LOCALIZING THE GLOBAL
Successful Strategies for Selling Television Programmes to China

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Abstract / Globalization of Asian markets has focused attention on the flow of western cultural products into Asian countries as they attempt to manage global economics at a local level. Countries such as Singapore, Malaysia and China have responded to what is deemed western cultural hegemony by initiating protectionist media policies to limit perceived negative influences of foreign cultural imperialism on their societies and maintain appropriate levels of cultural autonomy. China, in particular, introduced a raft of media and cultural policy changes throughout the mid- and late 1990s in preparation for its entry into the World Trade Organization (WTO) in November 2001, as a way of balancing modernization and tradition under the banner of 'spiritual civilization'. The key to these strategies is the limiting inappropriate western cultural products, while simultaneously strengthening its domestic television industry through a range of strategies, including the selective importation of products from culturally sensitive overseas Chinese and favoured western television programme suppliers. This article examines the strategies employed from 1995–2002 by four television operators (CETV, AOL Time Warner, News Corporation and MTV) to access China's highly regulated mediascape. These strategies are defined by the common element of localization, which links into the main tenets of the Chinese government's spiritual civilization programme. However, these localizing strategies manifested in many and varied ways, as organizations attempted to adhere to the government's discursive construction of 'common cultural tradition' and 'common economic philosophy'. The success in forging the local (values) with the global (economics) relies on the government's ability to create, mediate and sustain social perceptions of Chinese modernity through the discursive construction of what Appadurai refers to as 'imagined worlds'. Today, the concept of an 'imagined China' is reflected in the flexible frameworks found in China's current cultural and economic management models, evoked through the formalization and implementation of spiritual civilization and which manifest within government media policy and regulations.

Keywords / China / globalization / localization / programming / television

On the surface, China's entry into the World Trade Organization (WTO) in 2001 adds weight to the claims of globalization of economies, and perhaps even of cultures, through a transnational flow of products and services, including western culture. However, China continues to place limits on the flow of certain western cultural products and influence into the country, especially in relation to media investment by foreign operators. In fact, the Chinese government has issued specific rules regarding the financing of domestic media groups, including details on exit strategies for foreign companies that have 'illegally invested' in domestic media (*ChinaOnline*, 2002a). At the heart of these concerns is the issue of protecting national security by maintaining control of information. The

relationship between the media, information flows and technological development is crucial if the Chinese government is to achieve a cohesive transition to a socialist economy and maintain its own relevancy in rapidly changing social structures. Since 1978, under the rubric of the 'Four Modernizations', technological development and progress have been encouraged as mechanisms to promote economic developments in industry and business. However, the government has maintained strict control relating to areas of culture, education, religion and politics. For this reason, the government uses all available media technology to control information dissemination that does not support the current political or economic situation and, thus, protecting national security.

Given the Chinese government's continued media-control focus, international news media groups have gained little ground in accessing the Chinese marketplace. For example, AOL Time Warner's CNN news service (television and Internet) continues to be banned in China, while Rupert Murdoch's satellite-delivered STAR TV service technically operates outside the regulatory arm of the domestic policy-makers in China. Thus, at the local level, the WTO agreement reveals a much less certain trajectory of globalization and a much more interesting interrelationship and negotiation at the global–local interface. This article explores this interrelationship by theorizing the global–local relationship, exploring China's responses at the local media level, and uses four case studies to lay out a vignette of localized strategic responses by 'foreign' media companies to enter the Chinese media market.

Theorizing the Global–Local Relationship and China's Response

Globalization refers to an increase in interconnectedness, and today is generally associated with linking of economies around digitization, knowledge and culture. As a result, Hannerz (1996: 24) suggests that for 'a great many people "globalization" means . . . global homogenization in which particular ideas and practices spread throughout the world, mostly from the centres of the West, pushing other alternatives out of existence'. Today, this view is perpetuated by a world increasingly united by telecommunications, computer-generated information systems and the immediate and personalized form of television. Because television brings to the living-room images and experiences from around the world, it nurtures a perception that it is a creator of a 'global culture'. If this perception is true, then this 'global-culture-in-the-making' should be universal. However, Smith (1992: 12) suggests that there is no global culture because such a televisual culture has 'no roots in time or place, it also has little connection with peoples, even though it is designed to appeal to "everyone", to the common man, to all "humankind" ' .

