

Media and Beyond: China's Global Information Ambitions

Shanthi Kalathil

Director, International Forum for Democratic Studies, National Endowment for Democracy

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Chairman Bartholomew, Commissioner Wortzel, distinguished members of the Commission: thank you for inviting me to testify before the Commission on the topic of "China's Global Media Influence." I appreciate the opportunity to discuss China's efforts and impact in this area. I would also like to thank you for drawing attention to this issue of strategic importance to the U.S. and other democracies.

China has long included the cultivation of global influence as part of its overall strategy to position itself as a rising, though nonthreatening, global power. Championed by a succession of Chinese leaders, this "soft power" focus has traditionally included media components such as pro-government reporting by Chinese state-run broadcasters and the cultivation of friendly overseas news outlets.

In more recent years, though, the Chinese government's strategy has evolved beyond these standard elements to reflect a much broader understanding of how command of media and communication constitutes power in the modern age. China, like other authoritarian states, grasps that the information space is an arena of contestation in which democracies are increasingly vulnerable. Moreover, China in particular understands that it is in shaping the related norms, standards, and corporate platforms in which the long-term opportunities for influence lie.

Hence, China is also seeking to build out the infrastructure of the evolving global information ecosystem itself, targeting not simply media-related products but the mechanisms that determine what kinds of products are produced in the first place. This sets it apart from other authoritarian governments, in no small part due to China's unique market leverage.

Here, I'd like to present a broad, synthesized overview of China's efforts to harness this evolving global information ecosystem. This overview will touch primarily on three media and communication-related mechanisms through which China seeks to exert influence: shaping international news; guiding the evolution of the Internet and its norms; and influencing global culture through Hollywood.¹ Seen individually, any distinct piece might be glossed over as a discrete, isolated activity. Yet, taken together, they are indicative of an authoritarian government that has mobilized global information resources on a massive scale to project power, maximize its desired outcomes and protect its own rule.

International News: Content, Values, and Funding

China has attempted to influence international news in three ways: influencing foreign reporting on China, extending its presence abroad through its international broadcasting and publication arms; and influencing the structure and values of news organizations, primarily in developing countries, through funding, training and cooperation.

While the Chinese government has always monitored foreign reporters operating within China, this practice has expanded and grown more aggressive under current president Xi Jinping, who has instituted a wide and long-lasting crackdown on domestic civil society and media. Recent reports assert that foreign journalists in China now face greater restrictions than at any other time in recent history.² The CCP seeks to influence international reporting through a combination of direct action, economic pressure to induce self-censorship by international media owners, indirect pressure applied via proxies

such as advertisers, and cyberattacks and physical assaults.³ Increasingly, these levers are applied beyond China's own borders.

This combination has had a cumulative chilling effect on the diversity of perspectives on China available in the international media. This is particularly true of Chinese language media. In some countries, such as Australia, local analysts report that the formerly lively, independent Chinese language media space now hews largely to the pro-China line, in part because pro-China media groups now control much of the Chinese language media sector.⁴ In supposedly autonomous Hong Kong, the local media has developed increasingly close ties to the Chinese government and friendly entrepreneurs; for instance, in 2015 the South China Morning Post was bought by Jack Ma, founder of Alibaba Group, China's largest e-commerce conglomerate, and press watchdogs have raised concerns about that paper's continuing editorial independence.⁵

With respect to international broadcasting and publication, the Chinese government is focused on amplifying China's voice in the global media landscape, a landscape currently undergoing a seismic shift brought on by changes in access, technology, and business models. This period of flux has presented certain opportunities for China's state-run and state-affiliated media, which do not suffer from the same budget pressures as their private sector international competitors. The international arm of China Central Television was rebranded China Global Television Network (CGTN) at the end of 2016, with all new foreign language channels, digital and video content falling under the new group. CGTN has hired away respected journalists from other outlets, and in general enjoys more editorial leeway than its domestic counterpart does (while never reporting on genuinely sensitive topics).

