

“Were it not for the shifting sands into which the bold and the hapless alike sometimes fall—the intrepid journalist who presses a bit too far, the wayward hacker whose web site is flagged as subversive—the persistence of official rhetoric portraying media as the standard-bearer of correct guidance and orientation would seem laughable. At the least it is irreversibly anachronistic.”

## China’s Media: Between Politics and the Market

JUDY POLUMBAUM

If the health of a society can be measured in part by the quantity and variety of information available, the capacity of its news media to surprise and provoke, and the energy and tenacity of its journalists, then mainland China is in far better shape than persistent images of a propaganda state suggest.

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On the Media:  
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Western news accounts typically evince surprise at Chinese examples of intrepid reporting and are quick to publicize word of editorial demotions for political transgressions; but the steady

erosion of boundaries on the production and dissemination of news, entertainment, and information has been the inexorable trend for more than two decades, with the periodic reassertion of those boundaries serving to highlight their vulnerability.

Some may consider this claim audacious, for the impression persists that freedom of expression in China is severely restricted. To be sure, certain spheres of investigation remain treacherous, certain issues and individuals are beyond question or reproach, and certain topics are presented in a rigidly conformist and often strident manner. On the vitriolic campaign against the Falun Gong spiritual movement over the last two years, indignation over perceived violations of national sovereignty surrounding the United States spy-plane collision with a Chinese fighter jet last spring, exaltation of the virtues of China’s imminent admission to the World Trade Organization, and enthusiasm for Bei-

jing’s ultimately successful bid to host the 2008 Summer Olympics, mainland newspapers, magazines, radio and television broadcasts, and web publications have spoken in consonance with official pronouncements and press releases. When it comes to such high-profile matters of clear symbolic as well as substantive importance to the Chinese leadership (which also resonate with popular sentiments, often of nationalistic bent), the orchestration of campaign-style news coverage appears fairly coherent, if sometimes crude. In addition, familiarly obsequious displays of top-level comings and goings, Communist Party and government meetings, and policy declarations still lead the newscasts and dominate the front pages of major newspapers. Perhaps most important, although the bounds of expression are elastic and their policing can be fickle, critical areas of public policy remain largely off-limits for genuinely open discussion.

Yet the officially sanctioned stories of a predictable and constrained nature are but the most obvious outcroppings of an extensive media landscape featuring many other formations—from celebrity gossip, home remodeling advice, lifestyle coverage, and tales of crime and scandal to stock reports, entertainment listings, legal counsel, sports news, and environmental reporting, and from polls and chat rooms to talk shows and English-language lessons. As a visiting teacher in Nanjing last year, I found that the local *Yangtze Evening Post* alone provided a surfeit of information on far more topics than would even occur to me to wonder about. I assembled a scrapbook simply to keep track of the variety—stories about orphans, jilted lovers, soccer matches, foreign tycoons, test cheating, pollution, web-surfing tips, live broadcasts of surgery, libel law-

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suits, corruption trials, mobile-phone use, Viagra. Obligatory items of an authoritative nature—President Jiang Zemin delivering a speech, the National People's Congress convening in Beijing—might appear on the front page but never made up a marked proportion of the paper's content. Once a week, several pages were devoted to personal ads.

Such breadth of content assembled in a seemingly aimless and even frivolous composite is typical of Chinese mass media today. The character of this news-information-entertainment-trivia smorgasbord is easily faulted, and certainly far from satisfactory to serious students of civic life. Overall appeal is clearly to human interest, restless information-seeking, and raw curiosity. Attention to critical social issues is sporadic rather than concerted. The veracity of information plucked from disparate sources, including foreign publications and web sites, may be shaky. Nevertheless, the expansive and eclectic spectrum across different mediums and channels provides space for many new possibilities, including avenues for enterprising journalism and incisive commentary initially opened up by the redirection of development strategy in the late 1970s. The growth of new communication technologies along with recent innovations in media organization and financing, while no guarantor of enlightenment in themselves, add to the pressures on information barriers.