Yet, the perception of global relations or a global culture remains a potent discourse. This perception occurs because such a view is perpetuated and sustained through global communication and information networks (see Appadurai, 1996; Long, 1996; Graham, 1999). Why? In the words of John Kavanagh of the Washington Institute of Policy Research:

> *Globalization has given more opportunities for the extremely wealthy to make money more quickly. These individuals have utilized the latest technology to move large sums of money around the globe extremely quickly and speculate ever more efficiently . . . globalization is a paradox; while it is very beneficial to a very few, it leaves out or marginalises two-thirds of the world's population. (Bauman, 1998: 45)*

Thus, the concept of globalization is a western ideological construct that is facilitated by the discourses of communication technologies and free trade. Such discourses attempt to explain the inevitable trajectory and irresistibility of a global society. However, globalization is more a sociolinguistic aberration than a beneficial phenomenon experienced by the majority of those affected by its construction. Graham (1999: 502) suggests that:

> *. . . because of organizational advantages provided by communication technologies, and its collocation with free trade, globalization is assumed by its protagonists to provide increasing amounts of freedom, wealth, and choice.*

If, as the protagonists of globalization continue to espouse, there is a global society based on knowledge or digital economies, it can be considered inequitable. The system of communication, which valorizes technologically mediated production, appropriation and consumption of knowledge, also propagates the ideological language that supports its constructed inevitability. It is through language that people interpret the world and render their environments (entire networks of interaction and processes) socially meaningful (Graham, 1999: 502). Within this network of interactions and processes, the domain of language is where social perceptions of value and power are created, mediated and sustained.

Although such language espouses freedom and efficiency, proponents of globalization concede it has its 'adjustment costs' and inevitably 'creates winners and losers'. However, it is argued that such costs are outweighed by the benefits of a global society, which are 'so clearly proved by the theory of comparative advantage' (Joint Standing Committee on Treaties, 1999: 11). Yet, these concepts of freedom and efficiency continue to evoke perceptions of incompatibility at the local level. Furthermore, these concepts are not unrelated to the spectre of other forces with notions of freedom and efficiency, combining with issues of community and equality, to form a system of conflicting and competing needs and forces that challenge the inevitability inherent in the discourse of globalization.

While freedom and efficiency are espoused on a global level, it is the issues of equality and community that are relevant at the local level. Thus, challenges to globalization occur when the global meets the local. Global images themselves become 'endowed with highly diverse and "localized" sets of meanings and practices' (Long, 1996: 43). Therefore, local culture becomes a potential impediment to the trajectory of globalization. Scholar Samuel Huntington (1993, 1997) raises the issue of culture or civilizations as a formidable force in his controversial topic of 'the clash of civilizations'. His hypothesis suggests that global conflict would not be divided by ideological differences but through civilization-consciousness. The relationship between civilizations and regional

economic power, he argues, is reinforced through a civilization-consciousness and succeeds only if rooted in a common civilization. As Huntington (1993: 48) suggests, the:

> . . . differences between civilizations are real and important; civilization-consciousness is increasing; conflict between civilizations will supplant ideological and other forms of conflict as the dominant global form of conflict; . . . successful political, security and economic international institutions are more likely to develop within civilizations than across civilizations.

In spite of the rapid modernization of Asian countries through linking into global economic growth and relatively stable political and social order, there remain concerns over issues of cultural autonomy. Instead of embracing the global televisual, or western, culture, countries such as China, Singapore and Malaysia are attempting to reinforce their local cultural identity. This reinforcement occurs through promoting the flow of cultural products between related cultural enclaves or like-minded groups and supporting indigenous production, while establishing a global economic presence. What emerges is a balancing act whereby cultures simultaneous globalize and deglobalize within localities. As Long (1996) suggests, reconciliation of such conflict is based on localized sets of meanings and practices. Thus, the negotiation of ideologically generated symbols (i.e. global and local), transmitted through communication media, is central to contemporary cultural repertoires. Cultural technologies, like television, enable both global and local cultural messages, images and symbols to be transmitted to audiences widely dispersed in time and space. Such messages, images and symbols create and reinforce social relations, which link individuals to what Appadurai (1996) refers to as 'imagined worlds' (Long, 1996: 43).

> To be a member of an imagined world is not of course to be spatially contiguous or involved in direct interaction. In fact, imagined worlds are always inhabited by non-existent people, in the sense that there is no one who exactly matches the qualities or profiles of those who are conceived of as being members. Yet individual and group identities (e.g. ethnic or gender belongingness or stereotypes) . . . get constructed around these imagined peoples and places precisely when individuals compare and contrast themselves and their situations with those 'others'. This points to the potential ideological impact of media-transmitted images and symbols, although at the same time one must recognize that widespread and rapid communication entails the continuous transformation of meanings and 'reinvention' of old images and traditions. (Long, 1996: 43–4)

The resulting interplay between communication technology, social organization and particular meanings forms a situation where the once dichotomized perspectives of global/local, homogenization/heterogenization and modern/traditional operate simultaneously and interpenetrate each other. Such interplay occurs when non-western countries establish stronger links with common cultures or civilizations instead of accepting the totality of westernization. As Huntington (1993: 49) suggests:

> Non-western civilizations have attempted to become modern without becoming Western. . . . Non-western civilization will attempt to acquire the wealth, technology, skills, machines and

weapons that are part of being modern. They will attempt to reconcile this modernity with their traditional culture and values.

