



Revisiting the Role of the Media in the Chinese Communist Party's Legitimation Strategy in Post-Tiananmen China: Case Study of News Corporation

Chin-fu **Hung*** and Stuart **Dingle****
National Cheng Kung University

Abstract

Over the last 25 years China has maintained a high level of domestic political legitimacy through developing a strong ideological framework that links socioeconomic progress to the ruling party's monopoly over political power. The continuing control of the domestic media has been an essential part of this process as it is the tool through which the ideological framework is propagated and thus links the party and the people. It is clear that following the turbulence of 1989, China placed a new focus on the maintenance of political legitimacy, with a key plank of this strategy being its comprehensive system of media control. Allowing the development of an open media would enable the establishment of an alternative lens through which to view the party's achievements, which would reduce the effectiveness of the party's ideological framework, and therefore place pressure on the Chinese Communist Party's (CCP's) strategy of legitimation as normative justifications would no longer be captured by the government. This paper examines the central position of the media in China's post-Tiananmen legitimation strategy by reviewing a case study on News Corporation's (News Corp's) repeated failure to gain entry into the Chinese market. This failure can arguably be attributed to the high





quality propaganda model that has been developed and continuously refined by the CCP to strengthen the media's role in regime legitimation; and the perceived threat posed to this model by the entrance of a powerful foreign company.

Keywords: *China, legitimation, propaganda, Chinese Communist Party, News Corporation*

JEL classification: *L82, L86, L88, P48*

1. Introduction

As related by Rousseau, no authoritarian regime can depend solely on the use of force to ensure its longevity. All governments need to build a strong source of domestic legitimacy to ensure the continued support of their populace. The maintenance of this legitimacy requires both the construction of socioeconomic justifications along with an ideological framework to link these normative justifications to the ruling party's monopoly over political power. For any hegemonic regime, control of the media is an essential part of this process as it is the tool through which the ideological framework is propagated and thus acts as the link between the party and the people.

Whilst not being a central focus of recent studies on Chinese legitimacy since the 1989 Tiananmen Incident, the theme of the government-run and Party-controlled news media is inadvertently crossed in many academic and policy discussions on contemporary China. A common thread in these discussions is the importance of the Chinese Communist Party (CCP) maintaining its monopoly of media ownership. It can be seen that the media's role in China is primarily maintaining control of the party's narrative on society and propagating the ideology of the central government. Without the media linking China's contemporary socioeconomic development with the CCP's governing ideology and thus their justification for one-party rule, it would be difficult, if not impossible, for the CCP to consolidate the Chinese party-state regime.





This view is apparently shared by the CCP who have thus far been reluctant to allow the development of an independent press to act as a liberal fourth estate. Instead it may be seen that the CCP's role in the traditional media in China has retrenched rather than retreated in recent times with news organizations remaining off limits to foreign ownership, and under a growing pressure to self-censor.

The case of News Corporation (News Corp)'s repeated failure to gain entry into the Chinese market gives an insight into the value that the CCP places on the media for its central role in their legitimation. Rupert Murdoch's News Corp is one of the most powerful media organizations in the world and in recent years has committed billions of dollars towards expanding its viewership in the burgeoning Chinese market. However, despite Rupert Murdoch's vast experience in international media and his priority placed on the Chinese market, his efforts to enter China were continually blocked by a defensive CCP. This failure can arguably be attributed to the high quality propaganda model that has been developed and continuously refined by the CCP to strengthen the media's role in regime legitimation; and the perceived threat posed to this model by the entrance of a powerful foreign entrepreneur.

Against this backdrop, this article tackles the theme of media's role as a propaganda mechanism in China's legitimation since the Tiananmen Incident in 1989. The media in China has generally played the dual role of both transferring the party's ideology, and further providing a medium to create a universal ideological filter through which the Chinese citizens can acquire information and knowledge that is deemed to be politically correct by the authorities. This work highlights the hegemonic media's role in Chinese legitimation through a recent case study of News Corp's failed bid to expand its global media investment in the People's Republic of China (PRC). This case is indicative of the way in which the CCP has treated all foreign multinational media companies and shows the fundamental value the CCP places on a monopolistic control of its media sector. This case combined with a further discussion of the Chinese propaganda model in the information age will reaffirm the importance of a single, authoritative narrative and universal national ideological





framework in maintaining the domestic legitimacy of the CCP regime in post-Tiananmen China.

This paper first reviews important concepts in relation to Chinese legitimacy and legitimation as well as the role of the media in this process. It then moves to examine media control in China and links this back to the existing theories on autocratic legitimacy. Following this it reviews a case study of News Corp's attempted entry into the Chinese media industry. Finally it discusses the failure of News Corp in China in light of its perceived potential impact on the Chinese model of media control and domestic legitimation.

2. Chinese Propaganda and Media: Legitimacy and Ideology

2.1. Legitimacy

The literature on autocratic domestic legitimacy and the media's role in maintaining it has received a strong academic focus in recent years, with researchers attempting to use these theories to predict the future of the CCP and the other remaining autocratic regimes around the world (Stockmann and Gallagher, 2011). This research has primarily focused on the origins of domestic legitimacy, the basis for its continued existence, and the source of its change and adaptation. Research has further focused on the role that ideology plays in the legitimation process and the importance of the media. (Shirk, 2007: 79-104; Brady, 2008; Stockmann, 2013)

Political legitimacy was defined by Seymour Lipset as the "capacity of a political system to engender and maintain the belief that the existing political institutions are the most appropriate ones for a society" (1981: 64). In order to build and maintain this belief, governments develop a historical narrative for the ruling authority, and pursue the delivery of normative benefits for the population. Guo (2006) has labelled these two stages of legitimation original and normative justifications.

