

**The Political Economy of Knowledge Workers in the Chinese Media Industry**  
**— A Case Study of the Shanghai Science and Technology Publishing House**  
**and the Shanghai Education Publishing House**

by

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## **Abstract**

In this dissertation, using the tool of a political economy of communication analysis gives us an important way to conceptualize the challenges confronting Chinese media workers, especially editors, due to media reform and social transformation. I will accomplish this by examining three different but inter-related processes: commodification, structuration, and spatialization.

First, I will analyze the ways in which the deepening of the media commodification process has forced Chinese media workers to serve the political interests of the state, and at the same time, to generate profit for their companies and promote political and social reforms. Second, I will explore the structuration process by analyzing how fundamental social, technological, political, and economic changes—especially those in class relations and power dynamics—have produced five critical problems for the Chinese media workers. Third, I will explore the media spatialization process by addressing its three indispensable components: globalization, neoliberalism, and the global division of labour. When China is increasingly integrated into the global political economy, most Chinese media workers have faced great changes in their value systems and their daily work processes. As a result, the privileged existence of workers as the “masters” of the Communist society has been transformed in many ways (Rocca 2003).

In the last chapter, I will suggest plausible solutions to the problems of Chinese media workers, addressing the benefits of labour convergence, the basic functions and major limitations of worker organizations and trade unions, and how they can further

help Chinese media workers better deal with the challenges associated with current media reform when labour unrest is on the rise.

To conclude, this dissertation concentrates on the trajectories of the labour process transformation of Chinese media workers; their changing social, economic, and political roles; and their dilemma, challenges, and opportunities associated with current social reform and China's more integration into the global political economy. Through the political economic analysis of Chinese media workers, I aim to better understand the broader social and economic transformations, particularly the network of power relations and institutional contexts in which Chinese media workers are situated, that have been taking place in China since the late 1970s.

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## **Abbreviations**

ACFTU	All-China Federation of Trade Unions
BIBF	Beijing International Book Fair
CCP	Chinese Communist Party
CCTV	China Central Television
CCYL	Chinese Communist Youth League
CETV	China Entertainment Television
CLB	China Labour Bulletin
CNN	Cable News Network
CPD	Central Propaganda Department
CPI	Commercial Press International
CWWN	Chinese Working Women Network
GAPP	General Administration of Press and Publication of China
GDP	gross domestic product
ISBN	International Standard Book Number
MEI	Ministry of the Electronics Industry
MII	Ministry of Information Industry
MPT	Ministry of Post and Telecommunications
MRFT	Ministry of Radio, Film and Television
NGO	non-governmental organization
PAC	Publishers Association of China
PAS	Publishers Association of Shanghai

SARFT	State Administration of Radio, Film and Television
SEME	Shanghai Epic Music Entertainment Co., Ltd.
TVE	township and village enterprise
WHO	World Health Organization
WTO	World Trade Organization

## **Chapter One**

### **Introduction**

#### **1.1 Introduction**

The study of knowledge workers has raised a number of important questions for academics and policymakers. Daniel Bell (1999) maintains that with the rise of a society dependent on intellectual technology, particularly on the production and distribution of theoretical information, a new class of leaders—a genuine knowledge class of well-trained scientific and technical workers—was rising to prominence. With the emphasis on meritocracy based on education and skill in the production and distribution of information, knowledge workers have successfully become central figures in this new political and economic system.

Many thinkers have supplemented this tradition, such as Herbert Schiller (1973), Harry Braverman (1974), Manuel Castells (1996), and Vincent Mosco (1998, 2004, 2009). Compared to industrial workers, knowledge workers—professional, skilled, and presumably middle-class—are playing an increasingly critical role in the global market. Mosco and McKercher (2008) point out that with knowledge workers taking up an enormously large share of the jobs in the developed world, and their numbers growing dramatically in the poorer nations as well, they are becoming more and more active in the labour movement globally.

However, the decline in the power of labour worldwide, as a result of both technological convergence and corporate or institutional convergence, has turned much of the world's labour force, including knowledge workers, into precarious

workers (Winseck 1998; Mosco and McKercher 2008; Ross 2009). As Andrew Ross maintains, no one, not even those in traditional professions, can any longer expect a fixed pattern of employment in the course of their lifetime. The rise of contingent employment is steady. For this reason, both industrial workers in low-end services and knowledge workers in high-wage occupations are under tremendous pressure to anticipate, and prepare for, a future in which they will still be able to compete in a changing marketplace. Knowledge workers are pressured by long hours, deadline speedups, and a division of labour that reduces employee autonomy. Worse still they are increasingly confronted with the radical uncertainty of their futures, the temporary nature of their work contracts, and their isolation from any protective framework of social insurance.

Contributing to the numerous studies on knowledge workers, my primary argument is that using the tool of a political economy analysis, especially through its three different but inter-related processes—commodification, structuration, and spatialization, gives us an important way in which to demonstrate the network of power relations and institutional contexts that Chinese media workers are situated in, as well as to conceptualize the challenges confronting them. These challenges are brought about by both media reform and social transformation, in the context of technological developments in the information age as well as China's increasing integration into the global political economy. To be more concrete, I aim to examine the precarious condition of Chinese media workers, particularly editors, by analyzing the changing labour process and the decline of their social welfare benefits. What is

more important is how these workers are responding to the problems aforementioned, and to investigate whether worker organizations and trade unions are effectively representing the rights and interests of the working class.

## **1.2 Knowledge Workers in China's Media Industries**

Class analysis is of critical importance to this dissertation. According to Braverman (1974), it is essential to study the class consciousness of knowledge workers. Not only do these workers share common problems, interests, and prospects, but it is important to understand their relations with other members of the working class. I have specifically focused on editors, due to the following factors: the rapid growth of the Chinese publishing industry, the emergence of a large number of full-time editors, the change in the nature of publishing houses from public institutions to companies, rapid technological developments in the information age, and China's increasing integration into the global division of labour. This dissertation also highlights the significance of establishing worker organizations and trade unions of media workers, as an effective response to the challenges resulting from both social development and the global division of labour.

### **1.2.1 Class Consciousness of Knowledge Workers**

According to Zhao and Duffy (2007:230), with the development of "authoritarian capitalism," the reconfiguration of class power serves as a constitutive dimension of China's market reform, and it becomes impossible to fully understand the

characteristics of China's socio-economic changes without clarifying China's social classes or conceptualizing China's class relations. In China, due to the massive privatization of the state-owned enterprises and the Party's embrace of information technologies, industrial workers are quickly losing control of the production and technological innovation processes that they gained under the "proletarian politics" of the pre-reform era. Conversely, knowledge workers are normally well-educated, equipped with up-to-date technological skills, and are often situated higher in the social hierarchy. In such a context, first and foremost, this dissertation pays special attention to the emergence of knowledge workers as a leading class of the socialist state by analyzing their common problems, interests, and prospects, because any analysis of the configuration of class power in contemporary China will neither be complete nor accurate without considering knowledge workers as an important part of the working class. Second, in this dissertation, I aim to address the opinions, feelings, sentiments, and changing moods of Chinese media workers, which are best interpreted in the examination of their relationships with other members of the working class, particularly industrial workers.

### **1.2.2 Chinese Media Workers and Editors**

According to the *General Report on the Development of China's Media Industry 2010*, the gross output value of the Chinese media industry in 2010 reached 490.796 billion *yuan*, compared with 210.897 billion *yuan* in 2004 (Cui 2010).<sup>1</sup> The media

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<sup>1</sup> According to the current exchange rate, one Canadian dollar equals to 6.67 Chinese *yuan*. Therefore, the gross output value of the Chinese media industry was 31.6 billion

industry itself is fast developing, and the number of media workers has increased to about three million in 2010. Divided into different occupational sections, media workers in China include editors, journalists, photographers, broadcasters, and publication distributors in publishing, newspaper, broadcasting, television newspaper agencies, and distribution institutions. I aim to examine editors in publishing houses particularly in my dissertation, for the following reasons.

First, the publication industry is developing at an amazing speed. According to *China Statistical Yearbook 2008*, 150,000 different kinds of books were published in 1978 and 256,000 were published in 2008, with the total printed copies of books and sheets rising to 6.936 billion and 56.073 billion from 3.86 billion and 13.54 billion, respectively. The central government has also planned key book publication projects and established prizes for excellent books to promote the development of China's publishing industry. Meanwhile, the number of newspapers, journals and magazines rose from 1098 (168 newspapers and 930 journals and magazines) in 1978 to 11,492 in 2008 (1943 newspapers and 9549 journals and magazines). It is also worth mentioning that along with the rapid development of information industry, the electronic publications market has already taken shape with over 2,000 electronic publications coming out annually. At the same time, the number of editors has grown incredibly in the past few years. Currently, there are 579 publishing houses, 363 audio-visual publishing units, and 228 electronic publishers in China, with 60,906

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Canadian dollars in 2004 and 73.5 billion Canadian dollars in 2008.

full-time editors altogether. They constitute the major component of Chinese media workers.

Second, one of the most important impacts of media reform, especially the media conglomeration process since 2002, is to introduce marketization into the media sector, which has changed the nature of publishing houses from public institutions to companies. In China, the intense competition in the media market has resulted in more diverse and autonomous media, and the spectrum of media products has been expanded, ranging from serious news journalism to purely entertainment stories. However, it also implies that as publishing houses have increasingly become self-supporting through advertising revenues and circulation, editors are less protected by the central government, and more exposed to market competition. To specify, on the one hand, great problems have occurred because the central government still controls and regulates the publishing industry with strict rules and censorship, and on the other hand, it has unloaded its responsibilities to either improve the working conditions of editors or increase their social welfare benefits (Li 1995; Cao 1998; He 2003; Zhou 2005a).

Critically, media reform is accompanied by the changing labour process of editors. Such questions as “Do editors work overtime?”, “Do editors still need to take daily attendance since much of their work now can be done at home?”, “For editors, does editing remain the main task?” sound simple at first glance, but the examination of the labour process, along with the analysis of employment relations, reward systems, and union organizations, becomes a key element to understanding how consent has been

manufactured among editors. According to Michael Burawoy (1979), these elements are so important that they provide a clear vision of the broader political-economic conditions, as well as social patterns of class formation and class reconstitution of editors, both of which are crucial to a political economic analysis.

Third, it is interesting to observe the twofold impacts on editors as a result of rapid technological developments. On the one hand, editors need to pick up new knowledge frequently because knowledge is updated very quickly in the information age. Accordingly, their work pressure has increased substantially, and their work processes are altered in pursuit of effectiveness and efficiency instead of high quality (Wang 2008). On the other hand, new media have emerged on a remarkable scale in China, and they have greatly challenged the editors who are mainly working on books, journals, magazines, and newspapers. Development in China's Internet industry and the mobile media industry has made electronic publications more and more acceptable to readers of all ages, especially to the young generation. Compared with traditional publications, including books, journals, magazines, and newspapers, electronic publications are much cheaper, and they are also more convenient and environmentally friendly. Even though more positions for the editors who provide online readings and mobile texts might be available, most of the editors, who work on traditional publications, are faced with the problem of contingent employment, declining social welfare benefits, and intense work pressure because less and less profit can be generated by the publication of traditional reading materials (Wang 1998; Zhang and Peng 2001; Li 2003; Bi 2005).

Fourth, with China's increasing integration into the global political economy, it is essential to examine editors in the context of the global production of communication and information technologies, focusing on the global division of labour. In recent years, most of the major foreign publishing companies have established branches in China, specializing in copyright trade, business cooperation, as well as market research and development. As Can and Han (2008) point out, China's copyright trade has enjoyed a boom, and over 10,000 kinds of books were imported and 1,300 were exported in 2007. At the same time, foreign companies are also involved in the production of audio-visual and electronic publications in the form of joint ventures in most of the large cities in China. One good example is that in addition to expanding book clubs, Bertelsmann AG has strategically invested in printing, e-commerce, radio and television cooperation with the central government, and most importantly, co-publishing books and magazines with local Chinese publishing houses. Therefore, it needs to be acknowledged that China has become increasingly engaged with the informational global economy, with its economy being continuously reshaped by broader transnational production networks. For this reason, the political economic analysis of editors needs to highlight the transformation of a wide range of social institutions, as a response to global capitalism. Such transformation includes the rapid construction of labour markets, the restructuring of established labour forces, new state policies for regulating social reproduction, dramatic changes within household relations, and the creation of new cultural values (Taylor 2008).

### **1.2.3 Responses and Unions**

In this context, how are Chinese media workers responding? Bahr (1998) argues that labour is organizing in new ways and coping with the challenges of technological developments and institutional convergence worldwide. Converging technologies and converging companies have led media workers to come together across various knowledge industries, in order to seek improved collective bargaining opportunities and successful political interventions. Mosco and McKercher (2008) also maintain that “organized labour has undertaken its own form of convergence, responding to technological and corporate convergence in the knowledge economy, by bringing together workers once divided by technological, craft, and industry barriers” (p. 11). Worker organizations and trade unions are important for knowledge workers because they can be effective in offering a highly mobile workforce plausible benefits, and providing workers who are not eligible for employer-paid benefits with lifelong training, job placement, counseling, and health care plans.

For Chinese media workers, either worker organizations or trade unions were once an integral part of the state socialist system, not as representatives of the working class in opposition to their employer—the state, but as the means of integrating workers into the state socialist system by performing state functions in the workplace and beyond (Luo 1995; Zhang 2001; Shen 2003; Wang 2003). This function, however, has greatly changed due to current social reform and the emergence of the global division of labour. According to the findings from my surveys and interviews, both worker organizations and trade unions have been

transformed into organizations that aim to represent the interests of media workers instead of the state, and take an active role in regulating the employment relationship. Thus, Chinese media workers are becoming less and less dependent on the party-state, and more reliant on higher worker organizations or trade unions, for example, the All-China Federation of Trade Unions (ACFTU), which offers legal and political channels to defend their rights and interests. The ACFTU possesses the expertise, resources, and connections to make sustainable efforts to extending the influences of either worker organizations or trade unions, as well as strengthening their roles in protecting the legitimate rights and interests of the working class.

#### **1.2.4 Research Questions**

To conclude, the primary research question that this dissertation addresses is as follows: how are knowledge workers in China's media industries, particularly editors, responding to the pressure brought about by media reform and social transformation, in the context of technological developments in the information age as well as China's increasing integration into the global political economy? To be more specific, this dissertation seeks to explore:

1. What are the major changes in the labour process for Chinese media workers today?
2. How are these changes connected to the combined pressure of media reform and social transformation? In detail, first and foremost, with the implementation of the marketization process in the Chinese media sector, how are Chinese media workers

coping with, on the one hand, the political restrictions and propaganda functions of the state, and on the other hand, the demanding need to generate profit for their companies? That is to say, how are they serving the political interests of the state, expanding democracy, and promoting political and social reforms at the same time? Second, are Chinese media workers in a precarious condition, considering that contingent employment has become more common, the decline of social welfare benefits has been significant, and work pressure has turned out to be more intense? Third, when Chinese editors are examined from a political economic perspective, is there any inner division, in association with the dominant hierarchical structure, among editors themselves? How do such differences, for example, the differences between senior editors and junior editors, relate to social relations, particularly the power relations, in China's media industries?

3. With technological developments as well as China's increasing integration into the global political economy, what are their impacts on Chinese media workers, particularly editors? To what extent have technological developments changed the labour process of editors, and resulted in their deteriorating conditions? Also, are Chinese editors benefiting from the global division of labour in the media industry? What have they gained and lost when the copyright trade between domestic and foreign publishing houses has become so frequent?

4. How are Chinese media workers responding? Specifically, what types of organizations are they establishing (e.g. worker organizations, trade unions), and how effective are these organizations?

### **1.3 Methods**

According to critical realists, events arise from the workings of mechanisms that are derived from the structures of objects, and are situated within historical contexts (Sayer 2000). As one stream of critical realism, political economy attempts to examine inequality and exploitation in social, political, and economic relations so as to develop normative critiques, and to reject the disconnection between ideology and methodology. It also aims to connect theoretical paradigms to strategies of inquiry and methods of collecting empirical materials (Denzin and Lincoln 2003).

For methodology, this dissertation principally draws from several approaches that rest upon qualitative traditions to critically analyze the factors leading to the precarious condition of Chinese media workers, particularly editors, and more importantly, to examine their responses. Such approaches include archival studies, surveys, and semi-structured interviews.

#### **1.3.1 Archival Studies**

I have examined a large number of newspapers, magazines, pamphlets, government and business reports, and press releases, as the main sources of my data collection.

First, I have collected and studied various Chinese government sources to trace the recent development in China's media industries. The most important sources are government reports, white papers, and policy documents, such as those of the Central Propaganda Department of the CCP (Chinese Communist Party) Central Committee,

the General Administration of Press and Publication (GAPP), and the State Council Information Office. For the authoritative information on labour and employment relations, I have consulted official statistics from the Ministry of Labour and Social Security, and the State Council.

Second, yearbooks are also useful sources. They are considered the most comprehensive and professional sources in China, based on their quality, availability, and costs (Vallas, Finlay, and Wharton 2009). I have used the annual *China Labour Statistical Yearbook*, *Chinese Journalism Yearbook*, *China Publishers' Yearbook*, and *Yearbook of China Information Industry* as references. They provide a comprehensive description of the annual growth of China's media industries, as well as technological developments in China's industrial relations.

Third, it is essential to supplement official statistics with reports from non-governmental organizations, or written by university professors. As Hong (2008) argues, there is a possibility, even likelihood, that the official statistics have been manipulated or that they are mistaken because sometimes they also perform a propaganda function. Therefore, in my case, I have paid specific attention to several important non-governmental reports in the fields of China's media industries and labour relations. Such reports include: "The Report on the Chinese Publishing Industry" by Weihua Zhou (2005b), the chief editor of China Renmin University Press; "The Annual Report on China's Media Development Index 2010" by the School of Journalism, China Renmin University; "The Report on Development of the Chinese Media Industry 2010" by the Chinese Academy of Social Sciences and

Tsinghua University; “The Report on Chinese Labour Issues” by the Labour and Social Security Forum, Beijing; “The Report on Chinese Labour Relations” by Xin Tong, professor from Department of Sociology, Peking University; “The Report on Human Resources Development in Shanghai” by the Human Resources Research Center and the Population and Development Research Center, the Shanghai Academy of Social Sciences.

Most of the archival studies have been conducted at the National Library of China (Beijing, China), Peking University Library (Beijing, China), Shanghai Library (Shanghai, China), Fudan University Library (Shanghai, China), and Queen’s University Library (Kingston, Canada).

### **1.3.2 Surveys**

In addition to the extensive archival studies, I have conducted surveys for a better understanding of editors’ work and life, by gaining their personal information, as well as other important information, for example, the changes in their working conditions and the decline of their social welfare benefits. I sent out 150 questionnaires via email to the editors in most of the large publishing houses in Shanghai.<sup>2</sup> The editors were selected randomly from a list that was provided by an

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<sup>2</sup> The publishing houses where the editors in my surveys are working include: the Shanghai People’s Publishing House, the Children’s Publishing House, the Shanghai Science and Technology Publishing House, the Shanghai Education Publishing House, the Shanghai Translation Publishing House, the Shanghai Lexicographical Publishing House, the Shanghai Ancient Books Publishing House, the Shanghai Century Publishing Group Distribution Center, the Shanghai Literature and Art Publishing House, the Shanghai Culture Publishing House, and the Shanghai Music Publishing House.

official who works in the Publishers Association of Shanghai. I received 128 completed questionnaires.

I divided the survey questions into four sections: personal information, the changes in the working conditions, the changes in the social welfare benefits, and the comments on media reform.<sup>3</sup> To be more concrete:

In the first section — “Personal Information,” I attempted to gain basic information about the editors, such as their age, gender, marital status, and educational background.

In the second section—“The Changes in the Working Conditions,” I raised 15 questions to examine the following five aspects: the length of their services in the publishing house, their actual and expected monthly incomes, the number of overtime hours they work, their attitudes toward contingent employment, and how often they have signed contracts. Also, I designed several detailed questions to specifically investigate whether editors are satisfied with their working conditions, such as “Have you ever changed your job?”, “What are the problems of the evaluation system in the publishing house?”, and “What is the major pressure as an editor?”.

In the third section—“The Changes in the Social Welfare Benefits,” I intended to examine whether editors are receiving subsidies for housing, medical insurance, and unemployment benefits.

In the last section—“The Comments on Media Reform,” I asked the editors about their general thoughts on media reform, both its positive and negative effects,

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<sup>3</sup> See Appendix A for the original survey questions.

and more importantly, how worker organizations and trade unions are taking an effective role in protecting their legitimate rights and interests.

### **1.3.3 Semi-structured Interviews**

This dissertation looks into two cases—one is the Shanghai Science and Technology Publishing House, and the other is the Shanghai Education Publishing House. As Yin (2009) maintains, case studies allow for not only the examination of the particular complexities of a case, but also enable the researcher to gain incredible insights into larger systematic issues—an appropriate methodology for the researcher who wants to look at an issue using both close- and long-focus lenses (Yin 2009).

#### **1.3.3.1 What Makes These Two Publishing Houses Special**

The Shanghai Science and Technology Publishing House, established in 1956, is one of the largest and most comprehensive publishers in China. It puts out nearly 1,000 titles of books every year, together with five different journals and seven different magazines. Because of its wide variety of publications and the large scope of its readership, the Shanghai Science and Technology Publishing House enjoys an elevated reputation in China's publishing industry. Also, it is among the first Chinese publishers to begin cooperation with international publishers. This serves as the main reason why I chose it as my case study. As of 2012, it has published more than 200 titles of co-publications, cooperating with many publishers all over the world. Therefore, the study of the Shanghai Science and Technology Publishing House has

shed light on the understanding of editors' work process, as well as how it has been changed with China's increasing integration into the global political economy, and with the influences of the global division of labour.

The Shanghai Education Publishing House is a professional publishing house for the education sector. Its purpose is to offer educational services and disseminate information about diverse cultures. Thus, newspapers and magazines are published specifically for students at all levels every year. About 2,000 different kinds of books, newspapers and magazines have been published since its foundation in 1958. Most importantly, as a publishing house that exclusively deals with educational materials, the Shanghai Education Publishing House used to be a public institution, and was affiliated with the Shanghai Education Bureau. However, with the implementation of media reform and marketization, it changed into a company. As a consequence, fundamental changes have occurred. First, the publishing house now needs to support itself financially while profit was never a concern before the reform. Second, it used to receive a lot of favourable policies from the municipal government; however, government subsidies are becoming less available. Third, it is now operating in a more open market, accompanied by the fierce competition with other state-owned publishing houses, private publishing houses, and even foreign publishing groups that also produce educational materials. For the above reasons, it is important to use the Shanghai Education Publishing House as a case study to scrutinize both the opportunities and challenges for editors brought about by media reform. To be more precise, how has their work process been changed? Have their social welfare benefits

been affected? All in all, to what extent have their working conditions become precarious? These are the key questions in this case study.

### **1.3.3.2 Basic Interview Questions**

With the assistance of my supervisor, as well as professors from both the School of Journalism and the School of International Relations and Public Affairs at Fudan University, I successfully contacted the “leaders” (*lingdao*) of both the publishing houses to authorize my interviews with the editors and union officials. After obtaining their permission, I selected the participants from the pool that was recommended by the leaders, including editors and union officials of different age, gender, and occupational rank. Afterwards, I contacted each editor and union official individually, in order to confirm whether he/she agreed to participate in my interview. I provided each of them with a copy of the Letter of Information (See Appendix B) and the Letter of Consent (See Appendix C). In my case, correspondence took place via email, regular mail and telephone. Only upon their agreement to the terms specified in both the letters did I start to conduct my interviews. Altogether, I interviewed four editors and two union officials in each publishing house.

My interviews combined both structured and open-ended questions, and each interview lasted for two to three hours. Most of them were conducted in the publishing houses where the editors work. The questions that I asked basically followed the Interview Outline (See Appendix D), which was distributed together with the Letter of Information and the Letter of Consent. However, I emphasized

different questions for different groups. To explain, my questions for editors mainly focused on their changing labour process as well as the decline in their social welfare benefits. While talking to union officials, I raised questions about the main functions of trade unions in publishing houses and the practical problems for better organizing editors.<sup>4</sup>

It is important to note that overall, both editors and union officials were open and willing to share their stories. Yet, from time to time, they still appeared alert about being openly critical of their employers. Although I fully explained the purpose of my interview and guaranteed confidentiality, some editors and union officials hesitated and fell silent during the interview when sensitive question arose. The location and time limit of my interviews definitely constrained what they would like to tell me.

#### **1.3.4 Supplementary Interviews**

I supplemented two case studies with another five interviews of three editors and two union officials, who work in other major publishing houses in Shanghai.<sup>5</sup> In addition, I conducted two interviews with the officials from the Shanghai Publication Bureau and the Publishers Association of Shanghai. These interviews, when combined with the first-hand data that I collected from my case studies, helped to

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<sup>4</sup>For the detailed questions that I have specifically asked for both editors and union officials in the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House, see Appendix E Interview Questions for Editors and Union Officials.

<sup>5</sup>The three editors come from the Shanghai Art and Literature Publishing House, the Shanghai Lexicographical Publishing House, and Fudan University Press. Meanwhile, one union official works in the Shanghai Art and Literature Publishing House, and the other works in Fudan University Press.

comprehensively understand the precarious condition in which editors, Chinese media workers in general, are situated.

My questions for the government official from the Shanghai Publication Bureau concentrated on how government at all levels in China (central, provincial, and local) is responding to the precarious condition that media workers are now faced with, particularly the decline of social welfare benefits. I was also interested in knowing more about the policies that have been implemented, and will be implemented, to expand the influences of both worker organizations and trade unions. My questions for the official from the Publishers Association of Shanghai mainly explored the activities organized by the association to link together editors of different age, gender, job title, and educational background from different publishing houses, and more importantly, to investigate the institutional arrangements that can unite editors.

In addition, I have engaged in several informal conversations with professors who specialize in the political economy of communication at Queen's University, Fudan University, Peking University, and elsewhere. Their discussions added a lot of theoretical depth to my research. Appendix F outlines all the interview participants and their basic background information.

### **1.3.5 Ethics in Both the Surveys and Semi-structured Interviews**

There are three ethical issues in both the surveys and semi-structured interviews that need to be addressed.

First, as Berg (2007) emphasizes, subjective decisions are involved in every step of the case study—from deciding which case to examine to the final hours of writing up the findings. He also suggests that subjective decisions are firmly associated with both sample bias and measurement bias in data collection and analysis. In detail, sample bias, in my case, might occur if participants are not chosen randomly from the population, or the publishing house being studied is not representative. At the same time, measurement bias is likely to arise, given that the definitions of democratic, authoritarian, and commercial are somewhat individually contingent. However, these statements are true, not in a sense that every possible means should be tried to avoid succumbing to any subjective decisions, but that decisions should be made mindfully and criteria chosen carefully (Stake 2000).

In both my surveys and interviews, I adopted a mixed-methods approach, also known as triangulation, to conduct my research, dedicating every effort to clearly spell out the choices that have been made and the direction that has been taken. Denzin and Lincoln (2008) argue that studies that rely on multiple sources of data are more likely to be accurate. Triangulation—examining the same research questions by using multiple sources (in this dissertation: documents, observations, surveys, and interviews)—has offered a more accurate picture of what is being studied.

The second ethical issue relates to the anonymity of the participants. Stake (2000) maintains that any qualitative research which is interested in people's personal views and personal circumstances could potentially pose a risk to the participants, leading to their loss of employment, self-esteem, or their standing in the community. The

anonymity of the participants in both my surveys and interviews is even more significant, due to the fact that censorship is still extremely strict in China, and participants can be easily identified with the specific information provided. To handle this situation, I adopted several important methods to protect the participants.

To elaborate, upon the first contact, I informed potential participants of their rights to withdraw from the study at any time—before the interview, during or even after it. I reminded the participants that if they chose to withdraw their information, it would be deleted from the database immediately and permanently. Both the Letter of Information and the Letter of Consent contained details about the rights to withdraw, and the letters were distributed before the interviews.

In my case, all the participants refused to be tape recorded. I was not surprised because most of the participants noticed that there was enormous pressure if they commented negatively on the Party principle. Instead, with their permission, I took notes during the interviews. I informed the participants that the notes would only be used for the purposes of this dissertation, and at no time would the notes be made available to anyone other than my supervisor and me. In addition, the participants were also informed that the notes would be kept in a locked cabinet in my campus office, and the data on the computer would be password protected. Besides, both the notes and the data would be destroyed upon the completion of the dissertation defense. Confidentiality was also protected by the concealment of the participants' names and identities.

The third ethical issue is associated with language and cultural sensitivities. I conducted most of my interviews in Chinese because English is not an official language in China, nor is it widely used in the Chinese publishing industry. Taking into consideration that possible misinterpretations of the participants' ideas might occur when they are translated from Chinese into English, I employed several specific strategies to minimize the risk of misinterpretation. First, I asked each participant whether he/she wanted to be interviewed in English at the beginning of the interview. Second, during the interview, I frequently stopped to ask each participant whether his/her ideas could be expressed in other Chinese terms that would be more easily and directly translated into English. Third, at the end of the interview, I asked each participant if I could contact him/her later to confirm that my interpretation of his/her ideas was correct. Fourth, the Letter of Information, the Letter of Consent, and the Interview Outline were provided in both English and Chinese.

#### **1.4 Organization of the Study**

The dissertation seeks to provide a panoramic view of Chinese media workers, particularly editors, by developing a systematic examination of the three entry points of the political economy of communication—commodification, structuration, and spatialization, according to Mosco (2009), with its application to understanding the challenges confronting Chinese media workers, brought about by social development and China's increasing integration into the global political economy. More importantly, this dissertation also tries to understand how Chinese media workers are

effectively responding to both national and international changes aforementioned. The study is organized as follows.

Chapter two takes on the question of how this dissertation is empowered by political economic theories of communication and development. Within the overall framework of the political economy of communication, two central concepts are addressed: Chinese media reform and knowledge workers. First, to better understand China's media reform, this chapter offers a thorough analysis of the relationship between current media reform and the Party principle, media commodification, and media democracy. As for the examination of knowledge workers, it is critical to explore their connections to industrial workers as well as to the party-state, the influences of globalization, particularly neoliberalism and the global division of labour, and the functions of trade unions when they are responding to the challenges brought about by current social reform.

The following three chapters develop a substantive map of the political economic analysis of Chinese media workers. To specify, chapter three concentrates on the commodification process of the political economy of communication by focusing on Chinese media reform, especially the media conglomeration process since 2002, as an indication of social development. It is undeniable that the intense competition for the media market has resulted in more diverse and autonomous media, which has significantly promoted media democracy. However, at the same time, with regard to media reform, and social development in a broader sense, Chinese media workers, particularly editors, are increasingly confronted with the problem of contingent

employment, declining of social welfare benefits, and intense work pressure, all of which largely contribute to their precarious working and living conditions.

Addressing the structuration process of the political economy of communication, chapter four reveals that in addition to the problems brought about by Chinese media reform, Chinese media workers are faced with the following five critical problems, as a result of the fundamental social changes, including technological, political, and economic ones, and most importantly, the changes in class relations and power dynamics. Therefore, they have become even more precarious. The five problems are: problems related to technological changes, the problems on how to follow the Party principle in the media marketization process, those on the marketization process in the social welfare system, the problems brought about by the smashing of the work-unit system, and the conflicts resulting from the inner division within the working class. Special attention is drawn to the inner division among editors because there is a growing tension between senior and junior editors in publishing houses, manifested in struggles for power in the publishing industry hierarchy.

As both chapters three and four have situated Chinese media workers in domestic social economic and political development, chapter five attempts to broaden the theoretical horizon into a global perspective with China's increasing integration into the world economy, concentrating on the spatialization process of the political economy of communication. It is essential to examine how Chinese media workers have encountered globalization, embodied in the widespread influence of neoliberalism, as well as the unbalanced global division of labour. On the one hand,

this chapter explores how neoliberal ideas have influenced editors to “dance with chains” (Zhao 1998:161), under the construction of a particular kind of market economy that increasingly incorporates neoliberal elements along with authoritarian centralized control (Harvey 2005). On the other hand, it examines how media workers have financially profited from the copyright trade between domestic and foreign publishing houses that has developed in an extremely unbalanced manner, and how they are exploited when connected to the global networks of wealth, power, and symbols.

In chapter six, I seek a plausible solution for Chinese media workers to overcoming the above problems by addressing the benefits of labour convergence, the basic functions and major limitations of worker organizations and trade unions, and how they can, particularly the ACFTU, further help Chinese media workers better deal with the challenges associated with current Chinese media reform when labour unrest is on the rise.

It is important to emphasize that in China, while capitalist interests are becoming more integrated at a global level, together with the decentralizing power of social networks, divided bargaining does not help Chinese media workers because it leads to the development of a status hierarchy within the company that benefits some workers at the expense of others. At the same time, it also creates opportunities for bargaining that plays one unit of labour against another, thereby fomenting conflicts within and between different groups of workers (Mosco and McKercher 2008). Centralized bargaining and convergence in the forms of worker organizations and trade unions,

however, have become effective weapons for Chinese media workers to enhance their collective identity, and attain values of long-term stability and labour harmony. In China, as my surveys and interviews reveal, both worker organizations and trade unions are effective in promoting regulatory protections that limit work hours and set a minimum wage, carrying out workplace health and safety-standards, as well as establishing centralized and standardized union structures for Chinese media workers.

Under the umbrella of transcultural political economy (Chakravarty and Zhao 2008), the concluding chapter summarizes the findings of the dissertation. It is significantly important to examine Chinese media workers, particularly editors, by inquiring into the possibilities of reconstituting the party-state, restructuring the Chinese media industry, as well as reshaping the state's ideological, cultural, and normative underpinnings, with the emphasis on the commodification, structuration, and spatialization processes of the political economy of communication.

To conclude, by scrutinizing the trajectories of the labour process transformation of Chinese media workers; their changing social, economic, and political roles; and their dilemmas, challenges, and opportunities in relation to current social reform and China's increasing integration into the global political economy, I aim to help Chinese media workers better understand their work, the difficulties associated with it, and how it compares with the work of knowledge workers worldwide. I also intend to benefit the research community by applying the processes of commodification, structuration, and spatialization of the political economy of communication to the analysis of the challenges that are confronting Chinese media workers, due to social

transformation, as well as China's increasing integration into the global political economy. In other words, this dissertation aims to advance theory and research on knowledge workers in China, especially through a political economy approach. Most importantly, I attempt to benefit the sociology of knowledge, technology, and culture, especially the political economy of communication in contemporary China, by providing suggestions about how to improve the working conditions of knowledge workers who play a pivotal and ever-growing role in the information era.

