Television reform in the era of globalization: New trends and patterns in post-WTO China

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ABSTRACT

Taking China's accession into WTO as a key point, this article attempts to investigate the manner in which two important market-oriented television policies have been made in China, namely 'Separation of TV program Production and Broadcasting (STVPB)' and 'Broadcasting Consolidation and Reorganization (BCR)'. In addition, it also tries to examine how these market-oriented policies have been implemented with Chinese characteristics and how they have influenced the operation of Chinese broadcasting market. In this article, it argues that television reform with Chinese characteristics is very likely to provide favorable conditions for the co-existence or co-operation of politics and market. In particular, it suggests that the effectiveness of Chinese state's control power has not been weakened but strengthened with its adoption of market-oriented reform in post-WTO period. Under such circumstances, the future of Chinese television is less likely to evolve into a free competition mechanism, but more likely into a pattern in which the state-owned media capitals achieve rapid growth and dominance through the process of market-oriented reform, and private and foreign ones have to choose for collaboration or even dependence upon the former.

1. Introduction

The advancement of globalization has given the rise of economic liberalization and deregulation in many spheres. In the media industry, the privatization or commercialization of media enterprises have also been brought about in many countries. In Asia, the traditional monopolistic broadcasting system has been affected most drastically. Adopting liberalized policy has become the commonplace for many Asian countries since the 1980s (Chan and Ma, 1996; Zhao, 1998; Hong and Hsu, 1999; Yan, 2000). Private ownership and more competition from foreign broadcasters in television industry have been granted permission. Asian broadcasters have been increasingly relying on commercial revenue sources other than government subsidies or license fees. Tremendous financial change has consequently driven and reinforced the alienation of television operators from the governments, especially when the latter's political interference prevented the former from high market returns. As many communication scholars have observed, media commercialization has resulted in "the distancing of television organizations from the state, the increase of autonomy in media operation, and the undercutting of ideological uses of television" (Nanjundaiah, 1995; Voraseth, 1995; McDaniel, 1994; cited in Chan, 1996, p. 49).

In China, the television sector has also experienced these changes attributed to its rapid commercial development. After the government adopted the economic reforms that introduced the market logic into the party-controlled media system, Chinese television plunged into "the deep ocean of commercialism" (Lee et al., 2008, p. 598). There was a growing body

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of literature that documented the symptoms of Chinese television's commercialization, ranging from the changes of institutional structure (i.e. the introduction of commercial advertisement), professional practice (i.e. being more dependent on market responses), to program formats and content (i.e. a rapid increase in the number of entertainment formats) (Thomas, 2005; Zhao, 2008; Sen, 2008). These commercial changes have invoked much attention and are believed by some scholars to constitute a powerful force in providing more autonomy to Chinese television workers and encouraging the growing distance of Chinese television from the state's control (Zhang, 2006; Zeng, 2005; Meng, 2001).

There has been an emphasis on the "de-monopolization" of Chinese television in a post-WTO period. The China's accession into the World Trade Organization (WTO) has been widely treated as a crisis for the once stable and heavily monopolized broadcasting system in China (Keane, 2007), signifying intensified commercialism as well as the possible intrusion of foreign competitors. There have been increased worries that Chinese openness to Western corporations would cause an overwhelming number of Western media content shown on domestic screen with fewer restrictions and China would begin entering a very dangerous period full of cultural threats coming from Western capitalist values and ideologies. As Zhang (2006) points out, in order to be in line with WTO principles, 127 pieces of policy were abolished by the State Administration of Radio Film and Television (SARFT). More than 30 transnational television channels are permitted to broadcast in higher than 3-star hotels (2006, p. 66). The growing challenge of direct foreign competition can be expected in a very near future.

In general, it has always been assumed that commerce goes against the established power. "Politics" and the "market" are the two opposing forces that always operate as 'push-and-pull' factors in such circumstances (He, 1998). Commercial reforms have thus been considered as catalysts for breaking up government communication monopolies. Although the inherent antagonism between these two forces is significant in understanding the state-market context, the dynamics between these two forces are sometimes too complicated to be able to make such an argument that Chinese television regulation will ultimately become liberalized because of the "liberalizing" force of the market. Some studies have observed that, in a post-WTO era, Chinese media actually attempts to enhance market appeal by softening explicit propaganda messages (Zhao, 2008; Lee et al., 2008; Fung, 2008). For example, Lee et al. (2008) argue that Chinese press has been conglomerated into 'Publicity Inc's to possess a two-tier operation system to remain its propaganda work, which means that the 'parent papers' are oriented toward the wishes of the party bosses while the 'offspring papers' cater to the wants of the masses. Within such an innovative operation, Chinese newspaper has been able to serve the party while please the market at the same time. "This institutional innovation can be viewed as part of the state policy in which power marries money in a tacit manner" (2008, p. 3).

Having similar point of views with those of the above-mentioned studies, this essay attempts to rich these arguments by investigating some interesting phenomenon taken place in the sector of Chinese television. This article examines the intricacies of Chinese television's commercialization process in a post-WTO era. It examines the manner in which two important market-oriented television reform policies have been adopted, namely "Separation of TV program Production and Broadcasting (STVPB)" and "Broadcasting Consolidation and Reorganization (BCR)". It also examines how these market-oriented policies have been implemented with specific Chinese characteristics and how they have influenced the operation of Chinese broadcasting market. With the empirical findings obtained from the fieldwork conducted in the Chinese television organizations, this article argues that the market-oriented television reforms in the post-WTO period are very likely to provide the conditions for the co-existence or co-operation of politics and the market. In particular, it is suggested that an increase in the marketable operations of television workers does not necessarily imply that the state's control power is sacrificed. The effectiveness of state regulation has not been weakened, but been strengthened through the adoption of market-oriented reform policies. Under such circumstances, the future of Chinese television is less likely to evolve into a free competition mechanism, but more likely into a pattern in which state-owned media have quickly gained monopoly over the country's market while private media have been led to a cooperative, albeit less ideologically and culturally antagonistic, relationship with the former.

