

MAPPING DIGITAL MEDIA: CHINA



Mapping Digital Media: China

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

WRITTEN BY

Hu Yong (lead researcher)
Fang Kun, Liu Yang, Iris Ha, Zhang Yuping, Wang Mengyao, Kathryn Nute
(researchers)

EDITED BY

Marius Dragomir and Mark Thompson (Open Society Media Program editors)
Graham Watts (regional editor)

EDITORIAL COMMISSION

Yuen-Ying Chan, Christian S. Nissen, Dušan Reljić, Russell Southwood,
Michael Starks, Damian Tambini

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OPEN SOCIETY MEDIA PROGRAM TEAM

Meijinder Kaur, program assistant; Morris Lipson, senior legal advisor;
and Gordana Jankovic, director

OPEN SOCIETY INFORMATION PROGRAM TEAM

Vera Franz, senior program manager; Darius Cuplinskas, director

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policymakers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switch-over from analog broadcasting to digital broadcasting;
- growth of new media platforms as sources of news;
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: China

Executive Summary

The story of media digitization in China is inseparable from the country's recent modernization. Probably nowhere else have so many other things been changing at the same time as the technological advances with which this study is concerned. And probably nowhere else has digitization flourished on such a scale in such a closed media environment. As a result, digitization has transformed the diversity of information and public opinion for many millions of people.

The government has been there from the start. From the founding of the People's Republic of China in 1949, through the analog age and more than a decade of digitization, party and state have owned, run, and disciplined the media and its practitioners. They have also driven and financed the transition from old to new technology, recognizing that digital media in general and the internet in particular are critical to the country's economic development and modernization. But they have not always had their way. The huge disparities of wealth and development across this vast country, from the rich east and south to the poor central and western provinces, have resulted in accessibility and usage gaps. And in many respects the authorities' hold on the boundaries of public discourse has slipped, despite efforts to maintain and even to tighten it.

The changes have been breathtaking. In the five years from 2005 to 2009, internet coverage more than tripled and mobile phone coverage almost doubled. As of December 2011, there were 513 million internet users, 155 million broadband subscribers, and over 1 billion mobile phone users in China, and the number of 3G phone subscribers—after nearly tripling to 128 million in just one year—exceeds the total populations of most other countries in this project.

At the same time, the internet is still beyond the reach of 800 million Chinese who rely almost exclusively on television for their information and entertainment, in particular the mammoth state broadcaster China Central Television (CCTV). But a sign of the profound changes taking place is that this year (2012) the time people spend on the internet is set to overtake that which they spend watching television.

China has the world's largest television market. It has established a digital terrestrial television broadcasting standard that will not only allow improved delivery to rural and urban areas, but also support mobile television, making possible television reception on buses, taxis, and even high-speed mass-transit trains.

In 2003 the government set a timetable for the switch-over from analog to digital. In January 2008, CCTV began a trial of digital terrestrial broadcasting in Beijing and by August of that year, eight cities were able to broadcast digital coverage of the Olympic Games. By 2009, more than 100 cities were broadcasting digital programs. By 2010, simulcast of analog and digital television was realized and by 2011 both standard and high-definition digital terrestrial television programs were being broadcast in all Chinese cities above prefecture level.

The government's plan is to begin slowly shutting down analog transmissions from 2015 and to discontinue them entirely in 2020. Because of gaps in economic development in different parts of the country—and therefore in broadcast infrastructure investment—the process has been patchy, with take-up behind schedule. By 2011 the number of digital terrestrial television users was just 12 million, so not even close to the 30 million that were planned by 2005.

By contrast, in 2011 China's cable television subscribers exceeded 200 million for the first time, while cable digital television (CDTV) household subscriptions topped 100 million, a household penetration rate of 57 percent.

The most far-reaching impact of digitization in China has not been on the broadcast front but in the many ways new technologies have undermined the state's long-standing monopoly on information and public opinion. Apart from the process officially known as "commercialization," involving reforms that began prior to digitization, and which has forced the mainstream media to pitch their services more at consumer tastes, there has been no fundamental change in the habits of the big broadcasters and newspapers. But there has been a veritable revolution in the interactive and user-generated world of forums (or "bulletin boards"), video sharing, social networks, blogs, and microblogs.

The last are of particular note. Similar to Twitter (which is blocked in China, though some people access it via proxy servers), Chinese microblogs (*weibo*) allow real-time limited character text, photo, and video communications to be delivered on the web and to mobile devices. What has helped their popularity is the fact that you can say a great deal more in 140 Chinese characters than you can using the Roman alphabet. But more than anything else, microblogging has for the first time allowed millions of Chinese to have a voice unfettered by the dictates of party and state propaganda and to receive mostly unfiltered news and commentary from millions of fellow netizens. Even though this discourse is interrupted and blocked at every turn, it is out there and difficult to stop entirely. Little wonder that by the end of 2011 more than 70 percent of China's half a billion internet users said they used the internet to get their news. And the explosive growth of microblogging is illustrated by the fact that while less than 14 percent of net users in 2010 said they went on such sites, a year later nearly half said they did. One of the things driving this is the user-friendly nature of many of these sites. Indeed, China leads the West in a number of Web 2.0 technologies and applications.

The liberating influence of user-generated digital media is also where the greatest effects on journalism can be found. Away from the constraints of party-guided newsrooms, journalists have turned themselves into bloggers, finding outlets for stories they cannot publish in their employers' columns or web pages and collaborating with each other in investigations and campaigns. And there they rub cyber-shoulders with citizen journalists and online maverick voices. Microbloggers break news; they link a vast network of educated Chinese in real time to the events and issues of the moment; they expose wrongdoing and corruption; and they campaign for the victims of arbitrary power, sometimes in person. In doing so, their reports remain beyond the reach of editor-censors as they are forwarded instantly across cyberspace. Digital media have helped reporters and citizens alike to realize a more authentic China, rather than the idealistic image that is propagated by official media sources. These trends bring with them the promise of further development of an independent and vibrant Chinese civil society.

As part of this, some sensitive and neglected issues have been given an airing as minority voices have been able to express themselves, but only in a limited fashion. The vast majority of the poor and ethnic minorities, and those with unconventional social and sexual behavior, remain in effect without a voice, not least because many have no access even to simple digital media. At the same time, internet media have provided an environment for a polarization of ethnic communities and cultural movements.

In the more mainstream media,¹ shifts in the way newspapers and broadcasters are managed have led to a conflict between ideological guidance on the one hand and commercial considerations in news production on the other—propaganda versus profit. China has a unique media system in which the party and state own all major media companies, including newspapers and magazines, publishing houses, television and radio stations, and internet networks. At the same time, the media take commercial advantage of the political favors conferred by state ownership and turn some of that profit to the fulfillment of ideological tasks.

The biggest change in the Chinese news media over the past 20 years has been “commercialization,” mentioned above. The party and state have suspended financial support for the media since the economic reforms. The advertising industry was restored (advertising in China was halted for three decades following the Chinese Communist Party's (CCP) ascent to power in 1949), providing the news media with the challenge and opportunity to support themselves from the revenue they are able to generate. These two initiatives have totally changed the political economy of the media.

In addition to some of the positive benefits this has brought, the market incentive has contributed, as it has done elsewhere, to a decline in professionalism and, in some cases, in content quality and in journalism ethics.

1. Mainstream media, in China's political parlance, refer to “those media who promote mainstream values of the nation and the party,” according to Zhang Shouying, director of the Journalism Research Center of the *People's Daily*. See *News Front*, March 2012. On 20 June 2008, President Hu Jintao made his first speech since taking office in 2002 to deal comprehensively with the news media and its role in a changing China, in which he said: the media must play an “active role” in such tasks as “disseminating the socialist core value system” and “creating healthy, rich and lively mainstream public opinion.” See <http://politics.people.com.cn/GB/1024/7408514.html> (accessed 8 June 2012).

Little in the way of current ownership and regulation patterns is likely to address these issues. The supremacy of the party-state remains at the heart of policy, regardless of the opportunities and challenges raised by digitization. This is true too with regard to the issues of “public service” broadcasting and frequency allocation. In all these respects, the party embodies the will and the interests of the people and it is therefore axiomatic that state institutions led by the party procure the public interest. There can be no public service that is not government service.

On the other hand, if the public interest is partly about speaking to and engaging with citizens, it is at least in part served by freeing the media from market forces. CCTV transmits many programs that would not be commercially viable, such as documentaries and educational programs.

Besides the formal state-run institutions that govern the media, there are myriad broad laws and promulgations, often enforced arbitrarily, that make the world of digital media unpredictable and sometimes fraught with risk. While there appears to be no formal policy with regard to freedom of expression, notwithstanding the fact that it is enshrined in the constitution, the current approach seems to be one that allows a surprising degree of latitude but reverts to harsh restraint whenever the party fears disparate dissent could coalesce into a “mass incident” (or “group incident,” as civil unrest is officially called in China).

There are two opposing forces in fierce contention: the drive for control, and the drive that seeks open expression. The party-state is always tempted to use police power to prevent criticism of its policies, and is frequently successful in doing so. Web users who post content online or participate in public discussions are generally savvy enough to know which topics test the government’s tolerance of free discussion. Accordingly, they temper their remarks consciously or subconsciously, resulting in self-censorship. Most web users never directly challenge the communist ideology of the party or the central government’s policies.

As new technologies such as *weibo* put more power into the hands of netizens, the government has also begun to develop new forms of control, such as the obligatory identification of microbloggers. However, the party’s inability to censor online information completely is significant. In fact, web users are often able to access and discuss politically sensitive information despite the censors’ best efforts. In an environment of fast-changing political realities, a vibrant online civil society and a sophisticated party-state propaganda and control system actually coexist. The relationships between civil society and official structures are less developed: civil society is not influential within the ongoing political processes and mostly acts as a passive observer. However, it may become a catalyst for long-term political change because it is helping to enlarge the space for collaboration and conversation.

Much remains to be done. To begin with, the government should relax the party-state’s control of the media. It should put constraints on local governments, taking measures to end the pattern of violent retribution, harassment and victimization meted out to journalists or whistleblowers by local officials angered by critical media coverage. As governance according to the rule of law has already become a national policy, there is an urgent need for a press law that can help prohibit administrative control and interference in the media.

At the same time, China needs independent professional organizations to defend press freedom and the independence of media from the government and help address a crisis of ethics in the profession.

There is also a need for a non-commercial, non-profit, public radio and television system to guarantee the dissemination of education, science, health, and other content to feed an information-hungry populace.

Although China is already the world's biggest media market, there are still hundreds of millions of people with little knowledge or understanding of how the media are used and how they might use the media. A nationwide media literacy campaign would help educate people to participate in public life so that the opportunities which digitization brings can be more widely enjoyed.

For the digital switch-over, there should be the means for collaboration between industry players, especially broadcasting companies and mobile operators. Close collaboration between the principal stakeholders—the government, regulators, broadcasters, transmission providers, receiver manufacturers and retailers, and consumer representatives—is essential.

Context

China's 1.37 billion population (according to the 2010 census) is the biggest in the world. The country has 56 ethnic groups, with the Han nationality accounting for 91.51 percent of the total population and ethnic minorities for 8.49 percent, according to the Sixth National Census in 2010. China has 160 dialects and 130 minority languages, but only one written language, Mandarin, or *Putonghua*, based on the northern, primarily Beijing, dialect.

The government of China has always attached great importance to ethnic problems, maintaining that the formulation of its policies toward ethnic minorities has been characterized by a strong tendency to enhance equality, justice, and minority rights. But in recent years the process of modernization that has come with economic development and a rising tide of nationalism have led to destabilizing ethnic conflicts, sometimes very bloody, such as the outbreak of unrest in Tibet and Xinjiang in 2008 and 2009, respectively. There are no reliable statistics on the country's religious composition.

Nature, economic development, and many other factors have given China an extremely uneven distribution of population. The population density of the eastern region is high and the west sparse, while overall the country is still more rural than urban. However, the more developed eastern areas attract many migrant workers and a large floating population is a major feature of eastern cities.

Between 1979 and 2009 China was the world's fastest-growing economy, with an average annual growth rate of 9.8 percent. In 2010, its gross domestic product (GDP) was a fraction short of US\$6 trillion, the second biggest after the United States and ahead of Japan.² According to the World Bank, China has jumped from being a low-income country to an upper middle-income one, as its GDP per head has risen from 119 renminbi (RMB) (very approximately US\$20)³ in 1952 to RMB 381 in 1978 and to RMB 22,698 (very approximately US\$ 3,250) in 2008. Growth in 2008 was 32.4 times what it was in 1952.⁴

2. World Bank, at <http://www.worldbank.org/en/country/china/data> (accessed 17 March 2012).

3. Conversion using the purchasing power parity method, which indicates more accurately what can actually be bought with a dollar, is not available for this period, so a simple conversion using the contemporaneous nominal exchange rate has been used here.

4. See Central People's Government of the People's Republic of China, at http://www.gov.cn/test/2009-09/11/content_1415037_2.htm (accessed 26 February 2011), Chinese only (hereafter http://www.gov.cn/test/2009-09/11/content_1415037_2.htm).

Despite the staggering figures, China's regional economic development, like its population distribution, is unbalanced. In 2008, the eastern region accounted for 68.9 percent of total industrial output value, while the central and western region accounted for 19 percent and 12.1 percent, respectively.⁵ In addition, there is a huge gap between urban and rural areas, and it is widening. The annual disposable income per head of urban residents reached RMB 15,781 (US\$ 2,500) in 2008, compared with less than RMB 100 (very approximately US\$15) in 1949. However, the annual disposable income per head⁶ of rural residents increased from RMB 44 (very approximately US\$7) in 1949 to RMB 4,761 (US\$ 750) in 2008.⁷ The disposable income of urban residents is between three and four times that of people in rural areas.

5. See http://www.gov.cn/test/2009-09/11/content_1415037_2.htm (accessed 26 February 2011).

6. Disposable income per head determines an individual's ability to purchase goods or services. It is calculated by taking income earned from all sources minus taxes, savings, and some non-tax payments, and dividing by the total population.

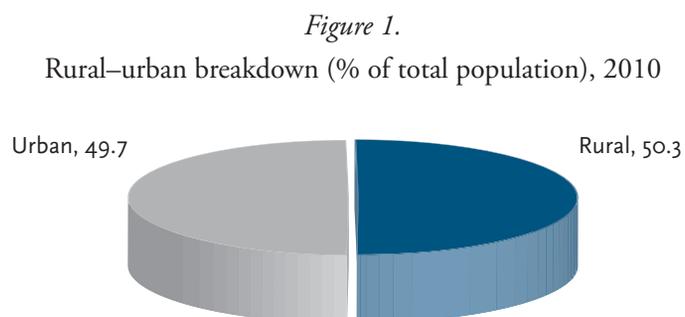
7. See http://www.gov.cn/test/2009-09/11/content_1415037_2.htm (accessed 26 February 2011).

Social Indicators

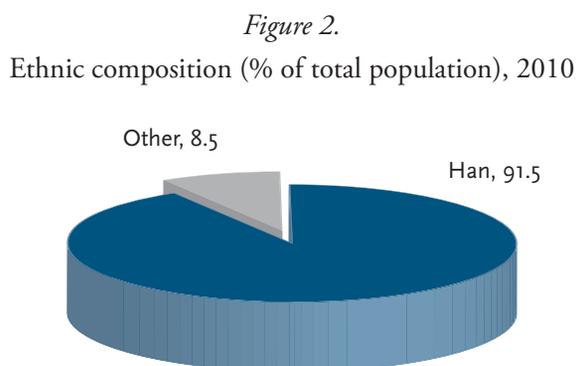
The most recent census was carried out in April 2011.

Population (number of inhabitants): 1.37 billion

Number of households: 401.5 million



Source: Sixth National Census, 2010, at http://www.stats.gov.cn/tjfx/jdfx/t20110428_402722253.htm (accessed 11 April 2012), Chinese only



Source: Sixth National Census, 2010, at http://www.stats.gov.cn/tjfx/jdfx/t20110428_402722253.htm (accessed 11 April 2012), Chinese only

Economic Indicators

Table 1.
Economic indicators

	2005	2006	2007	2008	2009	2010	2011e	2012e
GDP (current prices), total in US\$ billion	2,256	2,712	3,494	4,521	4,991	5,926	7,298	7,991
GDP (current prices), per head in US\$	1,726	2,063	2,644	3,403	3,738	4,421	5,413	5,898
Gross National Income (GNI), per head, current \$	1,740	2,040	2,480	3,040	3,620	4,270	4,930	n/a
Unemployment (% of total labor force)	4.2	4.1	4.0	4.2	4.3	4.1	4.0	4.0
Inflation (average annual rate in % against previous year), consumer prices	1.8	1.4	4.7	5.9	-0.6	3.3	5.4	3.3

Notes: e: estimate (International Monetary Fund, IMF); n/a: not available

Sources: National Bureau of Statistics of China; IMF (for all indicators for 2011–2012 other than GNI and for GDP per head all years); World Bank

Media Context

Media Commercialization

Before considering media consumption in China, it is necessary to provide a guide to the unique way in which media are owned and controlled as a result of reforms over the past two decades.

China is still very much a one-party state. The Communist Party maintains tight controls on political expression, speech, religion, and assembly, and any social group able to organize on a large scale is deemed a threat, as are some individuals. Political reform lags behind the rapid development of the economy, leaving the ruling party with two sometimes contending goals: market reforms and political stability.

This conflict is also manifest in the media industry as one between ideological guidance on the one hand and commercial considerations in news production on the other—what might be called propaganda versus profit. China has a unique media system that can be defined as “sole ownership, binary operation.” Sole ownership means that the party-state owns all major media companies, including newspapers and magazines, publishing houses, television and radio stations, and internet networks. Through this ownership, the state has tremendous power over the media market. Binary operation means that while the media take advantage of their state ownership to enhance their profit, that profit is also used to fulfill ideological tasks.

The biggest change in the news media over the past 20 years has been commercialization. Since the economic reforms, the party and state have suspended financial support to the media. The advertising industry was restored (advertising in China was halted for three decades following the CCP’s ascent to power in 1949), providing the news media with the challenge and opportunity to support themselves from the revenue they are able to generate. These two initiatives have totally changed the political economy of the media.

Commercialization means that the media have undergone a twofold process of transformation: first, changing from being a state propaganda vehicle only to also serving the interests of audiences; and second, changing from a state-owned media institution to a state-capitalist entity “with socialist characteristics.” The post-1990s period has seen a majority of news media become financially independent from the government while remaining an integral part of the functioning of the government and adhering to the Communist Party’s line.

The party's "Making media big and strong" policy of January 2002 was aimed at promoting the creation of powerful and profitable domestic media conglomerates under its control that are ready for global competition. For example, print media at the city, provincial, and central levels have been reorganized into media conglomerates or media groups in order to financially strengthen the media industry and consolidate the political leadership. These media groups are responsible for publishing both the official papers that are intended for the dissemination of the official party view and also the profit-driven semi-commercial papers that are intended for mass consumption.

The startling diversity of the mediascape today is related to this "institutional transformation." The media are no longer merely the mouthpieces of the party and the government, but have begun to produce entertaining and stimulating content to attract audiences in order to earn more money through advertising and subscription. The party and the government still issue many directives over content, but they also actively encourage the media to expand competition.

Ownership Structure

While the conglomeration of the media industry was taking place, quite a few enterprises went public in China, Hong Kong, and the United States, marking the beginning of media corporatization. As the restructuring of state-owned enterprises (SOEs) has been a fundamental driving force in China's economic success in the last decade, the restructuring of media enterprises after China joined the World Trade Organization (WTO) has been at the top of the agenda of reforms of the cultural industry. This involves an internal shake-up as well as an external opening up in both policy and practice. It reflects the government's strategy to absorb private and foreign capital and Western know-how of media management without losing its ownership and political control of the media sector.

In theory, the media cannot be privately funded. Indeed, private investment in the media is illegal. In reality, quite a number of media outlets, including some famous ones, have been open to private capital. *Economic Observer*, one of the top economics-focused newspapers, sold the advertising rights and the distribution rights of the paper to private buyers. *Caijing*, the leading finance magazine, is backed by the Stock Exchange Executive Council (SEEC), composed of a group of private investors. Caixin Media, a Beijing-based media group providing financial and business news and information through periodicals, a website, conferences, books, and online video programs, was founded by Hu Shuli, editor-in-chief of *Caijing* for 11 years, in 2010.

Because non-governmental money injected into a media company cannot be openly acknowledged, there have emerged various ways for private capital to enter the industry, as follows.

- The establishment of joint ventures: the sponsoring organization of a publication⁸ sets up a joint venture with enterprises or several other domestic media organizations to invest in the media business and share profits and losses.
- The transfer of advertising rights and/or distribution rights for a certain period of time: media use their channels, frequencies, ISSNs (International Standard Serial Numbers), and other resources conferred by the state as a platform to attract private capital.
- Direct listing: a media organization divests itself of its non-core assets, such as printing, advertising, and other services, by forming a subsidiary in accordance with the requirements of the securities market, which then goes public through a direct listing.
- Indirect listing: some media make use of a subsidiary to acquire shares in existing listed companies, and then through holding and reorganizing those companies, they obtain further financing through the securities market.

Although the state retains an absolute controlling stake in any media business and editorial (content) management and production remain off-limits for private investment, all media are able to access private capital for certain “operating assets.” These include advertising, printing, information provision, distribution, and the provision of cable networks. In addition, private investors are permitted to take a minority stake in film and television program production but are not allowed to take part in the production or broadcasting of news.

Foreign Media in China

Since late 2001 transnational capital has also begun to penetrate the Chinese media market since the country joined the WTO. Like their domestic private counterparts, foreign investors have also been told that they cannot hold a majority stake and that they can only invest in the business operations. In addition, foreign media firms must form a joint venture with a Chinese state-owned media company, which should be always the majority shareholder, to get a license to sell their products in China because only domestic companies are entitled to hold licenses to carry media products.

For foreign magazine publishers, a slightly modified rule applies: they can compete for government permission to license their brand names and contents for publication in the mainland market. Not surprisingly, most foreign magazines published or distributed in China are non-political titles. Similarly, some foreign satellite television firms have also been allowed to air non-political programs through certain Chinese partners’ cable networks and in return foreign broadcasters must make similar arrangements for certain Chinese programs to air their overseas cable television networks.⁹ Viacom, Time Warner, and News Corp were allowed limited market entry in exchange for helping CCTV expand their footprint in the West.

8. Under current laws, the launch of a publication is subject to a permit system, and the publication’s sponsoring organization (such as a government department or regional administration body) is the principal investor by law.

9. Huang Chengju, “Negotiating with the global: China’s response to post-WTO foreign media penetration,” paper presented at 15th Biennial Conference of the Asian Studies Association of Australia, Canberra, 29 June–2 July 2004.

The government issued a restriction in June 2004, forbidding foreign satellite broadcasters from entering the market¹⁰ in a bid to safeguard China's culture from the "spiritual pollution" of Western influences. Some selected foreign broadcasters have broadcasting rights in hotels for foreigners, residential areas set aside for foreigners, and some other specific areas. In 2010, there was a total of 31 foreign channels available in China, mostly entertainment channels, such as music, sports, fashion, and geography.¹¹ There are also a few information and financial channels.

On 31 October 2007, the "Catalogue for the Guidance of Foreign Investment Industries" was jointly issued by the National Development and Reform Commission (NDRC) and the Ministry of Commerce.¹² Originally the production and distribution of radio and television programs and film-making were limited to contractual joint ventures and corporations, but are now closed to foreign capital. Foreign investors are permitted to participate only in individual television program or film-making projects.

In March 2012, the government missed the deadline to comply with a WTO ruling to end its practice of restricting foreign media from entering the country without a state distributor. The restrictions have presented particular challenges for U.S. film studios. Under the tight guidelines, only about 20 foreign films are allowed into its theaters each year.

While the movie market is increasingly important to foreign studios, the government has been reluctant to open the sector to foreign players because of fears that its domestic studios will have a tough time competing and that its influence will be undermined.

New Media Landscape

In China, without a strong push from the government, there would be no significant progress. Matthew Miller of Bloomberg wrote an article in 2005 in the *International Herald Tribune* about the internet development paradox in India and China: India has a democratic government and free media, but its internet development has lagged far behind China in terms of internet users.¹³

The main reason for this difference is that the Chinese government has made a substantial investment in information and communications technology (ICT) infrastructure. According to a 2010 White Paper issued by the Information Office of the State Council, China invested RMB 4.3 trillion (US\$ 680 billion) in internet infrastructure construction over the previous 13 years.¹⁴ Indeed, the government is not only using

10. See "Measures for the administration of the landing of foreign satellite television channels," at http://www.gov.cn/gongbao/content/2005/content_63224.htm (accessed 12 June 2012).

11. The full list can be seen on the SARFT (State Administration of Radio, Film, and Television) website, at <http://www.sarft.gov.cn/articles/2011/07/20/20110720111551540770.html> (accessed 12 June 2012).

12. See http://www.fdi.gov.cn/pub/FDI_EN/Laws/law_en_info.jsp?docid=87372 (accessed 2 May 2011).

13. Matthew R. Miller, "A censored market that delivers," *International Herald Tribune*, 21 July 2005.

14. "China invests 4.3 trillion yuan in internet infrastructure construction over past 13 years," 8 June 2010, at http://news.xinhuanet.com/english2010/china/2010-06/08/c_13339080.htm (accessed 13 June 2012).

infrastructure investment to stimulate economic growth, but has also intentionally promoted domestic technological capability by effective technology policies, balancing the import of foreign technology and indigenous development, and engaging the business/private sector as a major force for improving technological capabilities.

With more than 500 million internet users and over a billion mobile subscribers today, there has been a rapid growth in recent years in the domestic demand for ICT goods and services. At the same time, the government is adopting policies that promote national standards and provide one-sided advantages to domestic companies. The leaders, who in the 1980s began to lay the groundwork for a modern IT industry, believed that China would be more secure if it did not depend on foreign IT and could instead use IT products made entirely in China. Though it seems that this goal would be difficult to attain in an increasingly integrated and globalized industry, the government is determined. Through local content requirements, tax benefits, government procurement, and the development of competing technology standards for 3G mobile phones, Wi-Fi, and other products, China consistently seeks to free itself from dependence on foreign technology, particularly from the United States and Japan.

Despite the government's full support, few companies are dazzling innovators that create original products people will pay for. The exponential growth of the market keeps hatching new internet ventures every day, but most of these copy ideas from the United States. Internet start-ups have a genius for copying Western business models and adapting them to the Chinese market. To name the best-known examples, Baidu, China's largest search engine, is a copy of Google, while RenRen, China's largest real-name social network, was modeled on Facebook. This practice, as well as the blocking of some global internet giants such as YouTube and Twitter, protects Chinese internet companies from foreign competitors.

Foreign venture capitalists and stock market investors are the major source of funding for technology start-ups. Because the government views the internet as a strategic industry, there are rules that prohibit or severely limit foreign ownership. Over the years, an ownership structure known as the "variable interest entity," or VIE, has been devised and refined to circumvent the rules. Under the VIE structure, the licenses to do business in China are held by Chinese legal entities, which in turn have contracts that channel revenues to a listed counterpart via an intermediary based in an offshore tax haven such as the Cayman Islands. Foreign investors buying shares in an offshore holding company technically have rights to a revenue stream but not to ownership stakes in the Chinese entity. VIE has enabled high-profile Chinese internet companies such as Sina and Baidu to list shares overseas during the past decade or so. This structure is virtually a standard for Chinese companies that are listed and trade on a U.S. stock exchange. One commentator even says that without VIE, there would not have been this golden decade of the Chinese internet.¹⁵

The government's attitude toward the internet is split between a desire to control the information available to internet users, and recognition that the internet is a critical tool for the country's economic development

15. *Southern Daily*, 23 June 2011, at <http://tech.163.com/11/0623/09/777M7IJS000915BF.html> (accessed 12 June 2012).

and modernization. Since the beginning of 1996, the state has suspended all new applications from internet service providers (ISPs) seeking to commence operations in China; moved to put all existing internet services under the jurisdiction of the Ministry of Posts and Telecommunications, the Ministry of Electronics Industry (the two ministries merged into the Ministry of Industry and Information Technology, MIIT, in 1998), and the State Education Commission (now the Ministry of Education); and attempted to establish firewalls, limit the contents of websites, and block access to certain internet sites through routing filters.

The four major national networks, namely CSTNET, ChinaNet, CERNET, and CHINAGBN, form the backbone of mainland China's internet. The leading telecoms providers have also started to provide internet services. The government requires business licenses for virtually every facet of internet commercial activity in China. These businesses licenses may be withdrawn by the government if the company is deemed to have violated government regulations. With licensing power, the government is able to exert significant control over industry participants.

As a result, online businesses are governed by many government agencies. The list of official regulators includes the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Commerce, the State Administration for Industry and Commerce, the State Administration of Taxation, the State Information Office, the Ministry of Culture, the General Administration of Press and Publication (GAPP), the State Administration of Radio, Film, and Television, to name a few. Above all these there is the all-powerful monitoring body, the Central Propaganda Department of the CCP. These agencies often issue inconsistent or conflicting directives, confusing businesses. Agencies' overlapping functions have led some areas of the industry to be overlooked while others are over-regulated.

Activision Blizzard's popular game, "*World of Warcraft*," suffered from this over-regulation. On 2 November 2009, GAPP issued an official announcement on its website, revoking NetEase's permit to operate the online role-playing game in China. However, during a Ministry of Culture "media briefing" held in Beijing the next afternoon, Li Xiong, the director of the Ministry of Culture's Department of Cultural Market, indicated that GAPP had overstepped its regulatory boundaries and that this was an issue for the Ministry of Culture.¹⁶ NetEase, a veteran of Chinese online gaming, with seven years of industry experience, had a lot of trouble figuring out the shifting regulatory landscape in China. It eventually succeeded in getting the permit. But along the way, the company lost significant revenue and had to play its own games with a pair of dueling bureaucracies that each sought to gain the upper hand in regulating the online gaming business.¹⁷

Although there are so many restrictions, the internet is still an entrepreneur's dream, a dynamic place where a small amount of capital along with creative technology and hard work can launch an online service accessible to millions. Several large commercial websites that were allowed to be involved in news services were unveiled

16. "*World of Warcraft*: Ministry of Culture vs GAPP," *Economic Observer*, 3 November 2009, at <http://www.eeo.com.cn/ens/homepage/briefs/2009/11/03/154649.shtml> (accessed 8 July 2012).

17. For a fascinating story about the travails in China of NetEase and "*World of Warcraft*," see "Warcraft row: an industry game changer," 9 March 2010, at <http://english.caixin.com/2010-03-09/100124148.html> (accessed 8 July 2012).

in 1988. By law, they are not allowed to generate original news. But they do news aggregations to attract online advertising and subsidize news operations through other business activities such as games and value-added-services. Sina, Sohu, NetEase, and Tencent quickly became the largest commercial Chinese-language websites in the world.

Many large state-owned media organizations have also established cooperative or otherwise jointly run websites to stake a claim on the internet. Some are even beginning to get listed, such as People.cn, the online version of the *People's Daily*.¹⁸ But they pale in comparison with the commercial web media services, since the latter have broader news coverage, a faster pace of information updates, appealing human-interest approaches, a higher degree of interactions, and a more relaxed news format. The IT columnist Xie Wen observes:

Of the top ten Chinese websites in terms of the number of users (counting only one website per company), seven are very strong in internet media. They are frequented by anywhere from one-quarter to more than 80 percent of Chinese net users. But monopolistic state-owned media, which enjoy enormous policy support, capital and talent pools, have only a minuscule audience on the web. Of the top 100 most popular websites in China, the top state-owned site reaches less than 7 percent of Chinese internet users. The least popular reaches less than 3 percent.¹⁹

Together, “commercialization” and digitization have resulted in a more diverse media structure and a more open media market, and this may lead to a more professional and independent media system in the foreseeable future. At the same time, the government is bound to become more adaptable, but only to the extent that it still controls and owns the majority of the media. Therefore, “marketization” and the decline of state ownership in the media do not necessarily mean an automatic move toward democracy in the media. The change simply shifts the more explicit methods of state control to a more subtle form of censorship.

18. See <http://blogs.wsj.com/marketbeat/2012/04/26/people-cn-surges-on-trading-debut> (accessed 12 June 2012).

19. See “China’s internet: One click forward, two back,” MarketWatch, 11 January 2012, at http://articles.marketwatch.com/2012-01-11/industries/30778963_1_chinese-internet-internet-users-chinese-net-users (accessed 13 June 2012).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment

Television is the main information channel. More than 98 percent of households have a television set. Radio has never enjoyed much popularity: the proportion of households with a receiver has hovered around 30 percent since radio's inception. Personal computers, while far behind the ownership rate of television sets, have shown a marked increase in usage and popularity (see Table 2). This is especially true for urban areas, where personal computer usage is 10 times higher per 100 households than that of rural areas, a stark indicator of the current digital gap in China.²⁰

Internet usage may be divided into four general categories: the acquisition of information, business transactions, communication, and entertainment. Of these, "the acquisition of information" is reported by users to be the second most common reason for web usage (after "communication").²¹

Internet users prefer to access the internet from their homes. As of December 2011, 88.8 percent of users reported that they accessed the internet at home, 33.2 percent at work, 27.9 percent at internet cafés, 18.7 percent at school, and 13.6 percent in other public areas.²²

20. According to *China Statistical Yearbook 2009*, China Statistics Press, Beijing 2009, and *China Rural Statistical Yearbook 2009*, China Statistics Press, Beijing 2009, there are 59.26 computers per 100 urban households and 5.4 per 100 rural households.

21. China Internet Network Information Center (CNNIC), "29th Internet Development Report," January 2012, at http://www.cnnic.cn/research/bgxz/tjbg/201201/t20120116_23668.html (accessed 14 February 2012), Chinese only (hereafter CNNIC, "29th Internet Development Report").

22. CNNIC, "29th Internet Development Report."

Table 2.

Households owning equipment, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No. of HH ('000)*	% of THH**	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH
TV sets	1,463,460	95.3	1,457,318	94.9	1,477,281	96.2	1,495,709	97.4	1,520,279	99.0	1,524,886	99.3
Radio receivers	546,686	35.6	546,686	35.6	537,472	35.0	981,271	63.9	1,372,858	89.4	n/a	n/a
PCs	462,226	30.1	502,153	32.7	752,461	49.0	813,887	53.0	844,599	55.0	921,381	60.0

Notes: * Total number of households owning the equipment; ** Percentage of total number of households in the country; n/a: not available

Sources: *China TV Rating Yearbooks 2006 to 2010*, Communication University of China Press, Beijing; *China Radio Yearbooks 2006 to 2009* (available only in Chinese); “Household Ownership of TV Sets in National Sample of 154 Cities and Counties,” CSM Media Research 2005–2007 surveys.²³ The actual number of households was calculated by MDM editors based on additional data on households from the International Telecommunication Union (ITU)

Under media law, individual households and unlicensed companies are not allowed to install satellite dishes for digital television services at home. On 5 October 1993, the State Council promulgated Decree No. 129, Satellite TV Broadcasting Ground Reception Facilities Management Regulations. Article 3 stipulates: “The state shall practice a licensing system for the production, import, sale, installation and use of satellite ground reception facilities.” Licenses are, in practice, largely restricted to hotels and foreign compounds.