### THE FAÇADE OF STATE CONTROL

Of course, mass communications in the People's Republic of China have never operated as the well-oiled totalitarian machine envisioned by cold warriors. In one of the best early studies of People's Republic media, Princeton scholar Lynn T. White III found static, dissonance, and diverse voices and interests expressed in China's local press well into the 1960s. The short-lived Hundred Flowers movement in the late 1950s, when critics of official policy were encouraged to speak and write their minds, revealed considerable restiveness beneath the surface; and the Red Guard publications of the early Cultural Revolution period let loose a flood of illuminating (if often irresponsible and inaccurate) revelations about political tensions and social problems. Moreover, China's official media have always been supplemented by internal information channels at different levels, albeit also of varying reliability, from street gossip and rumor mills to formal operations funneling intelligence to Communist Party and government authorities. And it should be obvious that maintaining uniformity of messages (not to mention uniformity of thinking) across a terrain so vast and among a

population so large as China's is an untenable objective. Finally, as a journalism professor put it to me years ago, "Chinese people know how to read the newspapers." Like media audiences everywhere, Chinese readers, listeners, and viewers are active interpreters of content, not passive dupes. Over time, they have learned to discern overtones, subtexts, and what is not said along with what is.

Without question, central direction of the media operated far more effectively during Mao Zedong's tenure. The turning point was 1978, when Deng Xiaoping masterminded a dramatic shift from a centralized, self-contained command economy fueled by revolutionary fervor to a program of market-oriented reforms fueled by material incentives. China's news media were both important tools of policy and vivid illustrations of change, as senior editors and writers entrusted with propagating the reforms also promoted greater transparency and debate. The next two decades saw unprecedented expansion and diversification of domestic media along with increasing exposure to information, images, and ideas from abroad.

Another less obvious turning point came in the late 1990s, when reform and restructuring of government bureaucracies further weakened state leverage over media organizations even as patterns of government and private investment were strengthening new communication technologies, most notably the emerging medium of the Internet. Changes now under way in organization and financing methods for both traditional and new media are producing quixotic results—new business forms are extending the reach of the major state news outlets, for instance, while also fostering the growth of alternative outlets and further diluting official constructions of issues and events. Among the most important evolving structural changes are the consolidation of media units into groups seeking economies of scale, efforts to more clearly separate business from editorial operations, and sale of ownership shares to groups and individuals. In coming years, party and government capacities to direct the media will likely weaken further as competition for audiences and advertising continues to build and barriers to external investment in the most lucrative media sectors begin to dissolve.

The façade of state control over the news media nevertheless persists, with general guidance emanating from the Central Propaganda Department and a bureaucratic structure to license and monitor media from central to local levels headed by the State Press and Publications Administration. Officially, China's

news media are still charged with promulgating Communist Party doctrine and policies, and an ostensible structure of management remains in place. Propaganda authorities constantly reiterate the importance of Mao Zedong Thought, Deng Xiaoping's theory of "building socialism with Chinese characteristics," and the latest formulas offered by Jiang Zemin. At the same time, specialized knowledge and business savvy are increasingly valued and promoted, and the requisites of the marketplace have become as salient as the demands of politics. Whereas journalists used to characterize their major occupational dilemma in terms of the challenges of simultaneously "serving the party" and "serving the people," they now see the main contradiction of their work as the need to balance political expectations with market pressures—to use the apt characterization of media scholar Yuezhi Zhao of Simon Fraser University, they are caught "between the party line and the bottom line."

As the frameworks of state financial and political patronage that fostered loyalty and docility have been largely dismantled—to be supplanted by commercial mechanisms and motivations—incentives for journalists to hew to their prescribed role as mouthpieces of the government and party have diminished, and costs of not doing so have lessened as well. The consequences of committing political mistakes and infractions may be adverse, but today they are only occasionally draconian, whereas the potential rewards to be reaped for experimentation may be large. Thus, journalists moonlight, go after scoops, write books, or leave stable jobs at prestigious papers for higher salaries at new computer or business publications. Although party propaganda authorities still purport to steer all mass media, from newspapers, magazines, and book publication to radio, television, and cinema to cyberspace communications, media managers can monitor only a narrow spectrum of activities and subjects. The results are that Chinese media producers have much greater latitude in subject matter and approach, and Chinese consumers face far broader informational choices and interpretive possibilities than ever before.