2. Research methodology

The fieldwork employed three types of research methods to learn the television organizations in Beijing. The first method was in-depth interview. A wide range of staffs have been interviewed, including the managers, producers and directors at state-owned TV stations (i.e. CCTV Central China TV and BTV Beijing TV) and private TV production organizations (i.e. Guangxian, Yinhan and Guanhua). Through the assistance of personal connections, such as previous colleagues, the author was given permission to hold a "multiple re-entry pass" to enter the buildings in which some TV stations are located and to gain valuable opportunities to regularly interview the staff who worked inside. The second research method "participant observation" was employed to learn the work of television operators, for example, by sitting to one side and observing the details of the whole process of content creation, from the topic selection, discussion, shooting and editing to the final step of censorship. However, doing formal interviews and taking participant observation are insufficient to know well about how media works. Some inside stories, especially when it comes to sensitive issues about censorship, usually cannot be told when the informant first gets to

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1 Beijing was selected as a research site because some important TV organizations are located over there. For example, CCTV, the most important Party's mouthpiece, is set at the center of Beijing. Besides, most of the private television production houses are centered in Beijing due to the outstanding conditions offered by this city, such as talents, experts and financial resources (Fu, 2007).

2 Guangxian and Yinhan are two top-ranking private production companies in China. Guanhua is another production company founded by Wang Jianping, one of the ex-founders of Yinhan. The founders of these three companies are representatives of Chinese private producer.
know the interviewer. Therefore the author spent 4 months in these television organizations, regularly attending their meetings and building a good relationship with the staff. Besides, the author held “informal discussions” with the staff during their breaks and worked to build their trust by sharing her own media experiences. Through such efforts, the author was informed about many inside stories to do with censorship. But all the interviewees asked for an anonymous interview. Furthermore, “documentary research” was employed as the third research method. Some archives and internal reports in these television organizations had been documented while the author was staying in Beijing. In addition, the author has conducted extensive archival research in Chinese national libraries in order to obtain more knowledge about China’s television and has monitored both television and film content during the period of fieldwork.

3. Television regulation in China (marketization vs. political control)

In order to examine the policy-making and policy-implementation processes of the two reform policies, some important features of Chinese TV regulation need to be briefly summarized here. Overall, the current regulation environment of Chinese television can be featured as the dilemma over whether ‘to let television serve as a political mouthpiece’ or ‘to let television operate as a marketized enterprise’. This regulatory dilemma has always been reflected by the fact that the Chinese government adopts politics-first and market-promoting policies at the same time. Influenced by such contradictory regulation policies, Chinese television operators have always been requested to consider “political-correctness” as their most important mission while they are also forced to pursue market revenues that are not closely related to their “political propaganda works”. This regulatory dilemma tends to be the result of Chinese officials’ contradictory attitudes toward the use of the television medium. How to exploit television and achieve a balance between “politics” and “market” has heavily influenced the policy-making process.

In China, the political usage of television has been accentuated ever since television has been launched. Chinese television was born and developed as a party tool from the very beginning. Chairman Mao Zedong often spoke of the importance of the mass media and regarded it as a weapon for class struggle. Based on his ideas, television in China has become a loyal servant of the party-state (Hong, 1998). The National broadcasting system has also been built with a hierarchy that is compatible with that of political administration, from which central directives are easily delivered and passed down from a central authority to the local arena. Moreover, China employs rather strict censorship to ensure the “political correctness” of programs in order to protect its political stability. The first few statements of the policy entitled “Examination Procedures for Television Dramas” issued by the SARFT note: “The competent authorities must improve their political consciousness. . .strictly examine the political standards of television dramas. . .to protect television dramas against a wrong political orientation. . .let them offer a better service for the Socialist Reform, Opening-up and Modernization” (SARFT, 2007).

Nevertheless, the commercial development of Chinese television has gradually gained importance after Deng Xiaoping ushered in market reforms starting in 1978. Television in China has entered a new stage of rapid development and consumption. There is a rapidly increasing demand for highly or fully commercialized television services. A total of 676 TV stations were established in 1992, with one national broadcaster, – CCTV (China Central Television), 30 provincial stations, 295 municipal stations and 350 county stations (People’s Daily, 1992). Data from UNESCO (1999) show that almost 32.1% of the population, approximately 400 million people, had TV receivers in 1997. Two years later in 1999, almost 90% of households, numbering more than 1.1 billion, possessed at least one TV receiver. Since it became impossible to continue providing financial support to so many television stations, the government began to cut its budget during the reform period. Since then, state broadcasters have increasingly begun to rely on advertising revenues and subscription fees. Once excessive political interventions now seem to be more and more incompatible with the marketable operation of television. Commercialized broadcasters have gradually begun to pursue their own economic interests rather than working together with the government to meet the same objective. Local broadcasters, for instance, have often been found to illegally air foreign programs beyond their limits in order to attract more audiences (Guo, 2003).