## **Chapter Two**

### **Literature Review: Political Economy, Media Reform, and Knowledge Workers**

#### **2.1 Introduction**

What is political economy? What are the characteristics of political economy? This chapter starts by answering these two questions with the purpose of offering a brief overview of political economy, which lays the theoretical foundation of this dissertation. Based on the literature review of political economy, the chapter continues with the examination of two central concepts that are closely related to Chinese media workers: media reform and knowledge workers. Interestingly, Chinese media workers are trapped in a dilemma: they face the dual challenge of dealing with the state elite as described by the propaganda model, as well as dealing with the process of commodification led by the economic elite who have profited from it. A detailed analysis of such a dilemma involves exploring three major components of China's media reform: the Party principle and the propaganda model, media commodification, and media democracy. Furthermore, it is important to explore the relationship of knowledge workers to industrial workers as well as to the party-state, the influence of globalization, particularly neoliberalism and the global division of labour, and the responses of Chinese media workers to the challenges brought about by current social reform. Therefore, class analysis, globalization, and trade unions are the three aspects that I address in the analysis of Chinese media workers.

#### **2.2 Literature Review: Political Economy**

### **2.2.1 What Is Political Economy?**

The dissertation primarily draws on the theoretical trajectory of political economy. Political economy can be described as “the study of social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources, including communication resources” (Mosco 2009:2). According to this definition, political economists are not merely interested in analyzing the meaning of media messages, but more profoundly, they intend to explore the social processes through which these messages are constructed and interpreted, and the contexts which shape and constrain these constructions.

Mosco (2009) also maintains that political economy deals with a wide range of issues, relating to both control and survival in social life. In order to study of control in social life, political economy specifically looks at how a society organizes itself, with the analysis of how the internal organization of social group members adapts to or fails to adapt to the inevitable changes that all societies are faced with. For the study of survival, it examines how people produce what they need to reproduce themselves and to keep their society going. That is to say, it is important for political economists to examine not only the political aspect of social life, by concentrating on the control process which encompasses the social organization of relationships within a community, but also the economic aspect, by focusing on the survival process which involves production and reproduction (Mosco 2009).

Essentially, political economy addresses the operation of power, which, by contrast, contemporary economic theory largely ignores in its examination of the

marketplace (Rothschild 2002). The analysis of power relations links political economy with communication because both of them discuss critical issues related to capitalism and democracy, directly deal with commercial and material issues, and are concerned with issues of social justice and political self-government. Therefore, the following issues are generally listed on the agenda of the political economists of communication: market structure, advertising support, labour relations, profit motive, technologies and government policies that are shaping media industries, journalistic practices, occupational sociology, and the nature and content of the news and entertainment (Mansell 2004).

Furthermore, the political economy of communication also aims to understand how power is structured and differentiated, where it comes from, and how it is renewed (Garnham 2000). This suggests an examination of communication to show how the structuring of global networks, and the flows and consumption of digital information are informed by both predominant and alternative principles, values, and power relations. According to William Melody (1994), the political economists of communication draw increasing attention to the circumstances that give rise to any given distribution of power and of the consequences for consumers and citizens.

To summarize, the political economy of communication focuses on the nature of the relationship between media and communication systems, in a larger sense, the social structure of society. It attempts to examine how media and communication systems and content reinforce, challenge or influence existing class and social relations, and it particularly seeks to explore how economic factors influence politics

and social relations. In addition, as Robert McChesney (2000, 2007) argues, the political economy of communication specifically looks at how ownership, support mechanisms and government policies, in association with power relations, influence media behavior and content. It concentrates on the structural factors and the labour process in the production, distribution, and consumption of communication.

### **2.2.2 The Central Qualities of Political Economy**

According to Mosco (2009), there are a set of central qualities that characterize the political economy of communication, which have broadened its meaning beyond what is typically provided in definitions. The political economy of communication is characterized by addressing social change and historical transformation, the totality of social relations, moral philosophy, and social praxis.

First and foremost, political economists of communication have consistently concentrated on understanding social change and historical transformation. The founding figures, such as Adam Smith, David Ricardo, and John Stuart Mill, primarily explored the capitalist revolution, and the social transformation that had led to the emergence of an industrial society in their times. Karl Marx critically examined the dynamic forces within capitalism and the relationship between capitalism and other forms of political-economic organizations, in order to comprehensively understand the processes of social changes that would result in socialism (Mosco 2009). Contemporary political economists of communication attempt to take on the central questions of our time, trying to figure out the fundamental rearrangement of

social structures and processes, particularly with the examination of the following four historical processes: the growth of the media, the extension of corporate reach, commodification, and the changing role of state and government intervention (Golding and Murdock 2005).

Second, political economy is holistic in the sense that it concentrates on examining the totality of social relations that involve the economic, political, social, and cultural aspects of social life. This indicates that compared with mainstream economics, which predominantly sees the economy as a separate and specialized domain, political economy focuses on the interplay between economic organizations and political, social, and cultural life (Golding and Murdock 2005). Mosco (2009) points out that a commitment to the social totality not only means understanding the connection between the political and the economic, but also means linking society's political economy with the wider social and cultural field. Therefore, most political economists try to understand how power and wealth are related, and how these are in turn connected to social and cultural life. Political economists of communication in particular are keen to understand the relationship of power and wealth to mass media, information, and entertainment.

Third, Mosco (2009) implies that "political economy is also noted for its commitment to moral philosophy, which means that it cares about the values that help to create social behaviour and about those moral principles that ought to guide efforts to change it" (p. 4). In other words, political economy goes beyond technical issues of efficiency and effectiveness to engage with such basic moral questions as social

justice, social inequality, and the public good. The moral dimension of political economy remains strong because it provides a powerful defense of democracy, equality, and the public sphere in the face of dominant private interests (Artz, Macek, and Cloud 2006).

Political economists pay close attention to the distortions and inequalities of the market system. Golding and Murdock (2005) argue that the concept of the “public good” is the basis for the analysis of the balance between the public and private sector, as well as the analysis of constructing a public cultural space, which is open, diverse, and accessible. According to Jurgen Habermas (1991), communication has become a central component of democracy, and therefore, the central problem of the political economy of communication has been the matter of determining a more democratic media system than that provided by the market. The political economy of communication addresses the key issues surrounding the relationship among communication, democracy, and capitalism, thereby promoting a deeper understanding of democracy.

Fourth, political economy is concerned with social praxis, or the unity of thinking and doing. Mosco (2009) pinpoints that against traditional academic positions which separate research from social intervention and the researcher from the activist, political economists have consistently viewed intellectual life as a means of bringing about social change and social intervention as means of advancing knowledge. Political economists of communication have conducted a large number of field studies, being fully engaged with the participants of their research. For example, by leading a

field study in an Indian village called Ramanagara, Manjunath Pendakur (1993) highlights the post-colonial condition of the Indian economy, where its integration into the world capitalism is well on its way. He also highlights the changes in the way people think about locale, identity, and culture. More importantly, he addresses the uneven development process, due to the distribution of power in association with class, caste, and gender. In “Women and Knowledge Work in the Asia-Pacific: Complicating Technological Empowerment,” McLaughlin and Johnson (2007) closely examine female knowledge workers in Singapore and Malaysia, and find that discrimination, based on both structural and social elements, is reproduced in women’s use of technologies. As such, they critically urge a change of hierarchical and patriarchal authority, including the changes in social attitudes, cultural ideologies, and gender stereotypes.

In fact, many political economists of communication have turned out to be social activists in social movements in pursuit of moral philosophy that is deeply rooted in the tradition of the discipline. They are promoting women’s rights and opposing domestic violence, defending the rights of gays and lesbians, promoting the rights of migrant workers, and becoming leaders of environmental movements (Ogden 2004). Specifically, in alliance with feminists, political economists have pushed government officials to implement social policies that facilitate women’s agency and protect their interests in the name of social justice, rather than offering women more education and job opportunities solely for the purpose of national economic development (Riordan 2002). Working together with union officials, political economists also succeeded in

advancing numerous trade union movements in the information age by incorporating the new tools of information technology and telecommunications. Most ambitiously, they are still striving to fabricate a complex web of communication networks and information sources, which could possibly link national unions, workplaces, non-governmental organizations, and other popular organizations (Sussman and Lent 1998).

To conclude, political economy is the study of social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources, including communication resources. It is also the study of control and survival in social life. Therefore, adopting both a realist and materialist epistemology, and locating their critical analysis historically and holistically, political economists concentrate on the issues that are intimately associated with audience commodities, corporate power, the social totality, the propaganda model, and the public sphere. In other words, rather than scrutinizing texts, discourses or symbolic meanings, political economists aim to understand the production of meaning as the exercise of power, the construction process of public discourses by promoting certain cultural forms over others with the economic dynamics of production, and the barriers that limit the freedom of consumption, for example, time, space, and cultural competence.

### **2.3 Literature Review: Media Reform**

From the time China's economic reform began in 1978, many political commentators have tried to characterize China's transition from a planned economy to a market economy under various formulations: post-socialism, state capitalism, even social capitalism (Dirlik 1989). The regime has settled on "the socialist commodity economy," along with the one-size-fits-all epithet, "socialism with Chinese characteristics." In such a context, media reform was implemented, with three key concepts associated with it, namely, the Party principle and the propaganda model, media commodification, and media democratization.

### **2.3.1 The Party Principle and the Propaganda Model**

The Party principle is a good starting point for understanding that Chinese media workers are still obliged to serve the political interests of the authoritarian state. In *A Teaching Program for Journalism Theory*, Tong and Cheng (1993) mention that with the legacy of Party journalism, at the present time, the media structure is dominated by the Party committee at each hierarchical level. As a consequence, the Party principle is unconditionally and strictly obeyed in the media sector, and it comprises three basic components: "that the news media must accept the Party's guiding ideology as their own, that they must propagate the Party's programs, policies, and directives, and that they must accept the Party's leadership and adhere to the Party's organizational principles and press policies" (Tong and Cheng 1993:148).

In *Media, Market and Democracy in China between the Party Line and the Bottom Line*, Zhao (1998) furthers Tong and Cheng's arguments by indicating that in

responding to the Party principle, Chinese media workers are therefore required to fulfill two interrelated tasks. On the one hand, from a bottom-up approach, they ought to report people's opinions, concerns, and aspirations to the cadres who are working directly with the people in the Party committee, so that a strong connection between the Party and the masses can be achieved. On the other hand, from a top-down approach, Chinese media workers are assumed to "bring the Party program, the Party line, and the Party's general and specific policies to the people in the quickest and most extensive ways" (Mao 1991:241). According to Gan (1994), Chinese media workers should take the responsibilities to educate the people to be more united and to make improvements in socialism. They must not do the opposite by publishing materials (mainly books, journals and magazines, and newspapers) to create political division or ideological backwardness among the people. This is the lofty sense of responsibility of the socialist journalistic enterprise.<sup>1</sup>

One consequence of the unconditional obedience to the Party principle is that the mass media in China have performed a propaganda role. According to the propaganda model, as proposed by Edward Herman and Noam Chomsky (1988), the mass media are carefully selecting contexts, promises, and the general agenda in order to serve the interests of the elite. It is critical to consider the propaganda model as a key element to understanding the role that Chinese media workers are actively playing because it

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<sup>1</sup> Under the guidelines of the "Four Cardinal Principles," which serve as the foundation of socialism, media workers are supposed to uphold the socialist road, the dictatorship of the proletariat, the leadership of the Chinese Communist Party, and Marxism-Leninism-Mao Zedong Thought, in order to stabilize the political and ideological fields for post-Mao transformation.

deals with the inequality of wealth, and most importantly, it involves power analysis at its core. Herman (1998, 2000) also argues that in accordance with the principles of the propaganda model, the mass media are highly functional for the established power and responsive to the needs of the government, the social elite, the leaders of the corporate community, and the top media owners and executives. Therefore, the analysis of the propaganda model is a useful tool within the overall political-economic model.

Specifically, in China where the levers of power are in the hands of the state bureaucracy, the monopolistic control over the media, often supplemented by official censorship, makes it clear that media serve the ends of the dominant elite. In this regard, Chu (1994) argues that Chinese media workers are expected to commit to their social responsibilities, not the responsibilities to enable the public to assert meaningful control over the political process, but the responsibilities to inculcate and defend the economic, social, and political agenda of the privileged groups. In practice, this can be achieved in various ways, for example, through the careful selection of topics, selective distribution of concerns, framing of issues in favourable language, filtering of information according to the interests of the Party, and keeping economic, social, political, and cultural debates within the bounds of acceptable promises (Chomsky 1982; Starck and Xu 1988; Cheek 1989).

### **2.3.2 Media Commodification**

Following the Party principle, Chinese media workers are supposed to serve the propaganda function of the mass media. However, it is equally important to pinpoint that media workers are currently faced with the challenges of media commodification and democratization, both of which are brought about by current social reform.

Mosco (2009) defines commodification as a process of transforming things valued for their use into marketable products that are valued for what they can bring in exchange. In other words, “Commodification is the process of transforming use values into exchange values” (Mosco 2009:129). The public’s growing demand for more media services, as well as fewer economic subsidies by government at all levels, has motivated the Chinese media industry to seek other sources of financing by promoting media commodification. According to Dallas Smythe (1977), the mass media are constituted out of a process which sees media companies producing audiences and delivering them to advertisers. This process is also known as commercialization, a process concentrating on the use of media advertising to perfect commodification in the entire economy (Garnham 2000; Mosco 2009).

To elaborate on this point in the Chinese context, advertising has become China’s fastest growing industry since the early 1980s with favourable government policies and a rapidly expanding market economy. When the mass media are increasingly linked with business through advertising and sponsorship, they no longer simply perform a propaganda role, especially with the emergence of business conglomerates in the media sector. Susan Shirk (2011) compares the role that the mass media play before and after current media reform in her latest edited book *Changing Media*,

*Changing China*. She argues that in the pre-reform era, the Chinese public received all of its highly homogenous information from a small number of officially controlled sources. The media were called the “throat and tongue” of the Party, and their sole purpose was to mobilize public support by acting as loudspeakers for the policies of the Chinese Communist Party (CCP). However, beginning in the early 1980s, the structure of China’s mass media changed because newspapers, magazines, and television stations were driven to enter the market and to earn revenue. With the audience becoming eager for information and manufacturers constantly advertising their products, the increase of profit in the media sector has been steady, and the number of publications has grown rapidly. In addition, when examining the influences of media commercialization, professionalism, and the Internet on China’s emerging public sphere in an era of transition, Gang and Bandurski (2011) emphasize that media commodification has accelerated since 2000, especially after the media conglomeration process that started in 2002, as the central government sought to strengthen Chinese media organizations in order to compete with foreign media companies.

Both Zhao (1998, 2008) and Shirk (2011) have drawn specific attention to the practical impacts of media commodification in their works. According to *The General Report on the Development of China’s Media Industry 2010*, the financial impacts of media commodification are rather obvious given that the total outcome of the Chinese media industry reached 126 million *yuan* in 1998, and by 2010, that figure had nearly

quadrupled to around 490 million *yuan*. However, the social impacts of media commodification are more profound according to these two scholars.

First, the CCP has eliminated mandatory subscriptions to official newspapers and ended subsidies to most papers. Even nationally circulated, official papers like *The People's Daily*, *The Guangming Daily*, and *The Economics Daily* are now sold at retail stalls and are competing for audiences.

Second, about a dozen commercial newspapers with national circulations of over one million readers are printed in multiple locations throughout the country. It is also worth highlighting that although most of the commercial publications are part of media groups led by the Party, they appear to be very different. In contrast to the stilted and formulaic language of official publications, the language of the commercial press is lively and colloquial. Because of this difference in style, people are more apt to believe that the content of commercial media is true.<sup>2</sup>

Third, regarding the power shift brought about by the growth of media commodification, unsurprisingly, the number of reports on issues at national and provincial levels has decreased substantially, based on the fact that these issues are more likely to be involved with propagating the policies of the Party. Conversely, Chinese media workers have shown their growing interests in reporting metropolitan

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<sup>2</sup> This statement is echoed by Daniela Stockhann. She (2011) maintains that consumers seek out commercial publications because they consider them more credible than their counterparts from the official media. Surprisingly, even in Beijing, which has a particularly large proportion of government employees, only about 36 percent of residents read official papers such as the *People's Daily*, and the rest read only semi-official or commercial papers.

issues, which are more related to the affairs closer to the daily lives of the urban population. These issues are normally less political, and more consumer-oriented.

To conclude, it is apparent that in China, with the implementation of the media commodification process, the levels of bureaucratic control in news production have been reduced. This in turn makes the entire media sector less political. With Chinese media workers increasingly gaining journalistic autonomy, they have accumulated a sense of job satisfaction derived from the relevance of their work to the daily lives of the audience. Accordingly, they have managed to produce new publications that are mostly devoted to business information and infotainment.

### **2.3.3 Media Democratization**

In order to follow the Party principle and meet the challenges of media commodification at the same time, Chinese media workers are assumed to act as the defenders of the Party, but equally significant, they are supposed to pursue business interests. How would media workers respond if these two missions conflict? The question falls back on media democratization, another key aspect in the examination of Chinese media workers (Hackett and Carroll 2006).

According to Crawford Macpherson (1977), media democratization comprises efforts to change media messages, practices, institutions, and contexts inside the media system, including changing state communication policies, in a direction which enhances participation and equality, and helps to build a social order which nurtures the autonomy of individuals and their developmental power. More importantly, media

democratization also involves efforts outside the media system, for example, the democratization of the economy and the state, and the equalization of communicative and material resources available to citizens. Both of them have played a pivotal role in the process of media democratization from a much broader political and cultural perspective.

In “Political Communication Systems and Democratic Values,” Gurevitch and Blumler (1990) specifically concentrate on the functions and services that media perform and provide in pursuit of democracy. The functions and services include:

1. Surveillance of the sociopolitical environment, reporting developments likely to impinge, positively or negatively, on the welfare of citizens.
2. Meaningful agenda-setting, identifying the key issues of the day, including the forces that have formed and may resolve them.
3. Platforms for an intelligible and illuminating advocacy by politicians and spokespersons of other causes and interest groups.
4. Dialogue across a diverse range of views, as well as between power holders (actual and prospective) and mass publics.
5. Mechanisms for holding officials to account for how they have exercised power.
6. Incentives for citizens to learn, choose, and become involved, rather than merely to follow and kibitz over the political process.
7. A principled resistance to the efforts of forces outside the media to subvert their independence, integrity, and ability to serve the audience.
8. A sense of respect for the audience member, as potentially concerned and able to make sense of his or her political environment (Gurevitch and Blumler 1990:25-26).

Then, how is China’s media democratization, which focuses on the values of inclusivity, mutuality and justice? As Zhao (1998) discovered in her book *Media, Market, and Democracy in China between the Party Line and the Bottom Line*, journalism practices in the popular commercial sector have made some important contributions toward democratization, with an appreciation of the importance of media professionals who speak on behalf of the people, and public participation

which dethrones the self-important, self-appointed media. Zhao reflected, “It is rather obvious that the emergence of a commercialized sector, in favour of ordinary people, has been addressing their concerns, speaking their languages, and treating them as protagonists” (1998:156).

However, numerous scholars have argued that such changes are not fundamental, even though the public’s need for entertainment, social, and business information, and more generally, its participation in economic and cultural life through the media are acknowledged and partially fulfilled (Lee 1994a; Sun 1994; Hackett and Zhao 1997). To be more specific, Pei (1994) contends that inside the media system, the accessibility to political information, the meaningful participation in political life, and the significant role in making key economic decisions of the mass media are not encouraged by the Party, and sometimes they are opposed. Outside the media system, it is also taken for granted that the Party principle must not be directly challenged under any circumstance. As a result, Chinese media workers survive by merely softening the tones of political propaganda—moving beyond its narrow concentration, and broadening its content to include social and personal issues. Therefore, in reference to media democratization, it is more accurate to maintain that China’s mass media serve as a supplementary rather than an oppositional institution to the more conventional Party organs. Chinese media workers have to gain the ability to put on a good show while “dancing with chains” (Zhao 1998:161).

“Globalization and the Chinese Media: Technologies, Content, Commerce and the Prospects for the Public Sphere” explores the relationship of Chinese media

democratization to globalization. According to McCormick and Liu (2003), the flow of media technologies, content, and business models across China's boundaries has increased, and it has also significantly transformed the public sphere.

First, in terms of globalization and media technologies, each of the media technologies, including gramophones, radios, videos, and televisions, has had an impact on the social distribution of ideas and information. More critically, each of them has had an enormous impact on the changing configuration of institutions—successive new media technologies have enjoyed progressively less centralized, less politicized, and more commercially oriented institutional frameworks.

Second, to associate media content with globalization, it is worth mentioning that while China's political authorities retain a heavy hand, globalization has increased the volume and diversity of images and information available to Chinese audiences. Globalization also offers Chinese citizens new resources that have the potential to establish a more open and reasonable public sphere. According to Daya Kishan Thussu, “mobility of the media is a key characteristic of the increasingly digitised global communication ecology” (2007:1). In a digitally connected globe, flows of all kinds of information—political discourse, scientific research, corporate data, personal communication, and media entertainment—circulate around the world at a speed unimaginable even a decade ago.

Third, linking globalization with business models, McCormick and Liu (2003) argue that due to the widespread expansion of media commodification, influenced by the Western concept of consumerism, Chinese audiences are less exposed to official

public discourses, and more exposed to such topics as fashion, education, community, and professional training. As Davis echoes:

[R]apid commercialization...broke the monopolies that had previously cast urban consumers in the role of supplicants to the state...[R]eformers became increasingly indifferent to how citizens used their new commercial freedoms. And in this more lightly censored terrain, urban residents initiated networks of trust, reciprocity, and attachment that differed from the vertical relationship of obedience between subject-citizens and Party or government officials...the greater affluence and new consumerism of the 1990s have weakened the hegemonic sureties that defined urban life throughout the 1960s and 1970s (Davis 2000:2-3).

To conclude, according to Donald, Keane and Hong (2002), media reform in China concentrates on the gradual decentralization of management, deregulation for media industries, and diversification of publications, with the emergence of a new middle class that controls economic and social capital. However, the central government has never lost the control of media industries. China's mass media are owned and operated either by the Central Committee of the CCP or by municipal/provincial Party organs at various levels. Also, by serving as instruments of the Party and the state for political propaganda and political conformity, Chinese mass media still remain to be a prerequisite for both the Party and state leaders to maintain their balance of power and domination.

Therefore, as Jayasuriya (1996) maintains, Chinese media workers are trapped in a dilemma: they are supposed to achieve the rational calculation demanded by the operation of a capitalist economy within the authoritarian shell of the state. In other words, Chinese media workers are faced with the pressure to generate profit for their companies as well as the pressure to expand democracy and to promote political and social reforms, to the extent required by the political interests of the authoritarian state.

In brief, Zhao (1998:151) uses the term the “propaganda-commercial model of journalism” to characterize such a context, in which Chinese media workers are situated.<sup>3</sup> To help them remedy this situation, numerous Chinese media scholars suggest that media democratization should be implemented to a larger extent, both inside and outside the media system (Lee 1994b). More importantly, with China’s increasing integration into the global media technologies, content, and business models, Chinese audiences have gained more access to diverse information and new resources that have the potential to establish a more open and reasonable public sphere, coupled with the emergence of less centralized, less politicized, and more commercially oriented institutional frameworks.

#### **2.4 Literature Review: Knowledge Workers**

In the introduction of *The Critical Communications Review: Labor, the Working Class, and the Media*, Mosco and Wasko maintain that in order to challenge the individualistic, pluralistic and developmentalist paradigm of established research, scholars should focus on the “social relations of communication” and “wider institutional power structure of society” that shapes media and communications (Mosco and Wasko 1983:ix). Therefore, my analysis of Chinese media workers is

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<sup>3</sup> Zhao explains, “on the one hand, the system has been partially commercialized; market forces have penetrated virtually every corner. Many organizations have achieved financial independence and turned into profitable business enterprises. On the other hand, some of the defining characteristics of the Chinese news media system remain unchanged. The Party still maintains overt political control of the news media. Indeed, rapid commercialization has occurred during a period when the Party’s political control has been the tightest” (Zhao 1998:151). To sum up, the news media have not emerged as an independent public sphere outside the party-state, but a commercialized popular media sector within the party-control system.

intimately associated with class analysis, globalization, particularly the widespread reach of neoliberalism with the emergence of the global division of labour, and trade unions—how media workers are organized to respond to both the domestic and international challenges aforementioned.

#### **2.4.1 Labour and Class Analysis**

As Mosco points out in “The Laboring of Communication,” despite a number of outstanding exceptions, “media labour and class formation is a blind spot in communication studies” (2006:493). However, the growth of employment in the communication industries, and the technological and institutional changes unleashed by corporate concentration and informationalized capitalism, have alerted communication scholars to “the changing nature of work and of worker organization,” in order to advance our understanding of those broader transformative historical processes that both shape and are carried out through media and communications (Mosco 2008:121). In this sense, insights can be gained to better understand the broader transformative historical process when the control and deployment of media and communications is analyzed from the perspective of class relations and class struggles. As such, my examination of knowledge workers in the Chinese media industry gives special attention to class analysis, which serves as the defining feature of social relations and power structure, and offers a comprehensive and compelling theoretical framework within which to understand the possibilities for and the obstacles to emancipatory social changes (Adams and Welsh 2008).

First, it is important to acknowledge that knowledge workers, playing a critically important role in current social transformation, are important compositions of the working class in China (Zhu and Dai 2009). To specify, according to Marx, who defines class at the point of production, the working class is a definite social group, whose common identity is rooted in the non-ownership of the means of production, selling labour power for wages, and holding the status as an employee (Braverman 1974). Following the Marx's definition, in the Chinese context, the working class is comprised of "people who, by their physical strength and skills, directly or indirectly operate the tools of production to produce physical products, provide labour service or assistance to such production or service, and are supervised by managers" (Lu 2002:127). To be more concrete, in China, the working class is considered to manufacture *material* commodities, such as clothes, gas, chemicals, and machines, and to offer *non-material* commodities, which include knowledge, information, management, and service.

In the transition to a market economy, the Chinese working class is also in the process of changing and restructuring (Jin 1998). Before the economic reform, the common conception of the Chinese working class was that it was a social group comprising urban labourers who did not possess any means of independent production and reproduction of their livelihoods, living primarily from wages based on employment. Thus, the main bodies of the working class were industrial workers. Nevertheless, China's economic reform has broadened such a concept and led to a new understanding of "the working class," which includes four social divisions:

workers who provide their physical labour (blue-collar workers); workers who provide their mental labour (white-collar workers); intellectuals conducting educational or scientific work; and civil servants and managerial cadres in public sectors (Liu 2001). That is to say, the working class in China has expanded and now includes: workers in state-owned, collective, and private enterprises; the peasantry; intellectuals; cadres; cadres and intellectuals in the countryside; private entrepreneurs working on their own; private entrepreneurs with enterprises of their own; soldiers; college students; and the underclass composed of migrant labourers, beggars, and prostitutes.

In a nutshell, mental labour, like manual labour, is also considered to be work that contributes to China's socialist construction, and therefore, knowledge workers engaged in education, science and technology, and medical services, including media workers, are an indispensable part of the working class (Zhu 1994; Chang 1998). From this viewpoint, the idea of a single, unified class of workers began to emerge in China.

Second, Zhang and Peng (2001) maintain that according to the Party, knowledge workers are not regarded as a separate class. They are part of the working class, and their class interests are intrinsically linked to other members of the working class to which they attach themselves through their work. Accordingly, it is essential to examine the identities, consciousness, and behaviour of knowledge workers in association with industrial workers, not only because the labour of knowledge workers needs to be treated as a form of work to be combined with manual labour in

the production of a commodity, but also due to the common problems that confront the working class as a collectivity. According to Lee (2007a), gone are the days when Chinese workers are given the institutional guarantee of social welfare benefits, lifelong employment, and pension security. For both industrial and knowledge workers, labour discontent and workplace tensions have been reported, as the primary products of layoffs, bankruptcies, insecurity of jobs and rewards, the failure of enterprises to pay wages over months and even years, the non-payment of benefits accumulated over a lifetime of labour, and the unsettled nature of legal and organizational frameworks regulating work relations and workers' rights.

Xiao (2007) argues that the class analysis of knowledge workers is specifically concerned with the relationship of knowledge workers and industrial workers to the party-state. On the one hand, it is essential to note that the party-state still possesses the power to control the working class. In *Class in China: Stratification in a Classless Society*, Wortzel (1987) implies that neither knowledge workers nor industrial workers are fully able to articulate their material interests and translate these interests into political programs or changes in the allocative process in China because important economic decisions, with regard to the direction of the national economy or of an enterprise, may not be undertaken without the approval of the CCP. Therefore, both knowledge workers and industrial workers are relegated to the same conditions regarding their subordination to the central authority of the Party, which essentially possesses the ownership of social resources.

On the other hand, in *Working in China: Ethnographies of Labor and Workplace Transformation*, Lee (2007b) asserts that labour policy reforms have reshaped the legal context of work and employment, and as a result, the state's political control over workers and workplaces has declined. The gradual dismantling of the "iron rice bowl" (*tiefanwan*, also known as the permanent-employment system for state employees) began with the introduction of the labour contract in the early 1980s and became universally mandatory in 1995, when China's first Labour Law was implemented. This is significantly important because employment relations are regulated by the Labour Law, instead of managerial or Party policies. Accordingly, labour conflicts are resolved according to "The Regulations of the People's Republic of China on Settlement of Labour Disputes in Enterprises." Effective in 1993, it involves a three-stage procedure of mediation, arbitration, and litigation (Ho 2003). It implies that the mechanisms of labour markets have replaced labour administrations in the allocation of labour. The increasing importance of the law and the markets partially frees workers from their past economic and political dependence on the party-state, but enhances their dependence on market forces.

Third, the power of the working class keeps declining. Knowledge workers, from technicians to researchers, and from media workers to consultants, have increasingly opened up more space for their personal choices and career development than ever before. They have gained more financial and intellectual autonomy, as marketization proceeded in China. However, as Taylor, Kai and Qi (2003) reveal, in essence, the transformation of the economy has resulted in the status of the working class,

including both industrial workers and knowledge workers, changing from being a component of the leading class to a lower stratum in the social structure. From Ng and Warner's (1998) viewpoint, the Chinese working class has been transformed from a rhetorical leading class into a group of wage labourers. They have become the producers of private profit, rather than of social wealth. Moreover, Qin (1999) maintains that owing to the ever-present possibility of a reduction in income or dismissal, the Chinese working class has been rendered vulnerable to employers' intensification of productivity pressure. In fact, the working class is increasingly frustrated with the deepening social inequality and economic exploitation, layoffs, unpaid wages, cadre corruption and abuse, unequal distribution of resources, high taxes, and so forth (Hao 2003). These are the same problems facing Chinese media workers.

#### **2.4.2 Labour and Globalization**

Mass-mediated communication processes, institutions, and technologies have both contributed to, and been affected by the broader wave of globalization. With the predominance of transnational media firms and markets, China has witnessed privatization, commercialization, trade liberalization, and overall, the deregulation in the national media systems in the past two decades (Zhao and Hackett 2005). The neoliberal revolution and the emergence of the global division of labour are regarded as the two most far-reaching impacts of globalization on Chinese media workers.

Neoliberalism is an important facet that needs to be closely examined in the analysis of Chinese media workers. Neoliberalism is understood in contemporary social theory as “a concept of a larger social and political agenda for revolutionary change,” which is “aimed at nothing less than extending the values and relations of markets into a model for the broader organization of politics and society” (Robison 2006:4). Neoliberalism has forged a market state in the global political economy since the late 1970s, and the rise of neoliberalism in China has addressed the state’s attempt to incorporate neoliberal elements in conformity with authoritarian centralized control. The defining characteristic of neoliberal governmentality, namely, the infiltration of market-driven calculations into the domain of politics, has in many ways featured China’s post-1989 accelerated social transition from a planned economy to a market economy.

In *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*, Ong aims to analyze Chinese media workers within the framework of “the twin modalities of the neoliberal governmentality” (2006:3). To specify, on the one hand, certain populations, places, and socio-economic domains in China are subject to neoliberal calculations to maximize entrepreneurial dynamism and facilitate interactions within the global market. This modality is known as “neoliberalism as exception” to the authoritarian centralized control. On the other hand, it is also known as “exceptions to neoliberalism,” when political decisions are still invoked to exclude populations and places from neoliberal calculations and choices in order to maintain social equality. The two modalities indicate that for Chinese media workers, the party-state has

tentatively stimulated market-oriented development in the media sector, while the control over the system is still tight. In brief, Chinese media workers are working in such a context that the state, forged in a communist revolution, still claims to build socialism though essentially it has been turning socialism into “a cover for policies of development inspired by capitalism” (Dirlik 2005:157).<sup>4</sup>

Recently, Yu (2011) specifically explores the inherent tensions and pitfalls of Chinese neoliberal developmentalism. She argues that the party-state, capital, and popular aspirations are mingling together in the restructuring of China’s mass media and communication industries. Interestingly, in such interplay, neoliberal strategies are wrapped in socialist legacies, traditional values, and post-socialist dilemmas. Indeed, Chinese media workers must deal with both market power and Party logic. While market power is unleashed and harnessed to stimulate domestic media and communication industries, Party logic dominates how media are managed and who controls the backbone of China’s media and communication infrastructures.

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<sup>4</sup> A plethora of scholars have been working on the application of the concept of neoliberalism to the analysis of what is currently happening in China. According to Robison, neoliberalism in China is not “just a reincarnation of laissez-faire sentiment or a simple neo-classical attachment to the idea of the inherent efficiency of markets” (2006:4). Nor is it just the economic policies of market liberalization, deregulation, privatization, and fiscal austerity associated with the Washington Consensus, the shock therapy, and the structural adjustment programs applied to Russia and other transnational economies (Huang and Cui 2005). Together with the idea of the twin modalities of the neoliberal governmentality, it is concluded that, within the Chinese context, neoliberalism is specifically understood as a system of justification and legitimation for whatever needed to be done to restore or to create the power of an economic elite. It is also understood as a means for the more general instrumental harnessing of the authoritarian state to serve the public or socialist interests.