Not that political audacity carries no risks. The New York-based Committee to Protect Journalists calculates that China has more imprisoned journalists than any other country; 22 individuals were in jail at the end of 2000 for information-related trans-

gressions, several related to Internet communications. Hong Kong and Western media have reported on demotions and firings of bold editors and reporters at a number of local Chinese papers in recent months, attributing most of the reshuffling to local officials' displeasure at zealous reporting about corruption. Economist He Qinglian, who is now in the United States as a visiting scholar, was dismissed from her position as a writer at the *Shenzhen Legal Daily* last year. Yet government efforts to suppress He's critical assessments of Chinese economic policy and her documentation of corruption and growing inequalities in society proved ineffectual: her articles and books continued to be published and disseminated, both legally and underground. Overall, what may be most remarkable is not the egregious attempts to marginalize or suppress dissenting voices, but rather the vast amounts of information and commentary

that are not—and probably cannot be—suppressed.

Curiously, some of the most perplexing examples of Chinese touchiness about information

openness involve not journalism but academic research. The recent convictions of scholars Gao Zhan, a Chinese national with United States residency, and Li Shaomin, a United States citizen teaching in Hong Kong, on charges of spying signal that "outsiders" need to take care in gathering even easily accessible and ostensibly innocuous information. However, these cases reflect the capricious nature of Chinese security interests as well as deep-seated suspicion of Chinese expatriates more than concerns about information per se. And the fact that Gao and Li were immediately expelled rather than made to serve sentences in China—and that Li was permitted to reenter Hong Kong—evinces concurrent sensitivity to the international astonishment their cases provoked.

Perhaps recognizing the impossibility of micro-management, party and government authorities have become increasingly selective about targeting wayward media. Explicit control is most commonly exercised over political news. This emphasis becomes most apparent in times of political tension, such as in the wake of the 1989 demonstrations centered at Tiananmen Square, in which journalists were prominent participants. After the military crackdown that June, some publications were shut down as a result of their sympathetic coverage of the protests, the editorial leadership at several large

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newspapers was reshuffled, and every news organization in the country was required to review three months of demonstration coverage and produce a self-criticism acceptable to party authorities. Media once again were put on notice to promote central leaders' words and appearances and to emphasize "positive propaganda" over reporting of problems, and more systematic postpublication monitoring was put into place.

Even as political news remains under fairly close scrutiny, flexibility applies to other content areas. Indeed, whatever might make money, from scandal sheets to celebrity biographies, is wont to appear in the media marketplace. And the market looks ever more global, as flows of communication across porous international boundaries enhance public appetites for information while enabling entrepreneurs to capitalize on the latest fascinations. The Chinese version of the "instant book" can now be thrown together in a matter of weeks through translation and editing of information available from the Internet and foreign publications. Each trendy topic brings a flood of such publications, with an initial craze followed by overstocks.

Yet Chinese journalists and news organizations often have surprising latitude to pursue serious coverage of serious matters; much commendable reporting on economics, environment, law, women's issues, and other subjects of social import bears this out. Entertainment media and ventures in art, literature, and film offer even more scope for experimentation. Geographic dispersion of media also contributes to the spread of information and ideas that may not suit current orthodoxy. Writers with views considered daring and unsuitable for national party or government publications, for instance, may find outlets in the provinces, particularly in the economics-oriented press. Unusual or controversial articles are picked up, distilled, and disseminated further in "digest" papers that specialize in reprints. Book publishing is an additional avenue, with controversial works on political and economic matters published and distributed in the same way as kung fu adventures and other crassly commercial fare, through so-called secondary channels. Once authors or editors have obtained a registration number and a hospitable printer, these books can quickly make their way to small bookstores and street stalls across the country. Some authors of risky works find publishers in Hong

Kong or Taiwan, and collect better fees or royalties for their pains.

The growth of the Internet in China obviously adds a new order of complexity to this picture, which the government is attempting to address through technological and regulatory means. Before examining the latest developments in Chinese media, including the role of the Internet in the mix, it is useful to review the most striking results of the post-Mao reforms for traditional print and broadcast sectors.