Faced with the non-cooperation of local broadcasters, the government has found it increasingly difficult to request for them to closely ensure political correctness without providing sufficient financial support. As the media market becomes increasingly liberalized, the Chinese state still wants to maintain political control over television. Although the commercial function of television has been widely acknowledged by television operators, the Chinese state is reluctant to grant it official acceptance and continues to stress the political and cultural functions of television. As a result, the two contradictory positions held by the Chinese state have formed a situation in which the television system in China generally does not operate with a purely commercial or market-driven mechanism, but has to reconcile between the market rules and political supervision, in other words between two contradictory value systems – the market and the planned systems. It is no wonder then that the Chinese government’s policies have swung between promoting economic deregulation and preserving political and cultural regulation. These contradictory policies are the evidence of the hesitant attitude of the Chinese government to loosen its control over the television medium.

4. Television reform with “Chinese Characteristics” (Chanye Hua ≠ commercialization)

The situation has changed when China is prepared to meet the foreseen growth of commercialism after its accession into the WTO. It has been a difficult step for the Chinese officials to finally affirm the commercial function of television. Chinese
officials have been sensitive about the use of such terms as “media commercialization” to indicate the ongoing market-oriented television reform. Instead, the term “Chanye Hua” (marketization) has been used more frequently. The former term tends to fit with the occurrences of deregulation, privatization and liberalization of television which the Chinese state is reluctant to see, while the latter tends to stress the necessity of providing commercialized television services other than the private ownership and liberalized operation of television. Guo (2004, p. 9) has commented that “commercialization” is a word that is condemned in China, as it places too much emphasis on the profit-seeking incentives of television and weakens its traditional function—to serve as the party’s mouthpiece. In finding a rather political inoffensive and neutral word in Chinese, “Chanye Hua” provides the proper balance between the political and commercial functions of television, and was finally accepted by the new generation in the Chinese authority who face the increasing challenges that have been brought about by China’s entry into the WTO.

The creation of the concept of Chanye Hua has reflected the typical characteristics of Chinese TV history. From the moment that Huang and Ding (1997) first put forward this concept to its final acceptance of use by the Chinese media authorities, the bumpy formation process has endowed the term Chanye Hua with meanings beyond what its literal translation can deliver. So far there has been no agreement on the most appropriate English translation of the term, as the literal translation to “industrialization” does not seem to accurately indicate the potential meaning associated with the Chinese term. Guo (2004) has pointed out that the original meaning of “Chanye Hua” actually gives voice to Chinese television actors who pursue a break from the state’s ideological control for their relative independence in a highly marketized environment. However, these statements have touched a sensitive nerve among the Chinese authorities since this poses a challenge to the political function of television that it should be a party mouthpiece. In order to guarantee the political harmlessness of the concept, in a series of later modifications to the term Chanye Hua, Chinese scholars have avoided mentioning any information that might undermine the ideological function of television but instead, highlight the fact that Chanye Hua refers to the transition process of Chinese television from operating like a non-profit institution into a business-like state industry. In the meantime, the new generation of Chinese leadership is faced with intensified commercialism due to its accession to the WTO and has therefore gradually become “desensitized” to such words. In 2002, the term Chanye Hua first appeared in the party’s highest level official documents and has now become the mainstream and orthodox concept in Chinese television.4

These unique Chinese characteristics have yielded a situation where the market-oriented Chanye Hua reform of Chinese television must proceed with some preconditions imposed, which are that: (1) the ownership of television remains state-controlled and (2) the ideological function of television remains the foremost priority. Under such circumstances, Chinese television reform has to proceed with the consideration of both political and market interests. Through examining the policy-making and implementation processes of two newly-enacted Chanye Hua reform measures, STVPB and BCR, this article argues that such dual-interest reform measures are less likely to bring Chinese television into a free-competition mechanism in which various types of media capital are provided with fair opportunities. On the contrary, the state-owned capital in the broadcasting market can achieve rapid growth with a lopsided policy-orientation.

4.1. Separation of TV program production and broadcasting (STVPB)

Shortly before China’s accession into the WTO, the Separation of TV program Production and Broadcasting (STVPB) was adopted as an important Chanye Hua reform measure for the Chinese television system. The STVPB refers to the transfer of responsibility for producing television programs, which was traditionally taken on by state-owned TV stations, to privately-owned independent TV production companies. In the traditional television system, TV stations took charge of not only the assignment of program production but also that of broadcasting. They operated as both producers and broadcasters in the television market to maintain a direct state regulation within the whole system. With the practice of the policy STVPB, TV stations have now become mainly responsible for purchasing television programs from independent production companies, except for news programs, and arranging them for broadcasting.5

4.1.1. The formation of STVPB

This institutional shift toward independent production, as many studies claim, was issued by the State Administration of Radio, Film and Television (SARFT) to get rid of chronic maladies of the television system caused by the old planned economy

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3 “Marketization” has been used here to indicate “Chanye Hua” since it seems to be more appropriate than the words mentioned above, like “industrialization” or “commercialization”. Marketization not only distinguishes itself from commercialization as it does not necessarily or naturally link itself to private ownership of television but also highlights the implicit official attitude toward television that “shiyewater, qiyehuaguani”, which means that television ownership remains state-owned, the ideological function of television remains foremost, and the operation of television responds to market disciplines. Under such circumstances, Chinese characteristics have yielded the situation that Chinese TV regulation transits from a political-oriented pattern into a market-oriented one, but must proceed with these mentioned-above preconditions imposed.

