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MASS MEDIA REFORM IN CHINA

Toward a New Analytical Framework

Roya Akhavan-Majid

Historically, analyses of change in mass media systems have tended to draw upon a 'dissident vs state' framework, derived largely from the western historical experience. In the case of China, a 'state vs market' scenario has been superimposed on this basic framework, in the context of which the Chinese Communist party-state is often portrayed as a monolithic entity intent on promoting market-oriented reform in China's economic base, while keeping a tight grip on the country's mass media system and political superstructure. These dominant analytical frameworks tend to mask a number of important dynamics unique to Chinese history and society, that have played a significant role in the mass media transformation process. The purpose of this article is to outline a new conceptual framework incorporating these unique dynamics. In particular, it is the contention of this article that many of the changes in China's mass media system during the post-Mao period have been achieved by non-state actors, not in an adversarial process vis-à-vis the state, but through what may be called 'creative renegotiation and expansion' of new policy openings initiated by the state. The success of these non-state actors, furthermore, has been due to three major systemic factors: (1) the increasing 'deideologization' of the Chinese society set in motion by Deng's pragmatic policies; (2) the gradual functional shift on the part of the local party cadres and bureaucratic authorities from ideological supervision to entrepreneurial collaboration with private investors; and (3) the increasingly common core of interest created by the media's commercialization among the party cadres, bureaucratic bodies and media entrepreneurs and managers in extracting profits from the media.

During the last 25 years, China has been engaged in a process of rapid transition from a centrally planned to a market-based capitalist economic system. The economic reform process, first initiated in 1978 by Deng Xiaoping in the aftermath of the Cultural Revolution, has since transformed China into one of the world's largest economies, poised for full integration into the international capitalist market. It has also brought about vast changes in China's publicly owned mass media system, including extensive commercialization. Among some of the interesting features of this new commercial system are the rise of semi-independent newspapers and broadcasting stations, the proliferation of private Internet content providers and unlicensed cable networks and increasing cross-investment by the media into other commercial enterprises, including joint ventures with international media giants.

The dynamics of change in China's mass media system have been multifaceted and complex, and display characteristics unique to Chinese society and history. Yet, often, analyses of change in the Chinese media industry tend to draw upon conceptual frameworks derived largely from the western historical experiences of moving from authoritarian to libertarian press systems, which typically view mass media reform in terms of an ongoing adversarial struggle between freedom-seeking dissidents and

authoritarian governments. In the case of China, a 'state vs market' scenario has been superimposed on this basic 'dissident vs state' framework, in the context of which the Chinese Communist party-state is often portrayed as a monolithic entity intent on promoting market-oriented reform in China's economic base, while keeping a tight grip on the country's mass media system and political superstructure. While some authors view the party-state as having been successful in keeping the commercialized media within its 'orbit' (Zhao, 2000: 3–25; see also Gordon, 1997: 32), others emphasize the ongoing 'tug of war' between the party-state and the liberating forces of the market, and contend that these forces are causing the state to experience a certain level of 'loss of control' over the mass media system (Chu, 1994: 12; Hao et al., 1998: 35–8; Huang, Y., 1994: 217–41; Huang and Yu, 1997: 17–22; Lynch, 1999).

While both the 'dissident vs state' and the 'state vs market' conceptual models continue to hold validity at certain levels of analysis in explaining the current transformation of the mass media in China, they tend to mask a number of important dynamics unique to Chinese history and society, that have played a significant role in this transformation process.

Against this backdrop, the purpose of this article is to outline a new conceptual framework incorporating these unique characteristics. In particular, it is the contention of this article that many of the changes in China's mass media system during the post-Mao period have been achieved by spontaneous action on the part of non-state actors (e.g. citizens, journalists, entrepreneurs), not in an adversarial process vis-à-vis the state, but through what may be called 'creative renegotiation and expansion' of new policy openings initiated by the state. These non-state actors, furthermore, have been successful in their efforts to push the boundaries of reform beyond those initially envisioned by the state due to three major systemic factors:

1. The increasing 'deideologization' of the Chinese society set in motion by Deng's pragmatic policies, which has come to make the economic imperative the only remaining basis of the Communist Party's power and legitimacy;
2. The gradual functional shift on the part of the local party cadres and bureaucratic authorities from ideological supervision to entrepreneurial collaboration with private investors; and
3. The increasingly common core of interest created by the media's commercialization among the party cadres, bureaucratic bodies and media entrepreneurs and managers in extracting profits from the media.

