

Digital Platforms: Exerting China's New Cultural Power in the Asia-Pacific

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Abstract:

The ascension to power of Xi Jinping in 2012 marks a significant moment in regard to Chinese perceptions of the nation's role in history and the role China might play in world affairs during the coming decade. The term "cultural confidence" (wenhua zixin) increasingly animates discussion about how Chinese media industries are extending their reach beyond the mainland. In this special section, the authors investigate the ramifications of a more culturally confident Chinese nation, emboldened by the technological ascendancy of its digital champions, represented by Baidu, Alibaba, and Tencent—often referred to collectively as BAT. These privately owned internet communication companies are reaching out to foreign audiences while reconnecting culturally with the Chinese diaspora. The question that comes to the forefront of China's newfound "cultural power" is, "How far and with what effect are China's online media companies internationalizing?" The special section looks at the Asia-Pacific, noting how these digital media companies are diversifying and consolidating in Taiwan and Hong Kong SAR, as well as in Southeast Asia—Singapore, Malaysia, South Korea, and Thailand.

Keywords: *Cultural Power, Going Out, Online Media, BAT, Copyright, Internet*

In December 2001, following China's accession to the World Trade Organization (WTO), the financial sustainability and cultural sovereignty of the nation's media industries loomed as a challenge to the nation's leadership. Media industries—formerly designated as state-owned institutions (*shiye*)—were intended to function as state propaganda vehicles, much as they had been during the 1940s. From the heady days of the Chinese Revolution under Chairman Mao and the War of Resistance against Japanese forces to the economic reform period of the 1980s, media were the "mouthpiece" of the government and the Chinese Communist Party

(CCP), and in theory, at least, they were the mouthpiece “of the masses” in so far as the media were supposed to represent the masses.

The early 1980s witnessed green shoots of commercialization in broadcasting and the devolution of financial control from the center to four administrative different levels, a policy known as the “four-level policy” (*sijiban*). Despite this initiative, and a move by Deng Xiaoping in 1992 to reduce state funding to media industries in the guise of evoking self-reliance, by the turn of the century commercially successful media were mostly confined to a small number of satellite television stations that competed for national market share. With few exceptions, print media were unprofitable and the film industry was maneuvering for reform, following a decade of declining returns, and oppressive state censorship.

The questions facing the government at the turn of the millennium were, “How could China’s newly commercialized media survive in the face of foreign competition?” “How could they be made stronger, and how could they go out to the world?” As WTO accession approached, many professionals working in the media and communications sector feared that foreign media companies would gain greater purchase in the market, further diminishing the attractiveness of homemade content with its inherent Chinese values.

This fear proved to be largely unfounded. What happened?

In the 2000s, Web 2.0 changed the way that people make, share, and consume content. The distinction between professional media producers and consumers of media collapsed, user-generated content proliferated, along with online sharing, and, thanks to digital compression technologies, cultural products went online. Western media empires were soon challenged by upstart digital companies with their assets of data and their legions of active users. In China, the emergence of powerful commercial media companies, and particularly online platforms, was fast-forwarded by the rapid numbers of people venturing online. By 2010, the number of registered users of internet services was 460 million; by 2016, it was already 721 million²; more importantly, China had leapfrogged PC terminals into the mobile internet. The power of these companies, particularly their links to Western financial companies,³ and their ability to react to market opportunities provide a stark contrast to a state-owned media sector presided over by conservative apparatchiks.

In this special section, the authors address issues confronting the development of China’s digital communications industries through the lens of “cultural power,” a term first coined in 1988 by CCP think tanks⁴ and recently revised by the Xi Jinping regime. The section investigates the unprecedented rise and geographical expansion of China’s new media platforms, which are sometimes referred to as digital champions, echoing the laudatory expression of national champions, normally associated with large state-owned enterprises. The new players are not state-owned, at least not in the way that media industries were in the previous decades. They have initial public offerings (IPOs), they engage in aggressively capitalist-style mergers and takeovers, and they push the boundaries of expression. The leading entities, often characterized as BAT—Baidu, Alibaba, and Tencent—or the “Three Kingdoms” have data business models similar to the Western-headquartered FAANG: Facebook, Apple, Amazon Netflix, and Google.

In addition to charting the rise of online media sectors, this special section addresses the relative successes (and failures) of “going out” (*zou chuqu*), a policy slogan that symbolizes China’s rise, namely its soft power initiatives outside the mainland. In an industrial sense,

going out is synonymous with going global, a path created by large state-owned enterprises, later followed by commercial businesses such as Lenovo (computing), Haier (white goods) and Huawei (mobile phones). The question that many are now asking is, “How far and with what effect are China’s online media companies internationalizing?” In showing how the interests of China’s media have developed through various collaborations, the papers investigate reputational and economic gains across three interconnected levels (or layers): state institutions, digital platforms, and user communities.