4 During the Sixteenth Plenary Session of the CCP in November 2002, the term “Wenhua Chanye” (cultural industry) appeared in a report by Jiang Zemin. This was the first time the term “Chanye” appeared in an official document of the CCP. During the same month, Jiang said to an international group attending a broadcasting conference that Chinese television has been continuously undergoing a process of “Chanye Hua” (Liang, 2003). After this, state leaders legitimated the concept of “Chanye Hua” and its related discourse, and confirmed the “Chanye” attribute, namely the commercial function of television.

5 Although the main responsibility of program production has been transferred into the hands of the labor market, this does not mean that TV stations will no longer produce programs by themselves. In a later period of STVPB, TV stations sometimes produce low-cost programs by themselves in order to ensure that these programs have a better fit with the channel’s features.
In the old system, TV stations were primarily dependent on government’s financial support. What they produced should be consistent with officials’ instructions rather than responsive to market demand. Ensuring that all the broadcasted programs were politically safe was the most important job for television workers. Without incentive to find out what audiences truly preferred, the television workers soon lost their acuteness to real market demand. This has not only led to the low efficiency of state TV stations but also made lots of television programs unpopular among the Chinese viewers. As an outsourcing model in which production is sub-contracted out to the independent sector has come into practice in the post-WTO period, the Chinese television market has no longer been bored with political-corrective contents, instead, been enriched with various market-desirable cultural formats, such as creative entertainment genres (Keane, 2007). The following years have witnessed an immediately activated television market after many independent producers who are quite in tune with the market have participated in.

Though it cannot be denied that, as many studies have proclaimed, the nature of the market serves for one of the catalysts for such an institutional change (Xu, 2000; Guo, 2001; Xiong and Liu, 2002). However, this article seeks to argue that the anxiety of party-state is an underestimated influential factor for introducing independent production in China. The traditional in-house system was not reorganized to allow the farming-out of production to independent producers until the Chinese party-state has to cope with the global competition caused by its accession to WTO.

Independent production has its prototype derived from a US “publishing model” in which production is sub-contracted out to the independent sector. The US network television initiated such a business model during the 1950s. The independent production moment occurred in Europe during the 1990s due to the privatization of public channels and the licensing of new commercial channels (Keane et al., 2007, p. 194). Nevertheless, it occurred in China much later due to a propensity to maintain control of content. As some scholars noticed, during the late 1980s and early 1990s, there had already a huge demand for the independent production in mainland China (Guo, 2001). The party-state was not responsive to such a demand at the time, and the relevant policy was only issued when the party-state was compelled by the pressure to cope with the relevant WTO principles.

According to the WTO ‘National Treatment Principle’, foreigners are given with the same treatment as one’s own nationals in the service area which government has made a commitment to this. This means that some old television policies in China, such as No. 16, which forbade both domestic private and foreign organizations from engaging in the area of television production, has to be abolished as it conflicts with this principle. China has made commitments in the Audio-visual service, “Subject to China’s right of content censorship of audiovisual products, foreign service providers are permitted to set joint ventures (they must comply with relevant Chinese regulations) and engage in distributing and selling of audiovisual products (excluding movies)” (State Council, 2002). As a result, in 2004, new policies, including No. 34 and No. 44, were enacted to allow foreign broadcasters to participate in the area of television production and to set up joint venture companies with domestic partners. Since it is inevitable that foreign competitors will come, it is understandable that the reform policy STVPB was adopted by the Chinese party-state as a temporary expedient to allow domestic private investments to join in first and the foreign ones later. Just before China’s accession to the WTO, the STVPB policy was put into practice. Local privately-owned independent TV production companies were thus encouraged to grow quickly under such circumstances.

Xu Guangchun, the vice minister of the Publicity Department of the CCP Central Committee and director of SARFT, has confirmed that:

“We need to utilize the WTO’s relevant regulations well in order to protect our national culture and broadcasting industry...we should carefully examine these regulations, such as the National Treatment Principle, to protect ourselves...we should first open up to local participants any area that will inevitably be opened up to foreigners; we should first permit domestic private investment in any sector that will inevitably be permitted foreign investment (Xu, 2002). The independent production has been granted permission until the party-state faces the external pressure, though the Chinese market has already had such a demand. The hesitance of the party-state to open up to domestic private capital is evidenced by its postponement of the practice of STVPB policy. Therefore, this article argues that the reform policy for privatizing the television production area acts more as a temporary expedient that has been adopted by the party-state as a way of coping with global competition. This reform policy lacks a well-formed basis of upholding commercial development from the beginning, and very possibly results in an unbalanced relationship between the private sellers and the state buyers.

4.1.2. The implications of STVPB

The STVPB has not been carried out under purely commercial conditions in China since this reform measure is not able to touch the deeper layers of the television system. The two most important parts of the industrial chain – the right to broadcasting and censorship – are still tightly controlled by the state. This means that only a part of program production has been opened up to private capital. Meanwhile, a direct result of the STVPB is a transfer of production risks from TV stations to independent TV production companies, as the latter lacks sufficient support from the authorities. Independent producers

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6 This principle is formulated in GATT Article 3. It is also found in the other two main WTO agreements (GATS Article 17 and TRIPS Article 3). Details can be read from WTO website: http://www.wto.org/english/tratop_e/tiont_e/treatment_e/tntps_e.htm (accessed 20.10.10).


have to resort to strict self-censorship since they are uncertain how far they can go and would rather self-consciously follow the state’s ideological guidelines than incur the risk of having to pay a political penalty.\

4.1.2.1. Risk transition. Independent TV production companies, which include domestic private production houses and joint ventures with partial investments by foreign media, have been placed at a disadvantage due to the absence of equal policy protection as that offered to TV stations. Domestic private producers lack sufficient and stable funding due to the uncertainty of whether their programs will pass the state’s censorship and be selected to be aired by TV stations. Foreign producers face a greater hurdle because they are regulated by more restricted policies in various aspects, such as market permission conditions, the percentage of a joint venture’s shareholdings, personnel structures, the content of program manuscripts and application procedures for obtaining a Television Program Production License. State-owned TV stations, however, have been authorized by the party-state to continue possessing a monopoly over broadcasting channels, which places them in a dominant position when collaborating with private companies.