In existing theories on authoritarian legitimacy, a nation's ideology is often regarded as a type of political institution (Nathan, 2003; Holbig, 2009). Like any institution, it is possible for support for China's





ideology to change and adapt. In line with North's theory of institutional change, the catalyst for a change in any institution comes in the form of increased transaction costs (1990). In North's reasoning, people will generally choose to abandon costly institutions in favour of more efficient ones. In the case of domestic legitimation, the costs could be seen to rise when a citizen believes that the negatives of supporting a particular ideology outweigh its positives.

2.1.1. Original justifications

The importance of an original justification in the legitimation process was first raised by Max Weber. He claimed that all governments draw their legitimacy from a mix of historical, traditional and rational-legal grounds, with the exact justifications varying depending on the circumstances of a government's birth (Tarifa, 1997). In the case of China, it is argued that the CCP's original claim to legitimacy rests upon its empowerment of the countryside, its restoration of pride to the country following the century of humiliation, and its role in organizing resistance to Japan's occupation (Downs and Saunders, 1999: 119).

2.1.2. Normative justifications

Whilst a strong original justification can provide a government with a veneer of legitimacy, it is argued that this alone is not enough to guarantee continued support for the ruling group (Guo, 2006). To ensure the continuation of its governing legitimacy, authoritarian regimes, like their democratic counterparts, need to develop and continually provide a normative or utilitarian justification for their rule. For most autocratic leaders, normative claims act as an ongoing source of legitimation in the absence of rule of law or direct multiparty elections.

The most obvious normative justification utilized by modern single party governments is that of economic growth. Stephen White holds that economic or eudemonic legitimation is a principal tool employed by authoritarian governments to create a "social compact". He defines this as a situation in which a nation "surrenders a wide range of political liberties, such as competitive elections and an independent press, in





return for a range of socioeconomic benefits, such as comprehensive social security, full employment, stable prices, relaxed industrial discipline and steadily rising living standards” (1986: 468). This view of economic legitimation has come to be labelled performance legitimacy by authors such as Huntington (1991), Sadurski (2005) and Canache and Kulisheck (1998).

Since the 1989 Tiananmen Incident, CCP legitimacy has become virtually synonymous with economic performance. It could be argued that the use of the People’s Liberation Army against the Chinese population harmed one of the original justifications of the CCP as a party that protects the people. To counter this it appears that the Chinese government has embraced normative justifications such as economic development to keep the population happy or at least content, and then retain a sense of political legitimacy.

According to authors such as White, the wholesale adoption of a strategy in which economic development serves as the basis of political legitimacy can be dangerous for the ruling party. White argues that “Communist regimes can only temporarily and precariously be legitimated by their economic performance; in the long run there is no alternative to legitimacy based upon institutional procedures” (1986: 464). If a country has restricted political rights in exchange for economic development, then any downturn in economic output would ultimately lead to a destabilizing legitimacy crisis (Shue, 2004).

It is for White’s above described reasoning that successful authoritarian regimes chiefly place their political future on more than one source of normative justification. Indeed the source of China’s utilitarian legitimacy comes not from a single source but rather from several unique pillars. It has been said that for China these pillars are mainly comprised of economic growth (Laliberte and Lanteigne, 2008), nationalism or national pride (Downs and Saunders, 1999; Lary, 2008), and stability (Herber and Schuber, 2009; Lagerkvist, 2006).

2.2. Ideology

The academic literature on authoritarian political legitimacy holds that along with original and normative justifications for power, governments





also require a strong constantly evolving ideological framework (Holbig 2009; Guo 2006) in order to stay in power. As argued by Wolgemuth (2002), ideology acts as a symbolic resource for the formation of public opinion and as a framework for the social construction of reality. This view is further supported by Heike Holbig who believes that the framework constructed by a regime's ideology is exploited by its citizens to perceive and interpret the successes of a regime's normative legitimation strategies (2006). Without this framework in place, the normative improvements in the country would not be linked back to the ruling party and thus they would lose their justification for single party rule in the long run.

Holbig (2009:16) summarizes ideology as having three principal roles in domestic legitimation. Firstly it has to provide the normative foundation for the rightful source of political authority, outlining the reasons for support of the current system. Next ideology has to define the performance criteria of government, setting the filter through which results are rightly interpreted and hence the government is judged. Finally ideology has to serve as a stimulus to mobilize popular consent, incentivizing long-term goals and discouraging a short term focus. In this sense, no single authoritarian party could ultimately do without a distinct yet convincing governing ideology if it would like its people to trust and identify with it.