These factors have increasingly blurred the lines of separation of interests between the representatives of the Chinese party-state and the country's rising capitalist class. This gradual convergence in interests has, in turn, elicited growing responsiveness on the part of the party-state to the enterprising initiatives of non-state actors.

Economic Reform in China: A Brief Overview

It may be argued that the emergence of market-oriented reform as China's primary economic ideology was itself a product of interaction between official party-state policy and creative renegotiation of policy by non-state actors. In order to explicate this historical pattern of interaction between the state and non-state actors and establish a context for the analysis of the dynamics of mass media reform in post-Mao China, it is important to first provide a brief overview of the operation of these forces during the early stages of Dengist economic reforms.

Economic reform in China began shortly after the death of Mao Zedong and the rise of Deng Xiaoping to China's presidency in 1978. At the time Deng took over the leadership of the country, China was on the verge of famine, and faced not only a severe economic crisis, but also a high level of social and political instability in the devastating aftermath of the Cultural Revolution. In the face of this crisis, Deng launched a series of reforms aimed at economic reconstruction as the primary means of restoring the faith of the Chinese people in socialism and the Chinese Communist Party (CCP). As Gordon has stated:

Deng's rise to power led to the development of a new basis of legitimacy. Socialism was redefined to mean raised living standards, with the regime overtly appealing to the individualist desire to 'get rich quick'. (Gordon, 1997: 30)

Thus, under Deng the CCP abandoned its ideological orthodoxy in favor of a pragmatic approach to economic growth.

As the first step in economic reconstruction in the aftermath of the devastation caused by the Cultural Revolution, Deng Xiaoping launched a new round of rural reform. Under Mao, the Chinese peasants were organized into collective agricultural production brigades called the People's Communes. They worked on the land, gave the fruit of their labor to the state, and in return received a guaranteed subsistence wage from the state. Deng's initiative aimed at increasing the efficiency of agricultural production by dividing the so-called production brigades into smaller 'groups', and stimulating greater productivity by linking the group's income with their output.

In one of their first acts of creatively renegotiating reform, the peasants in one of China's provinces responded to Deng's initiative by starting to organize their production units along 'household' rather than 'group' lines. In other words, they interpreted a communal production group to mean their own household. This spontaneous act set off a massive process of rural decollectivization throughout China, leading to the dismantling of 97 percent of all communes within the short span of four years (Pei, 1994: 96). Deng's proposed 'group responsibility system' was thus eventually replaced by a 'household contract system', in which each family became entitled to keep the income and profits from the land contracted to them in exchange for the payment of a commission to the local authorities.

Another important response by the Chinese farmers to Deng's policy opening was their initiative to begin to elect village commissions to coordinate the administrative needs of their village. These village elections have since grown, though raggedly and

unevenly, to become an increasingly important foundation for the expansion of democratic elections in China (Thurston, 1998).

Both of these developments were at first carefully watched, then tacitly approved by the state. Eventually, as they took deeper root, they were codified formally into Chinese law (Rowen, 1996).

In another instance of creative renegotiation of policy, as the rural reform process advanced the Chinese farmers began to engage in business activities in cooperation with the township and village bureaucratic authorities in semiprivate arrangements known as township and village enterprises (TVEs). The spontaneous emergence of these private initiatives in collaboration with local officials in rural China was an extremely significant event, not only because of its beneficial impact on rural economic growth, but also because it began a gradual shift in the functions of the local CCP authorities and set into motion a process of increasing integration of the local party cadres with China's rising entrepreneurial class.