Despite this, in most cases of cooperation between TV stations and private companies, the agreements that are signed unequally restrict the program suppliers more so than the buyers. TV stations can always arbitrarily depress the selling price of the ready-made programs of private producers and cancel contracts through blunt excuses like a political ban from the party censors. The cost for producing a sample program has to be undertaken by private producers. TV stations even reserve the right to the profits of re-broadcasting, which are not distributed to the producers. The author was informed by a private producer in Beijing that the withdrawal of the program *Entertainment Live* (Yu Le Xian Chang) from Beijing TV4 in 2005 was a typical example due to this reason. Their producers were forced to withdraw due to the unfair conditions imposed by the Beijing TV station.

Some informal discussions with people working in these private production companies have also provided a vivid picture for understanding their tough lives. Many workers in private companies once worked in the state-owned TV stations. They decided to leave as they had encountered too many restrictions in these TV stations and thought that they would be freer and have more space if they did it by themselves. However, what awaited them was a much narrower path and a tougher situation of survival. Previously, they had only been responsible and worked for one TV station. The leaders of the TV station would help them to negotiate with the television officials if the program produced by them was refused by the censors. However, when they moved to private companies, the traditional employers now became potential buyers. “If the program is refused by the censors again, no one will stand up to help you. If you refuse to revise it according to the official requirements, no one will buy your program and you lose everything. Independent production is really tough!” These are the comments of my interviewees from independent production houses.\

Consequently, the practice of STVPB has transferred the production risk, mainly caused by poor topic selection, poor program quality and unfavorable censorship feedback, from TV stations to independent production companies. It may seem like an exciting development that private producers are now granted admission into the area of television production which has all along been monopolized by state workers. However, empirically, private producers have to choose to cooperate or even rely upon the TV stations in order to minimize their production risks and to increase the likelihood that their programs will be broadcasted. As a result, independent production companies have to be much more cautious in treating their relationships with TV stations and tend to become more and more passive. Currently in China, the most common manner of producing TV programs for independent producers is not independent production, but predominantly cooperation with state-owned TV stations or with semi-government bodies, such as the China Media Group (CMG) and Shanghai Media Group (SMG).

4.1.2.2. Political self-consciousness. The content creation of independent TV production companies has thus become more subjective to official ideological requirements due to their disadvantaged position. If the frequency of the program that is refused is high, the cost of production increases as well. Independent production companies have to choose topics that are the most unlikely to be refused by censors. A Socialist Mainstream Melody highly recommended by television officials has consequently been the one that independent producers find hard to avoid, or that they feel is the safest choice for them.

Socialist Mainstream Melody (*shelui zhuyi zhuuxianlv*) has been defined as a genre to promote the social benefits of television programs over economic profit, superior education and orientation over enjoyment, serious drama over farce, products that use local actors over those that use foreigners (*Yin*, 2002). Because of the excessive political usage of television by the Chinese government, mainstream programs that predominantly promote socialism, collectivism and nationalism always appear to be ideologically overbearing and sermonic to Chinese audiences. On the contrary, as *Yang* (2003) has pointed out, the

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9 Most of the findings about the implications of STVPB come from my data obtained when I conducted a fieldwork in Beijing during Oct 2007 to Jan 2008. My interviewees were chosen from the workers both in state-owned TV stations, private independent production companies as well as the branches of foreign media in Beijing.

10 Similar phenomena have also been documented by *Zhong* (2001), *Wang* and *Li* (2004) and *Xia* and *Guo* (2006). Their studies were conducted in other private production houses and their interviewees had similar complaints.

11 “Socialist Mainstream Melody” is not a specifically-defined term in the extant Chinese literature. It has always been used by the Chinese to generally indicate cultural products that promote nationalism, collectivism and socialism. I have widely researched the extant literature for its specific definition. However, very few studies have done so. *Yin* (2002) is one who has provided a specific definition. Since this term has a very wide range of meanings, it may be explained in different ways by different people. The criteria of how to gauge “Socialist Mainstream Melody” depend on how media officials interpret it and how a specific cultural product has been interpreted by audiences.
commercial genre, what audiences love, as opposed to the mainstream melody, pursues emotional involvement and value consistency with audiences in order to seek high market responses and economic returns.

While the central authority imposes its own content preferences upon independent commercial producers, it is a great expense for them to follow the official requirements as this may lead to a loss in ratings. A special narrative strategy featured as political self-consciousness, which I conceptualize as “juxtaposition”, has been creatively and widely employed by independent producers to negotiate with official censors.

Juxtaposition is a way that combines the spirit of the Socialist Mainstream Melody with the expressive techniques of the commercial style. It has been proven that juxtaposition is an effective way for commercial operators to fulfill political requirements and achieve economic profits at the same time. Programs that portray heroes, CCP members, policemen and soldiers illustrate this well. Take Drawing Sword (Liang Jian) for instance. It is a top-rated and popular Chinese TV drama in 2005 which is produced by a well known private production company in China Hai Run Movies and TV Production Company. This drama uses a lot of commercial presentation skills to depict a traditional mainstream theme – that of the altruistic spirit and positive image of CCP members.