As a result, setting up private satellite dishes to receive foreign programs is illegal in China. However, the increasing demand for foreign television programming among expats and local residents has expanded the satellite television market and provides opportunities for unauthorized installers to conduct business under the table. In many cities, people also install satellite dishes in order to avoid the cable television charges. In rural areas without an alternative way of receiving domestic services, the regulation is not seriously enforced. Wu Chunyong, chief editor of the broadcast industry news site Dwrh.net, said illegal satellite dishes cost between RMB 100 (US\$15) and RMB 300 (US\$45), while legal direct-broadcast satellite (DBS) television receivers cost approximately RMB 550 (US\$87). Though sales of unlicensed satellite reception equipment have fallen in recent years, there are still tens of millions of devices on the market. Wu Chunyong estimated an underground market with more than 100 million customers.²⁵

23. *China TV Rating Yearbooks 2006 to 2010*, Communication University of China Press, Beijing; *China Radio Yearbooks 2006 to 2009*, Communication University of China Press, Beijing; *Household Ownership of TV Sets in National Sample of 154 Cities and Counties*, CSM Media Research, Beijing, 2005, 2006, 2007, 2008, 2009, 2010. See <http://en.csm.com.cn/index.php/Home/SinglePage/index/cid/1.html> (accessed 5 July 2012).

24. See http://news.xinhuanet.com/newmedia/2003-05/31/content_897405.htm (accessed 9 July 2012).

25. Wu Chunyong, “Illegal satellite dishes cheaper than legal in China,” 18 November 2011, at <http://blogs.rnw.nl/medianetwork/illegal-satellite-dishes-cheaper-than-legal-in-china> (accessed 9 July 2012).

1.1.2 Platforms

There are three types of television signals/receivers: cable, terrestrial, and satellite. Where this differs from other countries is that cable television and satellite television have a certain amount of overlap as some satellite television signals pass through cable television lines.

Cable is the most popular and becoming more appealing every year, while terrestrial receivers are rapidly losing popularity.

Table 3.
Platform for the main TV reception and digital take-up, 2005–2010*

	2005		2006		2007		2008		2009		2010	
	No. of HH ('000)**	% of TVHH***	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH
Terrestrial reception	150,236	41.0	122,982	31.9	104,320	26.2	84,008	20.9	63,586	15.3	52,870	12.8
– of which digital						n/a						
Cable reception	126,000	34.3	140,000	36.3	150,000	37.6	164,000	40.8	174,000	41.8	187,000	45.2
– of which digital	3,970	1.0	12,660	3.2	26,860	6.7	45,280	11.2	61,990	14.9	88,290	21.3
Satellite reception	25,650	7.0	38,938	10.1	52,160	13.1	59,489	14.8	78,132	18.8	98,404	23.8
– of which digital						n/a						
IPTV	267	0.07	550	0.14	1,208	0.3	2,650	0.6	4,700	1.1	8,000	1.9
Total	302,153	82.3	302,470	77.5	307,688	77.2	310,147	77.1	320,418	77.0	346,274	83.7
– of which digital						n/a						

Notes: * The figures refer to the main TV set in multi-TV households; ** Total number of households owning the equipment; *** Percentage of total number of TV households in the country; n/a: not available

Sources: ITU; State Administration of Radio, Film, and Television (SARFT); *China TV Rating Yearbooks 2006 to 2010*, Communication University of China Press, Beijing; *China Statistical Yearbook 2009*, China Statistics Press, Beijing (available only in Chinese).²⁶ The coverage figures of cable and satellite in percentage terms were calculated by the MDM editors based on deductions from the data available in full for terrestrial television. Note that massive overlaps between satellite and cable data mean one-fifth of households almost every year are not captured in this table

At the same time, internet and mobile communications are developing rapidly. In the five years from 2005 to 2009, internet coverage more than tripled and mobile phone coverage almost doubled. China's total 3G cell phone subscribers surged to 128 million in 2011, up from 46.6 million a year earlier, according to figures released by the Ministry of Industry and Information Technology in January 2012.²⁷

26. *China TV Rating Yearbooks 2006 to 2010*, Communication University of China Press, Beijing; *China Statistical Yearbook 2009*, China Statistics Press, Beijing (available only in Chinese).

27. See <http://news.qq.com/a/20120207/000759.htm> (accessed 13 February 2012).

Table 4.

Internet penetration rate (total subscribers as % of total country population)
and mobile telephony penetration rate (total active SIM cards as % of total population), 2005–2011

	2005	2006	2007	2008	2009	2010	2011
Internet ¹⁶	33.1	37.9	44.8	50.8	56.5	60.7	60.7
– of which broadband*	7.8	14.9	19.5	30.4	37.5	42.3	42.3
Mobile telephony	82.1	99.1	113.7	133.0	136.8	144.4	144.4
– of which 3G**	n/a	1.7	5.3	17.2	33.2	45.4	45.4

Notes: * Percentages are of internet subscribers, not total population; ** Percentages are of mobile telephony subscribers, not total population; n/a: not available

Sources: China Internet Network Information Center (CNNIC); *China Statistical Yearbook 2009*, China Statistics Press, Beijing (available only in Chinese)

1.2 Media Preferences

1.2.1 Main Shifts in News Consumption

Television

China introduced a decentralization policy called the “four-level development policy for the broadcast “industry,” starting in the early 1980s. “Four-level” refers to the country’s division of the administrative system: central, regional (30 provinces at that time), municipal (about 450 cities), and local (approximately 2,200 counties).²⁸ This policy was implemented because of the central government’s shortage of capital. In addition to central and provincial governments, prefectures (geographical jurisdiction that ranks below a province but above a county) and cities/counties were also permitted to invest in television stations in their jurisdictions. As a result, there are more than 3,000 television stations in China.²⁹

The media scholar Wusan Sun argues that while previous scholarship has maintained that the institutional transformation of Chinese broadcasting is guided by the central government, in fact local governments at different levels have controlled such transformations and manipulated tensions in the market according to their own interests.³⁰ The local television stations need to fulfill political functions, serve the local government, and maximize their own commercial income.

CCTV, politically and economically the dominant broadcast media organization, is under the direct guidance of the Chinese government and the CCP. As the country’s only national network, it falls under the dual supervision of the Propaganda Department of the CCP, responsible ultimately for media content, and SARFT, which oversees operations. The network’s principal directors and other officers are appointed by the state.

28. Hong Junhao, *The Internationalization of Television in China: The Evolution of Ideology, Society, and Media Since the Reform*, Greenwood Publishing Group, Westport, CT, 1998, p. 94.

29. See <http://baike.sarft.net/index.php?doc-innerlink-%E5%9B%9B%E7%BA%A7%E5%8A%9E%E7%94%B5%E8%A7%86> (accessed 9 July 2012).

30. Sun Wusan, “Struggle for survival by small Chinese town television stations: how a new institutional arrangement came into being,” *Westminster Papers in Communication and Culture*, 3(1) (2006), pp. 42–57.

In every sense, CCTV outstrips other satellite competitors (all the provinces have a nationally distributed satellite television outlet, such as Hunan Satellite TV, Anhui Satellite TV, and so on), monopolizing the broadcast media market and ranking first in viewers and market share. CCTV-13, the 24-hour news channel of CCTV, is China's most authoritative specialized news channel, emphasizing hard news in a solemn style of reporting. However, in recent years CCTV's dominance has begun to decline, with viewership falling from 22.9 percent in 2005 to 13.3 percent in 2009, while other provincial satellite television outlets are catching up (see Table 5).

These local television stations are situated in an intensely competitive environment that has yielded few clear victors. Only three satellite channels have managed to carve out a small yet notable market share. Hunan Satellite TV and Anhui Satellite TV have chosen to specialize their content (entertainment and popular sitcoms, respectively), while Jiangsu Satellite TV has relied upon Jiangsu's massive financial influence to push aside other provincial competition. If the current trend continues, entertainment-based programming is likely to slowly chip away at the market dominance of news-based channels.³¹

Table 5.
Audience share* of free-to-air television channels (%), 2005–2009

	2005	2006	2007	2008	2009
CCTV General	22.9	18.3	16.2	16.8	13.3
CCTV-13	3.1	2.7	2.4	3.0	2.7
Hunan Satellite TV	6.5	5.6	5.2	5.4	6.6
Anhui Satellite TV	2.4	2.9	3.5	2.8	2.9
Jiangsu Satellite TV	1.7	2.2	2.4	2.4	3.4

Note: * Share is the percentage of television sets in use tuned to the program

Source: *China TV Rating Yearbooks 2005 to 2009*, Communication University of China Press, Beijing.

Radio

FM radio broadcast coverage is limited and, with the exception of one official national station, is generally confined to local broadcasts. We chose Beijing, Shanghai, and Guangzhou as a representative sample to analyze the content of radio broadcasts. Music, traffic, and news constitute the most popular programming, with recent fluctuations showing music and traffic popularity on the rise while news programming has been falling (see Table 6).

31. As of December 2009, in China's domestic satellite channels, news programs accounted for 11.19 percent of the total airtime of all the programs. CCTV's average daily news broadcast is about 41 hours, accounting for 32.4 percent of the total news broadcast airtime. Although the local TV broadcast accounts for more than 60 percent of the total volume of news programs, when the audiences watch news programs on satellite channels, 65.3 percent of the time is spent on watching various news programs of CCTV. CCTV news channels, including CCTV-1, CCTV-13, and CCTV-4, remain the top three national news channels. The viewing time of these three channels accounts for 54.06 percent of the total viewing time on the satellite news programs. See <http://www.c-digital.com.cn/info/2010428/2010428144745.shtml> (accessed 13 June 2012).

Table 6.
Radio ratings* of news stations (%), 2005–2008

Frequency	2005	2006	2007	2008
Beijing People's Radio Traffic Broadcast FM103.9	1.0	1.9	1.8	1.6
Beijing People's Radio Arts and Literature Broadcast FM87.6	0.7	1.0	1.0	1.0
China National Radio "Voice of the Nation"* FM106.1 (Beijing)**	0.6	0.8	0.5	0.5
Shanghai People's Radio AM990/FM93.4	1.4	1.7	1.7	1.5
Shanghai Eastern Broadcast "dynamic 101" FM101.7	0.8	1.1	1.0	0.9
Shanghai Eastern Broadcast AM792/FM89.9	0.6	0.7	0.7	0.7
Guangdong Pearl River Economic Broadcast FM97.4/AM1062	1.1	1.1	1.1	0.9
Guangdong Yangcheng Traffic Broadcast FM105.2	0.4	0.7	0.6	0.6
Guangdong Music FM99.3	0.4	0.6	0.5	0.5

Notes: * Measured as the percentage of the sample audience per minute listening to the specified program; ** China National Radio "Voice of the Nation" is a national radio program, with different ratings countrywide. Here we only list Beijing ratings

Source: China Radio Yearbooks 2006 to 2009

Print media

In 2011, China boasted 9,884 periodicals and 1,954 newspapers. Newspaper circulation has ranked first in the world for 10 consecutive years.³²

All newspaper groups are currently state owned, meaning they are directly controlled by the government and the CCP. Newspapers published by these groups can be divided into two general categories: official newspapers, such as the *Southern Daily*, are the mouthpieces of the provincial party committee and the provincial government (in this case Guangdong); and city newspapers, such as *Southern Metropolis News* in Guangzhou, which cater for local readers.

Official papers are managed by local party committees and usually feature content heavily weighted toward the dissemination of government policy. Such papers are the recipients of government subsidies and therefore do not compete commercially in the market. In addition, circulation of these papers is often lopsided, with governmental departments and state-run institutions forming their main subscription base.

"City papers" are usually founded by "official papers." Since government subsidies have been greatly reduced over the years, the official papers have been trying to come up with ways to attract readers. The official paper is thus the "mother paper" (or "big paper"), and the "city paper" is the "child paper" (or "small paper"), and together they form various newspaper groups. City papers are geared to the needs of the local residents and therefore must compete commercially in regional markets. These papers generate earnings through

32. See <http://data.chinaxwcb.com/epaper2012/epaper/d5276/d1b/201204/20820.html> (accessed 9 July 2012).

advertisements and subscriptions and are the economic backbone of newspaper groups. While the “mother paper” is primarily a propaganda tool, a mouthpiece in the traditional sense, the “child” must accommodate the demands of the media consumer. Because in China hard news sells,³³ city papers employ investigative journalists to dig into controversial subjects, planting seeds of professionalism in China.

Another way to describe the division is by referring to the two categories as party papers and market-oriented papers. The latter enjoy relative editorial independence; something that cannot be published by official party newspapers may be published by city newspapers, which are less directly controlled by the party and can report on more popular topics (sports, entertainment, fashion, etc.) or local issues (crime, traffic, environment, education, etc.) in an effort to attract more readers and advertisers and help their parent company.

City paper circulations have fluctuated over the years. Recently papers such as *The Yangzi Evening News* and *Beijing Evening News* have experienced drops in circulation, while *Southern Metropolis News* has consistently enjoyed a wide circulation (see Table 7).

Table 7.
Newspaper circulation numbers, 2007–2010

Newspaper	2007	2008	2009	2010
<i>Reference News</i>	2,530,000	3,183,000	3,142,000	3,180,000
<i>People’s Daily</i>	1,773,000	2,808,000	2,939,000	2,800,000
<i>The Yangzi Evening News</i>	1,650,000	1,810,000	1,483,000	1,800,000
<i>Southern Metropolis News</i>	1,030,000	1,400,000	1,400,000	1,400,000
<i>Yangcheng Evening News</i>	1,500,000	1,170,000	1,200,000	1,170,000
<i>Xinmin Evening Post</i>	1,218,000	998,000	1,004,000	1,000,000
<i>Chutian Metropolis Daily</i>	1,213,000	1,140,000	1,140,000	1,140,000
<i>Beijing Evening News</i>	980,000	800,000	780,000	n/a
Complete National Circulation	2,054,537,000	2,115,479,000	2,083,715,000	2,143,768,000

Notes: WAN says on its website: “Newspapers in some countries do not submit their figures to independent Audit Bureaux of Circulation. In these cases, figures are provided by the publishers themselves or other sources and cannot be verified independently. Publication in this list does not imply that WAN endorses these figures.” n/a: not available

Sources: World Association of Newspapers; General Administration of Press and Publication (GAPP)

33. This can be reflected in the number of pages in the newspapers. Before the 1990s, official newspapers used to have only four pages. In 1992, *Guangzhou Daily* first expanded to 12 pages, ushering in a wave of expansion throughout the country. That decade saw the emergence of 40-page newspapers. In the following years, newspapers continued to expand to 50 or even 80 pages. A prominent feature of the expansion process is that many newspapers published more news pages. However, it should be noted that thick newspapers are a phenomenon of the popular press, that is, city papers.

Because of the absence of party rhetoric and because they carry hard-hitting news stories about corruption and other sensitive issues, city papers are far more widely read than official papers. The authorities, fearful of their image being damaged by the exercise of such newfound press freedom, have begun to exercise strict control over market-oriented papers, such as bans that limit cross-regional reporting (the practice of media from one region reporting sensitive news about other local governments), effectively shutting down much investigative reporting. They have also imposed pre-publication censorship on leader comments in major newspapers.³⁴

1.2.2 Availability of a Diverse Range of News Sources

Traditional media, such as newspapers, radio, and television, still have status and credibility even though their readers and audiences have been subjected to competition from new media. For example, the World Association of Newspapers and News Publishers reported that mainland China had 25 newspapers on the list of the 2010 Top 100 world daily newspapers by circulation. China had the highest number on the list and also topped the list in terms of total daily newspaper circulation.³⁵

As pointed out by J. Meng (1999), the Chinese media have changed from being a state propaganda vehicle only—that is, “serving the interests of the party only”—to also “serving the interests of the global as well as the local audiences.”³⁶ China has tried to cater to some Western-dominated practices on the one hand, while preserving local views and voices on the other. For example, CCTV not only describes itself as “the main news source for the people of China,” but also as “an important window for the exchange of information and knowledge between China and the rest of the world.”³⁷ In trying to demonstrate a global vision and readiness for change and challenges, broadcasters no longer evade news of a negative nature. They have frequently criticized party cadres and have published debates on such fundamental issues as the rule of law, anti-corruption, and citizens’ rights. They also have reported on a myriad of previously untouched social and lifestyle subjects. In the past, television tended to run well behind the print press in its news coverage. More recently, television has come under market pressure to be as timely, informative, and responsive as the print media.

Radio has experienced a revival due to a boom in private cars, maintaining a stable audience, particularly among those wanting music and traffic programs. Talk radio has become a topical and fresh media outlet. It has shifted the paradigm from authorities addressing the people to people voicing their concerns. Competition between different radio stations in big cities has resulted in much livelier coverage, including call-in programs that air discussions on politics, lifestyle, and previously forbidden social subjects. Because callers usually are not required to identify themselves, such discussions are far more candid than would be possible on television.

34. Qian Gang, “Central party media ‘grab the megaphone,’” China Media Project, University of Hong Kong, at <http://cmp.hku.hk/2009/08/21/1709/> (accessed 28 February 2011).

35. See <http://english.peopledaily.com.cn/90001/90776/7166346.html> (accessed 13 June 2012). It should be noted that China does not submit circulation figures for independent auditing (see note to Table 7).

36. Meng J., “On changes of media values in China Central Television,” in Yu X., Guo Z., and Huang Y. (eds), *Journalism and Social Change*. Chung Hwa Book, Hong Kong (in Chinese), 1999, pp. 1–16.

37. See <http://newscontent.cctv.com/about.jsp> (accessed 13 June 2012).

“Commercialization” has been a major liberating force for city papers. The regime is far less able than before to wield financial leverage over the media, which have increasingly become self-supporting through advertising revenues and circulation. Newspapers’ growing autonomy has been reflected in their increasingly diversified content. For example, the Guangzhou-based *Southern Metropolis News* has been ranked as the most competitive city daily newspaper. This paper and its sister papers are known for their gutsy reporting which showcases the emergence and growth of ‘watchdog’ journalism in China. Its success in the late 1990s was built on its ground-breaking anti-corruption stories and its reputation for journalistic integrity. Despite constant editorial and personnel upheavals, *Southern Metropolis News* retains its reputation as a leading investigative news organization committed to exposing wrongdoing and examining the social problems accompanying the country’s rapid economic development.

Each day, the paper includes four sections. A1 is on current affairs and social news, A2 covers urban and the Pearl River Delta News; B publishes entertainment news, sports news, and supplements; C is economic news, and D is mainly about lifestyle and consumption information. Together these sections exceed 100 pages, which make it the thickest and most expensive daily on the mainland.

While television and newspapers remain the main information channels for the vast majority of consumers, internet media have begun to chip away at their dominance.

The chief sources of news information on the internet are specialized news websites. These can be divided into commercial portal websites and the websites of traditional media. Portal websites gather news stories from other sources, often buying content from newspapers or other publications which they then edit and reformat for their specific use. This edited content, along with the speed of new posts and frequency of updates, sets online portal sites apart from online newspapers, which merely re-release content from print media. But online newspapers are catching up in their editorial design and richness of content, and indeed some of the best newspaper websites have begun to develop a following, such as the *Southern Metropolis News*.³⁸

The rise of interactive news cannot be overlooked when considering the structure and makeup of online news outlets. Grassroots reporting, called “iReporting,” live discussions, forum posts, SNS (social networking sites) sharing, and news forwarding have all been instrumental in the popularization of online media. This instantaneous and interactive form of reporting has begun to erode the information monopoly previously held by traditional media.

In the last several years, commercial news websites have published a growing number of stories covering a variety of subjects—including media, culture, politics, and business—that have strongly affected popular culture, bypassing traditional media and threatening the hold of established media groups. The Public Opinion Channel of People.cn pointed out in its “2011 China Internet Public Opinion Analysis Report:”

38. See <http://nd.oeeee.com>, in Chinese only (accessed 13 June 2012).

Since 2000, the Chinese internet industry entered another period of rapid development, a large number of internet companies went public in the United States. The strong capital market gave a strong impetus to the new developments in the generation and dissemination of public opinion. In addition, various conflicts accumulated during the social transformation, the internet has thus become a safety valve for those social activists, rights advocates and whistleblowers to vent their frustrations ... In the next few years, with the intensifying social conflicts and the government's social management innovation, various internet topics will continue to be heated up, increasing the likelihood of the public to hold the government departments accountable in a more regular and thorough way.³⁹

The commercial media increasingly demand accurate audience measurement, in order to bring the media system more in line with Western ones. This, on the one hand, could further undermine the CCP's political control over the press; on the other hand, it has put the media under more competitive market pressure. As a result, urban areas are more attractive to commercial media. A top CCTV executive, Sun Yusheng, has pointed out that China has a rural population of 900 million and the world's largest population of senior citizens. Yet both demographic groups are increasingly marginalized in a television culture that caters to young viewers and has an urban bias.⁴⁰ This marginalization also occurs in the new media and is aggravated by issues related to the affordability of digital technology and levels of education.

1.3 News Providers

1.3.1 Leading Sources of News

Of those people who watch television news, most tune in to CCTV news reports and some local news on local channels. News programming can be separated into two types. The first covers hard news from domestic and international current events and headline news, which propagates and popularizes the ideological viewpoint of the government and the CCP while allowing some professional in-depth news reporting. In May 2003, CCTV-13 came into being as the first round-the-clock news channel in China. By combining hourly news updates, live reports, and rolling subtitles, CCTV created the most watched news channel in China. In 2010, its average audience share was 1.6 percent. In January–June 2012, the audience share jumped to 2.2 percent.⁴¹

The second type of programming is known as “*minsheng* news” (*minsheng* means ordinary people's livelihood). The daily lives, attitudes, joys, and sorrows of local people are the primary concerns of such programs. “Remarkably, this programming strategy has proved successful by attracting a stable and ever-increasing audience group. Although CCTV's news program is predominant nationwide, it is in a disadvantageous

39. Zhu Huaxin, Shan Xuegang, and Hu Jiangchun, “2011 China internet public opinion analysis report,” 23 December 2011, at <http://yuqing.people.com.cn/GB/16698341.html> (accessed 14 June 2012).

40. Shi Y., “The rise of China's media supermarket: an appraisal of cultural imperialism's relevance to the Chinese TV industry,” *International Journal of Communication*, 2 (2008), pp. 1199–1225.

41. See <http://1118.cctv.com/special/2012/20110914/113382.shtml> (accessed 14 June 2012).

position when compared with local news in a local context. Local stations enjoy the advantage of flexibility and proximity.”⁴²

Table 8.

Five most popular hard news* programs on broadcast television, 2010

News programs	Start time	End time	% rating** 2010
CCTV “Network News Broadcast” ⁴³	19:00	19:30	6.6
CCTV “Topics in Focus”	19:38	19:51	1.9
CCTV “Focus on Today”	21:30	21:55	0.4
CCTV “News Half-hour”	12:00	12:30	0.8
CCTV “Nightly News”	22:00	22:20	0.7

Notes: * Hard news refers here to news related to social, economic, and political affairs in general. It does not necessarily refer to investigative journalism. In fact, unlike the press, investigative news in television outlets is still not common. ** Rating refers to the percentage of individuals or households viewing/listening to a program during the specified time out of the total individual or household viewers/listeners

Source: CSM Media Research, 2010⁴⁴

Table 9.

Three most popular *minsheng* news programs on cable television, 2010

News programs	Start time	End time	% rating*
Jiangsu Satellite TV “Nanjing Face to Face”	18:40	19:45	5.7
Guangdong Pearl River TV “Today’s Concerns”	21:00	21:50	9.1
Shanghai TV “From the Audience”	18:00	18:30	9.9

Notes: * See note to Table 8 for definition of “rating”

Source: CSM Media Research, 2010

The most popular types of radio program are music, current affairs, and traffic updates with, unsurprisingly, people under the age of 40 spending more time listening to music and those over 40 current affairs news.⁴⁵

42. S. Ollig, *Internationalization of the Chinese TV Sector*, LIT Verlag Munster, Munster, 2007, p. 70.

43. “Network News Broadcast,” (“Xinwen Lianbo”) is CCTV’s flagship news program. This daily news program is shown simultaneously by most terrestrial television channels in mainland China, making it one of the world’s most watched programs. But interest in the program has declined: before 1998, the program dominated ratings with 40 percent of the market; today, that figure is less than 10 percent. This was due in part to reporting of official government announcements, which attract little interest. After a 2009 restructuring, “Xinwen Lianbo” has focused more on critical reporting and human-interest stories. See *China Daily*, “CCTV to revamp flagship news program,” at http://www.chinadaily.com.cn/china/2009-06/10/content_8266365.htm (accessed 14 June 2012).

44. CSM Media Research is a joint venture between CTR Market Research (the leading market research company in China) and the TNS Group. CSM Media Research offers rating information for Hong Kong SAR and China. See <http://www.csm.com.cn/en/about/indexhk.html> (accessed 24 April 2011). It uses the following tools to measure TV and radio audiences: establishment survey—identifying population characteristics; panel—representative sample of TV audience chosen for interviews; peplemeter—an electronic device for measuring TV audiences’ viewing behavior; Infosys—software for analyzing TV rating data. See <http://www.csm.com.cn/en/rating/index.html> (accessed 24 April 2011).

45. Information from SMR, a Guangzhou-based company specializing in marketing research, media research, credit investigation, and competition information research in China. The research result is from an SMR report, “National radio industry research report 2007,” available only in Chinese.

National broadcasts tend to emphasize hard news, while area stations devote more time to stories that reflect the concerns and information needs of the local population.

Table 10.
Most popular radio news programs by ratings (%), 2006–2008

Frequency	News program	2006	2007	2008
FM100.6/AM828	Beijing People's Radio "News Broadcast"	10.6	8.33	9.8
FM106.1	China National Radio "Voice of the Nation"	11.0	8.08	8.6
FM93.4/AM990	Shanghai People's Radio "News"	23.9	25.32	24.1
FM90.9/AM1296	Guangdong News Radio "News"	8.6	7.3	n/a
FM97.4/AM1062	Guangdong Pearl River Economic Broadcast	22.7	25.0	21.0
FM96.2	Guangdong News Information Broadcast	5.8	6.1	5.2

Note: n/a: not available

Source: China Radio Yearbooks 2006, 2007, 2008

For internet media, news information found on portal websites is more likely to be "soft" in order to attract higher click-through rates, while websites of traditional news media tend to adhere closely to the harder news content of the media organization.

Table 11.
Four most popular* news portals, 17 January 2011

Website	% users (reach)	Average pageviews per user
News.qq.com	21.8	11.0
News.sina.com.cn	14.8	7.7
News.sohu.com	10.3	5.7
News.163.com	8.3	7.2

Note: * Reach is typically expressed as the percentage of all internet users who visit a given site. Pageviews measure the number of pages viewed by site visitors⁴⁶

Source: <http://cn.alexa.com>

46. Alexa computes the reach and number of pageviews for all sites on the web on a daily basis. The main Alexa traffic rank is based on a value derived from these two quantities averaged over time (so that the rank of a site reflects both the number of users who visit that site as well as the number of pages on the site viewed by those users). Reach measures the number of users. For example, if a site like Yahoo.com has a reach of 28 percent, this means that of all global internet users measured by Alexa, 28 percent of them visit Yahoo.com. In the case of pageviews, multiple pageviews of the same page made by the same user on the same day are counted only once. The pageviews per user numbers are the average numbers of unique pages viewed per user per day by the visitors to the site. See <http://www.alexa.com/help/traffic-learn-more> (accessed 24 April 2011).

Table 12.

Four most popular* news websites established by traditional media, 17 January 2011

Website	% users	Average pageviews per user
Xinhuanet.com	9.4	5.5
People.com.cn	6.9	5.6
Ifeng.com	7.0	7.5
Chinanews.com.cn	4.3	4.8

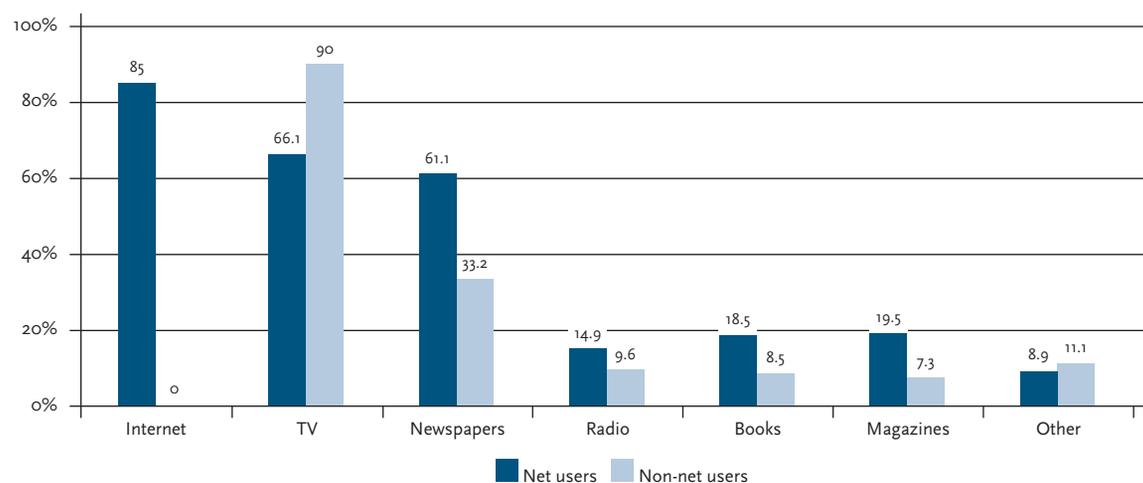
Note: * See note to Table 11 for how users and pageviews are measured

Source: <http://cn.alexa.com>

There are currently no research reports comparing different news sources in China. According to the 29th CNNIC report on internet usage, 71.5 percent of internet users access news through the internet, and online news ranks fourth among all online applications, after instant messaging, searching, and music.⁴⁷ For non-internet users, television remains the main source of information in general. When comparing information retrieval for internet users with non-internet users, it becomes apparent that internet users favor more comprehensive, varied information channels (see Figure 3).⁴⁸ This is due to higher education levels among internet users.

Figure 3.

Comparison of information retrieval methods between internet users and non-internet users (%), 2007



Note: Information retrieval is defined by CNNIC as the channels through which people acquire news information.

Source: CNNIC, January 2007

47. CNNIC, “29th Internet Development Report,” China Internet Network Information Center, Beijing, 16 January 2012.

48. According to CNNIC, “29th Internet Development Report,” 90 percent of non-internet users acquire information through TV, while 66.1 percent of internet users also watch TV news. On the other hand, internet users read more newspapers, magazines, and books, and also listen to more radio. Compared with internet users, non-internet users are much more narrow and concentrated in information retrieval. See <http://www1.cnnic.cn/index/0E/00/11/index.htm> (accessed 24 April 2011).

1.3.2 Television News Programs

China has both national and regional television stations. CCTV broadcasts nationwide while the regional stations are each allowed to broadcast one channel nationally. Despite the fact that it has launched several new channels—it currently has 15, and a growing collection of pay-TV subscription channels—CCTV’s viewing share is falling. In 2010 it was overtaken by the combined audience of provincial broadcasters such as Shanghai Media Group, Hunan TV, and Zhejiang TV.

While the television industry is said to provide a public service (in accordance with the party’s ideology and under the government’s supervision of content), the reality is that media institutions have been ordered to separate their administration into *shiyè* and *qiyè*, that is, both public service and commercial “self-reliance.” For example, CCTV is state-owned but gets its funds from the market. CCTV has relative independence in program development. Revenue comes from the market and advertising instead of from direct government funding. This has led the television industry to relentlessly pursue ratings and produce more and more entertainment programs, such as reality shows. Public service genres have been weakening, and a dumbing-down of news content has made it hard to engage and enthrall the audience.

Still, in recent years there has been some investment in the quality of news programs because a number of television stations have realized that news programs can give them a greater competitive edge and also meet the needs of a more demanding and critical audience which is adept at new media.

The five most popular television news programs are listed below (see Table 13). While these programs have maintained high viewership, most have suffered a slow decline, partly because audience dynamics have changed in the past decade or so. Once a very small elite, China’s television viewers later became a national mass audience numbering in the hundreds of millions, with families at the heart of viewing behavior. However, from the late 1990s on the audience has become increasingly fragmented and individualized.

Table 13.

Television ratings of the five most popular* television news programs (%), 2007–2010

News programs	2007	2008	2009	2010
CCTV “Network News Broadcast”	3.8	8.7	7.1	6.6
CCTV “Topics in Focus”	3.1	5.3	4.1	1.9
Jiangsu Satellite TV “Nanjing Face to Face”	8.3	6.8	8.1	5.7
Guangdong Pearl River TV “Today’s Concerns”	7.0	6.2	8.3	9.1
Shanghai TV “From the Audience”	9.1	12.4	11.2	9.9

Note: * See note to Table 8 for how this is measured.

Source: China TV Rating Yearbooks 2008 to 2010, Communication University of China Press, Beijing

Furthermore, a number of other changes have affected audiences, principally the development of multiple and specialized channels, increased channel choices through advances in cable and satellite broadcasting availability, and the continuing diversification of society.

It is clear that the once largely unified television audience has now been divided according to viewing taste, personal interests, and geography. Local channels have increased the amount of broadcasting in dialects, most notably in Guangdong Province which has strong linguistic, cultural, and economic links to Hong Kong. For example, Guangdong Pearl River TV broadcasts exclusively in Cantonese. In fact most Cantonese are generally watching completely different channels and programs from the rest of the country. In the far northeast near the Korean peninsula, many ethnic Koreans can receive some Korean broadcasting.

Because there are now strong commercial imperatives as well as political ones, television content production has become individual and consumer-focused, driven by the need to please audiences, adapting and catering to an array of social tastes and interests. Because digital media are inherently designed to serve narrower audiences and individual needs, digital migration accelerates this process.

As audiences become more diversified, CCTV is beginning to lose out to cable, satellite, and regional networks. Audiences prefer to watch the television news channel closest to them. In Guangzhou, for example, CCTV programming only accounts for 45 percent of the weekly audience share, compared with 78 percent of Hong Kong's TVB Jade and ATV, and 80 percent for Guangzhou TV.⁴⁹

In 2007, the television audience rose to 1.2 billion.⁵⁰ Altogether there were 3,000 television stations across the country.⁵¹ There has also been a rapid growth in television genres and formats. As a result, television occupies a singular position in the state's media arsenal: it is the party's greatest vehicle for transmitting propaganda, whether through the evening news or the CCTV "Spring Festival Gala," one of the highest-rated shows of the year on Chinese television. For example, CCTV's flagship evening news program, "*Network News Broadcast*" ("*Xinwen Lianbo*"), concentrates heavily on CCP politburo standing committee members with lavish coverage of their every statement and gesture. A widely circulated joke says the program is divided into three segments: the first 10 minutes talk about how busy the leaders are, the middle 10 about how happy people are across the country, and the final 10 about how chaotic other places in the world are. The local stations do not fare better: news reports are routinely organized by propaganda officials and bolstered by interviews with local CCP secretaries.

