch them to view China through the transnational tourist gaze and to construct new discursive relationships with fellow Chinese citizens.

Business, financial, and current affairs publications are now the new frontiers for transnational media corporations. The Chinese version of Harvard Business Review, debuted in October 2002, is sold at an astronomical price of 70 yuan (US$ 8.8, unskilled workers earn approximately 20 yuan per day) per copy to eager Chinese readers. Together with the planned entry of Chinese versions of Forbes and Newsweek, the China ambitions of these high-profile transnational business and current affairs magazines have significantly raised the ideological stakes of foreign media penetration in China. Although a Chinese state official declared in early 2003 that Forbes, Newsweek, and Harvard Business Review had not obtained proper entry approval and could be banned (Wu 2003), if the Chinese state’s previous treatment of “rule violating” practices by foreign-collaborated consumer and lifestyle magazines is any indication, it is likely that these magazines will be permitted under terms more acceptable to Chinese authorities. With aggressive foreign publisher “all focussing on the same readership group: the urban elite in Shanghai, Guangzhou, Beijing, and Shenzhen” (“Three Big Name...” 2002), and willing Chinese publishers viewing foreign collaboration as the most attractive and effective business strategy, it is highly likely that the Chinese state will eventually ap-
prove this marriage, while trying to define a more relevant mother-in-law role for itself. For China’s rising transnational business and professional strata, publications such as the *Harvard Business Review*, *Elle*, and *Esquire* serve as indispensable symbols of class distinction and identity formation.

In broadcasting, together with other foreign originated satellite television channels, Phoenix TV, a Hong Kong-based satellite television joint venture between Murdoch’s Star TV and Liu Changle, a Chinese military correspondent-turned-Singaporean Chinese businessman with close connections with the Chinese state, has been providing information and entertainment for the transnationally integrated elite Chinese audience since 1997. The Phoenix audience, claimed to reach 44.98 million households in China, or 15.9 percent of total Chinese television households by the late 1990s (China Mainland Marketing Research 1998), is no ordinary audience. Although state regulations prohibited the reception of foreign satellite television by private households, the Chinese elite has never been constrained by such regulations. According to state regulations, Chinese hotels that rank three stars or above, luxurious apartment complexes catering to foreigners and affluent domestic residents are allowed to install dishes to receive foreign satellite transmissions. In addition, major government departments, media, academic, and financial institutions are allowed to install their own satellite dishes. Since most of these institutions have internal cable television systems that wire their offices and living quarters, residents in such exclusive neighbourhoods for the Chinese political, business and cultural elites have always been able to receive Phoenix TV and selected foreign broadcasters legally. Compared with the average Chinese television audience, the Phoenix viewers, as characterised by a Phoenix TV advertising executive in an interview with me in August 1999, are made up of people of “three highs and one low” — high official rank, high income, high education level, and low age. While Phoenix TV is by far the most localised and most influential foreign-invested television channel, by earlier 2003, the Chinese state had made available as many as 30 overseas and Hong Kong-based specialty satellite television channels, including CNN, BBC World Service, HBO, CNBC Asian Pacific, Bloomberg Asian Pacific, ESPN, MTV Mandarin, Discovery, for the country’s elite audiences. The officially approved landing of News Corporation’s Mandarin entertainment channel Xingkong Weishi and China Entertainment Television (CETV, wholly owned by AOL Time Warner at the time of the Chinese state approval) in Guangdong Province has further expanded the access of foreign and Hong Kong-based television channels (AOL Time Warner sold 64% of CETV to Li Kai-Shing’s multi-media group Tom in July 2003).

Needless to say, the scope of penetration by foreign capital in the Chinese telecommunication sector is much broader than the mass media sector. In addition to foreign loans, which played a significant role in the initial take-up of the Chinese telecommunication industry in the 1980s, Chinese bureaucratic capital, through a covert joint venture scheme for China Unicom, first imported foreign equity investment into the lucrative Chinese mobile phone market. China Unicom, licensed in 1993 as a second telephone service provider to meet a vaguely defined “unmet need” in domestic telecommunications, chose to focus on the mobile phone market and was made a viable business at its initial stage largely on the basis of a form of foreign capital importation that was late declared “illegal” by the Chinese state.
In a short period, intensive market competition with the incumbent state monopoly operator led to the creation of the world’s largest mobile phone network, turning cellular phones into an integral component of the Chinese urban middle class lifestyle. Today, mobile phone are one of the most fetishised commodities in China, as well as the most lucrative source of capital accumulation for domestic and transnational capital, from equipment makers to stock investors with shares in China’s partially privatised telephone carriers. The new sites of foreign investment are private line circuits and broadband services for transnational corporate users. AT&T, for example, has set up a joint-venture to provide broadband services to transnational corporations based in Shanghai’s Pudong district (Zhao and Schiller 2001). News Corporation and AOL Time Warner have also made strategic investments to enter China’s broadband and Internet services markets. With the burst of the global telecommunications bubble, it is unlikely that transnational capital will pour into the Chinese market in big volumes in the short term. Even if they do so, the pattern is already clear: they are serving transnational business users and high-end domestic Chinese users.