Unlike traditional mainstream dramas in which CCP members are depicted as unrealistic ideal heroes and as such, are not accepted by audiences, the leading character in Drawing Sword Li Yunlong, is portrayed as a normal and adorable person who simultaneously possesses strengths as well as shortcomings. Traditional mainstream dramas tend to adopt a “Gao Da Quan” portrayal of CCP heroes who behave flawlessly and sacrifice themselves to fulfill national tasks without hesitation. Such a “God-like” image attributed to CCP heroes always seem unreal and out of reach to audiences. Examples include the mainstream drama Kong Fansen, where Kong frequently goes to remote Tibet for the party’s work but leaves his aged mother alone and uncared for; in the drama The World of Jiang Shuqin, Jiang decides to assist another woman in childbirth in the middle of the night despite the fact that she herself is going to give birth as well. Being unbelievable, audiences stay away from the programs that portray these ‘selfless’ behaviors of CCP heroes. Compared to these traditional mainstream dramas, Drawing Sword is attractive to audiences as Li Yunlong’s personality is somewhat “common” or “secular”. He is not a perfect hero, but he is a righteous and fearless soldier with some ‘blemishes’. Although Li is depicted as an uncouth soldier who likes to curse and swear, he is accommodating to his wife and comrades; although a little egoistic with his personal desires, he is duteous and loyal to the nation. He is not a soldier with self discipline and violates army rules from time to time, but he robs advanced weapons and leather coats from Japanese enemy and shares these booties with his poor soldiers who suffer from hunger and cold.

Drawing Sword appears interesting to the audiences because it gives a vivid portrayal of CCP heroes who have anxieties, fears, desires and passions just like ordinary persons. It redefines the “CCP hero” and successfully enables audiences to sympathize with him easily and accept what the Mainstream Melody wants the former to know. It does this by making use of the Juxtaposition strategy to employ the commercial expression techniques—giving a humanizing image to CCP members.

In recent years, the authority also realizes that the ‘propaganda work’ is hardly effective if it continues to lose audiences. Juxtaposition has been widely adopted by independent producers since it is not only easier to pass the censorship process with it, but also regulators hope to use juxtaposition as an effective method to promote political ideology. Since the success of Drawing Sword, it can be apparently observed that a lot of private production companies have become interested in shooting the ‘Red Classics’ TV dramas. Examples are Soldiers Sortie (Shibing Tuji) and My Colonel and My Corps (Wo De Tuanzhang Wo De Tuan), gaining huge popularity in the last 2 years. In order to pass the censorship process more easily, independent producers have even started designing entertainment programs with politically-right topics, such as adding in the reports of movie stars’ activities to show support to Beijing Olympic Games and their words to call on patriotic values among the adolescent. Undertaking a higher degree of production risk has consequently forced independent producers to closely follow the ideological guidelines. Their programs sometimes tend to be even more conservative (or left) than those produced by TV stations. Juxtaposition has thus been the safest narrative strategy employed by them to achieve programs’ popularity and political-correctness at the same time.

In theory, it may seem like an exciting development that independent production is now granted admission into the television framework which has all along been monopolized by state workers. However, empirically, independent producers have to choose to cooperate or even rely upon the state-owned TV stations to minimize their production risks caused by the rude censorship. Ironically, the most common manner for programing of independent producers in China is not independent production, but predominantly cooperation with state-owned TV stations or with semi-government bodies, such as the China Media Group (CMG) and Shanghai Media Group (SMG). Within such a cooperation pattern, private producers either cooperate with state broadcasters with the programs’ copyright reserved to the former, or even become a sub-company of the TV station. Few of them can survive independently and continue providing their own programs to the market.

Consequently, state broadcasters have been provided favorable conditions to achieve market dominant positions. In 2005, programs made by private producers alone made up a total of 2100 h, only 16% of total programing in China’s media market. In contrast, programs with copyright reserved to TV stations13 made up 11,170 h, 84% of total programing. According to the data collected by CSM media research, more than 90% of television entertainment programs are made by TV stations, with 4.5% coming from CCTV, 52.1% from provincial TV stations and the rest, 10%, from private producers (Xie, 2007). Another survey conducted by CSM media research showed that among the eight largest production companies that have been responsible for more

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12 Gao Da Quan refers to a traditional image of CCP member portrayed by the mainstream program who is depicted to be too perfect to be a real man and too unrealistic to be accepted by ordinary audiences.

13 In the following, it is shortly rephrased as “the programs made by TV stations”.

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than 20% of total programming hours in China, only one is an independent production company while the rest, 7 production companies, are either state-invested or under the direct control of TV stations (SARFT, 2006, p. 171). Overall, private producers have suffered from a drop of circulation while state broadcasters have possessed absolute advantages in China's media market.

4.2. Broadcasting consolidation and reorganization (BCR)

Broadcasting consolidation and reorganization (BCR) is another significant Chanye Hua reform measure that has been adopted by the SARFT. As stipulated by the No. 82 Document, in the late 1990s; the four-tiered national TV network linking the central, provincial, municipal and county levels was ordered to cease operations. A two-tiered network serving TV stations at the central and provincial levels was instituted as a substitute. Meanwhile, TV stations in a region, including terrestrial, cable and educational TV stations as well as other types of broadcast media such as radio stations, film companies and internet service providers, are now required to combine forces and reorganize as large broadcasting groups. From 1997 to 1998, the number of TV stations was drastically reduced from 923 to 347, with an acute decrease of 576 in just one year (Huang, 2001). In addition, the number of consolidated broadcasting groups rapidly increased from 0 to 18, with one at the central level, 11 at the provincial level and 6 at the city level (Liu, 2007).