If a government loses control of their ideological narrative, it would be no longer capable of linking normative gains to its existence as a monopolistic political entity. Whilst this would see the benefits of continued support of the government's ideology fall, the costs would remain static or possibly increase as restricted liberties and lack of representation would remain constant or increase in response to rising instability. This process has been labelled by Tarifa as the "withering away of utopia", a process in which the gap between ideology and reality continues to widen until it becomes untenable (1997: 452). When the state loses control of the narrative and the growth in the space between the official ideology and reality widens, it will lose a sense of legitimacy and it increasingly will have to resort to control and coercion to achieve stability. Shambaugh boldly summarized this problem by





stating “If the party state loses the battle for minds, losing the battle for hearts will not be far behind” (2007: 58).

2.3. Propaganda and Media

In order to maintain control of domestic ideological narratives, authoritarian governments are required to develop and utilize propaganda and the media. The media’s role in the CCP’s legitimation strategy is described as ensuring that the ruling party’s ideology is universally, correctly, and authoritatively translated to the general public. It is the media that transmits information of normative gains to the populace, whilst in the meantime providing the core and precise ideological framework through which the public may “correctly” interpret these results. Over the last few decades, the pre-eminent reason for the Party-State’s need for information control has been urgently presented as the need to safeguard social and political stability (Lagerkvist, 2006; Shue, 2004). Fundamentally if the mass media were to fail in its object of propagating a universal ideology, then the process of legitimation would be interrupted and the party’s hold on power would eventually come into question.

Propaganda, according to Olive Thomson, refers to “the use of communication skills of all kinds to achieve attitudinal or behavioural changes amongst one group by another” (Thomson, 1999: 7). The CCP’s propaganda system represents “the quintessential transmission belt for indoctrination and mass mobilisation” (Shambaugh, 2007: 26). It is a tool employed by the Party to both educate the masses and mobilize the public towards socialist progress; leading to it being labelled the “mouth and tongue” (*hou-she* 喉舌) of the Party. It is through its hegemonic control of the media that the CCP maintains a monopoly on discourse in China. Its ability to control the public’s perception and to fortify the persuasion of the Party makes it their most significant tool in maintaining and strengthening regime legitimation.

The importance of retaining a monopoly on discourse is contended by Adam Przeworski who expounded “it is not legitimacy that keeps an authoritarian regime in power, but the absence of a preferable and viable alternative” (1986: 52). If an alternative voice and opinions were to





emerge through the mainstream media, providing a competing narrative, discourses, or ideological framework through which to interpret the results of the countries utilitarian improvements, than it is conceivable that citizens would begin to question the need for a single party rule, therefore diminishing the legitimacy of the rulers. It is for this reason that for any authoritarian government wishing to maintain a strong level of legitimacy and in the end, strengthen its socio-political stability, it is in their paramount interest to uphold a hegemonic control news and information available in their country.

3. The Chinese Propaganda Model

In recent decades, the CCP has been refining its approach to propaganda and has moved away from blatant propaganda towards a more subtle approach to ideological distribution and persuasion. This is not to suggest that they have abandoned their political belief in the media's role in domestic legitimation. Rather, China has enabled the media sector to adapt to changes to the informational, societal, and political environments in the post-Tiananmen era. At times, the media has retrenched rather than retreated, albeit moving their strategy of control from force and clear restrictions, to a more effective system based on vagueness, the threat of force, and self-censorship.

China's media control is widely based upon the Six No's of the media established by the CCP Propaganda Department (CCPPD) in 1994. These include: no private media ownership, no shareholding of media organizations, no joint ventures with foreign companies, no discussion of the commodity nature of news, no discussion of a press law, and no openness for foreign satellite television (Zhao, 1998: 176). Further to these basic principles, the limits of acceptable media content are constantly directed and revised, with specific press guidance containing specific instructions on topics to pay special attention to or avoid, and specific terminology to use (Shambaugh, 2007: 44)

To prevent the emergence of a competing ideological framework and discourse in the mainstream media space and cyberspace, the CCP has employed a three pronged approach to media censorship. This





approach encompasses an active and passive mix of cooption, coercion, and political/legal institutions. The mechanism is vertically managed and supervised by the CCPPD which is usually headed by a member of the CCP's politburo, and extends to all areas of Chinese culture; ranging from traditional media such as newspapers, broadcast media, to the new media such as the Internet, and to cultural amusement parks, primary schools and libraries, too (*ibid.*: 27). This propaganda model has proved relatively effective in managing the Chinese traditional media.

3.1. Cooption

Since the Tiananmen Incident of 1989, the Chinese government has gradually moved away from the absolute use of force as a means of control, opting instead for cooption over coercion where possible. This approach has carried over into its current propaganda and thought work (思想工作) system of media control, becoming one of the dominant techniques for influencing the actions of its domestic broadcast media sector.

This cooption approach has been carried out in many ways. Examples include with bonuses paid to journalists and reporters on the basis of published politically preferable, or at least, acceptable stories, and media operators receiving direct propaganda directives that instruct them in their daily media practices. For Chinese journalists, bonuses make a substantial portion of their salary, with monthly performance ratings in the Shanghai Media Group determining 75-80 per cent of the total pay (Esarey, 2006: 21). These bonuses are based on the quality of their stories, with quality defined as both the amount of circulation as determined by traditional AC Nielson rankings and further on political acceptance. This process has meant that a majority of journalists China now evaluate news according to how well it communicates politically correct messages on behalf of the Party-State (Saether, 2008).