The rapid growth in the number of TVEs, followed by the gradual emergence of private enterprises and the phenomenal success of Deng's first major experiment in introducing foreign investment and market mechanisms into China through the establishment of Special Economic Zones (SEZs) created an irreversible momentum toward the expansion of market reform throughout China by the mid-1980s. These developments ultimately required that a new social and political discourse be created within which market-oriented reform, heretofore considered antithetical to Communism and socialism, and shunned as a 'patent of capitalism', could be legitimized as an appropriate economic policy by the state (Wang, 1995: 16). Once again, it was China's scholars and economists who, taking advantage of the ideological ferment, supplied the arguments needed to legitimize market-oriented reforms in the context of socialist ideology (Wang, 1995).

Although the pro-democracy student movement and the Tiananmen Square event of 4 June 1989 brought the engines of market-oriented reform to a halt for nearly three years, the backlash ended dramatically in 1992, when following his tour of SEZs in south China, Deng made the historical pronouncement that market is not incompatible with socialism (Wang, 1995: 13). Shortly thereafter, in March 1993, the Communist Party declared the achievement of a 'socialist market economy' as the object model of China's reforms. The Chinese Constitution was subsequently modified to accommodate the new policy, thus eliminating a major part of the constitutional language that heretofore had defined China as a Communist state.

As may be gleaned from this brief overview, historically, the Chinese citizenry has been a dynamic participant in pushing the state's policy openings far beyond those initially envisioned by the state through creative renegotiation and expansion. This pattern has continued throughout the course of the mass media reforms in China.

Mass Media Reform in China: The Role of Non-state Actors

Prior to the initiation of Dengist economic reforms, all media in China were subsidized by the party-state. The press consisted of two types of papers: first, the party organs, which were officially the mouth-pieces of the CCP and operated under the supervision of its propaganda departments; and second, a variety of non-party publications that operated under the umbrella of China's various mass organizations, government entities and social and scientific associations that were licensed to publish their own 'specialized' papers.

The first significant media policy opening in China was the authorization given to the media in 1979 to begin to accept advertising. This policy was intended to strengthen the media as the primary means of party-state communication with the masses and stimulate the country's modernization and economic growth without the need for increasing media subsidies (Lynch, 1999).

Following this policy opening, the number of non-party papers published by various social and scientific institutions and mass organizations began to multiply rapidly, leading to the rise of non-party papers as the dominant media in China during the 1990s. Due largely to the initiative of Chinese entrepreneurs, the rapid growth of these non-party papers has led to a new stage of transformation in China's mass media structure, i.e. the rise of de facto privately run newspapers. In response to requests by private investors, since the mid-1990s a growing number of mass and government entities and social and scientific organizations in China have begun to 'contract out' their publishing licenses to independent business investors for a fee or a share of the profits (Huang, 2000: 650; He, 2000: 147; Zhao, 2000: 8). Legally, these papers are 'owned' by the license holder and are subject to its editorial supervision. In practice, however, full operational, editorial and financial responsibility for the paper is assumed by the private investor.

An interesting example of private publishing under the umbrella of licensed authorities is the Chengdu Business News (CBN), established in 1994, based on the agreement by the Business, Trade and Political Office of the Party Committee of Chengdu, and Business and Trade Office of the Chengdu government to contract out their publishing license to a group of private investors (Huang, 2000: 649–64). While legally 'owned' by these license-holding authorities, CBN's editorial and financial operations are completely independent from them. One of the enigmas of such arrangements, of course, is the question of actual ownership. In the case of CBN, for example,

No one, including officials from the Bureau of State Assets of Chengdu government, can give a definitive answer to the question of who is or should be the owner of the newspaper's more than 100 million RMB assets. (Huang, 2000: 661)

The rise of such privately run papers in cooperative arrangements with local party cadres and bureaucratic authorities is clearly an important example of the role of non-state actors, in this case China's entrepreneurs, in pushing forward the boundaries of reform. It also illustrates the increasing openness on the part of the party-state representatives, particularly at the local and regional levels, to such enterprising initiatives.