4.2.1. The formation of BCR

BCR has been adopted by SARFT as a defensive strategy to cope with the giant transnational broadcasters that may enter China after its accession into the WTO. Chinese academics fear that the entry of transnational media giants will pose a huge challenge to China by monopolizing the Chinese domestic media market and replacing Chinese traditional cultures with Western ones (Wu, 2003; Zeng, 2005; Zhang, 2006). As Chinese television seems to be too vulnerable to resist these kinds of challenges, building its own broadcasting “aircraft carriers” seems to be a reasonable measure for coping with these competitors.

The entry of foreign media into China has been rapid since the beginning of this century. From 2001 to the present, more than 30 foreign channels have been granted access into Chinese above 3-star hotels and foreign affairs departments, including the Chinese Entertainment TV, Phoenix Chinese, CNN Finance, STAR TV and MTV. More than 200 satellite television companies are still awaiting the opportunity to exploit the huge Chinese market. According to the data collected by SARFT, Star TV has opened nine channels in China so far and its joint-stock company Phoenix Satellite TV has enjoyed an increasing influence among Chinese audiences; Viacom’s MTV subscribers in Guangdong have been reported to have reached 10 million by mid-2005. In the same year, Time Warner’s HBO began to provide 5-h programs for 78 pay-TV channels throughout China (SARFT, 2006). Chinese television appears to be too weak to compete with these companies. The annual income of the largest broadcasting group in China, China Media Group (CMG), is just about 11 billion RMB while the annual revenue of AOL-Time Warner has already reached as high as 27 billion US dollars, almost 18 times higher than that of CMG (Liu, 2007, p. 111). Such data have prompted a common belief that if the expansion of the media giants is going to be intensified, the vulnerable television industry in China cannot withstand such an onslaught.

In learning from overseas experiences, the idea of forming its own broadcasting “aircraft carriers” has emerged as a way for the Chinese government to make Chinese television larger and stronger. As many Chinese scholars have pointed out, the most important reason why these foreign media giants appear to be so competitive is that they operate as conglomerates rather than as individual skirmishers. In a global wave of consolidation in the 1990s, which was a process of absorption of small competitors and the integration of all means of media circulation, some broadcasters had grown quickly to control the majority of the global media market. AOL-Time Warner, Viacom and News Corp are some of the best-known cases. On the other hand, Chinese television has all along been manipulated as a political propaganda tool rather than treated as a commercial enterprise. Excessive political usage of television has prevented it from developing into a large-scale competitive industry. Now there is an urgent need to build broadcasting groups to resist the “foreign invasion”. China’s entry into the WTO serves as an opportunity as well as an external pressure for boosting the broadcast consolidation.

Moreover, the non-cooperation of local power is another impetus for SARFT to reorganize the national television system. SARFT has attempted to retrieve its centralized power by dismantling local forces of resistance. For a long time, the Chinese television system has been segmented into four levels in order to coordinate its political administration. TV stations at each level are regulated by the corresponding local authorities and the SARFT is supposed to be the highest level supervisor. However, due to the sheer size of the television industry in China, the local authorities are always concerned about regional economic interests rather than closely following the central guidelines. Their non-cooperation and the conflicts of local protection have made it extremely difficult for SARFT to maintain its centralized power. Cutting down on redundant TV stations has thus been considered to be an immediately effective measure for retrieving its power.

Within the traditional four-tiered television system, a large number of TV stations have caused a mass of disorder. Regional officials tend to excessively utilize local TV stations as their personal propaganda tools. They praise their political achievements and magnify their local influence, but rarely fulfill their assignments to deliver central directives. Allured by huge market revenues, local TV stations often illegally transmit foreign satellite TV signals and insert their own advertisements regardless of central regulations. The case of illegally transmitting Hong Kong television programs in Guangdong province was once a major problem for SARFT. Besides, as Xu (2000) has pointed out, in order to benefit from the support of regional political interests, local TV stations even employ a large number of family members of regional leaders in spite of their professional incapacities. As a result, a drastically increased number of local TV stations during the period from the 1980s to the
The politically segmented television system in China and the intense tensions between the political powers of various districts have finally resulted in the problematic linkage between the central and the local. Television operators have been restricted from cooperating across administrative boundaries. The whole Chinese television industry has always appeared to be dispersive, small-scale and rough-and-tumble. In contrast, the Western media giants have already become remarkably strong through media consolidation few decades ago. Faced with external intimidation, the dismantling of local forces of resistance can help the central government to re-centralize its control power, to reduce the excessive number of TV stations as well as to pave a smooth path for the future plan of building its own broadcasting groups.

4.2.2. The implications of BCR

The BCR of Chinese television has been subjected to political factors more than to economic ones. It is better to regard the BCR as an “administrative consolidation” rather than a market-determined combination. The central government is so anxious to maximize the scale of its broadcasting system in order to quickly catch up with Western media giants, but it neglects the fact that “larger” does not necessarily mean “stronger” and that it should be prepared with sophisticated market conditions. As a result, this market-oriented but politically-pushed reform measure has heavily restricted the commercial operation of Chinese television workers and the implementation process has proceeded with many problems.