### THE MEDIA UNDER REFORM

In quantitative terms alone, growth of news and information sources since 1978 has been phenomenal, with periodicals leading the way. Revival of many outlets that had halted operations during the Cultural Revolution was quickly followed by a proliferation of new ventures. In the first decade of the reforms, the number of registered newspapers grew from fewer than 200 to about 1,600; within another decade, the figure reached 2,200. Magazine and journal titles grew from fewer than 1,000 to more than 8,000 in the 18 years from 1978 to 1996. The numbers have stayed fairly stable since, fluctuating somewhat in periodic

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waves of closings and consolidations, sometimes political in nature but also justified on managerial grounds. Meanwhile, thousands of "internal" publications—newsletters, newspapers, and journals with limited circulation—have ceased operation as this category becomes increasingly irrelevant in a climate of greater openness and general availability of information.

The nation's radio and television networks likewise expanded rapidly with the reforms, and particularly after 1983, when a regulation banning counties from operating wireless radio and television stations was lifted and provincial and municipal radio stations were allowed to subdivide into multiple channels. China's television audience, some 34 million in 1976, grew to 590 million by 1987 and approached 1 billion by the late 1990s. A push to extend broadcast penetration to remote areas, mainly through construction of satellite ground stations, has brought radio and television reception capacity to most of rural China within the past few years, with final efforts focusing on the remotest regions. By the end of the decade, China claimed about 1,700 radio stations, some 2,000 television

stations (about half educational stations), and about 1,400 cable television companies. Entering the new millennium, the country had more than 80 million cable television subscribers, predominantly in urban areas, making China the largest cable market in the world—and still growing. Plans are for 150 million households, roughly 40 percent of the country's total, to be connected to cable by 2005.

No less important than the multiplication of outlets was the vastly greater variety of form and content available. The proportion of newspapers officially designated as “party papers” has declined steadily, and circulation figures for these papers fell through the 1980s and plummeted in the 1990s. Perhaps most dramatic is the case of the *People's Daily*, the Central Committee's flagship, whose average daily circulation of around 7 million during the Cultural Revolution was down to 2.1 million by 1997. New publications emerging in the 1980s tended to downplay politics and instead focus on specialized areas such as lifestyle, entertainment, business, or law.

A major impetus for the move toward diversity was the gradual withdrawal of state subsidies to media and the corresponding emergence of advertising as a primary financial prop. Deemed ideologically unacceptable through the Cultural Revolution, advertising returned in early 1979 when state-owned Shanghai Television aired its first commercial and the *People's Daily* began running ads. Initially, advertising was justified as a way to spur economic development through promotion of goods; but the ad industry has become a money-making engine in its own right and the main source of revenue for media organizations. Although figures for China's advertising market vary, studies suggest that it is growing by at least 15 percent a year, generating revenues approaching \$10 billion in the year 2000. Television advertising accounts for close to a quarter of the market, and newspapers for about a fifth.

The rapid growth of specialized, smaller, quasi-official, and unofficial newspapers has put particular pressure on the established press. With smaller upstarts now a source of real competition for advertising revenue as well as for the hearts, minds, and disposable cash of readers, party papers have sidled into the action through publication of softer “week-end editions” and special supplements focused on sports, law, culture, or other areas. They also have endeavored to compete through bigger issues and changes in publication schedule.

Magazines add further variety in both information and entertainment arenas, with a plethora of

general-interest and specialized periodicals and new start-ups. In addition to standard popular magazine categories—current events, culture, sports, literature, family matters and child-rearing, and interior decor—Chinese publishing offers a vast array of popular science, medicine, technology, education, history, and social science content for general readers. Specialized and scholarly periodicals also abound, with those devoted to economics and computer science among the most rapidly growing sectors. Some publications reach for particular age groups, from elementary school students to college students to senior citizens. An abundance of glossy and expensive women's and consumer magazines oriented toward a white-collar urban workforce also have appeared. Efforts to attract readers are obvious on the newsstands, where splashy color covers abound; even magazines purportedly concerned with serious political or economic matters promote themselves with celebrity covers and leaven their contents with human interest stories.