In addition to quality based bonuses, journalists are also paid based simply upon the quantity of articles that they produce. Reports rejected on the basis of political sensitivity are done so before they are published; they are not included in a reporter's total number of articles. This means that the more politically sensitive articles authors write, the less articles





they will have printed and thus the lower their bonuses. Therefore the higher the number of pro-government stories, the higher an individual's salary will be (Esarey, 2006).

3.2. Legal-Political Mechanisms

Whilst most journalists seek to reduce the amount of politically sensitive articles for economic gain, they are nevertheless restricted on what they are allowed to discuss in their media coverage by stringent yet arbitrary Chinese legal and political mechanisms. It is apparent that the CCP is at times breaching its own laws on freedom of speech by dictating what topics and subjects the press can cover and talk about. This censorship is arguably in contradiction to the Chinese Constitution which guarantees the right to free speech in Article 35 (Shambaugh, 2007).

Whilst the right to free speech and publication is guaranteed in the Chinese constitution, the Chinese Communist Party bases in censorship in several other contradictory articles. Article 38 mandates that the reputation of PRC citizens cannot be compromised by humiliating or libellous statements, whilst Article 51 states that citizens cannot, in the exercise of their freedoms, harm the collective interests of the nation, society, or the freedoms enjoyed by other citizens. Furthermore Article 53 calls for all citizens to “protect state secrets, cherish public assets...respect public order and social morals” whilst Article 54 states that citizens have the obligation to safeguard the “security, honour and interests of the motherland” and that to do otherwise is prohibited. These articles are stipulated by the CCP to assure that they maintain a constitutional control over the mass media and have the final say on what is acceptable and preferable for the media to report and cover.

These constitutional restrictions are reinforced by further detailed legal controls. The first of these is a law prohibiting private ownership of the media. Until this day there are no officially independent news media outlets in China (Hassid, 2008: 419). Foreign investment is also illegal with the only current foreign ownership coming in a joint venture permitted by the Chinese government called *Jisuanji Shijie* 计算机世界 (Computer World), run by a Chinese and an American company (Hassid, 2008). In addition to this, relevant laws enacted by the National People's





Congress Standing Council (全国人大常委会) in 2006 allow the government to penalize Chinese media outlets up to RMB10,000 for reporting contingent events without authorization or in a way that could cause serious consequences (Hassid 2008). Several other regulations make it legal for the CCP to warn and arrest journalists reporting on stories that they consider socially, economically, and politically sensitive. The Chinese propaganda department has also practised issuing a national and international journalist “ID Card” or press card (记者证) that is renewable on a yearly basis so as to strengthen their media controlling mechanism through directly controlling locally based foreign journalists (中国记者网, Chinese Journalist Net).

3.3. *Coercion*

Whilst cooptive and legal controls generally achieve the behavioural outcomes in the media pursued by the CCP, should these approaches fail, they can and do resort to the use of coercive controls and penalties. The CCP has access to a wide range of these controlling mechanisms including jailing of journalists, forced closure of media bureaus and outlets, investigations, intimidations, persecutions, arrests, prosecutions, imprisonments, and even deaths (He, 2008; Hassid, 2008). Notable examples of this coercion include the 2002 death of an investigative reporter Feng Zhaoxia 冯钊侠, the ten-year jailing of Shi Tao 师涛 for leaking details of a propaganda meeting (Shirk, 2011), well-known dissident journalist Gao Yu 高瑜’s disappearance before the 25th anniversary of the Tiananmen Square Incident in 2014 (Michael Forsythe & Chris Buckley, 2014), and the arrest of the dissident Liu Xiaobo 刘晓波, a Nobel Prize winner, in 2009.

Whereas the aforementioned approaches constitute compelling, active coercion, it is passive and nuanced forms of coercion that are attributed with having the greatest impact on China’s media sector. This is skilfully achieved through the construction of a regime of uncertainty (Hassid, 2008). This can be understood as a deliberate process in which the boundaries of what is politically unacceptable are demarcated in an ambiguous and arbitrary way. For instance, whilst some manifest topics and taboos such as Falun Gong 法轮功, independence of Taiwan





(台独), Tibet (藏独), and the Uyghur Muslim ethnic separatism in Xinjiang, are legally off limits by all journalists, others are located in areas where their appropriateness is vaguer and it is thereby dependent upon the political climate, the individual reporter's discretion, as well as media outlets' political judgment to ponder whether these topics and subjects are appropriate for coverage. Yet, these topics are increasingly overlooked as many reporters practise self-censorship for fear of active coercion should they inadvertently write on a topic the CCP considers politically sensitive and reactionary. Francis F Lee sums up this vagueness by commenting that "The difference between advocacy and objective reporting has never been clarified" (2008: 210).

Self-censorship is defined by the journalist scholar Chin-Chuan Lee as a set of editorial actions ranging from omission, dilution, distortion, and change of emphasis to choice of rhetorical devices by journalists, their organizations, and even the whole media community in anticipation of currying reward and avoiding punishments from the power structure (1998: 57). A simple example of this is if a writer who has written several papers in this political grey area is arrested for unstated reasons, authors will tone down almost all sorts of political writing on the basis that they do not clearly know what the specific problem was. They overcompensate to ensure their safety. This practice of self-censorship amongst China's media practitioners allows the government to control the content of national broadcasts at a low cost; with the government jailing fewer than one in five thousand reporters (Hassid, 2008). This vagueness, according to Perry Link (2005), is indeed a purposeful strategy utilized by the Chinese government to heighten the effect of its active coercion measures. He describes this process through his striking metaphor of an "Anaconda in the Chandelier" in which he envisions the CCP as a threat constantly lurking and watching from above, encouraging writers to limit their behaviour or suffer its wrath.