A similar trend characterizes China's book publishing industry. For more than a decade, state-authorized publishing houses have been engaged in either selling a portion of their officially assigned 'book numbers' to private investors, or making arrangements for so-called 'cooperative' publishing with private interests (Lynch, 1999). The level of commercial savvy in China's private book publishing industry was visibly illustrated when, within one week of the September 11 terrorist attacks on the US, Chinese publishing houses came out with four full-length illustrated books on the attacks, while in the US it took the first of such books several weeks to reach the market (Chang, 2001). Reflecting the increasing de facto privatization in the Chinese publishing industry, as of September 2003 private companies have been given official authorization by the State Press and Publication Administration (SPPA) to engage in wholesale distribution of publications ('Control over Private Publication Dealers to be Eased', 2004).

One of the significant results of the emergence of various forms of nonparty commercial papers in China has been the visible drop in the readership of the party organs. For example, between 1980 and 1996, the circulation of the *People's Daily*, China's premier party organ, dropped from 8 million to 2 million (Huang, 2001: 446). Given the 1992 ruling that required all party organs to become financially self-sufficient by 1994 (Zhao, 2000: 6), the only survival strategy for the party organs has been to begin publishing their own profit-driven subsidiary weekend editions and mass appeal newspapers and magazines. The need to pursue profitable publishing on the part of the party papers was intensified more recently in July 2003, when the SPPA abolished the regulation that forced party and state entities to subscribe to the party newspapers (Roberts, 2003).

The ensuing efforts by both the party and non-party publications to cater to the interests of the readers, fueled by the growing demand for advertising in an increasingly capitalist economy, has in turn led to the rise of the newspaper industry as one of the most lucrative businesses in China. Between 1988 and 1998, the annual rate of return for Chinese newspapers ranged between 17 and 50 percent, and as of 1998 taxes generated from the print and broadcasting media revenue in China were among the top four sources of revenue for the Chinese state (Kuhn, 2001: C1). Thus, what the party-state is losing in ideological control through the falling readership of the party organs, it is gaining in economic benefits through taxation of media profits.

Beyond the incentive provided by growing media tax revenues, several trends in the Chinese mass media industry indicate that the party-state fully shares the motivation of China's entrepreneurs to maximize media profits. In a clear pursuit of profits, for example, the major party-owned newspapers, including the CCP organ, *People's Daily*, have begun to go beyond publishing mass appeal newspapers to invest in non-media ventures. These include investments in some of the most lucrative businesses in China, such as real estate, construction, hotels and apartment buildings, tourism and telecommunications (He, 2000: 113; Lynch, 1999: 74). In many cases, the income from these nonmedia ventures has begun to exceed that obtained from their press-related businesses (Liu, 1998: 37).

In addition to conglomeration, the party-state has promoted extensive consolidation in the newspaper industry. For example, in a major consolidation and rationalization effort in 1998, six national and regional press groups were set up by the state (Zhao, 2000: 18). The rationalization process included closing down a large number of unprofitable party papers (Kuhn, 2001: C1). These processes of consolidation and conglomeration have rapidly turned the Chinese party media into highly complex commercial enterprises designed to maximize profits.

The evolution of China's broadcasting industry shares many of the same features visible in the country's press system, including active involvement by Chinese entrepreneurs in expanding the number of broadcasting networks and stations, and increasing cooperation between the state and non-state actors in extracting economic benefits and commercial profits from the system.

The decentralization of broadcasting in the early 1980s comprised the primary policy opening enabling the subsequent transformation in China's broadcasting industry. According to Huang (1994), the major impetus for the reform in the broadcasting system,

... came from below (locality), not above (center). . . . In doing so, the local people actively lobbied the policy makers by boldly demanding Beijing's sanction to set up and run their own local stations using their own funds. (Huang, 1994: 221-2)

Following a landmark decision by the All China Radio and Television Conference of 1983, the broadcasting system was decentralized according to a four level scheme – center, province, city and county. Based on this new scheme, only the China Central Television (CCTV) and its affiliated stations in the 30 major provinces of China remained subject to central party supervision (Huang, Y., 1994: 226), with all other stations relegated to lower-level authorities. Since then, a variety of cooperative arrangements have emerged between private investors and public entities in establishing and operating China's more than 980 terrestrial broadcasting stations.