Even before this recent rebranding, CGTN had significantly expanded its broadcasting footprint, opening major global offices in Washington, D.C. and Nairobi, and pouring financial resources into international news bureaus during a time when other major media outlets worldwide were forced to scale back their international coverage due to declining budgets. It is important to note that while CGTN may lack presence and authority in the U.S., it is increasingly viewed in many countries as simply another credible outlet that adds to the plurality of voices.

New ventures may look more like overseas-targeted, English-language publication *Sixth Tone*, which is backed by state-owned Shanghai United Media Group, the same company that publishes the relatively lively domestic paper *Pengpai*. *Sixth Tone* features compelling human interest and trend stories with a local focus, skirting close to charged social and political issues without crossing the line into highly politically sensitive territory. Indeed, the tone, structure and social media adeptness of *Sixth Tone* may indicate the future of at least some Chinese state-affiliated media. (*Foreign Policy* magazine has described *Sixth Tone* as if "Vox were acquired by the Chinese Communist Party."⁶) As scholars of Chinese soft power note, Chinese media executives are well aware that market-driven, audience-savvy products can be far more effective in swaying perception than state-owned organs issuing stiff proclamations, and are more in line with what young, global digital natives desire.

Finally, China has been involved in supporting the media and communication sectors of many countries in Latin America, Central and Eastern Europe, and Africa.⁷ It has done so through providing financial resources, infrastructure and equipment, study tours in China, and training. Unlike most international independent media donors, though, China does not support the typical normative goals of this kind of assistance: freedom of expression, editorial independence, technologically neutral protocols, and developing the professional and investigatory capacity of local journalists.

Rather, the Chinese government's primary purpose in providing this type of assistance is to counter what Chinese officials see as the unfavorable narrative about China in Western media, by developing a

China-friendly media sector that will both portray China as a reliable partner and support China's foreign policy positions and objectives. Moreover, the model of journalism presented in training and study tours emphasizes a cooperative approach that de-emphasizes the accountability aspect of journalism. Ugandan participants in Chinese media training and study tours, for instance, have said that classroom lectures did not focus on practical skills, emphasizing instead China's history and politics, as well as the importance of the China-Africa relationship.⁸

The Global Internet: Norms, Standards, and the Future

China has long engaged in domestic censorship and shaping of the Internet, utilizing a variety of techniques ranging from co-optation of the private sector to multilayered levels of technological and public opinion management. What has been less well understood is the extent to which the Chinese government has turned its attention outward, seeking an instrumental role in developing not only the current iteration of the global Internet, but future versions as well. Here, the CCP is directing its attention to the institutions that govern the Internet; the norms, standards and protocols conditioning its use; and the corporations powering its platforms. Once again, China is in the unique position of using its market power, including its protected domestic Internet industries, to influence the future of the global communications landscape.

At the broad level of advocating for global norms and governance, China has championed its conception of "Internet sovereignty," which promotes the idea of distinct national borders on the Internet and a state-based regulatory approach, preferably involving the International Telecommunication Union (ITU). While the U.S. and other democracies have typically supported the multistakeholder model of governance because it involves a bottom-up and decentralized process that incorporates civil society, government, and the private sector, China has advocated for a multilateral process because it inherently privileges the role of states.

This approach finds some supporters within developing countries (including democracies) who lack capacity to influence the multistakeholder process and thus are drawn to a state-based model of governance. However, a multilateral model would be a stark departure from the way the Internet is currently governed, and would give authoritarian countries much more latitude to censor, surveil, and impede the free flow of information worldwide. Moreover, the Internet sovereignty framework would also allow the Chinese and other authoritarian governments to justify internal crackdowns on dissent and political activity within the broad rubric of cybersecurity.

Even if China does not succeed at normalizing the concept of Internet sovereignty, it can practically affect the way the Internet develops at numerous other levels. Because China has effectively excluded foreign competition from its domestic Internet sector, its homegrown Internet companies are now large enough to be testing international waters. China now leads the world in e-commerce, accounting for 40 percent of global sales, and by some estimates has four of the top 10 Internet companies in the world by market capitalization.⁹ Those Internet companies are being encouraged to go global, as part of China's broader emphasis (within the 13th Five-Year Plan and elsewhere) on supporting its Internet-based industries.