China's threatened and actual coercion makes it difficult for political activists and media dissidents to report openly and independently in the PRC. This difficulty is reflected through surveys conducted by Reporters Sans Frontiers (Reporters without Borders), who in their 2014 world press freedom index ranked China 175th out of 180





countries (Reporters without Borders, 2014). The NGO Freedom House is also critical of press freedom in China, rating them 183rd out of 197 countries in 2014 (Freedom House, 2014).

The comprehensive propaganda model developed by the Party-State and practised by almost all party-run and government-owned media outlets has by and large been effective in preventing a major alternative discourse and narratives rising through the national broadcast or press network within China. In one sense, this guarantees that the CCP has been able to claim successes as its own, whilst explaining failures in a positive light that do not affect the credibility and authority of their leadership.

Whilst China's system of media and propaganda has served to maintain its ideology in recent decades, this system is being challenged by the emergence of new information and communication technologies, and the continuing encroachment of powerful foreign media companies. Leaving aside the increased challenges posed by an emergent cyberspace which is beyond the scope of this article, it is clear that the CCP is most worried by foreign media enterprises. China's massive population and growing economic power make it an attractive market for foreign media companies. However, to date, gaining access to this market has been made difficult, if not impossible, by the CCP.

All media companies in China operate at the behest of the Chinese government. The content of their reports are controlled through a series of incentives and restrictions that guide what is appropriate. A foreign media company operating openly in China would theoretically be less beholden to constitutional restrictions and government directives, and thus would be less willing to self-censor. Furthermore, if the government coercion ever became too overt to undertake and they felt a genuine risk to their well-being, they would always have the option of packing up and leaving the country.

Nonetheless, if the Chinese government could not control the content of a major media organization in the country, there would be a threat to the government's ideological narrative and therefore a threat to the ongoing linkage between the countries development and the government. It is for this reason that the Chinese government to this day





has been unwilling to allow foreign media organizations access to its domestic market. These factors are evident in the ensuing case of the attempted entry of Rupert Murdoch's News Corporation into the Chinese Market.

4. Case Study: Murdoch and News Corp in the PRC

4.1. Background

Over the past three decades, China has been not only willing to accept but also actively engaged in attracting foreign capital to improve its domestic industries. This investment of capital and knowledge has been seen across the board under the Chinese paramount leadership of Deng Xiaoping 邓小平, Jiang Zemin 江泽民, Hu Jintao 胡锦涛 and Xi Jinping 习近平, with agriculture, heavy industry, the modern service industry, and education all being benefactors of China's reform and opening-up (改革开放) policy. Despite a broad opening of China's market to foreign investors, the media has continued to remain one of the few areas that is virtually closed off to foreign investors.

As earlier discussed, the Chinese authorities may perceive the potential threat posed by foreign companies once they are entering the Chinese media sphere and bypassing the highly sophisticated and developed domestic media control mechanisms. One of the direct consequences of this would be the surge of an alternative narratives and possible ideological framework, and hence an eventual legitimacy crisis for the CCP. Consequently the CCP places the political value higher than the economic one on its domestic media market. It is through this lens that the case on the Chinese rejection of the advances of Rupert Murdoch's News Corp is closely evaluated and highlighted. In one sense, the rejection of billions in investment in exchange for domestic control over news content could be seen as a clarification of theories on Chinese legitimation.

The following case study of Rupert Murdoch's failed entry into China is based primarily on the work of Bruce Dover. Bruce is the former Vice-President (China) of News Corp and has provided a detailed first-hand account of News Corp's attempts to enter the Chinese market.





4.2. Rupert Murdoch and News Corp in China

Rupert Murdoch is a household name across the globe and he is commonly seen as one of the most powerful media moguls in the world. He has an intimate control over News Corp and its operations in nine different types of media across every continent. Included in this are 132 newspapers, 25 magazines, 2 book publishers, several major broadcasters including Fox, BskyB and Australia's Seven, satellite and cable TV networks, a movie studio (Twentieth Century Fox), home video (Fox Video), and on-line streaming services (Auletta, 1995).

Through this multitude of resources, Murdoch has developed substantial political and economic influence in several major countries, and has demonstrated no signs of settling. Over the last two decades News Corp has sought to expand into several countries, with the most notable target being China. With a market of over 1.3 billion viewers and a fast growing economy, China makes an extraordinarily attractive target for Murdoch.

News Corp's first investment in China came in 1985 with a deal to invest US\$40 million in CCTV (China Central Television) to build its international hotel and news centre in Beijing. The centre included a 300 room hotel and 100 apartments for journalists and business executives. The political good will built from this investment helped him secure his first major media investment in the 1987 purchase of the South China Morning Post for US\$230 million. In 1993 he made his most significant investment when he purchased a 64 per cent controlling stake in Hong Kong satellite broadcaster STAR TV for US\$525 million (Dover, 2008: 16). At the time this purchase was questioned by outsiders who pointed to the loss making unencrypted signal of STAR being pirated throughout China, and its broadcast being restricted to only foreign hotels and CCP leader's compounds. Despite this Murdoch was still eager as he saw it as the important first step in a greater expansion throughout China.