Typically, the economic arrangements between the local broadcasting authorities and the broadcasting stations under their jurisdiction resemble those in the land contract system. Much in the same way as the Chinese farmers are obligated to pay a commission or 'target responsibility' to the local authorities, all broadcasting stations pay a 'target responsibility' to the relevant authorities in their region. For example, Beijing TV pays a portion of its profits to the Beijing municipal Radio-TV-Film authority, which is also nominally the owner of Beijing TV's broadcasting facilities. The percentage of profits to be handed over to the bureaucratic authorities is negotiated annually between the two entities as part of the contract system (Lynch, 1999: 78). In addition to the target responsibility, the stations also pay a tax to the state on their income. The remaining profits belong to the station and can be used or reinvested as the managers see fit.

Satellite broadcasting is another increasingly lucrative business for the local broadcasting authorities and public and private investors. Satellite programs are received via local cable networks as well as through private satellite dishes that have mushroomed on rooftops all over the country. In addition to receiving the local satellite programs,

these dishes, if turned in the appropriate direction, are capable of receiving a wide range of programs from foreign sources. Despite the current ban on private ownership of satellite dishes, the local authorities rarely take the initiative to interfere with their operation (Huang et al., 1997: 19; Hutzler and Kahn, 2003).

The extent of the receptiveness of local authorities to the creative initiatives of non-state actors is further reflected in the unhindered proliferation of over 2000 unlicensed cable networks in China. With rare exceptions, the authorities have turned a blind eye to the operation of these networks (*Broadcasting and Cable TV International*, 1999; Huang et al., 1997: 19).

With the rapid expansion of Internet usage in China, major new avenues for input by private investors into the Chinese mass media system have been created. The number of Internet users in China is growing exponentially every year, with as many as 200 million forecast by 2005 (Harwit and Clark, 2001: 377). In addition to opening the Chinese citizenry's access to a wider range of international information resources, the Internet has provided a new means for the rise of fully commercial and independent Chinese content providers. Although the telecommunications infrastructure is still largely state-owned, the Internet service and content providers are comprised largely of private enterprises (Harwit and Clark, 2001: 389).

The provision of privately produced content for distribution on publicly owned media and telecommunications infrastructures is not limited to the Internet content providers. Almost all of China's television stations have established a variety of working arrangements with independent private producers. In a typical arrangement, the independent producers buy airtime from the network and generate profits through selling the commercial slots allocated to their program.

Thus, largely as a result of private initiatives of non-state actors, and the growing motivation on the part of bureaucratic authorities to cooperate with private investors to extract profits and economic benefits from the media, the Chinese citizenry's access to privately produced and foreign sources of information and entertainment transmitted through both legal and illegal channels has multiplied rapidly during the last decade.

Furthermore, since 2001, foreign media companies have begun to enter China's satellite broadcasting field with the government's approval. Among the major examples of these are the approval received by AOL Time-Warner to broadcast a Mandarin-language channel into the Guangdong province, and Rupert Murdoch's authorization to broadcast Star TV programs into southern China as well as make major investments in China's Phoenix Satellite Television and China Net Com (CNC), China's newest telecommunications company.

The proliferation of private/commercial sources of information on domestic channels, the inroads by foreign broadcasters and the expanding use of the Internet have dramatically liberalized the nature of information dissemination in China. This new environment has encouraged growing experimentation with previously taboo topics. Many major newspapers, including such party organs as the *People's Daily*, maintain a web presence and use their web-based pages to introduce controversial topics not normally covered in the traditional media (Kalathil, 2002). In addition, live call-in radio

and television programs have begun to introduce an unprecedented level of debate and commentary into broadcasting (Zhao, 1998: 156). While the CCP propaganda authorities continue to closely monitor, and censor, certain sensitive political issues, such as Tibet, Taiwan, the Falun Gong cult and matters involving fundamental party legitimacy, it is clear that the state's control over information has been increasingly relaxed in recent years.