Understanding the global division of labour, in association with the changing labour process of Chinese media workers also sheds light on the challenges they encounter. According to Burawoy (1979:30), the essential characteristic of the labour process in the capitalist mode of production is defined as “the simultaneous obscuring and securing of surplus value.” Although the separation of conception and execution of work posited by Braverman (1974) is a fundamental method of obscuring surplus value, Burawoy argues that the most crucial and effective means of securing surplus value, still the most important for capitalists, is through the worker’s free compliance rather than the capitalist’s coercion. For him, the political aspects (production of social relations) and ideological aspects (production of an experience of those relations) in the analysis of the labour process are tantamount to the economic dimension (production of things). Thus, labour process theory has been shifted from a focus on the point of production to a more satisfactory political economy of the labour process (Little 1990).

In recent years, Chinese media workers have experienced dramatic changes in their work process as well as working conditions. The rapid development of information and communication technologies has reshaped the structure of the workplace, transformed the required skills and tasks for media workers, and changed labor-employer relations (Liu 2006). As Im (1997) argues, the development of objectivism as a journalistic standard has transformed media workers from the role of social critic, interpreter, and contemporary historian to a species of technical writer. After the reconstruction of the production process by new technologies, many jobs in

the Chinese media industry have been trivialized into merely physical activities, and thus they demand only unskilled or semi-skilled workers. Therefore, media workers have lost their control over the goals and values of their products, and become less skillful due to their specific roles in the production process. Apparently, deskilling, or in Braverman's words, "the degradation of work" still exists, and is becoming even more severe in the media sector (1974:425).

It is also critical to mention that when companies are making use of communication and information technologies to find the most efficient means of production, globalization brings about massive changes in the global division of labour. With the uneven geographical development and strong competitive pressure between various political-economic powers, deep inequalities persist among different nations, leading to an unbalanced global division of labour. Accompanying the global division of labour, a unity of the work process throughout the complex, global network of interaction has emerged, when the life of global capital depends less and less on specific labour, and more and more on accumulated, generic labour (Castells 1996). At the same time, the differentiation of work, segmentation of workers, and the disaggregation of labour on a global scale are so distinct and forceful that labour is significantly specialized and impersonalized, which creates a tight tension between the bare logic of capital flows and the cultural values of human experiences, especially when the process of outsourcing is involved.

It is known that China has become a manufacturing colossus, dominating global production of textile, footwear, and toys. "Made in China" signifies cheap goods for

consumers, and simultaneously a flood of jobs from the developed economies. In “From Made in China to Created in China,” Keane supplements this statement by arguing that in the information age, China not only excels in labour-intensive industries, which cost “less energy, capital and resources,” but also in creative industries, particularly evident in animation (2006:291).<sup>5</sup> In the media industries, in the context of “socialism” and “marketization” broadcasting policies, both private studios and the practice of outsourcing began to emerge in the Chinese market in the wake of less restrictive policies of the 1990s. As a result, over 1,500 private television production companies have been set up since the first private TV production company was established in China in 1994 (State Administration of Radio, Film, and Television 2006). For editors in the publishing industry, it is important to note that major foreign publishing companies have established many branches in China, specializing in copyright trade, business cooperation, as well as market research and development. Cao and Han (2008) reveal that copyright trade has been popular, with over 10,000 kinds of books imported and 1,300 exported in 2007. In addition, foreign companies have also been involved in the production of audio-visual and electronic publications in the form of joint ventures in most of the large cities in China.

To conclude, the impacts of globalization on Chinese media workers are twofold. On the one side, neoliberalism, understood as a type of economic policy, a cultural structure, a set of particular attitudes toward individual responsibility,

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<sup>5</sup> According to some estimates, up to 90 percent of the world’s animation is produced in Asia (Miller et al. 2001). It is also important to note that Japanese animators are using many low-cost Chinese animation factories in their animation production.

entrepreneurship and self-improvement, and a form of governmentality, has pushed Chinese media workers into the dilemma brought about by the media reform. That is to say, Chinese media workers are further trapped in a two-track system in media and communications—a state controlled news and current affairs sector in combination with a market-oriented entertainment business. On the other side, the rapid development of information and communication technologies has reshaped the work process and working conditions of Chinese media workers. With the prevalence of the global division of labour, outsourcing is becoming common in media industries. As a consequence, government policies have gradually been less restrictive, and international cooperation between the domestic and foreign publishing houses has increased to a large extent, which has resulted in a growing copyright trade, productive market research and development, and strategic co-production of audio-visual and electronic publications.

### **2.4.3 Labour and Unions**

How are Chinese media workers working together to defend their rights to communicate in the face of increasingly hostile government, and its growing efforts to commodify information and education? With combined effects of technological changes, increasing corporate power, the rise of neoliberal government, and problems internal to trade unions as well as to labour movements, organized labour is facing daunting challenges and difficulties. Nonetheless, in the media sector, worker organizations and trade unions are still being formed, based on the assumption that

converging technologies and converging companies have led media workers to come together across various knowledge industries, in order to seek improved collective bargaining opportunities and successful political interventions (Bahr 1998; McKercher 2002). Mosco and McKercher (2006) also maintain that the position of labour, as a source of resistance to the erosion of public services, can be strengthened by a series of approaches, such as mergers between previously separate trade unions, attempts to use bases in one trade union to organize bases in others, and efforts to consolidate bargaining units in companies where multiple unions exist as well as to build bridges to connect organized workers with unorganized ones, both at home and abroad.

Specifically, Chinese media workers are taking the initiative in fighting for their rights with management because, as a result of economic reform, the party-state management of the media sector was replaced by a management-responsibility system. In “China’s Developing Civil Society: Interest Groups, Trade Unions and Associational Pluralism,” Ogden (2000) concludes that new managers are now under contracts with the state that pressures them to increase productivity and profit even at the expense of the workers’ interests. Therefore, faced with the end of the “iron rice bowl” in relation to the possibility of unemployment and the elimination of pensions, media workers began to demand greater organizational autonomy vis-à-vis their new managers (Warner and Zhu 2000; Chan 2000a; Ng and Warner 2000). In order not to risk millions of media workers taking to the streets to protest about working

conditions, the party-state has turned to the trade unions to resolve the conflicts media workers have with management.

Trade unions have been gradually transformed into organizations which can represent their members, and participate in the regulation of the employment relationship with their increasing independence from the party-state. Regarding the tension between trade unions and the party-state, Lee's analysis is rather illuminating. In "Pathways of Labor Activism," he argues that "the emergence of autonomous trade unions and their alliance with intellectual and human rights dissidents are most politically unsettling to a regime which still proclaims itself the embodiment of the dictatorship of the proletariat" (Lee 2007b:73). Obviously, the reform era has marked a period of unprecedented ferment in organized labour dissent in the history of post-1949 China. The interests of the party-state and media workers are no longer identical. Thus, the days are gone when media workers do not need autonomous organizations to represent their interests. For this reason, it is necessary for Chinese media workers to be organized so that they can successfully negotiate for improved working conditions and social welfare benefits.

Interestingly, Hong and Ip (2007) observe that trade unions in the Chinese media industry are increasingly dependent on higher trade unions, such as the All-China Federation of Trade Unions (ACFTU), which offer legal and political channels to defend the rights and interests of their members. The ACFTU has set up a nationwide network of service centers to offer advice to the jobless, and it has been very active in exploring new avenues of employment opportunities in the labour market, in

collaboration with Chinese trade unions at all levels. Specifically in an attempt to protect the interests of laid-off workers, the ACFTU endeavors to:

1. integrate the re-employment of laid-off workers into the overall plan for national economic and social development.
2. improve the working body for re-employment and promote re-employment work.
3. boost the reform of the social security system, thus guaranteeing the basic needs of laid-off workers.
4. intensify the supervision and combat the infringement of the workers' right to work (Hong and Ip 2007:68).

As a consequence, in some districts, the re-employment rate has been significantly raised. In some cases, guidance was instrumental in encouraging the setting up of small businesses run by laid-off workers. Some union officials even offer assistance to start businesses that would hire newly trained laid-off workers.

Last, not the least, Johnston's article "Organize for What? The Resurgence of Labor as a Citizenship Movement" opened up a new window for political economists to rethink labour and unions, by introducing the idea of labour citizenship. He emphasizes that labour citizenship has been an extremely popular concept among labour scholars. To reframe the labour movement as a citizenship movement, one of the most effective approaches of labour unionism is to "defend, exercise, and extend the boundaries of citizenship" (Johnston 2001:35). In detail, it involves envisioning claims and orienting strategies to the status and fate of communities, not just to the benefits of a specific bargaining unit. In a much broader sense, the construction of labour citizenship implies that "labour power should be based on heterogeneous coalitions growing out of a common vision of the future, or a common potential political agenda, and that these visions should not be dependent on market forces"

(Mosco and McKercher 2008:52). Basically, by forming such heterogeneous coalitions, knowledge workers, media workers in particular, can perhaps unite globally.

## **2.5 Conclusion**

This chapter started with the definition of political economy. Political economy can be described as “the study of social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources, including communication resources” (Mosco 2009:2). From a broader sense, it involves the understanding of the political aspect of social life, by concentrating on the control process which encompasses the social organization of relationships within a community, but also the economic aspect, by focusing on the survival process which involves production and reproduction. Furthermore, this chapter took up central characteristics which mutually constitute a political economy approach. These central characteristics include social change and historical transformation, the totality of social relations, moral philosophy, and social praxis. Political economy also focuses on the structural factors that influence the production of media content, with a broader understanding of the relations between economy and politics instead of exclusively scrutinizing texts, discourses or symbolic meanings of communication. Therefore, the political economic approach is critical and important.

The examination of Chinese media workers is intimately associated with two key concepts: media reform and knowledge workers. To better understand Chinese media

reform, first and foremost, it is important to recognize that Chinese media workers are unconditionally obedient to the Party principle thus the Chinese mass media perform a propaganda role. In China where the levers of power are in the hands of the state bureaucracy, the monopolistic control over the media, often supplemented by official censorship, makes it clear that media serve the ends of the dominant elite. Second, with the implementation of the media commodification process, the levels of bureaucratic control in news production have been reduced. This in turn makes the entire media sector less political, and media workers are increasingly devoted to business information and infotainment. Third, political economists regard the tension within the “propaganda-commercial model of journalism” (Zhao 1998:151) as an impetus to promote media democratization in China. For them, media democratization should be considered both inside and outside the media system, including the accessibility to political information, the meaningful participation in political life, the democratization of the economy and the state, and the equalization of communicative and material resources available to citizens. More importantly, with China’s increasing integration into the global media technologies, content, and business models, Chinese audiences have gained more access to diverse information and new resources that have the potential to establish a more open and reasonable public sphere, coupled with the emergence of less centralized, less politicized, and more commercially oriented institutional frameworks.

The discussion of knowledge workers addresses class analysis, which specifically looks at the relationship of knowledge workers to industrial workers and to the party-

state. On the one hand, both knowledge workers and industrial workers are relegated to the same conditions with respect to their subordination to the central authority of the Party, which essentially possesses the ownership of social resources. On the other hand, with the introduction of the Labour Law (effective in 1995), labour markets have replaced labour administrations in the allocation of labour. As a result, the increasing importance of the law and the markets partially frees workers from their past economic and political dependence on the party-state, but enhances their dependence on market forces.

In addition, mass-mediated communication processes, institutions, and technologies have both contributed to, and been affected by the broader wave of globalization. The neoliberal revolution and the emergence of the global division of labour are regarded as the two most far-reaching impacts of globalization on Chinese media workers. Unsurprisingly, media workers are further trapped in a two-track system in media and communications—a state controlled news and current affairs sector in combination with a market-oriented entertainment business. In such a context, government policies have gradually been less restrictive, and international cooperation between the domestic and foreign publishing houses has increased to a large extent.

Chinese media workers are organized in order to effectively respond to the changes in their work process and working conditions. Trade unions have been gradually transformed into organizations which can represent their members, and participate in the regulation of the employment relationship with their increasing

independence from the party-state. However, they are more and more dependent on higher trade unions, such as the ACFTU, which offer legal and political channels to defend the rights and interests of their members. According to Mosco and McKercher, labour citizenship, which is based on heterogeneous coalitions—growing out of a common vision of the future, or a common potential political agenda, and independent from market forces, can unite media workers globally. The next chapter will specifically examine the commodification process of the political economy of communication, by analyzing Chinese media reform and its substantial consequences for Chinese media workers—the problem of contingent employment, declining of social welfare benefits, and intense work pressure.

## Chapter Three

### The Commodification Process: Media Reform in China

#### 3.1 Introduction

This chapter and the following two chapters develop a substantive map of the political economic analysis of Chinese media workers utilizing the three entry processes of the political economy of communication: commodification, structuration, and spatialization.

First, commodification is the process of transforming use values into exchange values. The key element of Chinese media reform is to introduce the commodification process into the Chinese media industry. As Mosco (2009) maintains, the political economy of communication has been notable for its emphasis on examining the significance of institutions, especially those businesses and governments responsible for the production, distribution, and exchange of communication commodities, and for the regulation of the communication marketplace. Therefore, to investigate the media commodification process in China, it is very important to understand that the Chinese Communist Party (CCP) has promoted a market-oriented reform in China's economic base, while it still keeps a tight grip on the country's mass media system and political superstructure (Gordon 1997; Huang and Yu 1997). In such a context, as a result of the commodification process, Chinese media workers are in a precarious condition, and they are increasingly faced with the problem of contingent employment, declining social welfare benefits, and intense work pressure.

Second, structuration is the process of constituting structures with social agency. The concentration on social structures, by incorporating the ideas of human agency, social process, and social practice, brings valuable insights into the understanding of class relations and power dynamics. Chinese media workers are confronted with five critical problems in relation to the structuration process: problems related to technological changes, the problems on how to follow the Party principle in the media marketization process, those on the marketization process in the social welfare system, the problems brought about by the smashing of the work-unit system, and the conflicts resulting from the inner division within the working class. In addition, it is crucial to examine the inner division even among one group of Chinese media workers, for example, the tension among editors, manifested quite clearly in struggles for power in the publishing industry hierarchy.

Third, spatialization, the transformation of space, or the process of institutional extension, is another process that I aim to address. Castells (1996) implies that business, aided by developments in communication and information technology, transforms space. The structural changes are the results of a shifting use of space and time, and such changes are fundamental. Moreover, spatialization encompasses the process of globalization—the worldwide restructuring of industries, companies, and other institutions. It is not only important to examine how Chinese media workers are dealing with the challenges inside the “propaganda-commercial model of journalism,” but also essential to investigate how they are responding to globalization, particularly the challenges that arise when China further integrates into the global political

economy. Such challenges include the widespread expansion of neoliberal policies, and the emergence of the global division of labour.

In fact, the three processes are interconnected. To be more specific, with the widespread expansion of the commodification process, Chinese media workers are more dependent on market forces. This dependence consequently leads to the dilemma that I highlight in the structuration process: on the one hand, Chinese media workers need to serve political and ideological interests of the state; on the other hand, they are pressured to pursue economic interests. Also, Chinese media reform, in close association with the media commodification process, was influenced by the movement toward global neoliberalism in the late 1970s. Neoliberalism constitutes a major aspect of my analysis of the spatialization process, and in China, it mainly addresses the state's attempt to incorporate neoliberal elements in conformity with authoritarian centralized control. Furthermore, the spatialization process strengthens the tension within the “propaganda-commercial model of journalism” because Chinese media workers are faced with the challenges of the global division of labour, which largely changes their work process and working conditions—a point that I elaborate on in the structuration process of the political economy of communication.

In terms of the basic structure of this chapter, I intend to systematically review commodification theory in the first section. Commodification theory is proposed and developed by numerous scholars, particularly political economists, such as Dan Schiller (2007), Vincent Mosco (2009), Dallas Smythe (1977), Eileen Meehan (2002), and Harry Braverman (1974). For these political economists, commodification is

important in the analysis of the process of capitalist expansion, including the global extension of the market as well as the privatization of public space. Also, to comprehensively understand the commodification process of communication, political economists attempt to scrutinize the commodification processes of media content, audiences, and labour.

Based on the theoretical framework of commodification, the second section of this chapter explores China's media reform, particularly the reforms in the publishing industry. It is apparent that both the political and economic reforms in China since 1978 have accelerated the media commodification process, which has not only led to a profound development of the publishing industry, but also resulted in the following three dramatic changes: a change in the nature of publishing houses from public institutions to companies, the formation of media conglomerates, and the widespread expansion of private and foreign investment in the Chinese publishing industry. Most importantly, the advertising industry in China has grown to be one of the largest of its kind in the world today (Scotton and Hachten 2010).

The third section of this chapter seeks to understand the various impacts of current media reform on media workers, particularly editors in the publishing industry. According to the findings from the surveys that I conducted in China in 2010, editors primarily face the problem of contingent employment, declining social welfare benefits, and intense work pressure with the changes in work hours, locations, main tasks, and monthly incomes. These impacts and changes are both real and profound.

### **3.2 The Commodification Process**

What is a commodity? According to Schiller (2007), a commodity is not merely a product or a resource, a thing of use to anyone, anytime, and anywhere. A commodity also can be defined as a product, which is produced for the market by wage labour. Thus, a commodity contains defining linkages to capitalist production and, secondarily, to market exchange.

Schiller further contends that it is helpful to focus not on the commodity itself, but rather on the commodification process. The commodification process, defined by Mosco, is a process of “turning use values into exchange values, of transforming products whose value is determined by their ability to meet individual and social needs into products whose value is set by their market price” (2009:129). As Sreberny (2001) and Khiabany (2006) point out, the general, worldwide expansion of commodification in the 1980s, responding in part to global declines in economic growth, has led to the increased commercialization of media programming, as well as to the privatization of once public media and telecommunication markets including in places where commodification had been limited.

Political economists argue that an uneven but ongoing process of commodification is foundational to capitalist development, and its historical generalization throughout the informational sphere constitutes a landmark of contemporary political economy (Schiller 2007). In other words, capitalism has been sustained by ceaseless enlargement of markets for commodities, and this trend continues today in information and culture. In this view, commodification is

important in the analysis of the process of capitalist expansion, including the global extension of the market (Fursich and Roushanzamir 2004) and the privatization of public space (Gibson 2003).

To elaborate, in “Corporate Expansion, Textual Expansion,” Fursich and Roushanzamir propose a commodification model of communication, to “reevaluate the importance of the economic foundation of mass communication as much as the communicative reach of the corporate structure” (2004:376). Different from the former models of communication, which basically situate mass media and public communication within the political realm of nations, the commodification model of communication insists on linking corporate communications such as traditional advertising and public relations with marketing. More significantly, the commodification model of communication insists on the increasing privatization and commercialization processes of public spaces of discourse when public/democratic images are produced. As media messages and texts reach a global population, the new model is especially convincing in explaining how these messages and texts have expanded to accommodate corporate expansion, as well as how they have reworked earlier concepts of public goods and public services to equate those with corporate interests. Therefore, the new model highlights the corporate basis of its origins and regards audiences as consumers, while the old ones concentrate on their political origins and regard audiences as citizens (Fursich and Roushanzamir 2004).

Commodification is also important in the analysis of the privatization of public space. To examine this notion, Gibson introduces the concept of the “spectacular city”

(2003:83). According to his case study of Seattle, pro-business urban redevelopment strategies do not necessarily provide equitable distribution of public resources, such as truly accessible urban public spaces, affordable housing, and retail establishments for modest-income shoppers. On the contrary, those strategies which are motivated to promote development of large, glittering office towers, yield to the demands of developers who bring remarkable profits to the city, provide subsidies for large-scale development, and invest public funds in upscale shopping districts and buildings that provide high-culture experiences. All these efforts have created, in Gibson's words, the "spectacular city" (2003:83). It is important to understand that the growth of the "spectacular city" has been accomplished at the expense of development that benefits a wider public. Likewise, the urban fabric created does not provide true public urban space, but rather space that is privately controlled by those corporations who own it. In this sense, the "spectacular city" is essentially a city of privatized commercial space.

In addition to acknowledging that commodification is important in the global extension of the market and the privatization of public space, Mosco (2009) maintains that "when it has treated the commodity, political economy has tended to concentrate on media content, audiences, and the labour involved in media production" (p. 12).

To explain, first and foremost, the process of commodification in communication means transforming messages into marketable products. Indeed, the emphasis on media content is vitally important because of the increasing significance of global media companies and the growth in the value of media content. Different from the

analysis of media content from a cultural studies perspective, which basically elaborates on symbols and images, the political economy of communication specifically associates the commodification process of media content with labour, consumers, and capital. These elements help to better understand the complex network of social relations that is connected to the commodification process, especially when exchange value in the content of communication is created (Mosco 2009).

Second, as Smythe (1977) advocates, the audience is the primary commodity of the mass media. This statement indicates that the mass media are constituted out of a process which sees media companies producing audiences and delivering them to advertisers. In this respect, the media commodification process has brought together a triad that links media companies, audiences, and advertisers in a set of reciprocal relationships—in Mosco’s words, “media firms use their programming to construct audiences; advertisers pay media companies for access to these audiences; audiences are thereby delivered to advertisers” (2009:136-137).

In more detail, in “Communications: Blindspot of Western Marxism,” Smythe (1977) argues that the commodity form of mass-produced, advertiser-supported communications under monopoly capitalism comprises audiences and readerships. According to Smythe, the mass media intend to attract and keep the audiences attending to the program, newspaper or magazine, and at the same time, they aim to cultivate a mood conducive to favourable reaction to the explicit and implicit advertisers’ messages. Therefore, the central purpose of the information,

entertainment, and educational material transmitted to the audiences is to ensure their attention to the products and services being advertised. The audience commodity plays a significant role in the marketing of the advertiser's product. The mass media and advertising are dominant through the process of consumption, as well as through the ideological teaching which permeates both the advertising and ostensibly non-advertising materials with which they produce the audience commodity (Smythe 1977).

Moreover, Meehan's work has contributed to the critical understanding of the relationship between gender and audience commodity. In "Gendering the Commodity Audience: Critical Media Research, Feminism, and Political Economy," she attempts to challenge the ungendered markets and ungendered corporations that have been taken for granted in the previous studies (Meehan 2002). She echoes Smythe's statements by arguing that the main product manufactured by networks and sold to advertisers is the audience commodity. She also agrees that the political economic approach is very convincing in demonstrating the key role that capital is playing in manufacturing the audience commodity, which is predominately dependent on the changing power relations within the market. What is more critical, however, is her suggestion that in order to incorporate feminist analysis into a political economic understanding, it should be emphasized that the social divisions of labour based on gender, plus prejudicial assumptions about gender, are crucial in defining and differentiating the audience commodity (Meehan 2002).

Meehan (2002) finds that, as an audience commodity, the white male has a “higher quality” for which advertisers are willing to pay. In the commodification process of audiences, labels, such as “working women,” “upscale,” and “downscale,” have been widely used to identify the social status attached to occupation and income. Not surprisingly, there is a widespread belief about what sort of people ought to be the audience, and such a belief follows familiar patterns of discrimination on the grounds of gender, race, social status, sexual orientation, and age. According to Meehan (2002), ideologies that are naturalizing the oppression of women have shaped corporate decisions. She concludes that restructuring markets to foster the liberation of women actually undermines the interests of individual capitalists and of capitalism because both have profited from disparities in income as well as from oppressive social relations. In this account, media serve as the instruments of oppression, and the commodification process of audiences internalizes, reflects, and strengthens such social oppression.

Third, in addition to examining the commodification processes of media content and audiences, it is equally important to emphasize the commodification process of media labour. According to Braverman (1974), in the process of commodification, capital acts to separate conception (the power to envision, imagine, and design work) from execution (the power to carry it out). It also concentrates conceptual power in a managerial class that is either a part of capital or represents its interests. He maintains:

Labor power has become a commodity. Its uses are no longer organized according to the needs and desires of those who sell it, but rather according to the needs of its purchasers, who are, primarily, employers seeking to expand the value of their capital (Braverman 1974:82).

Essentially, these purchasers have a special and permanent interest to cheapen the labour commodity. According to Braverman (1974), the most common mode of cheapening labour power is exemplified by the application of detailed and intrusive “scientific management” practices, pioneered by Frederick Taylor. The transformation of the labour process first emerged in large scale industries, and then extended to service, information, and communication sectors. Media workers are also being commodified as wage labour, and they are faced with the problem of the devaluation of knowledge that they have gained, the declining purchasing power of the money that they have earned, and the cut in the social welfare benefits that help to improve their living conditions. Accordingly, workers have responded to these problems by bringing together people from different media into worker organizations and trade unions that represent large segments of the communication workforce (McKercher 2002; Mosco and McKercher 2008; Mosco 2009). In addition to Braverman, numerous scholars have concentrated on the commodification process of labour, and their interests include: addressing its contested nature, highlighting the active agency of workers, and examining how the transformation of the labour process is experienced differently by industry, occupation, class, gender, and race (Huws 2003).

To conclude, according to Schiller (2007), one of the main characteristics of commodities is their defining linkages to capitalist production as well as market exchange, as most of them are produced for the market by wage labour. Therefore, the commodification process focuses on exchange values, the values that are set by their market prices, instead of their use values. According to Fursich, Roushanzamir, and

Gibson, such a process is foundational to capitalist development, especially important in the analysis of the process of capitalist expansion, including the global extension of the market and the privatization of public space.

Political economists also concentrate on the commodification processes of media content, audiences, and the labour involved in media production. First and foremost, they specifically associate the commodification process of media content with labour, consumers, and capital, rather than symbols and images. Second, they believe that the audience is the primary commodity of the mass media. In other words, the media commodification process has brought together a triad that links media companies, audiences, and advertisers in a set of reciprocal relationships. Meehan (2002) supplements this notion by stating that the social divisions of labour based on gender are critical in defining and differentiating the audience commodity. She further argues that ideologies, naturalizing the oppression of women, have shaped corporate decisions, and therefore, both markets and corporations are gender-biased. Third, it is also important to note that media workers are being commodified as wage labour. As Braverman (1974) maintains, capital acts to separate conception from execution, and concentrates conceptual power in a managerial class that is either a part of capital or represents its interests. For Chinese media workers in particular, the commodification process of labour brings them tremendous challenges, including the problem of contingent employment, declining social welfare benefits, and intense work pressure. I intend to discuss these challenges more specifically in the rest of this chapter, starting with a discussion of China's media reform.

### **3.3 China's Media Reform**

During the past 30 years, China has been engaged in a process of rapid social transition from a centrally planned economy to a market-based economy. The economic reform process, first initiated in 1978 by Deng Xiaoping in the aftermath of the Cultural Revolution, has since transformed China into one of the world's largest economies, poised for a complete integration into the international capitalist market. It has also brought about vast changes, particularly the extensive media commodification process, in China's publicly owned mass media system. As a result, the problem of contingent employment, the changing work process, and the precarious condition of Chinese media workers came to light and have become common topics of discussion.

#### **3.3.1 Background of the Chinese Media Reform**

The Party established the basic structure and functions of the mass media in the second half of the 20<sup>th</sup> century. According to the Party principle, "The purpose of the mass media is to strengthen socialist education to promote proletarianism, and wipe out capitalism" (Ze 1995:449). In 1983, the Central Committee of the CCP announced, "Our cause of the mass media is fundamentally different from those of capitalist countries in that it is a part of the socialist cause under the leadership of the Party and it must promote Marxism, Leninism, and the thoughts of Mao Zedong" (Ze 1996:15).<sup>1</sup>

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<sup>1</sup> Nowadays, the Party principle has been extended as "Our cause of the mass media must promote Marxism, Leninism, and the thoughts of Mao Zedong, and hold high the great banner of Deng Xiaoping Theory, and the 'Three Represents' Thoughts of Jiang Zemin through the collective leadership with Hu Jintao at the core." To note,

Therefore, ideologically, the CCP saw the mass media as tools in propagating socialist ideals and in executing Party policies.

However, China started to introduce the market mechanism when it shifted its social focal point from class struggle to economic development in 1978. Following the end of the Cultural Revolution in 1976, the new government of the 1977-1978 period wholeheartedly began to pursue the path of economic expansion and modernization with the support of the majority of the population. As Hua Guofeng (1980) remarked in the third session of the Eleventh Central Committee of the CCP, “Class struggle is no longer the principal contradiction in our society; in waging it, we must center around and serve the central task of socialist modernization.” Accordingly, the main slogan of that period became the four modernizations of agriculture, science and technology, industry, and national defense. Numerous new economic policies were announced in 1979 at the second session of the Fifth National People’s Congress, to readjust, restructure, consolidate, and improve the national economy.<sup>2</sup>

Among them, one of the most creative economic policies was to promote a rural reform process in China. Guided by the Party, Chinese farmers began to engage in business activities in cooperation with township and village enterprises (TVEs). The rapid growth in the number of TVEs, followed by the gradual emergence of private enterprise and foreign investment, created an irreversible momentum toward the

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according to the “Three Represents” Thoughts of Jiang Zemin, the Party should always represent the developmental requirements of China’s advanced productive forces, the orientation of China’s “advanced culture,” and the fundamental interests of the overwhelming majority of Chinese people (Zhao 2004:78).

<sup>2</sup> Each congress lasts for five years and holds one session in each of those five years.

expansion of market reform by the mid-1980s (Akhavav-Majid 2004). Essentially, these developments resulted in the creation of a new social and political discourse, legitimizing market-oriented reform as an appropriate economic policy by the state (Wang 1995). In this context, the commodification process was introduced into the Chinese media industry. Together with nation-wide economic reform, Chinese media reform has been designed to reduce governmental influences on the mass media, and expand market forces through the adoption of a market-based economy.

In association with economic reform, a series of political reforms took place in China in 1978. According to O’Leary and Watson (1985), during that period, “There has been, ...a significant reconceptualization of politics, substantially redefining the overall political agenda, redesigning much of the political framework, and changing the scope of political activities” (p. 7). The three most prominent political changes are the open-door policy, the decentralization policy, and the pluralism policy, all of which have affected the Chinese media industry to a large extent.

First, the open-door policy intends to bring China “out of its self-imposed isolation and toward a rapprochement with the industrialized countries in the West” (Wu 1985:242-243). Consequently, a dramatic expansion of cultural and economic transactions between China and these industrialized countries followed. Because of this open-door policy, many news items about other countries have entered China’s TV news programming, and much of the up-to-date technology for news broadcasting has been widely used.

The second change is the decentralization policy. For several decades, local television stations have only repeated the central TV station's programming, and this restriction seriously limited the development of local TV stations. However, due to the decentralization policy, local TV stations have enjoyed more flexibility during the period of reform. Also, the decentralization policy has quickened the development pace of local TV stations, including an increase in news broadcasting hours, the formation of regional TV networks, and the launching of various local news services.

The third change is the pluralism policy. According to Barnett (1986), the CCP has allowed—within limits—increased diversity and pluralism, and have permitted a greater circulation of information and ideas. They have stressed “social legality” and tried to broaden grass roots participation in political life. The state's penetration of society has been dramatically reduced and many areas of life have been depoliticized. Accordingly, critical and popular programs have been able to appear on the screen. Such programs include “From Our Viewers” (revealing the audience's views on issues ranging from TV programs to social problems), “News Analysis” (discussing current events related to Party policies), and “Life and Fashion” (introducing the latest global fashion and the most popular restaurants).

In sum, China initiated both economic and political reforms in 1978 and implemented various new policies that have affected the mass media to a degree unprecedented in China's media history. Different from previous reforms, the essence of current media reform is to bring the commodification process into China's media industries, and as a result, the state-owned media have become self-sustaining,

making economic reforms to achieve more profits and meet the challenges of the international market (McGowan 2003). Therefore, the mass media started to serve the purpose of “informing, educating and entertaining people,” and with constant efforts, they are more “reader-oriented” rather than “leader-oriented” (Greenberg and Lau 1990:23).

### **3.3.2 Reforms in China’s Publishing Industry**

As Zhou (2005b) maintains, since the late 1970s, along with vigorous economic and political reforms, the Chinese mass media have undergone drastic changes and transformations in practice. To understand such changes and transformations, first and foremost, it is essential to clarify both the administrative management and laws in the Chinese publishing industry. In addition, a comparison of what media industries, particularly the publishing industry, looked like before and after current media reform fully demonstrates the rapid media development in China. Not only has the gross output value of the Chinese media industry increased significantly during the past 30 years, but most importantly, the Chinese advertising industry has enjoyed a substantial growth, and become an indispensable component of the media sector. Now, advertisements can be found in book publishing, on radio and television, in audio-visual production, and on the Internet.

#### **3.3.2.1 Administrative Management of China’s Publishing Industry**

In China, national publications are dominated and regulated by the General Administration of Press and Publication of China (GAPP), and regional publications are regulated by the authorities of the relevant provinces, municipalities, and autonomous regions. To be more specific, the GAPP is the senior regulatory body for printing, publishing, and distribution. It has continued to censor materials that might be objectionable to the Chinese government or cultural standards. Also, it is responsible for managing the country's existing publication infrastructure, approving the establishment of new publishing houses, and promoting international trade between Chinese and foreign publishing houses. As an executive branch under the State Council, it possesses a status practically equivalent to that of a ministry (Xin 2005).<sup>3</sup>

In practice, the GAPP controls numerous Chinese publishing organizations, such as the Publishers Association, the Copyright Agency, and the National Copyright Administration. One important instrument it controls is the allocation of book numbers to state-owned publishers. Whereas the Western view of an ISBN (International Standard Book Number) is of bibliographical and marketing convenience, a Chinese book number is a critical indication of legal publication.

The GAPP maintains a close liaison with the State Administration of Radio, Film and Television (SARFT), an executive branch agency under the State Council. Different from the GAPP, which specifically monitors the publishing industry, the

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<sup>3</sup> To note, the State Council is largely synonymous with the Central Government of China. It is the chief administrative authority. In addition, for a brief summary of the organization and the responsibilities of the General Administration of Press and Publication of China, see Appendix G.

main task of the SARFT is the administration and supervision of state-owned enterprises engaged in the television, radio, and film industries. It also directly controls such enterprises at the national level, including China Central Television, China National Radio, China Radio International, as well as other movie and television studios and non-profit organizations.