In short, although the political and business risks are high, profitability has by no means ensured, the overall scope of transnational media operation in China is still rather limited (Sparks 2003), transnational corporations have managed to penetrate the Chinese communication system in a variety of ways with and without the WTO entry. Although China’s WTO accession does not involve the opening up of direct foreign investment and access to the editorial process in the Chinese media, considerable concessions were made in the telecommunications and audio-visual sectors (Zhao and Schiller 2001). Given the fact that the de facto opening of the Chinese media market already exceeds the parameters of the WTO accession agreement, it is likely that both transnational media corporations and domestic Chinese players will continue to pursue further forms and areas of integration beyond the letters of agreement. Needless to say, increased foreign stakes and control in the financing and distributing ends of the Chinese media system — from advertising management to print media distribution, audio-visual products retailing, cinema exhibition, and book readership clubs, will have a profound structural impact on the editorial orientations of the Chinese media. The cream-skimming and demonstrative impact of transnationally integrated media outlets, meanwhile, will intensify competitive pressures on domestic media and undercut their monopolistic profit margins, further eroding the cross-subsidy schemes that have been part of what Feng (2003) perceives as the “market socialism” character of the Chinese media economy.

Conclusions

A globally integrated Chinese communication system is rapidly redefining communicative relationships within and across Chinese borders. Today, upwardly mobile young urban Chinese women, a much sought after audience group, espoused transnational dreams of “working in big American corporations in China and shopping at French specialty stores” (China News Agency 2003). Meanwhile, tens of millions of rural women, often separated from their beloved ones traveling to the cities to build monuments of Chinese modernity, and are left to look after the young, the old, the livestock, and the crops in depressed rural villages.
Though the lucky ones among them may receive an occasional phone call from their beloved ones, their cries for help are lost in a cacophony of one-way modern mass communication that seldom address their immediate needs and concerns. This population group, one of the most vulnerable in China, have been in such a desperate situation that they have found death as the only means of communication — suicide rate among rural Chinese women is among the highest of all population groups in the world (Rosenthal 1999). State control and market mechanisms, especially the Party’s conscious strategy at preventing the emergence of counter-hegemonic alliances between various oppositional forces and the divisive impact of a labour market that pits the urban working class against rural migrants, have combined to prevent the communication of social movements inside China and the formation of organised resistance against Chinese capitalism and its (re-)integration project. As Dan Schiller and I wrote: “Increased horizontal linkages between domestic and transnational elites have not been paralleled by communication channels between China’s elite and its own marginalised masses, let alone circuits linking these oppressed groups with one another” (2001, 150).

By joining the WTO, the reformed Chinese state, like other post-colonial states, found “for the ‘nation’ a place in the global order of capital, while striving to keep the contradictions between capital and people in perpetual suspension” (Chaterjee 1986, 168). The capitalistic turn of the Chinese Revolution, which built upon anti-capitalist and anti-imperialist social movements and promised to turn the world upside down for social groups disenfranchised from Chinese integration with global capitalism in the 19th and the first half of the 20th century, have inevitably intensified the pre-existing inequalities in pre-reform Chinese society and engendered new forms of social division, corruption, and contestations (Perry 1999). There is no guarantee that today’s hegemonic bloc of domestic and transnational capitalists, globalising Chinese bureaucrats, and the cell phone carrying Chinese urban middle class, will be able to maintain social peace in a globalised world by continuing to suppress domestic social conflicts and avoid direct confrontations with the imperialist policies of the US. The Chinese integrationist forces’ romancing of the WTO and their rhetorical appeal to and real trust in the global “rules of the game” notwithstanding, the US is ripping up the global rulebook page by page in front of the world population.

Although the Chinese state is trying very hard not to offend the US and is eliminating every opportunity for the articulation of domestic resentments with anti-American sentiments on global issues, including preventing Chinese citizens from joining the global protests against the US-led war on Iraq (Eckholm 2003), contingencies and contradictions in the global political economy will have profound implications for China’s global integration process and its evolving communication systems. On the one hand, China’s potential inability to absorb its rapidly expanding domestic productive capacities may further destabilise transnational capitalism by aggravating an already critical condition of overcapacity (Schiller 2003). On the other hand, the Chinese economy’s increasing claims on scarce global resources such as oil may put China in a collusion course with the U.S. Although the anti-imperialist project has been irreversibly discredited among China’s ruling elites, “cultural sovereignty” is still a key issue in China (Keane 2002), and the nation state remains a key site of inter-capitalist political economic and cultural contesta-
tion. Taiwanese and ethnic minority nationalisms aside, mainland Chinese nationalism remains a double-edged ideological force for the Chinese state.