It is this process that reflects the central problematic of cultural processes in today's world and one that China has experienced since Deng Xiaoping introduced the 'open door' policy in 1978. As Appadurai (2001: 255) suggests, 'if a global cultural system is emerging, it is filled with ironies and resistances, sometimes camouflaged as a passivity and a bottomless appetite in the Asian world for things Western'. China's moves to fortify its domestic television industry and Internet service through regulation and selective importation of programming and technology and knowledge transfer provide testimony to the ironies and resistances that exist when the government attempts to balance modern/tradition and global/local dichotomies.

China's 24-year experiment with developing a socialist market economy has seen marked changes in the way culture is managed. As China emerged throughout the 1990s as one of the largest economies in the world, the Chinese state 'embarked on a narration of modernity and cultural difference that is centered in Asia' (Ong, 1996: 64). How China's conversion to a market economy is 'imagined' from a post-Maoist state perspective sheds insight into how official government social policy, media policy and resultant regulations attempt to counter western influence, creating and reinforcing social relations that link individuals and groups with traditional Confucian values and socialist ethics as well as the new market economy within the discourse of 'spiritual civilization'.

A movement away from the dominant collectivist and Communist value paradigm and towards the western individual value system throughout the 1980s and early 1990s raised concern among Party officials. As a result, the government attempted to formalize and then modify official discourse, in order to stimulate patriotism and direct change, specifically among the youth who are influenced the most by the modernization process. The concept of spiritual civilization has been a part of the discourse of modern Chinese society since the open door policy was introduced in 1978. However, not until after the Tiananmen events in 1989 was the concept formalized and outwardly promoted to counter what Rosen (1992) refers to as the 'decollectization of morality'. The discourse of spiritual civilization attempts to counter the trend towards westernization by re-emphasizing an essential national character, ritual issues, the importance of tradition, culture and family and the subtle demonizing of the West as immoral and decadent (McLaren, 1998: 258–72). Thus, spiritual civilization revives Confucianism as 'good medicine' to treat the 'crisis of morality' that has been attributed to the unforeseen consequences of Deng Xiaoping's market reforms (Reed, 1995: 53).

For Communist Party leaders, the Chinese past is valued primarily because it is distinctive from the Western-dominated present. The state-sponsored revivalist movement is not a matter of nostalgia for past triumphs, but a crucial weapon against the 'cultural' (i.e. non-material) aspects of Westernisation. . . . The state aims . . . to promote Chinese 'traditional' culture . . . offer 'nourishment' for the promotion of 'socialism with Chinese characteristics', strengthen

the morals of the populace, stimulate patriotism, and facilitate the establishment of a 'material and spiritual civilization'. (McLaren, 1998: 258–72)

Television's role in this process of spiritual civilization is crucial. It is a key component in remoulding a new ethical and moral spirit, which is conducive to promoting the government's vision of a socialist commodity economy. This is not to suggest the Chinese government shuns western culture completely. In fact, it sees key aspects of western culture providing important mechanisms to promote economic reforms.

Television drama has been called to the cause of 'constructing' (jianshe) civic consciousness as well as instructing people in the modern ways of commerce and fair exchange. The private materialistic virtues of the 1990s are therefore to be counterbalanced by socialist ethics. This kind of double-checking mechanism is supposedly to assure that the spiritual mix is appropriate to propel the vehicle of reform. The problem for China's propagandists in the reform era has been to strike a balance between discourses of collectivism and individualism with the former being called upon to mould the moral subject, the latter to address the economic subject, the active consumer. (Keane, 1998: 260)

The result of this dialogue between the two value systems is that official discourse and social and media policy (content) render Chinese modernity in terms of blending capitalism with race and Chinese tradition. Thus, the process of Chinese modernization links into strategies where the uniqueness of the Chinese race is continually evoked, together with the success of overseas Chinese communities as a way to exhort Chinese citizens to constantly improve their economic performance and thus strengthen the Chinese economy (Ong, 1996: 66).

Just as market reforms (*shichang gaige*) replaced class struggle, official discourses (building on the Four Modernizations) valorize Chinese traditional culture (*chuantong wenhua*) while purging feudal superstition. To communicate these goals, it has been necessary for the government to initiate media policy and regulation to reconfigure the control and propaganda modalities of the main cultural technology of television. While the development of television in the 1980s was seen as a potential contributor to China's economic growth, it was not until the mid-1990s that the government supported radical change to the domestic structure. The result was a shift from the engineering model, which had driven cultural production from the 1950s to the late 1970s, to 'an arm's-length' approach to cultural management. While retaining control of television by regulating foreign ownership, the government encouraged development of the industry by implementing a 'competitive' domestic structure through selective importation of western management processes, concepts, technology and programming (both western and other foreign), along with generating revenue through advertising and encouraging foreign investment. These changes have simultaneously enabled television to make a contribution to economic reforms and direct social development and establish a competitive domestic structure in preparation for WTO membership (see Weber, 2002a: 53–75). Figure 1 traces the major developments in China's television industry between 1978 and 2002.