Yet despite the party's strict censorship some provincial television stations and even other news programs at CCTV have begun to show some independence. For decades, the party has pushed television networks to embrace the market. Individual programs have thus been given a great deal of responsibility and autonomy in managing the operations of their own program and the people who work on the program. The rise of investigative news in the mid-1990s and *minsheng* news in recent years are all evidence for that independence and autonomy.

49. Elaine J. Yuan, "Diversity of exposure in television viewing: audience fragmentation and polarization in Guangzhou," *Chinese Journal of Communication*, 1(1) (2008), pp. 91–108.

50. See http://news.xinhuanet.com/newscenter/2007-12/19/content_7281337.htm (accessed 14 June 2012).

51. See <http://www.china.org.cn/english/features/Brief/193358.htm> (accessed 14 June 2012).

The 1990s saw a relative surge in ‘watchdog’ journalism, or what the Chinese call “supervision by public opinion” (*yulun jiandu*). While many cases of media supervision involved little more than party-sanctioned monitoring of low-level officials, some of the best investigative reports made important breakthroughs on a variety of topics: official failures, corruptions, social tensions, conflicts, and natural disasters, which were all taboo topics in the pre-reform era.

The rapid rise of *minsheng* news programs reflects another reorientation of Chinese television. *Minsheng* news features localized perception and production, and local people’s daily lives are the primary concerns of the programs. Instead of being elite-centered, news tends to focus more on the grassroots, which constitutes the majority of the news audience. This grassroots orientation shows the tendency for television to cater to the preoccupations of the general public.

1.3.3 Impact of Digital Media on Good-quality News

New media have brought a plurality of news forms and participation models, subverting traditional media’s monopoly on news production. Despite this, new media still rely upon the reporting generated by traditional media to grow. Traditional media audiences have slowly evolved from passive, isolated consumers into information creators as well as consumers. However, these untrained news information producers often rely on emotion or sensationalism to judge the validity and worth of their content, resulting in highly variable quality. The best part is that bloggers, microbloggers, and other amateur journalists are scooping traditional news outlets as well as pointing out errors, while people who have been made subjects of news articles are responding online, posting supplementary information to provide context and counterpoints. Increasingly, the public is turning to online sources for news.

As traditional media slowly become more integrated with new media, so there will be changes in content. While at first traditional media simply duplicated content and republished information online, their online presence has quickly evolved into a more hybridized system, closely mirroring the structure of portal websites. The information is updated more quickly, news pages are becoming more interactive and there are more multimedia elements. *Caijing*, Caixin Media, and other traditional media outlets have added blogs to their sites; both CCTV and *People’s Daily* provide *weibo* services to their readers; the *Southern Metropolitan News* website has a video section;⁵² and many others solicit and use reader-contributed content. Journalists are blogging live from the field; for breaking news, *weibo* allows them to post frequent updates in near real-time.

Commercial portal websites mostly assimilate second-hand information rather than create their own content and have experienced a marked shift toward often vulgar entertainment content. As traditional media news websites have begun to implement faster updates and increase interactivity, and as participatory journalism is flourishing, portal websites have increasingly organized news stories and comments into different “special topics” (web pages and packages devoted to a special issue) or niche interests to facilitate readers’ access and to provide in-depth analysis.

52. See <http://nd.oeeee.com/mnews/> (accessed 25 January 2012).

1.4 Assessments

According to CNNIC's "29th Internet Development Report," as of December 2011 there were 513 million internet users in the country, up 55.8 million in a year. Some 71.5 percent of these use the internet to get their news.⁵³ The instantaneous, interactive, and easily harnessed delivery of content has drawn people to internet media, making it one of the main channels through which people obtain news.

As Nielsenwire commented, "One screen is not enough for Chinese consumers."⁵⁴ With more viewers no longer solely focused on one screen, news providers must think strategically about content that resonates across all three screens—television, internet, and mobile. As the media evolve beyond television, it has become crucially necessary for news providers to adapt to changing media consumption patterns.

The advent of new internet media technologies and applications—such as mobile internet and microblogging—has created a convenient and easy-to-use channel for ordinary people to quickly create and retrieve information. SNS rely on interpersonal connections between users, increasing the speed with which news information travels across social groups, as well as the scope and depth that it permeates society. The expansion of these new channels of communications has important implications for the dissemination of knowledge and ideas in a society where news and information traditionally have been restricted. (See section 3.)

As the public turns toward participatory forms of online journalism, and as traditional news outlets adopt more of those interactive features in their online versions, audiences have enjoyed access to a greater diversity of news offer. But the core news value has not changed: serving the party and the imparting of ideology are still the main characteristics of traditional news online. Although the internet has created some openings for disseminating uncensored news, the government has also successfully co-opted internet companies into doing much of its censorship and surveillance work, and at the same time has imposed self-censorship on bloggers and microbloggers alike.

53. CNNIC, "29th Internet Development Report."

54. Nielsenwire, "One screen isn't enough for Chinese consumers," 7 March 2011, at <http://blog.nielsen.com/nielsenwire/global/one-screen-not-enough-for-chinese-consumers/> (accessed 25 April 2010).

2. Digital Media and Public or State-administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

From the birth of Chinese television and radio in the 1950s to today, the broadcast media have without exception been state-owned and state-operated. Chinese media are completely controlled by the Chinese government and the CCP, which regulate their content in accordance with their policy and propaganda requirements.

As a result, the commonly held concept of public service broadcasting, in the sense of it being independent of both the state and the market, does not apply. In other words, if a guarantee of independence from the government is a defining feature of public service media, then there are no public service media. A more accurate definition in China's case is "state-operated broadcasting." For the purposes of this chapter state-owned CCTV and China National Radio are being treated as the country's version of public service media.

Though this still holds true for today's broadcast media, there have been changes in the media structure since the economic and political opening of China that began in the late 1970s. Beginning in the 1980s, there was a policy to "commercialize" Chinese media, including broadcast media, through the creation of a number of media groups. This has had the effect of gradually removing the government itself from managerial and operational responsibility and weakening direct governmental control over the commercial aspect of the development of the media. However, ultimate control remains in the hands of the CCP, which has a party committee in every media operation. At the same time, content regulatory power rests with the Propaganda Department of the CCP.

As broadcast media were allowed to become more market-oriented, these media groups began to assume responsibility for their commercial performance. Chen Lidian, a Renmin University of China professor, uses the term "single system, dual operation" to describe the present structure of China's broadcast media. Under this arrangement, broadcast media take advantage of state ownership to gain economic benefits in the market

and in turn reinvest these to further the party's political propaganda goals.⁵⁵ Because of a lack of financial transparency in media operations, there are no financial data available to examine the finances of China's broadcasters.

This "commercialization" is most pronounced in local broadcast media. There is intense competition between local television stations. Because provincial stations remit revenue to local authorities, they are usually left with more space to develop their own programs. National broadcasting, on the other hand, is directly guided by the government and the party, therefore bearing the greater burden of a more ideological assignment under which news that positively evaluates government policies helps to protect their image and establish legitimacy. This ideologically driven policy is explicit because the authorities regard broadcasting as part of the public domain, which they consider the responsibility of state and party. The public interest is, by definition, served by state and party, and only in that sense is it possible to compare the Chinese model with the concept of public service broadcasting.

Two news broadcasters, namely CCTV-13 and China National Radio's "*Voice of the Nation*," tell something of the recent story of public broadcasting. The news programs of both may be characterized as formal and solemn, shunning "entertainment news" values in favor of hard news. In 2009, CCTV-13 underwent changes in both content and broadcast structure.⁵⁶ Not only was there a marked increase in breaking news reports, but also commentary and analytic content improved. Daily news broadcasting segments increased to 15–17 hours, more than 88 percent of premier program output. As of 2009, CCTV-13's audience share reached 2.7 percent, placing it in the top 10 for the entire country.⁵⁷

"*Voice of the Nation*" runs 24 hours of news contents daily, many of them live broadcasts, with reviews and background information adding lots of depth to the news. In 2008, "*Voice of the Nation*" was ranked third in the Beijing district, pulling in 0.5 percent of listeners. In 2009, in 25 cities, including Wuhan and Chengdu, it was ranked either first or second, evidence of the effectiveness of a strong news agenda for gaining listeners.⁵⁸

CCTV and China National Radio still dominate the industry, but they have ceded market share to provincial stations because the latter are producing the most popular entertainment shows. This has led the two national broadcasters to increase news and current affairs output, so as to uphold their positions and become more like public service media.

55. Chen Lidan, "Issues of media economy," 18 July 2005, at <http://media.people.com.cn/GB/40628/3549870.html> (accessed 2 February 2011).

56. Jiang Mo, "New approaches of CCTV-13 restructuring," *Youth Journalist*, 16, 2009, at http://qnjz.dzwww.com/qybg/200909/t20090914_5067429.htm (accessed 25 February 2011); Luo Chang, "Analysis of the editing and broadcasting of the new edition CCTV-13," *Press Circles*, June 2009.

57. There are two major audience measurements for broadcast media: ratings points and share, usually reported as: ratings points/share. Share is the percentage of TV sets in use tuned to the program. For example, Nielsen may report a show as receiving a 9.2/15 during its broadcast, meaning that on average 9.2 percent of all TV-equipped households were tuned in to that program at any given moment, while 15 percent of households watching TV were tuned into that program during this time slot. The difference between rating and share is that a rating reflects the percentage of the total population of TVs tuned to a particular program, while share reflects the percentage of TVs actually in use.

58. Liang Mingzhi and Cai Shuai "The restructuring of *the Voice of the Nation*," *News and Writing*, Beijing Daily Newspaper Group, March 2009.

2.1.2 Digitization and Services

To date, digitization of media has been at the behest of the government, which has openly advocated and pushed for the switch-over. SARFT has formed an administrative plan for digitization in keeping with the “single system, dual operation” structure described earlier. Each stage has been carefully planned with specific guidelines for execution, technological support, and new industry standards.

CCTV has always had a special status among media providers as the station with the most domestic influence, and is undoubtedly the leader in the race to complete digitization ahead of an array of local area television stations such as Hunan Satellite TV. Yet CCTV’s embrace of online media (as Cctv.com) has not been particularly successful, with the website lagging far behind television in reach and influence. Unwilling to fall behind, CCTV spent RMB 200 million (US\$ 31.5 million) on a new video site on 28 December 2009 called China Network Television (CNTV).⁵⁹

Original content for the CNTV site is broad and varied, consisting of news, sports, arts and entertainment, HD visual content, user-generated content (UGC) such as blogs and video-sharing, and a 24-hour continuous and comprehensive stream of domestic television channels. Beginning in 2010, CNTV began broadening its online content, adding information concerning movies, television series, documentaries, finance and economics, science, health, weather, domestic life, travel, education, minority and ethnic groups, and music, among others, all drawn from the 450,000 hours of film in the CCTV broadcast library. In addition, clips from various domestic local stations are routinely gathered for internet broadcast. In this way CNTV has slowly drifted away from its parent station, a first step toward diversification.

SARFT has given Beijing terrestrial radio broadcasters permission to carry audio, video, and digital broadcasts. China National Radio has established four new digital radio stations, two new digital video stations, one mobile television station, and three mobile audio broadcasting stations. The two new digital video stations, Happy Shopping and Healthy Family, broadcast product advertisements and health tips, respectively, drawing on the largest online radio broadcast site China Radio Net.⁶⁰

2.1.3 Government Support

As early as 2001, the government explicitly promoted triple-play, the integration of telecommunications networks, cable television, and internet, yet it was not until 2009 that the State Council and SARFT gave the idea any substance. On 13 January 2010, Premier Wen Jiabao called a meeting of the State Council in an attempt to create a definitive timeline for integration and to remove integration barriers.

The telecoms industry and the Ministry of Industry and Information Technology (MIIT) will be responsible for technological aspects and the creation of the necessary networks. However, SARFT, which has long been

59. “CCTV Threw 200 million RMB to launch a full Internet TV service,” 29 December 2009, at <http://media.sohu.com/20091229/n269290797.shtml> (accessed 14 February 2012).

60. See <http://www.cnr.cn/service/dtjj.html> (accessed 21 February 2011).

responsible for the ideological aspects of the broadcast media, as well as holding considerable sway in the creation of broadcast technologies and facilities, will continue to be responsible for the content and ideology.⁶¹ Two triple-play projects have been initiated, one with IPTV (internet protocol television), promoted by the MIIT, and one with Next Generation Broadcasting network (NGB), promoted by SARFT.⁶²

On 9 February 2010, Xinhua News Agency published a joint-ministry press release⁶³ announcing the results of inter-ministry negotiations: IPTV programming may be transmitted by telecoms operators while content control remains in the hands of local radio and television regulators; broadcasting networks may take part in parts of telecoms services such as voice and data, as well as establish a national cable television corporation. While this compromise is a step toward “three-net” (telecoms, internet, and television) integration, it falls short of a satisfactory level of integration and fails to meet the needs of the telecoms sector. Landline, cellular, and internet operations all remain firmly in the grasp of the telecoms providers, while television services and control of content remain dominated by SARFT. At the same time telecoms providers may only retransmit those programs already broadcast by television and radio.⁶⁴

The pilot projects that started in 2010 form a clear pattern of asymmetric entry: they strongly encourage radio and television to enter the field of telecoms, but if telecoms want to test the water in the broadcasting business, they will still be subject to many limitations. For example, telecoms operators have been waiting to enter the IPTV business for years, but license rights remain in the hands of SARFT, which has issued licenses only to its affiliated enterprises, including CNTV. Telecoms operators have therefore to cooperate with those enterprises.

Because CCTV has acquired the first IPTV license as well as the first network television license,⁶⁵ it is in a unique position to truly become a national network television. It can combine its 400,000 hours of content⁶⁶ with multiple network platforms.

2.1.4 Public Service Media and Digital Switch-over

The principal means of transmission historically was terrestrial television and this remains the case for rural areas. Direct satellite to the home (DTH) has made major inroads into traditional patterns of terrestrial reception in many countries, and, in advanced economies generally, these services are now digital. When DTH

61. “SARFT is considering the standards of internet TV,” *Daily Economic News*, 7 May 2010, at <http://www.nbd.com.cn/newshtml/20100507/20100507033501466.html> (accessed 25 February 2011). Huashu Group is the leading company involved in building Next Generation Broadcasting (NGB).

62. Zhao Hejuan, “Triple play is the savior of broadcasting,” *New Century Weekly*, 21 February 2010, at <http://media.163.com/10/0221/11/601SOKKT00763N4Q.html> (accessed 25 February 2011).

63. “Triple Play becomes a Game between MIIT and SARFT, with the latter gaining the upper hand,” *Southern Metropolis News*, 9 June 2010, at <http://www.chinanews.com/it/it-itxw/news/2010/06-09/2331806.shtml> (accessed 25 February 2011).

64. By law, according to State Council General Office, Stipulation No. 82.

65. While IPTV dissemination occurs over a managed proprietary network and consumers also need a dedicated set-top box, network TV is spread through the public internet and consumers need only a TV with internet access to watch.

66. See <http://www.cctv.com/profile/intro.html> (accessed 25 January 2012).

services began to be beamed into China from abroad, China's response in 1993 was to introduce regulations banning the ownership of DTH reception satellite dishes without a special license and thus funneling satellite services through cable systems which could be regulated. Since then, television development in the cities has been predominantly cable-based.

In 2003 SARFT released "The Timetable for China's Transition from Cable TV to Digital TV."⁶⁷ This timetable divided the process of transition into four steps according to the size of cities and by region, starting with major cities in the east, provincial capitals and major cities in the central areas, as well as a certain number of provincial capitals in the west in 2005, with completion across the country by 2015.

In January 2008, CCTV in Beijing began a trial of digital terrestrial broadcasting. By August 2008, eight cities were able to broadcast digital Olympic coverage. By 2009, the first wave of city digitization was completed, and 109 cities had digital broadcasting abilities. According to SARFT, the digital terrestrial television (DTT) network will cover the whole country in three years. DTT deployment will be in two phases. The first phase will see the delivery of high definition (HDTV) and standard definition (SDTV) programs to 37 major cities across China and the second phase will extend SDTV program availability to China's 333 cities and 2,861 counties.⁶⁸

The basic guidelines for the switch-over to DTT are the continuance of high-quality service to the public, preservation of HD programming where available, and continued free SD programming for the general public.

The government's plan for the digital terrestrial switch-over begins with economically developed areas with high demand for media content and a lack of open frequencies where analog terrestrial television will be slowly phased out.⁶⁹ This plan will also be deployed on the basis of city size and geographic area, beginning with larger cities in the eastern areas, then moving on to smaller, more rural cities in western sectors. Digital television terminals as well as HD programming will be subsidized in an attempt to popularize digital content, thereby garnering support for the digital switch-over.

The SARFT Planning Institute proposes that beginning in 2015, analog terrestrial services will slowly be shut down in areas that have DTT, in the hope that by 2020 all analog terrestrial television services will be discontinued.⁷⁰ After the completion of the transition to digital, extensive wireless public service programs will be launched.

Elsewhere the priority has been to switch off analog terrestrial transmissions to make more efficient use of spectrum, but China begins its digital switch-over from CDTV instead of DTT. The cable system covers

67. See <http://business.sohu.com/59/90/article212009059.shtml> (accessed 25 April 2011).

68. See <http://tech.sina.com.cn/t/2009-02-21/04092845430.shtml> (accessed 9 July 2012).

69. Li Yixing's speech at the Forum of Digital TV Transmission and Testing on 24 March 2010, Beijing. Li Yixing is the director of Wireless Office of the SARFT Planning Institute. See <http://tech.163.com/10/0329/22/62VQ19T90009471J.html> (accessed 25 February 2011).

70. See <http://tech.163.com/10/0329/22/62VQ19T90009471J.html> (accessed 25 April 2011).

cities, towns, and some villages, and had by 2005 become the largest cable network system in the world.⁷¹ The cable network has been the most popular platform for people to be informed and entertained. Though broadcasters began to transfer from analog to digital television in the late 1990s, the government only decided on the DTT standard in September 2006, the year that China launched its first broadcasting satellite. These are the main technical reasons why SARFT has chosen to make the switch-over from CDTV.

As Michael Starks points out, “China’s motivation for digital switch-over is different: rather than pushing to reuse analog terrestrial spectrum, the government aims to support the interests of the TV receiver manufacturing industry and, especially, to improve the managed communication of information to the Chinese people.”⁷² The transition to digital TV basically continues the dominance of existing broadcasters. Since China does not have public service media, all efforts with regard to digital switch-over can only be discussed in the context of a state-operated television industry. The switch-over process is completely determined by the state, with SARFT playing a decisive role. There are no new entrants in the process.

2.2 Public Service Provision

2.2.1 Perception of Public Service Media

As outlined in section 2.1.1, the broadcasting system is governed entirely by the party and the state, which view themselves as the overseers of the public interest. As such, there are no studies attempting to gauge public opinion on the independence and functioning of the system.

2.2.2 Public Service Provision in Commercial Media

However, the reforms introduced over the past two decades to create a more commercial and competitive media landscape (as opposed to a private one) have been partly responsible for weakening the state’s ideological grip and encouraging people to become more aware of the value of freedom of information and civic participation. If the public interest is at least in part about speaking to and engaging with citizens, the commercially funded broadcast media actually do fulfill that role. At the same time, if the public interest is at least in part served by freeing the media from market forces, CCTV, China’s largest and most powerful national television broadcaster, is able to transmit programs that would not be commercially viable, such as documentaries and educational programs.

71. Robert Vaagan and Wang Yu, “The development of digital television in China and Norway,” *New Media, Mediated Communication and Globalization. Intercultural Communication Studies*, 17(3) (2008), pp. 169–184.

72. Michael Starks, “Digital television switchover: China goes its own way,” at http://www.westminster.ac.uk/__data/assets/pdf_file/0003/59709/003WPCC-Vol7-No1-Michael_Starks.pdf (accessed 9 July 2012).

2.3 Assessments

Due to the development of digital technology and the rise of new media, state-operated broadcasting has expanded its service areas and sphere of influence. Its media products have attracted a wider audience, and the restriction of time and space on the delivery of media contents is steadily decreasing. Consumers are therefore able to access the content and services of broadcast media in a flexible and convenient manner.

The broadcasters, through the commercialization process, have adopted something of a public service function, especially the national broadcasters directly under SARFT, such as CCTV and China National Radio.

But, in essence, CCTV remains a mixture of state television and commercial television, as well as public television. The biggest obstacle to television restructuring are the tensions between the propaganda system, the public service, and the market. As the famous CCTV anchor Cui Yongyuan puts it: “If our television is public television, then it is the world’s most dirty public television; if our TV stations are commercial television, then it is the world’s worst commercial television.”⁷³

73. Quoted in “*Southern People Weekly* interview with Cui Yongyuan: I want to bang on the desk,” at <http://news.sohu.com/20050921/n227020984.shtml> (accessed 15 June 2012).

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

Chinese netizens have embraced all forms of user-generated media, including blogs, forums or “bulletin board systems” (BBS), video sharing, social networks, microblogs,⁷⁴ and Wiki.⁷⁵

Table 14.

The most popular types of UGC and UGC websites, 2011

UGC website name	UGC type	Global reach (million pageviews)	% domestic traffic	% visitors to UGC subsection of broader website	Daily unique visitors (million)
Baidu.com	Search engine	957	96.9	n/a	51
Baidu Tieba	Online community	221	n/a	14.5	12
QQ.com	Portal website	115	97.1	n/a	12
Qzone.qq.com	SNS, weblog	212	n/a	21.1	22
Sina.com.cn	Portal website	116	95.7	n/a	11
Blog.sina.com	Weblog	855	n/a	15.9	84
163.com	Portal website	541	96.8	n/a	85
Blog.163.com	Weblog	201	n/a	13.4	31
Sohu.com	Portal website	487	96.5	n/a	65
Blog.sohu.com	Weblog	206	n/a	7.3	27
Youku.com	Video sharing	358	95.3	95.3	68
Tudou.com	Video sharing	570	97.3	97.3	85
Renren.com	SNS	52.8	93.6	93.8	49
Tianya.cn	BBS	1.97	96.5	97.0	38

Notes: For details of Alexa’s methodology, see <http://www.alexa.com/help/traffic-learn-more>; n/a: not available

Source: <http://www.alexa.com/topsites/countries/CN>

74. For the purposes of this study, Chinese domestic Twitter-like sites will be referred to as microblogs, as Twitter itself is blocked in the mainland.

75. Websites that allow users to collaborate in adding and updating information content.

The number of users for Wiki and microblogs is of particular note. Wiki has experienced slow growth; the unavailability of information on the user base of Wiki indicates its comparative lack of popularity (Wiki UGC has been largely ignored by CNNIC). Wiki content is mainly divided between Hudong.com and Baidu Baike, two home-grown online encyclopedias. Hudong claims to be the world's largest Chinese encyclopedia website, with more than 5 million articles and more than 13 million users.⁷⁶

Although Table 14 does not show the use of microblogs, in fact since 2009 microblogging has become one of the most important platforms for netizens to express opinions and gain information. Microblogging emerged as the third leading source for information and public opinion in China in 2010 behind traditional news media and online forums, according to a report by the Communication University of China based in Beijing⁷⁷ (see Table 15).

Table 15.
Comparison of popularity of UGC websites, 2011

UGC type	No. of users*	% total net users
Microblog	249,880,000	48.7
Forums	144,690,000	28.2
SNS	244,240,000	47.6
Blogs	318,640,000	62.1
Wiki	n/a	n/a

Note: * CNNIC defines a net user as one who has used the internet for a period of at least six weeks within the last six months;⁷⁸ n/a: not available

Source: CNNIC, "29th Internet Development Report"

While the number of microblog users is still lower than blogs, microblogging sites already surpass forums and social networking sites as the second-biggest UGC application. According to CNNIC, microblogging sites experienced a sharp increase in popularity in 2011. The proportion of total net users going on microblogging sites was only 13.8 percent in 2010, but rose to 48.7 percent in one year. Microblogging is dominated by Sina (Weibo.com) and Tencent Weibo (T.qq.com).

In general, the UGC websites are highly integrated into established media websites, as is the case with the UGC content of the four largest portal websites (Sina.com.cn, Sohu.com, 163.com, and qq.com). These sites use a wide selection of specialized content to attract users, offering a convenient portal through which to access news, entertainment, Wikis, blogs, microblogs, videos, etc. It is therefore very difficult to identify what specific information is attracting users to these portal sites, which have the most successful UGC sub-sites. Specialized UGC sites traditionally lag behind those that offer a variety of media.

76. "Information game changer," *China Daily*, 22 February 2011.

77. "Microblogs China's 3rd largest source of information: report," see <http://news.sina.com.cn/m/2011-03-25/150222181325.shtml> (accessed 26 April 2011).

78. Under the blanket definition of net user CNNIC divided users into smaller categories, including users of mobile-accessed internet and desktop-accessed internet, defined by self-identification of the user. In this case, while the study does not directly define "user" for the statistics used in Table 15, it is indicated that users qualify as net users following the criteria here.

The four top portal websites all rank within the top 20 sites in China (Sina.com.cn at no. 2, Sohu.com at no. 4, 163.com at no. 6, and QQ.com at no. 8). According to Alexa, only eight stand-alone UGC websites rank in the top 100.

Table 16.
UGC websites ranked in Chinese top 100 by Alexa, 2011

Name	UGC type	Rank
Youku.com	Video sharing	10
Tudou.com	Video sharing	11
Renren.com	Social network	16
Tianya.com	BBS	20
Kaixin001.com	Social network	21
Douban.com	Social network	24
Mop.com	BBS	50
Wikipedia ⁷⁹	Wiki	98

Source: <http://www.alexa.com/topsites/countries/CN>

3.1.2 Social Networks

Before 2010, the most popular and influential social networking websites were Qzone.qq.com, Renren.com, and Kaixin001.com. The rise of microblogging services has complicated the picture. Although the CNNIC report separates microblogs from SNS sites, many observers would include microblogs in an assessment of the popularity of the top social networks. Because of the government's blocking policy, internet users do not have access to big SNS websites such as Facebook and Twitter, and many users are actually unaware of their existence. However, copycat sites such as Renren.com, Kaixin001.com, and Weibo.com have sprung up across the Chinese internet.

Table 17.
Five most used social networks, 2011

SNS websites	Type	User demographics	Active users (million)	Reg. users (million)
Qzone.com (Tencent) http://qzone.qq.com/	Nickname SNS	Teens	190	481
Renren.com http://www.renren.com/	Real-name SNS	Students, white-collar	95	170
Pengyou.com http://www.pengyou.com/	Real-name SNS	White-collar	80	131
Sina Weibo http://weibo.com/	Microblog	White-collar	65	120
Kaixin001.com http://www.kaixin001.com/	Real-name SNS	White-collar	40	95

Source: TechRice, a website covering China's tech industry⁸⁰

79. Both the Chinese and English versions of Wikipedia have been blocked several times since 2004. Currently, both versions are accessible in China, except for political articles.

80. See <http://techrice.com/2011/03/08/chinas-top-15-social-networks/> (accessed 14 February 2012).

3.1.3 News in Social Media

Because there is a distinct lack of surveys of UGC content in China, we can only use related statistics to indicate the extent to which UGC sites involve news consumption. According to CNNIC’s “29th Internet Development Report” (dated January 2012), 71.5 percent of internet users access news through the internet. Though of course we cannot directly connect this statistic to UGC content, it is a strong indicator that news consumption is viewed as central to the use of the internet. It is therefore understandable that the top four sites of UGC content are portal sites that have incorporated news sections into their larger frameworks.

Table 18 indicates that the majority of users would classify social networking and blogs as a platform for communication, but it is not conclusive about the role of news. CNNIC did not include their research questionnaire in the published report, so there is no way of knowing whether the connection between UGC and the “Communication and discourse” category was by choice or was pre-designed into the questionnaire. What we may conclude from the table, however, is that it indicates the relative importance of UGC and news consumption.

Table 18.

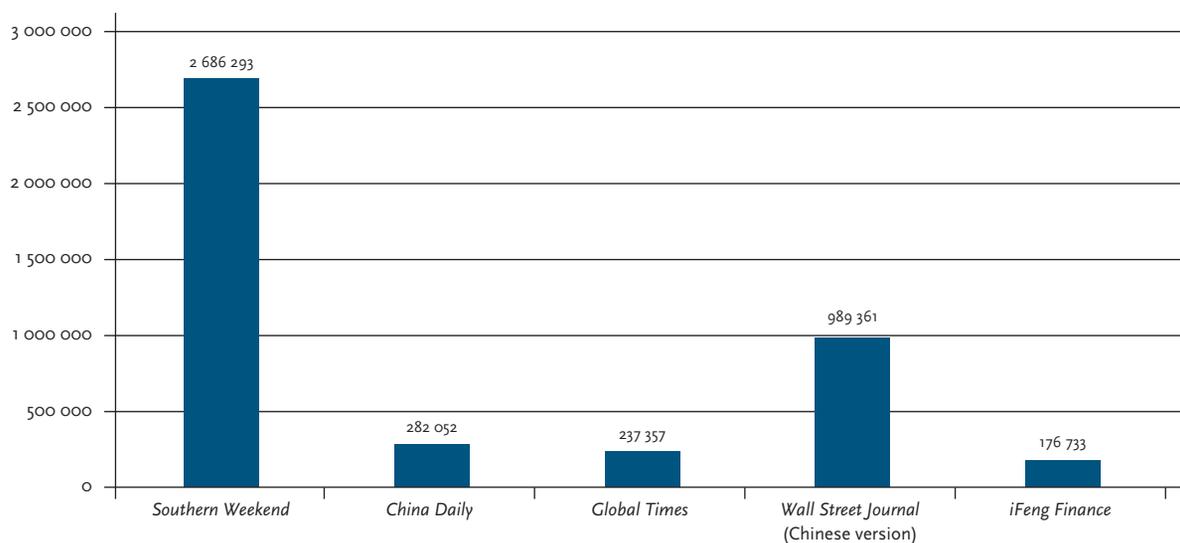
Internet application usage (%) and ranking among the internet population, 2010–2011

Type	Usage	Usage as of December 2010	Usage as of December 2011	Ranking as of December 2010	Ranking as of December 2011
Information access	Search engine	81.9	79.4	1	2
Internet entertainment	Online music	79.2	75.2	2	3
Information access	Online news	77.2	71.5	3	4
Communication and discourse	Instant messaging	77.1	80.9	4	1
Internet entertainment	Online games	66.5	63.2	5	6
Communication and discourse	Blog	64.4	62.1	6	7
Internet entertainment	Online video	62.1	63.4	7	5
Communication and discourse	Email	54.6	47.9	8	9
Communication and discourse	Social networking	51.4	47.6	9	10
Internet entertainment	Online literature	42.6	39.5	10	11
Commerce and business	Online shopping	35.1	37.8	11	12
Communication and discourse	Forum/BBS	32.4	28.2	12	15
Commerce and business	Online banking	30.5	32.4	13	14
Commerce and business	Online payment	30.0	32.5	14	13
Commerce and business	Online stock speculation	15.5	7.8	15	18
Communication and discourse	Microblog	13.8	48.7	16	8
Commerce and business	Travel reservation	7.9	8.2	17	17
Commerce and business	Group purchase	4.1	12.6	18	16

Source: CNNIC, “29th Internet Development Report”

However, specific examples from UGC sites may be used to extrapolate the level of news consumption. Weibo.com, a social networking site much akin to Twitter, allows both individuals and groups to create profiles, which has led to the creation of tens of thousands of news-oriented groups and profiles.⁸¹ Established media outlets such as *Southern Weekend* and the *Wall Street Journal* (Chinese version) have found strong followings on such social networking sites:

Figure 4.
Number of “fans” of media publications on Weibo.com, 2011



Note: Ifeng is a portal-like website that features news, forums, and more

Source: <http://media.weibo.com/home/> (accessed 20 June 2012)

Many prominent journalists also maintain their own personal blogs on sites such as Sina.com and Ifeng.com. Han Han is an extremely popular blogger on Sina.com who publishes social commentary pieces. While Han Han is not a professional reporter, he has adopted a role as investigative journalist by seeking out controversial figures for interviews and researching social issues. On Ifeng.com, the respected Phoenix TV journalist Luqiu Luwei has blogged extensively on her experiences in investigative journalism, as well as posts about her trips to hotspots such as Iraq and Egypt. Many journalists have opened their own accounts on Sina.com and QQ.com. So news consumption has become an important aspect of UGC in social networking sites, blogs, and microblogs at the same time as it highlights the remarkable development of microblogging as a form of propagating news.

In recent years, there have been several high-profile cases of news and journalism being spread via blogs and microblogs, such as the case of the 2008 Sichuan earthquake. This 7.8-magnitude earthquake was first reported through Twitter, microblogs, instant messages, and forum websites such as QQ.com and Tianya.

81. See <http://media.weibo.com/home/> (accessed 25 January 2012).

com, quickly spreading across the globe way ahead of mainstream media.⁸² According to the blogger Robert Scoble, the Chinese microbloggers even beat the US Geological Survey's announcement of the quake in what became known as "Twitterquake" outside China.⁸³ In the wake of this disaster and because of the slow response of traditional media, many users turned to blogs and microblogs as their main information channel.⁸⁴ This phenomenon was repeated during the 2009 Qinghai earthquake, where rescue teams tweeted with locals to broadcast information about dangerous areas and those in need.⁸⁵ At the height of the emergency, rescue teams were posting up to a tweet every minute, reporting on their movements and describing the disaster scene. Reporters also took advantage of the speed of microblogging sites to post information about road blockages and flight delays for other media representatives as they rushed to the area.⁸⁶

Microblogs have become a formidable tool for grassroots reporting and social or political activism. Twitter and domestic microblogs often broadcast information not covered by traditional media, creating a new internet-based news network. Although Facebook and Twitter are both blocked in China by the "great firewall," many citizens, especially journalists and academics, have begun using proxy servers to access blocked sites. For such users, Facebook and Twitter have become nexuses of information outside the control of the government.