## BROADER BROADCASTING

Expansion and diversification have made their mark on radio and television as well. Chinese audience surveys show national newscasts to be among the most-watched programs, and the evening news on China Central Television (CCTV) draws upward of 300 million viewers. Once rigidly scripted, news programs now make more allowance for spontaneity and live events, with live transmission of major press conferences and speeches no longer a rarity. Since mid-1998, when CCTV broadcast the first live coverage of a Chinese trial (a case involving alleged copyright violations of feature films), local channels have followed suit with trials or excerpts from local courts. Both CCTV and local stations offer magazine-type programs that delve into controversial topics. Television entertainment series, from historical dramas to contemporary sitcoms, frequently draw large audiences; and some of these also address controversial social and political issues in dramatic or humorous ways.

Radio, important in the early years of the People's Republic but overshadowed during the first decade of reforms, resurfaced in the public consciousness in the 1990s with programming genres new to the mainland, including all-news stations, all-music formats and, perhaps most noteworthy, talk radio. The new trends began in south China, where people easily could tune into Hong Kong radio, and rapidly moved north. Call-in shows on matters ranging from family life to legal affairs, as well as consumer com-

plaint hotlines, have become regular features of many local radio stations; and topics that once were taboo, from sex to suicide, are now discussed live. Most large stations, particularly those at provincial and municipal levels, have split into as many as 10 or a dozen specialized subdivisions, with the new smaller operations concentrating on sports, economic news, music, educational programming, and other niches.

Decentralization and diversification have begun to generate new forms of competition in broadcasting. In the past, although local and provincial radio stations theoretically competed for the same audiences in localities, the distinctions were minor; and directly competing broadcast operations simply did not exist. The start of Shanghai's Oriental Radio, which began broadcasting from the special development zone of Pudong in the fall of 1992, signaled a new era. A companion television enterprise, Oriental Television, went on the air in January 1993.

Like the regular municipal operations, Oriental Radio and Oriental Television are state-owned and under the administrative supervision of the municipal broadcast bureau. But

the upstarts boasted an energetic work style, greater emphasis on timeliness and live coverage, and novel modes of presentation. These outlets, going head-to-head with regular municipal television and radio but with much smaller staffs, rapidly acquired listeners, viewers, and ad revenue and set a model for meaningful broadcasting competition.

Cable has brought new twists to television competition, growing from a novelty to an essential extension of over-the-air broadcasting in a fairly short period. The development of cable television systems began in a haphazard manner during the 1980s, with small local services organized by work units and city districts. The first citywide cable service went into operation in Changsha, capital of Hunan province, in 1987, and within a decade most large and medium-sized cities were wired. Local cable systems typically offer about 30 to 40 channels. As a result of loosened broadcast restrictions, most provincial television stations now have satellite ground stations sending out programming that can be picked up by cable systems nationwide. Meanwhile, improved technology has alleviated problems that commonly interfered with satellite transmissions in past years.

With the potential to reach far beyond their localities via cable, provincial stations are beginning to

compete with each other for viewers. Cable systems also extend the reach of CCTV, which in 1994 began to add new channels catering specifically to cable, providing sports, variety shows, movies, and other offerings. The most recent addition is Channel 9, an all-English channel aimed at presenting China and the world "from a Chinese point of view."

#### NEW ORGANIZATIONAL STRUCTURES. . .

The establishment of chains and conglomerates in the news and publishing industries, tentatively begun in the mid-1990s and overtly encouraged from early 1998 on, promises to change configurations of operation and ownership. In the vanguard was Guangzhou's official party newspaper, which already had formed the Guangzhou Daily Newspaper Industrial Group in 1996 with the approval of the Central Propaganda Department and the State Press and Publications Bureau. The result was

a newspaper-based conglomerate or "newspaper industrial group" owning, in addition to the main paper, half a dozen tabloids and a string of companies involved in real estate,

advertising, printing, and retail sales. The group has continued to acquire properties and has established a chain of more than 100 bookstores.