Though the Chinese Communist Party has tried to legitimate itself by legitimising capital, its anti-imperialist legacy continues to haunt it. Moreover, its contemporary position in the global political economy leaves it with no choice but to embrace anti-imperialist stand vis-à-vis the US on the one hand, while trying to forge head with its integrationist project on the other. Ideological struggles between nationalistic and integrationist, leftist and rightist positions are fierce on various Chinese websites, the freest corners of the Chinese symbolic universe. For example, on the one hand, integrationist and pro-American voices are attacking mainstream Chinese media for its anti-war and anti-imperialist coverage of the war on Iraq (Liu 2003). Nationalistic and leftist voices, on the other hand, blame the Chinese state for failing to stand up for the interests of the Chinese and Third World populations. On domestic issues, the discrediting of the Maoist discourse on egalitarianism among the elites does not mean that the disenfranchised social classes will give up their struggles to improve their lots. Nor can the Communist Party, despite its embracing of capitalists, denounce its socialist legacy and abandon the socialist commitments to the low social classes at will. Apart from popular challenges from below, bureaucratic conflicts and the absence of a relatively open system of intra elite bargaining and lobby — in some form of constitutional governance — continues to threaten the current political economic order, including the stability of the communication system and its accumulation process. Although the 16th Party Congress managed to overcome substantial leftist resistance and redefined the Party as a nationalistic party of all social classes, elite power struggle remains acute and the fragile balance of power among different factions of the ruling elite makes it very difficult for any substantial move toward political liberalisation. Jiang Zemin’s refusal to give up his command of military power not only underscores the unfinished nature of elite power struggles, but also highlights the crucial role of the military in the Chinese reform process.

Political uncertainties aside, the Chinese communication industries themselves are suffering from declined advertising revenues resulting from the deflationary pressures of the overall Chinese economy and the uncertainties and bureaucratic conflicts associated with massive state mandated industry restructuring. Uneven development has not only acutely exposed the limits of consumerism as an integrative economic and cultural force, but also may provide a fertile ground for “an arrogant overconfidence in the overprivileged and sometimes violent and sometimes fatalistic reactions in the underprivileged” (Sklair 2001, 29). Though the Chinese state has attempted to alleviate uneven development by resorting to massive debt spending, and in the communication industries, by injecting public funds to increase the population coverage of broadcast and telecommunication services in remote rural villages and ethnic minority areas, these programmes, with their statist and nationalistic objectives, are unlikely to readdress existing patterns of substantive inequality, not to mention facilitating bottom-up communication.

The perils of uneven development, of course, are not limited to potential political and cultural crises. Nor can these dangers be contained within Chinese borders, as the spread of SARS has painfully demonstrated. Already, in the eyes of Canadian journalist Jan Wong, a globalised and globalising China had “failed the
world” for covering up an epidemic breed out of its dangerous soils. A population and factory-dense “third world city with all the usual sanitation problems, but one where many residents are rich enough to travel frequently and far,” and a “hybrid of gleaming skyscrapers and farmers’ markets selling live chickens and snakes… fringed by traditional peasant farms where people and pigs live cheek by jowl” — such is the Guangdong metropolis of Foshan, “ground zero in the SARS outbreak.” This is definitely not the Chinese cities and villages for the Trends Traveller. Such ecological and social conditions, coupled with “centuries-old tradition of bureaucratic secrecy and xenophobia” and a desire to sustain its “lucrative tourism industry and expanding foreign investment,” according to Wong, led the Chinese state and national media system’s cover-up of the outbreak (Wong 2003). This analysis, however, conceals the profound contradictions of globalisation and China’s integration: after all, the infectious Chinese doctor, who, with the freedom and resource to travel to Hong Kong for a family wedding, would symbolise the increasing mobility of the rising Chinese middle class, a prized consumer and a favoured agent of Chinese democracy in other discursive contexts. Similarly, Foshan, one of the famed frontier towns of Chinese capitalism, in another context, would symbolise the dynamism and hope of a globally integrated, market-driven, and entrepreneurial China. The prospects for foreign-invested media outlets to report vigorously on local Chinese conditions remain remote at this point, not only because of Chinese restrictions, but also because such operations may not make the best business sense. In short, if there is no guarantee that China’s semi-integrated information industries will be able to carry the economic burden of sustaining China’s two decades economic boom and absorb the tens of millions of displaced industrial workers and farm workers, the inability of these industries in meeting the diverse communication and cultural needs of a fractured Chinese society and a fragile global system appears even more self-evident as the political economic, cultural, and ecological contradictions of this integration deepen.

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