Importantly, the Central Propaganda Department (CPD) is also responsible for the management of publications, and maintains considerable influence not only in the GAPP and the SARFT, but also in all component units within the industry. The CPD is the CCP's counterpart to the GAPP and the SARFT. Whereas the GAPP and the SARFT exercise their censorship powers through their authority to license (and to rescind the license of) publishers, the CPD is the organization primarily responsible for monitoring content to ensure that publishers in China do not print anything that is inconsistent with the Party principle. According to the *Dictionary of the Organization of the CCP*, the main responsibilities of the CPD are described as

Screening all books and articles dealing with the Party's or the nation's leaders, significant political issues, and policies relating to foreign diplomacy, nationalities, or religion; issuing notices informing publishers and editors what stories can and cannot be covered, and telling them what ideological standpoint should be taken when discussing certain issues; and requiring editors and publishers to attend workshops where they are instructed on the proper ideological approach to use when reporting on politically sensitive topics" (The Central Organization Department of the CCP 2009:48).<sup>4</sup>

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<sup>4</sup>For an example of how the GAPP and the CPD work together to ensure that in China people are not able to print criticisms of their own leaders, see "The Regulations on Strengthening the Administration of Publications Describing Major Party and National Leaders" (effective on May 5<sup>th</sup>, 1990, promulgated by the Central Propaganda Department and the General Administration of Press and Publication).

When relevant publishing houses are arranging for the publication of topics for these types of books, local publishing houses shall provide a draft to their local Press and Publication Office, which shall read and evaluate the manuscript and offer

In March 1998, at the first session of the Ninth National People's Congress, the Ministry of Post and Telecommunications (MPT), the Ministry of the Electronics Industry (MEI), and parts of the Ministry of Radio, Film, and Television (MRFT) merged to form the Ministry of Information Industry (MII). The MII is responsible for overseeing the management of Chinese information networks, and coordinating state policies on the construction and management of electronic media as voice, video, and data technologies converge (Redl and Simons 2002).

To conclude, the General Administration of Press and Publication manages the Chinese publishing industry, and it also maintains a close liaison with the State Administration of Radio, Film, and Television; the Central Propaganda Department; and the Ministry of Information Industry. At the same time, these are the same agencies responsible for censorship in China's media industries.

### **3.3.2.2 Publishing Industry Laws**

The supreme legislative body in China (the National People's Congress) has not enacted laws specifically governing publishing. Currently, the most important publishing regulation is "The Regulations on Administration of Publications," which was promulgated by the central government (the State Council). In addition, "The

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their opinions. After receiving approval from the Propaganda Department, local publishing houses shall provide the manuscript to the General Administration of Press and Publication for examination and approval. Central level publishing houses shall provide a draft to their responsible department. After the responsible department has reviewed the manuscript and provided opinions, central level publishing houses shall provide the manuscript to the General Administration of Press and Publication for examination and approval. Manuscripts written about major Party and national leaders who are currently living must ask for the opinions of that person prior to submission to the General Administration of Press and Publication (Article 4).

Regulations on Administration of Audio-visual Products” and “The Regulations on Administration of the Printing Enterprises” were effective in 1994 and 1997, respectively. The GAPP has issued some other related regulations and rules, which include the “Provisions on Administration of Electronic Publications,” “The Provisions on Administration of the Publications Market,” and “The Measures on the Recording of Important Topics of Books, Journals, Magazines, Audio-visual Productions, and Electronic Publications.” For foreign investment, the GAPP and the Ministry of Commerce co-issued “The Measures on Administration of Foreign-funded Distribution Enterprises of Books, Newspapers, Journals, and Magazines.”

On copyright protection, the National People’s Congress issued “The Copyright Law of the People’s Republic of China” in 1991, and the State Council promulgated “The Regulations on the Implementation of the Copyright Law” and “The Regulations on the Protection of Computer Software.”

The above laws, regulations, and rules constitute the major legal documents that govern China’s publishing industry. Table 3.1 summaries the laws, regulations, and rules relevant to publishing, with their effective and amendment dates.

Table 3.1  
Laws, Regulations, and Rules Governing China’s Publishing Industry

Law, Regulation or Rule	Effective Date and Amendment Date	Issued by
Regulations on Administration of Publications	Effective Date: January 2, 1997 First Amendment Date: December 25, 2001 Second Amendment Date: March 16, 2011	The State Council
Regulations on Administration of Audio-visual Products	Effective Date: August 25, 1994 First Amendment Date: December 25, 2001 Second Amendment Date: March 16, 2011	The State Council
Regulations on Administration of the Printing Enterprises	Effective Date: May 1, 1997 First Amendment Date: August 2, 2001	The State Council

Provisions on Administration of Electronic Publications	Effective Date: December 30, 1997 First Amendment Date: April 15, 2008	The GAPP
Provisions on Administration of the Publications Market	Effective Date: November 22, 1999 First Amendment Date: April 16, 2006 Second Amendment Date: March 16, 2011	The GAPP
Measures on the Recording of Important Topics of Books, Journals, Magazines, Audio-visual Productions, and Electronic Publications	Effective Date: October 10, 1997	The GAPP
Measures on Administration of Foreign-funded Distribution Enterprises of Books, Newspapers, Journals, and Magazines	Effective Date: May 1, 2003	The GAPP and the Ministry of Commerce
Copyright Law of the People's Republic of China	Effective Date: June 1, 1991 First Amendment Date: April 1, 2010	The National People's Congress
Regulations on the Implementation of Copyright Law	Effective Date: June 1, 1991 First Amendment Date: September 15, 2002	The State Council
Regulations on the Protection of Computer Software	Effective Date: June 4, 1991 First Amendment Date: January 1, 2002	The State Council

### 3.3.2.3 Changes in China's Publishing Industry

Rapid media development can be fully demonstrated by a comparison of what the media industries looked like before and after current media reform. To take the publishing industry as an example, at the end of 1970s before current media reform, there were 158 organizations registered to publish books: about 60 in Beijing, 15 in Shanghai, and 80 in the rest of the country. At the national level, there were ten specialized publishers directly under the GAPP (See Table 3.2).

Table 3.2  
Ten Specialized Publishers under the GAPP in the Late 1970s

Publisher	Specialty
People's Publishing House	works by Marx, Engels, Stalin, and Mao Zedong
Sanlian Bookstore	social sciences

Commercial Press	reference books and social sciences in different languages
Zhonghua Publishing House	classical works
People's Literature Publishing House	Chinese and foreign literature
People's Fine Arts Publishing House	Chinese fine arts
People's Music Publishing House	Chinese music
Encyclopedia of China Publishing House	encyclopedias and dictionaries
China Photographic Publishing House	Chinese photography
Beijing Braille Publishing House	Braille texts for the blind

Source: Howkins (1982), pp. 84.

There were about 50 other specialized publishers, regulated, in varying ways, by the GAPP, the CPD, and the State Council and its ministries (See Table 3.3 for the major ones).

Table 3.3  
Major Specialized Publishers in the Late 1970s

Publisher	Specialty
Science Press	science textbooks
Foreign Language Press	foreign language books, journals, and magazines
China Youth Publishing House	children's books
People's Education Publishing House	textbooks
Cartographic Publishing House	maps and charts
People's Sports Publishing House	sports
Social Sciences Publishing House	under the Chinese Academy of Social Sciences

Source: Howkins (1982), pp. 84-85.

At the regional level, there were about 80 publishers, regulated by the regional or local Propaganda Department of the CCP. In 1978, according to the GAPP, about 15,000 books were published. The total printed copies of books and sheets were 3.86

billion and 13.54 billion, respectively. At the same time, 168 different kinds of newspapers and 930 journals and magazines were published.

During the past 30 years, the acceleration of reforms in China, especially those required for entry into the World Trade Organization (WTO), has been gradually increasing the overall capacity of the publishing industry. According to the *General Report on the Development of China's Media Industry 2010*, 275,668 titles were published in 2010, of which 125,680 were new. The total printed copies of books and sheets reached 6.936 billion and 56.073 billion, respectively, with the total revenue of 79.14 billion *yuan* (approximately 12.18 billion Canadian dollars). Book printing consumed 1.32 million tons of paper. In addition, according to *China Statistics Yearbook 2008*, publishers produced 43,799 billion copies of 1,943 different kinds of newspapers, 3,041 billion copies of 9,549 journals and magazines, 258 million copies of 16,641 audio-visual products, and 135.84 million copies of 8,652 electronic publications (CD-ROMs, VCDs, DVDs, and e-books) in 2008. There were also 579 publishing houses (220 belong directly to the central government, and the other 359 operate at the provincial level), 363 audio-visual publishing units, and 228 electronic publishers across the country (See Table 3.4). In tandem with the rapid development in the publishing industry, the number of editors has grown incredibly in the past few years. Up until 2008, there were 60,906 full-time editors (See Figures 3.1 and 3.2). In sum, the rapid growth that the Chinese publishing industry enjoyed 30 years after the implementation of China's media reform has been unparalleled and astonishing. The

gross output value of the Chinese media industry in 2010 hit 490.796 billion *yuan*.

Figure 3.3 illustrates the major sectors of the media industry in 2010.

Table 3.4  
Top 50 Chinese Publishers in 2002

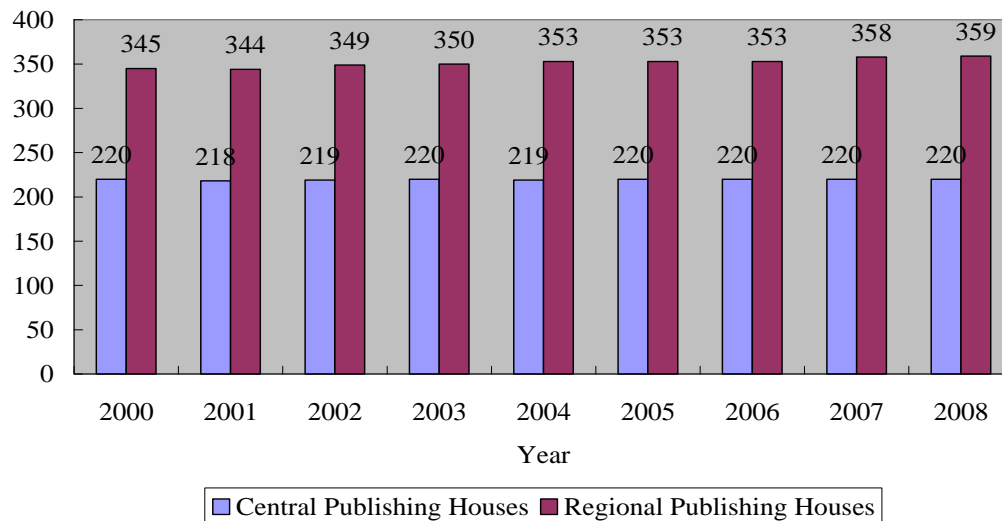
Rank	Publisher	Sales*
1	People's Education Press	1,159
2	Higher Education Press	621
3	Gansu People's Publishing House	376
4	Liaohai Publishing House	359
5	Foreign Language Teaching and Research Press	355
6	Jiangsu Education Publishing House	351
7	China Cartographic Publishing House	285
8	Science Press	284
9	Tsinghua University Press	280
10	Yunnan People's Publishing House	275
11	China Light Industry Press	252
12	Chongqing Publishing House	247
13	People's Medical Publishing House	245
14	Zhejiang Education Publishing House	239
15	Shanghai Foreign Language Education Press	232
16	Beijing Normal University Press	231
17	China Machine Press	211
18	Guangdong Education Publishing Press	206
19	Shanxi People's Publishing Press	203
20	Shandong Education Publishing Press	202
21	Beijing Publishing House	199
22	Shanghai Education Publishing House	191
23	Commercial Press	184
24	Anhui Education Publishing House	179
25	World Publishing Corporation	175
26	China Financial and Economic Publishing House	166
27	Planet Cartographic Publishing House	164
28	Hubei Education Press	162
29	Publishing House of Electronics Industry	157
30	China Renmin University Press	157
31	Central Radio and TV University Press	154
32	Hebei Education Press	152
33	Shanghai Literature and Art Publishing House	148
34	Guangxi Normal University Press	148
35	Peking University Press	148
36	Inner Mongolia Education Press	146
37	Shanghai People's Fine Arts Publishing House	140
38	Shaanxi People's Publishing House	139
39	Xinjiang Education Publishing House	138
40	China Architecture and Building Press	132

41	Hunan Education Publishing House	132
42	Hainan Publishing House	130
43	Shanghai Science and Technology Publishing House	123
44	Future Publishing House	122
45	China Labour and Social Security Publishing House	121
46	China Financial Publishing House	120
47	Elephant Publishing House	119
48	Educational Science Publishing House	116
49	Shaanxi Normal University Press	116
50	Fujian Education Press	116

\* millions of *yuan*

Source: Xin (2005), pp. 35.

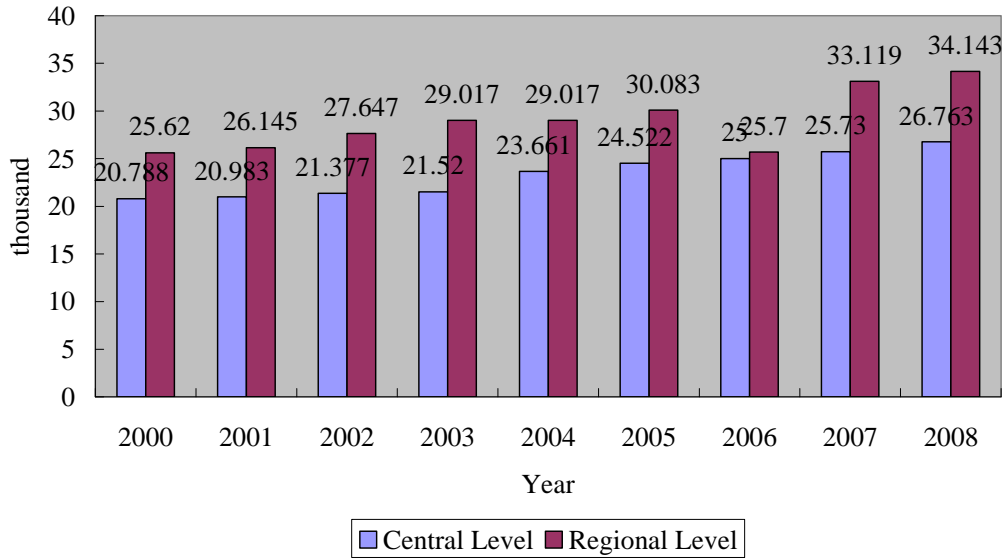
Figure 3.1  
Changing Number of Publishing Houses since 2000



Source: Cui (2010), pp. 81.<sup>5</sup>

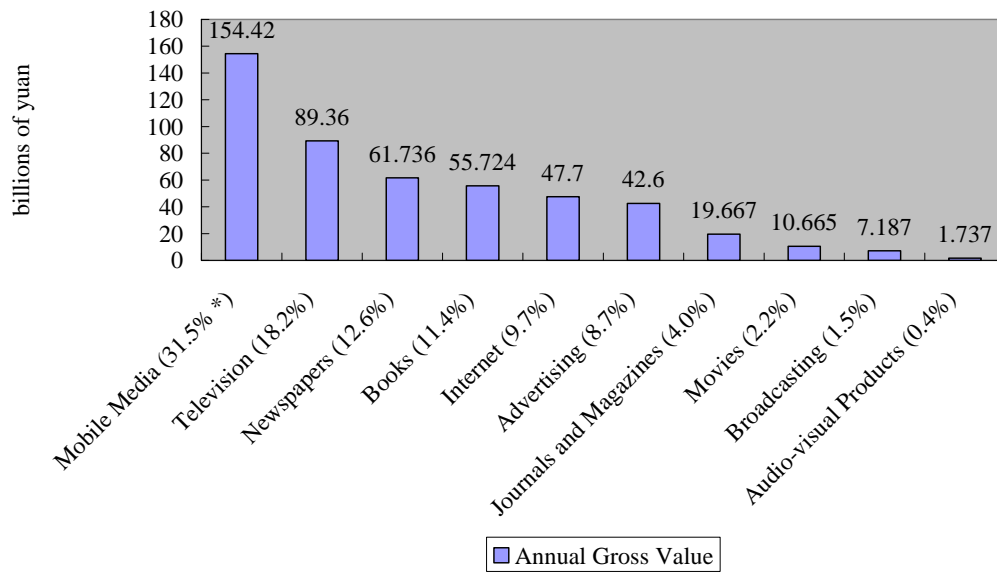
<sup>5</sup> Compared with 578 publishing houses in 2007, only one new publishing house entered the market in 2008. In fact, this phenomenon is not an indication of market stability, but an indication of a very careful process of approval and control over publishing houses by the GAPP.

Figure 3.2  
Changing Number of Full-time Editors since 2000



Source: Cui (2010), pp. 81.

Figure 3.3  
Major Sectors of the Media Industry in 2010



\* percent of the annual gross value of the Chinese media industry

Source: Cui (2010), pp. 4.

The publishing industry has long been one of the most heavily government-controlled industries in China. Before current media reform, all Chinese publishing houses were state-owned, non-profit organizations. Step-by-step reforms have been introduced and resulted in the steady withdrawal of the state from the industry, forcing state-owned publishing houses to become more market-oriented. Over the past decade, three significant changes have been observed in China's publishing industry.

First, the nature of publishing houses has changed from public institutions to companies. Apart from several publishing houses that still remain non-profit, most publishing houses are required to change from non-profit organizations to enterprises.<sup>6</sup> In other words, according to Guo (1994), publishing houses were no longer budgeted by the central government, as in the days of the centrally planned economy, but “obtain programmatic and directive significance in developing the cultural industry to fit into the market system” (p. 86).

Along with the transformation process, it is worth mentioning that as a result of market competition, many leading publishers with absolute advantages in some professional fields have been formed. Examples in the field of education are the Higher Education Press, the People's Education Press, the Peking University Press, and the Foreign Language Teaching and Research Press. In professional publishing, examples are the China Cartographic Publishing House, the China Machine Press, and

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<sup>6</sup> There are still several non-profit publishing houses existing in China, which are directly affiliated to, and are largely subsidized by, the Central Committee of the CCP. For example, the Party Building Books Publishing House, affiliated to the Central Organization Department of the CCP, promotes the publications on Marxism, Leninism, and the thoughts of Mao Zedong.

the Tsinghua University Press. Currently, these publishing powers have become the leading forces in the fields of education and professional publishing, and they also turn out to be the key productive forces for the further development of China's publishing industry. Based on the survey of 2,800 readers in six big cities in China (Beijing, Shanghai, Guangzhou, Chengdu, Wuhan, and Shenyang), a report published by the Open-Book Book Market Research Center lists the three most popular publishing houses in Education, English, Literature, Computer Science, and Finance in 2004, respectively (See Table 3.5).

Table 3.5  
The Most Popular Chinese Publishing Houses in Education,  
English, Literature, Computer Science, and Finance in 2004

Category	Rank in Popularity	Publisher
Education	1	Higher Education Press
	2	People's Education Press
	3	Peking University Press
English	1	Foreign Language Teaching and Research Press
	2	Foreign Language Press
	3	Shanghai Foreign Language Education Press
Literature	1	People's Literature Publishing House
	2	People's Publishing House
	3	Chinese Writers Publishing House
Computer Science	1	Tsinghua University Press
	2	People's Posts and Telecom Press
	3	Publishing House of Electronics Industry
Finance	1	China Financial Publishing House
	2	CITIC Publishing House
	3	Tsinghua University Press

Source: Shi, Wang and Dong (2008), pp. 175.

It is interesting to note that some publishers are rather popular among readers even though compared with many large and comprehensive Chinese publishers, both

their ranks in total printed sheets and revenue from books are low, for example, the Sanlian Bookstore and the CITIC Publishing House (See Table 3.6).

Table 3.6  
Ranks in Total Printed Sheets and Revenue from Book of the Most Popular Chinese Publishing Houses in Education, English, Literature, Computer Science, and Finance in 2004

Category	Publisher	Rank in Total Printed Sheets	Rank in Revenue from Books
Education	Higher Education Press	1	1
	People's Education Press	3	4
	Peking University Press	45	30
English	Foreign Language Teaching and Research Press	5	3
	Foreign Language Press	101	64
	Shanghai Foreign Language Education Press	11	16
Literature	People's Literature Publishing House	41	34
	People's Publishing House	87	81
	Chinese Writers Publishing House	86	71
	Sanlian Bookstore	124	123
Computer Science	Tsinghua University Press	17	11
	People's Posts and Telecom Press	40	25
	Publishing House of Electronics Industry	27	19
Finance	China Financial Publishing House	44	33
	CITIC Publishing House	139	126
	Tsinghua University Press	17	11

Source: Shi, Wang and Dong (2008), pp. 175.

Second, publishing houses are increasingly merging into media conglomerates. Large publishing groups have appeared within many provinces, municipalities, and autonomous regions. At first, these publishing groups were pure products of top-down policies—a way for the central government to strengthen the domestic publishing industry. In fact, the media conglomeration process started in 2002, as the central government sought to enhance the competence of China's publishing industry in order

to compete with foreign media companies. As a consequence, a number of powerful publishing groups emerged, such as the Shanghai Century Publishing Group (Shanghai), the Beijing Publishing Group (Beijing), the Guangdong Publishing Group (Guangzhou, Guangdong province), and the Liaoning Publishing Group (Shenyang, Liaoning province). Table 3.7 provides a summary of China's publishing groups in 2006.

Table 3.7  
China's Publishing Groups in 2006

Publishing Group	Date of Establishment	Headquarter	Total Number of Publishers	Total Printed Titles	Total Printed Copies*	Total Printed Sheets *	Total Revenue from Books **
Shanghai Century Publishing Group	February 24, 1999	Shanghai	12	7,253	137.04	1,008.03	1,418.13
Beijing Publishing Group	July 7, 1999	Beijing	7	2,870	41.94	329.988	525.11
Guangdong Publishing Group	December 22, 1999	Guangzhou	6	2,565	68.45	386.750	565.86
Liaoning Publishing Group	March 29, 2000	Shenyang	9	3,020	93.12	572.951	735.93
China Science Publishing Group	June 25, 2000	Beijing	2	5,393	74.60	770.335	1,061.43
Hunan Publishing Group	September 1, 2000	Changsha	7	845	137.04	1,991.27	1,293.26
Shandong Publishing House	December 12, 2000	Ji'nan	9	3,648	177.45	1,103.15	1,155.26
Zhejiang Publishing Group	December 21, 2000	Hangzhou	8	4,498	142.59	781.851	1,021.95
Jiangsu Publishing Group	September 28, 2001	Nanjing	8	4,579	225.83	1,394.54	1,697.44
China Publishing Group	April 9, 2002	Beijing	20	5,705	94.80	1,101.63	1,753.38
Jilin Publishing Group	December 12, 2003	Changchun	8	966	11.55	100.197	167.44
Chinese Writers Publishing Group	December 22, 2003	Beijing	1	361	7.91	110.186	175.89
Sichuan Publishing Group	December 26, 2003	Chengdu	10	2,747	112.63	672.614	700.28
Henan Publishing Group	March 28, 2004	Zhengzhou	9	2,671	90.00	448.093	549.88

Hebei Publishing Group	April 15, 2004	Shijiazhuang	6	1,770	111.05	523.743	581.19
Hubei Changjiang Publishing Group	October 12, 2004	Wuhan	7	3,024	121.59	626.314	768.35
Shanghai Literature and Art Publishing Group	June, 2004	Shanghai	7	213	142.59	62.578	200.36
Jiangxi Publishing Group	December 2004	Nanchang	6	1,806	74.60	322.471	467.76
Yunnan Publishing Group	January 25, 2005	Kunming	5	1,990	148.34	821.555	786.68
Chongqing Publishing Group	April 28, 2005	Chongqing	1	783	74.52	423.734	456.51
Guizhou Publishing Group	September 30, 2005	Guiyang	4	869	68.45	486.107	352.96
Anhui Publishing Group	November 28, 2005	Hefei	7	2,814	41.94	516.041	549.86
Gansu Readers Publishing Group	January 17, 2006	Lanzhou	7	788	177.45	319.404	299.88
Shaanxi Publishing Group	December 21, 2006	Taiyuan	8	1,951	93.12	744.931	969.21

\* million

\*\* millions of *yuan*

Source: Shi, Wang and Dong (2008), pp. 290-296.

There were 24 registered publishing groups in China until 2004. These publishing groups were highly important industrial organizations and were integral to the development of China's publishing industry. They accounted for 31.3 percent of all published titles (65,129 different kinds of books), 37.8 percent of all copies of printed books (2,422.88 million), 31.4 percent of all copies of printed sheets (14,618.489 million), and 30.2 percent of all the revenue from books (17, 932.47 million *yuan*).<sup>7</sup>

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<sup>7</sup>This dissertation specifically looks into two publishing houses: one is the Shanghai Science and Technology Publishing House and the other is the Shanghai Education Publishing House. The Shanghai Science and Technology Publishing House ranked 43 among 568 publishing houses in China in 2002, in terms of the gross output value, and the Shanghai Education Publishing House ranked 22. Both of them have become important publishing houses of the Shanghai Century Publishing Group, the first Chinese publishing group that was established in 1999.

Third, it is very important to recognize that both private and foreign investment boomed in the publishing industry. There are around 10,000 private publishers in China, among which 200 to 300 are of considerable size. Prior to 2006, they mostly found themselves working in a kind of “underground economy” (Chen 2008; Yin 2008). Since they were not permitted to apply for publishing licenses, these companies were often registered as cultural companies. They had to find a way to purchase ISBNs from state-owned publishers, and thus ISBNs became marketable goods between state-owned and privately-owned publishers. Nevertheless, the private sector has played a powerful role in the Chinese book market: they purchase 12 percent of the total copyrights from international counterparts every year; they successfully conduct publishing operations at a high level of professionalism and market-orientation; and 50 percent of the bestseller titles come from private publishing companies (Ge 2010). According to the Open-Book Book Market Research Center, net sales in the Chinese book market in 2008 were about 65 billion *yuan*. Among them, 52 billion *yuan* was created by state-owned channels, and the remaining 13 billion *yuan* was earned through private channels.<sup>8</sup>

A significant change took place in April 2009 when the chief minister of the GAPP, Liu Binjie, confirmed that private publishers are officially and legally permitted in the publishing industry. At present, approximately 110,000 private organizations control 78 percent of publication and distribution networks. In addition,

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<sup>8</sup>The Open-Book Book Market Research Center is a private organization, and it is the only organization that provides continuous sales monitoring service for books in China. Retrieved May 1, 2011 (<http://www.openbook.com.cn/EN/>).

12 of the 57 integrated publication complexes are run by private investors. There are 25 national chain-bookstore complexes registered with the GAPP—eight of them (32 percent) are private organizations (Yi 2011). In this account, the powerful influence of private investors in the development of China's publishing industry cannot be disregarded. Many small to medium-sized publishing houses are inseparably tied to private funds, which are more sensitive to consumer requirements. Private investment is structured as a helpful supplement to state-owned publishers, and therefore, in order to achieve maximum market profits in the publishing industry, it is necessary to find a balance between state-owned assets and private investment.

Furthermore, the new policy in China encourages the investment of capital into the publishing industry from international corporations. In 1997, the German company, Bertelsmann AG, launched its first book club in Shanghai. Around the same time, many foreign publishers began to set up offices in China. In February 2002, Sony Music Entertainment Inc. established the Shanghai Epic Music Entertainment Co., Ltd. (SEME) with Chinese partners (the Shanghai Media Group and the Shanghai Jinwen Investment Co., Ltd.). It became the first cooperative joint venture to gain national distribution rights for audio-visual products. In December 2003, Bertelsmann AG obtained partial ownership of the 21<sup>st</sup> Century Chain. This new joint venture is the first foreign-owned national chain-bookstore complex.

There are two publishing joint ventures of note: the Commercial Press International (CPI) and the Children's Fun Publishing House (Xin 2005). The CPI consists of five companies from China (including Taiwan and Hong Kong), Singapore

and Malaysia. Over the past ten years, it has been devoted to the publications of language learning materials and reference books, with an annual output value of around 20 million *yuan*. The Children's Fun Publishing House is primarily invested by Egmont (Denmark) and the People's Posts and Telecom Press (China). Its main product is a simplified Chinese bi-weekly edition of "Mickey Mouse Magazine," and each issue sells 350,000 copies. In 2002, the Children's Fun Publishing House published 424 new titles and achieved an annual output value of 84 million *yuan*. It had become one of the top five children's book publishers by 2002.<sup>9</sup>

It is also worth mentioning that three publishing groups, from the Liaoning, Sichuan, and Guangdong provinces, have registered themselves on the stock market. Specifically, the Sichuan Publishing Group was formally listed on the Stock Exchange of Hong Kong Ltd. on May 3, 2007. The China Sunshine Media, indirectly controlled by the Guangzhou Publishing Group, was formally listed on the Shenzhen Stock Exchange on November 16, 2007. The Liaoning Publishing Group was formally listed on the Shanghai Stock Exchange on December 21, 2007.

To conclude, during the past 30 years, the publishing industry has experienced a profound growth and transformation with an increase of total titles, total printed copies of books and sheets, total revenue from books, and gross output value. This development is also in tandem with an incredible growth in the number of publishing

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<sup>9</sup> According to the market share in 2002 (The Book Publishing Management Department of the GAPP 2008), the five largest children's book publishers are: the Zhejiang Children's Publishing House (6.2 percent of the market share), the Children's Fun Publishing House (5.21 percent of the market share), the 21<sup>st</sup> Century Publishing House (4.6 percent of the market share), the Shanghai People's Fine Arts Publishing House (3.46 percent of the market share), and the Jilin Fine Arts Publishing House (3.34 percent of the market share).

houses and full-time editors. Most importantly, step-by-step reforms have been introduced to accelerate the state's withdrawal from the publishing industry and to promote market competition. As a consequence, three fundamental changes occurred: a change in the nature of publishing houses from public institutions to companies with the emergence of many leading publishers in different professions, the formation of media conglomerates to enhance the competence of the Chinese publishing industry, and the widespread expansion of private and foreign investment in the publishing industry of China. In the last part of this section, I intend to specifically concentrate on the growth of the advertising industry, the most direct and significant result of the ongoing Chinese media reform.

#### **3.3.2.4 The Advertising Industry in China**

One of the most obvious and, for many people, the most startling, aspects of China's media reform is the boom in advertising. Since it became legal again in China in 1979, the advertising industry has grown to be one of the largest of its kind in the world today (Scotton and Hachten 2010).<sup>10</sup> To be more specific, in 1979, advertising revenue accounted for 0.002 percent of China's gross domestic product (GDP), and in 2003, the figure went up to 0.92 percent—the highest so far in terms of advertising's

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<sup>10</sup> The word “again” is used purposefully. In fact, China's first advertising agency, the Shanghai Advertising and Packaging Corporation, was set up in 1962. It kept busy promoting national products and advertising on the packaging of products for exports. However, the Cultural Revolution was thoroughly opposed to advertising activities, and the corporation ceased to function until 1978 when it rose again as the Shanghai Advertising Corporation. Since then, advertising agencies have been widely established in Guangzhou (Guangdong province), Qingdao (Shandong province), Nanjing (Jiangsu province), Dalian (Liaoning province), and Tianjin.

share of China’s GDP. Also, in 1979, advertising revenue in China was approximately 10 million *yuan*, and fewer than 1,000 people were employed in the industry. By 2007, advertising had grown into a 40,463.5 million *yuan* industry with more than 1.1 million employees (See Table 3.8). Over the past 30 years, the Chinese advertising industry has expanded at an average annual rate of 35 percent, one of the fastest growth rates among all industries in the country (Guang 2006; Zhang 2008).

Table 3.8  
Value of China’s Advertising Industry from 2005 to 2009

Year	Value (million <i>yuan</i> )	Growth Rate ( percent)
2005	33,231.0	N/A
2006	36,818.5	10.8%
2007	40,463.5	9.9%
2008	44,145.7	9.1%
2009	47,765.7	8.2%

Source: *Datamonitor*, “Advertising in China” (July 2010).

Abplanalp (2009) mentions that in China, domestic and international corporations have invested heavily in advertising their products to meet and stimulate consumer demands across numerous product categories, ranging from daily products to luxury goods. Therefore, advertisements are ubiquitous in China today—on taxis and buses, billboards, radio, television, the Internet and mobile phones, in airports, subways, shopping malls, sports venues, and above all, magazines and newspapers. The rapid and sustained growth of the Chinese advertising industry has been fueled by two major forces.

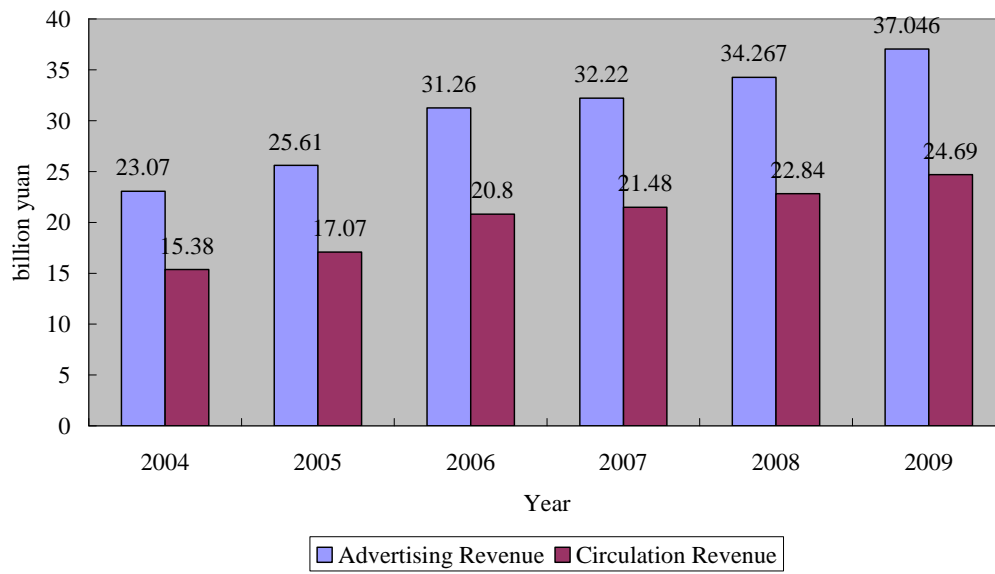
The first force comes from China’s robust economic development since Deng Xiaoping initiated free market reform in the late 1970s; China has since become one of the world’s fastest-growing economies. From 1979 to 2007, China’s GDP grew at

an average annual rate of 9.8 percent. In fact, the dynamic growth of China's advertising market has directly reflected the massive scale of investment in China's economy in recent years. Also, advertising is important in building brand quality and driving consumer sales. The large middle class, estimated at 197 million in 2008, has turned China into a "king-maker" market that neither foreign nor local marketers can underestimate (Adler 2008). The second force shaping the Chinese advertising industry comes from the intense inter-firm competition as the country continues to deregulate its markets, especially since 2001 when China became an official member of the WTO. Advertising has become vital, not only for international corporations, but also for local firms that attempt to largely challenge the competitive positions of international corporations (Hung, Gu and Tse 2005). Nowadays, the leading advertising companies in China include the Beijing Dentsu Advertising, Dahe Media, and Saatchi & Saatchi China (Wang 2008).