China's entry into the WTO in 2001 and the adoption of a set of

FIGURE 1

Timeline of Changes and Developments in the Chinese Television Industry and Foreign Localization Strategies 1978–2002

1978 'Open door' policy liberalizes economic development while maintaining strict political control under the banner of 'socialist economy with Chinese characteristics'.

1979 First advertisement aired on Chinese television.

1980 First foreign television programme aired on television (Japanese cartoon).

1982 First US programme deal signed.
CETV forges closer ties with the Chinese government, laying the foundation for a long-term relationship.

1984 CBS exchanges programmes for 340 hours of advertising time.

1986 AC Nielsen pioneers TV audience measurement.

1989 Tiananmen Square.

1992 Television advertising growth increases by 97 percent.
Government introduces first steps in developing a competitive television industry structure.

1993 News Corporation's CEO Rupert Murdoch announces that 'global satellites are threat to totalitarian regimes everywhere', earning a rebuke from the Chinese government. It bans the sale of satellite dishes, curbing plans to expand STAR TV services into the mainland.

1994 CETV begins broadcasting into China with approval of the Chinese government.

1995 Chinese government expands competitive structure with national broadcaster CCTV, expanding its services with five new channels.
Shanghai television industry expands with a new 'commercial' station OTV.
TV advertising becomes No. 1 industry earner.
Government introduces advertising laws to control content.
News Corporation launches Tianjin Golden Mainland Development Co., a first step in its localization strategy and sponsors first large-scale exhibition of Chinese cultural treasures at the British Museum.

1996 Television takes one-quarter of total advertising expenditure, which reaches RMB 40 billion.
Chinese leader Jiang Zemin formalizes social development policy under the banner of 'spiritual civilization'.
MTV secures a deal to launch six hours of its music television into China.

FIGURE 1

Continued

1997   Audience measurement expands with X&L China and CVSC-Sofres-Media
       becoming the No. 1 player in a competitive market.
       Advertising company J.W. Thompson questions reliability/accuracy of advertising
       industry data and calls for standardization across the industry.

1998   AC Nielsen expands services and plans to add nine more cities within two years.
       News Corporation diversifies its Golden Mainland operation with most of its
       revenue coming from advertising design and post-production and sponsors second
       large-scale exhibition of Chinese cultural treasures at the British Museum.

2000   MTV learns a valuable lesson in cultural sensitivity and changes its focus to 70
       percent local music content for international operations.

2001   China gains membership of the WTO, but market liberalization does not extend to
       the news media sector.
       AOL Time Warner purchases CETV as part of its commitment to localization in
       China (February).
       AOL Time Warner reaches agreement allowing CETV cable network into parts of
       southern China in return for transmitting CCTV-9 in the US (October).

2002   MTV forges closer ties with the Chinese government with a view to expanding its
       newly focused local content music television services.
       News Corporation gets green light for Phoenix Satellite Television to broadcast in
       Guangdong province in return for broadcasting English-language programmes of
       CCTV in the US (October).
       News Corporation signs cooperative deal with Hunan Broadcasting Corp. to
       develop film and television production projects (December).

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international trade rules was designed to bring China's 'opaque and cumber-
some governmental apparatus into harmony with a world order that demands
clarity and fairness' (Panitchpakdi and Clifford, 2002: 2). The decision to
adopt these internationally accepted norms encourages foreign investors to feel
more confident in their financial commitment in China because the economy
will embrace more transparent law-making and open competition. The
WTO–China agreement extends to service sectors including telecommuni-
cations and motion pictures, but not the news media. All three government
agencies overseeing the media – Department of Propaganda, the State Adminis-
tration of Radio, Film and Television, and the State Press and Publication
Administration – have confirmed they will not allow unfettered foreign or
private capital into the highly regulated radio, television and Internet sectors.
Under the WTO agreement, authorities will allow the following to occur:

• News and propaganda arms of print and electronic media groups to obtain
  funding from within the sector upon government approval, and joint

operation can be in the form of a limited liability company or a joint-stock company.
- A media company, under the control of the parent group, to absorb funds from large state-owned enterprises, however, investors are not allowed to participate in the company's media operation and management.
- Non-state and overseas capital into distribution groups, but the state must take a controlling stake.
- Opening of domestic book, newspaper and magazine distribution to foreign firms within three years of its WTO entry.
- Foreign firms to set up joint ventures with Chinese partners to distribute audiovisual products in domestic markets, providing the partnership does not impede the government's examination of the content of these products; and
- Non-state investment for film groups is approved so long as the state holds the controlling interest, while foreign investment is permitted in joint film production and theatre renovation (capped at 49 percent). (*ChinaOnline*, 2002b)

Given the internal changes to the domestic television industry and the ongoing restrictions applied to foreign investment in media, foreign media organizations have faced four options in accessing China's television industry:

1. Continue to push the patience of Chinese regulators and risk their investment in the industry through unapproved deals;
2. Operate outside the regulatory arm of the government while offering limited and approved programme, knowledge and technical support to domestic production houses and television stations;
3. Develop a relationship with the government by establishing approved programme provider status, thus promoting cultural sensitivity as a cornerstone of their business philosophy in dealing with Chinese authorities; and
4. Continue to develop co-production ventures with Chinese television stations, allowing these companies a smoother and quicker entry into the market if, and when, rules on foreign ownership of media change.