The next step involved mergers and the reorganization of several other prominent party newspapers, with five more groups set up by the end of 1998. At some publications, the process was controversial; the staffs of Shanghai's *Wenhui News*, a daily emphasizing culture and politics, and the popular *Xinmin Evening News*, a spunky tabloid, were particularly resistant to an administratively ordered merger of two very distinctive entities; but the *Wenhui Xinmin Joint Newspaper Industrial Group* was formed after all, also incorporating a batch of smaller papers and a dozen companies involved in publishing, distribution, advertising, and even hotels and taxis. Additionally, a number of de facto newspaper groups running various enterprises exist without the official label, and newspaper consortiums continue to take form and to annex enterprises in other industries. About 30 newspaper groups were in place by mid-2001, centered on the largest national, provincial, and municipal papers, and broadcasting groups on a similar model also were being formed.

These industrial groupings are supposed to provide additional impetus to the market economy

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*The ultimate inability of the state to determine the information menu does not mean people will gravitate toward knowledge that makes them wiser or freer.*

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through growth and expansion, put resources to fuller use, eliminate duplication, and introduce economies of scale into both news operations and business administration. With the new system, units under a single company, be they newspapers, magazines, or broadcast media, can share news bureaus and reports. Likewise, advertising and circulation management can be centralized in single departments serving the various units.

Another objective may be to spread the benefits of commercial success more widely. Surveys show considerable variation in newspaper popularity, with some gaining subscriptions and newsstand sales while others fall behind. In general, local evening newspapers are more popular than staid party broadsheets. Corresponding gaps are emerging in profitability; according to late 1990s figures, just 2 percent of the country's newspapers took in 70 percent of the advertising income. The Wenhui-Xinmin merger is the most obvious case in which a floundering paper could benefit by annexing one of the country's most popular and lucrative papers. Even the *People's Daily*, which has long published ancillary papers and magazines, has formally become the centerpiece of a group and added to its roster of publications three papers specializing in securities, finance, and health.

The groups also establish clearer demarcations between news and business activities. Through the 1980s and into the 1990s, the line between editorial and business has frequently been blurry: journalists were expected to solicit ads, and sources regularly offered money or favors to journalists in exchange for story placement. The new system is thought to better insulate editorial operations from business considerations, thereby enhancing the credibility of the news product.

Large newspaper and publishing groups are expected to be common fixtures by the year 2010. A Chinese government report anticipated that 5 to 10 groups capable of generating annual sales volume of about \$1.2 billion each would emerge over the next decade, along with 20 to 30 others doing about \$120 million in sales a year. In addition, multinational media corporations may eventually gain a foothold. Although foreign investment in mainland Chinese newspapers is not allowed, foreign investors hold interests in some less-restricted areas, including specialty magazines covering topics such as computers or fashion and weekly or monthly leisure and tourism publications. In addition, foreigners may invest in the advertising and distribution sides of a newspaper.

Consolidation is coming to broadcasting and cable as well. Last spring, the State Administration of Radio, Film, and Television announced plans to create a nationwide communications group bringing television, cable, and radio into one conglomerate. The new configuration is designed to unify wireless, cable, and satellite broadcasting as well as provide value-added services such as video on demand and interactive shopping. This will be a state-owned company and will not be open to private or foreign investment, although other state-owned enterprises can hold shares. Meanwhile, local broadcast and cable television stations have been directed to merge at the municipal and provincial levels, presumably the first stage of forming the nationwide network. Beijing Television Station announced in June that it would merge with Beijing Cable Television Station to become one of the first of these entities, with three broadcast channels and four cable channels.