Murdoch's initial foray into Chinese media was followed only months later by an inexplicable misstep. In a speech in late 1993 on the potential impact of satellite television, Murdoch stated,



“Advances in the technology of telecommunications have proved an unambiguous threat to totalitarianism regimes everywhere; Fax machines enable dissidents to bypass state-controlled print media. Direct Dial telephony makes it difficult for a state to control interpersonal voice communications. And satellite broadcasting makes it possible for information-hungry residents of many closed societies to bypass state-controlled television channel.”

(Dover, 2008: 18)

This speech came at a sensitive time for the Chinese leadership. Less than four years earlier fax machines had played a central role in the Tiananmen protests. Protestors used the newly developed fax machines to circumvent the traditional telephone lines that were being monitored by the Chinese security forces (*ibid.*: 18). In addition, satellite broadcasting was used to instantly send the now iconic images of the protests around the globe, generating widespread condemnation of the Chinese government (Dover, 2008).

Murdoch's speech was widely condemned by the CCP. Within a month, Premier Li Peng 李鹏 signed proclamation 129, banning the possession, distribution, installation and use of satellite dishes anywhere in China. Ding Guangen 丁关根, the head of the CCPPD, furthermore proclaimed that any request from Murdoch for a meeting in China would have to come through his office, the State Council Information Office (SCIO, 国务院新闻办公室) (*ibid.*: 23). This resolution could be interpreted as a realization of the potential impact of satellite television on China's control over its ideological narrative and an attempt to control and limit the impact the entry of Murdoch into the Chinese market. Its timing can also be seen as evidence of China tightening its media market in order to ensure domestic stability in the wake of the turbulent Tiananmen protests.

Following these announced restrictions on News Corp's entry into Chinese market, Murdoch made a concerted effort over the next decade to work around and lift the ban. Over this period he made several compromises and attempts at appeasement in order to make up for his earlier mistake.



4.3. Compromises

His first compromise came with the sale of the *South China Morning Post* in the lead up to the handover of Hong Kong in order to avoid angering the CCP. This was followed in 1994 by his dumping of the British Broadcasting Corporation (BBC) from his STAR-TV signal. He did this in response to CCP criticism of the BBC after they ran a documentary on Mao's sex life (*ibid.*: 28). Murdoch again tried pleasing the party by ordering Harper Collins, his subsidiary to pay US\$1 million to get the rights to a biography on Deng's life, despite the book receiving particularly poor reviews from *The New York Times*, and criticisms of its propaganda subtext. Murdoch further paid US\$20 million to build a studio complex in Tianjin 天津 to cover the World Table Tennis Championships; the new Television Studio was called Golden Mainland Company, and was closed down not long after the competition after suffering millions in losses (Dover, 2008).

Another instance of attempted appeasement was when Murdoch personally funded a tour to Australia by Deng Xiaoping's paraplegic son, Deng Pufang 邓朴方. Deng Pufang was part of a dance troupe that was touring Australia but was suffering very low ticket sales. Murdoch decided to underwrite the whole tour in an effort to build his relationship with the Chinese leadership. After the tour, Murdoch further paid for the whole Dance troupe to fly to Australia's Hamilton Island for a one week fully funded holiday (*ibid.*).

Murdoch's flattery appeared to prove successful when in 1996 he was granted permission to establish a joint venture television programme called Phoenix with Chinese mogul Liu Changle 刘长乐. This was a mainstream channel which provided news and entertainment, yet, like STAR, was restricted to only Guangdong 广东 province, foreign hotels, and CCP residences. However unlike STAR, Phoenix was a commercial success, attracting US\$65 million in revenues from a roster of 300 advertisers by the end of the millennium (Curtin, 2005). It achieved this through providing controversial, high quality reports on domestic China, whilst further tapping into popular outrage and fervent nationalism in the manner of Murdoch's American Fox news. The Chinese stations were not allowed to do this simply because the government worried about





stirring up nationalist sentiments; creating an ideological movement that could easily escape from their control (*ibid.*: 170).

Despite the impact of Phoenix, its market coverage was still restricted to a tiny portion of China's population. Further unrestricted access to the Chinese market was still being withheld. It was believed that this was due in large part to his earlier speech on satellite television. To try and make up for this earlier mistake, Murdoch made another speech in 1997 that stated,

“Advances in telecommunications contribute to the universalisation of cultural interests and lifestyles. However, nations retain their social and moral values that the media must take into account. China is a distinctive market with distinctive social and moral values the western companies must learn to abide by.”

(Dover, 2008: 102)

Following this speech, Murdoch embarked upon a concerted push that saw him further attempt to appease the CCP. This push included comments in 1999 on the Dalai Lama, commenting “I heard cynics who say he's a very political monk shuffling around in Gucci Shoes.” (BBC News, 7th September 1999) Further comments were made on Tibet including “It was pretty terrible old autocratic society out in the Middle Ages ... Maybe I'm falling for their propaganda, but it was an authoritarian medieval society without any services.” (Dover, 2008: 178)

Murdoch's son James Murdoch furthered his family's appeasement when he announced that the “Falun Gong were a dangerous and apocalyptic cult” and supported the CCP's harsh treatment of protestor's in 2000 (Dover, 2008: 204). Rupert Murdoch's continued efforts at flattering the CCP even reached his businesses back in the U.S. with gossip writers on the *New York Post*'s page six allegedly ordered to avoid items that could be connoted as being critical of China and accordingly endangering his investment attempts within the country (Barron and Robertson, 2007).