As these companies spread overseas and diversify, they may bring features of the Chinese Internet with them. For instance, WeChat, a Chinese messaging service, is now expanding beyond China; its centralized China-based servers are subject to Chinese law and regulations on surveillance and censorship.¹⁰ While it is unlikely that Chinese Internet companies have inherently malicious intent toward their potential global customers, they understand that state and corporate interests are intertwined, and that the government is free to impose fines and revoke operating licenses at will.

Emerging signs regarding the rights-related corporate policies of Chinese Internet firms are not encouraging: Ranking Digital Rights' 2017 Corporate Accountability Index ranked two Chinese companies, Baidu and Tencent (which operates WeChat), as among the worst performers on issues of governance, freedom of expression and privacy, out of 22 of the world's most powerful telecommunications, Internet and mobile companies.¹¹

It is in the new domain of the so-called "Internet of things (IoT)," or the proposed data connectivity of everyday objects, where China's policies on surveillance, security, and privacy take on added relevance. As the Internet Society points out, "IoT amplifies concerns about the potential for increased surveillance and tracking, difficulty in being able to opt out of certain data collection, and the strength of aggregating IoT data streams to paint detailed digital portraits of users."¹² Not coincidentally, China is also proposing to become a world market leader in producing IoT-enabled devices. The "Internet Plus" initiative outlined in the 13th Five Year plan heavily emphasizes government-prioritized domestic innovation in this area in a bid to enhance the value-added component of Chinese manufacturing, as well as to help set standards for the global market in IoT-enabled devices. The incentives are clear: according to the Economist, embracing IoT-enabled manufacturing could add up to \$736 billion to China's GDP over the next fifteen or so years.¹³

While production of data-enabled devices is frequently framed as a Chinese domestic manufacturing and innovation issue, there are clear implications for the global information ecosystem. For instance, any Chinese-led IoT would be informed by a government attitude toward consumer and personal privacy that is largely out of step with global democratic norms on such issues; this attitude is embodied most strikingly in the government's widely publicized plan to aggregate personal data to create a "social credit" system for Chinese citizens. China's domestic innovation policies, global information ambitions and attitudes toward surveillance, privacy and expression are thus likely to intersect – largely at an unseen level – in a way that directly affects how communication evolves for the foreseeable future.

Hollywood: The Big Chill

Past discussions of China's soft power emphasized the transmission of Chinese culture to the outside world. This priority – part of "telling China's story to the world," in the words of Xi Jinping and other leaders – is manifested in numerous ways, including the expansion of Confucius Institutes in U.S. universities and the cultivation of think tank and media experts in countries across Eastern Europe, Latin America and Africa. In the past few years, however, China has made its presence felt in global culture most strongly through another avenue: Hollywood. The Chinese government has leveraged the increasing importance of the Chinese filmgoing audience to U.S.-based entertainment companies, encouraging self-censorship by major studios who wish to gain a foothold in the limited domestic release market. Essentially, the Chinese government has realized a powerful truth: that through Hollywood, in a form of market-based judo, it can use the soft power strength of the United States for its own purposes.

Currently, U.S. film studios can access the Chinese market in three ways: through revenue-sharing films, flat-fee movies, and co-productions with a Chinese company. While the first two categories are subject to a restrictive quota system to be re-negotiated in 2017, co-productions do not count as foreign films, and allow foreign studios to receive a greater percentage of total box office receipts. All films, of course, are subject to approval by the State Administration of Press, Publication, Radio, Film and Television, which reports directly to the State Council and enforces censorship guidelines on politically and socially sensitive content. On top of official regulations, unofficial measures designed to boost domestic films can also negatively affect foreign films' reception within China.