Clearly, the first two strategies, while embraced by foreign organizations in the early 1990s as a measure to force media liberalization or at least concessions, have not been successful. This aspect is evidenced by the government's formalization of 'exit' strategies for foreign media companies, whose business dealings do not fit current WTO–China investment policy guidelines relating to domestic media. However, success has come to those organizations embracing the strategy of localization, focusing specifically on relationship building, cultural sensitivity and technology and knowledge transfer through cooperative production. The following three case studies offer a vignette of the localization strategies employed by four key media players (three of which are global players), who have seen their localization endeavours rewarded with unprecedented access to the highly regulated Chinese media market.

Case Studies: CETV-AOL Time Warner, News Corporation and MTV

Television programme suppliers have employed a range of localization strategies in China for many years. In the 1980s, SAR-Hong Kong-based China Entertainment Television (CETV) successfully negotiated the selling of its diet of Chinese-language programming to China. However, other non-overseas Chinese companies have begun to expand their television services and products in China using similar localization approaches. Global media players AOL Time Warner (now parent company to CETV) and News Corporation (Tianjin Golden Mainland Development Co.) have both focused on variations in joint venture and post-production strategies to access the market, while MTV has positioned itself through a strategy of local content to appease authorities.

CETV-AOL Time Warner

CETV is a production company and satellite broadcaster of a mixture of variety/entertainment-style programming. The company's success in China, as others floundered, was forged from a long-term strategy of nurturing relationships with Chinese authorities. It was the first foreign company to enter the Chinese media market after the 'open door' policy was adopted in 1978. By 1984, CETV had secured rights to distribute the first foreign programming, including those from Lorimar, Metromedia and 20th Century Fox. Owner Robert Chua was also the first foreign media representative to be invited to China after the events of 4 June in Tiananmen Square. In 1994, CETV won the rights from the Chinese authorities to begin satellite broadcasting in China. Within two years, the company had secured strong viewer support with a penetration rate of 88.7 percent in Beijing (*Television Asia*, 1996) and a growing cable television audience through its rebroadcast services (Simons, 1996: 10).

CETV's success in China's restricted television market is derived from a policy of building a long-term relationship with the Chinese government and adopting a 'no sex, no violence, no news' strategy.

> We have to be patient with China, hoping that it works. People laugh at us. 'No sex, no violence, no news . . . no revenue, no profits' they say, 'What do you watch? What do you see? . . . Nothing!' But we have been successful. (Pers. comm, Robert Chua, chairman, CETV, 28 February 1997)

When Chua talks of success in China, he speaks the language of traditional Chinese values. CETV's family channel employed a mix of entertainment, variety, game shows and family-based programming in Mandarin. This strategy of reinforcing family values positioned CETV as a non-confrontationalist television programmer to the Chinese authorities, who want to limit western influence and reaffirm the Chinese value system. Chua suggests that the 'greatest challenge facing foreign programmers in China is the subtleties that westerners simply do not identify' (Edmunds, 1994). His reference is to the cultural sensitivity of Chinese regulators to sex and violence in foreign television programming and the political sensitivity to foreign news, particularly in relation to

democracy, human rights and religion. Sex and violence, while accepted parts of western television programming, run counter to traditional family values and the spiritual civilization programme as the definer of morals and ethics. According to Chua:

> *Sex for sex sake, violence for the sake of violence! We don't want that. Violence in the movies is just take a gun and shoot . . . bang, bang, bang. Shooting for the sake of shooting. This kind of thing, without a plot, we don't want this to be part of our culture. (Pers. comm., Robert Chua, chairman, CETV, 28 February 1997)*

Building on the goodwill established by Chua and CETV, AOL Time Warner bought into the Chinese-language programme producer and relaunched an expanded service in February 2001. AOL Time Warner brings to the partnership its state-of-the-art visual sets, interactive services, magazine, music pay-TV and movies, which fit strategically with CETV's lifestyle/entertainment focus in China. As a result, new CETV programming includes Chinese talk show, fan club and music formats. It also delivers foreign programming in style, health, art, science and technology, dotcom and business formats 'localized and repackaged with CETV hosts' (CETV, 2002a).

Since the restructuring, CETV reached an agreement with Chinese authorities in October 2002 to broadcast in China's southern Pearl Delta region in return for transmitting CCTV-9 in the US (News Interactive, 2002). The move has seen CETV improve its ratings in the region with the overall audience reach doubling from the previous year to 80 million Chinese viewers (CETV, 2002b). At the heart of the success is the adoption of four key programme zones which were introduced in July 2001 to appeal to different audiences, including *Drama Tri-Factor* (a three-tier drama belt featuring mostly exclusive, first-run drama series from around the world for family viewing), *Infotainment World* (an evening slot focusing on trends in technology, business and lifestyles), *Weekend Exhilaration* (variety and game shows, movies and the entertainment programmes) and *Teens and Kids Corner* (music and cartoons) (CETV, 2002b).