4.4. Rejection

Given his continued attempts at appeasement, by the end of the 1990s it was becoming clear that China was unlikely to completely open their critical media sector to a politically and economically powerful foreigner. By this time Murdoch had invested \$2 billion into STAR, and was continuing to lose over \$2 million a month in the hope that one day he would be able to turn the business profitable by expanding beyond the Pearl River delta (珠江三角洲). Murdoch's window of opportunity for investing in China was effectively closed in 2002 with the rise to power of Hu Jintao, replacing the previous administration and removing the effect of Murdoch's previous appeasement. In August 2005 The Propaganda Department changed the government's regulations relating to foreign media under the auspices of "safeguarding the national cultural security" (捍卫国家文化安全), effectively shutting the door to News Corp (Dover, 2008: 268).

Murdoch seemingly admitted defeat in China in 2007 with the selling of his entire share of Phoenix. In 2010 he completely withdrew from China by selling Xing Kong International (星空国际), a channel he had earlier established in China's legal grey-zone, to a Chinese state fund established to develop the domestic media (*The Australian*, 2010). On his withdrawal from China, he stated that he had hit a brick wall in China, believing that whilst the CCP had originally promised to allow overseas and multinational companies to run print and electronic media in China, it was now clear that they had become quite paranoid about what gets through to their leaders and this policy had been reversed (*ibid.*: 227).

5. Discussions

In the post-Tiananmen era, China has maintained an extraordinarily high level of domestic legitimacy. Studies by authors such as Tianjian Shi, Bruce Gilley and Peter Sanby-Thomas have all listed it amongst the top countries in the world in terms of quantified legitimation. In a 2006 study, Bruce Gilley rated China the 13th in the world in terms of domestic legitimacy, with a level of support above several notable





democracies including both the UK and Australia (2006: 71). These figures back up Andrew Nathan's statement that the Chinese regime is not supine, weak or bereft of policy options (Nathan, 2003: 465).

The degree of support for the CCP is argued in this work as an output of its highly developed legitimation strategy. It is clear that following the turbulence of 1989, the CCP placed a new focus on the maintenance of political legitimacy, with a key plank of this strategy being its comprehensive system of media control. The link to Tiananmen can be seen in the timing. The importance of the media in China's post-Tiananmen legitimation strategy is evident in the News Corp case. The outcomes of this may be interpreted in two different ways, yet despite their different approaches, both contain a similar valuation of the media, and a core belief in the importance of central media control for authoritarian governments.

5.1. Divergent Media Valuation

One interpretation of News Corp's case sees Murdoch as a friend who received preferential treatment by the CCP and gained unprecedented access to the lucrative Chinese media sector. This is explicitly expressed in the CCP's incredulous comments made after Murdoch had stated that he had hit a brick wall in China. Murdoch complained that despite billions of dollars invested, large efforts at individual and broad scale flattery, and the constant building of high level *guanxi* 关系, he was still incapable of obtaining any meaningful investments in the PRC.

The CCP conversely felt that Murdoch had been treated exceptionally well in his investments. He had acquired significant concessions such as near open broadcast rights in Guangdong that were not gifted to other media moguls and were previously thought beyond the limit of foreign capital. Nevertheless they thought it inconceivable that Murdoch could expect unfettered access to their total media sector, a critical industry that has continually proved too high to afford allowing foreign influence.

For China, like other authoritarian governments, the media will always be regarded as firstly a political tool charged with developing their ideological and thought work, with its other roles of providing





objective information and entertainment to the people receiving a significantly lower priority. Support for this theory comes from a statement by Hu Jintao's propaganda head that the content of STAR's programming was posing a formidable threat to "national cultural security" and a further statement from the propaganda head that "After all, the TV business is about ideology and propaganda ... For us, social responsibility is more important than entertainment." (Dover, 2008: 221)

The CCP under Jiang Zemin deemed Murdoch as a friend who had proven his loyalty through critical statements on Tibet, Taiwan, the Dalai Lama, and universal media norms; along with making billions of dollars of investment into improving China's domestic media, and helping promote China to the outside world through his adoption of CCTV 9 on his American cable networks (Kahn, 2007). The seemingly harsh treatment of Murdoch can under this interpretation be seen primarily as a result of poor timing. Murdoch's attempted entry into the market came during a time when China's main priority was domestic stability in the wake of the Tiananmen protests. The entrance of a foreign media organization was never going to be a viable option at such a time, and Murdoch's failure to appreciate this political sensitivity could be better explained as the major cause of the damaged relationship between News Corp and the CCP.

The difference of opinion between Murdoch, who saw the concessions from the CCP as minimal, and the CCP, who saw them as significant concessions to a close friend, demonstrates the different valuation of the media between the two. The likely cause of this is that Murdoch saw the Chinese media simply as a market for investment, whilst the CCP saw it along the lines of Prezworski's (1986) above discussed theory in that it was not just an industry, but also a critical tool for maintaining a universal ideology, thus guaranteeing domestic legitimacy and the continuance of their one-party rule.