#### ... NEW MEDIA

The newest frontier is, of course, cyberspace, with convergence of old and new technologies already well under way. China's first few links to the Internet were established by scientific and educational institutes for research purposes beginning in 1990, but creation of infrastructure for broader public and commercial access did not develop until later in the decade. The government has issued a succession of regulations on computer networking, stipulating that all Internet service providers must register and obtain licenses and must use state networks as gateways. Private companies began offering web-hosting services in early 1997, and Internet cafés offering public access to networked computers for a fee began to emerge in big cities. By mid-1999, state statistics placed the number of Internet subscribers in China at 4 million, with the number of actual users estimated at three or four times that number since many people share accounts, and the figure thought to be approximately doubling every year. But even that assessment proved modest, for in just half a year, by December 1999, the official figure had more than doubled to nearly 9 million; one year later it had more than doubled again, to 20 million; and the estimate as of mid-2001 stood at 25 million. However, only a fairly narrow segment of the population, consisting mainly of intellectuals, has reliable regular access to the Internet. Students, scientists, and other scholars with direct Internet access through campus or academic networks were the earliest adopters, but home computer use is



opportunities in technical and business aspects of media while being barred from any determination of media content, Chinese analysts believe this could change. As old and new media forms increasingly converge, prospects once seen as anathema for foreign involvement in actual content provision seem ever more likely.

Foreign capital already has played a key role in the expansion of China's telecommunications and computing capacity, with major Western computer and telecommunications companies operating in China since the mid-1980s. The national Xinhua News Agency has been involved with Hong Kong and United States partners in expanding a domestic "intranet" service providing on-line financial and economic information in Chinese to domestic and international subscribers. Rupert Murdoch's News Corporation, already a major stakeholder in Hong Kong's Star TV and involved in television programming activities on the mainland, also has been involved in Internet and publishing ventures. Microsoft chief Bill Gates has been exploring ventures with Chinese partners aimed at expanding computer and Internet use. Earlier this year, America Online and the Chinese computer-manufacturing company Legend Holdings announced a new joint Internet service provider targeting mainland customers, with each company contributing \$100 million to the business. Moreover, in the past two years, China's largest Internet companies have been allowed to raise money on international markets. Sina.com, Netease.com, China.com, and Sohu.com, providing the most popular "gateway" web sites, are listed on the Nasdaq.

China's current push to enter the World Trade Organization (WTO) has important implications for opening of the media market. The admission of the People's Republic to the WTO is premised in part on further expansion of foreign involvement in communication-related enterprises, especially in the potentially lucrative newer communication technologies, along with prospects for foreign investment in actual service provision. Both United States and European negotiators have exacted promises that China will expand market access in telecommunications, with Internet services considered part of the telecom sector. This is widely seen as the first step to opening the door to foreign involvement in media more generally.

### WHO BENEFITS?

What do all these developments mean for ordinary Chinese? If money can be made, domestic entre-

preneurs, media conglomerates, foreign investors, and probably sooner rather than later the multinational media giants will be there. But will regular consumers and citizens attain and benefit from expanded access and broadened content?

There is no simple answer. The exponential growth of media, the explosion of channels, and the ever-broadening array of formats and subjects are not in themselves progress. The plethora of ambiguities, detours, and leaks in the system of news management does not ensure that journalists will go after the important stories; and the ultimate inability of the state to determine the information menu does not mean people will gravitate toward knowledge that makes them wiser or freer. The rush toward the marketplace, even while eroding political orthodoxy, generates a new commercial orthodoxy. The emphasis on what sells elevates products and values that may not be the proudest of the human repertoire.

Nevertheless, the expansion of communications has important implications for the dissemination of knowledge and ideas in a society where news and information traditionally have been restricted. The most profound repercussions of communication change may occur not in ideological spheres, but rather in the much more mundane details of material life. In a country where the scope and quality of universal basic schooling as well as advanced education and specialized training lag far behind the need—where much commerce remains rudimentary and local, where the logistics of moving people and goods are still cumbersome, and where demands for knowledge and services far outrun supply—new communications technologies are likely to bring significant changes to the ways Chinese live, learn, and work.

Meanwhile, in permitting and even requiring media companies to seek maximum growth and profitability, the state is ceding more and more power to audiences, advertisers, and, increasingly, potential investors whose primary objective has nothing to do with the virtues of communication per se, and everything to do with how well the products of communications industries might sell. Were it not for the shifting sands into which the bold and the hapless alike sometimes fall—the intrepid journalist who presses a bit too far, the wayward hacker whose web site is flagged as subversive—the persistence of official rhetoric portraying media as the standard-bearer of correct guidance and orientation would seem laughable. At the least it is irreversibly anachronistic. ■