Thus, while firm limits continue to remain in place, the boundaries of media reform have been pushed far beyond those initially envisioned by the state following the two major media policy openings in the late 1970s and early 1980s, i.e. the introduction of advertising and the decentralization of broadcasting. It may be argued that, at many levels, China's non-state actors have not only received tacit approval, but also open cooperation from the party cadres and bureaucratic authorities in their efforts to creatively renegotiate party-state policy.

Factors Influencing the Success of Non-State Actors

As mentioned earlier, three factors have played a key role in the success of nonstate actors in pushing forward the boundaries of media reform in China. These are the increasing 'deideologization' of Chinese society set in motion by Dengist reforms, the gradual functional shift on the part of the local authorities from ideological supervision to entrepreneurial collaboration with private investors and the increasingly common core of interest created by the media's commercialization among the party cadres, bureaucratic bodies and media entrepreneurs and managers in extracting profits from the media. These factors are further examined below.

The rise of Deng Xiaoping to China's presidency after the death of Mao Zedong marked a dramatic turning point in the history of Communist China. As already mentioned, under Deng, the CCP abandoned its ideological orthodoxy in favor of a pragmatic approach to economic growth. Deng's famous utterance, 'To get rich is glorious', epitomized this decisive movement away from ideology and gave paramount legitimacy to whatever helped China modernize and become economically more prosperous. In a sense, the fundamental basis for political legitimacy and power of the CCP, at the central as well as the local levels, shifted from ideological indoctrination in the tenets of Communism to 'delivering the goods' and raising the people's living standards.

A clear reflection of this shift in the party-state orientation and policy may be found in the criteria by which the local party cadres and authorities are evaluated for bonuses, raises and promotions. Under the current cadre evaluation system in China, influenced directly by the increasing political primacy of the economic imperative, the local leaders' level of remuneration, as well as their chances for political promotion, are determined by their ability to generate 'disposable funds' that would allow them to undertake visible infrastructure development and raise the standard of living in the area under their jurisdiction (Chen, 2000: 35–41). It is also these same 'disposable funds' that pay for the wide range of benefits, such as luxury housing, expense accounts and foreign

travel, available to qualifying party cadres and bureaucratic authorities (Chen, 2000: 35–41). Thus, increasingly, cooperation with private investors and promotion of profit-making ventures is the key to both economic prosperity and political power for party cadres and bureaucratic authorities at all levels of the Chinese society.

As already discussed in brief earlier, the origins of this functional shift on the part of the local party-state representatives from ideological supervision to economic cooperation with China's rising capitalist class may be found in the early stages of the Dengist reforms. The dramatic and spontaneous decollectivization in agriculture, following the initial opening provided by Deng's rural reform initiative, was not only the first in the long series of creative renegotiation of official policy by non-state actors in the post-Mao era, but also served as the springboard for a major functional shift among local party cadres and bureaucratic authorities previously charged with ideological and administrative supervision over the People's Communes.

As Chen and Gong have explained, prior to the reforms the CCP dominated political power at all administrative levels and

... deeply penetrated society by controlling decision making down to every work unit in society-enterprises, universities, schools, hospitals, shops, neighborhoods, villages, and the like – through its primary party organizations [jiceng danzuzhi – PPOs]. (Chen and Gong, 1997: 148)

During the last 25 years, however, vast and accelerating changes have taken place in this arrangement as a result of the economic reforms. In particular, the rise of 'efficiency' and 'profits' as the primary concerns of both the enterprises and party authorities has led to the replacement of ideologically competent 'reds' with professionally competent 'experts', and has 'gradually incapacitated PPOs as it produces a socio-economic context which deprives PPOs of institutional purpose and authority' (Chen and Gong, 1997: 149).