News Corporation (Tianjin Golden Mainland Development Co.)

News Corporation has spent considerable time and money developing a foothold in China's domestic media market. As early as 1985, News Corporation presented 50 movies belonging to 20th Century Fox to the national broadcaster CCTV. However, the relationship between Chinese authorities and News Corporation's CEO, Rupert Murdoch, has not always been harmonious. A careless statement by Murdoch in 1993 that his global satellite television empire (including his SAR-Hong Kong-based STAR TV service) was 'a threat to totalitarian regimes everywhere' initiated a direct response from the Chinese government, which tightened controls on private ownership of satellite dishes and the regulations governing international television signals beamed into China (Richardson, 1994: 12; Kraar, 1994: 99). The decision impeded Murdoch's ability to negotiate more expansive agreements with Chinese authorities to allow News Corporation more access to China's media system for the next three years.

Since 1995, Murdoch has recognized the benefits of employing a more cooperative approach to dealing with Chinese television regulators. Mandese (1995: 1) suggests that Murdoch disciplined his approach, employing a gradual step-by-step campaign 'to make friends, and eventually money in China'. According to Saatchi and Saatchi executive, Steven Chang, Murdoch, 'attempted to build a bridge with China . . . The projects are getting bigger and bigger' (Mandese, 1995: 1). The reparations Murdoch made to reingratiate himself with the Chinese authorities included removing the BBC news in 1995 from his STAR TV service and replacing it with a dedicated Chinese-language channel – Phoenix Satellite Television (ownership standing at 37.6 percent). He also attempted to build a more solid relationship with China's political power brokers by signing the daughter of the then leader Deng Xiaoping to a literary deal to write her father's memoirs for News Corporation-owned publisher HarperCollins (Mandese, 1995: 1). Over the next three years, Murdoch made a range of benevolent undertakings to promote Chinese culture around the world. For example, in 1995 and again in 1998, News Corporation sponsored large-scale exhibitions of Chinese cultural treasures at the British Museum. Again in 1998, News Corporation donated 8.28 million yuan to areas in China affected by flooding.

Yet, the most profitable and potentially successful return on any direct, majority investment[1] in the domestic television industry has been a joint-venture operation – Tianjin Golden Mainland Development Company. The company embodies News Corporation's localization strategy in China (*ChinaOnline*, 2002a). News Corporation' investment comprises 60 percent while Tianjin Bureau of Radio and Television holding the remaining 40 percent share. The endeavour began when News Corporation assisted the Tianjin Bureau with sponsorship of a table tennis tournament in 1995. News Corporation in turn built on that initial sponsorship deal with a 165.55 million RMB (US$20 million) investment to provide digital video equipment, including editing suites and cameras.

> *Currently, the Chinese Government prohibits many programs produced by News Corp. overseas to be televised in China. Consequently, producing shows that are permitted has become very important. Golden Mainland will most likely shoulder this responsibility and become a production base for News Corp. (*ChinaOnline*, 2002a)*

The company's initial business undertaking was programme packaging and programme title design for a number of Chinese stations including CCTV. In 1998, Golden Mainland diversified its business with most of its revenue coming from advertising design and post-production. Since 1999, the company has focused on the production of domestic television programmes. It cooperated with other television stations to produce cultural and entertainment programmes including China's *Tea Culture*, *Color* and *Cultural Leisure*, which was distributed to 30 provincial television stations. These programmes include Qingdao Badminton Open and the China Class-A League Soccer matches for STAR TV (*ChinaOnline*, 2002a). Each of the programmes is non-confrontationalist and fits with the government media policy of no news, no sex and no criticism. It also retelevises selected sporting events for overseas consumption.

Music Television (MTV)

MTV's move to globalize its trademark music channel in 1996 was in response to a plateauing of revenue from its US operations. Within the period from 1996 to 2001, MTV Networks International revenue rose from US$231 million to US$600 million, with projections indicating an increase to US$722 million by 2003. Operating profits also increased by 50 percent to US$135 million, with an expected doubling by 2004 (*BusinessWeek*, 2002: 42).

Four key factors contribute to the success of MTV's international operations – demographics, music, television and local content. First, there were over 2.7 billion affluent youth between the ages of 10 and 34 in 2000. Second, music is considered a universal language that cuts across cultural barriers. Third, the number of television sets in highly populated countries such as China, India, Brazil, Russia and India is increasing dramatically (*BusinessWeek*, 2002: 43). Fourth, and most importantly, MTV prioritized the localizing of its product for each market. MTV now operates five different channels in the Asian region, including a main channel focusing on Mandarin, Southeast Asia, India and Korea (Phan, 2002: 16). This strategic refocusing of its services was prompted by MTV's India experience where locally hired programmers admonished the 'Bollywood' style music as 'uncool', preferring to promote western music. Indian viewers abandoned the MTV channel, until they began to air indigenous music again and the ratings rose dramatically by 700 percent (*BusinessWeek*, 2002: 45). According to MTV president Bill Roedy the localization strategy is crucial to its operations because 'there is no global strategy without Asia' (Roedy, 2002). As a result of the strategy, MTV has tripled advertising spend in the region, allowing it to purchase 100 percent of its Asia operations from Universal.