But the "great firewall" is only one layer of the government's online censorship. What are more damaging to internet news are the vast layers of censorship that occur on the Chinese side of the wall. Through various cyber laws and regulations it is these internet companies—such as Baidu.com and Sina.com—that carry out the censorship. Anything that could potentially harm CCP rule will be taken down by the hosting company. Routinely taboo topics include calls for greater autonomy in Tibet and Xinjiang, relations with Taiwan, the Tiananmen Square protests of 1989, religious freedom, and any criticism of CCP leaders. Specific party directives in 2011 curbed reporting on uprisings in the Middle East, independent candidates for local people's congresses, public health and food safety issues, labor unrest, and particular human rights activists, journalists, and lawyers. Social media messages could be deleted, and accounts closed. At the same time, the glorification of the CCP is given free rein. In fact, paid and volunteer pro-government commentators have a special name on the Chinese internet, the "50 Cent Party."⁸⁷ So while the government is able to stamp out expressions of hostility to the CCP, it is also able to bolster its own image on the internet.

82. R. Cellan-Jones, "Twitter and the China Earthquake," 12 May 2008, at http://www.bbc.co.uk/blogs/technology/2008/05/twitter_and_the_china_earthqua.html (accessed 2 December 2010).

83. D. Sullivan, "Twitter beats (wow, by 3 minutes) the USGS with China earthquake news," 12 May 2008, at <http://searchengineland.com/twitter-beats-wow-by-3-minutes-the-usgs-with-china-earthquake-news-13976> (accessed 2 December 2010).

84. Zhong Kexun and Zou Wanming, "The power of public opinion on SNS: through the Wenchuan Earthquake," *Journal of Southwest University for Nationalities*, August 2008.

85. "Impressive performance of microblog in disasters," 17 April 2010, see <http://zjc.zjol.com.cn/05zjc/system/2010/04/17/016527278.shtml> (accessed 14 December 2010).

86. "The disseminating function of microblog in crises," 7 June 2010, see <http://media.people.com.cn/GB/22114/45733/193275/11805178.html> (accessed 14 December 2010).

87. The commentators are said to be paid 50 cents for every post that either steers a discussion away from anti-party or sensitive content on domestic websites, BBS, and social media, or that advances the Communist Party line.

3.2 Digital Activism

3.2.1 Digital Platforms and Civil Society Activism

Due to the level of government intervention in the content of established media such as television, radio, and print media, internet media have quickly become an important platform for civil society activism. The level of freedom of speech and the variety of broadcast forms found in blogs, microblogs, SNS, and BBS have led to their use in many high-profile activism cases, some of which have been ultimately successful.

As an important component of the activities of civil society, popular protest and social movements are powerful means of resisting state power and protecting citizens' rights. But organized protest is under strict control. By contrast, the scale, speed, and anonymity of the internet facilitate popular protest. Sometimes, such protest is just a more radical form of public debate. This is evident in the proliferation of information on the internet, the overflow of such information into conventional media, the strong interest in seeking information from the internet, and a growing reliance on the internet for personal expression and public discussion. At other times, workers, farmers, the urban middle class, and others organize protests through internet and mobile-phone communications, reflecting growing public anger over wrongdoing by officials, corruption, land confiscation, labor policy, pollution, and fatal police beatings.

The state is committing more resources to social media control. Microblogs are being regularly kept under surveillance, rates of deletions of certain political and social topics become higher when "sensitive" incidents happen, and there has been an increase in arrests for spreading "rumors." In December 2011 authorities in Beijing, Shanghai, and other major cities announced rules requiring microblog users to register with their real names. Despite the government's controls, factors including the technology's flexibility, circumvention tools, netizens' "wisdom of crowds," and the large volume of online communications have allowed many users to access censored content, expose official corruption, mobilize protests, and circulate banned political texts.

The Case of Deng Yujiao

One of the more dramatically successful activism cases is that of Deng Yujiao, a karaoke worker sentenced to death after fatally stabbing a government official. According to her account of events, the government official mistook her for a worker in the sex industry, and after her repeated rejections of his advances she was forced to stab him in self-defense. Enraged by the sentence handed down by the courts, Chinese “netizens” began a campaign to free Deng Yujiao, using instant messages, BBS, blogs, and microblogs to spread the word of her fate. One blogger came to the forefront of this campaign under the username of “Butcher.”

Butcher spearheaded an online movement through his personal blog, which spread through the Tianya, Mop, and other forums, as well as video-sharing sites such as Tudou and Youku. The movement focused much on the “virtuous” actions of a woman protecting herself and refusing to sell her body for money, and called for the release of Deng Yujiao. Butcher went so far as to gather donations from other netizens to buy a plane ticket to visit Deng Yujiao and support her, as well as bringing her a lawyer for legal counsel. Pictures of Butcher and the lawyer weeping after their meeting with Deng Yujiao soon went viral, transmitted through Tencent QQ instant messenger and plastered across forum boards.

Soon afterwards hundreds of picketers gathered outside the Badong police station calling for an open trial. However, it was at this time that Butcher’s blog was permanently shut down and much of the supporting material was censored or deleted. Though an open trial was not granted, Deng Yujiao was ultimately deemed mentally unstable, and therefore excused from any criminal charges and released. Few traces of Butcher’s activism remain, and most of the virtual discussions have since been removed by site administrators.

A second case is the Anti-PX Movement.⁸⁸ In 2007, residents of the eastern coastal city of Xiamen began a campaign in the hope of forcing a toxic chemical plant to move its location. Paraxylene, PX for short, created a strong sour odor which was permeating the nearby areas, and is believed by some to cause birth defects. As residents became more concerned about plunging real-estate prices and possible health problems, they banded together to ask the local government to intervene. Though earlier pleas for government assistance were largely ineffective, the cause was eventually taken up by local experts who began publishing pieces discussing the dangers of the pollutant. Soon after, on 29 March 2007, a well-known blogger, Lian Yue, published 10 (later amended to 12) guidelines for Xiamen residents to follow in their activism.

These rules for activism encouraged residents not to outwardly protest, but to remain calm and refer to the articles published by the experts. As a text message began circulating calling for the residents to “go for a stroll” in front of the local government offices, pressure began to mount. Though the residents were ordered

88. “Xiamen stroll leader,” 3 January 2008, at http://news.qq.com/a/20080103/004676_2.htm (accessed 16 April 2011).

to disband, their constant calls for intervention were eventually successful. In December 2011, residents received word that the chemical plant would be closed and relocated.

There was another notable case in which individual microbloggers, citizen journalists, and professional journalists all played a part. In September 2010 in Yihuang county in Jiangxi Province, members of the Zhong family posted protests on the internet requesting fellow netizens to help halt the imminent forced destruction of their home to make way for a transport redevelopment program. In desperation three older members of the family then set themselves aflame and jumped off the roof of their house (one of them later died from his burns). *Southern Metropolis News* was the first mainstream newspaper to report the incident on 12 September. The incident was quickly “harmonized” (suppressed) in mainstream media and major web portals by the propaganda department and web censors. However, there was a critical turn of events on 16 September when two younger female members of the family, Zhong Rucui and Zhong Rujiu, decided to travel to Beijing for a petition visit (a process whereby citizens can have their grievances heard by the government). On their way to Nanchang airport they were chased by police and government officials. The two girls managed to lock themselves in the airport lavatory from where they sent out mobile text messages to local reporters, seeking help. A number of microblogging journalists started to live-cast the event on Sina and Tencent microblogs.

After having to abandon their trip to Beijing, Zhong Rujiu’s microblogs attracted tens of thousands of fans. Other microbloggers blasted the story across the Chinese internet, causing an outpouring of sympathy for the Zhong family and outrage against the local officials who had tried to evict them. Soon it was clear that Chinese online public opinion had again changed the course of events, when eight officials in Yihuang county were placed under investigation and removed from their posts in connection with the case. And the Zhong family’s home remains standing.

Zhong Rujiu’s microblogging was hailed as “a new page in the history of Chinese citizens’ rights.” The *Phoenix Weekly* reporter Deng Fei, who played a significant role in helping the Zhong family during the incident, said: “Zhong Rujiu, born in 1988, upon learning the power of microblogging and livecasting, will no longer kneel down and bow her head like her father’s generation. Instead, she will use microblogging to defend her rights.”⁸⁹

In these cases, the pressure from the general public through the internet resulted in the government being held accountable and having to report the truth. But there are clear boundaries and no-go areas. For one thing, it is much easier to point fingers at local authorities for failing to deal with crime, corruption, and local abuses of power, for example, than to raise issues that are the preserve of the central government and the party. Even the civil rights lawyer Chen Guangcheng, in his first major public appearance after arriving in the United States in May 2012, spoke of “a tendency among the local authorities in China, far from the gaze of the central government in Beijing, to flout the law and due process guaranteed by the Chinese Constitution,”

89. Interview with Deng Fei, Shanghai, 18 November 2010.

shunning the criticism of the government. But there are also signs of change on this front. For example, a high-speed train crash in July 2011 sparked public outrage as efforts were made by the authorities to cover up the cause. This was a notable example of criticism of the national authorities, even leading to criticism of the “China model,” by which the authoritarian political system is accepted as legitimate in exchange for increasing economic prosperity.

Moreover, protest opportunities arise in the event of natural disasters or sudden accidents, things that happen so suddenly that the government has not had a chance to issue an order to the internet companies about whether such content should be removed. On the whole, netizens are testing the limits of permissible activity, sometimes effectively forcing government concessions regarding rights violations.

3.2.2 The Importance of Digital Mobilizations

In a country where freedom of expression, association, and assembly are limited, the internet has helped to build links and to facilitate collective actions among the people.

Many researchers believe that an increase in conflict and protests are a by-product of the reforms introduced in contemporary China. For instance, according to Frances Piven and Richard Cloward, protests “do not appear in normal times. They appear in a period when large-scale changes undermine political stability.”⁹⁰ According to another analysis, the main reason is that widespread socio-economic changes and reform initiatives have threatened the way of life and the interests of a very large number and range of people, from peasants to workers to home-owners.⁹¹ As a result, social conflicts and protests have increased in number, size, and intensity over the past decade or more.

Some researchers, for instance Elizabeth J. Perry, have identified “the use of advanced electronic technology as the most obvious new feature. It improves communications among protestors. It also allows protestors to broadcast news about their predicament to supporters with the help of the mass media and the international community.” It generates new social relations, new ties, and new common interests among people and helps improve the mobilization capacity of their social movements.⁹²

The frequency and scope with which the internet is used for social mobilization have expanded beyond expectation. Organizers who use the internet for social mobilization today come from all walks of life, some even from government. Others do it on behalf of non-governmental organizations or other associations, while some do it just as individuals. On the internet, a single voice can start a movement, even in the absence of organizational networks.

90. Frances Fox Piven and Richard Cloward, *Poor People's Movements: Why They Succeed, How They Fail*. Vintage, New York, 1978, p. 386.

91. Cai Yongshun, *Collective Resistance in China: Why Popular Protests Succeed or Fail*. Stanford University Press, Stanford, CA, 2010, p. 22.

92. Elizabeth J. Perry, “Permanent Rebellion? Continuities and Discontinuities in Chinese Protest,” in Kevin J. O’Brien (ed.), *Popular Protest in China*, Harvard University Press, Cambridge, MA, 2008, pp. 205–216.

That said, since internet penetration in China is still less than 40 percent, nearly 800 million people are beyond its reach and the internet has little or no impact on their daily lives. In today's China, there are both world-class cities such as Beijing and Shanghai and very poor areas. Parts of the east and central-west of China have experienced different rates of economic and social development. So, while the internet has brought about something of a revolution for some people, it has also widened the digital divide.

Over the years, the urban and rural internet penetration gap has been widening. At the end of 2011, China had 377 million urban internet users and an internet penetration rate of 56 percent, close to the overall level of Europe (58 percent), while rural internet users numbered 136 million, a penetration rate of 20 percent, only about a third of the urban level.

There are also large regional differences in internet penetration levels. This gap exists especially between the eastern coastal areas and the less developed western regions. For example, Guizhou's internet penetration rate is only about one-third of Beijing's.⁹³ In central and western China very large numbers of people have never even seen a computer.

There are differences in educational and social status among China's more than half a billion internet users. People are just beginning to learn to express ideas and fight for their rights by taking full advantage of the internet. The main body of internet users remains silent, and the social elite (such as white-collar workers, students, academics, and those with the power to influence the media) are still the dominant voices in the virtual world. According to the "2011 China Internet Public Opinion Analysis Report," internet users account for about one-third of the country's population. Among them, 31.7 percent are actively posting on the internet or leaving comments on posts, accounting for 10.6 percent of the total population. In other words, the current internet voices belong to only some 10 percent of the Chinese people. Internet users are mainly composed of the young, highly educated, urban population.⁹⁴

3.3 Assessments

Digitization has boosted the quantity of news. People can read, comment on, produce, and republish news on the internet very easily, which means ordinary people can now be involved at all levels in the production, dissemination, confirmation, and discussion of news. The internet ended the monopoly of traditional news institutions and weakened the government's ability to censor information. With the help of digital devices such as PCs, cell phones, cameras, and digital video, citizens and journalists have made an abundant contribution to news on the internet. Vast amounts of linking, republishing, and sharing have turned some

93. Chen Jianguo, "Where is the room for growth in internet users in China?," 8 March 2012, at http://www.cnnic.cn/research/fxszl/fxswz/201203/t20120308_23977.html (accessed 15 June 2012).

94. Zhu Huaxin, Shan Xuegang, and Hu Jiangchun, "2011 China internet public opinion analysis report," 23 December 2011, at <http://yuqing.people.com.cn/GB/16698341.html> (accessed 14 June 2012).

news events into hot issues. This tendency has accelerated with the rise of Chinese microblogging in 2010. Moreover, the rise of digital media has forced the government to begin to respond to public opinion on issues which they might have previously ignored.

People are using the internet to fight for the rights of expression and association. Countless online sources of information have broken the limits of the traditional media. The internet has become a tool for netizens to seek and know the truth and to voice their opinions publicly, sometimes enough to overcome the power of vested institutions and the government. More significantly, collaboration and cooperation on a larger scale among netizens have begun to take form, such as the Anti-PX Movement that appeared in Xiamen, allowing residents to use digital media to organize into groups and begin to protest against policies that affected their lives.

Moreover, digital media have begun to bring about social changes that encourage civic culture. Broad non-revolutionary movements may appear which, while not dedicated to the overthrow of the state, may still be persistently transformative. These movements are dedicated to the long, slow transformation of society and the state so as to facilitate equality and dignity for all members of society. Through online communication and transmission, internet users are able to come in contact with, pass on, discuss, and even change opinions. Even more important is the ability netizens now have to bring about a consensus among online communities and to organize large-scale cooperative action aimed at social transformation.

Of course, what must be made clear is that while the internet is available to many, there are also very many who are unable to take advantage of this opportunity. The poor have little opportunity to come in contact with internet media. Chinese society has still to make huge efforts to popularize and extend information technologies so that all may share the benefits.

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

Digitization has deeply affected Chinese journalism over the past five years. This may be seen in many areas: new production and broadcast techniques; the promotion of citizen participation in news creation and dissemination; and a change in the balance of information-related rights between the government, professional journalists, and citizens.

Journalists are using digital technologies for interviews, writing, editing, and production, while news products must be created in accordance with the demands of a variety of digital platforms, including multimedia.

For journalists sources have multiplied, with early leads coming from forum websites, blogs, SNS, and microblogs. Moreover, the interview process is now aided by email, mobile phones, VoIP and other online phone services, instant messaging, and digital audiovisual media recorders. At the same time, it is no longer enough to report an interview in the traditional text-alone format. Pictures or video are now required. Zi Yun, an influential senior media editor, points out: “Today reporters must use the internet, whether personal websites, blogs, microblogs or their own SNS accounts.”⁹⁵

Zhang Jieping, executive editor-in-chief of the iPad magazine *iSun Affairs*, says that in the last five years she has increasingly relied on the internet specifically for acquiring sources and getting and conducting interviews, as well as for the publication of the material.⁹⁶ Five years ago, she would rely upon her social circle, television news, or portal websites as main sources of leads, but she has slowly found herself paying more attention to blogs and RSS feeds. Today, the speedy microblogs are catching her attention.

95. Interview with Zi Yun (alias), an influential senior media editor in one of China's biggest portals (confidentiality requested), email correspondence and Beijing interview, 13 December 2010.

96. Interview with Zhang Jieping, Beijing, 20 December 2010.

Microblogs in China are based on Twitter in form and function, with message content limited to 140 characters. These short messages are transmitted to other users who choose to follow accounts. There are several distinct differences between Chinese microblogs and Twitter. First, in the former, comments are threaded under the posts. Second, it is easy to share photos, audios, and videos, which are also displayed inline under the posts. Third, you can say more in 140 characters in Chinese than in the Roman alphabet, making it possible for microblogs to operate as an information outlet and a discussion forum. Fourth, the search and discovery functions on Sina Weibo are more advanced than Twitter. They can be used to track emerging issues and agendas. Lastly, Weibo also has the “long *weibo*” function, in which a long essay can be turned quickly into a jpeg document and uploaded as an attachment to a Weibo post. In this way, people have the chance to read long articles without jumping into links, further expanding the discussion space.

In Zhang Jieping’s opinion, the vast majority of important news stories in 2010 broke from microblogs. Examples are: the controversial death of Qian Yunhui, the village head and campaigner against the abuse of power;⁹⁷ “My Father is Li Gang” (the case of a drunk hit-and-run driver who tried to avoid arrest by invoking the name of his father, a senior policeman);⁹⁸ the fake diploma of the prominent businessman Tang Jun;⁹⁹ and the mass mourning organized for the victims of an apartment fire in Shanghai fire that killed 58 people.¹⁰⁰ Internet media, specifically responses to posts or comments, have helped Zhang Jieping locate many news sources other than the more commonly approached prominent individuals and officials. In fact, her mainstream publication went so far as to add a special page to track stories originating from online media.

An even more compelling example can be found in the Southern Daily Media Group, which owns more than 10 nationally influential websites, newspapers, and magazines. In 2009, this group distributed personal iPhones to almost a thousand of their most notable journalists in order to promote high-speed and convenient reporting through on-location interviews, photographs, videos, and audio recording. Its flagship newspaper *Southern Metropolis News* has an annual production of over 100 million words, 150,000 pictures, and 60,000

97. Qian Yunhui, a 53-year-old elected and popular eastern Zhejiang Province village head who had a long history of petitioning against alleged abuses by local government, died on 25 December 2010 after being crushed by the front wheel of a truck loaded with rocks. It was rumored that Qian Yunhui was held on the ground by four men in security personnel uniforms while the truck was driven slowly over him. At a government press conference a week later it was announced that Qian Yunhui had died in an ordinary traffic accident, struck and killed crossing the road. Within hours of his death, images of his dead body were circulating on Chinese websites such as Sina Weibo, as many people expressed their disbelief in the official police explanation.

98. Michael Wines, “China’s censors misfire in abuse-of-power case,” *New York Times*, 17 November 2010, at <http://www.nytimes.com/2010/11/18/world/asia/18li.html> (accessed 15 February 2012).

99. Tang Jun, a former multinational executive, was long regarded as personifying one of the most successful business stories in China, until he was publicly criticized in 2010 for lying about his education and work experience. He claimed to hold a doctoral degree in computer science from California Institute of Technology (Caltech). However, Weibo celebrity Fang Zhouzi checked Caltech’s alumni list and lists of doctoral dissertations, and found no records for Tang Jun. Fang Zhouzi also discovered that some technical inventions which Tang Jun claimed credit for were listed under other names in patent databases. Fang Zhouzi accused Tang Jun of fabricating his credentials. Tang Jun later admitted that he did not have a degree from Caltech.

100. On 15 November 2010, 58 people died in a fire in an apartment building in Shanghai. As the building burned, observers used cameras and phones to take and upload images to microblogs. On 20 November, microbloggers called on the people of Shanghai to visit the scene to mourn and lay wreaths—and the next day, 200,000 citizens did so. Both through the live broadcast of events and the mass laying of wreaths, this new medium brought people together and played a major role in the government’s handling of the incident. For more background on these stories, see Zhang Jieping, “Weibo changes the ecology of power and spreads the information revolution to the global Chinese,” *Yazhou Zhoukan*, no. 5, 2010, at http://www.yzzk.com/cfm/Content_Archive.cfm?Channel=ac&Path=3188989351/05ae1a.cfm (accessed 29 April 2011); Hu Yong, “Crowd control,” *Index on Censorship*, 40(1) (March 2011), pp. 66–71.

pages. It has established an all-media platform, providing multimedia products and distributing them through multi-channel television, radio, internet, mobile phones, and outdoor electronic bulletin boards.¹⁰¹ Like many of the 2,000 national and provincial newspapers in China, *Southern Metropolis News* has invested heavily in the Canon 5DmkII, a camera that has taken the Chinese news industry by storm as newspapers introduce multimedia on to their websites. They now have 12 photographers shooting stills and video, as well as a dedicated multimedia team working on longer term projects.¹⁰²

The news editing process has also been greatly affected by digitization. Editors not only have to manage texts, images, and videos, but also must comply with the different needs of varied broadcast platforms such as newspapers, television, and the internet. For example, in the wake of a mudslide in 2010 that claimed the lives of several thousand people in Gansu Province, editors were given the task of streamlining and simplifying highly detailed newspaper reports for internet consumption. This sort of editing work also involves organizing thousands of photographs and videos for easier browsing and information retrieval, as well as the creation of graphs, charts, and explanatory graphics. Related reports, analysis, and commentary must also be linked or cross-referenced. Digital media have increased the speed with which news is supplied and replenished, requiring 24-hour monitoring and updating.

The rise of digital media has also intensified media competition, threatening the commercial viability of print media. Not only have print media experienced an erosion of advertising revenue,¹⁰³ but also the low-cost or no-cost reprinting of newspapers and magazines on the web has attracted readers, enticing them to abandon more costly print media. Different outlets have been forced to change their business strategies, banding together and cooperating for protection. Consequently, journalists, including seasoned veterans, from different media platforms have had no option but to meet the demands of digital media. Not only do they have to learn and refine their skills in writing, photographing, audio-video production, animation, etc., to become qualified reporters, but they also need to engage in blogging and microblogging, join forums, Tencent QQ groups, and social media, to expand their sources of information, enhance communication, and engage in exchanges with the audience.

Journalists are no longer the lone suppliers and creators of news. Citizens can now disseminate their own news reports, commentary, and opinion surveys (as in “voting” whether one “likes” an article), promoting a new pluralization of news sources. This change has also brought about new challenges regarding the validity, reliability, and objectivity of news. Lang Zi, a nationally influential newspaper reporter and commentator, states that the sources of news are increasingly differentiated, faster, more interactive, and more extensive.¹⁰⁴

101. Yi Haiyan, “The road of media convergence under an all-media strategy,” *Network Communication*, May 2010, at http://news.xinhuanet.com/newmedia/2010-05/21/c_12126558.htm (accessed 16 June 2012).

102. See <http://umedia.nddaily.com/#20090912-12> (accessed 12 June 2012).

103. “Traditional media advertising, albeit growing this year, shows significant weaknesses,” *China Press and Publishing Journal*, 12 June 2012.

104. Interview with Lang Zi (alias), a nationally influential newspaper reporter and commentator (confidentiality requested), Beijing, 20 November 2010.

Moreover, digital media help reporters and citizens alike to realize a more authentic China, rather than just the more idealistic image that is propagated by official media sources.

Xinhua News Agency's former editor-in-chief Nan Zhenzhong has long noted that in present-day China there exist two completely different "public opinion fields." Party newspapers, national television, and the national news agency form the "mainstream media opinion field," faithfully promoting party and government policies and disseminating "socialist core values." But another public opinion field relies on word of mouth, especially the internet, where people are able to discuss current events, comment on social issues, and assess the government's public administration on BBS, QQ, blogs, and microblogs.¹⁰⁵

The official version of the China story is always a prosperous economy, a harmonious society, and people living a happy life; but in the "folk" version, China is full of official corruption, "group incidents" (publicly expressed dissatisfaction), and moral decline. The first version is mainly told through national television, especially news programs such as "*Network News Broadcast*," while the second is spread on the internet. Which story is true? Zhu Huaxin, who is in charge of People.cn's Public Opinion Channel, wrote that "in order to understand the real China, we will need both television and the internet."¹⁰⁶

Li Xiao, a former newspaper investigative reporter and chief news director of a well-known internet site, states that the news most in demand in the last several years has not necessarily originated from professional reporters.¹⁰⁷ The internet has changed the traditional mechanism of news reporting and altered the genre distinctions within news content, in particular between news and commentary. For journalists many traditionally distinctive lines have blurred, for example, the line between readers and writers, the distinction between tweet, blog post, newspaper story, and magazine article, and the line between professionals and amateurs. Without sacrificing facts or sensationalizing, journalists have to be better story tellers, but at the same time they have to aim for an elusive objectivity and balance. For netizens, personal posts, news reports, commentaries, and even video-based information are all mixed together into a large and varied information package without regard for differing levels of quality and objectivity. Information has also become harder to verify and confirm, as websites have proven willing to republish unverified news stories in order to provide timely reporting.

What must be emphasized is that while digital media have been an important factor triggering changes in the role of journalists, there have been others. In the last five years, many media have been transformed from tools for party propaganda into semi-autonomous market-oriented media. During this change, the party line has weakened while market influences have been strengthened, solemn news reporting has decreased while human-interest stories, entertainment news, and tabloid journalism have abruptly increased. These changes have profoundly influenced the public's news demands, the media's news offer, and the role of journalists.

105. Quoted in a People.cn commentary, 11 July 2011, at <http://opinion.people.com.cn/GB/15119932.html> (accessed 16 June 2012).

106. Zhu Huaxin, "Television and internet are both necessary for understanding a real China," *China Youth Daily*, 26 September 2011.

107. See, for example, "2 Dec 2010 8-hour discussion with Ai Weiwei and 16 media personnel," 2 January 2011, interview moderated by Lang Zi, content disseminated by Lang Zi.

Digital journalists have had to become more broadly skilled and ready to accommodate a full 24-hour news cycle. This shift requires considerable adaptation and often involves journalists not only in writing stories, but also in manipulating images and using audio and video, which means traditional journalists have had to be trained to use new digital tools.

4.1.2 Ethics

The dual pressures of continued government censorship along with unfettered media competition have given rise to questionable ethical practices, such as “news extortion” (forcing advertising contracts by threatening watchdog reporting against detractors),¹⁰⁸ paid-for content, and the manufacture of news stories. Varying forms of media manipulation, such as taking money in exchange for covering up an exposé, or conversely, in exchange for doing a positive report, are becoming all too common in the digital media. Online PR companies employ people to post on social media in an effort to change public opinion. Such paid posters are known as the “internet water army” because they are ready and willing to flood the internet for whomsoever is willing to pay. The flood can consist of comments, gossip, and information (or disinformation), and there seems to be plenty of demand for this army’s services. Some companies spend tens of thousands, even millions, of RMB to cover up negative reports to avoid online PR crises, a need which has given birth to specialized “post-deleting companies.”

With the increased competition brought about by digital media, traditional media have had no choice but to cut costs. Some have responded by choosing low-priced providers of news, leading to a reduction in original content. At the same time large numbers of citizen and non-professional journalists have appeared, causing a dilution and a decline in the traditional understanding of professional ethics and standards.

With news demands being driven more by speed and quantity, less attention has been paid to quality, though a number of media do uphold strict standards, such as Caixin Media or *Southern Metropolitan News*. Serious intellectual property rights violations have become common practice as many journalists are turning to the convenient services of search engines and databases, freely reproducing and piecing together news stories from other documents published online rather than using their own primary research. In the face of intense competition for speed, many media producers have tacitly approved this behavior. Internet and traditional media alike have begun using eye-catching, exaggerated, shocking, or outright false headlines to attract readers.

At the same time more unverified sources are being used. An incident in 2009 provides an example of this growing trend. After a story broke on internet news sites (original unknown) concerning a named Korean professor from a named university who “made disrespectful comments about China,” anti-Korean sentiments were published on the net as the story was spread across blogs, microblogs, BBS forums, and official news sites that are generally considered to be more reliable. It was only discovered later that not only was the story

108. As Caixin Online excellently reported, “Buying media silence is a common first step toward an initial public offering in China that siphons billions of yuan every year from companies seeking investors in Shanghai and Shenzhen.” See “Road show media bandits squeeze IPO hopefuls,” Caixin Online, 7 June 2012 (accessed 8 July 2012).

a complete fake, but the rumor had been drifting around the internet for several years. Moreover, both the university and the professor were completely fictitious. Yet rampant plagiarism and the absence of verification practices had allowed the media to create their own public opinion incident.

Similarly, many domestic media often rely on the stirrings of nationalism to excite and attract attention. Yet it must be pointed out that traditional media, especially print media, still place a certain amount of emphasis on the verification of sources and attempts to ensure the reliability of news reports. Unverified sources and internet stories are unlikely to be published in the traditional press.

Another notable characteristic of modern media is that long investigative articles are likely to receive less attention from readers. Comparatively speaking, digital media tend to place greater emphasis on simple, uncomplicated information, pictures, and videos. Li Xiao, chief director for a notable news website, believes that pictures and videos have a growing influence, as netizens have already begun to show their increasing impatience with print.¹⁰⁹ Even at his own workplace, while they have a large number of editorial staff, they find themselves unable to spend much of their resources on serious investigative content. Yet at the same time Li Xiao admits that as the daily production rate of information increases, errors appear more often, and his team is unable to match traditional media in editing and fact-checking.¹¹⁰

Digital media also carry a certain risk to the security of personal information. Journalists and editors often use information leaks from new media sources to report on personal information, threatening the security of personal data of ordinary people. This often means using online search engines to comb the web for information on personal online accounts, education history, and current employment information. On the other hand, journalistic interviews, compilations, and databases represent even greater risks of information leaks as there are a myriad of methods to tap, steal, or otherwise compromise digital information. Journalists' personal information, such as private phone numbers and home addresses, are increasingly easy to locate on the net, leading to direct bribes or threats. There have even been attacks on journalists' computers and phones by hackers attempting to steal information. In a few cases, journalists' email accounts have been shut down, information stored on cellphones has been divulged, and digital cameras have been wiped.

4.2 Investigative Journalism

4.2.1 Opportunities

Digitization has clearly made investigative journalism more convenient. First, it has become much easier for journalists to locate public information. Second, investigative journalists now have the aid of digital media to locate interviewees and to conduct interviews unimpeded by distance and inaccessibility.

109. Interview with Li Xiao (alias), chief director of a notable news website (confidentiality requested), email correspondence, 8 December 2010.

110. Interview with Li Xiao (alias), chief director of a notable news website (confidentiality requested), email correspondence, 8 December 2010.

Another significant advantage of digitization has been in the publication of investigative reports that were formerly suppressed in the traditional media. Journalists are able to use digital media, such as BBS or blogs, to disseminate their reports, often republishing reports that were censored for content or entirely rejected by traditional media editors. Zi Yun notes that digital media have increased the number and types of places that investigative news is disseminated.¹¹¹ Even if the original post is deleted from the net, the information may remain out there as it is spread through email groups, Twitter, microblogs, and instant messaging. For example, when the government imposed a media blackout on coverage of a high-speed rail accident in July 2011, newspapers across China had to withdraw front-page articles and rapidly revise their coverage of the accident. Many journalists took to social networking sites to voice their disapproval and some even posted complete layouts of the censored pages on Weibo.

China, like many other countries, has experienced the rise of “citizen journalists,” non-professional journalists who use the internet, video, mobile phones, and other digital tools to gather information, interview people affected by events, and seek out specialists’ opinions. One citizen journalist, known simply as Beifeng (meaning “Northern Wind”), has done extensive interviews and reporting on major events over the last several years. In 2007, when the residents of Xiamen took to the streets to protest against a chemical plant that was polluting the area with the chemical paraxylene (see section 3.2.1), Beifeng raised funds from other netizens and travelled to Xiamen to document the protests and interview participants. He posted live reports of the protests straight from the scene through his personal blog, Facebook, and Twitter accounts. After this success, an increasing number of citizen journalists began to mimic Beifeng’s reporting style by publishing investigative reports. Non-professional investigators often use the internet for live broadcasting, winning greater public attention and assistance. Were a professional journalist to attempt this type of open reporting, they would only be creating problems for themselves. It is easier for citizen reporters to cover such issues more openly.

Investigative journalism has grown cautiously amid the ebb and flow of official government control in the past 10 years. The veteran investigative journalist Wang Keqin likes to suggest that investigative reporting in China has developed a bit like a camel’s hump, with major ups and downs. For example, there was a big fall-off in reporting freedom in 2008 and 2009 because of the Olympics and the 60th anniversary of CCP rule. But for Wang Keqin, 2010 was a peak point for in-depth journalism which “pushed investigative reporting in China to a new high.”¹¹²

This new high is closely related to the development of social media. In 2010 Weibo gradually developed into the most influential digital media in public affairs, changing the power balance between the two public opinion fields (see section 4.1.1). The social media have become a vanguard for breaking censorship and creating space for traditional media to report stories they could not years ago. More importantly, they are

111. Interview with Zi Yun (alias), an influential senior media editor in one of China’s biggest portals (confidentiality requested), email correspondence and Beijing interview, 13 December 2010.

112. “Veteran reporter: muckraking on the rise in China,” China Media Project, 15 July 2011, at <http://cmp.hku.hk/2011/07/15/13862/> (accessed 16 June 2012).

making investigative reporting into a process rather than a product. Twitter-like microblogging as well as conventional blogging have added further possibilities that allow journalists not only to publish what has been investigated, but to turn the investigation into a public conversation and ask for tips.

4.2.2 Threats

All investigative journalists are exposed to a certain amount of danger, a fact that remains true in the digital age. Every year, journalists receive pressures and threats from a myriad of different sources. In China, these perils come from two main sources.

The first is official directives, usually administered by party propaganda departments. A more or less formal system for this was introduced following the publication of highly sensitive stories or stories that were considered to have had adverse effects on society. It includes the directing and supervising of daily updates to internet news sites, as well as a system of punishments for professional journalists who err, including loss of status, reduced wages, being fired, or permanent expulsion from the media community.

Generally speaking, the “supervision” of such reporting includes orders to websites not to allow publication, deletion of articles already disseminated, and direct punishment of the author, as well as more moderate actions such as requiring the revision of articles, suggesting changes to bring more “balance” to the story, and using reports of other subjects to flood news channels. Ironically, digitization has made it easier for propaganda departments both to locate targeted content and to issue instructions to specific media organizations.¹¹³ For domestic media, the Department of Propaganda may directly contact the newspaper’s office, pressuring them to prevent publication. For example, until recently there had been three very famous investigative journalists and commentators who were well known for their intense and pointed criticism of the government. Peng Xiaoyun, Xiao Shu, and Chang Ping were employees of three prestigious papers: *Time Weekly*, *Southern Weekend*, and *Southern Metropolis News*, respectively. Between February and March of 2011, all three were forced to quit their jobs.

The second threat comes in the form of obstruction and retaliation from commercial organizations, social groups and individuals, as well as other legal and illegal methods. They include pressure from one’s personal network, governmental departments, business partners, or advertisers, effectively forcing one to delete work or abandon a certain line of enquiry. Legal methods include accusations of slander or bribery, or blackmail, thereby applying pressure and preventing publication through a lawsuit. Illegal methods include threats and physical violence, and may be carried out by individuals, business groups or even the police, courts, or government ministries exploiting legal loopholes or making false accusations.