In essence, China's explosive economic development has transformed the country into one of the largest economies in the world and has given rise to roughly 350 million urban consumers. Particularly in the Chinese media industry, this consumerism has in turn created one of the largest and most dynamic global advertising markets in just over a decade. Until now, advertising provided at least 80 percent of the revenue for the Chinese mass media. This high percentage has given strong impetus to China's media industries, and more fundamentally, it has reduced the media's dependence on government funds and has promised more opportunities for creativity and variety in media products. Figures 3.4, 3.5, 3.6 and 3.7 illustrate the

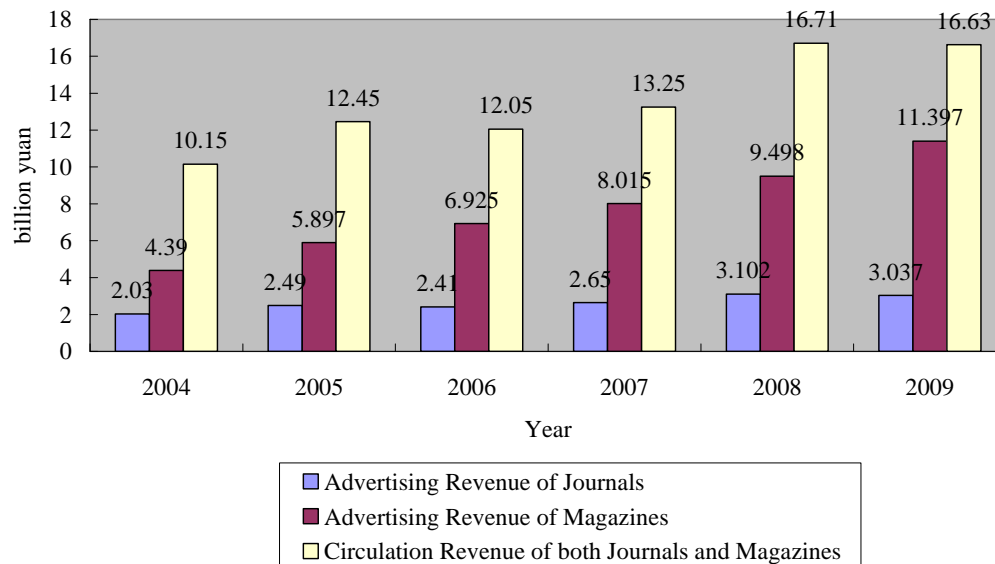
advertising revenue of newspapers, journals and magazines, broadcasting, and television from 2004 to 2009, respectively.

Figure 3.4  
Advertising Revenue of Newspapers from 2004 to 2009



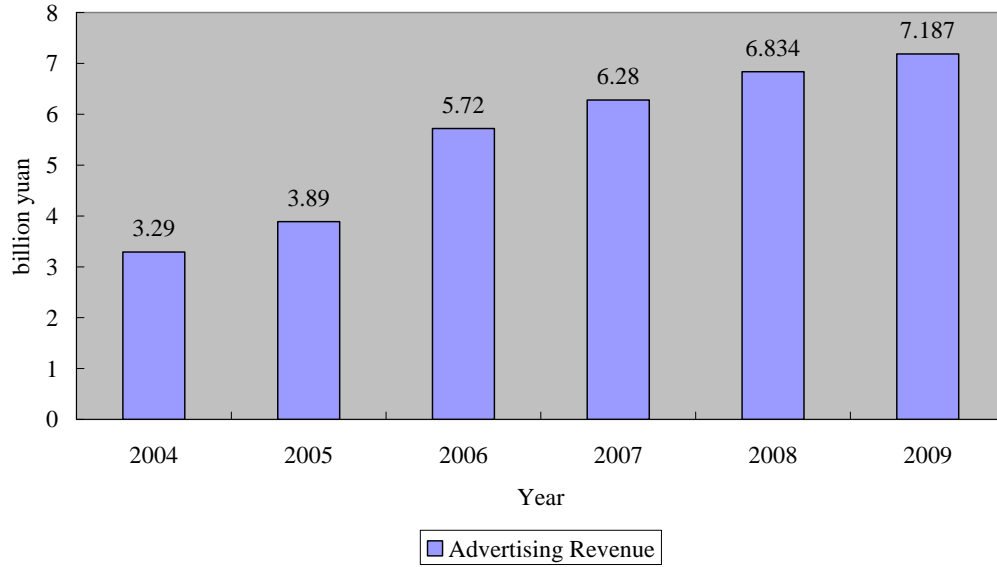
Source: Cui (2010), pp. 8.

Figure 3.5  
Advertising Revenue of Journals and Magazines from 2004 to 2009



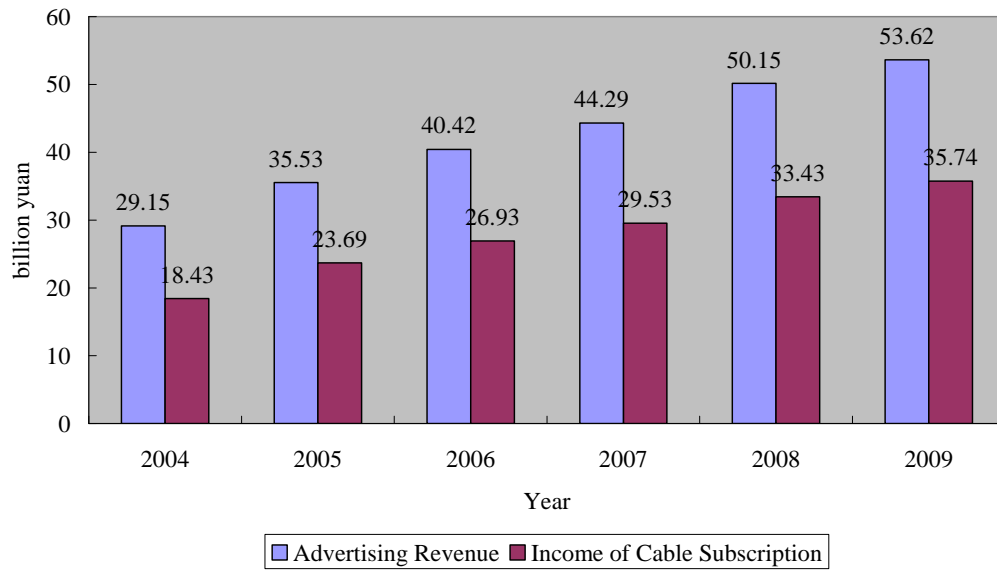
Source: Cui (2010), pp. 8.

Figure 3.6  
Advertising Revenue of Broadcasting from 2004 to 2009



Source: Cui (2010), pp. 8.

Figure 3.7  
Advertising Revenue of Television from 2004 to 2009



Source: Cui (2010), pp. 10.

It is also important to emphasize the sustained growth of professional advertising companies in the Chinese media industry. There are two reasons for such a growth. First, with the development of new media, advertising content is delivered in many formats through diverse channels, ranging from sponsorship of sports events and teams to Internet advertising campaigns. This simply means that reaching mass audiences now is complicated and often costly. For example, in the past, an advertisement during a prime time TV show would have certainly reached a large audience. But nowadays, with a plethora of entertainment media available, such as TV, DVDs, and the Internet, the audience is less concentrated in one medium, and therefore, advertising through all media formats needs to be considered. In such a context, professional advertising companies have emerged due to their specific knowledge of the market and audiences. Second, the advertising industry is supposed to quickly adjust to meet the challenges of the audiences, media segmentation, and the rapid development of technology. As target audiences are increasingly fragmented due to technological advances and different consumer habits, players in the advertising market need to constantly innovate and improve their practices to ensure that clients' needs are thoroughly met. Thus, much more attention has been paid to the clients' needs when manufacturers and consumers have interacted through various advertising channels. Not surprisingly, businesses are seeking advice from external advertising/marketing agencies, particularly professional advertising companies, in order to reduce expenditures (See Table 3.9).<sup>11</sup>

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<sup>11</sup> It is important to point out that the gross output value of professional advertising companies constitutes around 10 percent of the total gross output value of the Chinese

Table 3.9  
Gross Output Value of China's Professional Advertising Companies  
from 2004 to 2009

Year	2004	2005	2006	2007	2008	2009
Gross Output Value of Professional Advertising Companies *	28.2	30.7	31.6	34.4	38.9	42.6
Percentage of the Total Gross Output Value of Media Industries	13.37%	12.48%	9.56%	9.26%	9.21%	8.68%

\* billion of *yuan*

Source: Cui (2010), pp. 5.

However, most fundamentally, the advertising industry still needs to follow the Party principle despite its incredible expansion accelerated by market forces. It is suggested that the purpose of China's media reform is to strengthen the Party's leadership and supervision, not to discard them (Chu 1994). Thus, the mass media are supposed to deliver political and commercial messages without apparent contradiction, combining intense commercial pressure and highly charged political responsibilities. As Guang states, the mass media are obliged to "persist in correctly guiding the people forward with correct public opinion. They are required to advocate healthy, lofty ideology and culture in order to give a moral support to contemporary socialist construction" (2006:38-39). Therefore, both domestic and international advertisers are working closely with the government to jointly improve production quality through practical and politically safe initiatives. This further reinforces the notion that as a result of the widespread expansion of China's media reform, Chinese media workers are trapped in a two-track system, namely a state controlled media sector in combination with a market-oriented entertainment business. What does this mean for Chinese media workers? The following section attempts to specifically examine the media industry. The percentage is comparatively large. However, it is declining.

actual impacts of the media commodification process on Chinese media workers, particularly on editors in the publishing industry.

### **3.4 Precarious Chinese Media Workers**

#### **3.4.1 Basic Information and Findings from the Surveys**

In this section, I intend to examine the precarious condition of Chinese media workers using the findings from my surveys carried out in China. I sent out 150 questionnaires via email to the editors in most of the big publishing houses in Shanghai. These editors were selected randomly from a list that was provided by the official who works in the Publishers Association of Shanghai. 128 completed questionnaires have been received. The ages of the editors participating in the surveys are as follows: 23 percent, between 20 and 29 years old, 47 percent, 30 to 39 years old, and 30 percent, 40 to 49 years old. The average age of the participants is around 36 years old. In addition, 85 percent of the editors are female, while 15 percent are male; males are more likely to be the leaders of publishing houses. In terms of marital status, 74 percent of the editors are married, and 26 percent remain single or divorced. It is also important to note that 25 percent of the editors hold master's degrees or above; the rest of them have obtained bachelor's degrees. Among them, 24 percent have graduated from well known universities in China, for example, Fudan University, Shanghai Jiaotong University, and the East China Normal University. Their majors include linguistics (22.5%), literature and art (12.5%), philosophy (2.5%), foreign

languages (15%), economics (5%), publishing and editing (15%), accounting (2.5%), science and technology (22.5%), designing (2.5%), and education (2.5%).

As knowledge workers, media workers are considered to obtain high levels of education, various personal skills, and strong social responsibilities. Thus, a media worker is supposed to possess a high social status with a decent income. However, as mentioned in the previous two sections, due to the media commodification process, Chinese media workers are trapped in a two-track system: a state controlled media sector in combination with a market-oriented entertainment business. In such a context, Chinese media workers, particularly editors, constantly face a future of radical uncertainty due to the changing mode of management, the isolation from any protective framework of social insurance, and intense work pressure with the changes in work hours, locations, main tasks, and monthly incomes.

### **3.4.2 Contingent Employment**

The changing mode of management basically manifests in signing a contract that is based on a fixed time period. Thus, the employment pattern in the Chinese media industry has changed from lifetime employment to contingent employment. According to the surveys, 42 percent of the editors sign their contracts annually, eight percent sign contracts once every two years, and 30 percent sign contracts once every three years. Also, 20 percent of the editors in the surveys sign their contracts in different ways; for example, some editors sign contracts once every five years, and some senior editors sign contracts that guarantee their lifetime employment.

Junior editors usually sign contracts once every year in the first three years. From their fourth year, only those “excellent” (well-behaved) editors are allowed to sign contracts once every three years. Maybe a few years later, they can sign contracts once every five years, depending on their performances (namely, the profit that they have generated for the publishing house). In contrast, senior editors first signed three-year contracts when the Labour Law was implemented in 1995, and afterwards they signed contracts that guaranteed their lifetime employment. Nonetheless, before media reform, no contract was required in the publishing industry (Gao 2003).

### **3.4.3 The Decline of Social Welfare Benefits**

In the publishing industry, with the processes of marketization, privatization, and deregulation, social welfare benefits have been cut dramatically. The third section of the survey primarily focuses on this decline. I asked the following questions.

1. Do you have a child? If yes, have you ever taken a maternity leave?
2. Have you received any subsidy for your housing? Do you have to pay a mortgage every month? If yes, how much do you have to pay?
3. Do you receive medical insurance and unemployment benefits?

For the first question, 38 percent of the editors have a child, while 62 percent do not. The decline of maternity leave strongly implies that social welfare benefits have been cut substantially in the publishing industry. Maternity leave used to be one year, but now it has changed to four months for a natural delivery, and four months and a half for a Caesarean birth. However, in practice, these expectant mothers have to work

as ordinary editors, and sometimes they even work 12 hours a day. The only privilege that they might enjoy is to work at home. In addition, after giving birth to their children, female editors try to go back to work as soon as possible due to their intense concerns about losing their jobs. What is even worse is that most publishing houses are reluctant to recruit female editors because according to the Labour Law, female editors should be fully paid during their maternity leaves (Bie 2007).

In terms of the answers to the second question, 81.8 percent of the editors do not receive any subsidy for housing. In contrast to the 63.8 percent of the editors who have bought their own houses, 36.2 percent of them still cannot afford one. The surveys also indicate that 53.5 percent of the editors have to pay monthly mortgages, which range from 2,000 to 5,000 *yuan*. To specify, 41.2 percent of them pay less than 2,000 *yuan* for their monthly mortgages; 29.4 percent pay between 2,000 to 3,000 *yuan*; and 29.4 percent pay between 3,000 to 5,000 *yuan*. Considering their monthly incomes, editors are enormously pressured to meet mortgage payments.

To supplement this analysis, it is rather illuminating to analyze the concrete regulations on housing subsidies in the Shanghai Education Publishing House, combined with the findings from the interviews with the editors who work there. The Shanghai Education Publishing House offers senior editors 140,000 to 180,000 *yuan* (depending on their administrative roles in the publishing house) in total as a subsidy to purchase a house. In practice, editors receive 300 *yuan* per month before their retirement, and get the rest of money when they are retired. Meanwhile, it offers junior editors around 120,000 *yuan* as a subsidy for house purchasing, with 100 *yuan*

distributed to them per month. Interestingly, in order to be eligible for such a subsidy, editors, both senior and junior, are required to sign contracts that stipulate that editors should work in the publishing house for the next five consecutive years after the contract is signed.

Generally, in association with the enormous pressure to pay off the mortgage, one of the most effective means for the government to maintain its control over society is by successfully tying people to the pressure of purchasing their own houses. This tremendous economic pressure has motivated editors to work hard, and caused them to feel excessively insecure given that they can easily lose their jobs, and by no means can they afford such a loss. This point is further strengthened by the answers to Question 14, which specifically looks into the frequency that editors change their jobs. According to the surveys, 62.5 percent of the editors have never changed their jobs, 25 percent have changed once, 7.5 percent have changed twice, and only five percent have changed three times or more. In fact, editors are fearful of losing their jobs if they complain too much about their work, work less intensely than their colleagues, or fail to achieve the profit required by the leaders. Likewise, it is not only important to understand that editors cannot afford to lose their jobs due to the high living costs, but more critically, specific attention should be drawn to the surplus of labour in China. Every year, a large number of local students, graduated from universities and colleges, who major in journalism, history, political science, and finance, plunge into the job market. With very limited job opportunities, most of them remain unemployed. There

is no doubt that they constitute constant threats to those editors who are working in the publishing industry.<sup>12</sup>

As a result, editors have become docile, indifferent to politics, and exclusively concerned about their personal affairs instead of being interested in the common problems facing editors as a collectivity (Li 1997a; Ma 1998). This, to some extent, explains why social resistance on the part of editors has not been widespread in China, even though the decline of social welfare benefits has been significant.

In response to the third question, 95.7 percent of the editors receive medical insurance and unemployment benefits, while 4.3 percent of them do not. According to the regulations issued by the Shanghai Municipal Human Resources and Social Security Bureau, employers and employees are paying contributions to pensions, medical insurance, unemployment benefits, and housing funds together. The exact amount is listed in Table 3.10 as follows:

Table 3.10  
Percentage Employers and Employees Paid for Social Welfare Benefits

Item	Employee's Part	Employer's Part
	The Percentage of the Employee's Monthly Income	
Pensions	8%	22%
Medical Insurance	2%	12%
Unemployment Benefits	1%	2%

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<sup>12</sup> According to the survey responses, 75 percent of the editors choose being editors as their lifetime careers. In fact, a lot of editors are reluctant to change their jobs not just because of the external factors as I have argued previously, such as, the surplus of labour, the increasing living costs, and the widespread expansion of contingent employment. Internal factors, including the love and enthusiasm editors have toward their jobs, the aspiration and respect for knowledge as intellectuals, and the high social status associated with editors, need to be considered as well. According to the findings from my surveys, 60.7 percent of the editors refuse to work outside of the publishing industry.

Housing Funds	7%	7%
Total	18%	43%

Source: The Shanghai Municipal Human Resources and Social Security Bureau, 2011.

Basically, the more employees pay to the government, the more employers will pay for them to the government. However, for those 4.3 percent of the editors who are not paying anything, with employers paying nothing for them either, they will end up receiving neither financial assistance nor social welfare benefits from the government after their retirement (Li and Zhang 2008). Furthermore, some publishing houses used to buy extra commercial health insurance for editors on behalf of unions. Also, they used to offer extra housing funds for editors as social welfare benefits, which could be used to buy, rent, or decorate houses. But now, fewer and fewer publishing houses carry out these two policies, and the amount spent on either commercial health insurance or housing funds has been shrinking substantially.<sup>13</sup>

To conclude, according to the surveys, in the Chinese media industry, along with the media commodification process, the government no longer provides free education, housing, and medical services. At the same time, publishing houses are trying to minimize their expenditures on social welfare benefits, by providing neither sufficient medical insurance nor unemployment benefits. Even though some forms of social welfare benefits have not been removed completely, for example, maternity leave, food and transportation subsidies, and travel grants, they have been reduced to a large extent. Most importantly, several insignificant forms of social welfare benefits,

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<sup>13</sup> The Shanghai Education Publishing House still offers very sick editors a living allowance. To specify, those editors who are suffering from any cancer, kidney disease, or mental disease, can receive 300 *yuan* per month. In addition, 300 to 500 *yuan* is given to the editors who need operations. However, no more than 1,000 *yuan* is granted to each editor within one year.

such as, distributing gift cards and transportation tokens, have slightly increased at the expense of the dramatic decline of the basic social welfare benefits that editors badly need, such as medical insurance, housing funds, and unemployment benefits.

#### **3.4.4 Intense Work Pressure**

Work pressure has become intense due to the changes in work hours, locations, main tasks, and monthly incomes. To explain, questions 10 and 11 in the questionnaire specifically deal with the changing work hours of editors in the publishing industry. Even though the regular work hours before and after current media reform remain the same, eight hours a day and five days a week, it is apparent that after current media reform, editors usually work overtime in order to finish their monthly workload, as their incomes are largely determined by the profit that has been generated. As the surveys demonstrate, 94.9 percent of the editors work overtime, and among them, 19.4 percent work an extra one to five hours per week, 41.9 percent work an extra six to ten hours per week, 19.4 percent work an extra 11 to 20 hours, and 19.4 percent work an extra 21 hours or above per week. Interestingly, although editors are confronted with the aforementioned enormous economic pressure, 98 percent of them do not take on any part-time jobs. This phenomenon partially reflects the heavy workload of editors in a very implicit way because as their incomes are predominately determined by the profit that they can generate, editors have to work outside of their regular work hours frequently. Therefore, the line between work and leisure is blurred. So is the boundary between office and home (Wang 1994).

Changes in workplaces are also distinct. Before media reform, editors exclusively worked in their offices. But now, within their regular work hours, editors mainly work both in the offices and at home, while outside of their regular work hours, the places where they work include: home (86.3 percent of them prefer working at home), offices (22.7%), restaurants (31.8%), hotels (9%), and other miscellaneous places (18.1%). In general, editors' workplaces have become very flexible.

Nevertheless, according to the surveys, 97.7 percent of the editors have admitted that everyday attendance is still strictly recorded in the publishing house. Actually, the physical attendance of editors is precisely recorded by a machine that is installed at the entrance of the publishing house. Only with the leaders' permission can editors leave the publishing house during regular work hours. In most cases, editors are allowed to chat with the author of a forthcoming book outside of the publishing house, and they are also allowed by the leaders to attend conferences organized by the Publishers Association of Shanghai. Besides, sick leave will not be approved until an official note from a doctor is provided.

Furthermore, in terms of the changing main tasks, editing no longer remains the only important task for editors. Once, editors were mainly responsible for editing and word processing. However, as a result of media commodification, editors need to be good at, or at least familiar with, editing, wording processing, marketing, book planning, sales, and publishing. The boundaries between different tasks are blurred, and as a consequence, it becomes imperative for editors to renew their knowledge of science and technology frequently. According to the surveys, 37.5 percent of the

editors are mainly responsible for editing (word processing), 22.5 percent take care of book planning (marketing, sales, and publishing), and 40 percent need to fulfill both tasks.

In fact, after current media reform, editors' responsibilities for book planning, particularly marketing and book sales, turn out to be more substantial. As such, the working conditions of editors have largely changed because most of them are now increasingly concentrating on the promotion of books instead of editing them. Not surprisingly, editors have spent a great amount of time travelling to different provinces to promote books instead of merely working in their offices.

It is rather enlightening to investigate the main problems regarding both editing (word processing) and book planning (marketing, sales, and publishing) for editors. For the problems in editing (word processing), 29.2 percent of the editors have realized that the leaders have excessively emphasized the economic interests of publication, which leads to a fast pace of work and tremendous work pressure. Other major editing (word processing) problems include: the lack of systematic training in the publishing house (mentioned by 12.5 percent of my survey participants), the decline of editors' social responsibilities as a result of the widespread expansion of utilitarianism as a guiding social principle (8.3%), the deteriorating quality of books with less effort made to polish and proofread (1.4%), and the challenge of mastering new skills that are required by modern word processing techniques (8.3%). The problems in book planning (marketing, sales, and publishing) include intense competition among different publishing houses (50%), the need to develop personal

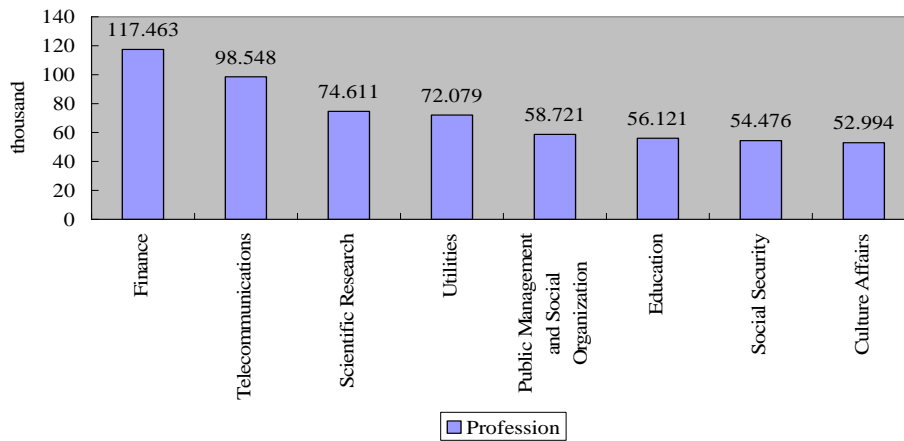
social networks to effectively promote books (24.1%), the rigid hierarchical system in publishing houses as an impediment to generating profit (16.75%), the comparatively low incomes for authors that lead to poor quality books (7.4%), and the lack of institutionalized and routinized training (8.3%). Thus, it has become clear that editing and book planning share common problems.

Last, but not least, as one of the most direct consequences of media commodification, the monthly incomes of editors have changed remarkably. The current distribution system is guided by “market-based and profit-orientated” principles. The monthly incomes of editors thus consist of both basic wages and bonuses (Sun 2006). In general, basic wages of editors are determined by their job titles and the length of their services, while bonuses are calculated considering their monthly workload, profit that has been generated, and the administrative roles that editors are playing in the publishing house. Comparatively, before media reform, the monthly incomes of editors largely equaled their basic wages, the job titles and the length of services being the two dominant indices. Questions seven and eight in the questionnaire specifically look into the changing monthly incomes of editors.

To be more specific, question seven attempts to understand both the monthly and annual incomes of editors. The surveys show that 55.5 percent of the editors earn below 5,000 *yuan* per month, 18.8 percent earn between 5,000 to 6,000 *yuan*, 7.3 percent earn between 6,000 to 7,000 *yuan*, 9.1 percent earn between 7,000 to 10,000 *yuan*, and 9.3 percent earn more than 10,000 *yuan*. To calculate, the average annual incomes of editors are roughly around 60,000 *yuan*. In 2009, according to the report

of the Shanghai Municipal Statistics Bureau (2009a), the average annual income in Shanghai is around 40,000 *yuan*. To compare editors with other knowledge workers and industrial workers, Figures 3.8 and 3.9 illustrate the average annual incomes of knowledge workers and industrial workers in different professions, respectively.

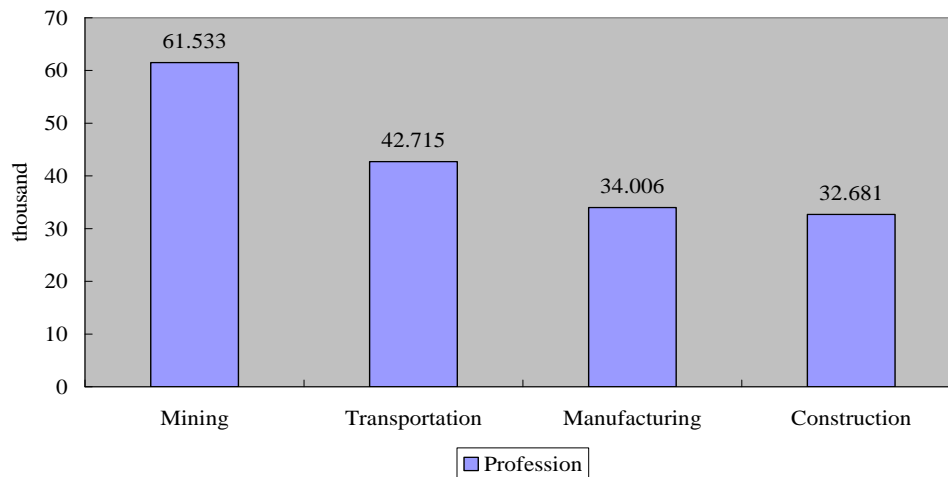
Figure 3.8  
Average Annual Income of Knowledge Workers  
in Different Professions in China



\* *yuan*

Source: The Shanghai Municipal Statistics Bureau, 2009a.

Figure 3.9  
Average Annual Income of Industrial Workers  
in Different Professions in China



\* *yuan*

Source: The Shanghai Municipal Statistics Bureau, 2009b.

As shown above, editors are not well paid in general. Therefore, question eight further seeks to learn how much they expect to earn, with regard to increasing living costs in Shanghai. It is interesting to find that 10 percent of the editors expect their monthly incomes up to 6,000 *yuan*, six percent expect incomes from 6,000 to 7,000 *yuan*, 32 percent expect incomes between 7,000 to 10,000 *yuan*, and 26 percent anticipate their monthly incomes more than 10,000 *yuan*. In order to better understand the actual living costs as well as the actual purchasing power of *yuan*, Table 3.11 lists several major expenses for editors in their daily lives.

Table 3.11  
Major Expenses for Editors in Their Daily Lives

Expense	Estimated Cost
kindergarten	3,000 <i>yuan</i> / per month
tuition fee for public elementary school	3,000 <i>yuan</i> / per term
tuition fee for private elementary school	8,000 <i>yuan</i> / per term
tuition fee for public secondary school	5,000 <i>yuan</i> / per term
tuition fee for private secondary school	12,000 <i>yuan</i> / per term
meat	40-70 <i>yuan</i> / per kilogram
vegetables	10-25 <i>yuan</i> / per kilogram
sea food	60-90 <i>yuan</i> / per kilogram
gas	7.03 <i>yuan</i> / per liter
housing to buy <sup>a</sup>	25,000-40,000 <i>yuan</i> / per square meter
housing to rent	1,600-5,000 <i>yuan</i> / per month, one unit
transportation	400-800 <i>yuan</i> / per month

Source: The Shanghai Municipal Statistics Bureau, 2009c.

<sup>a</sup> To highlight, housing has become extremely expensive in Shanghai. In order to buy a house, according to their average incomes, editors need to work for nearly 50 years. The economic pressure has successfully motivated editors to work hard so as not to lose their jobs.

To conclude, Chinese media workers, particularly editors, are in a precarious condition. Table 3.12 summarizes the changes in the mode of management, social welfare benefits, work hours, locations, main tasks, and monthly incomes that editors

have been experiencing. Also, it is important to acknowledge that these changes are interconnected. When the impacts of contingent employment are examined, editors believe that contingent employment not only manifests in signing contracts based on fixed time periods (85% of them mentioned this point in the surveys), but more critically, it leads to a series of other crucial problems, including taking on part-time jobs (58%), the decline of social welfare benefits (90%), working overtime (45%, and among them 32% maintain that they have to work at home frequently), receiving less payment (88%), and getting fewer chances to get promoted (38%).

Table 3.12  
Differences between the Two Employment Patterns  
before and after China’s Media Reform

	Before Media Reform	After Media Reform
Employment Pattern	lifetime employment	contingent employment
Mode of Management	no contract	signing a contract based on a fixed time period
Social Welfare Benefits	all-inclusive	shift from government to publishing houses and individuals
Work Hours	regular work hours	regular and extra work hours
Work Places	office and home	multiple locations, including home, office, restaurants, and hotels
Main Tasks	editing and word processing	multitasks, including editing, word processing, marketing, book planning, sales, and publishing
Monthly Incomes	basic wages	basic wages with bonuses

None of the editors are satisfied with their current jobs. In association with the answers to questions 19 and 20, editors are suffering from enormous pressure owing to other factors that I have not elucidated above. Such factors include: intense living pressure (mentioned by 86 percent of the survey participants), ineffective reward system (71.7%), and long and inflexible work hours (61.7%). Table 3.13 illustrates

the major factors that have also led to the precarious condition of editors in the publishing industry.

Table 3.13  
Major Factors Leading to Enormous Pressure on Editors

Factor	Percentage
intensive living pressure	86%
ineffective reward system	71.7%
long and inflexible work hours	61.7%
various pressure to raise a child	32.3%
too much involvement in housework	27%
the limitation of time and strength	12.7%
disadvantage of age	9.2%
deteriorating personal health condition	7.7%
unfair promotion	7.7%
unpredictable future career	7.7%
complicated relationships with colleagues	4.6%
decline in work ability	4.6%
subjectivity of the leaders	4.6%
gender discrimination	4.6%
weak personality	2.3%
lack of work experience	2.3%
inadequate educational background	2.3%

Question 24 concentrates on editors' comments to the media commodification process. For editors, the negative impacts of media reform are rather obvious, which makes the reform itself problematic. First, according to 46.1 percent of the editors, it is impossible, or at least too demanding, for them to acquire the abilities of editing, word processing, marketing, sales, and publishing at the same time, not to mention the fact that training is not easily accessible to every individual in the publishing house. Second, there are 20.5 percent of the editors pointing out that most of the leaders are not editors themselves, and thus their guidance is not professional, and sometimes can be very misleading. Third, rigid bureaucratic structure is an important factor that contributes to the poor efficiency in the publishing house (mentioned by 10.2 percent

of the editors in the surveys). Finally but most importantly, administrative power is still essential in regulating the publishing industry through very tight censorship and effective control over social resources, and accordingly, editors have to dance with much more powerful “chains.” In this regard, it is not difficult to find that government at all levels has not completely withdrawn from the publishing industry. In addition to implementing tight censorship and controlling social resources, government needs to be largely responsible for improving the working conditions as well as increasing the social welfare benefits of editors.

### **3.5 Conclusion**

The development of the mass media, the most political and commercial aspect of modern industries, provides unique insights into the reality of “socialism with Chinese characteristics” and the challenges facing China as it emerges as a major world economy and cultural force. In no other sectors are the powerful forces of politics and economics so graphically and publicly joined together as a single product. Therefore, Chinese media workers, particularly editors, are constantly faced with tremendous challenges brought about by both the ongoing political and economic reforms. It has become more apparent when China’s media reform started in the late 1970s, with the widespread expansion of the media commodification process.

This chapter started with a systematic review of commodification theory proposed and developed by numerous political economists, such as Dan Schiller, Vincent Mosco, Dallas Smythe, Elien Meehan, and Harry Braverman. They argue

that commodification is important in the analysis of the process of capitalist expansion, including the global extension of the market as well as the privatization of public space. Also, to comprehensively understand the commodification process of communication, political economists concentrate on the commodification processes of media content, audiences, and the labour involved in media production (Mosco 2009).

The second section of this chapter specifically examined China's media reform, particularly the reforms in the publishing industry. In essence, step-by-step reforms have been introduced to accelerate the state's withdrawal from the publishing industry and to promote market competition. The widespread expansion of the media commodification process has resulted in a series of fundamental changes. These changes include: a change in the nature of publishing houses from public institutions to companies with the emergence of many leading publishers in different professions, the formation of media conglomerates to enhance the competence of the Chinese publishing industry, and the widespread expansion of private and foreign investment in the publishing industry of China. Most importantly, as the most direct and significant result of the ongoing media reform in China, the advertising industry has become one of the largest of its kind in the world today (Scotton and Hachten 2010).