Now, MTV employs a policy of 70 percent local content in all international markets. This strategy has won approval from governments suspicious of American culture and the values it projects to youth television viewers. As a result, MTV has been able to gain considerable exposure in China, one of the most important markets it coverts. Over 600 million viewers watch MTV Mandarin through China's 40 cable television systems weekly (*BusinessWeek*, 2002: 42, 45). Despite not having permission to replicate its 24-hour broadcasting in China and being limited to a maximum of six hours' programming daily, MTV has managed to increase advertising spend by 80 percent. For example, MTV provides two different segments on Shanghai television each day with a Mandarin-language programme in the late afternoon featuring Chinese-language or Canto-pop music and a late-night English version that delivers predominantly western music and with an educational tone of learning English. Roedy (2002) attributes MTV's successes in China to 'blending global exposure with customization or localization of programs . . . where each show is tailored to the audience for taste, humor and values [because] we're not about importing culture in but reflecting culture out'. MTV's strategy embraces three guiding operational principles – audience first (consumers, government authorities and advertisers); learn from other markets to establish best practice and increase profitability (for advertisers and MTV); and give back to the community

through corporate citizenship, such as AIDS campaigns (Chinese people and government authorities). As a result, MTV has successfully replaced its 'Classic Coke' global image with a retailored programme format that meets local political, advertiser and consumer tastes (Moeran, 2001: 3).

Discussion

China's domestic media policy links directly to its formalization of the spiritual civilization programme as a response to changing social values. On a functional level, the strategy is designed to protect China's cultural autonomy by promoting domestic production and importing of Chinese programming from abroad. This limits the need for western programming to fill the extra broadcasting time created by the domestic industry's rapid expansion from 1995 to 1997. However, it is also clear that the Chinese government cannot ignore, and has not ignored, the positive or beneficial aspects of culturally and politically sensitive western programming. While criticizing the 'bad' aspects of a western value system, it also accepts its popularity among China's youth and the role it can play in propelling the vehicle of economic reform (see Keane, 1998; Weber, 2001, 2002b).

What is interesting is how the government attempts to reconcile the conflict between collectivist values (Confucian morals and socialist ethics) and individualistic values (entrepreneurship and wealth) based on localized sets of meanings and practices. In other words, the government has managed to establish, or prescribe, a loose set of cultural parameters within its social development and media policy that defines 'an imagined world' for conducting television business in China. The three global media organizations' success in relating their media operations to prescribed Chinese characteristics or the 'imagined world' is in their ability to bundle cultural sensitivity in programme production and importation with the transfer of western knowledge and technology. This promulgates an effective localization strategy that allows smoother entry points to the highly regulated domestic mediascape.

As Long (1996) suggests, members of imagined worlds do not have to be spatially contiguous. Clearly, the SAR-Hong Kong Chinese community is culturally different because of the influence of British colonial rule, and its separate development during this period of occupation to that of mainland China. There are no people in Hong Kong, or in other overseas Chinese communities or even in China, that match exactly the moral and ethical qualities or profiles found in the Chinese government discourse of spiritual civilization. Yet, CETV's long-term strategy of aligning itself with the government's notion of modern Chinese identity or 'belongingness' to the Chinese culture has proven to be successful. It has aligned itself by linking into the main tenets of the government's discursively constructed value system at social, cultural, political and business levels. CETV's success relates directly to Chua's ability to skilfully position CETV throughout the 1980s and 1990s (and now by association AOL Time Warner) in various culturally sensitive ways from inside and outside China. He achieved this success through using old (Confucian values and socialist ethics) and new (technology and knowledge transfer, culturally sensitive

content) referents, and with negative references to the 'other' (western portrayals of sex and violence). This emphasized business practices cogent with contemporary government thinking on Chinese values and social development. As a result, each of the stakeholders gained a tangible benefit with China accessing culturally and politically appropriate television programming and knowledge and technology transfer. In particular AOL Time Warner leveraged access to the marketplace through non-threatening services and products, and distanced the parent company spatially from its subsidiary news service CNN.

Understanding the government's notion of 'an imagined world' for doing business in China and exploiting its discursive constructions of modern Chinese values for relationship building are even more crucial for foreign companies. News Corporation and MTV operate on different but no less potent levels of association with China's 'imagined world'. They do not have the inherent cultural ties of 'overseas communities' (exploited by CETV and AOL Time Warner), but rely on the ability to compare and contrast their business philosophy and practices with 'other' western operators.