First, BCR causes a disordered distribution of interests and resources. The consolidation is not negotiated by the members within a broadcasting group but rather, commanded by political orders from above. As the lower level TV stations are absorbed into higher level TV stations, the relevant interests and resources are difficult to reallocate because the business of higher level TV stations has not changed much while unwanted personnel have been forcibly added to them. Second, BCR is aimed at increasing the marketized operation of these broadcasting groups, but it in fact results in heavier political intervention than before. With the vast reduction in the number of TV stations, it is now easier for the government to exercise its regulatory power on local commercial media workers. This change has resulted in local commercial producers becoming so closely supervised that they now pay more attention to the “political correctness” of their programs. An ex-producer of Super Girl, the most influential Talent Show made by Hunan TV station in 2005, revealed that “I was famous for being rather active in programing entertainment shows... at present, I would rather be careful since we [producers at Hunan TV station] are more closely regulated by SARFT”. More political interference on the content creation of local commercial producers can be clearly observed by the next season of Super Girl in 2006. Hunan TV invited a soldier to write a song named Eight Dos and Eight Don’ts for younger players to perform in an opening show. Eight Dos and Eight Don’ts were well known as an official version of Socialist concepts of honor and disgrace. The lyrics were written like this:

“Love, do not harm the motherland; Serve, do not disserve the people; Work hard, don’t be lazy and hate work; Be united and help each other, don’t gain benefits at the expense of others; Be honest and trustworthy, don’t chase profit at the expense of your values; Be disciplined and law-abiding, don’t break laws and violate disciplines; Know plain living and hard struggle; do not wallow in luxuries and pleasures”.

Although the lyrics sound a bit unfit to certain entertainment shows, such mainstream slogan in fact pleased the central officials. Hunan TV Station invited less interference afterward and was allowed to conduct a similar talent show called Happy Boy in 2007.

These phenomena clearly indicate the fact that a clear official attitude to detaching the political and commercial functions of television has yet to be confirmed within these broadcasting groups. The authorities are attempting to learn from the experiences of Western media giants. However, they have placed too much emphasis on the political function and still maintain the “state-owned” nature of television organizations. A reallocation of interests and resources pushed by administrative orders has broken the normal operation of TV stations. An increased level of intervention from the authorities within these broadcasting groups has also seriously impeded the freedom of local commercial producers. As Hu (2003) has pointed out, until now, most broadcasting groups have not yet been authorized with the right to independent management by the corresponding authorities. They remain under the direct control of the government, far from operating according to the market discipline. Too much political supervision not only limits cross-provincial cooperation but also the profit-distribution between these broadcasting groups. As Shi Tongyu commented at a 2005 City Television Development Forum, “the failure of broadcasting consolidation is largely due to the authorities’ unrealistic desires... it is a revisiting of “the Big Leap Forward Movement”. Such a market-oriented reform measure is hard to be successful” (Liu, 2007, p. 115).

Nevertheless, it cannot be denied that the excessive administrative interference has facilitated the rapid growth and monopolization of state-owned media resources. With the practice of BCR, broadcasting groups have quickly centralized the media resources from the hands of a large amount of local power, and have absorbed huge non-media investments by setting up their own listed companies. For example, in 1992, the Shanghai broadcasting industry invested 370 million Yuan to list its company, Shanghai Oriental Pearl Co. Ltd., on the stock market. The capital of the company increased incredibly to 3600 million Yuan in 2000, although it was not at all successful in its business (Sun, 2002). Another three poorly operated listed companies created by CCTV, Beijing TV and Hunan TV are also very profitable despite having a lot of potential problems, such as idle capital, a high rate of raising loans and poor debt solvency. This is mainly due to the “monopoly operation” and “special protection through state policies”, as noted by Gao (2002).
5. Conclusion

Since China's accession to WTO, Chinese government has adopted a series of market-oriented reform measures to make its adjustment. Reluctant to see the occurrences of private ownership and liberalized operation of television, Chinese authorities have made much effort to introduce a market mechanism into Chinese television while still maintaining the state's monopolistic control over it. The so-called Chanye Hua reform in post-WTO China has been pushed under such circumstances, thus has yielded the fact that excessive political intervention other than market principle plays a dominant role during the reform. Although the market-oriented reform has opened up the sphere of TV production to private producers, it has nevertheless also limited their operations by placing them in a powerless position. The processes of creating content, such as the selection of topics and the utilization of narrative strategies, have consequently become increasingly subjected to political influence from the party-state. On the contrary, the state broadcasters continue to benefit from market monopoly, enjoying the privileges guaranteed by the party-state's courtesy. Those administratively-consolidated Chinese broadcasting groups have been put at the top of TV system although they are short of sophisticated market conditions as well as independent operational power.

As it has mentioned earlier that market reforms have always been considered as catalysts for breaking up government communication monopolies, the empirical findings of Chanye Hua reform in the post-WTO China, nevertheless, do not seem to back up such arguments. On the contrary, it has been observed that there are no signs that the amount of political control is easing, despite the increased number of permitted private production organizations and more types of cooperative partnerships with state broadcasters. Instead, the Chinese state has continued to exercise strict control over market access as well as to scrutinize TV content and its release. The state's control power over the TV industry has not been weakened, but has been strengthened with the ongoing Chanye Hua reform. Such reform measures not only result in the continued monopolization of resources in the hands of state broadcasters but also cause a tendency that TV content, especially those produced by private producers, leans heavily toward ideological education. Within such a state-market context, the market-oriented reform measures, with empirical complexities, are less likely to move Chinese television into a free competition mechanism in the future, but more likely to bring it into a new stage in which state-owned media resources have been quickly centralized and strengthened while the private media have to choose to collaborate with and even depend on the former for survival and profit.

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