I have described how media commodification has led to a two-track system for editors—a state controlled media sector in combination with a market-oriented entertainment business. Therefore, editors are in a precarious condition: they are increasingly challenged by the problem of contingent employment with the changing mode of management, the decline of social welfare benefits, and intense work

pressure with the changes in work hours, locations, main tasks, and monthly incomes, as I have concentrated on in the third section of this chapter.

More critically, according to the findings from my surveys, junior editors are confronted with more challenges than senior editors, for example, they sign contracts based on shorter time periods, receive fewer housing subsidies, and get a heavier monthly workload. Thus, it is crucial to examine the inner division even among editors because the tension is manifested quite clearly in their struggles for power in the publishing industry hierarchy. This leads to my discussion of the structuration process of the political economy of communication in the Chinese media industry in chapter four, which concentrates on the five critical problems facing Chinese media workers in relation to the fundamental social changes, including technological, political, and economic ones, and most importantly, the changes in class relations and power dynamics.

## **Chapter Four**

### **The Structuration Process:**

#### **Five Critical Problems Facing Chinese Media Workers**

The current Chinese economic reform has brought about remarkable social changes. The emergence of contingent employment and the deteriorating working conditions of the working class are among the most evident of the labour relations changes. I argued in chapter three that in the media industry, such changes have resulted in the decline of social welfare benefits and intense work pressure on Chinese media workers, with the acceleration of the media commodification process. In this chapter, I intend to examine the structuration process of the Chinese media industry by analyzing the findings from my interviews in China. Specifically, I intend to concentrate on the five critical problems confronting Chinese media workers that came about as a result of various ongoing social changes. These changes include technological, political, and economic ones, and most importantly, the changes in class relations and power dynamics.<sup>1</sup>

#### **4.1 Introduction: Five Critical Problems**

According to Mosco (2009:185), “Structuration describes a process by which structures are constituted out of human agency, even as they provide the very ‘medium’ of that constitution.” In other words, social life is comprised of the mutual

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<sup>1</sup> In 2010, I conducted 11 semi-structured interviews with editors from numerous large publishing houses in China, for example, the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House. The detailed information about the interviews is provided in the “Methods” section of chapter one.

constitution of structure and agency. Structure, as Giddens argues, is regarded as rules and resources recursively implicated in social reproduction. Structure is out of time and space, and marked by an “absence of subject” (1984:25). However, social systems, in which structure is recursively implicated, also comprise the situated activities of human agents that are reproduced across time and space. Therefore, analyzing the structuration of social systems means incorporating the ideas of agency, social relations, and social practice into the political economic analysis of social structures. In this regard, the theory of structuration, defined by both Mosco and Giddens, attempts to bridge a gap between theoretical perspectives that foreground structure and those that emphasize action and agency. Thus, structures and agents are not two independently given sets of phenomena. Instead, they are interconnected in the ongoing patterning of social life (Mosco 2009). From this viewpoint, I aim to address an interconnection between structures (the dominant Chinese political, economic, and social structures) and agents (Chinese media workers) when analyzing the structuration process of the Chinese media industry.

Furthermore, both Mosco and Giddens acknowledge that one of the most important characteristics of structuration theory is the prominence it gives to social change—a process that is described as the way structures are produced and reproduced by human agents who act through the medium of the structure. According to Hobsbawm (1973), the theory of structuration can never be fully understood without comprehending the stabilizing and disruptive elements that either lead to the maintenance of a system or to the inevitability of social change. As such, in this

chapter, it is essential to connect the problems facing Chinese media workers to the broader ongoing social changes in China. In more detail, Chinese media workers are challenged by the following five critical problems.

The first problem is brought about by the latest technological developments in China, leading to the dramatic changes in both work process and working conditions for Chinese media workers. Specifically for editors, the deskilling effects of new technology are so prevalent that they have devalued much of the professional knowledge and abilities upon which editors had once prided themselves. In association with the deskilling effects of new technology, leaders in most Chinese publishing houses are placing more value on editors' technical skills than on their professional experience and knowledge. Therefore, editors are supposed to renew their knowledge and learn additional professional skills at the same time due to the latest technological developments in China, and as a consequence, their work pressure has become intense. As well, the introduction of new technology has enhanced management control over the work process of editors, so they are facing greater surveillance, and are increasingly subject to the "electronic panopticon" (Adams and Welsh 2008:221). In such a context, editors are pushed to take various measures to respond to these challenges. They attend different lectures, short-term training classes, conferences, seminars, and forums, and most importantly, they take the initiative in receiving continuing education for either degrees or certificates in order to upgrade their knowledge structures and enhance their professional skills.

Second, in the past thirty years, as a part of the massive state-directed transformation of the Chinese political economy, the media marketization process has been accelerated. With the widespread expansion of the media marketization process, the Chinese mass media are defined as “both a state ideological apparatus and an integral part of the profit-oriented service industry” (Tong 2003:18). As such, Chinese media workers are increasingly pressured by the rise of market competition, strict Party control, and the growing tension within the propaganda-commercial model. At the core of this model, on the one hand, Chinese media workers are responsible for serving and publicizing the party-state’s policies and interests, and on the other hand, for meeting the need to generate profit like business entities in the media marketization process (Cheek 1997; Zhao 2008). As my interviews reveal, responding to such economic and political pressure, Chinese media workers are cultivating a new form of public/civic media, which is mainly characterized by its concentration on social conflicts and the problems of contemporary Chinese society when adhering to a politically correct standpoint in the observation, interview, analysis, and programming of such conflicts and problems.

Third, along with the media marketization process, market principles have been largely applied to the Chinese social welfare system, resulting in dramatic changes in both the pension and health care systems. For the changes in the pension system, a multi-layered system involving funds contributed by the state, companies, and individuals has been established (West 1999). The new pension system puts a heavy burden on individuals because the shared contributions of both the state and

companies have significantly decreased. In terms of the changes in the health care system, the previously free medicines and medical services have been replaced by user-pay policies since the marketization process started in China's health care system. The state is playing a less and less important role in providing health care benefits, and individuals are sharing more responsibilities in covering their own medical expenses, which have greatly increased in the past few decades. In such a context, Chinese media workers are less protected from both the state and their companies, including publishing houses, newspaper agencies, and television and radio stations, and they are compelled to save a large portion of their incomes and buy private medical insurance as they feel extremely insecure about their future lives.

Fourth, the marketization process of the social welfare system is intertwined with the smashing of the work-unit system. In China, in the work-unit system, like other forms of work units, Chinese publishing houses were not only economic organizations, but also administrative units, political vehicles, and social welfare organizations (Donald and Keane 2002). However, the work-unit system started to break up with a complete reshaping of the socialist employment structure, within which job security is weakened, and social welfare benefits are declined. Walder (1986:77) argues that the highly politicized work units were despotic because workers were caught in a web of intense "organized dependence" that forced them to rely on their work units to meet almost their every need. However, with the smashing of the work-unit system, the working class is increasingly caught in another web of intense "organized dependence" that forces them to rely on market forces.

Last, but most importantly, after the work-unit system was smashed, the internal differences within the Chinese working class have become quite distinct. While Chinese media workers participate less in management, leaders in the media industry have formed an independent social stratum, maintaining growing decision-making power over the distribution of bonuses for media workers, the allocation of their social welfare benefits, and the management of human resources. As a result, the enthusiasm of media workers for production is no longer encouraged by management participation, but prompted by productivity-related payments and the threat of dismissal. Also, with the increased gap between media workers and leaders in power, the social connections of media workers are playing a significantly important role in the media industry (King 1991). Accordingly, Chinese media workers are pressured to establish extensive and intimate personal connections with leaders in order to gain personal benefits either in the recruitment process or in their applications for Party membership.

In addition to the division between media workers and leaders, the inner division of Chinese media workers in the same social group, for example, editors, is also obvious. According to the findings from my interviews, the interests of senior and junior editors largely conflict with each other, manifested in power struggles in the publishing industry hierarchy. To specify, junior editors are pressured to sign contracts based on shorter time periods, receive more challenging work to generate profit with intense work pressure, and obtain fewer chances to get promoted. Moreover, compared with senior editors, they are punished more severely, basically in

the form of wage deduction, if they fail to meet their monthly workload or generate the amount of profit specified in their contracts. As a response, according to Sargeson (1999), editors, particularly junior editors, in most of the large publishing houses have established various channels to communicate with leaders for increasing their monthly incomes and passing regulations to limit their work hours and their monthly workload, with the assistance of worker organizations and trade unions in the publishing industry. It is also important to note that different from industrial workers, Chinese media workers have not yet participated in massive social protests or demonstrations because their dissatisfaction has not been formed into shared worker anger against the state. Therefore, the current political-economic system, particularly the social distribution process, has not been fundamentally challenged (Ogden 2000).

#### **4.2 Technological Changes in China**

Since the 1990s, with the purpose of integrating China into the global political economy, the nationwide economic reform has shifted its concentration to the promotion of information technology, particularly the widespread expansion of the Internet. The past twenty years have witnessed an extensive application of information technology by professionals, managers, and media workers in China. The consequences are twofold in the media industry. On the one hand, it is much easier for Chinese media workers, editors in particular, to use databases, manipulate text and quantitative data, generate tables and graphic displays, and utilize analytical software. In light of the rapid technological developments in telecommunications, Chinese

media workers are able to communicate with one another through a computer network, renew their knowledge and upgrade their professional skills at a relatively low cost, and gain quick access to external databases and communication networks that can be either used independently or in conjunction with internal databases (Zhang 2004). As a result, both organizational and national boundaries have been blurred.

On the other hand, in recent years, as technological developments advance, Chinese media workers are experiencing numerous problems resulting from the dramatic changes in both their work process and working conditions.

First, it is evident that editors' jobs have been simplified in company with the deskilling effects of new technology. In the interview with Li, who started working in the Shanghai Science and Technology Publishing House in 2009, he maintained that:<sup>2</sup>

I am completely unsatisfied with my work in the publishing house. I graduated from one of the leading universities in China, and my major was editing and publishing. When I first entered the publishing house, I thought I would be very successful due to my educational background and professional training. I was wrong. I have never been allowed to choose which books to publish or to edit. Even highly profitable books cannot be published without the leader's agreement. I only work on the books assigned by the leader. I check for typos, and most importantly, I read drafts to make sure nothing will be published that criticizes the Party's leadership. I am very good at advertising and promoting new books. I can design very attractive posters, and I know a lot about marketing. It is frustrating, however, that these skills are becoming less and less important due to the use of professional software in the publishing house. I am not the only person who has this problem. To be honest, a lot of junior editors feel the same way (Li 2010).

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<sup>2</sup> All the participants in the interviews refused to be identified in this dissertation. It is largely due to the fact that censorship, which is still strict in China, is likely to pose a risk to them, leading to the loss of employment, diminished self-esteem, or their high standings in the community might be compromised. Therefore, for ethical concerns, pseudonyms are given to protect each participant's identity in this dissertation.

According to Aronowitz and DiFazio (1994), the application of information technology has moved the deskilling trend up the occupational ladder. Deskilling is not just a feature of industrial workers but of knowledge workers as well. For most editors, the introduction of new technology has largely removed them from the conception stage of production. In most Chinese publishing houses, editors are mainly responsible for checking the typos on the screen, and reading drafts to ensure their political correctness. There is a growing awareness among editors that new technology has devalued much of their professional knowledge and abilities upon which they had once prided themselves (Liu 2006). Such professional knowledge and abilities for editors include the solid background of grammar and sentence rules, the accurate understanding of the logic of language, and the abilities to connect book contents to readers' interests.

Second, in association with the deskilling effects of new technology, job opportunities for most of the editors have greatly decreased. McKercher (2002) argues that the introduction of computers in the workplace creates new opportunities for a small number of people, mostly technicians. Yet, for the immense majority, job opportunities have decreased. It is not difficult to understand that as the technical skills appear to be more crucial, most leaders in publishing houses are more inclined to hire a less qualified but technically adept editor instead of an experienced editor with fewer technical skills (Zhao 2001). By placing more value on editors' technical skills than on their professional experience and knowledge, leaders have successfully degraded editing work, and the uniqueness of each experienced editor has been

eliminated. As a consequence, positions for experienced editors are threatened because leaders have realized that in order to minimize wage costs, it is advantageous to employ young editors with adequate technical skills instead of the experienced ones who are normally highly paid.

Third, editors are increasingly challenged by intense work pressure. Leaders in most Chinese publishing houses have put enormous pressure on editors with a heavier workload because they assume that the Internet enables editors to finish their work much faster than before. According to the findings from my interviews, it is fairly common for editors to work outside of their regular work hours due to their heavy workload. The growing pressure of working overtime has blurred the boundary between editors' work and leisure time, as well as the boundary between office and home (Wang 1994; International Labour Organization 2000). Additionally, editors who spend most of their time working on computers are vulnerable to repetitive strain injuries, asthenopia, backaches, and other health problems.

Fourth, while a large amount of information from the Internet provides editors with a new source of knowledge, it has also resulted in information overload (Garrison 2000; Keane and Donald 2002). Given the speed of technological change, editors need to expand and update their professional knowledge as often as possible, and the value of their old knowledge decreases at an incredibly fast speed. In other words, due to information overload, most editors find that their traditional professional skills of editing are not enough, and they are obliged to acquire additional technical skills. For example, in most publishing houses, editors feel the

necessity to learn how to use several different software systems to process either text or pictures. They are also responsible for taking on more administration and research work formerly done by more advanced technical workers. It is clear that as the required skills in the workplace are changing constantly, the abilities of editors to learn new skills and to gain up-to-date information become essential; however, they do not necessarily receive any higher incomes or job titles (Halford and Savage 1995).

Fifth, the introduction of new technology has enhanced management control over the work process of editors. Editors are facing greater surveillance, and are increasingly subject to the “electronic panopticon” (Adams and Welsh 2008:221). As a senior editor who has worked in the Shanghai Education Publishing House for more than twenty years, Gao stated in the interview that:

The leader of our publishing house uses his mobile phone to micromanage the book editing process. I frequently receive work-related text messages from him, sometimes even when I am having dinner with my family. I feel extremely depressed because I no longer enjoy the independence and autonomy that I once had. The leader can reach me, whenever he chooses. What is worse, I am expected to keep my mobile phone on even when I am off-duty or on vacation, so that he can assign me new jobs at anytime (Gao 2010).

According to Clement (1988), the shift to an electronic infrastructure for office work allows leaders in publishing houses to adopt additional control mechanisms that are embedded within the computer systems themselves. In both the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House, surveillance cameras have become quite common in the workplace to monitor what editors are doing in their regular work hours. Moreover, the editors’ phone calls and emails with authors of publications are censored by leaders after the introduction of

specific software. The enhanced surveillance has added to editors' stress and discomfort.

With the widespread expansion of new technologies, the Chinese publishing industry has become more competitive, and it requires more skilled employees with better professional expertise and abilities. Therefore, editors are pushed to take various measures to respond to the challenges brought about by technological changes. In detail, according to the findings from my interviews in the Shanghai Science and Technology Publishing House, editors often attend different lectures to upgrade their knowledge structures when the technological changes in the media industry turn out to be rapid and wide. The lectures are primarily sponsored by the publishing house, and in most cases, they are given by professional technicians either inside or outside the publishing industry. As a non-governmental organization, the Publishers Association of Shanghai also plays an active role in organizing large lectures, aiming to link editors with different ages, genders, job titles, and educational backgrounds from different publishing houses to better accommodate themselves, particularly junior editors, to current media reform. In addition, some professional organizations, such as the China Book Business Report and the Open-Book Book Market Research Center organize various kinds of lectures at irregular intervals, focusing on book market research, book advertising and promotions, book distribution, publishing management and strategies, and other topics that seem to be especially relevant in relation to many changes that are taking place in the market (Xin 2005).

Editors also take short-term training classes, which has become one of the most efficient ways to help them gain specific skills in a short time period (Tian 2010). The topics of the training classes are diverse, but basically they concentrate on the practical skills that good editors need to acquire in the information age. Such topics include the techniques to produce an attractive poster by using the latest software systems (Photoshop and CorelDRAW), the skills to search useful information on the Internet, the shortcuts to effective computer typesetting, and the online management of word processing (Deng and Huang 2001). Also, participating in numerous nationwide conferences, seminars, and forums every year, editors are clearly aware of the challenges of media reform, the guiding principles of the Chinese publishing industry, and the fierce competition among publishing houses accompanied by media digitalization (Sun and Yang 2002).

It is important to note that most publishing houses have strongly encouraged editors to participate in either lectures or short-term training classes, as part of their training programs in the industry. For more than twenty years, publishing houses have been paying constant attention to job training. Numerous formal training centers have been established in Beijing, Shanghai, and other large cities in China, to offer short-term job training projects that aim to extend professional knowledge to new employees in the publishing industry (Xin 2005). It is estimated that more than 41,600 employees have received job training in a total of 795 sessions since 1995 (Baensch 2004).

Last, but most importantly, with more and more Chinese universities adding a major specifically dealing with editing and publishing, a great number of editors, both senior and junior, feel that they need to receive further education for either degrees or certificates to improve their professional abilities, skills, and insights (Wang and Wang 1999). Table 4.1 briefly offers a list of universities that provide a major in editing and publishing in China.

Table 4.1  
List of Universities in China with an Editing and Publishing Major

<b>Editing Major</b>	
Universities	Degrees and Programs Offered
Anhui University	undergraduate
Beijing Normal University	undergraduate
	graduate
Beijing Printing College	undergraduate
	graduate
Fudan University	undergraduate
	graduate
He'nan University	undergraduate
	graduate
Nanjing University	undergraduate
	two-year graduate program
Nankai University	undergraduate
Peking University	undergraduate
Shanghai Professional University	two-year program for employees of publishing industry
Shanghai University	undergraduate
Sichuan Academy of Social Science	graduate
Sichuan University	undergraduate
Tsinghua University	undergraduate (a second Bachelor's program is also available)
Wuhan University	undergraduate
	graduate
Xi'an Highway University	graduate
Xi'an Jiaotong University	graduate
<b>Management of Publishing and Distribution Major</b>	
Beijing Institute of Technology	two-year program
Beijing Printing College	undergraduate
	graduate

Beijing Professional University	two-year program (night school)
Nanjing University	undergraduate
	graduate
Shanghai Publishing and Printing College	two-year program
Tsinghua University	certificate program
Wuhan University	undergraduate
	graduate
<b>Book Design, Production and Binding Major</b>	
Beijing Hongqi University	certificate program
Beijing Printing College	undergraduate
Shanghai Publishing and Printing College	two-year program
Tsinghua University	undergraduate
<b>Printing Major</b>	
Beijing Printing College	undergraduate
Shanghai Publishing and Printing College	two-year program
Wuhan Technology University	two-year program
Wuxi University of Light Industry	undergraduate
Xi'an University of Technology	two-year program
	undergraduate
	graduate
Zhuzhou Institute of Technology	undergraduate

In the Shanghai Science and Technology Publishing House, it is common for junior editors, who have been working in the publishing house for a couple of years, to take graduate courses as part-time students in large local universities. The core courses included in the editing and publishing major are closely related to their professions, as indicated in Table 4.2.

Table 4.2  
Core Courses for an Editing and Publishing Major

Area	Course
Management	Management of Press
	International Trade of Books
	Economics of Book Industry
	Fundamental Laws for the Book Industry
Editing	Editing

Printing and Distribution	Introduction to Printing
Publishing	Introduction to Book Distribution
	Management of Book Distributing Corporation
	Introduction to Publishing
	History of Publishing
	Comparative Publishing
	Electronic Publications
	Modern Technology of Publishing
	Book Marketing
Others	Professional English
	Internship in the Publishing Industry

According to the *China Book Publishing Industry Report*, in 2006, 16.4 percent of the editors possess master's degrees or above in the publishing industry in Shanghai, with the average of 18.83 percent in China, and 28.36 percent (Chongqing Municipality) as the highest (See Table 4.3).

Table 4.3  
Percentage of Editors with Master's Degrees or above in 2006 (Top 15)

Rank	Region	Number of Editors with Master's Degrees or Above	Percentage (%)
1	Chongqing Municipality	194	28.36
2	Jiangsu Province	378	27.31
3	Beijing Municipality	258	26.43
4	Hubei Province	259	20.14
5	Shanghai Municipality	739	18.83
6	Shandong Province	192	16.62
7	Anhui Province	110	15.49
8	Zhejiang Province	120	15.38
9	Ningxia Hui Autonomous Region	27	14.36
10	Gansu Province	32	13.39
11	Hu'nan Province	116	13.20
12	He'nan Province	113	13.15
13	Liaoning Province	174	12.99
14	Guangdong Province	183	11.57
15	Guangxi Zhuang Autonomous Region	124	11.01

Source: Book Publishing Management Department of the GAPP (2008), pp. 194.

#### 4.3 Following the Party Principle in the Media Marketization Process

Mass media command a sensitive location in the Chinese Communist system because they are regarded as an important part of the ideological apparatus that is indispensable for legitimating the party-state, indoctrinating the public, and coordinating campaigns (Chan 2003). Thus, as Zhao (1998) maintains, the propaganda model has long been the dominant framework for analyzing the Chinese media industry. According to her definition, the Chinese mass media are tightly controlled instruments of political indoctrination and mass mobilization. Considered as the party-state's mouthpiece, they have been broadly used to propagate the CCP's goals and promote changes in the attitudes and behaviour of the Chinese people, leading to intentional political propaganda and indoctrination.

However, in the past thirty years, as a part of the massive state-directed transformation of the Chinese political economy, a media marketization process has widely expanded. In China, the marketization process contains substantive political implications. In Pei's (1994:150) words, such implications can be summarized as "In a politically repressive environment, market forces became the principal means for societal actors to gradually and subtly influence the political process and alter the balance between the state and society." As such, the marketization process has brought about significant changes in the Chinese media industry. These changes include the rise of market competition, even more strict Party control, and the growing tension within the propaganda-commercial model. At the core, Chinese media workers are bound to serve the political and ideological interests of the state.

At the same time, they are required to meet the need to generate profit for their companies in the media marketization process.

#### **4.3.1 The Rise of Market Competition**

As one of its most profound influences, marketization has reduced institutional dependency of the media on the state, mainly through the commercialization process of the interests, behavior, and finally, the structural change of the mass media (White 1990; Lee 2000a; Gang and Bandurski 2011). It is apparent that marketization has made the Chinese mass media essentially rely on market competition for their survival and prosperity, rather than as before, on their hierarchical locations within the media system and their connections with the state. Responding to the media marketization process, Chinese media workers have taken the initiative in reorienting themselves to the needs of the market in order to increase their financial resources by all legitimate means, and therefore, profitmaking turns out to be an important aim in their activities.

To be more specific, when advertising becomes an essential regulative power of a market-oriented media structure, an increasing number of editors concentrate on the informational and entertainment needs of affluent urban consumers—advertisers' most wanted audience. As an editor who has worked as a chief editor in the Shanghai Education Publishing House for over 35 years, Qian mentioned in the interview:

As an editor, I am fully aware of the tremendous impacts of the marketization process on the Chinese media industry. Most importantly, our publishing house no longer receives direct subsidies from the state, but it must earn revenue in the marketplace. Advertising has become a major revenue source. Our most popular journal is *Learning Chinese*, a journal that is designed to improve the reading and writing skills of middle-school students and foreigners learning Chinese as a

second language. The journal makes substantial profit by selling advertisements to language training institutions. It also advertizes some private optometry clinics that offer special treatments for myopia (Qian 2010).

In other words, when facing the increasing market competition, editors are more responsive to readers. With the deepening of media marketization, editors intend to provide information appealing to the audience, such as economic news, news on science and technology, sports news, social news, and useful daily information. Apparently, editors are also paying increasing attention to the interaction with the audience through feedback and audience participation (Zhao 2008).

In conclusion, the media marketization process has led to the diversification of information with the emphasis on the interests of the business and professional strata, as well as the construction of a consumerist paradise for the well-off urban population (Wu 2000; Zhao 2003). Therefore, despite the Party's continuing control over the mass media, the propaganda model is gradually challenged by the marketization process in the media industry because economic principles and the market logic maintain great importance in management decisions when the mass media are partially commercialized.

#### **4.3.2 Strict Party Control**

Although both the roles and functions of the mass media have undergone a series of changes as a result of various substantial ongoing political and social changes associated with the marketization process, the fundamental guideline regarding the mass media never seems to change. That is, in principle, the Chinese mass media

remain an instrument of the Party and the government for political propaganda and the ideological indoctrination of the Chinese citizenry (He and Chen 1998).

The ideological control of the mass media still prevails. According to Shirk (2011:7), “being highly conscious of public opinion, the CCP has devoted numerous resources to managing popular views of all issues.” The Chinese mass media are assigned to mobilize the population for social development, disseminate information to promote mass mobilization, and support political power struggles in China’s socialist construction. It is clear that acting as the “throat and tongue” of the Party, the Chinese mass media not only serve as an instrument for political struggles, but also as a public forum where propaganda and mobilization of the masses are conducted by the Party. Accordingly, the primary task for Chinese media workers, in Zhao’s (2000a) view, is not to inform the masses, but rather to stimulate their action as well as to change their values, beliefs, and behaviour.

Therefore, inasmuch as they are strictly controlled by the Party, Chinese media workers are supposed to follow the Party principle under all conditions. Rather than demand more political autonomy from the state, many Chinese media workers have been co-opted by the political and economic elite, and now they are acting as their supporters. In response to the increasingly blunt state censorship in association with the Party’s coercive power and institutional control, Chinese media workers have become quite self-disciplined (Pan 2000; Pan and Lu 2003). To explain, they carefully pick up the “right” vocabulary in their work. Also, among various tactics to appropriately express their ideas, they often take whatever official rhetoric can offer

to selectively justify what they wish to achieve. For example, they attempt to frame business events by using Party rhetoric, and incorporate propaganda analysis into the market logic. This statement is echoed by my interview with Zhu. She advocated:

Years of restrictive regulations and coerced compliance have caused most editors to feel alienated from official Communist ideology. In order to function under such heavy state censorship, editors must possess “professional intuition,” a sense of the ideological boundaries of editorial work. Such “professional intuition” helps the editor determine what topics and vocabulary are off limits. In my experience, successful editors employ several strategies to ensure good relations with the state: they use quotations from top leaders, they analyze social events from a dialectical materialist perspective, and they avoid absolutism and extremism. Nowadays, finely-tuned “professional intuition” is not only a critical measure of “professional maturity,” but more importantly, it saves a lot of trouble (Zhu 2010).

To summarize, most of the recent studies on the commercial success of the mass media have provided valuable insights into a media system, which is undergoing a dramatic transformation accelerated by the marketization process. However, at the same time, the strict Party control, as an indispensable means to uphold the Communist ideology in the Chinese media industry, needs to be re-focused on, because the coercive power of the CCP still dominates the mass media and regulates Chinese media workers.

#### **4.3.3 The Growing Tension within the Propaganda-Commercial Model**

It has been argued that in the process of media marketization, the party-state plays an important role in directing the development of the mass media through administrative means, such as policies, directives, and individual discretion. Meanwhile, the market creates the need for innovations that put pressure on the party-state to make corresponding policy changes in the media industry. Therefore, each

major Chinese media reform is the result of the interaction between the party-state and market.

There is, however, a structural contradiction between the CCP-dominated media system and the ongoing media marketization process in contemporary China, which is manifested in the discursive negotiation between partisanship and professionalism for Chinese media workers. Dong and Shi (2007) maintain that such a contradiction has led to numerous changes for Chinese media workers, including changes in their identities, the nature of their work, their roles in society, and the principles and criteria for evaluating and rewarding their work. Among them, the most fundamental one is that Chinese media workers are faced with the pressure to generate profit for their companies, as well as the pressure to expand democracy and to promote political and social reforms, to the extent allowed by the political interests of the authoritarian state. This remains the core of what Zhao (1998:151) has defined as the “propaganda-commercial model,” and it characterizes the context in which Chinese media workers are situated.

Ke (2010) argues that most Chinese media workers have fully realized that such a tension does not exist in abstract terms, but in their daily encounters and choices. As

Luo indicated in the interview:

The publishing industry has become a special industry with a dual function. On the one hand, like most companies, publishing houses must generate profit, mainly through advertising. On the other hand, they are part of the nation’s propaganda mechanism. As a result, our publishing house is regarded as a company, but it is not under the supervision of industrial and commercial authorities. Instead, it is under the direct control of the government’s propaganda departments, which issue a lot of “DOs” and “DON’Ts” to regulate the publishing industry.

Due to the industry's dual function, we are "dancing with chains"—in pursuit of economic interests within a heavy restrictive ideological and political framework. Nevertheless, it is interesting to observe that the Chinese publishing industry has witnessed a gradual but clear shift from publishing political materials, such as pamphlets of leaders' speeches, to publishing non-political materials, such as books on entertainment and public services. Books on fashion, gardening, travelling, and cooking have become very popular. Regardless of what material we publish, however, we exercise great creativity to maintain "political correctness." Most importantly, most editors and leaders in the publishing houses, as well as government officials, must exercise considerable "political wisdom" in order to creatively break through political taboos without overtly violating the official "ideological framework" (Luo 2010).

In response to the current framework of the paradoxical propaganda-commercial model, Chinese media workers attempt to cultivate a new form of public/civic media. According to Sun (2003), public/civic media are mainly characterized by their concentrations on social conflicts and the problems of contemporary Chinese society when they adhere to a politically correct standpoint in the observation, interview, analysis, and programming of such conflicts and problems. One good example is the growth and substantial success achieved by "The Focused Interview."

"The Focused Interview" is a 15-minute in-depth news program, aired by the China Central Television (CCTV). The program started on April 1, 1994, and it focuses on current social affairs, investigative reports, and watchdog journalism. Since its beginning, the program has gained generous official endorsement from the topmost leadership, achieved high ratings from the general audience, and earned considerable revenue from advertisers. As one of its features, "The Focus Interview" predominantly relies on the public/civic sources as the basis of its news framing and production. Its editorial department receives over 2,300 news sources every day from all around China through various channels of correspondence such as phone calls, e-

mails, and mobile-phone text messages (Chen 2004). Also, the program has been awarded several prestigious accolades from the CCP, and it has received praise from three former premiers. More importantly, “The Focused Interview” was granted a quota of 50 percent of muckraking reporting in its annual programming with the principle of following the Party’s leadership. However, the ratio by April 2004 had already exceeded 50 percent—perhaps a positive sign for further media reform (Li 2004; Sun 2009).

It is undeniable that the growth of public/civic media further drives the Chinese media industry and the government itself to become more transparent. In order to preserve its credibility, the government must release more information than it ever did before. In this sense, the growth of public/civic media improves the responsiveness and transparency of governance. However, what remains to be seen is how far public/civic media can go within the propaganda-commercial model.

To conclude, since the beginning of the media marketization process in China, the leaders of the CCP have allowed newspapers, magazines, and television and radio stations to support themselves by selling advertisements and competing in the marketplace. Chinese media workers are therefore responsible for publicizing the party-state’s policies and interests, and at the same time, they are supposed to generate profit for their companies (Cheek 1997; Zhao 2008). Responding to the enormous economic and political pressure, Chinese media workers are cultivating a new form of public/civic media, which serves as a mouthpiece both for the Party as well as for the general public, with the articulation of common interests among the

Party elite, the business elite, the culture elite, and the Chinese urban middle class. The result of their negotiations and their struggles for power has influenced China's media industries, and broadly reshaped the roles of Chinese media workers (Chang, Wang and Chen 1994; Chan 1995; Lee 2000b; Zhao 2000b).

#### **4.4 The Marketization Process in the Social Welfare System**

##### **4.4.1 Changes in the Pension System**

The economic reform beginning in the late 1970s triggered a widespread expansion of the marketization process in almost every facet of society. Market principles have also been largely applied to the Chinese social welfare system, leading to dramatic changes in both the pension and health care systems. To be more specific, first, in terms of the changes in the pension system, a multi-layered system involving funds contributed by the state, companies, and individuals has been established (West 1999). The new pension system puts a heavy burden on individuals because the shared contributions of both the state and companies have significantly decreased. Second, as for the changes in the health care system, the previously freely provided medicines and medical services have been replaced by user-pay policies with the accelerated marketization process in China's health care sector. In such a context, Chinese media workers are facing numerous new challenges and problems.

In China, the reform of the social security system also started in the late 1970s, together with economic reform. As Ge (1998) argues, in the previous work-unit system, workers routinely enjoyed social security as part of their employment.

Basically, for Chinese media workers, their work units, including publishing houses, newspaper agencies, and television and radio stations, were responsible for their social security, primarily through paying pensions when they retired. Since China moved toward a market economy, however, it is essential for the state to move the entire social security system out of the work units' control and shift it to a national social security program administered by government agencies.

It is difficult to carry out such a national security program due to the following three reasons. First, most workers are accustomed to pension systems managed by their work units instead of government agencies. Naughton (2007) claims that distributing pensions by their work units offers workers a sense of entitlement as well as a sense of belonging because most workers have been employed in their work units for decades. Second, it is not easy for some older companies, enormously burdened with a large number of retired workers, to cover the health care bills of their employees and retirees by strictly following the standards stipulated by the national social security program. As such, different companies might carry out the program very differently, and therefore, the final outcome of the program could strongly violate the purpose of establishing a unified social security system as a key to eliminating social inequality and disparity. Third, state-owned enterprises, as the financial base of the traditional social security system, have been shrinking, and at the same time, numerous joint ventures, foreign companies, and private companies have emerged. In this sense, it becomes extremely difficult for the state to set a fixed

standard for the national social security program, which is suitable for the vastly different nature of companies (Lin 2001).

After several years of experiments in various regions and companies, the State Council in March 1995 issued “The Directive on Further Reform of the Enterprise Pension System,” which introduced significant reform in the social security system. West (1999) maintains that the core of the new social security system is to establish a multi-layered pension system involving funds contributed by the state, companies, and individuals.

In detail, workers receive their basic pensions in the form of individual accounts. Contributions to workers’ individual accounts, approximately 16 percent of their total wages, consist of the following three parts: an individual contribution of three percent of the total wage, a company contribution of eight percent of each worker’s total wage, and a company contribution of five percent of the average local wage. The intention of further reform in the social security system is to increase the individual contribution over time and to decrease the company contribution (by one percent every two years for ten years) until individuals contribute half the total to their individual accounts. In its goal to substantially increase the individual contribution in the pension system, in July 1997, the State Council further issued “The Decision on the Social Pension System,” and stipulated that each company must contribute no more than 20 percent of the workers’ total wages as social pension funds. For individual workers, according to the Chinese Academy of Social Sciences (1998), the

percentage of their wages paid into their individual accounts increased from three percent to eleven percent.