This differentiation is exercised in a variety of ways. For example, News Corporation's struggle to enter China's media market has been adversely affected at crucial times by cultural insensitivity and projections of global expansionism. Murdoch's global strategy focuses on purchasing outright ownership or controlling interests in media operations for the highest price, so long as it fits with his plan to establish an integrated global media operation. That strategy, of course, cannot be easily operationalized in China's highly regulated media environment. However, by establishing rapport with government authorities through displaying Chinese culture at British Museum exhibitions, Murdoch communicates his appreciation for traditional Chinese cultural heritage and values, not just profit. This strategy, when coupled with technology and knowledge transfer through the Golden Mainland's programme packaging and programme title design, projects a revised image of News Corporation's commitment to cultural sensitivity in China.

Yet, the company's gradual expansion into production of domestic programmes clearly signals News Corporation's intent to balance cultural sensitivity and relationship building with profit-making through large-scale entertainment programmes, which attract advertising dollars. Thus, Murdoch's localization strategy not only links into contemporary cultural repertoires of viewers but also the 'imagined world' discursively constructed by the government for doing business in China. Once these cultural and political sensitivities have been addressed, other defining aspects, such as regulations and expanded access, can be negotiated. Interestingly, News Corporations strategy has been successful in bypassing majority control rules relating to foreign media operations with the company holding a 60 percent share in Golden Mainland. Furthermore, News Corporation secured a cooperative agreement in December 2002 with Chinese provincial broadcaster Hunan Broadcasting Corp. to make films and television programming (News Interactive, 2002).

MTV's strategy appears to follow that of News Corporation with an emphasis on rapport building as a mechanism to gain access. However, MTV has been able to increase advertising spend by 80 percent without expansion or

joint venture opportunities. The success of its localization strategy relates specifically to its ability to minimize its image as a purveyor of American culture and replace it with a more culturally sensitive approach to programming. Through its strategy of 70 percent local music content and a daily mix of Mandarin and English versions, MTV possesses the ability to sell its television programming at different cultural, commercial and political levels. It appeals to the youth market by identifying with the hip-style Canto-pop, while gaining approval from the government through recognizing the need for political sensitivity in relation to the perceived dangers in overamplifying western cultural values through music. In so doing, MTV demonstrates through its programming initiatives a cooperative desire to work with the government and contribute to developing an advanced Chinese culture.

Conclusion

Given the interplay between television, modern Chinese culture and the spiritual civilization programme, the construction of what it means to be modern and Chinese becomes a potent challenge to the discourse of globalization at the local level. Clearly, the relationships established between the Chinese government, overseas Chinese and preferred western television producers and suppliers are based on adherence (to varying degrees) with the loose set of moral and ethical principles found in the discursive constructions of a modern Chinese value system. At a surface level, the strategy is simply a pragmatic way the government meets the increased programming demand created by the expansion of the domestic television system, and balances the materialistic virtues with Confucian moral and socialist ethics so as to propel the vehicle of economic reform. Yet, this reinforcing of Chinese values has wider ramifications on a number of levels. By supporting a value system that continually evokes the uniqueness of the Chinese race and promotion of Confucian and socialist values, foreign media groups reinforce the notion of a localized modern Chinese 'world' as separate from the global world. Such attempts to reconcile modernity with traditional culture and values limit the influence of western culture upon China's society. Thus, as China's civilization is strengthened through cultural flows between culturally sensitive media groups (either overseas Chinese or foreign), modern Chinese culture potentially becomes a formidable force at the local level. As differing groups create closer relationships around the government's discursive constructions of a modern Chinese value system, this localized 'imagined world' becomes more powerful.

Given Long's (1996) analysis, the ability to create a stronger group identity provides a forum for the government to compare and contrast China and Chinese culture with the 'other'. The ideological impact of this strengthening process, stimulated by media-transmitted images and symbols of modern Chinese culture, is that a situation is created whereby Chinese people, from differing ethnic groups but with a common Chinese group identity, challenge more readily the discourse of globalization and western global dominance. The case studies confirm that the interplays within the global/local, homogenization/heterogenization and modern/traditional operate simultaneously and

interpenetrate upon each other. They do so because western-centric communication and interests no longer dominate the system of communication at the local level. The discourse of spiritual civilization renders the modern Chinese value system socially meaningful within an imagined localized world, stimulating feelings of patriotism within Chinese citizenry. Within this network of interactions and processes, the producers of modern Chinese images, symbols and representations hold the power to create, mediate and sustain social perceptions of contemporary Chinese values, thus limiting the impact of the global upon the local.

Note

1. News Corporation is a minor shareholder in Phoenix Satellite Television, whose flagship Chinese Channel ranks second in popularity to the national television channel CCTV-1. Phoenix's Movie Channel also ranks 10th in the national market. In 2002, Phoenix recorded revenue of US$88 million in its seventh year of operation in China (Liu, 2002). As part of the deal to allow Phoenix to broadcast in Guangdong province, News Corporation agreed to air several English-language programmes of CCTV through its Fox Network in the United States (News Interactive, 2002).

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