This gradual loss of institutional purpose and political power on the part of local party cadres and authorities, coupled with the new opportunities provided to them by economic reform to replace their political power with economic power, and reinforced by the growing CCP emphasis on the importance of economic growth, have been major factors in the increasing receptiveness of the party cadres to cooperation with China's rising capitalist class.

An unexpected outcome of this loss of purpose among the party cadres, and the increasing opportunities for self-enrichment and prestige available to them as entrepreneurs, has been the phenomenon of 'floating' party cadres in China, i.e. party cadres who leave their positions to enter the business field (Chen and Gong, 1997: 148). Increasingly, the party is finding it difficult to recruit new members, particularly among those below 35 years of age (Fewsmith, 2001; Pei, 1994: 113).

The growing integration between the CCP cadre and China's rising capitalist class was demonstrated dramatically at the Communist Party Congress in November 2002 during which, supported by the outgoing president, Jiang Zemin, and the newly elected president, Hu Jintao, and other fourth-generation leaders, the CCP took the

unprecedented step of officially opening its doors to membership by capitalists ('Jiang Urges Further Growth at Communist Party Congress', 2002; Kynge, 2003).

In conformity with this larger trend sweeping through China, the media-related party members have become increasingly more interested in the opportunities open to them for consolidating their power through economic status rather than through ideological control.

The pursuit of economic prosperity through business enterprise is equally strong on the part of the Chinese media managers, who yield considerable discretionary power over the distribution and reinvestment of their paper or TV station's profits, and thus benefit directly and personally from the profits generated by their organizations (Lynch, 1999: 42). As in the case of the employees in most other Chinese enterprises, the monthly salary of Chinese media managers, editors and journalists is typically insufficient to cover their living expenses. Rather, much like the party cadres, their standard of living is determined largely by indirect benefits, such as bonuses, expense accounts, subsidized housing and use of company cars. The ability of the media managers and employees to partake in these economic benefits is directly related to the level of the organization's profits. In most cases, therefore, media managers enforce strict performance criteria for renewing employment contracts and provision of bonuses and other benefits to their employees. Only those employees who generate significant income for their media organization, either by contributing to audience increases or attracting new advertisers, will be entitled to these benefits (Lee, 2000).

The common core of interest between the local party-state representatives and media managers and employees also extends to the highest levels of the party-state in China. The media represent a goldmine not only for the bureaucratic license-holders and the managers and journalists who partake in the bonuses and profits, but also for the Chinese state for which media taxes represent a top source of income. As such, the economic imperative to improve the citizenry's living standards inherent in the Dengist policy, pushed forward by the Chinese private investors and media managers, has created a common core of interest at all levels of Chinese society in extracting profits from the media.

Together, these factors, i.e. the increasing primacy of the economic imperative over ideological purity in post-Mao China, the subsequent functional shift among the party cadres and bureaucratic authorities from ideological supervision to cooperation with private investors, and the common core of interest created at all levels in extracting profits from the media, may be considered to have contributed significantly to the responsiveness of the party-state to the creative expansion of policy by non-state actors in pushing forward the boundaries of media reform.

Summary and Conclusions

The purpose of this study has been to illuminate a number of unique characteristics in the dynamics of mass media reform in China and propose a new analytical framework for studying the ongoing transformation in China's mass media

industry. While the adversarial struggles of freedom-seekers against the state, and the role of the forces unleashed by market reform against centralized state control continue to remain relevant to the analysis of this transformation process, the ongoing non-adversarial, and increasingly cooperative, interaction between the state and non-state actors, characterized by an initial policy opening by the state, creative expansion of the policy by non-state actors, and tacit approval by the state, may also be considered to comprise major dimensions in China's economic and media transformation process.

Due to the vast nature of the topic, the evidence provided in this article has, of necessity, been suggestive rather than comprehensive in scope, and intended to outline a new analytical framework, rather than present conclusive evidence on all aspects of the ongoing media transformation. Based on the evidence presented in this article, it is the conclusion of this study that the unique dynamics of interaction between the Chinese state and non-state actors, and the systemic factors that have shaped them, comprise important areas for future research on the process of mass media reform in China.

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