This limited potential for domestic Chinese release creates an incentive system for U.S. entertainment companies that encourages maximum cooperation with the Chinese censorship apparatus, to ensure widespread, favorably timed release within China. It has also accelerated the formation of joint ventures and other tie-ups, as well as talent acquisition, between Chinese and U.S. entertainment conglomerates, particularly within the last few years. In particular, it has encouraged U.S. studios to alter depictions of China, especially with respect to big-budget tentpole films that rely on success in Chinese and other overseas markets to be profitable. Generally, studios alter content to please China in four key ways, listed here from least obtrusive to most: Chinese product placement; casting decisions (including Chinese stars to qualify as co-productions); excising sensitive material (in, as in one example, taking out references to destruction of the Great Wall); and proactively including positive story elements featuring China (such as favorably depicting Chinese achievements in science and technology).

Whereas a few years ago only a handful of films per year might feature one or more of these elements, now it is almost a truism that blockbusters destined for global rollout will do so; they include productions or co-productions from many major U.S. studios. Moreover, in the past, these types of content alterations were made in post-production specifically for the Chinese market. Now, they take place from the conceptualization stage onward, such that the final product released to all markets is tailored to suit Chinese censors' sensibilities. Essentially, the Chinese government has used the carrot of its domestic market to get otherwise independent actors to "tell China's story to the world." This has also led to a global chilling of expression with respect to China, leading some media scholars to characterize China as the "world film police."¹⁴

A Long-Term Influence Strategy, and Potential Democratic Responses

It should be noted that many of these trends are still evolving, and may be subject to fluctuations as domestic Chinese policy emphases change. For instance, while Chinese outbound investment reached record levels in 2016, Chinese authorities have recently become more concerned over capital outflows and excess corporate diversification, and have introduced measures to control the pace and nature of foreign acquisitions, which have already affected proposed entertainment acquisitions such as Dalian Wanda's \$1 billion bid for Dick Clark Productions.¹⁵

This, in addition to a recent Chinese box office slowdown (and a lukewarm global reception for widely touted co-production *The Great Wall*), has served to temper enthusiasm for U.S.-Chinese entertainment tie-ups. The difficulties experienced by Chinese technology and entertainment company LeEco in the U.S. have also demonstrated that conquering the global market will not necessarily be easy for Chinese firms.¹⁶ As more and more Chinese companies compete globally, there may be increasing tension between the demands of the market and Beijing's ideological directives.

That said, an overview of these issues surfaces a few key points that are likely to remain salient over the long term. First, the Chinese government's broad conception of communications-driven influence encompasses sectors outside of what is typically conceptualized as "media." It also includes, inter alia, technology, entertainment, innovation policy, domestic manufacturing, and international diplomacy (in addition to the military "cyber" realm, which is covered in another panel today). In essence, China's unitary approach increasingly targets the information ecosystem at its source: the entertainment powerhouses that shape global culture, the media that informs international opinion or policy, and the norms, standards, technological and corporate platforms powering the Internet and its future.

Perhaps most importantly, the Chinese government has found that leveraging market power can have ideological benefits. Rather than focusing exclusively on official propaganda, which is growing more

sophisticated but remains out-of-step, the CCP has found that it may be easier to simply buy up assets (or encourage them to be bought by sympathetic entrepreneurs). The Chinese government has learned important lessons about soft power: that credibility, authenticity, and the identity of the messenger matter. If the government can stay one step removed yet still accomplish its goals, even better. As the global media landscape continues to evolve and traditional values of editorial independence give way to blurred lines between advertising, opinion and news, greater openings for influence may emerge. Certainly, China is watching with interest the successful efforts by Russia and others to tactically exploit opportunities for disseminating disinformation.

It may seem that democracies, whose very openness can make them vulnerable, have little recourse in the rapidly evolving, chaotic and poorly comprehended information environment. Perhaps the first, most important, response by democracies is simply to directly acknowledge the rising and fundamental threats to democratic institutions around the world. With democratic reversals and so-called democratic deconsolidation underway in a number of established democracies, it could be argued that democracies have finally become aware of the dangers to established liberal norms, as well as of the information-savvy efforts by authoritarian regimes to subvert core democratic values.