The result is what might be described as a sort of three-level examination and filtration structure. The first level is that of governmental supervision, the second consists of pressure from commercial entities and social groups, and the third is self-censorship. According to research by internet scholar Rebecca MacKinnon,

113. Interview with Zhang Jieping, Beijing, 20 December 2010.

different media organs and individuals all have different standards for “self-censorship,” and often the criteria imposed by journalists on themselves are stricter than those the government would impose.¹¹⁴ Yu Chen, a senior media editor, believes this is because government supervision guidelines are so unclear.¹¹⁵

4.2.3 New Platforms

Internet media have begun an assault on the investigative monopoly of traditional media, bringing previously ignored issues to the attention of viewers. As we have seen, professional investigative journalists use the internet to publish investigative reports that would otherwise not have seen the light of day.

The government has not allowed websites to be set up to host investigations into specialized subjects or themes, such as corruption, human rights, energy and the environment, health and safety, though commercial portals have regularly created dedicated pages on controversial issues. But “investigative reporters became more connected with the help of BBS message boards at the beginning of the century and then more so thanks to instant messaging software and, most recently, microblogging,” according to Zhang Zhi’an, Associate Professor with Fudan University’s School of Journalism, who compiled a report on the status of investigative reporters in 2011.¹¹⁶

“Microblogging has provided an open platform for the public to understand investigative reporters, to contribute to investigations and to supervise the authorities,” Zhang Zhi’an added. This platform is becoming very important in two ways: first, it is a collaborative platform. Cooperation among journalists from different media organizations existed before, but never as closely as it does today. Microblogging breaks the boundaries of news organizations, and investigative reporters, even if they are competitors, tend to form a temporary community on microblogs for information gathering to meet their various needs. Many investigative reporters have used microblogging to update their investigations, search for contacts, and exchange story ideas. The image of the investigative reporter as a lone wolf is no longer correct. In the age of the internet, investigative reporting is being revamped. Many of today’s investigative journalists are working in networks, aided by technologies and tools that are revolutionizing reporting. For example, the veteran investigative journalist Deng Fei manages a Tencent QQ group consisting of 500 investigative reporters and web editors, coordinating actions, integrating resources, and sharing news tips.¹¹⁷

This collaborative platform has special relevance in China. Because investigative journalism often touches upon sensitive issues, a temporary community can ensure that political risks are taken together. The publication of the story in many different media at the same time is often regarded as maximizing the influences that are

114. Interview with Rebecca MacKinnon, a former CNN journalist who headed the CNN bureau in Beijing and who is now a Washington-based internet researcher, Hong Kong, 6 October 2009.

115. “2 Dec 2010 8-hour discussion with Ai WeiWei and 16 media personnel,” 2 January 2011, interview moderated by Lang Zi, content disseminated by Lang Zi.

116. “Crack reporters ‘burning out,’” *Global Times*, 14 June 2011, at <http://www.globaltimes.cn/NEWS/tabid/99/articleType/ArticleView/articleId/661370/Crack-reporters-burning-out.aspx> (accessed 15 February 2012).

117. Interview with Deng Fei, Shanghai, 18 November 2010.

strong enough to keep the reports alive and to force the government to address the issue. In extreme cases, investigative reporters can use microblogs to appeal for help when in danger.

The microblogging platform brings professional journalists and citizen reporters together to create new “networked journalism.”¹¹⁸ When it comes to breaking news—from the high-speed train crash in Wenzhou on 23 July 2011¹¹⁹ to Chongqing police chief Wang Lijun’s mysterious visit to the U.S. Consulate on 6 February 2012¹²⁰—the microblog leads the pack. Although not envisioned or designed for use as an “instant” information source, it quickly changed into one, as short bursts of texts, images, and videos from citizens on the scene of both man-made and natural disasters began to spread virally around the country.

Studies in participatory journalism suggest that professional journalists now share jurisdiction over the news in the sense that citizens are participating in the observation, selection, filtering, distribution, and interpretation of events. This of course has its pros and cons for investigative journalism. The microblog can be a serious aid in reporting. As Paul Farhi says of Twitter: “It can be a living, breathing tip sheet for facts, new sources and story ideas. It can provide instantaneous access to hard-to-reach newsmakers ... It can also be a blunt instrument for crowdsourcing.”¹²¹

But the active public may provide their account and understanding of the reality in opposition to that provided by investigative reporters. Sometimes online public participants and investigative reporters compete for the legitimation of their versions of the truth.

118. The term “networked journalism” was coined by Jeff Jarvis, Associate Professor at the City University of New York’s Graduate School of Journalism. “Networked journalism takes into account the collaborative nature of journalism: professionals and amateurs working together to get the real story, linking to each other across brands and old boundaries to share facts, questions, answers, ideas, perspectives. It recognizes the complex relationships that will make news. And it focuses on the process more than the product.” See <http://www.buzzmachine.com/2006/07/05/networked-journalism> (accessed 15 February 2012).

119. See “In baring facts of train crash, blogs erode China Censorship,” *New York Times*, 29 July 2011, at <http://www.nytimes.com/2011/07/29/world/asia/29china.html?pagewanted=all> (accessed 15 February 2012).

120. See “Searching for political clues in China’s social media censorship,” 9 February 2012, at <http://thelede.blogs.nytimes.com/2012/02/09/searching-for-political-clues-in-chinas-social-media-censorship> (accessed 16 February 2012); “China unable to silence internet buzz on police chief,” *USA Today*, 15 February 2012, at <http://www.usatoday.com/news/world/story/2012-02-14/china-internet-police-chief/53096440/1> (accessed 16 February 2012).

121. Paul Farhi, “The twitter explosion,” *American Journalism Review*, April/May 2009, at <http://www.ajr.org/article.asp?id=4756> (accessed 15 February 2012).

A Cuckoo's Nest that One Could Never Fly Over

Xu Wu, once an employee of a steel company in Wuhan, the capital city of central Hubei Province, had been petitioning since 2003 without success in Beijing to get justice in a dispute about pay between himself and the company. In December 2006, he was seized in Beijing, apparently by Wuhan police, and taken back to Wuhan where he was detained in connection with a suspected explosion in Beijing. Later he was forcibly admitted to a mental hospital and mistreated for four years.

Xu Wu never gave up the thought of extricating himself. He managed to break free from the asylum in March 2007 and returned to Beijing, but he was soon sent back under escort. Since then he had been doing exercises every day for a better shot at the escape. In April 2011 he escaped again.

This time Xu Wu borrowed money from a friend and got on a train to Guangzhou, 1,000 km away, hoping to get out of harm's way and to be helped in the city which is renowned for having the country's best respected and civic-minded news organizations. On 22 April 2011, he went through a professional mental health check-up in a hospital in Guangzhou, and was diagnosed to be only of "low self-esteem, suffering from mild depression." He approached TVS, a Guangzhou-based broadcaster, and was interviewed on 27 April 2011.

Xu Wu claimed that he suffered substantial abuses in the mental hospital, including electric shocks. This time, Xu Wu's freedom lasted only eight days. After the interview, he got into a cab at the side entrance of the television station and was leaving for a local newspaper office. Right in front of a television reporter's eyes, the taxi cab was waylaid by several men who claimed to be police. They dragged Xu Wu's father out of the cab and then got into the cab to take Xu Wu away, delivering him eventually back to the mental hospital in Wuhan. The kidnapping was captured by a surveillance camera at the intersection and was posted on the internet.

The next day *Southern Metropolis News* sent its reporter Ji Xuguang to the hospital in Wuhan. But he was beaten up by security guards in the hospital, and was followed around. Ji wrote about his experiences in Wuhan on his blog.¹²² "While beating me up, a man yelled, 'A reporter is just a farce. We can keep Xu here as long as our bosses want,'" Ji wrote.¹²³

At the same time, reporters covering Xu Wu's story reported through Weibo that plainclothes officers were guarding the hotel in which they lived round the clock; whenever they went out for interviews, they would always be followed. The media attention put the relevant departments of Wuhan City in disarray. In the name of *weiwēn*, or "maintenance of stability," the local propaganda department tried in every way to cover up the scandal. On the evening of 5 May 2011, *21st Century Business Herald* reporter Wang Sijing was taken into custody by the local police. Her fellow reporters as well as a lawyer immediately posted a Weibo message to demand that her personal safety be guaranteed. After an online uproar, a Wuhan propaganda official went to the local police station and got Wang released.

122. See "News investigation—Ji Xuguang's blog," at <http://xinwen.blog.163.com> (accessed 18 June 2012).

123. See "Mental Hospital Again for Petitioner," Radio Free Asia, 3 May 2011, at <http://www.rfa.org/english/news/china/petitioner-05032011180933.html> (accessed 18 June 2012).

According to Wang Sijing, on 2 May 2011, the reporters in Wuhan received a blackout order. On 3 May 2011, the Wuhan steel company spokesman sent a text message: “I was officially informed that Wuhan Iron and Steel will not accept any media interviews. The Xinhua News Agency’s official release is the final interpretation of the Xu Wu incident.”¹²⁴ After she was released on 5 May 2011, she sent out a message to other media on Weibo: “Xu Wu’s parents have lost contact with the outside world for nearly 48 hours so far. As the facts are becoming clearer, how can the whole thing be muffled? Those who have not got the ban, can you join in?” Caixin’s Hu Shuli immediately answered the call: “Caixin.com has published Xu Wu as headline news, and we have also compiled a special topic around mental health legislation.”¹²⁵

The media coverage of Xu Wu’s sufferings triggered widespread calls for his mental status to be assessed properly and sparked heated discussions about whether the authorities have the legal right to force people to undergo psychiatric assessment and then send them to a mental institution. Xu Wu finally returned to his family in early June 2011. In the same month, the Legislative Affairs Office of the State Council published a draft for China’s first mental health law and started soliciting public comments. The proposed law came after 26 years of debate over how to frame mental health legislation. The draft law stipulates that no one has the right to force a person to undergo psychiatric assessment.

4.2.4 Dissemination and Impact

Digital media, including mobile phones, cameras, and the internet, have all reduced the cost while increasing the speed and convenience involved in investigative reporting. Contributors to investigative reports can be classified into three groups. The first are professional specialist reporters and editors who might use either mainstream or alternative media to publish their stories. The exposé of melamine-laced powdered milk, which killed several infants and led to thousands more becoming seriously ill, was first published through a blog before gaining national and international attention in all media. In the wake of the scandal, several businessmen were given life sentences and two were sentenced to death.

The second type of investigative contributors are specialists, experts, and scholars who, sometimes collectively, bring their professional knowledge to some issue that has been raised in the public sphere. When, for example, it was announced that South China tigers were found in the wilds of Shannxi Province, interested parties demanded that the pictures taken by one farmer be published, whereupon zoologists, photography experts, and animal tracking experts cooperated to analyze them and identified them as fake. Local media then accused officials of endorsing the fakes as a means of getting state funds and promoting tourism in a poor region. The farmer was given a suspended jail sentence for the fraud.

124. “Should we be silent after the ban?,” Wang Sijing’s blog, <http://blog.sina.com.cn/wangsijing2010>.

125. From Wang Sijing’s Weibo (<http://www.weibo.com/wsj2009>) and Hu Shuli’s Weibo (<http://www.weibo.com/hushuli>). For Caixin.com’s special topic, see <http://policy.caing.com/2011/zgjsbszlxjdj> (accessed 19 June 2012).

The third group are the non-professional citizen journalists, enthusiasts, and concerned parties. Reporters such as Beifeng, “Butcher,” “Beijing Cook,” and “Zola” are all part of this group, with their ranks ever-increasing since the rise of microblogging.

Of course, the effectiveness and impartiality of citizen investigations are not accepted by all. In early 2011, several groups of well-known scholars, lawyers, and media personnel began investigating the cause of death of the Zhejiang villager Qian Yunhui (see section 4.1.1). As the village head, Qian Yunhui acted on behalf of locals who had had their property seized by the local government, earning himself a respected position in the community. Reports of his death were posted through microblogs, split between those who believed the cause of death was murder and those who said it was a traffic accident. Readers questioned the credentials of the “investigators” and began to argue over their varied and sometimes contradictory findings. Zhang Jieping notes that investigative news requires journalists to create a complete, truthful story from scattered bits of unclear information, which means seeking out involved parties, insiders, or leaks.¹²⁶

Today, with microblogging, core sources of information may not be what they seem. Peripheral discussion may be adopted by others and presented as a central opinion, with the endless chatter of users obscuring the view of what is factual. In this type of environment, discrimination and the ability to authenticate and confirm have become a key requirement for investigative journalists. The lack of these skills was abundantly apparent in the early stages of citizen journalism, which led to the increased influence of more solemn, credible news sources.

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

Three of the most sensitive issues that arise in China from time to time involve the following.

- The question of the sole political authority of the CCP and the power of the state. This is very clearly the most sensitive of all questions in the media and in daily life. The sole power and authority of the CCP is explicitly outlined in the national constitution. Any direct discussion or questioning of this is seen as a grave misstep and is in reality quite dangerous. People may sometimes criticize local governments, but as regards the national government, silence on many political issues still largely reigns. Zi Yun remarks that within this broad issue the most sensitive topics are democracy, freedom, and civil rights.¹²⁷
- Ethnic minorities and religion. Tibet and Xinjiang are areas with complex ethnic and religious issues, including unclear and sometimes contradictory practices and policies concerning economic rights, social and religious rights, and political rights. In 2008 and 2009, there were several large-scale and highly destructive outbreaks of violence in these areas. Stories that touch upon issues of national sovereignty, as

126. Interview with Zhang Jieping, Beijing, 20 December 2010.

127. Interview with Zi Yun (alias), an influential senior media editor in one of China’s biggest portals (confidentiality requested), email correspondence and Beijing interview, 13 December 2010.

well as ethnic or religious problems are approached with extreme caution. Zhang Jieping believes that the media will avoid discussing ethnic issues whenever possible. Regardless of whether this is due to pressure from the Department of Propaganda or from self-censorship, most media organizations will choose to keep their hands clean of such reporting. Also, the greater the frequency of such conflict, the less likely it is that the media will be allowed to report on it freely.¹²⁸

- So-called “group incidents.” In recent years there have been many of these. They may include—but are not limited to—marches, demonstrations, parades, and even violent protests in response to the requisition of rural land for urban development or what are considered unjust practices of local administrators. These events are an obvious threat to the government’s ideal of a stable society.

4.3.2 Coverage of Sensitive Issues

Generally speaking, there are strict reporting standards for such sensitive issues. In the past, all reports have had to go through the Xinhua News Agency, a practice that was rarely transgressed because of government orders and media self-censorship.

The main official news sources—Xinhua News Agency, the *People’s Daily*, China News Agency, and *Guangming Daily*, etc.—have multiple channel reporting systems with one channel for public consumption and others for internal reference, for the news that goes only to officials. Until recently sensitive news was only allowed to be released to the public after it had been reviewed by senior officials.

The government also controls the media through the appointment of editors and news directors, the issuing of directives banning coverage of specific subjects, and the expectation that journalists will censor themselves. Those that do not conform to these controls risk having their operations shut down or having certain editors and journalists removed.

On many sensitive issues, government directives restrict all media coverage to carefully vetted copy from the official Xinhua News Agency, and prohibit non-Xinhua journalists from doing reports and interviews.

During the 2003 SARS outbreak, Xinhua was slow to release reports of the spread of the pneumonia virus to the public. However, its reporting in the aftermath of the 2008 Sichuan earthquake was seen as more transparent and credible, as Xinhua journalists operated more freely. On 29 June 2008, one day after a riot in Weng’an, a county in southwest China, Xinhua News Agency issued its first news item on the incident, briefly reporting the torching of the police station by local people.¹²⁹ It was unusual for Xinhua to report a “mass incident” like this so promptly. It was regarded by some media scholars as “a watershed of China’s mass incidents reporting.”¹³⁰ The media have widely reported many mass incidents since then, not just using dispatches circulated from Xinhua.

128. Interview with Zhang Jieping, Beijing, 20 December 2010.

129. “An incident of assault vandalism and arson occurred in Weng’an County, Guizhou Province,” Xinhua News Agency, 29 June 2008, at http://news.xinhuanet.com/newscenter/2008-06/29/content_8456598.htm (accessed 15 June 2012).

130. Dong Tiance and Zhong Dan, “Review and reflection of the current mass incidents reporting,” *Nanjing Social Sciences*, March 2010.

Propaganda officials continue to send out instructions on how news should be handled but their commands are increasingly being ignored.¹³¹ In some cases, reporters have been allowed to do what they wanted for a few weeks before the government gag order came. As a result, the media race to report breaking news events before the government issues an official ban. Journalists also use euphemisms when reporting on sensitive topics.

The decisions by the censors are often arbitrary. Propaganda officials seldom explain to editors and publishers why one story must be deleted and why some reports are forbidden. There is no clear rule in this area, leaving ample space for self-censorship. The China scholar Perry Link compared the undefined limits on the press with “a giant anaconda coiled on an overhead chandelier.”

“Normally the great snake doesn’t move,” he wrote in the *New York Review of Books*. “It doesn’t have to. It feels no need to be clear about its prohibitions. Its silent constant message is, ‘You yourself decide’ ... after which, more often than not, everyone in its shadows makes his or her large and small adjustments—all quite naturally.”¹³²

In recent years, censors and propaganda personnel have become more sophisticated, using interviews and stories to present their side of an issue rather than dogmatic propaganda language—allowing some information against them to filter through so that the government is able to say it allows all sides to present their point of view. Rebecca MacKinnon commented in an interview: “They are getting more sophisticated in how they are handling foreign and domestic media coverage of a crisis. It used to be in a time of major crisis, you get a blackout ... Now the approach is to get the government’s viewpoint out there.”¹³³

Media organizations tend to avoid such issues in the case of ethnic minorities. The government carefully monitors news broadcasts in minority languages, which are heavily slanted toward the official party line. Such broadcasts tend to be overly propagandistic with low viewership. As a result, the government is attempting to expand ethnic-language media coverage and reform the news programming. The newest attempt is Kangba TV, which broadcasts in Kangba, a regional dialect of Tibet. Zhang Jieping notes that reports on ethnic groups and religion are often cut from related stories.¹³⁴ For example, the Yushu earthquake of 2010 brought the Tibetan area to the media’s attention, yet all the media reports focused on the heroic efforts of rescue crews and excluded any information on ethnic minorities and local political concerns.

131. Chinese journalists and bloggers often refer to those instructions as “Directives from the Ministry of Truth.” Censorship instructions, issued to the media and/or internet companies by various central (and sometimes local) government authorities, have been leaked and distributed online. Here is a good collection (in Chinese): <http://chinadigitaltimes.net/chinese/category/%E7%9C%9F%E7%90%86%E9%83%A8%E6%8C%87%E4%BB%A4> (accessed 16 February 2012).

132. Perry Link, “China: the anaconda in the chandelier,” at <http://www.nybooks.com/articles/archives/2002/apr/11/china-the-anaconda-in-the-chandelier/?pagination=false> (accessed 15 June 2012).

133. Interview with Rebecca MacKinnon, a former CNN journalist who headed the CNN bureau in Beijing and who is now a Washington-based internet researcher, Hong Kong, 6 October 2009.

134. Interview with Zhang Jieping, Beijing, 20 December 2010.

Zi Yun believes that digitization has increased the public's ability to educate itself on current issues and to express opinions.¹³⁵ Although there are many guidelines regarding the reporting of sensitive issues, the process of media "marketization" and the proliferation of non-official media have encouraged the use of loopholes as well as tactful or subtle reporting. Zhang Jieping notes that internet media have been able to create new channels of information, especially in the first 24–48 hours after a story breaks. In these first days, information spreads quite freely across various media platforms. However, by the second day the government will move in quickly to suppress such reports.¹³⁶ Li Xiao remarks that the government allows media one "bold step" every month or two. Media are even allowed to carry stories on group events for between roughly three and five days before restrictions are issued.¹³⁷

According to Lang Zi, religion, emigration, ethnicity, and non-traditional sexuality are all sensitive issues, and will rarely be reported on.¹³⁸ Others, such as sex workers, impoverished agricultural workers, disadvantaged industrial workers, the disabled, and those who subscribe to any of an array of subcultures are not necessarily considered sensitive, yet will often be ignored by both the media and the public. Reporting on these may be biased or unbalanced, partly because they are not seen as important by the mainstream media, though they might attract some interest on the internet. Most media are still unwilling to risk offending the government by challenging its social oversight and are especially unwilling to challenge the public's moral borders by bringing attention to subjects such as homosexuality.

It is not until such matters are brought to the forefront by foreign or internet media that they will appear in the domestic media. One such case was the pro-Cantonese language movements of Guangzhou.¹³⁹

In contrast, these topics are discussed more often and more thoroughly online, both by traditional journalists and by citizen journalists. People can touch upon many forbidden areas, so long as the posts do not call for "real-life" action. A Harvard professor, Gary King, and PhD students Jennifer Pan and Margaret Roberts have released an interesting new study, "How Censorship in China Allows Government Criticism but Silences Collective Expression," in which they claim: "Contrary to previous understandings, posts with negative, even vitriolic, criticism of the state, its leaders, and its policies are not more likely to be censored. Instead, we show

135. Interview with Zi Yun (alias), an influential senior media editor in one of China's biggest portals (confidentiality requested), email correspondence and Beijing interview, 13 December 2010.

136. Interview with Zhang Jieping, Beijing, 20 December 2010.

137. Interview with Li Xiao (alias), chief director of a notable news website (confidentiality requested), email correspondence, 8 December 2010.

138. Interview with Lang Zi (alias), a nationally influential newspaper reporter and commentator (confidentiality requested), Beijing, 20 November 2010.

139. *Putonghua*, a standardized form of Mandarin based heavily on the Beijing dialect, is the language of the country's schools, state media, and government departments, which has inevitably led to a decline in local languages and dialects. In Guangdong, some schools have reportedly punished students for speaking Cantonese instead of *Putonghua*. Cantonese has a much older linguistic history than *Putonghua*. Besides being the native tongue of more than 70 million people in China, Cantonese is also spoken by 20 million members of the Chinese diaspora. On 1 August 2010, more than 1,000 protesters rallied in Guangzhou and Hong Kong against the local government's bid to champion Mandarin over the local Cantonese, chanting "Guangzhou people speak the Guangzhou language." The pro-Cantonese movement was sparked after a political advisory body in Guangzhou proposed in July 2010 that local TV stations broadcast their prime-time shows in Mandarin instead of Cantonese ahead of the Asian Games in the province in November of the same year.

that the censorship program is aimed at curtailing collective action by silencing comments that represent, reinforce, or spur social mobilization, regardless of content.”¹⁴⁰

4.3.3 Space for Public Expression

New digital media have created opportunities for discussing sensitive and neglected subject matter. Spontaneously created sites such as Uighur-language sites, Tibetan-language sites, homosexual communities’ sites, sites focusing on workers issues, and other online communities, including the disabled or those seeking help for illness, have increased interest in these issues.

Specific examples include Tibetan Culture Net (Tibetcul.com), a site dedicated to the propagation of Tibetan culture, art, and support for Tibetan intellectuals; Haemophilic Family (Xueyou.org), a site promoting awareness about haemophilia and also organizing aid functions for sufferers and their families. In Gandanxiangzhao Hbvhbv.com, an online support group for Hepatitis B virus (HBV) carriers, has a special section dedicated to anti-hepatitis discrimination. Rights defenders have used it as a platform to exchange information and coordinate action. Discussion and communication on these sites have spilled into mainstream media, increasing the social awareness of such issues. Mr Wei, an online editor, notes that farmers and migrant workers are beginning to use the power of the internet to protect their rights by attracting the attention of media and the public.¹⁴¹ For example, when an appeal for help over land disputes was ignored by the local government, 16 farmers in Ninghai, Zhejiang Province, posted suicide threats on a local online forum Nhzh.com and nationwide social networking site Tianya.cn, claiming they would kill themselves the next Saturday unless the government helped. This prompted the authorities to investigate the dispute.¹⁴²

Yet in reality such success stories are not the norm. In some cases the outcome has been community polarization. For instance, in the wake of the Xinjiang riots of July 2009, two internet forums indulged in extreme ethnic rivalry. During the riots between Uighurs and ethnic Han in Xinjiang, several hundred people lost their lives and several thousand were injured, fueling ethnic hatred. Uighur Online (Uighurbiz.net), representing the Uighur population, and “Iron-willed Forum” (Bbs.tiexue.net), representing the ethnic Han population, appeared to contribute to the tensions rather than ease them.

At the same time, the digital divide limits the effectiveness of those endeavors that do raise levels of knowledge and understanding. For example, the vast majority of Tibetans who are able to get online are educated students or intellectuals who can express themselves in either Mandarin or Tibetan. A greater number of common people, such as herdsman, agricultural workers, the urban poor, and many others who are unable to cross societal and educational boundaries are not part of this online discussion.

140. Gary King, Jennifer Pan, and Margaret Roberts, “How censorship in China allows government criticism but silences collective expression,” at <http://gking.harvard.edu/gking/files/censored.pdf> (accessed 24 June 2012).

141. Interview with Mr Wei (alias), experienced reporter from a southern province (confidentiality requested), email correspondence, 1 December 2010.

142. “16 farmers in Ninghai post suicide threat online over land disputes,” 17 November 2010, at <http://www.whatsonningbo.com/news-436-16-farmers-in-ninghai-post-suicide-threat-online-over-land-disputes.html> (accessed 30 April 2011).

4.4 Political Diversity

4.4.1 Elections and Political Coverage

The emergence of digital media has not affected the regulations concerning the coverage of elections. Domestic media will usually limit their public reports to only the most basic information, such as each candidate's official resume and the outcome of the election. It is not until after the election that the general public will use online search engines to research elected leaders.

The overwhelming majority of citizens pay no attention to the possibility of directly participating in elections, nor do they have any emotional investment in the results. What can be said is that information about possible candidates in quasi-democratic provincial or national elections may now be more easily located on the internet.

However, things are slowly beginning to change. One new and exciting development is that many individuals announced their candidacy for seats at the town- and county-level people's congresses (which are up for re-election every five years) at various local districts throughout China in 2011 and 2012. Those independent candidates have run their campaigns primarily by using microblogging sites Sina Weibo or Tencent Weibo. The pioneer was Liu Ping, a retired 47-year-old steel worker from Xinyu, Jiangxi Province. After laboring for 31 years, she was pushed into retirement by her public-sector employer with what she regarded as a wretched pension. She petitioned party leaders, but to no avail. In April 2011 she registered as a candidate for a May by-election in her local district, and started campaigning in the street and on the net. "In almost 50 years I've never seen a ballot paper. I've always paid my taxes and fulfilled my civic duties. This time I'm going to fight for my rights as a citizen," she wrote in her Weibo account that has attracted more than 30,000 followers, earning her the nickname of "China's Rosa Parks" among bloggers.¹⁴³

As an independent candidate Liu Ping was closely monitored, harassed, and unlawfully detained by local police. The local authorities questioned her intentions and framed her as an ally of hostile domestic and foreign political forces. Her home was searched, her public speaking sessions interrupted, and her campaign banners and flyers confiscated. Authorities went as far as to cut the electricity at her home to prevent her from contacting the outside world. On 19 May, the local election authorities dropped her as an official candidate, saying that she did not meet the requirement of endorsement by 10 fellow citizens.

Liu Ping continues to post her experiences on Weibo, and this has triggered a rash of Weibo candidates. One striking figure is Li Chengpeng, 43, who is standing in a district of Chengdu, Sichuan. A former journalist, Li Chengpeng is the author of a novel on forced demolition programs that caused a stir when it was published in January 2011. On 25 May 2011, he announced his candidacy to more than 3 million followers on his Weibo

143. See Liu Ping's Weibo at <http://www.weibo.com/u/1859163942> (Rosa Parks was an African-American who in 1955 refused to obey a bus driver's command in Alabama that she give her seat to a white passenger, an act of civil disobedience that became a symbol of the rights movement that followed).

account: “I am willing to express the legal vision of people, supervise the government and push forward society.” The message was forwarded more than 3,000 times within a few hours.

Nearly all the independent candidates rely on the internet to get their message out. In their online announcements, the candidates do not challenge the CCP’s authority to rule but do say they will speak for people whose concerns are not being heard. Many say they will represent those on the lower rungs of society, such as migrant workers. Others say they will represent the concerns of the urban middle class. Due to a swift and determined government clampdown on this movement, some candidates have dropped out and others, like Liu Ping, have been foiled by being denied official registration as a candidate. However, even if all the independent candidates lose in the end, it will still be a good lesson to the rest of society, by raising democratic awareness and acquiring new media literacy.

Despite the continued government supervision of information, citizens have more knowledge about candidates now than they did in the past. The internet has also fostered greater transparency of National People’s Congress (NPC) legislations and government policies. For example, in the process of drafting an amendment to the Law on Personal Income Tax, the NPC website published a draft for the public to provide feedback. It received more than 230,000 online suggestions and comments in less than a month.¹⁴⁴ In the end, the final revisions raised the salary threshold for personal income tax and reduced the rates for the lowest tax brackets.

Government offices are posting more information online.¹⁴⁵ On 1 May 2008, China adopted the first nationwide “Open Government Information Regulations,” marking a turning point away from the deeply ingrained culture of government secrecy toward making Chinese government operations and information more transparent. Citizens and the media are able to utilize the information request function on the document to understand more about how government works and affects them. But the implementation of the regulations has been incomplete. Some agencies and local governments have been more forthcoming in publishing official news and the daily activities of leaders, but many continue to withhold vital public information, including that on topics such as *sangong* (the three types of official expenditure that are most susceptible to abuse),¹⁴⁶ food safety, and smog levels. The state-run Chinese Academy of Social Sciences found in February 2011 that 51 out of 59 national administrative agencies and 70 percent of 43 selected city governments failed to pass an administrative transparency evaluation.¹⁴⁷

Government departments are also making use of social media. In 2010, local public security bureaus became early adopters of microblogging. In 2011, various government agencies at all levels opened microblogs,

144. See <http://www.chinanews.com/cj/2011/05-23/3057936.shtml> (accessed 19 June 2012).

145. See “Chinese government website construction and development,” http://viponline.cctv.com/special/2009zfwz/20100111/101756_1.shtml (accessed 20 June 2012).

146. These three types are official overseas travel, official cars, and official receptions.

147. “The Academy of Social Sciences published 2010 Government Transparency Report,” 25 February 2011, at <http://news.sina.com.cn/c/2011-02-25/083322013291.shtml> (accessed 19 June 2012).

communicating and interacting with the public. By 2012, the number of verified Sina Weibo accounts for government agencies and officials had reached nearly 20,000.¹⁴⁸

4.4.2 Digital Political Communications

The ease of participation and varied channels of communication that come with digitization have increased the ability of individual members of the public and of varied groups to express their opinions, expanding the diversity of political voices in China. We can see a three-level increase in diversity on websites, BBS, blogs, and SNS, as follows:

- First, in political thinking, there has been a complex emergence of diversity. Online communities have encouraged widespread debate. Some of the more notable BBS communities include: Pencil Society (Impencil.org), which supports classical liberalism (meaning complete autonomy and freedom, without government oversight); Utopia (Wyzxsx.com), a leftist website which supports Maoism (meaning the intense adoration of Mao Zedong and a desire to remove the gap between rich and poor); Transition Institute (Zhuanxing.Cn), a liberal website emphasizing freedom and justice during China's transition period, including tax reform, business regulation and reform, citizen involvement, and civil society; China Elections and Governance (Chinaelections.org), a pro-reform site sponsored by the Carter Center of the United States to advance better governance and elections in China; and a rash of communities that advocate centralization or anti-centralization (meaning those who would have the government closely control societal and personal behavior, and those who are completely opposed to such controls). While the government is still willing to use such tactics as screening content, closing websites, or deleting posts, the political arena has generally become more diversified.¹⁴⁹
- Second, the diversification of discussion on specific policies is even more evident, especially environmental protection, feminism, animal protection, and medical treatment. Websites for non-governmental groups, BBS, and even email groups are very active. Darwin, an environmental group calling for low-carbon emissions and ecological protection, has used a wide array of communication channels to reach the public, including a private website, online schools, databases, email groups, microblogs, and SNS, as well as one of the most popular instant messaging and online community sites, Tencent QQ.¹⁵⁰ The ability of non-governmental groups to harness the power of the internet is increasing rapidly. Zi Yun believes that those who participate in political life use the internet to increase their knowledge and understanding, but are also immersing themselves in an environment that is permeated with the pressure of being sanctioned.¹⁵¹

148. "The Academy of Social Sciences: government transparency improved in 2011; more attention being paid to microblogging," 20 February 2012, at http://www.china.com.cn/news/txt/2012-02/20/content_24683575.htm (accessed 19 June 2012).

149. On 6 April 2012, CCP censors closed several "new left" websites, including Maoflag.net, Jinbushe.org (or Progress Society), and Wyzxsx.com. Chinaelections.org also went offline. This can be seen as an effort by the Chinese leadership to stifle divergent voices and muffle signs of an ideological struggle ahead of a crucial leadership change late in 2012. See "China shuts leftist Web sites as political strife continues," *Washington Post*, 6 April 2012, at http://www.washingtonpost.com/world/china-shuts-leftist-web-sites-as-political-strife-continues/2012/04/06/gIQA-JLUzS_story.html (accessed 8 July 2012).

150. See <http://www.bjep.org.cn> (accessed 8 July 2012).

151. Interview with Zi Yun (alias), an influential senior media editor in one of China's biggest portals (confidentiality requested), email correspondence and Beijing interview, 13 December 2010.

- Third, personal expressions of political opinion have also become more diverse. Individuals may now observe or participate in large-scale political discussions. Xiao Shu, a well-known political commentator, believes that the attention of the public is a form of power, as focused public opinion can bring about change.¹⁵²

Of course, though there has been an expansion of diversity at these three levels, government oversight and censorship of the media continue, as do the self-censorship practices of both the media and individuals. When it comes to dealing with the incredible volume of information and millions of net users, the supervision system has begun to show that its ambitions exceed its abilities. Many media personnel have noted that the publication of political content still has many obstructions, and online communication tools such as email and instant messaging cannot effectively ensure users' privacy. Li Xiao notes that the multiple forms and types of supervision and control still exist and are becoming more covert.¹⁵³ These are also less severe, leading to a steady increase in the freedom of netizens. At the same time the government may be willing to use commercial pressure or even fake commentators to incite change in public opinion. These methods are less direct and less easily verifiable.

Digital media have also brought about changes in government. Multiple websites have been created representing different levels of government. After several years of preparation, the Central People's Government of the People's Republic of China and CCP websites are now up and running, creating a more transparent, modern, and efficient image.