State institutions make the rules and set the targets for Five-Year Plans: they include state regulatory agencies, ministries, departments, and think tanks such as the Chinese Academy of Social Sciences (CASS) and the Chinese People’s Political Consultative Conference (CPPCC). This layer also includes state-owned media institutions, such as China Central Television (CCTV) and China Global TV (CGTV), which purport to reach out to all Chinese, even those overseas. Digital platforms are represented primarily by the BAT; as noted above, these digital kingdoms are busy cannibalizing social networking firms, game developers, online video portals, logistics, and apps to strengthen their market position and compete with each other for the spoils of war. The user layer, on the contrary, thrives on a culture of contention.⁵ While many are patriotic, many others are hostile; indeed, many rely on messages going out to the world to underpin civil society activism. The tension between government, business, and users characterizes the complex nature of China’s nascent platform capitalism.⁶

Charting the global trajectories of China’s internet companies and associated online ventures is an ambitious task, particularly in the light of recent capital withdrawals from Western acquisitions as the Chinese state turns up the heat on ambitious cultural enterprises, in particular the entertainment/real estate conglomerate known as Dalian Wanda (see the paper by Keane and Wu). The intention of this special issue, moreover, is to examine the People’s Republic of China’s (PRC) media industry activities in the Asia-Pacific, including several of the Eurasian territories now embodied in the term Belt and Road Initiative (BRI). The territories investigated include, but are not confined to, Hong Kong SAR, South Korea, Taiwan, Singapore, and Malaysia.

The paper by Michael Keane and Huan Wu charts the “going out” network strategies of China’s leading digital communication platforms, Baidu, Alibaba, and Tencent. The paper shows that with regard to audiences and users of their platforms, the most likely takeoff points outside the mainland are within Asia. Accordingly, the focus is on media content platforms and the opportunities that are emerging within the Asia-Pacific, the latter territory including Hong Kong, South Korea, Singapore, and Australia. The paper notes three levels of going out: cultural products and services, ideology, and organizations. As these platforms push their commercial content to audiences in these territories, they are accompanied by official standard bearers of China’s soft power such as China Network TV and Xinhua, whose message resonates more closely with Party ideology. In this paper, the authors ask, “Whose interests are the digital communications platforms really serving?”

Susan Leong’s paper examines the role China’s tech giants’ CEOs play as advocates for China’s dream of mass innovation (*wanzhong chuangxin*). Leong argues that their reconciliation of the Silicon Valley ethos of liberal individualism is at odds with the Chinese state’s agenda of collectivism. Leong explains how the gospel of mass innovation is triumphing despite the trials of control via surveillance and censorship. The paper includes a survey of investments and collaborations in internet and tech-related enterprises made by China’s tech giants in

Southeast Asia. It then goes on to discuss the growing influence of these heroic figures, noting Jack Ma's (Alibaba CEO) growing influence as advisor to the governments of Malaysia, Indonesia, and Thailand as a case in point.

Haiqing Yu's paper looks at the rise of eSports as a key battlefield among Chinese Internet and e-commerce heavyweights—particularly Alibaba and Tencent—in their aggregated and global expansion strategies. Yu investigates how politics, capitalism, and nationalism are intertwined in the investing and staging of live eSports spectacles. The discussion builds on Chinese digital platforms' Asia-Pacific expansion and is particularly significant due to the announcement by the Olympic Council of Asia (OCA) that eSports will be introduced as a demonstration sport at the 2018 Asian Games in Indonesia and as an official sport at the Hangzhou Games in 2022. The paper shows how the rise of eSports in China is a story of digital enclosure movement of Chinese digital empires and heavyweights—that it is a story of the public-private alliance in promoting, regulating, and incorporating private resources and players into the orbit of the Chinese dream.

Elaine Jing Zhao's paper considers online streaming platforms as a typical case of the digital entertainment industry, which has experienced rapid growth and consolidation under China's two-pronged approach to the internet. Zhao notes two forms of "going out" of digital entertainment media. One is often less visible, where overseas viewers, mostly diasporic Chinese, attempt to access a growing range of content on these digital platforms. Such cross-border access often involves geoblocking circumvention. The other is platform-initiated expansion. The paper focuses on the Baidu-owned online streaming platform iQiyi's entry into the Taiwanese market to highlight the regulatory dilemma over market entry, the complexities of negotiating windows in multimarket, and multimedia distribution involving varied business models and modes of access. The paper shows how platforms and their partners, as well as viewers, negotiate state and copyright territorialities as they cross borders.

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² For data, see China Internet Users available at <http://www.internetlivestats.com/internet-users/china/>.

³ For a discussion, see Lianrui Jia and Dwayne Winseck, "The Political Economy of Chinese Internet Companies: Financialization, Concentration and Capitalization," *The International Communication Gazette* 80 (1, 2018): 30–59.

⁴ Bijian Zheng, *China's Road to Peaceful Rise* (London: Routledge, 2011).

⁵ Guobin Yang, ed., *China's Contested Internet* (Amsterdam: NIAS Press, 2015).

⁶ For a discussion of platform capitalism, see Nick Srnicek, *Platform Capitalism* (Cambridge: Polity, 2017).