5.2. Quality-based Retrenchment

Whilst the above discussion has as its base a friendship between Murdoch and the party, an alternate interpretation is of China using an interested foreign investor to improve their own media sector with the





ultimate goal of media retrenchment. In this view, the CCP fully appreciated the value of its media in the legitimation process, and saw Murdoch's attempts at flattery and his willingness to compromise as an opportunity to learn Western broadcasting techniques and apply them to their own staid CCTV. The constant denials of Murdoch's advances could further be seen as delays made to give their own domestic news agencies adequate time to develop.

The CCP realized that to make their propaganda more effective and successful in a globalized and competitive environment, and thus expand the reach of its governing ideology, it needed to improve the quality of its news presentation (Kahn, 2007). This is in line with Ithiel de Sola Pool's statement that when regimes impose daily blatant propaganda in large doses, people stop listening (1973). As stated earlier, the success of Phoenix was based upon its high production values and use of nationalistic propaganda to gain viewers. China desired to take these methods and apply them to their own CCTV programming.

The wider the reach of a state's propaganda, the more universal its ideology, and therefore the lower the cost of following it. In this sense, the Chinese propaganda model ensures that the party decides news content, whilst their monopolistic control of media organizations meant that this message will be universally disseminated and relayed. Whereas the CCP had total control over the narrative in their reporting and broadcasting, they could not force viewers to watch these broadcasts and thus adopt their ideological framework naturally. The only way of guaranteeing that people would willingly watch their broadcasts was to move away from bland presentations of overt propaganda, towards more nuanced, interesting, better presented news broadcasts on topics that people fancied to listen to.

Evidence could be seen for this in Murdoch's experience in China with one incident of his flattery seeing him treat the top member of the CCP to a viewing of *Titanic*, produced by News Corp's Fox. Before the start of this screening Jiang Zemin addressed the crowd announcing, "I invite my comrades of the politburo to see the movie – not to propagate capitalism but to better understand our opposition, the better to enable us to succeed, don't fool ourselves that we are the only ones who know





how to create propaganda to our own end” (Dover, 2008: 158). It can be argued that he was actually relaying his belief that the media had fallen behind his rivals in presentation and thereby attraction, and therefore had to increase its quality if it were to assure its own ideology were to reach a wider base.

6. Conclusion

Whether the CCP treated Murdoch as a genuine friend or a rival to be used, the common thread in both of these discussions is that they placed a priority on propaganda control over market opening and financial reward. These cases exhibited that the CCP has maintained a strong understanding of the critical nature of the media in its legitimation strategy. This strong understanding has meant that China has persisted with a closed media market in order to sustain intimate control of its domestic media, and accordingly its ideological narrative.

As argued by Chinese media commentator He Qinglian 何清涟, although the CCP can force obedience from the domestic media, it has no way of controlling the pens of foreign journalists (He, 2008: 159). If the CCP’s media control and governance was largely undermined through increased globalization, marketization and privatization, the effectiveness of its propaganda model would be reduced as the party’s power to, for example, appoint managers, editors, financially punish subversive writing, and encourage self-censorship would be taken away. It is consequently anticipated that unless the Party-State decides to move away from single party rule and embrace political liberalization, the CCP is unlikely to legalize private ownership in China anytime soon.

If the CCP were to relax control of its ability to censor the media, it is apparent that this would allow a political opposition and thus an alternative narrative to emerge. The rise of an alternative lens through which to view the party’s achievements would reduce the effectiveness of the party’s ideological framework, thus increasing its perceived costs as normative justifications would no longer be captured by the government. Eventually this process could lead towards a legitimacy crisis and pressure for regime change.





The case of Murdoch's failed attempts to enter into China, along with the discussions of China's comprehensive system of censorship and surveillance, highlights the significance of the media in authoritarian domestic legitimation. The CCP has repeatedly demonstrated a deep appreciation of this cardinal principle by ensuring that the content of their media sector remains tightly controlled and therefore off limits to foreign influence. This is regarded as a core requirement for maintaining their control of the population's ideological lens and for that reason ensuring that China's socioeconomic development continues to be attributed to the party's monopoly on political power in China.

Notes

- * Dr Chin-fu Hung 洪敬富 is an Associate Professor in the Department of Political Science and Graduate Institute of Political Economy at National Cheng Kung University (NCKU), Taiwan. He holds a Ph.D. in Politics and International Studies from the University of Warwick, United Kingdom. Dr Hung's main research interests include the political and economic transitions of China, the impact of the information and communication technologies upon political development and democratization with special reference to the People's Republic of China (PRC), and the socio-political development in East and Southeast Asia. He has published extensively on Internet politics and cyber participation in the PRC and some other Asian states. His personal web site: <https://sites.google.com/site/bernardhung> <Email: bcfhung@mail.ncku.edu.tw, bernardhung@gmail.com>
- ** Stuart Dingle is an Australian researcher who graduated from Taiwan's National Cheng Kung University. In 2012 he completed a Master's in Political Economy with a thesis on the impact of CCP legitimacy on China's multilateral environmental negotiation. His research focus is on the Chinese Communist Party's internal process of legitimation, and how this process impacts upon its broader domestic and foreign policy making process. <Email: dingle1801@gmail.com>



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