Starting in 2009, politicians began utilizing internet media, including SNS, to have online contact with citizens in an attempt to develop a greater understanding of public issues. The government has also attempted to popularize a service whereby the public may submit questions in the hope that officials will better understand the popular will of the people. Zi Yun notes that this service is something new in China, yet much of it is just for effect and few citizens' issues are actually resolved.¹⁵⁴

A certain number of government officials have become quite enamored with online media, using blogs and microblogs to communicate directly with the public. Wu Hao, a provincial official of Yunnan, has a very popular microblog, which he uses to express his views, often becoming an object of public ridicule whenever he appears to be "grandstanding." While he is not a particularly popular figure, he is seen as more transparent and sincere than his counterparts who have been more circumspect in their communication.

Mr Cheng, a well-known editor-in-chief, believes that current politics have become more diversified and restricted subject matter has become rarer.¹⁵⁵ While this is true, this was not a change that was engineered by

152. Xiao Shu, "The attention of the public is a form of power to change China," 13 January 2010, at <http://www.infzm.com/content/40097> (accessed 30 April 2011).

153. Interview with Li Xiao (alias), chief director of a notable news website (confidentiality requested), email correspondence, 8 December 2010.

154. Interview with Zi Yun (alias), an influential senior media editor in one of China's biggest portals (confidentiality requested), email correspondence and Beijing interview, 13 December 2010.

155. Email exchange, 2 January 2011. Mr Cheng is an alias.

the government, but one that occurred passively. The appearance of new media has led to a diversification of communication channels, leaving the government unable to maintain previous levels of control. This relaxation of content control has benefitted the advancement of digital media, as well as the liberation of information for the people. Today's public is not as easily tricked as it was before.

4.5 Assessments

Digitization has deeply affected the production of news in China. Digital media have presented journalists with a completely new means of creating and propagating news, allowing news stories to quickly take form and be available to the public. This in turn has allowed the public a greater opportunity and ability to participate, thus stimulating people's minds and encouraging action. Digitization has changed the basic information structures between the government, the media, and the public.

Interviews, reports, editing, and publication all rely upon digital platforms, as news content must have plentiful, diversified multimedia delivered at high speeds. News editing processes have also been greatly affected.

Digital media have increased levels of industry competition, with traditional media experiencing crises and forcing the development of cross-media cooperation. Citizens may now distribute their own news and commentary, promoting the diversification of news production. This diversification, while having certain beneficial aspects, has created challenges concerning the authenticity and objectivity of information.

The quality of news has begun to deteriorate and professional journalistic ethics have become clouded. Original content has decreased and the accuracy of information has been neglected, while intellectual property and privacy rights have experienced a new crisis. The efficacy and impartiality of citizen investigations have also been questioned.

Digital media have created plentiful sources of information for investigative news, while the supervision system for traditional news has experienced problems with timely responses and efficiency as the speed of all forms of current information has increased. Investigative journalism has encountered obstacles from the government, social organizations, and individuals, in the form of state supervision systems and the self-censorship practices of both media and individuals.

Sensitive and neglected issues have benefitted from the appearance of digital media, with digital communication avenues becoming an effective tool for minority voices to express themselves and attract attention to their causes. At the same time, internet media have provided an environment for the polarization of ethnic communities and cultural movements.

Disadvantaged groups have also experienced impediments to using internet media to express themselves effectively. The vast majority of the poor, or the non-heterosexual community or ethnic-minority groups are not guaranteed access to online media, with many unable to access the simplest digital devices or output.

The appearance of digital media has not had an identifiable effect on election coverage and regulation. One noteworthy effect has been an increase in public knowledge about incumbents in office as well as a more lively engagement in political activism.

At the same time the diversification of political voices in China has grown, with political trends, specific policies, and personal expression all more widely available. Online content control mechanisms have become more circumspect, allowing for greater online freedom. The ruling party has made attempts to utilize the internet to create a more transparent and effective image, pushing for more online, public, governmental administration. This shift in policy has benefitted the progress of digital media as well as the liberation of knowledge for the public.

5. Digital Media and Technology

5.1 Spectrum

5.1.1 Spectrum Allocation Policy

After the founding of the People's Republic of China, radio management operations were the responsibility of the army. It was not until after the Cultural Revolution and the opening of China that radio management was turned over to local governments. Eventually, in 1998 supervision of radio was turned over to the Ministry of Industry and Information Technology, which today is known as the MIIT.

On 11 September 1993, the State Council and the Military Commission of the CCP's Central Committee united to issue a joint ordinance, "The People's Republic of China Radio Management Regulations."¹⁵⁶ This was China's first top-tier radio management administrative regulation. It clearly outlines that in respect of radio frequency resources, there should be implementation of a unified program that "promotes equitable development, effective management and paid use of state-owned resources." For radio frequency resource allocation and assignment,¹⁵⁷ decisions are made according to "The Radio Regulatory Provisions of the People's Republic of China."¹⁵⁸

Radio regulatory institutions are at two levels: MIIT and various radio regulatory institutions at provincial, autonomous regional and municipal levels. MIIT takes charge of state radio regulatory functions, such as the formulation of a radio frequency plan and the division, distribution, and allocation of radio frequencies, and the Radio Regulation Department is its specific executive body. Provincial radio regulatory institutions implement state radio regulatory policies and carry out local administrative regions' radio regulation work.

156. See <http://www.srrc.org.cn/NewsShow2141.aspx> (accessed 2 May 2011).

157. Allocation (of a frequency band): entry in the table of frequency allocations of a given frequency band for the purpose of its use by one or more terrestrial or space radio communication services or the radio astronomy service under specified conditions. Assignment (of a radio frequency or radio frequency channel): authorization given by an administration for a radio station to use a radio frequency or radio frequency channel under specified conditions.

158. See <http://www.miit.gov.cn/n11293472/n11294912/n11296542/12169542.html> (accessed 2 May 2011).

SARFT is responsible for all plans for domestic radio and television wireless coverage technology and frequencies. Implementation of radio and television spectrum allocation policies is mainly undertaken by the National Radio and Television Technology Standardization Committee, which controls the frequencies of the radio and television stations of every province and city.

The telecoms sphere is jointly controlled by the MIIT and the State-owned Assets Supervision and Administration Commission of the State Council. These two state organs therefore control the three largest telecom operators: China Mobile, China Unicom, and China Telecoms, all state-owned enterprises.

Table 19.
Government agencies overseeing spectrum allocation, 2012

Agencies	Functions
MIIT	Formulates radio frequency plan and division, responsible for the distribution and allocation of radio frequencies
Provincial radio regulatory institutions	Implement state radio regulatory policies and carry out local administrative regions' radio regulation work
SARFT	Responsible for all plans concerning domestic radio and television wireless coverage technology and frequencies
MIIT and the State-owned Assets Supervision and Administration Commission	Regulate state-owned telecoms operators

Because of the wide-ranging application of various radio technologies and industries, along with the development of digital society as a whole, there has been an increase in the imbalance between supply and demand of radio spectrum resources. Currently, demand on spectrum resources is continuing to grow as the development of public mobile communications networks such as 3G and 4G is accelerating, use of broadband wireless access technology is rapidly increasing, and the development of the “internet of things” has just begun.¹⁵⁹

Spectrum regulation methodologies can be grouped into two types. Under what might be called *flexible methodology*, regulators strive for technology-neutral and service-neutral rules that permit markets to determine in real-time the value of various options. This can also be called “market-oriented methodology.” Then there is *homogeneity methodology*, whereby regulators formulate market structural rules regardless of market outcomes, centered on a single technology path and the benefits of this concentration. Both methodologies have supporters in countries throughout the world. China favors the second approach.

Thus spectrum management in China is largely based on a command-and-control approach in which the regulator makes most decisions concerning the allocation and assignment of spectrum. Auctions have never been used, but the regulator recently sought to use a market-led approach in determining spectrum

159. The “internet of things” refers to uniquely identifiable objects (things) and their virtual representations in an internet-like structure. With all objects in the world equipped with minuscule identifying devices, daily life on Earth would undergo a transformation.

allocation, rather than government agencies. In 2011, for example, the National Development and Reform Commission introduced a spectrum occupancy fee, although it was very low. There is more scope to extend the use of market-based approaches to spectrum management where this might be beneficial. This would provide greater flexibility and transparency in spectrum access. The nature and pace of future technology and market development are very uncertain and it is this situation that command-and-control mechanisms cope with least well, because the regulator does not have the full information required to make well-founded decisions, incorporating issues such as market risk.

Transmission efficiency has greatly increased in the wake of the development of digital television. Specifically, there is a certain amount of spectrum that may be reassigned or reused at the 700 MHz frequency currently used by radio and television. This type of spectrum redistribution will be quite profitable, and is known as the digital dividend or spectrum surplus. Many countries and regions are attempting to do everything possible to use the 700 MHz frequency band to further the development of broadband wireless mobile communications operations. The 700 MHz frequency band, currently a UHF television band, is also known as a white-space resource, and after the completion of digital switch-over in 2015 will be turned over for use by wireless broadband.

In terms of actual operations, this spectrum surplus will be difficult to split between telecoms operations and those of radio and television. There are three reasons for these difficulties. First, SARFT believes that in the wake of digitization and the development of the radio and television industry, future radio and television industries will have large radio frequency demands. The frequency saved by digitization of television is inadequate to fulfill the needs of both television and radio, much less the rich frequencies of broadband mobile telecoms. Therefore, the spectrum surplus should only be utilized by radio and television.

The second difficulty stems from the ability of SARFT to use television's public service aspect to fight the market approach to spectrum allocation. There are approximately 300 million users who currently rely on wireless signals to watch television (mostly terrestrial), so protecting users' interests should be an important goal for a public television service. However, the spectrum surplus has been created by industry initiatives based on the efficient use of market-oriented spectrum. Therefore, when there is a conflict between telecoms operations and those of radio and television at a national level, the protection of public services are a higher priority.

Third, starting in 2006, SARFT began the creation of a "next-generation" broadcasting network based on digital television. This next-generation net would provide users with a one-stop service, including triple-play style HD, SD, digital audiovisual content, voice, and high-speed data input. This would transform every household's television set into a multimedia information terminal. Concurrently, this would allow the aggressive development of "e-government," education, daily-life information, entertainment, commerce, and banking, all through television platforms, causing digital television to be truly an indispensable information and entertainment tool for daily life. This future broadcast network will be able to supply telecoms' broadband service contents—yet another reason why the radio and television industry would like to keep the spectrum surplus for their own use.

Moreover, SARFT will not transfer surplus spectrum due to its continued development of HD television.

For the above reasons, according to SARFT, the radio and television industry has a strong impulse to reabsorb any spectrum surplus.

5.1.2 Transparency

Spectrum policies and management are the responsibility of the Radio Regulation Department of MIIT. Spectrum allocation is based on administrative measures rather than a market-oriented methodology and there is a need for a more consistent and explicit set of policy goals and principles for making transparent policy decisions. In addition, more information should be provided to industry on spectrum policy intentions and spectrum use, so that users can make informed investment decisions.

Radio spectrum management is becoming a challenge to all administrations worldwide because of limited spectrum resources. In China, the government has always regulated radio spectrum through administrative enforcement, but in recent years, regulators have slowly begun to consider market factors. Xie Feibo, director of the Radio Regulation Department of MIIT, points out that one method of resolving the matter of spectrum shortage is to “conduct a more economically-minded spectrum program.”¹⁶⁰ Unfortunately, substantive and implementable plans have yet to surface.

5.1.3 Competition for Spectrum

The common overseas practice in the communications field, especially in the area of 3G licensing, is to hold open auctions, where whichever operation puts up the most capital wins the use of the frequency. In January 2009, the MIIT granted 3G licenses and 3G spectrum to China Mobile, China Unicom, and China Telecom. MIIT stated that the domestic allocation of spectrum would not imitate that of other countries. Rather than requiring the purchase of a license, operators that use spectrum resources will be asked to pay a small usage fee. Moreover, operators that enjoy fast-paced development will be able to apply for and receive additional 3G spectrum resources. Following the most recent rounds of allocation, China Mobile now has a rather large preponderance of frequency breadth. China Telecom and China Unicom have been unable to obtain increased spectrum resources, and are therefore unable to compete with China Mobile. China Mobile has chosen to use an independent domestic 3G mobile communication technology, the international standard TD-SCDMA. That means MIIT will offer support for this technology through government policies.

The imbalance between the spectrum allocation for broadcast and wireless communications is readily apparent, as they must operate side by side.¹⁶¹ Newcomers such as mobile operators are unceasingly asking for a reallocation of public spectrum resources, as well as that presently under-utilized spectrum resources be

160. “Telecom operators will face spectrum shortage,” *Communications Information Weekly*, 3 November 2010, at <http://www.srrc.org.cn/News-Show2527.aspx> (accessed 2 May 2011).

161. The recovery of under-used radio and television spectrum is a general trend worldwide. Analog TV switch-off represents a once-in-a-generation opportunity for a significant reallocation of spectrum. The 698–806 MHz frequency band (often referred to as the “digital dividend” band) has excellent propagation characteristics and can be used very effectively to roll out mobile broadband services.

handed over for development. In the wake of technological development, converged spectrum regulation will be able to remedy the lack of resources. For the time being, telecoms, radio, and television frequencies are still separate. With the advancement of triple-play policies, concerned parties, including industry players and regulators, have begun voicing their opinions on the converged spectrum supervision policies.

The Radio Regulation Department may be willing to consider the benefits of converged regulation, specifically when considering the switch to digital television. Here it will take a leadership role, providing an opportunity to develop wireless communications services by allocating more spectrum resources to the public while planning and managing the digitization of television broadcasting.

5.2 Digital Gatekeeping

5.2.1 Technical Standards

Digital television uses standards from several different areas. Specifically, transmission standards encompass services delivered via *cable*, *satellite*, and *terrestrial* networks, as well as through handheld devices. To begin with, in August 2006 terrestrial transmission standards were set at the Digital Multimedia Broadcast-Terrestrial/Handheld (DMB-T/H) standard. Cable television networks generally adopt the European standard of DVB-C, while satellite broadcasts use DVB-S. For handheld equipment transmissions, the MIIT and China Mobile have been energetically supporting the adoption of Terrestrial Mobile Multimedia Broadcasting (TMMB), while SARFT has been pushing for China Mobile Multimedia Broadcasting (CMMB).¹⁶² Because there is no agreement yet, both standards are currently in a trial stage. On 3 April 2008, the Standardization Administration of the People's Republic of China held a working conference and decided to adopt TMMB as the standard for television on mobile devices, prompting SARFT to announce that they will not be adopting the new national standard.

Standards for digital television have long been a subject of fierce dispute. For example, the DMB-T/H terrestrial transmission standard is a merger of ADTB-T (developed by the Shanghai Jiao Tong University), DMB-T (developed by Tsinghua University), and TiMi, which is the standard proposed by the Academy of Broadcasting Science. Neither Shanghai Jiao Tong University nor Tsinghua had enough political strength to get their technology accepted as the unique standard, so the final decision was to opt for a double standard, merged with TiMi, partly for compatibility reasons.

There have been multi-industry agreements and government policies enacted in an attempt to bring about cooperation, erasing the barriers between industries and different areas in the hope of bringing about a more accommodating environment for the development of digital broadcasting. Unfortunately, industry regulators

162. Broadcast mobile TV refers to the provision of video programming to cell phones through broadcast networks, which generally requires adding a TV receiver module to cell phones. Currently, the biggest obstacle to the development of broadcast mobile TV is the lack of a unified standard. Now there are two major technologies to compete for China's mobile TV standards: CMMB and TMMB. CMMB is a broadcasting technology based on the Satellite Terrestrial Interactive Multiservice Infrastructure (STiMi) transmission technology developed by the SARFT-affiliated Academy of Broadcast Science, while the TMMB standard is based on the DAB in Europe.

have long put the benefit of their own departments above that of the industry itself, preferring to use their own standards and producing a chaotic environment where industry operators (both state-owned telecoms and international equipment producers) have no choice but to slow their development to keep in step with regulations.

Even so, efforts are being made to promote a digital television standard with independent intellectual property rights, in line with the national strategy to protect and promote the development of the country's digital television and related industries. In 2011, Digital Terrestrial Multimedia Broadcast (DTMB), the official name for DMB-T/H, became the fourth international digital television standard, following those of the United States, Europe, and Japan, starting its technical implementation in other countries.

Currently, the greatest issue is that of how to quickly bring about an understanding between broadcasting companies and mobile operators in a balanced and mutually beneficial manner. The public is unable to exercise any right to voice its opinions in this matter.

In recent years, through administrative actions, judicial rulings, and increased support for research and development, a new technology policy is being pursued based on the promotion of the country's own technical standards.

The adoption of this new policy has many motivations. First, the market is so huge and might develop to dominate the rest of the world. Second, government officials and many business people view technology and industrial standards as trade weapons used by Western countries to discriminate against them. As a result, mandates to create and legitimize Chinese standards through pushing products into the fast-growing domestic market are promoted by the government as part of a national "indigenous innovation" initiative. Third, some foreign observers suggest that China's standards strategy is best understood in terms of a neo-techno-nationalism, in which technological development in support of national economic and security interests is pursued through leveraging the opportunities presented by globalization for national advantage. "Unlike older forms of techno-nationalism, China's standards strategy necessarily requires attention to international norms, cooperation with foreign partners, and a recognition of the need for new forms of public-private accommodation."¹⁶³

There are Chinese efforts to develop standards in many areas, including: its own microprocessor (the "dragon chip"); its own successor to DVDs, the EVD (enhanced versatile disc) standard; intelligent grouping and resources sharing (IGRS) for communicating between digital devices; a new internet protocol (IPV6); radio frequency identification tagging (RFID); a new security standard for wireless devices, the WLAN authentication and privacy infrastructure (WAPI) standard; and the prominent 3G mobile telephony standard TD-SCDMA and 4G standard TD-LTE. Standards are established by the government bodies which manage the certification process and then push them into the marketplace, without any major successes to date.

163. Richard P. Suttmeier and Xiangkui Yao, "China's Post-WTO technology policy: standards, software, and the changing nature of techno-nationalism," National Bureau of Asian Research, 2004.

5.2.2 Gatekeepers

China's digital television has yet to find a sound pricing model. All over the country there have been dozens of free analog television programs, which has made it difficult to judge how to charge for digital content. Cable households proved reluctant to purchase new digital set-top boxes, partly because they already receive many services in analog and partly because of the poor quality of additional new digital content. Rural families have limited spending power, yet they constitute the majority of the television households.

To make matters worse, the broadcasting system is composed of local operators. Digital terrestrial television carries local television programs, including provincial terrestrial channels (all channels delivered by the provincial television station, except the local provincial satellite channel), municipal channels, and even county channels. How to divide up digital television fees is a contentious issue.

Currently, almost all cities provide digital broadcasting, more than half offering an electronic program guide (EPG). Nearly half of the country's cities provide on-demand services, including movies, television shows, and news.¹⁶⁴ Instead of a major expansion of program content, digital cable viewers are offered new data and information channels, including practical daily-life services such as job vacancies, property, health and transport information, and government information services. The most sophisticated digital cable information services offer two-way interactive services, supporting transactions in shopping, banking, and making travel or entertainment reservations.¹⁶⁵

The core of digital television is the Subscriber Management System (SMS). SARFT has pushed for a "user management systems and monitoring platform data exchange interface," requiring all such SMSs to set up an interface with an SARFT monitoring platform for regulatory purposes.¹⁶⁶ The platform will make the necessary queries about user information, programs, and ratings, so that nothing can escape the regulator's watchful eyes.

5.2.3 Transmission Networks

Currently digital broadcasting in China refers mainly to the digitization of cable television, meaning cable television analog signals will be switched over to digital signals. The backbone of this process are the digital television operators, while SARFT remains responsible for the formulation and implementation of policy and regulations, as well as industry standards. In early 2003, SARFT established regulations for digital pay-TV: "Establishment of pay-TV channels must first be approved by SARFT; no organizations or individuals may establish such a channel without the approval and authorization of SARFT." Other conditions for the establishment of pay-TV channels were also specified.¹⁶⁷ In 2004, regulations went a step further: only

164. "China Digital TV Viewership," at <http://media.people.com.cn/GB/22114/70684/120550/7123776.html> (accessed 14 June 2012).

165. Wang W., "A description of China's digital cable TV services," *International Journal of Digital Television* 1(1) (2010), pp. 105–111.

166. See <http://www.sarft.gov.cn/articles/2007/05/08/20070908164429760062.html> (accessed 3 July 2012).

167. "Interim Measures for the Administration of Digital Pay-TV Channels," at http://news.xinhuanet.com/zhengfu/2003-11/20/content_1188763.htm (accessed 30 April 2011).

national and provincial radio and television broadcast authorities can individually or jointly apply for national pay-TV channels.¹⁶⁸ Therefore, the ultimate gatekeeper for digital broadcast is SARFT, which decides on the scope of digitized broadcast operations and who is allowed to enter the digitized broadcast arena.

The strategic position held by SARFT is evident. As a national administrative department, it considers its own interests first and then those of the country as a whole, which means encouraging the digital television industry to take in capital from state-owned or state-controlled businesses. Moreover, SARFT can be expected to protect the interests of government-operated and government-controlled media. No surprise, then, that CCTV was the first to acquire the relevant licenses. In 2005, SARFT clearly expressed the view that the scope of preferential partners under its policies would be expanded to include provincial radio and television broadcast organizations.¹⁶⁹

This means that these organizations will receive preferential treatment when applying for national pay-TV channels. Digital broadcast operators will therefore be placed under the purview of administrative management, rather than develop through market competition. Privately run capital is not allowed to invest in, establish, or run a radio station, television station, transmission station, relay station, or radio and television satellite, microwave transmission station, or transmission backbone for cable television. Private organizations are also prohibited from managing radio and television channels and programs.¹⁷⁰ Put simply, government-controlled media have an unshakable monopoly of information and capital in the market.

In coming years, China Telecom and China Unicom hope to get into the television broadcast business, while SARFT has long coveted the telecoms broadband market. Indeed, the financial power of the mobile operators is growing fast and operators will increase pressure and lobbying of various kinds on the regulator. Politically, however, SARFT has a stranglehold over radio and television media management and control. It will use the public nature of the broadcast industry as an excuse to deny the telecoms industry entry on to its turf.

5.3 Telecommunications

5.3.1 Telecoms and News

In 2008, Chinese telecoms companies began a restructuring, forced by the government, which involved merging six separate telecoms (China Telecom, China Netcom, China Mobile, China Unicom, China Satcom, and China Railway Telecom) into three, creating today's oligopoly of China Mobile, China Telecom, and China Unicom.

168. See <http://www.sarft.gov.cn/articles/2003/11/19/20070914165147430657.html> (accessed 30 April 2011).

169. See <http://www.sarft.gov.cn/articles/2005/04/04/20070914165147430972.html> (accessed 30 April 2011).

170. "Some Decisions of the State Council on the entry of non-public-owned capital into the cultural industry" (on the website of the Central People's Government of the People's Republic of China), 13 April 2005, at http://www.gov.cn/gongbao/content/2005/content_64188.htm (accessed 30 April 2011).

By the end of 2009, China Mobile had more than 522 million users and was ranked first in the world, while China Unicom came in with 148 million at seventh;¹⁷¹ China Telecom had 56 million users.¹⁷² In February 2012, China Mobile said its mobile subscribers in January increased to 655.44 million, including 53.94 million 3G subscribers. China Unicom said the number of mobile subscribers had risen to 202.89 million, including 43.07 million 3G subscribers. Mobile subscribers at China Telecom increased to 129.25 million, including 38.7 million 3G subscribers.¹⁷³ The operational scope of these three telecoms giants include fixed-line communications, mobile communications, satellite communications, data communications, network access, and domestic communication infrastructure services.

Comparing the cable television industry with that of the telecom industry, there are great differences in user scope, industrial concentration, the extent of “marketization,” and the ability to make a profit. Cable television networks are still highly geographically scattered, with very few integrated provincial networks. These operations rely on unidirectional video transmissions, while high-end video services such as data services and HD interactive programs have been slow to gain popularity. By the end of 2009, there were approximately 174 million cable television users. Of those, 62 million used digital television and 7 million digital pay-TV.¹⁷⁴

According to No. 82 Document issued by the State Council in November 1999,¹⁷⁵ telecoms departments must not take part in the radio and television industries and radio and television departments must not be engaged in telecoms industries. That is to say, cable television is to have control over content production and distribution, including news, with telecoms operators excluded. Media for telecoms devices such as “mobile phone newspapers”¹⁷⁶ are the joint creations of telecoms operators, traditional media, and internet companies. The telecoms supply a mobile platform as a dissemination channel, while traditional print media supply news information, and internet companies create an integrated experience.

Telecoms are merely the suppliers of the infrastructure and technology, and are therefore not permitted to participate in the process of news gathering, creation, or broadcast. According to “Internet Audiovisual Programming Services Management Regulations,” a 2007 joint decree from SARFT and MIIT, all IPTV, mobile IPTV, and other audiovisual program businesses that rely on dissemination through information networks must obtain an “information network audiovisual programming license,” issuance of which is

171. “China Mobile Becomes no.1 mobile phone operator in world,” 26 March 2010, at <http://tech.sina.com.cn/t/2010-03-26/18193991919.shtml> (accessed 30 April 2011).

172. “Year-end statistics show a rapid increase of 3G users for the big three telecoms,” 21 January 2010, at <http://tech.qq.com/a/20100121/000151.htm> (accessed 30 April 2011).

173. See <http://www.reuters.com/article/2012/02/20/china-mobile-idUSL3E8CK2HF20120220> (accessed 4 July 2012).

174. “Public companies from the radio and television industry have mixed feelings towards triple play trial,” Guotai Jun’an Securities, 21 January 2010, at www.gtja.com/share/commons/ShowNotesDocumentFile.jsp?id=67894 (accessed 30 April 2011).

175. No. 82 Document is a Circular of the General Office of the State Council on Strengthening, Construction and Management of Radio and Television Cable Networks: see <http://www.sarft.net/a/20042.aspx> (accessed 30 April 2011).

176. In recent years, many newspapers in China have set up news SMS services as a way for traditional media to utilize the new media to provide value-added information services. These SMS news services are known as “mobile phone newspapers,” not to be confused with apps for mobile phones that deliver newspaper content.

firmly controlled by SARFT.¹⁷⁷ According to the current licensing regulations, any telecoms operators that wish to launch IPTV or mobile television must choose a licensed broadcast operator with which to cooperate. In 2005 Shanghai Media Group became the first to obtain an IPTV license. China Mobile then signed an agreement with the group and began to present mobile streaming television services to its customers. Later, China Telecom also signed cooperative agreements in Shanghai, Jiangsu, Zhejiang, Guangdong, and Shannxi to launch pilot IPTV services.

In 2008 the National Development and Reform Commission, in cooperation with other governmental departments, released a document, “A Number of Policies Concerning Encouragement of Digital Television Industry Development.” This document calls for the advancement of triple-play: “With cable television as a point of penetration, the government will accelerate the spread and popularization of digital television broadcasting, strengthen broadband communication networks, and construct digital television networks and the next generation internet.”¹⁷⁸ This document explicitly urges cable television operators to utilize information networks such as the national public communication networks as well as radio and television networks to supply digital television services and value-added telecoms services. Telecoms, on the other hand, are only supported for technical work in the transformation of digital television access networks and receivers.

On 13 January 2010, Premier Wen Jiabao convened a routine meeting of the State Council, in which it was resolved to drive forward the convergence of telecoms networks, radio and television networks, and internet networks, while clearly outlining a schedule for completion. According to this schedule, the development focus for 2010–2012 should be placed on pilot projects involving access between telecoms service providers and broadcasting operators. Later, SARFT and MIIT’s plans for triple-play development were rejected by the State Council four times; the fifth version was finally accepted on 6 June 2010. This delay was caused by a dispute between SARFT and MIIT over the control of IPTV content broadcast. The State Council ruled that it would be SARFT alone that holds power over broadcast content. Future triple-play development will be led by SARFT, which means authority over media content (including news) production, dissemination, and control, will always be in its palm. Telecoms operators, on the other hand, will continue to implement new technologies and supply technological and infrastructure support. Of course, these operators will continue to vie for media content production and broadcasting opportunities for their own benefit.

5.3.2 Pressure of Telecoms on News Providers

Telecoms operators, as providers of infrastructure, media channels, and technology, have no power to create or disseminate news content, and therefore have little room to exert power on news providers. Cable television, on the other hand, has long been a gatekeeper of media content production, with the ability to control the entire media process, including content selection, creation, editing, and broadcasting. Cable television is a news provider, as well as a news gatekeeper, which means the ideological self-censorship of news

177. “Internet audiovisual programming services management regulations,” at <http://tech.sina.com.cn/i/2007-12-29/1419538033.shtml> (accessed 1 May 2011).

178. See <http://www.sarft.gov.cn/articles/2008/01/18/20080118171529790561.html> (accessed 1 May 2011).

content. According to SARFT, the construction of IPTV broadcast and control platforms will be completed through an alliance of CCTV and local television stations. These allied stations will share responsibilities in operation and management without participation from telecoms.¹⁷⁹ This indicates that cable television is still the principal actor in the supervision and control of media content, while telecoms operators are only the supplier and sustaining force of basic internet facilities and transmission technology.

To take Shanghai as an example, area IPTV is the product of cooperation between the Shanghai Media Group¹⁸⁰ and China Telecom. Shanghai Media Group supplies broadcast content, while China Telecom is responsible for network facilities. Management of television broadcast content is controlled by BesTV, Shanghai Media Group's new media subsidiary, while China Telecom has no power to select, revise, or delete program content. China Telecom is responsible only for the transmission of such programs, providing BesTV content to its customers.

5.4 Assessments

Article 4 of the general rules of the “People’s Republic of China Radio Management Regulations” stipulates that radio spectrum resources must be state-owned, and there will be implementation of a central unified management system for radio. Spectrum is a national resource, which means that under national allocation plans, it will not be freely provided to all. This outcome is spurred on by the political authority of the government. Politics therefore plays a decisive role in spectrum allocation policies.

Xiaolingtong is a case in point. The Personal Handy-phone System (PHS), also marketed as the Personal Access System (PAS) and commercially branded as Xiaolingtong in China, is a mobile network system operating in the 1880–1930 MHz frequency band, used mainly in Japan, China, Taiwan, and some other Asian countries. As a low-cost alternative launched by fixed-line telecoms operators over cell phone carriers’ services, Xiaolingtong gained popularity in China in the early 2000s. From its birth, Xiaolingtong has been a competitor of both China Mobile and China Unicom, as its low fees attract many local users. At its peak, Xiaolingtong had over 100 million users. But it has been losing momentum in recent years as China Mobile and China Unicom have progressively lowered their fees.

In May 2008, after settling on the country’s home-grown TD-SCDMA 3G standard, China Mobile raised the question of scarce TD frequency bands and expressed a desire to take back the TD bandwidth occupied by PHS. The Chinese government was worried that Xiaolingtong would interfere with the signals of the country’s upcoming TD-SCDMA service, which has recently been granted an expanded frequency band close to that currently used by Xiaolingtong. In February 2009 the MIIT issued documents requiring all wireless

179. “No breakthrough for triple play experiment,” *Communications World Weekly*, 11 April 2011, at <http://www.cww.net.cn/news/html/2011/4/11/20114111555441102.htm> (accessed 30 April 2011).

180. Shanghai Media Group (SMG) is a multimedia television and radio broadcasting, news, and internet company. Formed in 2001, SMG is the result of a merger between the People’s Radio Station of Shanghai, East Radio Shanghai, Shanghai Television Station, and Oriental Television Station.

access systems operating at the 1900–1920 MHz frequency band to cease operations before the end of 2011, ensuring that the 1880–1900 MHz frequency band TD-SCDMA processes did not experience interference. This is one example where China Mobile has received the support of government policies, symbolizing its triumph over Xiaolingtong. Meanwhile, such a move clears the way for the development of TD-SCDMA.

Yet this situation has changed recently. In the wake of the widespread use of new technologies and industries, along with the development of a market economy, the pressure to open up the telecoms sector has picked up momentum. Competition is beginning to take shape in the communications market, and the extent and quantity of demand for spectrum resources are growing daily.

The National Radio Frequency Management Research Institute's Senior Adviser, He Tingrun, proposes that in order to guarantee the efficient use of resources and avoidance of wasted frequency, there should be a new system of fees. For instance, frequency use fees would be charged according to each operation's profit margin. Second, a change in the utilization methods of frequency resources should be enacted. Current usage must be examined, and unused or under-utilized frequency bands must be identified and reassigned in order to be utilized to their greatest potential. He is also an advocate of following the international method of frequency auctions for allocation schemes.¹⁸¹ Radio spectrum resources are limited, so the interests of many different groups must be considered during the creation of spectrum resource policies. This is the new problem that is faced by the Chinese radio spectrum resources management structure. Yet at present the management structure has not released any new policies concerning future spectrum allocation.

Due to the fact that radio frequency resources are non-renewable, the supervision structure must carefully weigh the pros and cons of frequency resource plans. This responsibility brings with it new difficulties, and the radio frequency supervision structure will be forced to issue new supervision policies. Not only that, the old structure might also need to be changed. In recent years, there has been an increase in regulators with responsibility for broadcasting, telecoms, and information technology. These regulators are commonly referred to as converged regulators. Such structures are better equipped to address convergent environments where different services are increasingly offered over the same platform. By shifting regulatory responsibilities regarding the communications sector as well as the broadcasting sector to one government agency, stakeholders have a one-stop shop for resolving regulatory issues, resulting in greater consistency in regulatory approach and practice. In addition, certain operational efficiencies should be achieved and greater resources should be available, since the single regulator now has a larger pool of experts. Operators find it easier to have to comply with only one regulatory authority and to address their issues in one place. The idea of having a converged regulator is still brewing.

The government also needs to consider the relationship between telecommunications, broadcasting, and competition laws. Should the regulator have any responsibility over competition issues? Currently, there are

181. "In need of a new spectrum supervision policy," *Communications World Weekly*, 21 June 2010, at <http://www.cww.net.cn/cwwMag/html/2010/6/21/20106181433534337.htm> (accessed 30 April 2011).

many overlaps and turf battles between government agencies; MIIT is in favor of the telecoms operators, while SARFT always stands behind the radio and television industry. There are many unfair competitive practices.

According to the official position, spectrum regulation conforms to the particular domestic conditions. First, the state will ringfence a certain number of spectrum resources to ensure that basic communication needs are met, especially in urgent situations such as war or natural disaster. Second, the government must retain a certain quantity of spectrum resources for the use of public services, so that the public may conveniently receive information, but it seems inevitable that this type of information will be partial to the government's interests. Third, the government must have a firm grasp on the detailed circumstances of all domestic spectrum resources so as to safeguard technical maintenance and upgrade facilities.