Yet more comprehensive and sustained understanding is still sorely needed. In this regard, it is important to support researchers, activists, journalists and others who are seeking to shine a light on the Chinese government's influence activities in their various forms around the world – especially in environments where deep or technical knowledge about such activities is lacking. In particular, civil society efforts across the globe would benefit from better cross-regional information sharing, and more coordinated awareness-raising efforts, around understanding and countering authoritarian influence. In this complex information environment, support for independent, credible and financially sustainable media is crucial, as well as the development of deeper expertise in the frameworks and arguments authoritarian regimes use to advance their own media agendas (such as the assertion that authoritarian state-owned media only seek to broaden media pluralism).

Civil society would also benefit from efforts by democracies to ensure that China is not able to unilaterally enact laws and regulations that directly restrict non-governmental exchanges, or access markets in the U.S. and other democracies for the purposes of exerting influence, without any scrutiny as to the negative effects of such efforts. Because the Chinese strategy is multifaceted and likely to rely increasingly on Chinese companies, continuing to put these companies in comparative international perspective on digital rights-related policies would help generate international pressure for increased transparency. These efforts would be complemented if U.S. media, technology and entertainment companies spoke with one voice to the Chinese government and Chinese companies on issues relating to freedom of expression, privacy, and other key matters. The entire spectrum of activity on these fronts would also be reinforced by the active, coordinated participation of democracies in international forums on issues ranging from Internet governance to market access to fundamental democratic values.

Ultimately, China cannot singlehandedly decide to accrue soft power; its inherent “attractiveness” is still generated organically by its culture, businesses, system of government, and most importantly, its people. Ironically, the Chinese government suppresses this potentially vital source of its soft power: the unbounded, uncensored opinions of its citizens, participating freely in national conversations about their future.¹⁷ The Chinese government's natural impulse is still to cover up rather than open up; it sees transparency and democratic decision-making as an element of brittleness rather than resilience. It is worthwhile to keep in mind that as long as democracies hew to – and actively defend – their core strengths and values, they will always possess this natural soft power advantage that authoritarian countries will be unable to match.

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- ¹ This analysis draws in part from Shanthi Kalathil, "Beyond the Great Firewall: How China Became a Global Information Power," Center for International Media Assistance, 2017.
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- ³ Sarah Cook, "The Long Shadow of Chinese Censorship: How the Communist Party's Media Restrictions Affect News Outlets Around the World," Center for International Media Assistance, 2013.
- ⁴ Paul Monk, "China's propaganda infiltrating our shores," *The Sydney Morning Herald*, July 10, 2014.
- ⁵ Tom Phillips, "Mysterious confession fuels fears of Beijing's influence on Hong Kong's top newspaper," *The Guardian*, July 25, 2016.
- ⁶ Bethany Allen-Ebrahimi, "China, Explained," *Foreign Policy*, June 3, 2016.
- ⁷ See, for instance, Douglas Farah and Andy Mosher, "Winds From the East: How the People's Republic of China Seeks to Influence the Media in Africa, Latin America, and Southeast Asia," Center for International Media Assistance, 2010.
- ⁸ Jakup Emil Hansen, "Media Training for Africa: Is China Exporting its Journalism?" *China-Africa Research Initiative Policy Brief No. 12*, 2016.
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- ¹¹ Ranking Digital Rights Corporate Accountability Index, <https://rankingdigitalrights.org/index2017>
- ¹² Karen Rose, Scott Eldridge, Lyman Chapin, "The Internet of Things: An Overview," Internet Society, October 2015, p. 6.
- ¹³ "The Great Convergence," *The Economist*, July 21, 2016.
- ¹⁴ Frank Langfitt, "How China's Censors Influence Hollywood," NPR, May 18, 2015.
- ¹⁵ *Economics and Trade Bulletin*, U.S.-China Economic and Security Review Commission, April 4, 2017.
- ¹⁶ Christina Warren, "'It's All Over Now But The Screaming': Inside The Unraveling of LeEco in America," *Gizmodo*, April 18, 2017.
- ¹⁷ Shanthi Kalathil, "China's Soft Power in the Information Age: Think Again," *ISD Working Papers in New Diplomacy*, Institute for the Study of Diplomacy, Georgetown University, May 2011.