Furthermore, for most Chinese media workers, more and more publishing houses, newspaper agencies, and television and radio stations are not willing to pay the contribution required by the new pension system because some of them do not have enough funds, and others prefer to save money for investment purposes. Rocca (2003) posits that especially for those media workers in the remote areas of China, the contributions of both the state and companies are transferred at an extremely slow pace into the workers' individual accounts, resulting in delays in the payments of pensions. Moreover, as funds are badly managed, it is not rare to find that a large amount of money has disappeared or has lined the pockets of corrupt high officials and local authorities (Zhu 1998). Also, there is a sense of growing anxiety among Chinese media workers that taking into account the increasing living costs, the purchasing power of pensions keeps declining. The changes in the social security system, particularly in the pension system, have made most Chinese media workers less protected by either the state or their companies, and therefore, they feel more insecure about their future lives.

#### **4.4.2 Changes in the Health Care System**

Chinese media workers are facing increasing pressure to pay for their medicines and medical services due to the critical changes in the health care system accompanied by the marketization process. According to the "labour-protection

medical care system” introduced in 1951, all media workers’ medical expenses and subsidies during their sick leaves should be financially handled by their work units. The units should also reimburse 50 percent of the medical expenses if any family member of the worker suffers from a disease (Duckett 2004). However, in the new health care system, the government has established individual medical care accounts to which a certain amount of money is allocated, and media workers need to pay their own medical expenses first from their individual accounts. The deposits in their individual accounts can only be used for medicines and medical services. If the allocation for the current year is not used completely, the remaining amount can be transferred to and used in the following year (Lin 2001). However, when all the allocation in their individual accounts is used up, media workers have to pay for their own medical expenses until a stipulated limit mutually agreed by them and their companies. A unified social insurance fund partially pays for the medical expenses exceeding that stipulated limit. The massive implementation of the health care reform did not begin until 2000, but 90 million Chinese workers had been enrolled in the new system by 2004 (China Statistical Yearbook Editorial Department 2005).

As Naughton (2007) elaborates, the new health care system is adverse to the interests of individuals. First, the government has substantially withdrawn from offering free medicines and medical services throughout the country, and individuals have taken more responsibilities for their medical expenses since user-pay policies were implemented in the new health care system. In 1995, according to the World Health Organization (WHO), China spent 3.9 percent of its GDP on health care, rising

to 5.3 percent in 2000 (World Health Organization 2002). However, the problem is that with the deepening of the marketization process, the proportion of the medical expenses paid by individuals has kept growing—53.3 percent in 1995 and 63.4 percent in 2000 (World Health Organization 2002). Moreover, the government no longer struggles to bridge the gap in health care standards between rural and urban areas, and as a result, the differences in both health care provision and delivery between cities and the countryside have been substantial.

Second, the new health care system has been largely commercialized. It does not come as a surprise that many doctors write prescriptions with the purpose of generating profit rather than curing their patients. The costs of medicines and medical services increased by 14 percent annually between 1993 and 2003, and one of the major reasons was the practice by doctors of unnecessarily prescribing expensive medicines in order to increase hospital revenue (Markus 2004). Compared with the old health care system wherein inadequately-trained medical practitioners were allowed to serve patients at a relatively low cost, there is a growing number of well-trained doctors providing better medical services for patients in the new health care system; however, medical expenses have continued to increase, and have become less affordable for most of the working class.

Last, according to Murphy (2003), in the new health care system, there is more emphasis on new technology than there used to be. Undoubtedly, the increase of foreign medical equipment largely raises the costs of health care provision.

Therefore, most Chinese media workers are overwhelmingly worried about their current and future medical expenses. Most of them are afraid of becoming sick. As Ma mentioned in the interview:

Since the implementation of recent health care reforms, fewer medical expenses have been covered by the publishing house. In the old health care system, I received full reimbursement for my medical expenses. The changes have been rapid and dramatic. Nowadays, not only am I responsible for a large portion of my own medical expenses, but there is less coverage available for many critical illnesses, such as cancer, heart disease, leukemia, and paralysis. Last year, I suffered a heart attack, and stayed in hospital for one week. The total cost was 30,000 *yuan*, around half of my annual income. I think the implication of the recent health care reforms is clear: excellent health care, good hospitals, and foreign equipment are for the rich, not for the average person. Consequentially, I have become depressed due to overtly concern about my health problems (Ma 2010).

Indeed, Ma's concern is well-founded, regarding the numerous problems faced by Chinese media workers in the current health care system.

First, in most cities, the amount of money allocated by the government is insufficient, especially taking the increasing medical expenses into consideration. In Ma's case, he receives 800 *yuan* in his individual medical care account every year from the government. Even though the remaining amount of the allocation for the current year in the medical care account can be transferred to and used in the following year, Ma maintained that this never happens, as his medical expenses exceed far more than 800 *yuan* every year.

Second, the amount that individuals contribute to their accounts is always twice or three times as much as the amount allocated by the government. In fact, Ma has to pay 1,600 *yuan* annually into his account, and therefore, individuals, instead of the government, shoulder the major responsibility for the medical expenses.

Third, although a unified social insurance fund is raised to pay for the medical expenses exceeding the stipulated limit paid by individuals, the regulations involved are complicated and extremely adverse to the interests of the individual. To be more specific, in the publishing house where Ma works, the unified social insurance fund, mostly contributed by the publishing house, only covers the diseases specified on a list that is agreed by both editors and the publishing house—mainly critical diseases. Moreover, even if editors suffer from such a disease, their medical expenses are reimbursed at a stipulated percent. It is 60 percent in Ma's case. In other words, Ma needs to pay 40 percent of the medical expenses exceeding the stipulated limit when he suffers from diseases specified on the list. When editors suffer from diseases other than those specified, they would have to cover the full medical expenses themselves.

As a response to the dramatic decrease in social security and health care benefits, Chinese media workers are pressured to save a large portion of their incomes, and according to Chen (2008), more than 40 percent of their disposable earnings are deposited in case of an emergency. At the same time, most Chinese media workers are buying various forms of private medical insurance, and consequently, the private medical insurance industry has experienced a substantial growth in China, and its annual growth rate reached 27 percent between 2000 and 2009. Nowadays, there are 27 insurance companies providing private medical insurance, with eight domestic ones owning 96.31 percent of the market share and 19 foreign ones owning the rest (Pressly 2011). In the Shanghai Science and Technology Publishing House, both senior and junior editors have purchased private medical insurance from the China

Life Insurance Company. The insurance covers 90 percent of the editors' total expenditure of medicines and medical services, with the maximum annual reimbursement of 20,000 *yuan*. When the costs of medicines and medical services keep increasing, the reimbursement relieves the economic pressure when editors are sick; however, it is expensive to purchase private medical insurance, and it brings additional economic pressure for editors. Therefore, it is not surprising when Ma concluded at the end of the interview that, in recent years, with the widespread expansion of marketization in the social welfare system, the dramatic decrease in social security and health care benefits that Chinese media workers have been experiencing has led to a very precarious situation in which they are marginalized, exploited, and worried about their future lives. This is compounded by the fact that there is no sign of improvement.

#### **4.5 Smashing of the Work-unit System**

The marketization process of the social welfare system is closely associated with smashing of the work-unit system. Prior to the economic reform introduced by Deng Xiaoping, work units provided a living for their workers in terms of fair wages and good working conditions, offered extensive social welfare benefits, including pensions, housing, paid sick leaves, meal services, recreational facilities, health care, daycare and school, and most importantly, promoted the Communist ideology to strengthen the Party's leadership (Bian 1994; Naughton 2007). Once workers entered the work-unit system, they expected to remain in work units for their entire lives.

Accordingly, in the work-unit system, like other forms of work units, Chinese publishing houses were not only economic organizations, but also served three non-economic functions, namely: as administrative units, as political vehicles, and as social welfare organizations. As a result, editors felt secure in the work-unit system.

First, publishing houses in the work-unit system played an important role in carrying out administrative initiatives and representing individuals. As soon as administrative orders, regulations, and policies of the central and local governments were sent to publishing houses, both editors and leaders were organized to study government documents. Also, within the party-state, editors were tightly connected to the state and society through publishing houses as their work units, which served as mediators between the state and individuals (Lu and Perry 1997). For example, editors who needed their birth certificates notarized by public notary agencies were required to obtain the approval from the publishing houses. Also, editors studying abroad who wished their spouse, children, or parents to visit them needed to get approval letters from the publishing houses where they were formerly affiliated.

Second, publishing houses acted as political vehicles. In China, editors' political lives were bound to publishing houses in the work-unit system. According to the provisions of the Constitution effective in 1954, it is stipulated that government leaders should be elected by people's representatives, and representatives should be chosen through primary elections in the work units. Therefore, in the work-unit system, editors elected their representatives in the publishing houses, and these representatives elected government leaders. At the same time, the CCP, the Chinese

Communist Youth League (CCYL), and other democratic parties all had their representative bodies in every work unit.<sup>3</sup> Most editors intended to join either the CCP or the CCYL, as Party membership was a valuable political asset for their careers. Furthermore, every editor was obliged to attend political study meetings, and in doing so, the political control and management of editors by their work units was achieved. In every Chinese publishing house, editors were organized to study the Party's documents; topmost leaders' speeches; and government administrative orders, regulations, and policies (Warner 2000). In the political study meetings, editors were not only expected to express their attitudes toward the Party's new guidelines, but also were asked to examine the deviations of their behaviour from the Party's guidelines and to make self-criticisms. It is important to note that for editors, both their participation and performance in the political study meetings were considered vital elements in the evaluation process for their job promotion, their salary and bonus raises, and their applications for Party membership (Zhu 1995).

Third, as social welfare organizations, publishing houses offered a wide array of benefits and services. Such benefits and services included labour insurance, housing, and collective welfare programs and facilities, for example, hospitals and clinics, dining halls, nurseries, recreational facilities, and libraries. Also, some educational institutions were sponsored by work units such as elementary schools, high schools, technical schools, and even colleges. It is apparent that in the work-unit system,

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<sup>3</sup> The Chinese Communist Youth League is a mass organization of advanced youth under the leadership of the CCP. The basic task of the CCYL is to equip youths with lofty ideals, moral integrity, and high sense of discipline for the socialist construction.

editors were largely dependent on publishing houses, and they felt relatively secure in their work units.

However, interestingly, Stapanek (1992) maintains that in the work-unit system, most editors did not develop a very strong commitment to the publishing houses, indicated by their low levels of work effort and productivity. Additionally, they were disciplined neither by managerial rules nor procedures. For example, in the publishing houses, the absenteeism rate was high, and editors frequently ran personal errands during their work hours. As such, creating a new system of management that would alter such unproductive attitudes and behaviour has distinctively been one of the most important imperatives for China's social reform.

In such a context, under the banner of "creating a modern enterprise system," the work-unit system was smashed with a complete reshaping of the socialist employment structure. In 1986, the State Council started reconstituting labour relations with the introduction of labour contracts, which encouraged each individual company to hire and fire people according to its financial profitability. In other words, as Whyte (2010) concludes, in the publishing industry, publishing houses have been given growing power and autonomy to make decisions on personnel and wages, instead of following the previous pattern in which they simply accepted every worker assigned to them by the local labour bureau.

As a consequence, the working class is facing new hazards of being marginalized in the new enterprise system, because workers' incomes have been dramatically reduced, and they can be either fired or laid off by their companies without any

protection from the state. In some specific cases, when companies are faced with bankruptcy, the jobs and livelihoods of their entire workforce have been severely threatened. Also, the work unit welfare system was replaced by a state welfare system, in which the changes in the distribution of bonuses, subsidies, and benefits for the working class are critical (Wong and MacPherson 1995). Benefit cuts have also been widely enacted. For example, as mentioned, in the work-unit system, the medical expenses of workers were fully covered, and half of the medical expenses of their family dependants were reimbursed as well. In the new system, however, even workers themselves receive very limited health care benefits.

In the media industry, the purpose of abandoning the work-unit system was to alleviate the social and political burdens of publishing houses and improve their financial situations in the marketplace. For work units, the financial burden of providing bonuses, subsidies, and benefits to both employees and retirees was a major contributing element to the fact that numerous publishing houses continued to report financial losses. By the mid-1990s, it was estimated that the value of bonuses, subsidies, and benefits received by editors in publishing houses had been equal to the salaries that they received (Goldman and Macfarquhar 1999). Responding to the tremendous financial burden, many publishing houses have attempted to reduce the benefits that workers were once entitled to; require partial and increasing payments for some benefits by editors themselves, such as continuing education and training, medical services, and housing; and make the distribution of bonuses, subsidies, and benefits subject to performance-based rather than based on egalitarianism.

For Chinese media workers, the implications of such changes are fundamental. As the reform advances, job security has weakened, and social welfare benefits have significantly decreased. In this regard, according to Rocca (2003), the privileged existence of workers as the “masters” of the Communist society has been transformed in many ways. Instead of maintaining lifetime employment, most Chinese media workers need to sign fixed-term employment contracts, and almost all of their work is rewarded based on performance. The influences of the marketization process in the social welfare system are so profound that now even leaders in publishing houses, newspaper agencies, and television and radio stations have seen their roles and conditions become more dependent on market forces, not to mention ordinary workers in the media industry.

Therefore, it is not difficult to understand why most of the university and college graduates do not choose editing as their ideal jobs, although the social status of editors still remains high. According to “The Annual Report of Chinese University and College Graduates’ Employment 2009,” even for graduates major in linguistics, literature and art, and editing and publishing, they prefer to become government officials, administrative assistants in state-owned enterprises, and interpreters and translators in international corporations (MyCOS 2009). Moreover, as mentioned in chapter three, my surveys of editors in most of the large publishing houses in China indicated that despite the tremendous economic pressure of losing jobs, 37.5 percent of the participants in my surveys acknowledged that they had changed their jobs at least once. The result is echoed by “The Ranking of University and College

Graduates' Employment Ability 2010," implying that there are five majors whose graduates change their jobs most frequently in the first year of their work: editing and publishing, art design, advertising, wood science and management, and environment design (MyCOS 2010). Among them, the rate of graduates majoring in editing and publishing leaving their jobs reaches 51 percent, as the highest. In response to the decrease in job security and social welfare benefits, a large number of editors intend to work in private or foreign companies in the publishing industry, because compared with state-owned publishing houses, most of them are able to offer editors higher salaries, even though their work pressure is more intense. Thus, both the private and foreign publishing houses have enjoyed a substantial growth in the past thirty years, and their market share of book publishing has added up to approximately 50 percent of the total books published annually (Cui 2010).

To conclude, the smashing of the work-unit system has made the working class much more vulnerable. Walder (1986:77) argues that the highly politicized work units were despotic because workers were caught in a web of intense "organized dependence" that forced them to rely on their work units to meet almost their every need. In the reform era, with the introduction of market forces, the retreat of politics from everyday economic life has loosened the control that work units once held over their workers. However, at the same time, the reform has also brought about equally despotic working conditions for the working class because workers are intricately caught in another web of intense "organized dependence" that forces them to rely on market forces. According to Lee (1999), in both state-owned and private enterprises,

workers are now disciplined by piece-rate pay scales, strict controls over the work process, and other manifestations of managerial power. Specifically in the publishing industry, the monthly incomes of editors are primarily determined by the profit they can generate for the publishing houses, and bonuses constitute a large portion of their incomes.

It is equally important to note that in the publishing industry, leaders have gradually gained the power to distribute bonuses and make crucial decisions on personnel that most editors should follow. This has become the major managerial characteristic of most publishing houses since the work-unit system was smashed (Gallagher 2004). In this regard, the inner division of the working class is clear, reflected in the wide and unbridgeable gap between the leaders and editors in the publishing industry.

#### **4.6 The Inner Division of the Working Class**

Chinese media workers are experiencing serious loss of the privileges they once enjoyed as the “masters” of the country in the work-unit system. Due to the imbalance between labour supply and demand, the bargaining power of Chinese media workers has declined significantly. They have to work long hours for relatively low wages, and they are always reminded that many people are waiting to take their jobs. On the contrary, the leaders in publishing houses, newspaper agencies, and television and radio stations, have enjoyed growing decision-making power over the distribution of

bonuses for media workers, the allocation of their social welfare benefits, and the management of human resources.

In addition to the differences between media workers and leaders, there is also a sharp rift among Chinese media workers in the same social group. For example, based on my interviews conducted in both the Shanghai Science and Technology Publishing House and in the Shanghai Education Publishing House, there is a growing tension between senior and junior editors. Compared with senior editors, junior editors are confronted with more challenges, including signing contracts based on shorter time periods, taking more challenging work with intense work pressure, and obtaining fewer chances to get promoted, but receiving more severe financial punishment if they fail to meet their monthly workload or generate the amount of profit specified in their contracts. Therefore, the internal differences within the Chinese working class, embodied in the division between media workers and leaders, as well as the division of media workers in the same social group, have increased and become obvious.

#### **4.6.1 Divisions between Media Workers and Leaders**

The composition and characteristics of the Chinese working class greatly changed when dramatic transformation was taking place in the economic system. The study of social stratification has been a popular topic of sociological research in China (Lin 1992; ACFTU 1993, 1997; Ip 1995; Warner 1995; Peng 1998; Li 1999). According to Zhang's (1997) research, since the economic reform, the Chinese working class has been divided into several strata, based on their differences in access to power, income,

occupational popularity, and social status. He also concludes that workers have been separated from the employers who own the means of production, and from the managers who control them. In his research entitled “Studying Report on the Stratum in Contemporary China,” which was undertaken with the help of the Chinese Academy of Social Sciences, Lu (2002) indicates that the Chinese working class has developed into ten strata that separately belong to five rankings within the existing social structure (See Table 4.4). From the top to the bottom in social hierarchy, the ten strata of the Chinese working class are: managerial staff, managers, owners of privately-owned enterprises, professional personnel, office workers, self-employed workers, employees of commercial and service sectors, industrial workers, agriculture labourers, and unemployed and semi-employed workers in urban and rural areas.

Table 4.4  
Ten Strata of the Chinese Working Class in Five Rankings

Upper	leading cadres
	managers in larger companies
	senior professional personnel
	owners of larger-sized privately-owned enterprises
Upper-middle	middle-level and lower-level leading cadres
	managerial staff at the medium level in large-sized companies
	managers in medium-sized and small companies
	professional personnel at the medium level
	owners of medium-sized privately-owned enterprises
Middle-middle	junior professional personnel
	owners of small-sized privately-owned enterprises
	office workers
Middle-lower	self-employed workers
	original employees of commercial sectors
	workers and peasants
Lower	workers and peasants in poverty and without job security
	unemployed
	semi-unemployed vagrant

For Chinese media workers in particular, it comes as no surprise that they consider leaders to be “bosses,” and that these leaders are no longer part of the working class. In addition, they deeply resent their leaders’ corruption and misconduct as well as the unfair treatment that they have received. Therefore, as Bonnin (2000) advocates, Chinese media workers are more class-conscious than before, especially with the decline of their management participation. As Zhuang indicated in the interview:

About thirty years ago under the centrally-planned economy, we were all encouraged to participate in management, planning, and the resolution of problems. Since the implementation of current media reform, however, we are blatantly excluded from management decisions, and we have to passively accept the guidance and obey the instructions of the leaders” (Zhuang 2010).

Critically, in the media industry, leaders have formed an independent social stratum. From a micro level of analysis, leaders in publishing houses, newspaper agencies, and television and radio stations have become different from ordinary media workers in their social status and rights defined by laws, ideological consciousness, and values based on their social experience (Chang 1995). From a macro level of analysis, both privatization and the modern corporate system encourage leaders to gain power and dominate ordinary media workers. As such, Sargeson (1999) maintains that the direction of public opinion has become seriously biased, excessively propagandizing leaders’ positions and roles. The terms “excellent leaders” and “star leaders” have come into use, but the positions of the broad masses of media workers and their roles in media reform have neither been fully evaluated nor appropriately affirmed.

There are two profound influences brought about by the division between media workers and leaders. First, most Chinese media workers' enthusiasm for production, once encouraged by management participation, is now genuinely prompted by productivity-related wage payments and the threat of dismissal. As a response, when losing many of their privileges relative to other social groups, most Chinese media workers are paying growing attention to their personal interests and incomes. To be more specific, Qi and Xu (1995) argue that as long as they no longer rely on their work units because the work-unit system in the centrally-planned economy was smashed, Chinese media workers are inspired to pursue personal economic interests and address their rights to earn money in the marketplace. Such concepts as cost, price, and profit have become substantial for both media workers and leaders when minimum labour costs are sought (Xie and Feng 1999).

Second, with the enlarged gap between media workers and leaders in power, the social connections of media workers with leaders, also known as *guanxi* in Chinese, are playing a significantly important role in the media industry (King 1991). This means that for Chinese media workers, the access to both material resources and opportunities is largely regulated by their relative positions in the highly complex and entangled networks of personal connections. Thus, media workers are pressured to establish extensive and intimate personal connections with leaders.

Specifically, in the recruitment process, even though leaders often announce their preferences, conduct merit examinations, and select the best-qualified candidates, specific attention is paid to the applicants recommended by the person who

establishes a good *guanxi* with the leaders. Chu and Ju (1993) claim that in the Chinese context, the general rule is: the more key officials and leaders in either governments or companies a person's network covers, the more social influence he or she has at his or her disposal, and the more easily he or she can get things done. Thus, in the Chinese media industry, individuals gain advantages by frequently using their networks of social connections instead of faithfully following the established rules and procedures.

For Chinese media workers, *guanxi* also helps them apply for Party membership in publishing houses, newspaper agencies, and television and radio stations. In principle, the CCP uses membership as a way to select loyalists who will safeguard the Party's ideologies, interests, and political power. Party membership becomes a political status or privilege, as well as an effective path to get promoted (Bian 1994). Since Party membership is a prerequisite for high-ranking positions, media workers, particularly young workers recruited into low-ranking positions, are encouraged to apply for Party membership in the Party branches of their workplaces. They try to establish a strong *guanxi* with the Party branch secretaries who control the recruitment process because a great number of workers desire to join the Party. In other words, media workers need to show their commitment to the Party's goals as well as the dedication of their lives to the Party; at the same time, they are obliged to prove their loyalty to the Party branch secretaries (Hu 2000).

To conclude, the division between media workers and leaders is evident. In the media industry, media workers are less likely to participate in management; in

contrast, leaders are forming an independent social stratum with both high social status and wide decision-making power over management. As a result, the enthusiasm of media workers for production is no longer encouraged by management participation, but prompted by productivity-related payments and the threat of dismissal. Additionally, with the enlarged gap between media workers and leaders in power, Chinese media workers are pressured to establish extensive and intimate personal connections with leaders in order to gain personal benefits either in the recruitment process or in their applications for Party membership.

#### **4.6.2 Divisions of Media Workers in the Same Social Group**

According to Wortzel (1987), in the work-unit system, workers in the same social group might have had competing and contradictory interests because of the unequal allocation of resources in the socialist state. Nevertheless, due to the fact that all workers were the owners of the state-owned enterprises, their competing and contradictory interests were non-antagonistic. According to my interviews in both the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House, however, the non-antagonistic relations among workers have been largely challenged by China's media reform, especially when publishing houses are changing from public institutions to companies.

Essentially, senior editors and junior editors are treated differently in the publishing houses, leading to a growing tension between them. First, senior editors and junior editors sign contracts based on different time spans. In the Shanghai

Science and Technology Publishing House, junior editors sign contracts once every year in the first three years. From their fourth year, only those “excellent” (well-behaved) editors are allowed to sign contracts once every three years. Maybe a few years later, they can sign contracts once every five years, depending on their performance. Meanwhile, senior editors initially sign their contracts once every three years according to the Labour Law effective in 1995. Afterwards, they sign contracts that guarantee their lifetime employment. The contracts for senior editors are more symbolic in meaning than real in their effects. They sign contracts only to conform to the requirements of the Labour Law.

Second, senior editors are often given less demanding tasks by the leaders in the publishing houses. Since the beginning of media reform in the publishing industry, in most cases, senior editors have been assigned to edit textbooks because publishing textbooks is exceedingly profitable, and the incomes of editors are basically determined by the profit that is generated. On the other hand, leaders have always assigned more demanding tasks to junior editors. For example, in the Shanghai Science and Technology Publishing House, junior editors are mainly responsible for publishing books that introduce new science and technology. It is difficult to predict how many people will be interested in books of this kind. As the market is rather unpredictable, profit cannot be guaranteed. In the interview, Huang mentioned:

In our publishing house, senior editors are always in charge of editing and publishing conference pamphlets and government guidebooks. They do not have to worry about the sales of those publications because most of them are purchased in advance, and substantial profit is guaranteed. Junior editors are assigned to edit books on very specific areas of science and technology. For example, the leader has assigned me to edit a book on contemporary scientific developments in

diabetes research. Since such books have incredibly limited target groups, they are unlikely to generate a huge profit. I am not the only person who complains about the unfairness of giving “easy” tasks to senior editors and “challenging” tasks to junior editors. My colleagues, who are responsible for “seasonal” publications, such as books on knitting, are pressured to meet fixed deadlines so that the books can be published before they are in high demand. Very often, my colleagues have to work overnight, and sometimes they work 17 hours a day (Huang 2010).

Third, both the reward and punishment systems are different for senior and junior editors. In terms of the reward system, senior editors easily get promoted. In the publishing industry, senior editors are more respected due to their ages instead of their professional skills and abilities because seniority is widely honored according to Chinese tradition. As for the punishment system, lacking the knowledge of marketing, senior workers can hardly make enough profit specified in the contracts. However, they are often excused by the leaders if they are working hard, and not making any trouble for the leaders’ control and management of other media workers. On the other hand, the profit that junior editors have generated for the publishing houses is carefully calculated, and mainly determines their incomes. That is to say, the monthly incomes of junior editors can be largely reduced if they fail to earn the amount of profit specified in their contracts. As such, there is no doubt that junior editors experience tremendous work pressure to ensure that their books sell well, and they need to be extremely sensitive about the demands of the readers.

In fact, the interviews reveal that in the publishing industry, both senior editors and junior editors are facing the same problems brought about by the media marketization process which has led to the precarious condition of editors. However, it is important to understand that even though senior editors are less competent than

junior editors, precisely speaking, it is the junior editors who are in a more precarious situation. Junior editors are pressured to sign contracts based on shorter time periods, take more challenging work with intense work pressure, and obtain fewer chances to get promoted. Moreover, they receive more severe financial punishment if they fail to meet their monthly workload or generate the amount of profit specified in their contracts. Therefore, a broader fragmentation of employment has emerged when “differences and inequalities in terms and conditions are created between workers who were previously employed under the same conditions” (Flecker et al. 2009:32). At the present time, it is apparent that both junior and senior editors feel continuously under pressure with the increasing insecurity of their jobs (Di Nunzio et al. 2009; Krings, Nierling and Pedaci 2010). More critically, however, dissatisfaction among junior editors and increasing conflicts between junior and senior editors have resulted in competing relations among editors in the publishing houses.

To conclude, since the beginning of a decisive transformation in the nature of China’s economy, from one characterized by central planning and the operation of collective institutions and state-owned enterprises, to a market economy dominated by various types of non-state firms, the political-economic environment in which the Chinese working class lives and labours has deteriorated dramatically (Weeden and Grusky 2005; Li 2010). To respond, Chinese media workers are pushed to take different measures to protect their rights and get rid of the precarious condition in which they are situated. One of the most effective methods is through internal bargaining (Sargeson 1999). Editors, particularly junior editors, in most large

publishing houses have established various channels to communicate with the leaders in order to increase their monthly incomes and pass regulations to limit their work hours and their monthly workload, with the help of worker organizations and trade unions in the publishing industry. For example, in the Shanghai Science and Technology Publishing House, union officials are not only responsible for organizing social activities to celebrate major holidays in China, including the Chinese New Year, Women's Day, and the Mid-autumn Festival, but also responsible for taking the initiative in participating in the daily management of the publishing house to fully represent and protect editors' interests. Union officials are playing an active role in the policy decision-making process, gaining access to both financial and administrative information that is not revealed in public, and obtaining the power to approve or deny the promotion of editors, particularly junior editors. This statement will be further elaborated and addressed when the roles and impacts of worker organizations and trade unions in the reform era are examined in chapter six.

In contrast to industrial workers, Chinese media workers are not responding in the form of massive social protests or demonstrations because the dissatisfaction of Chinese media workers has not yet developed into shared worker anger against the state. This also implies that Chinese media workers have not been mobilized to challenge the current political-economic system; neither have they been able to fully articulate their economic interests and translate these interests into political programs or changes in China's social distribution process (Ogden 2000).

#### **4.7 Conclusion: Social Changes, Class Relations, and Power Dynamics**

By incorporating the ideas of human agency, social process, and social practice into the analysis of social structures, structuration provides valuable insights into the understanding of class relations and power dynamics. At the same time, according to Mosco (2009), the political economic reading of structuration gives great weight to power relations with a focus on the study of social class. Class analysis brings depth to the examination of production, distribution, and consumption of communication. Therefore, in my analysis of the structuration process of the Chinese media industry, I address the challenges facing Chinese media workers as a class, understanding their common problems, interests, prospects, and responses, as well as their relations to other parts of the working class. When media and communication are increasingly shaped by the social relations of communication as well as the wider institutional power structure, it is significantly important to scrutinize class relations and the struggles of Chinese media workers in the process of their production, control, and distribution of information and communication.

Additionally, structuration is an entry point to examine the mutual constitution of structure and agency in the political economy of communication. On the one hand, it is important to understand that since the economic reform in the late 1970s, the Chinese media industry has experienced enormous changes in every aspect of media workers' lives, ranging from employment and living conditions to social relations (Jie and Li 1998). The fundamental social changes, including technological, political, and economic ones, and most importantly, the changes in class relations and power

dynamics, have brought about five critical problems for Chinese media workers. These are the following: the problems related to technological changes, the problems of how to follow the Party principle in the media marketization process, the problems associated with the marketization process in the social welfare system, the problems brought about by the smashing of the work-unit system, and the conflicts resulting from the inner division within the working class. From this vantage point, Chinese media workers are in a precarious employment situation.

On the other hand, it is equally important to examine how Chinese media workers are responding to these problems. First and foremost, in association with the rapid technological changes, Chinese media workers, particularly editors, are pushed to attend different lectures, take short-term training classes, and even receive further education for either degrees or certificates to upgrade their knowledge structures and enhance their professional skills. Second, in pursuit of the economic interests and follow the Party's leadership at the same time, Chinese media workers are cultivating a new form of public/civic media, mainly characterized by the concentration on social conflicts and the problems of contemporary Chinese society when adhering to a politically correct standpoint in the observation, interview, analysis, and programming of such conflicts and problems. Third, as a response to the dramatic decrease in social security and health care benefits, most Chinese media workers are pressured to save a large portion of their incomes and buy private medical insurance, which basically covers the increasing costs of their medicines and medical services. However, the enormous economic pressure has exacerbated the precarious situation in which

Chinese media workers are marginalized, exploited, and worried about their future lives. Fourth, with the smashing of the work-unit system, most of the university and college graduates do not choose editing as their ideal jobs. For those editors who have been working in the publishing industry, they are changing their jobs frequently, and moving to private and foreign companies which can offer higher salaries with even more intense work pressure. In such a context, apparently, Chinese media workers are intricately caught in a web of intense “organized dependence” that forces them to rely on market forces instead of work units to meet their needs (Walder 1986:77). Last, but most importantly, internal bargaining has become one of the most effective approaches for Chinese media workers to protect their rights. Editors, particularly junior editors, in most of the large publishing houses in China have established various channels to communicate with the leaders in order to increase their monthly incomes and pass regulations to limit their work hours and their monthly workload, with the help of worker organizations and trade unions in the publishing industry. Different from industrial workers, Chinese media workers have not yet participated in massive social protests or demonstrations because their dissatisfaction has not developed into shared worker anger against the state. Therefore, the political-economic system, the social distribution process in particular, has not been fundamentally challenged (Ogden 2000).

At this point it is noteworthy to ask when China further integrates into the global political economy, will there be more challenges or opportunities for Chinese media

workers? Chapter five attempts to answer this question by specifically examining the spatialization process of the political economy of communication.

## **Chapter Five**

### **The Spatialization Process: Globalization,**

### **Neoliberalism, and the Global Division of Labour**

#### **5.1 Introduction**

In this chapter, I will broaden my theoretical horizon by examining the impact of the spatialization process on the Chinese media industry. As defined by Henri Lefebvre (1979), spatialization is the process of overcoming spatial and temporal constraints in social life. In the age of globalization, developments in communication and information technologies have dramatically diminished the constraints placed by spatial distance on the expansion of capital. Due to capital expansion and the acceleration of corporate concentration, transnational corporations now play a crucial role in the global political economy (McChesney 1999; Winseck and Pike 2007). My exploration of the impact of the spatialization process on the Chinese media industry will be divided into analyses of the three main contributing factors to the former: globalization, neoliberalism, and the global division of labour.

I will begin by examining globalization and its two substantial effects on the Chinese media industry. According to Tom Palmer, globalization is “the diminution or elimination of state-enforced restrictions on exchanges across borders and the increasingly integrated and complex global system of production and exchange that has emerged as a result” (2002:3). The influences of globalization on the Chinese media industry are twofold. On the one hand, Chinese media companies have tried to establish tight connections with major transnational media corporations through joint

ventures and other organizational and financial alliances. For example, both copyright trade and business cooperation between domestic publishing houses and their foreign counterparts have become common. On the other hand, the Chinese government has been forced to adopt an array of competitive strategies to ensure that its radio, television, and newspapers remain visible in the crowded global media sphere. For example, it has responded to the pressure from foreign media companies by merging existing domestic media outlets to form large-scale media conglomerates, thus achieving political control of, economic efficiency within, and international competitiveness for the Chinese media industry (Lee 2003a).