Even recognized as such, both current regulation policies and actual regulation practices have shortcomings. Some scholars have suggested that the chief shortcomings are as follows:

- Government regulation of spectrum is excessively broad. When the government was the biggest user of spectrum, overall governmental regulation seemed appropriate. Yet today many information services exist, and the proliferation of private enterprise operations has brought about a competitive market.
- Reactions to the market environment have been slow, which has destroyed efficiency and hindered the ability of enterprises to change and bring forth new ideas.
- Spectrum control has brought about large management costs for authorities and users.¹⁸²

According to Xie Feibo, director of the Radio Regulation Department of MIIT, radio frequency resources are a rare national strategic resource, and will become more prominent during the country's new industrialization process. Radio administration must consider itself in some ways a type of natural resource administration, with its service of economic development as a main point of reference. This means the full utilization of radio spectrum's economic and social worth, in active service to enterprises.¹⁸³ In this statement, it can be seen that the public interest does not have a high priority in the administration of radio. In reality, spectrum administration policies and regulations are lacking any clear reference to the public interest.

Spectrum allocation policies are created and formulated by government departments, and the public has little bargaining power in the policymaking process. Before the formal issuance of policies, departments may seek the advice and opinions of experts, or claim that they will use public hearings to carry out discussion and revision of suggested policies. But even if there are public discussions, they are more for symbolic effect. There has never been a clear definition of the public interest, regardless of whether it appears in the law or government regulations. Generally speaking, when explaining the benefits of certain policies, the government will assert there is some benefit to the public interest.

182. Song Qizhu, "Research on the allocation of radio spectrum resources through market means," PhD dissertation, Beijing University of Posts and Communications, 2010, p. 44.

183. Xie Feibo, "Manage the strategic resource of spectrums to serve the economic development," *People's Posts and Telecommunications News*, 21 February 2011.

In practice, however, this is not necessarily so. Due to a lack of democratic supervision, the government possesses formidable authority over policy creation and implementation, and is not required to accept suggestions or conditions put forward by the public. For policymakers and administrators, genuine public interest is not necessarily a high priority, while completion of their own administrative tasks and protection of their departmental interests are of the greatest importance.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

There is no general press law, publication law, broadcasting and television act, or telecoms law in China. The media have long been shaped by documents issued by the Party's Central Committee and Propaganda Department, various resolutions and decisions by the Central Committee, speeches and instructions given by top leaders, and provisions issued by government administrative authorities concerning the media.

Foreign investment in media is also strictly controlled. In 2001, the "Circular of the General Office of the State Council on Deepening the Reform of News, Publication, Broadcasting, Film and Television Industry," commonly known as the No. 17 Document, set out general principles for media development.¹⁸⁴ It encourages cross-regional and cross-media expansion in order to build up media conglomerates, and allows outside capital to enter the media industry and media conglomerates to be listed on the stock market. The No. 17 Document was followed by a series of "implementation measures" drafted for different media: press, cinema, and television. In the three years after the release of the No. 17 Document, media structuring proceeded in line with these aims and picked up great speed in 2003 and 2004 as a result of positive signals sent out from the 16th Party Congress and the relentless efforts made by the state to push media restructuring forward. Some state-owned media institutions began to operate as enterprises and cross-regional operations were permitted, while restrictions on foreign capital investment in the media industry were loosened.

For example, in November 2004, SARFT and the Ministry of Commerce jointly issued "Interim Regulations on the Administration of Sino-Foreign Joint Ventures and Cooperative Enterprises in Radio and TV Program Production and Operations,"¹⁸⁵ allowing foreign companies to be involved in radio and television program production and distribution. Foreign companies such as Viacom and Sony established a number of joint-venture production companies.

184. See <http://www.lexiscn.com/law/law-chinese-1-70020.html> (accessed 2 May 2011).

185. See <http://www.china.com.cn/chinese/PI-c/705336.htm> (accessed 12 June 2011).

However, from 2005, media policies were tightened again. Cross-regional operations and cross-media expansion were no longer allowed. On 31 October 2007, the “Catalogue for the Guidance of Foreign Investment Industries” was jointly issued by the National Development and Reform Commission and the Ministry of Commerce. Originally production and distribution of radio and television programs and film-making had been limited to contractual joint ventures and “cooperation,” but they were now closed to foreign capital. Foreign investors were permitted to participate only in individual television program- or film-making projects. The Catalogue also forbade foreign capital investment in news portals, and internet content and service providers. In January 2012, Wu Baoan, spokesman for SARFT, announced that radio and television stations would not be allowed to have cross-regional operations, to have all their shares traded on stock markets, to separate business sections from propaganda and public interest undertakings, or to operate channels and frequencies commercially. He said: “In China, radio and television stations are not only important news media of the Party, but they hold powerful positions as the mouthpiece of the Party and tools of ideological publicity. This means that radio and television stations should always focus on propaganda, and should be treated as *shiyè danwèi* (non-business, not-for-profit institutions).”¹⁸⁶

Nonetheless, although the state retains an absolute controlling stake in any media business and editorial (content) management and production remain off-limits for private investment, all media are able to access private capital for certain “operating assets.” These include advertising, printing, information provision, distribution, and the provision of cable networks. In addition, private investors are permitted to take a minority stake in film and television program production but are not allowed to take part in the production or broadcasting of news.

6.1.2 New Entrants in the News Market

As might be expected, it is the internet that has been responsible for new entrants in the market for news. By 2007, there were 27 public internet companies with headquarters in China, constituting 2.95 percent of listed internet companies globally. However, only one of these companies was registered and listed in mainland China, while 19 were registered in the Cayman Islands, two in Hong Kong, and one in the United States; of those, 16 were listed on NASDAQ, five on the Hong Kong Stock Exchange, and one on the New York Stock Exchange.¹⁸⁷

Content creation and dissemination remain under the control of relevant departments of the government even for those internet companies listed abroad. Companies have also to abide by the ideological guidance of the party. In 2000, the Information Office of China’s State Council and the MIIT jointly released the “Interim Provisions on the Administration of Internet Websites Engaged in News Posting Operations.”¹⁸⁸

186. “Spokesman of SARFT: radio and television stations are not allowed to be listed wholly,” at <http://news.sina.com.cn/m/2011-01-14/174721817170.shtml> (accessed 2 May 2011).

187. “Global Survey Analysis Report of Listed Internet Companies,” Shenzhen Stock Exchange Research Institute, April 2009, at <http://wenku.baidu.com/view/198b5e2eb4daa58da0114aac.html> (accessed 8 May 2011).

188. “Interim Provisions on the Administration of Internet Websites Engaged in News Posting Operations,” at <http://www.isc.org.cn/20020417/ca42718.htm> (accessed 2 May 2011).

This document defined “news posting” as distributing original news and redistributing news from other resources via the internet. Commercial websites did not have the right to create news independently; they could only redistribute news from approved sources. Only websites that belonged to larger media groups were allowed to generate and edit news. Moreover, the “Internet Audio-Visual Program Service Regulations” promulgated by the SARFT specify that those applying to engage in internet audiovisual program services shall have the status of legal persons, be “work units” wholly state-owned or with controlling stakes held by the state, and have no record of illegal activities for three years prior to the application date.

In 2006, “Opinions of the CPC Central Committee and the State Council on Deepening the Reform of the Culture System” was released. This document points out that all major news-related entities should be treated as *shiye danwei*, including: party newspapers, party journals, radio stations, television stations, news agencies, state-owned news websites, and a dozen publishers with political and public benefit responsibilities.¹⁸⁹

Despite all these limitations, commercially operated websites definitely qualify as new entrants in the news market. Chinese portals often provide current and sometimes breaking news, such as in the case of the Wenchuan earthquake (see section 3.1.3) and the Wenzhou train crash (see section 4.2.4). They often present more information on news events than traditional sources provide, drawing heavily on foreign reports, citizens’ accounts, and discussion forums. They are divided into different “channels,” with many offering specific news contents, such as finance, technology, and current affairs.

6.1.3 Ownership Consolidation

The establishment of newspaper groups under the command of party newspapers was first proposed as early as 1990. In January 1996, *Guangzhou Daily* established the first newspaper group, the Guangzhou Daily Press Group. Currently, there are 27 publishing groups, 49 newspaper groups, 17 distribution groups, and four magazine groups. Of these, 40 are listed in section 6.1.2.¹⁹⁰

Centralization of broadcasting also began in the 1990s. In 1991, the first broadcasting group, Wuxi Radio and TV Group, was established. The General Office of the State Council issued the “Circular of SARFT and The Ministry of Information Technology and Telecommunication Concerning the Strengthening, Construction and Management of Radio and Television Cable Networks” in the same year.¹⁹¹ This document was the first official call for the construction of provincial broadcasting groups, after which many broadcasting groups were established. Notably, the establishment of broadcasting groups has been achieved through the amalgamation of radio and television stations by government decree. This type of centralization does not constitute a true merger of resources as separate broadcast stations retain their own resources and operational control independent of the larger group structure.¹⁹²

189. See <http://wendang.baidu.com/view/ba743fce05087632311212c6.html> (accessed 3 May 2011).

190. *Media*, January 2011, at http://news.xinhuanet.com/zgjx/2011-01/27/c_13709288.htm (accessed 3 March 2011).

191. See http://www.law-lib.com/law/law_view.asp?id=70494 (accessed 3 March 2011).

192. There are some exceptions, such as SMG, which is undergoing aggressive expansion into new areas such as pay-cable TV services, program patent sales, brand-related business, and internet business.

Zhu Chunyang, a researcher from Fudan University School of Journalism, points out that some media groups have actually become integrated media groups in specific regions, which constitutes a monopoly as they have complete control of media sources. This contradicts the originally claimed purpose of the creation of media groups, which was the improvement of media services to the public.¹⁹³

Moreover, although centralization promotes the scale of the media industry, it strengthens administrative and regional monopolies. At the same time, as state-owned and state-administered institutions, the media are extensions of the administrative system. The staff enjoys the same administrative rank as equivalent officials of the party and government cadres, militating against news and current affairs content that might be critical of the government or the party. This problem has become more acute with the consolidation of media companies as this has increased the ease with which news media can be supervised. Highly concentrated media have therefore proved detrimental to the diversity of expression, just as is the case in other societies where such concentration might be private, but the effect is the same.

6.1.4 Telecoms Business and the Media

Discussions concerning the merger of media and telecoms began in 1998. This policy, officially called three network convergence, or triple-play (see also section 2.1.3), means the convergence of cable networks, telecoms, and the internet. Ideally, when those three networks are fully integrated, getting online, making phone calls, and watching television will all be accomplished through the same platform. The practical obstacle is that those three networks belong to three different industries: telecoms, internet, and cable television. In addition, telecoms and the internet are under the administration of the MIIT, while cable television is under SARFT. This division is an impediment to the development of three network convergence.

Cable television outlets at different administrative levels actively promoted digital HDTV beginning in the 1990s. At the same time they adopted broadband access services in order to solve the bandwidth limitation for HDTV. Broadband is one of the telecoms industry's core services, which meant the telecoms companies were not pleased with the cable outlets' cross-border behavior. Telecoms operators even went so far as to sue cable outlets over this issue. In response to this conflict, the State Council released a document in September 1999, entitled the "Circular of the General Office of the State Council on Strengthening the Construction and Management of Radio and Television Cable Networks," known as the No. 82 Document. After the release of this document, telecoms were allowed to monopolize broadband services, forcing cable companies to surrender this highly profitable market.

On 15 March 2001, when the NPC approved the 10th Five-year Plans Compendium, it formally presented the triple-play network convergence for the first time. Since then the issue of integration has been a hot topic. In the past five years, many policies have been formulated to encourage network convergence, but with little actual cooperation. Premier Wen Jiabao called a State Council meeting on 13 January 2010, which led to a decisive push for the acceleration of convergence. The decision allowed for qualified telecoms units to engage

193. Interview with Zhu Chunyang, Shanghai, 20 November 2010.

in various aspects of broadcasting program production and transmission. Qualified broadcasting units can provide some telecoms services, added-value telecoms services, and (if they qualify for an ISP license) internet services.¹⁹⁴

But one year later, according to a Caixin Online report, the integration of telephone, internet, and broadcasting networks which had begun with such a fanfare seemed to be close to dead. Television and telecoms operators could not agree on who should have final control of broadcasting rights, and SARFT's stance also seemed not to be very helpful.¹⁹⁵

Cable television has in the past provided only video services. Charges for cable are comparatively low, which has had the effect of creating a large number of users for broadcast services. After integration, the total number of users is likely to show a marked increase, but the public nature of the service will be diluted as low-income households may be excluded from new media due to increased fees.

6.1.5 Transparency of Media Ownership

According to Chinese law, individuals and foreign organizations are not permitted to own media independently. Newspapers, radio, and television are supposed to belong to the people. Yet in reality, media operators are government departments, organizations, institutions, and enterprises at different levels. Because ownership is public, there is no explicit entity to manage all these huge media assets. But at least it is known which government departments, institutions, and enterprises own or control which media outlets.

6.2 Media Funding

6.2.1 Public and Private Funding

Funding policy is riddled with ambiguous and even contradictory decrees. The "Decisions of the State Council on Giving Non-public Capital Access to Cultural Industry," issued in 2005,¹⁹⁶ decreed that "non-public capital," would not be permitted to be invested in the establishment or operation of news agencies, newspapers and magazines, publishing houses, radio and television stations, and news websites. In addition, non-public capital was not permitted to be used for video and audio program services through broadcast media and information networks, nor was it permitted to operate newspapers and magazines as well as broadcast and television frequency channels. According to this decree, non-public capital was also not allowed to buy specific broadcasting slots, but had to comply with the scheduling of the media broadcasters. Although it reflected what was already happening in terms of the control of media, this was the first time the government had moved to regulate non-public capital investment in a legal format.

194. See http://news.xinhuanet.com/politics/2010-01/13/content_12804559.htm (accessed 8 May 2011).

195. "Disputes sound media integration death knell," at <http://english.caixin.com/2011-04-12/100247201.html> (accessed 4 July 2012).

196. See http://news.xinhuanet.com/newscenter/2005-08/08/content_3325946.htm (accessed 4 May 2011).

However, on 6 April 2009, the GAPP released the “Guiding Opinion on Further Promoting Press Reform,”¹⁹⁷ which proclaimed that in the next three to five years the country would be dedicated to the creation of between six and seven large publishing and media enterprises, whose assets and sales should exceed RMB 10 billion (US\$1.6 billion). Non-public capital would be allowed through shareholding reform. News media units with similar operational models and resources were to be encouraged to establish cross-regional, cross-department media enterprises. The “Guiding Opinion” especially points out that “mature, especially cross-regional publishing media enterprises, are encouraged to be listed.” This document was also the first time that formal policy endorsed the entry of non-public capital into news media, even going so far as to call for its encouragement and support in permitted areas.

Advertising is an important source of funding for the Chinese media. China’s advertising industry has become one of the fastest-growing advertising markets in the world. Revenue has increased from RMB 120 million (US\$19 million) in 1981 to RMB 234 billion (US\$35.2 billion) in 2010, an increase of over 1,000 times. The industry’s average annual growth rate of 30 percent exceeded China’s GDP growth rate during the same period. It is estimated that China’s advertising industry will grow at an average annual rate of 15 percent in the next 10 years.¹⁹⁸

The total expenditure on advertising in the media (outdoor and business-to-business magazines excluded) will reach some RMB 200 billion (US\$31.6 billion) in 2012, according to extrapolated estimates by MDM editors based on data from PricewaterhouseCoopers (PwC). The advertising market in China has remained one of the most dynamic worldwide over the past five years, registering continuous growth even during the economic crisis. Television and newspapers have traditionally dominated the ad market, but internet advertising has had the most spectacular rise during the past five years. In 2012, if PwC forecasts are fulfilled, the internet will for the first time in the history of the Chinese media generate more ad revenues than television. (It overtook newspapers in 2011, according to calculations by MDM editors based on preliminary data from PwC.)

The internet is expected to increase its lead over the other media segments in the coming years, when it comes to ad revenues. The combined growth of internet advertising is expected by PwC specialists to grow by more than 30 percent during 2012–2016, which would represent growth three times faster than television.

197. See http://news.xinhuanet.com/zgjx/2009-04/06/content_11137744.htm (accessed 4 May 2011).

198. My Decker Capital, “China’s Advertising & Marketing Industry Research Report,” January 2012, at http://www.mydeckercapital.com/Documents/2012%20Jan%20MDC%20Media%20Report%20_Advertising%20Industry%20.pdf (accessed 6 July 2012).

Table 20.

Advertising spending in the media, breakdown by media segment (US\$ million), 2007–2012

	2007	2008	2009	2010	2011p	2012f
Television	6,918	7,699	8,227	10,515	12,043	10,560
Newspaper	5,077	5,447	5,928	6,130	7,499	8,134
Radio	782	1,025	1,167	1,427	1,569	1,726
Internet	1,501	2,379	2,908	5,191	7,708	11,191
Total	14,278	16,550	18,230	23,263	28,819	31,611

Notes: p: preliminary; f: forecast

Source: Calculations by MDM editors based on data from PwC

Even in these more challenging economic times, internet advertising has been thriving, further threatening the traditional media market. In 2009, spending on internet ads was RMB 18.06 billion (US\$2.9 billion), an increase of 36.9 percent over 2008.¹⁹⁹

According to ResearchInChina, a business intelligence company, China's online advertising market continued to grow sharply in 2010, up 58.7 percent year-on-year, to RMB 32.7 billion (US\$5.2 billion). China's online advertising market consists of segments including integrated portals (such as Sina.com, Sohu.com, QQ.com) with about 16 percent of total share; search and guide websites (such as Baidu.com and Taobao.com) and video websites (such as Youku.com) with nearly half; and vertical portals (such as Soufun.com) with about 24 percent.²⁰⁰

According to iResearch, an internet market research company, internet advertising's total revenue reached RMB 51.19 billion (US\$8 billion) in 2011, up 57.3 percent from 2010 and exceeding total newspaper print ad revenue by RMB 5.83 billion (US\$921 million). iResearch forecasts total internet advertising revenue will exceed RMB 100 billion (US\$15.8 billion) in 2013. The online advertising market is highly concentrated, with the top 15 internet media accounting for 80 percent of revenue. Baidu.com, Taobao.com, and Google China are the top three internet enterprises in terms of advertising income. Integrated portals and vertical portals remain in the second rank.²⁰¹

6.2.2 Other Sources of Funding

As a result of the ambiguous regulations concerning the role of private capital in the media, a variety of models has emerged. In brief, there are roughly three ways in which non-public funding reaches media groups:

199. CR-Nielsen, "2009 summary of China's internet advertising market," at <http://www.cnetnews.com.cn/2010/0114/1598808.shtml> (accessed 4 May 2011).

200. ResearchInChina, "China Online Advertising Industry Report, 2010–2011," March 2011, at <http://www.researchinchina.com/Uploads/Article/FreePartPath/20110407095140.pdf> (accessed 11 April 2012).

201. iResearch, "China's online advertising market reaches 511 billion yuan," 13 January 2012, at <http://www.iresearch.com.cn/View/161457.html> (accessed 15 February 2012).

1. The establishment of joint-stock companies.
2. Issuance of IPO and capital raising, meaning media companies often use operational assets to set up a holding subsidiary and list the subsidiary for financing.
3. Transfer of advertising and distribution rights. This is the most common way for media and private companies to cooperate. Under this method, media operations transfer advertising and distribution rights to a company for a certain period of time. During this time, the private company is in charge of advertising management and news distribution. The media operator then receives a corresponding proportion of income according to a contract.

6.3 Media Business Models

6.3.1 Changes in Media Business Models

By some measures, China is already the world's biggest media market. From the perspective of consumer volume, there are more television viewers, radio listeners, newspaper readers, and movie watchers than in any other nation. There are 513 million internet users, 155 million broadband subscribers, and over 1 billion mobile phone users (see Executive Summary).

The number of users accessing the internet from their mobile phones has reached 355 million, or more than the entire population of the United States. By the end of 2011, 69.3 percent of China's internet users connect to the internet via their handsets, up from 66.2 percent a year before.²⁰²

Although the media market is large and growing fast, on a revenue per head basis, it remains a minnow. There is no stand-out traditional media company resembling a Time Warner, News Corporation, Bertelsmann, Hachette, or Dentsu. Fragmentation of the market has been a huge roadblock for traditional media companies, but it has not proved such a challenge for digital media players. Many have quickly consolidated their position in different spheres and have ambitious plans for further growth.

Digital media have begun dramatically to change the media landscape by providing an alternative means of access to a range of new and existing content, sparking a veritable revolution in new media offerings and giving rise to new business models.

Advertising

An investigation of 39 newspaper and three magazine groups showed that advertising income of some major newspapers and magazines fell approximately 15–20 percent in the first two months of 2009. Compared with the first quarter of 2008, radio, film, and television advertising income fell 8.2 percent. The global

202. CNNIC, "29th Internet Development Report."

financial crisis may be partly responsible, but advertisement competition between traditional and new media must have a lot to do with it.²⁰³

Even with the high growth of recent years, internet advertising revenues in China are still half what they are in the United States. Time spent on the internet, meanwhile, is set to overtake time spent watching television in 2012.²⁰⁴ Consumer online video usage will increase dramatically in 2012, driven by higher speeds and lower broadband prices and the migration of television viewers to the web. According to data from Youku.com (the largest online video website in China), video users' time spent online on television decreased by 63.3 percent and frequency dropped by 56.4 percent after they started to watch video online.²⁰⁵ Advertisers are likely to shift significant advertising budget from television to internet video.

Cross-platform Services

The way the Chinese are consuming media is rapidly evolving and the fragmentation of traditional media has created greater space for new media formats to flourish. China's diverse cast of internet users demonstrates a great variety of online behaviors, but one thing that almost all internet users share is a Tencent QQ address. Created in the 1990s, Tencent QQ has evolved into an instant-messaging (IM) platform that acts as an internet gateway for almost all new users. The publicly traded company had a RMB 303 billion (US\$48 billion) market value in 2010, making it one of the largest internet companies in China. It was RMB 7.6 billion (US\$1.2 billion) in profit, the bulk of which came from selling free-to-make bits and bytes like virtual avatars and racing-car decals that allow its young users to represent themselves online. The company's stable of products now includes a news portal, games, a virtual currency called Q Coins, a search engine, an e-commerce marketplace, and two social networks, Pengyou.com and the youth-oriented Qzone.com, as well as a Twitter-like service known as Tencent Weibo.

Tencent is famous for borrowing ideas from other companies. It took a virtual goods model from early South Korean social networks such as Cyworld.kr, which allowed users to express themselves by dressing up their avatars, and copied Chinese web pioneers such as Sina.com and Sohu.com with a web portal, QQ.com, that was densely populated with links to news, music, and video. When Tencent saw that Shanda Interactive Entertainment and NetEase.com imported immersive games from developers in South Korea and the United States, it decided to enter the game market in 2007, scoured South Korea for new game properties, licensed and adapted them for Chinese users, and linked them to its massively popular QQ service. Tencent licenses these games and splits the virtual goods revenue with their creators. Players can use their virtual Q Coins to buy everything from body armor in "Cross Fire" to healing potions in "Dungeon & Fighter." At the same time, Tencent earns traffic-based ad revenue from its portal, search, e-commerce, and IM sites.

203. "Chinese media breakthrough in financial crisis," 13 July 2009, at <http://news.163.com/09/0713/19/5E4HURTH00012QEA.html> (accessed 15 March 2011).

204. "China's digital advertising market in 2012," at <http://techrice.com/2012/01/17/chinas-digital-advertising-market-in-2012/> (accessed 15 February 2012).

205. "Online video changes viewing behavior, enhances marketing advantage," Youku and GroupM China, 20 December 2011, at <http://www.wpp.com/wpp/press/press/default.htm?guid=%7B79130981-e94e-433e-b2ef-faaae168904a%7D> (accessed 11 April 2012).

Although Tencent's portfolio of services includes more than just IM, most of its other services are offshoots of that platform. For instance, although "Dungeon & Fighter" is a shooting game, it also has an interactive component via the QQ IM platform. In another example, whenever you open the chat software, QQ will also turn the popup window in the lower right-hand corner into a news source. You can even search in this window without opening a browser.

As Christoph Nettesheim, Managing Director China, of Boston Consulting Group, puts it, "Conventional wisdom holds that internet and mobile services in China are more primitive than those offered in the West. The reality is that China leads the West in a number of Web 2.0 technologies and applications—instant messaging (IM), community development, and cross-platform services."²⁰⁶

Strong Focus on Mobile

There is also a strong trend toward mobile media. By early 2012 China had 1 billion mobile phone users, according to data released by MIIT. Over 100 million of them are registered app store users and around 35 million use mobile payment systems. Chinese mobile users are very open to mobile technology and are active in consuming and producing mobile content.

According to Boston Consulting Group, compared with other markets, Chinese mobile phone owners use their devices for a broader range of activities, particularly for entertainment and communication. In addition to calling and sending short text messages, Chinese mobile phone users send multimedia messages, play mobile music and games, download ringtones, and watch mobile videos more than do users in the other BRIC countries (BRIC countries are Brazil, Russia, India, and China) or in the United States and Japan.²⁰⁷ A new addition to this list would be browsing and sending microblogs. According to the 29th CNNIC report on internet usage (2012), 38.5 percent of mobile internet users are microblogging.

Still, mobile internet use in China is far from developed. The current lack of an advanced mobile broadband market points to a growing opportunity for mobile applications in the future, particularly as 3G develops. The 3G network already covers all cities, counties, and some villages. Many digital consumers are dissatisfied with the speed of mobile internet, which has curbed their usage. The lack of choice of mobile apps is another sticking point. Both the software and the bandwidth will have to catch up with consumer expectations, although many mobile-app companies are already on the move, and the government continues to pressure the telecoms providers to accelerate 3G network upgrading.

There is cut-throat competition between Samsung, Nokia, Apple, and local firms Huawei Technologies and ZTE in the 3G smartphone market. Apple's iPhone is too expensive, at more than two months' salary for the average urban worker. But the smartphone business of China Unicom, the country's second-ranked

206. Quoted in "China's embrace of digital tech outpaces Western growth," at http://www.china.org.cn/china/national/2008-07/17/content_16026108.htm (accessed 15 February 2012).

207. Boston Consulting Group, "China's digital generations 2.0," May 2010.

mobile network, which is committed to taking up a large batch of the handsets for subsidized distribution to subscribers, accelerated in 2011 when it started aggressively marketing low-priced handsets from local firms Huawei Technologies and ZTE, at around RMB 1,000 (US\$158), about half a month's wages for the average urban worker.

The improved 3G networks and declining handset prices will seduce consumers into purchasing smartphones over simple-function phones. China will continue to be the world's strongest smartphone market. This will bring tremendous possibilities for the media to design new services and apps to reach a vast mobile audience, especially the underprivileged.

China is now at the forefront of the worldwide mobile computing boom. Mobile computing opens up huge opportunities not only for big media businesses, but also for small and locally focussed ones. With little investment, they can reach audiences in their community in very rich and interactive ways.

Consumers are also starting to pay for apps. In fact 2011 was a great year for them. The most popular was Tencent's group-messaging app Weixin, which chalked up over 100 million users in just over a year.²⁰⁸ Weixin allows users to send text, audio, or video clips to each other free of charge, using General Packet Radio Service (GPRS) or 3G data.

Another example is Weico. Both Sina's and Tencent's own Weibo apps are bland, and just as has happened with Twitter, some third-party apps have popped up that offer more style, customization, and funky features. Weico is the best of these.

Still, it is a difficult market for mobile content developers, which struggle to distinguish themselves from other players and remain heavily dependent upon telecoms giants such as China Mobile. And there is still no clear path to making money from advertising given the small-screen format.

Old Media, New Model?

The traditional media companies are looking for ways to cooperate with, if not coopt, new media so as to maintain their own growth.

Traditional media should have been able to find space to thrive, with their accumulated brand names, professional capabilities, and huge markets. They are also moving aggressively online. But that is also their soft underbelly. They are more like media companies that have moved online than internet companies. For example, Phoenix TV, a Hong Kong-based Mandarin Chinese and Cantonese television broadcaster that serves the mainland and Hong Kong along with other markets with substantial Chinese viewers, founded Phoenix New Media, shifting its traditional model to mobile and online video. In approaching these new media, Phoenix is using the same old trusted content and advertising model.

208. "The cost of winning for Weixin 4.0," *Business Value*, May 2012, at <http://content.businessvalue.com.cn/post/6331.html> (accessed 7 July 2012).

In video, Phoenix New Media's web portal, Ifeng.com, competes with a number of pure-play online video companies, including Ku6.com, Qiyi.com, Tudou.com, and Youku.com. In addition, CCTV, China's largest and state-owned television network, launched its online video website, China Network Television, or CNTV, in December 2009. It also faces competition with the online video websites of large Chinese internet portals, such as Sohu.com and Tencent. About 50 percent of video content of Ifeng.com comes from Phoenix TV. But it has made efforts to grow traffic from its original programs, as well as to cooperate with third parties. Not only is there an increase in new content for the new medium, but also the designated video content are mostly short news clips or interviews. That format lends itself to lower bandwidth costs and a higher frequency of advertisements, because short videos have a higher advertising exposure rate. In the case of, say, a 40-minute television drama, most people are accustomed to watching it in full screen, so commercials can only be added on the page, or at the beginning and end of a video. The ideal situation for Ifeng.com would be to add a commercial after every three short videos, with each one no longer than 30 seconds. In the second quarter of the 2011 financial year, video accounted for 18 percent of total advertising revenue.

There are also many areas open to development for newspapers. The existing business model continues to develop, and emerging media, as well as Apple's iPad and iPhone, offer many opportunities for newspapers. Although print newspapers are suffering declining readership, readers acquiring newspaper information through the internet and app stores are on the increase. For traditional media, their future is to provide services through multiple channels at the same time as being a content provider. The more advanced technology becomes and the more channels there are, the greater the opportunity will be. Many Chinese newspapers have developed apps for iPad and iPhone, though nearly all are free. Other media platforms, like Sina Weibo, can also be regarded as an opportunity. According to the Sina CEO, Charles Chao, the future model is not for Sina to purchase content, but for newspapers to buy Sina traffic and then share the advertising revenues.

Advertising seems still to be the dominant revenue source for digital newspapers. Because of the "free culture" of the Chinese internet, no major newspapers have dared to experiment with payment schemes, such as paywalls and premium subscriptions.²⁰⁹

6.4 Assessments

When discussing ownership of Chinese media, it is often said that all media are state-owned, but there are still some ambiguous areas and exceptions. For example, in December 2007, Shanghai Jiefang Daily Group, a Shanghai municipal party committee publishing unit, became the first listed newspaper stock in the mainland after the company sold advertising and distribution businesses to Xinhua Media in a RMB2 billion (US\$ 316 million) backdoor listing. The group's owner, according to the IPO announcement, was the Shanghai Municipal Party Committee Propaganda Department. This was the first time that party ownership had been openly announced and discussed.²¹⁰ Most city papers are the sub-media of a "mother" (see section

209. *People's Daily*, the official newspaper of the CCP, made an unsuccessful attempt in 2010.

210. "Past and Future of China's media reform," *Communication & Society*, 6 (2008), pp. 17–48.

1.2.1) newspaper and larger media operator. This means that sub-media groups are controlled by the party if their “mother” media group is controlled by the party. Radio and television stations are administrated by SARFT, which is under the State Council, so radio and television stations are therefore state properties. In the end, regardless of who owns the media, all media outlets must comply with the strict censorship system, meaning that they must carry out all instructions issued by the Propaganda Department of the CCP.

Ambiguous property rights and a confusing administration system have been big obstacles to media reform. On 20 June 2008, President Hu Jintao delivered a speech during an inspection of the *People’s Daily*. He divided media into three categories: party print media, radio, television; city papers; and the internet.²¹¹ Today, city newspapers that are subsidiaries of the party’s provincial newspapers are eroding the readership of their “mother” papers. And in this internet-led media revolution, the most popular portal websites are publicly listed companies. The party’s media have had to struggle to maintain their influence.

Thus these shifting patterns of media ownership and control have led to a conflict between ideological guidance on the one hand and the commercial considerations of news production on the other, resulting in a blurring of news ethics, lack of protection for newsrooms, and a weakening of the identity and professionalism of journalists and news media organizations.

Ever since the media began adopting a commercial model, financial pressure and audience ratings have brought about a tendency toward the vulgar in some Chinese media. The quest for profits has led to a crisis in news quality and journalistic ethics. Media or journalists trade media power for economic interests or privileges, with the public interest diminished in the concerns of media practitioners. This has led to popularization and the spread of violent, pornographic, and even false news as media credibility has declined.

Most of the digital media in China today are listed abroad as private companies. They are restricted by the stock market on the one hand; on the other hand, they have to obey government regulations regarding internet content. They are not only responsible for the content they provide, but must also assist the government by controlling “harmful” and illegal content. Internet regulation in China relies mainly on political control and monitoring rather than on a sound, well-defined legal system. Although plenty of laws and regulations have been promulgated concerning the internet, to a great extent political and policy elements were the main force behind such laws. This feature is more obviously demonstrated in the process of enforcing the law. All the above factors hinder the operation and independence of online media.

Media administration is firmly controlled by the government and the party. Big changes and adjustments will not happen any time soon. Since 1989, the Propaganda Department of the Central Committee has formed a rigid, unbending propaganda model. The party has strengthened supervision of the press and broadcasting. Ideological rigidity limits the motivation for further media reform. Although the introduction of market and competitive mechanisms have changed party and government affiliated media into market-oriented

211. “President Hu Jintao delivered a speech during inspection of the *People’s Daily*,” *People’s Daily*, 20 June 2008.

commercial entities, the institution of the media as mouthpiece of the party, along with the administrative restrictions, has harmed cross-regional and cross-media convergence potential.

From the perspective of operations, media are possessed by the state, yet they are responsible for their own profits and losses. The result is a struggle between propaganda and profit. The old media in China will be freed up not because the government desires democracy but because it makes business sense. For better or for worse, it is the money that talks. China's internet has the same development logic. The government's attitude toward the internet is split between a desire to control the information available to internet users and a recognition that the web is a critical tool for the country's economic development and modernization. Freedom of expression and diversity are desperately lacking in the Chinese media.

In conclusion, what we see in China now is an absence of clear and comprehensive media laws. There are but a number of rather vague regulations that contribute to one of many factors that enable the party and state to control media practices more easily. It has been 30 years since the first calls for a press law, yet there is no likelihood of one in the foreseeable future. The difficulty lies in coordination between the rule of law in the press and the party's supervision. The constitution says: "The people of all nationalities, all State organs, the armed forces, all political parties and public organizations and all enterprises and institutions in the country must take the Constitution as the basic standard of conduct, and they have the duty to uphold the dignity of the Constitution and ensure its implementation." "No organization or individual is privileged to be beyond the Constitution or laws." With principles like these, it is difficult to fashion a press law that insists that the media must follow the orders of the party's propaganda department.

