Media Policy and Regulation in China

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I. Background

II. Structure of Media and Regulators

III. The Oscillation of Media Policy and Regulation

IV. Possible Trend
I. Background
Media:

**Media outlets:** (broadcasters/newspapers...)  
mainstream, single ownership

**Media companies:** (content/service providers)  
peripheral, multi-ownership
1. Ownership: the State or Party-owned?

-- All media outlets in China are not companies, not corporations, but were the state-owned organizations.

   After August, 2001, all media outlets have been owned by the CPC. The government authorities are regulatory bodies on behalf of the Party.
-- the Party: ownership, ideology, content, personnel

-- the government: regulation, administration
-- The nature of media outlets:

mouthpiece 喉舌
business 产业
2. Financial resource:

-- All media have to be financially supported by advertising.

advertising income: 90% of total income

Government subsidies: 10.7% of total income (2004)
‘Single ownership, dual operations’

Politically party kernel
Economically commercial shell
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TIME

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II, Structure of Media and Regulators
1. Chinese media are not network-structured, but correspond with the party and government structures.

“the matrix muddle”

-- Vertical structure: Lines (tiao 条)
(coordination from center to locality)

The four-tier party & government structure
The Party system

Propaganda Department of CPCCC

- Propaganda Depts. Of Provincial CPC
- Propaganda Depts. Of City CPC
- Propaganda Depts. Of County CPC
The government system

- State government
  - Provincial governments
  - Municipal governments
  - County governments
The four-tier media structure

- Central party/government
- Provincial party/government
- Municipal party/government
- County party/government

- State media
- Provincial media
- City media
- County media
Media outlets are not affiliated, but independent from each other.
-- Horizontal structure: Pieces (kuai, 块)
(coordination between different sectors)

Different government authorities regulate different media sectors.
The government authorities

- State Administration of Radio, Film and TV
  - Radio, TV, Film, Animation
- State Administration of Press and Publication
  - Newspaper, Magazine Publication
- Ministry of Culture
  - Art, Entertainment
- Ministry of Information Industry
  - Telecom, Wireless service, Broadband
- State Council’s Information Office
  - Online Media, Internet
2, the division and co-ordination between the Party and the government.

-- the Party’s absolute leadership ideology, personnel

-- the government’s administration regulation, planning
Media outlets:

-- Political dependence, collaborators

-- Economic independence, market competitors
III. The Oscillation of Media Policy and Regulation
The open-door policy in 1978-79

to open: de-regulating
market entrance,
content scope,
new technology…

to control: re-regulating
ownership of media outlets,
content control
1. To open - de-regulation:

-- market entrance
marketization (since 1979)
conglomerate (since 1995)
capitalization (since 2003)
-- peripheral areas: production, distribution…

private companies

joint-venture companies
accident, disaster,
corruption, public services
-- new technology

Internet (since mid-1990s)

Digital TV (since late 1990s)

Direct Broadcasting Satellite (2007?)
To speed up the pace of commercialization by applying market mechanism to the enhancement of media capacity and competitiveness, especially mainstream media.

To provide basic and necessary media services for the public who are at the low-end of social stratification in order to maintain stability.
The number of media outlets

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper</td>
<td>1926</td>
</tr>
<tr>
<td>Magazine</td>
<td>9074</td>
</tr>
<tr>
<td>Radio Station</td>
<td>282</td>
</tr>
<tr>
<td>TV Station</td>
<td>314</td>
</tr>
<tr>
<td>Radio &amp; TV</td>
<td>1913</td>
</tr>
<tr>
<td>TV Channels</td>
<td>2262</td>
</tr>
<tr>
<td>Radio</td>
<td>2416</td>
</tr>
</tbody>
</table>
The number of new media users

<table>
<thead>
<tr>
<th></th>
<th>User Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTERNET</strong></td>
<td>100,000,000</td>
</tr>
<tr>
<td><strong>CELLPHONE</strong></td>
<td>400,000,000</td>
</tr>
<tr>
<td><strong>DIGITAL TV</strong></td>
<td>3,964,000</td>
</tr>
<tr>
<td><strong>IPTV</strong></td>
<td>267,000</td>
</tr>
</tbody>
</table>
2. To control – re-regulation:

-- ownership,

the party owns

-- ideology – content control

party-line
-- personnel

appointment by the Party

-- policy

the Party: ownership, content

the government:

market, technology, administration
To consolidate the legitimacy and leading role of the Party by strengthening its institutionalized control—ideological, personnel & policy—over media.

To develop the state-owned mainstream media to obtain the sustainable political stability of the Party-state
IV, Possible Trend
1, The problems:

-- Institutional structure is still the biggest obstacle for media transformation in China.
Due to:

Vertical Four-tier media structure & horizontal media sector structure

Results:

Departmentalism / localism protection
low efficiency of resource allocation in media
Scale and scope of economy
competition
Scale of economy of Chinese media

Annual income (2004):

- Chinese broadcasting Sector: 82.5 billion RMB Yuan (app. $10 billion)

- Time Warner: $41.1 billion
-- The control from policy and regulation are still limiting media development.

-- The shortage of content is becoming a bottleneck for media due to restraints over the diversity.
Broadcasting outlets are able to produce less than 70% of the program needed. 30% need to be acquired through program exchange. 

due to: policy restriction
poor copyright protection
2. The latest change in policy and regulation:
   Culture System Reform

-- Public service sector (公益性事业)/
Business sector (经营性产业)

the core concept is to categorize media sector according to the level of ideology, locating public service sector in ideological area while business sector into the market.
<table>
<thead>
<tr>
<th>Public service units:</th>
<th>Business units:</th>
</tr>
</thead>
<tbody>
<tr>
<td>（media outlets 事业单位）</td>
<td>（media companies 企业单位）</td>
</tr>
<tr>
<td>- news, current affairs</td>
<td>- production, distribution</td>
</tr>
<tr>
<td>- political information</td>
<td>- transmission network</td>
</tr>
<tr>
<td>- educational content</td>
<td>- advertising</td>
</tr>
<tr>
<td></td>
<td>- entertainment, music, movie/TV drama, sports, lifestyle, science…</td>
</tr>
<tr>
<td></td>
<td>- new media: IPTV, Mobile TV,</td>
</tr>
</tbody>
</table>
-- Merging of various government organizations since 2005: county and city levels

Bureau of Radio, Film and TV
- Radio
- TV, Film Animation

Bureau Of Press and Publication
- Newspaper
- Magazine Publication

Bureau of Culture
- Art
- Entertainment

Bureau of Sports
- Sports

Bureau of C.R.F.T.P.P.S (Commission of Culture)
-- Separating government regulator/administrator from media outlets as public service units and media companies - in next few years

de the ultimate goal of cultural system reform:

\[
\begin{align*}
\text{government (政府)} & \\
\text{media outlets (事业)} & \\
\text{media companies (企业)} & \quad \text{function respectively}
\end{align*}
\]
Government:
- regulation, - administration, - strategic plan

Media outlets (radio & TV stations, press) as public service units:
- propaganda, - business, - public service

Media companies as business:
- production/distribution
- new media business (digital TV, mobile TV…)
- multiple businesses (non-media)
3, the core issue:
Media role

-- propaganda (before 1978)

-- propaganda + business (since 1978)

-- propaganda + business + public service provider (since 2003)
Ideology: public = propaganda?

The policy-makers will be likely or not to find the equilibrium among the politics, the economy and the society?
Thank You!