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

Access and Affordability

In 2001, SARFT published the “Tenth Five-Year Plan and 2010 Vision for Radio, Film and Television Technology.”²¹² It said that “in 2001, with the help of Direct Broadcasting Satellite, the country will build a pioneer HDTV satellite transmission system. At the same time, digital cable television networks will be built together with data services.” Digital cable television was to be ready by 2002 and digital broadcast should be widely adapted by satellite television and cable television in 2003. It said that DTT should be officially promoted in 2005 with over 30 million digital television subscribers that year. It then went on to say that “general implementation of digital broadcasting” would be in place by 2010 and analog broadcasting would cease in 2015.

However, despite the fact that the migration from analog to digital broadcasting has been given strong support and guidance by the government, it has not been possible to implement the plan across the country at the same standard and pace. This is partly because of the different financial and administrative capabilities of local governments and the infrastructure gap. There are many more hurdles to leap in the coming years.

In 2003, SARFT began to implement the “Timetable for China’s Transition From Cable TV to Digital TV,” based on its 2001 plan. More recently, it began to issue an annual “White Paper Concerning the Construction of Digital Networks in TV Stations and White Paper Concerning the Construction of Digital Networks in Radio Stations.”

Subsidies for Equipment

Different models, with variations in the free provision of set-top boxes (STB), changes to cable subscription levels, and the range of new digital services on offer, have been explored in different cities and provinces.

212. See http://news.xinhuanet.com/zhengfu/2001-11/13/content_113535.htm (accessed 3 May 2011).

Among them, two models, known as the Qingdao and Foshan models, are often mentioned as examples. In the city of Qingdao in the eastern coastal province of Shandong, television users received a free STB in exchange for an additional RMB10 (US\$1.60) in viewing charges. In the city of Foshan in central Guangdong province in the south of China viewers were charged RMB 750 (US\$120) for an STB. However, this proved unpopular among customers, so Foshan adopted the Qingdao model, providing free STBs and charging RMB 3 (47 US cents) more in monthly viewing fees. The Qingdao model has been adopted by many cities across the country.

In terms of financial support from central government, Wang Xiaojie, chief of the Technology Department of SARFT, said that from 2008 some RMB 2.5 billion (US\$ 395 million) would be invested in promoting digital television with a view to providing digital terrestrial television system coverage across the whole country “in three to five years.”²¹³ In 2009, the National Development and Reform Commission issued the “Notice of NDRC on the Organization and Implementation of Research, Development and Industrialization of Digital Television in 2009” which offered over RMB5 million (US\$790,000) in subsidies to research institutes and technology companies for digital television projects.²¹⁴

Because the transition has required financial support not only from the central government but also from local governments and because economic development in the central-west lags behind the east, investment has been patchy, especially when there is no preferential policy for digitization in rural areas. By 2011 the number of digital terrestrial television users only reached 12 million, far from the planned 30 million for 2005.

Legal Provisions on Public Interest

At present, there is no legal framework or evaluation system by which to judge whether the public interest has been served by the transition process for digital television. What can be said is that local governments are exploring ways to better respect audiences’ choices. For instance, in Qingdao it was decided that if most households in a neighborhood agreed to adopt digital television, then the minority had to submit to the will of the majority. In Shanghai, by contrast, every subscriber has to sign up with the service provider, giving each an effective veto.

During the transition, some users have voiced strong objections to the enforced cessation of analog signal, which means subscribers without STB are able to receive a very limited number of channels. In response to this, SARFT has specifically asked that six analog channels for cable subscribers without STB should be left, as a way of guaranteeing the protection of this group’s interests. Those six channels should be important channels from national, provincial, and local carriers, though this has still not satisfied critics who point out that in China television programs are in part supported by public finances and should therefore satisfy public demand.

213. “China will build the digital terrestrial television system, and it will have coverage across the whole country in 3–5 years,” at <http://news.163.com/08/1114/17/4QNOOMP000120GU.html> (accessed 4 May 2011).

214. See http://www.china.com.cn/policy/txt/2009-06/14/content_17943242.htm (accessed 3 May 2011).

SARFT, established in the 1980s, is the state agency that regulates the broadcast industry. Broadcasting regulations in China are divided into three major categories in accordance with their place in the legal hierarchy. The first are administrative regulations (*xingzheng fagui*) issued or endorsed by the State Council. The second comprise department rules (*xingzheng guizhang*) enacted by SARFT. Third, a number of normative documents (*guifanxing wenjian*), including decisions, notices, orders, and directives issued by the State Council or the SARFT, are also used for regulatory purposes. Apart from these, because broadcasting is controlled by the state and the CCP, speeches and written comments by party leaders and senior officials have been used to shape the development of broadcasting.²¹⁵

SARFT has issued many decrees and regulations to restrain the broadcast industry, justifying its actions as part of its public service function. For example, on 25 October 2011, it issued a notice, “On Going a Step Further to Strengthen the Management of Satellite Television Programs,” which ordered satellite television channels, from the beginning of 2012, to air more news and programming on culture, education, and technology, and announced its intention to implement controls to prevent “excessive entertainment and vulgar tendencies.”²¹⁶

These “suggestions,” popularly known as “entertainment limiting orders,” curtail the frequency of dating shows, talent competitions, and five other similar types of programs. Between the prime-time hours of 7.30 p.m. and 10.00 p.m., satellite television stations are not permitted to air more than two of these programs weekly, with no more than nine shows nationwide. The order required satellite stations to broadcast a “morality show” that “promotes traditional Chinese moral virtues and core socialist values” and dictated that provincial radio and television stations set up new listening and viewing organs with personnel who would specialize in the tracking and inspection of “excessive entertainment and vulgar tendencies.”

A SARFT spokesperson told the Xinhua News Agency that the order was based on statistics: of 34 comprehensive satellite television channels, there were only 15 (44 percent) with news-type programs totaling two hours or more; and just 23 (68 percent) that broadcast two or more hours of daily self-generated news-type programs during the peak viewing hours of 6–11.30 p.m.²¹⁷

From the beginning of 2012 the broadcasting watchdog also banned advertising during television dramas and films of 45 minutes or more. The move was widely welcomed by viewers, with mixed reactions from broadcasters.

The regulator said this latest move was designed “to fully utilise the TV networks to build a public cultural service system, raise the quality of public cultural services and guarantee the people’s basic cultural rights.”²¹⁸

215. Mei Ning Yan, “Protection of free flow of information and regulation of transfrontier television: case study of Western European and China,” unpublished PhD thesis, Department of Law, University of Essex, 1998.

216. See <http://www.sarft.gov.cn/articles/2011/10/25/20111025170755801010.html> (accessed 15 June 2012).

217. See http://news.xinhuanet.com/politics/2011-10/26/c_111125844.htm (accessed 15 June 2012).

218. “China bans ads in TV drama and films,” *Financial Times*, 28 November 2011, at <http://www.ft.com/intl/cms/s/0/c7d68406-19b7-11e1-ba5d-00144feabdc0.html#axzz204W9DJNG> (accessed 8 July 2012).

Public Consultation

Research programs and academic conferences supported by the government have been an important reference for digital transition policymaking. Local governments usually hold hearings to discuss adjustments in subscription fees before adjusting charges. For example, Guangdong held a hearing on digital television charges in September 2005, attracting 31 representatives from different walks of life—government officials, scholars, lawyers, media professionals, and ordinary members of the public. At the hearing many representatives questioned a flat fee for different areas with different levels of economic development. Representatives also asked the local government to provide the public with information about the costs of digital television operators, so that the public could understand why they needed to pay that much. But local governments seldom take such requests into account. In Guangdong, for example, arguments against a monthly fee rise of 13 yuan in 2005 went unheeded.²¹⁹

The public have, however, not been in a position to make their voices heard on the matter of content on digital television. Due to a lack of competition in digital television, there is a fundamental shortage of content. Films, sports, and stock market information are all in large part duplicated or simplified edits of original analog programs. The content of digital television has not kept pace with the development of its facilities and today's users have to spend more money on programs that are not substantially different from those available on analog television. There has been little public input on this matter, whether in the form of official public consultation or informal submission.

7.1.2 The Internet

Regulation of News on the Internet

On 7 August 2002, the document “Interim Provisions on the Administration of Internet Publishing” was promulgated by the News Office of the State Council and Ministry of Information Industry, outlining a system for tight regulation of news services on websites. According to Art. 6, no organizations or individuals may carry out internet publishing activities without approval. Under Art. 8, those who wish to do so should apply to the press and publication administration authorities of the provinces, autonomous regions, or municipalities directly under the central government. Such applications shall be examined and approved by the GAPP after meeting the approval of local administration authorities.²²⁰

In September 2005, “Provisions on the Administration of Internet News Information Services” detailed stringent conditions for the “administration” of internet news.²²¹ The “Provisions” define news information as information about current and political affairs, including reports and commentaries on social and public affairs such as political, economic, military, and foreign matters, as well as reports and commentaries on social

219. See <http://www.southcn.com/news/gdnews/zhtv/news/200509220024.htm>; and http://news.xinhuanet.com/internet/2008-07/10/content_8521503.htm (accessed 8 July 2012).

220. See <http://games.sina.com.cn/newgames/guanlitaoli.shtml> (accessed 4 May 2011).

221. See http://www.china.org.cn/business/2010-01/21/content_19281869.htm (accessed 4 May 2011).

events. According to this document, the term “internet news information services” includes publications of news information, provisions of electronic bulletin board services for current and political affairs, and the distribution of communications of current and political affairs to the public. The “Provisions” added to this list SMS and BBS content, two categories that had earlier been disregarded.

According to the “Provisions,” internet news information service entities established by non-news organizations that republish news information shall be subject to the examination and approval of the State Council Information Office. Internet news information service entities that are established by news organizations, publish news information that is beyond the range of what the entity has already published, provide electronic BBS on current and political affairs, and distribute communications of current and political affairs to the public shall also be subject to the approval of the State Council Information Office. The only departments with this right of supervision are the State Council Information Office or the information office of each individual province, autonomous region, or municipality directly under the central government.

The “Provisions” actually forbid the autonomous production of news by most websites. Of course, websites and blogs are continuously generating original content without official approval. The existence of such websites is allowed due to a gray area, but such sites do not attract the high pageviews of big news websites. Even so, those websites are also monitored and “objectionable” content is frequently taken down.

Legal Liability for Internet Content

The document “Measures for Security Protection Administration of the International Networking of Computer Information Networks” was promulgated by the Ministry of Public Security on 16 December 1997, and was the first official document concerning internet content supervision.²²² Nine categories of illegal information were specified. Many of the internet content regulations issued since then have been based on the 1997 “Measures,” with subtle changes. One of these is the document “Telecommunications Regulations of the People’s Republic of China,” which was promulgated by the State Council on 25 September 2000,²²³ under which no organization or individual can use telecoms networks to produce, reproduce, disseminate, or transmit information with content that:

1. opposes the fundamental principles determined in the constitution;
2. compromises state security, discloses state secrets, subverts state power, or damages national unity;
3. harms the dignity or interests of the state;
4. incites ethnic hatred or racial discrimination, or otherwise damages inter-ethnic unity;
5. sabotages state religious policy or propagates heretical teachings or feudal superstitions;
6. disseminates rumors, disturbs social order, or disrupts social stability;

222. See <http://www.isc.org.cn/20020417/ca42720.htm> (accessed 5 May 2011).

223. See <http://www.isc.org.cn/20020417/ca38931.htm> (accessed 5 May 2011)

7. Propagates obscenity, pornography, gambling, violence, murder or fear, or incites the commission of crimes;
8. insults or slanders a third party or infringes upon the lawful rights and interests of a third party;
9. includes other content prohibited by laws or administrative regulations.

The nine types of information listed here appear in full in “Measures for Administration of Internet Information Service” (2000),²²⁴ “Administration of Internet Electronic Bulletin Board Services Provisions” (2001),²²⁵ “Interim Provisions on the Administration of Internet Publishing” (2002), “Regulations on the Administration of Business Sites of Internet Access Service” (2002),²²⁶ and “Interim Provisions on the Administration of Internet Culture” (2003).²²⁷

Regulations promulgated after 2002 have added one more forbidden information type, specifically that which threatens public morals and national exemplary cultural traditions. “Provisions on the Administration of Internet News Information Services” (2005) adds two more: information which incites illegal gatherings, associations, marches, demonstrations or mobs, and disturbs the social order; and information that acts in the name of an illegal private organization. These broad provisions have underpinned the party’s willingness to shut down “inappropriate” websites and prohibit netizen expression. For instance, the first Chinese microblogging service, Fanfou.com, was blocked in July 2009 due to users’ criticism of the party. It was only reopened in November 2010 after it partnered with China Economic Net (Ce.cn), sponsored by the *Economic Daily*, an official outlet for the government to publicize its economic policies.

While regulations concerning the online communication activities of ordinary netizens are broad, the duties of ISPs are strictly specified. In “Measures for Administration of Internet Information Service,” published on 20 September 2000, Art. 14 states:

Internet information service providers that provide news, publishing, bulletin boards and other services shall record the content of all information provided, the time of its release and the Internet addresses or domain names involved; Internet service providers shall record information such as the time spent online by internet users, user account numbers, internet addresses or domain names, dial-up telephone numbers, etc. Internet information service providers and internet service providers shall retain copies of their records for 60 days, and shall make them available when the relevant state authorities make enquiries in accordance with the law.

224. See <http://www.cnnic.net.cn/html/Dir/2000/09/25/0652.htm> (accessed 6 May 2011).

225. See <http://www.cnnic.net.cn/html/Dir/2000/10/08/0653.htm> (accessed 6 May 2011).

226. See <http://www.isc.org.cn/20020417/ca102648.htm> (accessed 6 May 2011).

227. See http://www.gov.cn/fwxx/bw/whb/content_453017.htm (accessed 6 May 2011).

“Administration of Internet Electronic Bulletin Board Services Provisions,” Art. 13, states: “If an Electronic Bulletin Board Service provider discovers information in its system that clearly falls within the scope of [prohibited] content ... it shall immediately delete the post, save the relevant records and make a report thereon to the relevant State authority.” Articles 14 and 15 require of electronic bulletin board service providers similar duties to record and supply information to the state as those listed for internet information services.

The Tort Law of the People’s Republic of China, adopted at the 12th Session of the State Committee of the 11th NPC on 26 December 2009, clearly states two rules:²²⁸

A network user or network service provider who infringes the civil rights or interests of another person through a network shall assume the tort liability. Where a network user commits a tort through the network services, the victim of the tort shall be entitled to notify the network service provider to take such necessary measures as deletion, blocking or disconnection. If, after being notified, the network service provider fails to take necessary measures in a timely manner, it shall be jointly and severally liable for any additional harm with the network user.

Where a network service provider knows that a network user is infringing the civil rights or interests of another person through its network services, and fails to take necessary measures, it shall be jointly and severally liable for any additional harm with the network user.

The first rule increases not only legal risks for ISPs, but also the possibility of rights abuses. This rule may force service providers to take the safest option, which is to disregard the rights of users and to take measures against content that might be offensive immediately they have been notified. The second one does not differentiate between whether the service provider is a publisher or a neutral disseminator. The ultimate effect is to force service providers to act like traditional media, in charge of supervising content uploaded by network users. The actual practices of ISPs vacillate between over-self-regulation and the exploration of tentative new possibilities. They over-react in order to ensure that they do not violate the law, that is, they are quick to take down content that they suspect may be illegal, even before anyone complains about it. On the other hand, they are always treading a fine line (in Chinese journalistic parlance, “playing edge ball,” or *da cabianqiu*) in allowing content within limits, on certain issues or at certain times.

7.2 Regulators

7.2.1 Changes in Content Regulation

In China, official departments engaged in media control and monitoring include SARFT, the State Council Information Office, the Ministry of Culture, the GAPP, the Ministry of Education, the Ministry of Public Security, the Ministry of Public Health, and their corresponding local departments. Propaganda departments

228. See <http://www.lawinfochina.com/law/displayModeTwo.asp?id=7846&keyword> (accessed 5 May 2011).

at all levels also have the right to supervise media content. Along with the development of digital broadcasting and the internet, the MIIT also plays a big part in supervision.

The internet is heavily licensed, which forms a major feature of internet regulation. “Interim Provisions Governing the Management of the Computer Information Networks in the People’s Republic of China Connecting to the International Network” was promulgated by the State Council on 20 February 1996 and amended on 20 May 1997.²²⁹ This was the leading regulation for the internet in China at that time. Article 6 says: “If a computer information network is to be connected to an international network, the international inlets and outlets provided by the state public telecommunication network under the [then] Ministry of Posts and Telecommunication must be used. No organization or individual shall establish or use other information channels to undertake international connections by itself or himself.”

In March 1998, the MIIT was founded by amalgamating the former Ministries of Electronics and of Posts and Telecommunication. According to the “Interim Provisions,” the MIIT would become responsible for administering a license system for departments engaged in international computer information networks. This was the government’s first formal declaration of a national monopoly in internet resources.

“Measures for the Administration of Internet Information Services,” published on 20 September 2000, requires all commercial internet information services “whose services relate to news, publication, education, medical and health care, pharmaceuticals and medical apparatus, radio, film and TV programs and . . . require the concurrence of the relevant supervisory authorities in accordance with the law, administrative regulations, or other relevant state laws,” to be approved and licensed, and “non-commercial internet information services” are required to report their services “for the official records.”

“Regulations on the Administration of Business Sites of Internet Access Services” specifies a license system for business sites of internet access services. Moreover, to deal with the proliferation of online video services, “Internet Audiovisual Program Service Management Regulations,” jointly issued by SARFT and the MIIT on 29 December 2007, require anyone involved in “producing, compiling, integration and public provision over the internet of video/audio programs and such activities as providing services for others to upload and spread programs” to seek a license. In 2009, most BitTorrent (peer-to-peer file distribution) sites were closed because they were unable to obtain licenses.

On 5 October 2004, the MIIT promulgated “China Internet Domain Name Regulations,”²³⁰ detailing a strict system of market access and registration. This was tightened further by additional promulgations in 2009.

“Measures for Administration on Record Filing of Nonprofit Internet Information Services,” promulgated on 20 March 2005 by the MIIT,²³¹ spread to cover personal websites and blogs, requiring them to “ensure the

229. See <http://www.cnnic.net.cn/html/Dir/1997/05/20/0646.htm> (accessed 6 May 2011).

230. See <http://www.miit.gov.cn/n11293472/n11294912/n11296542/12094947.html> (accessed 7 May 2011).

231. See <http://www1.cnnic.cn/html/Dir/2005/02/25/2782.htm> (accessed 7 May 2011).

lawfulness and validity of their contents” and to indicate their record filing number at the bottom center of their home page. This system has helped the government to control and supervise personal website owners and independent bloggers.

As microblogging is on the rise, it has become the new battlefield between content regulators and “noisy” netizens. Two big microblog services, Sohu Weibo and NetEase Weibo, were suspended on 9–12 July and 13–15 July 2010, respectively. Since then, all the Chinese *weibo* services have attached a note saying “beta version” on their title logos (to give the impression that they are just at an experimental stage). In fact, all the China-based *weibo* services are not only regulated by various government departments but are also controlled by a set of self-censorship policies and methods. They usually have blacklists of “sensitive words” to be automatically checked; sometimes administrators check these manually. Posts on forbidden topics will be deleted and the user’s account may be blocked. *Weibo* searches are also heavily censored, especially when “incidents” are happening.

Since 16 December 2011, in a joint effort with the capital’s public security bureau, the Beijing Internet Information Office (BIIO) has been requiring users of Beijing-based microblog sites to provide their full names when registering accounts, though they are permitted by the regulation to use pseudonyms in their actual posts. According to BIIO’s deputy director, Tong Liqiang, about 600 million accounts are registered with Beijing-based providers, including Sina Weibo and Sohu, reflecting the fact that many netizens have more than one account. The companies have been given up to three months to verify information in their user databases.²³²

Wang Chen, head of the State Internet Information Office and deputy director of the CCP’s Propaganda Department, said on 18 January 2012 that a real-name registration system for microblogs would be expanded to all of China. He said the system would be implemented after trial programs—introduced in Beijing, Shanghai, Tianjin, Guangzhou, and Shenzhen in late 2011—“prove successful.” He justified the new real-name rule by stating that microblogs could be used to spread “harmful and irrational opinions and information.”²³³

Early in February 2012, China’s four key microblog platforms—Sina, Sohu, NetEase, and Tencent—announced 16 March 2012 as the deadline for users to adopt real-name identities. According to the new rule, people posting on microblog platforms must furnish the service providers with their personal identity cards or mobile phone numbers. Unverified users can still read *weibo* content. Given the government’s record of requiring microblogging providers to censor posts on politics, corruption, and social issues, many observers fear that the real-name system will be used to identify and punish netizens who are critical of the government.

232. “Beijing requires real names in microblog registration,” Xinhua, 16 December 2011, at http://news.xinhuanet.com/english/china/2011-12/16/c_131310381.htm (accessed 17 February 2012).

233. “China expands program requiring real-name registration online,” *New York Times*, at http://www.nytimes.com/2012/01/19/world/asia/china-expands-program-requiring-real-name-registration-online.html?_r=1 (accessed 17 February 2012).

On 31 March 2012, the government announced through Xinhua that 16 websites had been shut down and six people detained, while Sina Weibo and Tencent Weibo had been “criticized and punished accordingly,” for “fabricating or disseminating online rumors.” The punishment of the two major microblog sites was to suspend their comment functions for three days.²³⁴ Size and popularity may indeed offer *weibo* giants some measure of protection from the authorities, but the comment suspension demonstrates that it has limits.

As *weibo* censorship has shown, a major feature of internet regulation in China is the filter system, in which specially designed software is engaged to search for key words and phrases and to block content accordingly. It is widely used for apps, access points, ISPs, and backbone networks, affecting websites, email, online forums, college BBS, SNS, blogs and microblogs, instant messaging, and search engines. Contents targeted for filtering include pornography, materials produced by the religious following known as Falun Gong, political topics, and ethnic-minority issues.

On 1 April 2009, the MIIT, together with the Ministry of Education, the Ministry of Finance, and the State Council Information Office, published a “Notification Regarding Installation and Operation of Green Filtering Software in Campus Network of Primary and Secondary Schools,”²³⁵ requiring the computer terminals of all primary and secondary schools to be pre-installed with the “Green Dam” online filtering software, a domestic-made program able to “block access to pornographic content, filter unhealthy websites, control internet connection time and view internet access history.” PC manufacturers were also required to report pre-installed computer sales figures regularly. After a sustained campaign by web users that included an attack by hackers on the official Green Dam website and the decoding of an administrative password for the software that revealed filtered words and targeted websites to the public, the government abandoned the idea.

Meanwhile, during certain cases of states of emergency, the government has used provisions regarding state security and other public safety measures to physically cut off the internet. At the time of the unrest in the ethnically diverse Xinjiang autonomous region in 2009 it disconnected the internet and blocked SMS and international calls there for 10 months.

In spite of this leaning toward the control and suppression of internet content, there are some measures intended to protect the freedom of expression. On 10 May 2006, the “Regulation on Protection of the Right to Network Dissemination of Information” was promulgated to provide additional protection beyond the existing copyright law to the owners of creative and other works.²³⁶ Any organization or person publishing the works, performances, or audio-visual recordings of others through information networks is required to obtain permission from, and pay remuneration to, the owners.

234. “China’s major microblogs suspend comment function to ‘clean up rumors,’” 31 March 2012, at http://news.xinhuanet.com/english/china/2012-03/31/c_131500416.htm (accessed 11 April 2012).

235. See <http://www.zjedu.gov.cn/upload/col10/20090524145233.doc> (accessed 1 June 2011).

236. See <http://www.chinaitlaw.org/?p1=print&p2=060717003346> (access 7 June 2011).

7.2.2 Regulatory Independence

Broadcasting supervision belongs to SARFT while the internet is under the management of the MIIT. SARFT and the MIIT have their own budgets, system of personnel appointment, and power of content supervision, respectively, all decided by top leaders of the party and the government. Besides them, the Propaganda Department of the Central Committee of the CCP, the State Council Information Office, the GAPP, and the Ministry of Culture are all empowered to supervise broadcast and internet content. The administrative system, often arbitrary, is no different today from that in the analog era. The subservience of the media to politics remains China's official ideology today.

7.2.3 Digital Licensing

To engage in digital businesses, Chinese enterprises must apply for various licenses in a process that provides no room for impartiality. Based on the "Internet Audiovisual Program Service Management Regulations" of 2007, operators of internet-based audiovisual program services have to obtain a license issued by SARFT. SARFT, as we have seen elsewhere in this report, is a department of the State Council and is responsible for the regulation and coordination of industrial development, trade management, content development, and safety supervision of online audiovisual program services.

Websites may only broadcast audiovisual news programs with political content that are produced by radio stations and television stations above the level of region or city (in other words, they are strictly government- and party-controlled).

To apply for a license, the media supplier must be a legal personage or a state-owned or state-controlled enterprise with no history of illegal actions within the three years prior to the application date.²³⁷ State-owned media organizations possess an unshakable dominance when it comes to obtaining a license.

As reported above, video licensing presents a serious barrier to the establishment of commercialized video websites, but represents no such obstacle for video websites owned by state broadcast media. Similarly, video copyright issues have been a major impediment to the development of commercialized video websites such as Youku, Tudou, and Ku6. These three websites have invested heavily in the promotion of copyrighted online video in recent years, while state-owned internet television stations have a reservoir of programming which can be sold to commercial video websites for profit. From the point of view of commercial competition, the portals of the broadcasting media institutions that own rich content resources enjoy an unfair advantage.

SARFT controls the issuing rights of IPTV licenses. State media that have been issued IPTV licenses so far include Shanghai Media Group, CCTV, Southern Media Group, China Radio International, Hangzhou Wasu, and Jiangsu Broadcasting Company, all of them under SARFT. Ironically, China Telecom, which falls under MIIT supervision and has widespread information distribution channels, does not have an IPTV license. Besides the IPTV license issued by SARFT, two other licenses, the ICP certificate and the mobile

237. "Internet Audiovisual Program Service Management Regulations," at <http://www.chinasarft.gov.cn/articles/2007/12/29/20071229131521450172.html> (accessed 25 February 2011).

value-added service license, are also essential, but the MIIT is responsible for issuing these. In 2008, SARFT announced that companies providing online video services should not only obtain a license, but should be wholly state-owned or state-controlled. It is not difficult to see that regulation has spread from content to capital property.

7.2.4 Role of Self-regulatory Mechanisms

Currently, semi-official groups such as the China Radio and TV Association, the China Journalists' Association, and the Internet Society of China provide opinions and references for the broadcasting and internet industries. For instance, the "Self-discipline Pact for the Chinese Internet Industry" was issued by the Internet Society of China in 2001. However, such groups and associations cannot in reality exercise an independent supervision role over broadcasting and internet institutions. They themselves have to listen to the party and the government.

7.3 Government Interference

7.3.1 The Market

Regardless of the digitization process, media institutions in China are state-controlled and without much independence. However, as we have seen, the development of the digital industry has brought with it a contest for administrative power and profit among departments of the government that has resulted in conflicts of jurisdiction and authority. For example, SARFT and the MIIT both had plans for the development of IPTV, but SARFT won the official right to issue licenses. Such conflicts are partly responsible for the slow development of IPTV in China (see Context).

7.3.2 The Regulator

Articles and rules on media regulation are ambiguous, broad, and vague, often referring to the dignity or interests of the state and allowing an apparently legal power to intervene and control the media, irrespective of the process of digitization. For instance, Bullog.cn, a popular blog aggregator for intellectual bloggers, was shut down in January 2009 for criticizing the government. The official explanation was that the site "contained harmful comments on current affairs."²³⁸ (A successor site, Bullogger.com, is now hosted overseas. A domestic division of the site, Bullock.cn, calls itself "Bullog without political contents.")

Articles 35 and 41 of the constitution guarantee citizens the right to enjoy freedom of speech, of the press, of assembly, of association, of procession, and of demonstration, and the right to criticize and make suggestions to any state organ or functionary. Citizens have the right to complain to and bring charges against relevant state organs and to expose violations of the law or dereliction of duty by any state organ or functionary. Many legal experts consequently believe that much of the power of digital regulators is unconstitutional.

238. Luo Yonghao, founder of Bullog, gave the reasons for this in his blog. See <http://blog.qq.com/qzone/622007980/1231606867.htm> (accessed 17 July 2011).

7.3.3 Other Forms of Interference

Internet censorship in China takes many forms. It could be the banning of an entire online community such as Facebook or an item-by-item censoring of popular websites such as Google or Wikipedia. It could include orders to websites not to allow publication, deletion of articles already disseminated, cancelation of accounts, and direct punishment of the author.

7.4 Assessments

All media institutions in China are under the leadership of the party and the government. Digitization of Chinese media has been driven and controlled solely by the government, which has not weakened its resolve to maintain its hold on the media through an array of both broad and detailed regulations and licensing regimes. In spite of guarantees of freedom of expression in the Constitution, neither the letter nor the spirit of the laws pertaining to broadcasting and media oversight is designed to be impartial or independent.

8. Conclusions

8.1 Media Today

In recent years, the Chinese government has moved to increase control of both the traditional media and the internet. This has included harassing journalists, dismissing or replacing heads of media institutions, issuing bans on interviewing and reporting subjects, and initiating new internet regulations that caused a sharp drop in the number of websites.²³⁹ These measures have threatened the independence and professionalism of the country's media.

On the other hand, the Chinese people and media have benefitted from digitization. Traditional media have used internet news sources to improve their reporting while new technologies have spawned interactive new media forms. These changes have led to diversity in media content while an increasing number of people have found opportunities to express their own ideas and attitudes on the internet. Traditional media institutions have launched their own websites and online journalism has experienced fewer restrictions than newspapers and broadcast media.

8.2 Media Tomorrow

Within the next five years, civic forces and market influences will jointly accelerate the development of Chinese digital media. The ever-increasing number of online tools and communication styles will change the landscape of the media and the structure of social communication. Civil society and the process of Chinese democratization will benefit from digitization.

There are noticeable trends in today's digital media. Microblogging has created bridges between strangers, and facilitated information sharing, emotional expression, and the coordination of action. SNS has connected acquaintances and consolidated the bonds between them. Both microblogging and SNS have contributed to the formation of powerful groups of "netizens." The emergence of mobile networks has created a faster, more

239. According to CNNIC's "26th Internet Development Report," from January to June 2010 there was a sharp decrease of 440,000 in Chinese websites. However, the 29th report (2012) states that after more than a year of decline, the number of websites is steadily recovering.

convenient method of exchanging information and weakened restrictions on the delivery of information in terms of both time and space. More importantly, internet access terminals have become more inexpensive and portable due to the development of mobile networks, which in turn have popularized the internet and increased the number of users. Information carried by microblogging, SNS, and mobile networks has spread exponentially and is not easily censored, enlarging the space for action by civil society. In addition, the development of these online tools and technologies is supported primarily by private capital and overseas venture capital, and operated in accordance with market principles, which allows comparative independence from state authorities.

Overall, these new mechanisms and trends bring with them the promise of the further development of an independent and vibrant civil society. Today we can say that in China whoever has an internet connection has a voice. The internet does not perform the same political function here as it does in other countries where there is more political freedom. Obviously, changes brought about by a new source of freedom are more significant in an environment in which there is less freedom. That said, the internet cannot change China's political life in a dramatic way. It can, however, enhance the existing social capital, so that social forces that are operating independently of the state can have a chance to grow and prosper.

List of Abbreviations, Figures, Tables, and Companies

Abbreviations and Acronyms

BBS	bulletin board system
BIIO	Beijing Internet Information Office
CCP	Chinese Communist Party
CCTV	China Central Television
CDTV	cable digital television
CMMB	China Mobile Multimedia Broadcasting
CNNIC	China Internet Network Information Center
CNTV	China Network Television
DTH	direct satellite to the home
DMB-T/H	digital multimedia broadcast-terrestrial/handheld
DTMB	digital terrestrial multimedia broadcast
DTT	digital terrestrial television
DTV	digital television
EPG	electronic program guide
EVD	enhanced versatile disc
GAPP	General Administration of Press and Publication
GPRS	General Packet Radio Service
ICT	information and communications technology
IGRS	Intelligent Grouping and Resources Sharing
IM	instant messaging
IMF	International Monetary Fund
IPTV	internet protocol television
ISP	internet service provider
ITU	International Telecommunication Union
MIIT	Ministry of Industry and Information Technology
NDRC	National Development and Reform Commission
NGB	Next Generation Broadcasting network

NPC	National People's Congress
PAS	Personal Access System
PHS	Personal Handy-phone System
RFID	radio frequency identification tagging
RSS	Really Simple Syndication
SARFT	State Administration of Radio, Film, and Television
SEEC	Stock Exchange Executive Council
SMS	subscriber management system
SNS	social networking site
SOE	state-owned enterprise
STB	set-top box
STiMi	satellite terrestrial interactive multiservice infrastructure
TD-SCDMA	Time Division Synchronous Code Division Multiple Access
TMMB	terrestrial mobile multimedia broadcasting
UGC	user-generated content
VIE	variable interest entity
VoIP	Voice over Internet Protocol
WTO	World Trade Organization

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Companies

Apple	News Corp
Baidu	Nokia
Beijing Daily Newspaper Group	Phoenix TV
BesTV	RenRen
Boston Consulting Group	ResearchInChina
Caixin Media	Samsung
CERNET	Shanda Interactive Entertainment
CHINAGBN	Shanghai Jiefang Daily Group
China Mobile	Shanghai Media Group (SMG)
ChinaNet	Sina
China Network Television (CNTV)	Sohu
China Radio International	Sony
China Telecom	Southern Media Group
China Unicom	Southern Daily Media Group
CSM Media Research	Tencent
CSTNET	Time Warner
Guangzhou Daily Press Group	Viacom
Hangzhou Wasu	Wuxi Radio and TV Group
Huashu Group	Xiaolingtong
Huawei	Xinhua Media
iResearch	Xinhua News Agency
Jiangsu Broadcasting Company	ZTE
NetEase	

Mapping Digital Media: Country Reports (published in English)

1. Romania
2. Thailand
3. Mexico
4. Morocco
5. United Kingdom
6. Sweden
7. Russia
8. Lithuania
9. Italy
10. Germany
11. United States
12. Latvia
13. Serbia
14. Netherlands
15. Albania
16. Hungary
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18. Japan
19. Argentina
20. South Africa
21. Turkey
22. Lebanon
23. Macedonia
24. Bosnia and Herzegovina
25. Poland
26. Montenegro
27. Georgia
28. Nigeria
29. Colombia
30. Croatia
31. Slovenia

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program**.

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

For more information:

Open Society Media Program
Open Society Foundations

4th Floor Cambridge House, 100 Cambridge Grove
London W6 0LE, United Kingdom

mappingdigitalmedia@osf-eu.org
www.mappingdigitalmedia.org
www.soros.org/initiatives/media

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