I will continue by examining the effects of the rise of neoliberal ideologies on the Chinese media industry and its workers. Neoliberalism, which is intricately linked to the global economic restructuring that has occurred since the 1970s, views the free market as the solution to social justice and inequality issues, and dismisses the need for government intervention. This belief has resulted in significant changes to the roles of governments, corporations, and individuals (Adams and Welsh 2008). In the wake of the rapid expansion of neoliberal policies, the past three decades have witnessed widespread privatization, commercialization, trade liberalization, and overall deregulation or market-based reregulation in national media systems. The role of the state has been greatly diminished on the global scale, both as a provider of media services and as a regulator of media ownership in broadcasting and telecommunications (Zhao and Hackett 2005). In addition, workers' social safety nets

have dramatically deteriorated, and governments at all levels lack the incentive to support unemployed workers.

Due to the rapid expansion of neoliberal policies within the global media industry, the Chinese media system has undergone the processes of privatization, commercialization, trade liberalization, and deregulation. The authoritarian government has, however, set many important limitations to the penetration of neoliberal policies in the Chinese media industry. According to Robison (2006), even though the state attempts to “incorporate neoliberal elements to extend the values and relations of markets into a model for the broader organization of politics and society in China” (p.4), the Party’s leadership will not voluntarily limit its own powers. Thus, Chinese media workers are caught between the “twin modalities of the neoliberal governmentality” (Ong 2006:3). On the one hand, they are faced with neoliberal policies designed to maximize entrepreneurial dynamism and facilitate interactions with the global market; on the other hand, they are tightly controlled by the authoritarian state. Chinese media workers are thus pressured to generate profit for their companies, as well as to expand democracy and promote political and social reforms, but only to the extent allowed by the political interests of the authoritarian state. These conflicting pressures have only intensified since China’s official entry into the World Trade Organization (WTO) in December 2001.

Finally, I will explore the effects of the global division of labour on the Chinese media industry and its workers. The global division of labour occurs when the process of production is no longer confined to national economies. As Gerald Sussman and

John Lent (1998) point out, while profit rates in the central capitalist economies continue declining under the pressures of global competition, the motion of capital continues to expand and accelerate—overcoming spatial, temporal, and political constraints—due to the global division of labour, mainly organized by transnational corporations. This is accomplished by their searching for the cheapest locations to manufacture and assemble components, as well as taking advantage of transportation and communications technology. As a result, low-cost labour-intensive parts of the manufacturing process are shifted to the developing world where costs are substantially lower.

The global division of labour has had dramatic impacts on both industrial and knowledge workers in China; this is especially true of media workers, who have had to cope with changes to both their value systems and their daily work processes, as well as extremely intense work pressures. Based upon my interviews conducted in the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House, I have concluded that the changes accompanying the global division of labour—e.g. the differentiation of work, the segmentation of workers, and the disaggregation of labour on a global scale—have led to the increasing specialization and depersonalization of labour.

In summary, the three main contributing factors to the spatialization process in the Chinese media industry are the deepening of globalization, the accompanying expansion of neoliberalism, and the global division of labour. As a result of these influences, Chinese media workers are forced to “dance with chains” (Zhao 1998:161)

within a market economy that precariously balances neoliberal elements and authoritarian centralized control (Harvey 2005). The latter has also led to the exploitation of Chinese media workers, despite the fact that China is increasingly integrated into global networks of wealth, power, and symbols.

## **5.2 Globalization and the Chinese Media Industry**

According to Elizabeth Perry and Mark Selden (2010), China has experienced one of the highest rates of economic growth since the late 1970s, and has benefited greatly from its integration into the global political economy. In their view, the main purposes of China's economic reform are not only to accelerate China's economic growth, to eliminate poverty, and to bolster party authority, but to strengthen the country's international position in the world economy. During the past two decades, the central government has encouraged foreign investment, gained access to overseas consumer markets, and tried to maximize the benefits and minimize the costs of globalization.

### **5.2.1 Transnational Media Corporations in China**

Chin-Chuan Lee (2003b) argues that globalization has led media organizations to adopt new varieties of organizational and economic restructuring, downsizing, technological improvements, managerial techniques, as well as an increased emphasis on flexibility. It is widely acknowledged, however, that the most significant effect of globalization on the global media industry has been the expansion of transnational

media corporations, such as Time Warner, Disney, News Corporation, Bertelsmann AG, and Viacom (Mosco 2009). As Lee (2003b) maintains, transnational corporations “comprise vertically and horizontally integrated layers of companies across the entire spectrum of media form—from film, radio, television, cable, sports, music, home video, publishing, magazines, to multimedia” (p. 8). As a result, not only have the lines between news and entertainment been blurred, so have the lines between traditional broadcast media, such as radio and television, and new media, such as computer networks (Bagdikian 2000).

The rise of transnational media corporations has increased the concentration of the world’s communication and information systems, with the result that a handful of powerful media conglomerates are now dominating the global diffusion and utilization of telecommunications (Zhao 2008). In the global publishing industry, the control of publishing house mergers, which have become increasingly necessary, is concentrated in a few transnational corporations (Mowlana 1997). For example, as one of the top 10 book publishers in the United States in 2009, Simon and Schuster, a publishing merger that included Free Press, Pocket Books, Howard Books, and Scribner, among others, is now owned by Viacom (Hyatt 2010). In general, such publishing mergers provide great advantages, such as better inventory control, higher advertising budgets, wider distribution channels, newer technologies, and lower production costs. Furthermore, unit prices decrease due to the larger numbers of books produced at each printing. Given the advantages of merging with transnational

corporations, it is no wonder that small, regional publishing houses are becoming less and less competitive in the global publishing market (Xin 2005).

In recent years, many transnational media corporations have established branches in China, and they are currently working with domestic media companies on various issues, including copyright trade and business cooperation. According to Zhou (2005b), since the Fifth National People's Congress in June 1980, the Chinese government has emphasized the importance of foreign copyright trade as a major component of national economic growth. Consequentially, China's copyright trade has enjoyed a steady boom. In 2002, the total trade volume of media products reached 127 million U.S. dollars: 107 million U.S. dollars for imported books, magazines and journals, newspapers, audio-visual products, and electronic publications, mainly from the United States, Britain, and Japan; and 20 million U.S. dollars for similar products exported to many countries and regions, including Taiwan, Korea, and the United States (Book Publishing Management Department of the GAPP 2008). Table 5.1 and Table 5.2 track the changes in the total trade volume of imported and exported media products to/from China in the period extending from 1997 to 2002, and demonstrate that the imported trade volume of all media products far exceeds the exported volume.

Table 5.1  
Total Trade Volume of Imported Media Products, 1997-2002  
(in millions of U.S. dollars)

Years	1997	1998	1999	2000	2001	2002
Books	11.92	20.73	22.63	24.30	28.25	26.22
Magazines and Journals	22.94	25.72	24.95	27.34	32.11	61.20
Newspapers	2.53	3.29	8.96	6.27	8.67	7.45
Audio Products	2.08	0.36	0.75	1.17	3.96	3.28
Visual Products	0.187	0.003	0.001	0.001	0.169	0.001

Electronic Publications	1.85	2.63	2.83	3.83	6.59	8.94
Total	41.53	52.77	60.14	62.93	79.76	107.10

Source: Zhou (2005), p. 206.

Table 5.2  
Total Trade Volume of Exported Media Products, 1997-2002  
(in millions of U.S. dollars)

Years	1997	1998	1999	2000	2001	2002
Books	9.27	11.16	12.48	12.33	13.70	13.63
Magazines and Journals	2.67	2.10	2.31	3.39	2.85	3.03
Newspapers	0.14	1.54	1.09	0.98	1.07	0.73
Audio Products	0.111	0.026	0.102	0.139	0.089	0.028
Visual Products	0.078	0.222	0.331	0.372	0.478	1.755
Electronic Publications	0.031	0.075	0.049	0.083	0.021	0.039
Total	12.31	15.13	16.36	17.31	18.41	19.58
Trade Deficit	29.21	37.64	43.78	45.62	61.36	87.53

Source: Zhou (2005), p. 206.

Sussman and Lent (1998) observe that foreign capital has widely circulated in the Chinese media market through strategic joint ventures and capital investments in information technologies, books and magazines, satellite television markets, and Internet portals and websites. There are many explicit examples of business cooperation between Chinese and foreign media organizations. For example, in 2001, the Chinese government allowed the Hong Kong-based channel, China Entertainment Television (CETV), whose parent company is Time Warner, to provide Mandarin signals to the cable channels in Guangdong province (Landler 2001). To take another example, Cable News Network (CNN), another outfit of Time Warner, has launched a regional production center in Hong Kong with the Chinese market in mind. As a fully integrated newsgathering and production hub, the latter provides network programming, newsgathering, and online production for all of CNN's television, radio, and new media services worldwide. It also operates as the logistical and planning

center for the nine CNN bureaus located in Asia: Bangkok, Beijing, Hong Kong, Islamabad, Jakarta, New Delhi, Seoul, Sydney, and Tokyo (Network18 2007).

Copyright trade with foreign media organizations has also been extensive in the Chinese publishing industry. Chinese publishing houses have drawn incredible benefits from their trade with foreign publishing conglomerates. Table 5.3 illustrates the total number of book titles imported and exported to/from China in the period extending from 1997 to 2002, together with the corresponding annual growth rates. The current transborder flow of books, journals, and magazines is immense, and over 10,000 different books were imported and 1,300 were exported in 2007 alone (Cao and Han 2008). As the table below indicates, both the production and trade of printed materials have grown at unprecedented rates in the past few years.

Table 5.3  
Total Number of Book Titles Imported and Exported with the Annual Growth Rates, 1997-2002

Years	Number of Book Titles Imported	Annual Growth Rate	Number of Book Title Exported	Annual Growth Rate
1997	3,224	22.02%	353	41.20%
1998	5,469	69.63%	588	66.57%
1999	6,461	18.14%	418	-28.91%
2000	7,343	13.65%	638	52.63%
2001	8,250	12.35%	677	6.11%
2002	10,235	24.06%	1,297	91.58%

Source: Zhou (2005), p. 205.

Business cooperation between domestic and foreign publishing companies has also been dynamic and fruitful. For example, as a joint venture with Egmont, the Children's Fun Publishing House published 424 new titles and achieved an annual output value of 84 million *yuan* in 2002, making it one of the top five children's book

publishers in China (Xin 2005).<sup>1</sup> A growing number of transnational media corporations set up offices in many large cities in China, and thereafter become directly involved in the production of audio-visual and electronic publications. For example, since its launch in 1997, the German company, Bertelsmann AG has strategically invested in printing, radio, television, and e-commerce, in cooperation with the Chinese central government. It also co-publishes books, journals, and magazines with local Chinese publishing houses, and has used its management expertise to expand its readers' clubs in most large Chinese cities. At present, there are more than 400,000 members in its readers' clubs nationwide. Most significantly, in December 2003, it successfully obtained partial ownership of the 21<sup>st</sup> Century Chain, which has become the first foreign-owned national chain-bookstore complex (Lee 2003c). In my interview with Lu, who works as a government official in the Shanghai Publication Bureau, he cited the development of the Shanghai Epic Music Entertainment Co., Ltd. (SEME) as another example of business cooperation between domestic and foreign publishing companies. The SEME was established in 1992 by Sony Music Entertainment Inc. with its Chinese partners, the Shanghai Media Group and the Shanghai Jinwen Investment Co., Ltd. It is the first cooperative joint venture to gain national distribution rights for audio-visual products, including specialized audio products for China's rising technological-information elite, as well as lifestyle-related visual media products for affluent urban consumers.

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<sup>1</sup> Egmont is one of the Europe's leading media entertainment companies and the largest publisher of children's books in Europe.

### 5.2.2 Chinese Media Exports in the Global Media Sphere

As the world's most populous country and a major power in the world economy, China plays an important role in the global media industry. Alongside the country's economic liberalization, the Chinese government has adopted various strategies, and employed new technological developments in communication, to broadcast radio and television programs and circulate newspapers in the global media sphere. Such strategies include the launch of the English version of the *China Daily*, the promotion of the online version of the *People's Daily*, and the expansion of CCTV-9.

Known as "Voice of China" or "Window to China," the English version of the *China Daily* was launched in New York in 1982, thus becoming China's first national English-language newspaper. By 2005, it had reached a global circulation of more than 200,000, one-third of which was among business-oriented international readers, who use it as a guide to China's official policies. From 1996 to the present, the online edition of the newspaper has been read by around five million people daily (Thussu 2000). The *People's Daily*, founded in 1948, whose editorials are regarded as authoritative statements of government policies by both foreign observers and Chinese readers, had a global circulation of three million in 2005. When the online edition was launched in 1998, it was available in Chinese, English, Japanese, French, Spanish, Russian, and Arabic. Authoritative and semi-official, it disseminates both positive information about China and general news about the world at large (Xu 2008). The recent expansion of CCTV-9, the English language network of China Central Television (CCTV), suggests that the Chinese government has realized the

importance of integrating the Chinese mass media into the global political economy, using the English language to bring many mainstream Chinese radio and television programs and newspapers to international audiences. By 2006, CCTV-9, with news and current affairs at its core, was available worldwide via six satellites, and had 2.3 million subscribers outside China (Zhu 2008).

Chinese publishers have been actively participating in numerous international book fairs, such as the Frankfurt Book Fair, the Bologna Children's Book Fair, and BookExpo America. In the past ten years, 500 to 600 Chinese publishing professionals have attended the annual Frankfurt Book Fair. The Beijing International Book Fair (BIBF) has also drawn growing attention from both domestic and international publishing houses. As Lu remarked in my interview with him:

The BIBF is sponsored by the General Administration of Press and Publication of China (GAPP), the Information Office of the State Council, the Beijing Municipal Government, and other governmental organizations. In September 2011, the 18<sup>th</sup> BIBF was 53,600 square meters in size with 2,155 booths. Over 2,000 publishers, coming from 60 countries and regions, participated in the exhibition, with more than 200,000 different book titles on display. Since its first exhibition in 1986, it has become the most important book copyright trade fair in Asia, as well as one of three major international book fairs held in China (Lu 2010).

Table 5.4 offers a brief comparison between the value of exported Chinese cultural products and that of other major non-Western countries in 2002, and demonstrates both that the Chinese mass media industry has become an indispensable component of the global media industry, and that national boundaries are no longer major barriers for the global media industry.

Table 5.4  
Value of Exported Cultural Products by Major Non-Western Countries, 2002

(in millions of U.S. dollars)

Countries	Books	Newspapers and Journals	Recorded Media
China <sup>a</sup>	668	40	510
Japan	108	34	371
Russia	240	15	59
Mexico	120	33	146
South Korea	72	4	175
India	43	13	191
Brazil	12	11	11
Turkey	8	2	13
South Africa	19	2	8
Egypt	6	1	0.3

<sup>a</sup> includes Hong Kong, Macau, and Taiwan

Source: UNESCO (2005), pp.231-232.

### 5.2.3 Chinese Media Conglomerates

The pressure facing the Chinese media industry from foreign media companies is intense (Lynch 2000). Before China's media reform, its mass media served as propaganda machines, and its media organizations were heavily dependent on financial resources provided by the party-state. Thus, as Zhou He (2000) argues, the latter differed from major transnational media corporations in their mission, business models, values, and quality of their workforce. As a result, Chinese media organizations cannot yet match the abilities and experience of their international counterparts in market competition, management, human resources, and the application of new technologies. Even after dramatic reform, Chinese media organizations are less competitive than their international counterparts in the global media market, and continue to confront significant challenges from foreign media organizations on the home front. In addition, as McCormick and Liu (2003) point out, the media content imported by transnational media corporations may undermine China's official ideology. Also, the imported business culture, with its less centralized

but more commercialized institutional frameworks, may promote individual and enterprise autonomy beyond the limits set by the central government, and challenge existing Chinese political, economic, and social institutions. It is no wonder that Ding Guanggen, Minister of the Propaganda Department of the CCP, warned that the good days of the Chinese mass media will be over when China fully integrates into the global political economy.

In response to these pressures and challenges and in an attempt to achieve political control, economic efficiency, and international competitiveness, the central government has merged existing domestic media outlets in various sectors to form media conglomerates. He (2000) argues that, when competing with their foreign counterparts, these media conglomerates are more effective than individual media outlets in collecting resources, including political, social, and financial resources; upgrading their facilities, equipment, and other hardware; and applying sophisticated skills and techniques to the production of diverse media products.

In recent years, with the widespread expansion of economic deregulation and technological developments in the Chinese publishing industry, publishing houses are increasingly choosing to merge into publishing groups. Since 2002, when the media conglomeration process was initiated, large publishing groups have appeared in many provinces. It is important to emphasize that such publishing groups are the products of top-down policies. By establishing large publishing groups, the central government aimed to both strengthen its control over the domestic publishing industry, and to enhance the competence of China's publishing industry and its competitiveness in the

global media market (Zhao 2001; Lee 2002). Some of the large and powerful publishing groups established by the central government include the Shanghai Century Publishing Group (Shanghai), the Beijing Publishing Group (Beijing), the Guangdong Publishing Group (Guangzhou, Guangdong province), and the Liaoning Publishing Group (Shenyang, Liaoning province). There were 24 registered publishing groups in China by the end of 2004. They have turned out to be highly important industrial organizations, integral to the development of China's publishing industry.<sup>2</sup>

Acting as the mouthpiece of the party-state, however, Chinese media conglomerates are obliged to follow the Party principle, and this makes them extremely vulnerable to global competition. As He (2003:209) argues, if foreign media corporations are allowed to "disseminate factual information (especially sensitive news on domestic and international politics) that the Chinese media are not permitted to publish," there is no doubt that Chinese media conglomerates will be defeated by their competitors in the global media sphere. In order to prevent this, the Chinese government has imposed restrictions on incoming foreign competitors, limiting both their media content and the regions where their programs can be broadcast. Foreign programs can only be aired in some parts of China, and these programs must take either pro-China or moderate editorial stances. For example, more

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<sup>2</sup> As mentioned in chapter three, the publishing groups in China accounted for 31.3 percent of all published titles (65,129 different book titles), 37.8 percent of all copies of printed books (2,422.88 million), 31.4 percent of all copies of printed sheets (14,618.489 million), and 30.2 percent of all the revenue from books (17, 932.47 million *yuan*) in 2004.

than 30 foreign television operators have aired their programs in Guangdong province, which is known as a “Special Media Zone” to selected overseas media corporations. In order to broadcast radio and television programs, these foreign media corporations are required to possess specific licenses, issued by the Chinese National Broadcasting, Film, and Television Department. These licenses are suspended immediately if the foreign corporations air any program critical of the Party’s leadership. There are only 40 Chinese publishing houses allowed in book copyright trade with foreign publishers, and they must obtain special business licenses from the central government. All of these publishing houses—of which the Beijing Publications Import and Export Corporation, the China National Publication International Trading Corporation, and the Shanghai Book Traders are the largest—are state-owned, and most of them are affiliated with either provincial press and publications administrations or with large publishing groups. These government measures ensure that, as Schlesinger (2000) claims, the introduction of transnational media corporations to the Chinese media industry, although related to the rising tide of neoliberalism on a global scale, does not engender real diversity in media content within China.<sup>3</sup>

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<sup>3</sup> Transnational media corporations also face intense pressure when they attempt to open China’s media market. They have to be very cautious about the limitations on media content, and, at the same time, they need to satisfy the preferences and interests of local audiences. Together with their domestic co-producers, transnational media corporations are pushed to “take China’s social, cultural and political mores, memories, and aesthetic currencies seriously, if they are to achieve deep purchase and a lasting profile in the markets” (Lee and Huang 2002: 108). In this sense, globalization and localization are not two opposed processes, but are mutually connected (Robertson 1995; Sreberny 2000; Keane and Donald 2002; Donald, Keane and Hong 2002).

As a result, Chinese media conglomerates have turned themselves into “party-state publicity Inc.” (He 2003:209). Nevertheless, while Chinese media conglomerates are primarily responsible for publicizing the party-state’s policies and interests, they must also operate as business entities. Chinese media conglomerates are thus subject to both economic and political pressure to attract large audiences by “softening their publicity messages and providing a wide range of information to respond to market demands” (He 2003:210).

To conclude, with the deepening of globalization in the world media industry, transnational media corporations are playing an increasingly significant role in the Chinese media industry. At the same time, many Chinese media organizations have successfully brought their own radio and television programs and newspapers, both printed and electronic, onto the global stage. Facing the pressure of international competition, the central government of China has chosen to strengthen its control over the domestic mass media by merging existing media outlets and establishing various media conglomerates, instead of encouraging the domestic mass media to democratize their operations by providing more diverse perspectives (Zhao 2005). Deeply entrenched in China’s current political and economic policies, party-controlled media conglomerates must conform to the Party principle, while also shouldering the responsibility of generating profit from the marketplace.

### **5.3 Neoliberalism and Chinese Media Workers**

#### **5.3.1 The Twin Modalities of the Neoliberal Governmentality**

As Kai Hafez (2005) argues, the infiltration of neoliberal concerns, especially of market-driven truths and calculations into government policies, has been highly uneven worldwide. David Harvey (2005) notes both the “uneven geographical development of neoliberalism” and “the complex ways in which political forces, historical traditions, and existing institutional arrangements all shaped why and how the process of neoliberalization actually occurred” (p. 13). On the one hand, there is no denying that neoliberal governmentality has made many contributions to China’s accelerated post-1989 social transition from a centrally-planned economy to a market economy (Harvey 2005). On the other hand, there are many strict limitations on the penetration of neoliberal policies in China. This is especially true in the Chinese media industry, because the role of the state has not been significantly challenged, and the mass media are still presumed to perform a propaganda function.

While the Chinese state has continually attempted to incorporate neoliberal elements, thus “extend[ing] the values and relations of markets into a model for the broader organization of politics and society” (Robison 2006:4), these attempts have been self-limited by the need to comply with the state’s authoritarian centralized control. Thus, Aihwa Ong (2006) maintains that Chinese media workers are trapped between the “twin modalities of the neoliberal governmentality” that include “neoliberalism as exception” and “exceptions to neoliberalism” (p. 3).

On the one hand, the main purpose of China’s economic reform is to liberate the market from the state, thus accelerating capital accumulation. The Chinese government has adjusted the overall institutional framework to guarantee private-

property rights and to promote free markets as well as free trade, as it increasingly integrates into the world political economy (Hung 2009). Through these processes, China has been moving toward the model of “neoliberal” capitalism: the state is being downsized, its capacity is being weakened, and its role in the economy is significantly reduced. It has also actively offloaded its welfare and human services onto the market and society, leading its private sector and the various labour, capital, and finance markets to experience a rapid expansion. As Ong (2006:3) suggests, the Chinese government has taken the initiative by embracing neoliberal calculations as an effective means of maximizing its entrepreneurial dynamism and facilitating its access to the global market. This modality is known as “neoliberalism as exception,” because neoliberal policies are exceptions under the otherwise tight control of the authoritarian state.

On the other hand, the state employs strategic “exceptions to neoliberalism,” excluding certain populations and places from neoliberal calculations, with the intention of thereby eliminating discrimination, promoting social equality, and maintaining political control (Ong 2006:3). Even though the central government has tentatively stimulated market-oriented developments in the media sector, its control over the system is steady and ubiquitous. As Li (1997b) puts it, Chinese publishers should “advocate healthy, lofty ideology and culture under the Party’s leadership, in order to create a good environment of public opinion for the modernization drive, and give a moral support to the modernization drive” (p. 58). It is imperative for Chinese

publishers to take precautions against criticism of the Party, in order to maintain the advance of the modernization drive.

Evidentially, the concept of neoliberalism, derived from Western social science traditions, changes significantly when it is applied to the analysis of what is currently happening in the Chinese media industry. This point is echoed by Robison (2006), who claims that neoliberalism in China is not “just a reincarnation of laissez-faire sentiment or a simple neo-classical attachment to the idea of the inherent efficiency of markets” (p. 4). Also, as Huang and Cui (2005) suggest, neoliberalism in China does not exclusively focus on the economic policies of market liberalization, deregulation, privatization, and fiscal austerity associated with the Washington Consensus, the shock therapy, and the structural adjustment programs applied to Russia and other transnational economies. In the Chinese context, neoliberalism must embrace the political interests of the party-state, the economic interests of transnational media corporations, and the general interests of the public in promoting democracy.

As I have remarked in previous chapters, one significant result of the widespread expansion of neoliberal policies is that Chinese media organizations have been thrown out of the party-state budget and forced to survive on the market. He (2000) maintains that media organizations run by either the CCP or by various state organizations are expected to be self-sufficient and earn their own revenue. At the same time, however, they have an unmistakable political mission: to serve as the party-state’s voice, promoting its interests, policies, and ideology. Chinese media workers are thus pressured to meet the demands of both market power and the Party principle. While

market power is harnessed to stimulate the growth of the domestic media industry, the Party principle dominates media management and controls media infrastructure (Yu 2011).

### **5.3.2 China's Accession to the World Trade Organization**

The implementation of neoliberal policies has been accelerated since China entered the WTO in December 2001. There is a general belief that China's official entry into the WTO marked a turning point in the country's decades-long efforts to be accepted into the international community, and constituted a historic landmark in the broader global neoliberal movement (He 2003). Hart-Landsberg and Burkett (2004) point out that China's entry into the WTO, and the related breakdown of trade barriers, have led to a further dismantling of the state, as evidenced in the removal of state subsidies, the reorientation of market strategies in favour of export, and the consolidation of foreign production as the leading force in the Chinese economy.

As part of the conditions for its entrance into the WTO, the central Chinese government has made several substantive concessions to open up the domestic media market. Due to rapid developments in communication and information technologies, foreign investment in information infrastructures, service provision, and technological knowledge within China's media industries has been highly encouraged (Yu 2002). The WTO has opened the door for foreign capital to invest in media advertising and management. The Chinese government has favoured granting licenses to transnational corporations in the new media, such as telecommunications firms, which are well-

funded and run by large professional staffs (Li 2001; Zhou 2002). News media and television, however, continue to be largely sheltered from foreign competition. The central government has never relinquished its editorial authority over media content, and it has also taken various measures designed to protect the government's ideological power. All of the above statements are summarized in Table 5.5, which briefly outlines the impacts of the WTO on foreign investment in China's different media sectors.

Table 5.5  
Impacts of the World Trade Organization on Foreign Investment in China's Different Media Sectors

Sector	Foreign Investment	Policy Changes
Publishing	Medium	Fashion/leisure publications have been allowed.
Advertising	Medium to High	Restrictions on advertisements were lifted in 2005, and the U.S. has established its own invested branches in China
Cable	Medium	Restrictions on foreign investment in the infrastructure (but not the content) have been erased.
Motion Pictures	Medium to High	Imports of Hollywood blockbuster movies increased to 50 per year by 2005, with both sides sharing the profit. Foreign capital has also been allowed to invest in building and renovating Chinese cinemas and to own up to 49 percent of their shares. Restrictions on distribution (transportation, retail, and post-sale services) are lifted. Film, VCR, and VCD coproduction is permitted.
Information Technology	Medium to High	Tariffs for imported semiconductors, computers, computer equipment, telecommunication equipment, and other information technologies were eliminated by 2003.
Telecommunications Services	High	Foreign suppliers have been allowed to hold 49 percent of the shares in telecommunications service companies.
Internet	High	U.S. corporations have been allowed to invest in Internet companies (including the business of

		content supply). However, content must conform to legal standards.
Newsprint	Low	Import tariffs to timber and paper were reduced from 12-18 percent and 15-25 percent to 5-7.5 percent by 2003.
News Media	Low	Not open to foreign ownership or operation under the WTO's "preferential treatment to developing countries" clause.
Television	Medium	Investment in local TV is allowed, but not in the central (national) TV. Imported television news continues to be available only in tourist hotels and foreign quarters.

Source: Lee (2003c), p.120.

According to Hart-Landsberg and Burkett (2004), in China's news media and television sectors, there is still little clarity on how regulations will be made to comply with the WTO agreements. Many mass media scholars in China believe, however, that ongoing technological developments will pressure the central government to make more-and-more changes to its regulatory policies, thereby pushing China's media reform toward greater liberalization, and thus making the media market much more open and transparent (Petras 2006). Nevertheless, Chinese media workers have suffered considerable losses resulting from the neoliberal policies already in place within the Chinese media industry. As I have detailed in chapters three and four, recent years have seen these workers face the problems of rising unemployment, growing economic insecurity, class polarization, intensified exploitation, and decline of health and education conditions.

To reiterate, with the vast expansion of neoliberal policies in the Chinese media industry, Chinese media workers have become trapped between the "twin modalities of the neoliberal governmentality" (Ong 2006:3). Despite massive market-oriented developments in the Chinese media industry, the Party still wields control over most

elements of the media system. In other words, as the mouthpiece of the party-state, the Chinese mass media must attempt to serve the political interests of the party-state, while advancing the economic interests of the transnational corporations, and promoting the general public interest in media democratization. In addition, China's official accession to the WTO has accelerated the implementation of neoliberal policies in the Chinese media industry, thus driving the media market towards greater openness and transparency, despite the fact that the impact of neoliberal policies on the news media and television sectors remains to be seen. Given this unique set of circumstances, neoliberalism in the Chinese context differs greatly from the model originally developed by Western social scientists.

#### **5.4 The Global Division of Labour and Chinese Media Workers**

The global division of labour is another social trend accompanying globalization. Technological developments have greatly facilitated capital mobility, opening areas once remote from the geographical reach of the core industrial powers. Both Ong (2006) and Tsui-Auch (1998) maintain that massive transfers of labour-intensive industries from these powers to developing countries have become feasible and profitable, due to the latter's low labour costs, favourable tax rates, and relaxed production restrictions. Recent decades have witnessed a growing integration of world production on the basis of this new relationship between highly industrialized and less-developed countries. In this section of the chapter, I will outline the impacts of

the global division of labour on the Chinese media industry, concentrating on how Chinese media workers have been affected.

In the first part of this section, I will focus on the emergence of the global division of labour, and its widespread expansion in the world political economy. Frank (2011) claims that China operates as the “world factory,” owing to its huge domestic market and comparatively low production costs, particularly its large amount of cheap labour. Unsurprisingly, as the global division of labour deepens, Chinese industrial workers are faced with the problems of low wages, fewer collective social welfare benefits, and deteriorating working and living conditions. Similarly, Chinese knowledge workers have been adversely affected by offshore sourcing, due to the global division of labour, global competition, and the new patterns of world production and trade (Florida 2002; Huws 2003; Blinder 2006; Huws, Lehndorff and Grimshaw 2010).

In the second part of this section, I will explore three critical challenges facing Chinese media workers, due to the global division of labour: changes to their value systems, changes to their daily work processes, and the intensification of work-related pressures. For Chinese media workers, the idea that labour is a commodity—which is at the core of the current global capitalist market—is a drastic change from their previous value systems, which were informed by collectivist and/or nationalist ideologies. As Chinese media workers become more integrated into the global division of labour, their labour, as a commodity, becomes more exchangeable and replaceable. At the same time, Chinese media workers must negotiate substantial

changes in their daily work processes, as they are increasingly limited to performing simple tasks that require few technical and professional skills. Finally, work-related pressures on Chinese media workers have intensified due to the fact that they must now compete for jobs at a time when job security is increasingly uncertain.

#### **5.4.1 The Global Division of Labour and Industrial Workers**

As early as the 1970s, Stephen Hymer (1972) argued that the spatial division of labour—primarily under the control of transnational corporations—as well as organizational hierarchization and a structure of domination/subordination, has characterized the world political-economic system. In the past four decades, the geographical dispersion of production accompanied the movement by transnational corporations towards more complex and efficient multiproduct, multidivisional structures (Mosco, McKercher and Huws 2010). In other words, according to Taylor (2008), transnational corporations, by distributing their production activities throughout the world, as well as imposing a vertical integration that cuts across national, political, and ethnic lines, incorporate workers of economically less-developed countries into a new global division of labour.

With the rise of the global division of labour, the geographical dispersion of production has brought about significant changes in the relationship between capital and labour, as well as contributed to a new relationship between highly-industrialized and less-developed countries. Top-level administrative activities, which require numerous knowledge workers and well-developed communication systems, are

mainly located in large cities that are close to financial markets. Manufacturing and sales activities, however, are located throughout the world, depending entirely upon the availability of labour, markets, and raw materials. Therefore, there is an uneven expansion and development of capital, particularly of the global production of transnational corporations worldwide (Tsui-Auch 1998).

It is in this uneven context of transnational capital expansion and development that China has transformed itself into the “factory of the world” (Frank 2011). In tandem with the consolidation of transnational corporations and the increased fluidity of capital investment, many highly industrialized countries—acting as sources of technological expertise, design, and financial outflows—have selected China as an offshore production location of capital. Ngai, Chan and Chan (2010) claim that, due to its specialized assembly operations, China has become the world’s largest producer of garment and textile products, electronic products, toys, and household appliances. In 2010, China eclipsed Japan as the world’s second largest economy based on GDP measurements (Hamlin 2010).

In addition to its huge domestic market, China’s comparatively low production costs, and its vast pool of cheap labour, are major reasons for its economic success (Hong 2010; Qiu 2010). According to Hennock (2002), Chinese industrial workers receive an average of about 40 U.S. cents an hour, which is a mere fraction of the amount that their U.S. counterparts receive, and six times less than the amount that factory workers in Mexico receive.<sup>4</sup> Apart from their low wages, Chinese industrial

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<sup>4</sup> As of July 24, 2009, the federal minimum wage in the U.S. was \$7.31 per hour. Some states and municipalities set minimum wages higher than the federal level, with

workers also receive fewer collective social welfare benefits than their counterparts elsewhere. Increasingly subjected to coercive modes of labour control and arbitrary managerial power, most Chinese industrial workers have fallen into the ranks of the urban poor (Zheng 2004).

The stunning growth in China's production of media-related products—including the computers, telecommunications devices, and other technologies essential for global media activities—has made the country central to the global division of labour. According to statistics released by the Ministry of Industry and Information Technology (2011), the total value of exported media products was 30.35 billion U.S. dollars in the first half of 2011, with the annual growth rate reaching 15.8 percent. The export of media products has constituted one third of the country's total export volume in the past few years. This rapid growth has been accompanied, however, by the deteriorating working and living conditions of factory workers, which were infamously brought to light by the Foxconn suicides.

Recently, 20 universities in Hong Kong, Taiwan and the mainland jointly-produced a research report on the Foxconn suicides entitled “Foxconn Factories Are Labour Camps,” based on interviews with more than 1,800 workers from 12 Foxconn-owned factories in nine mainland cities. The report revealed that assembly-line workers in Foxconn factories have to work double or triple the legal overtime limit under a Spartan management style.<sup>5</sup> The assembly lines run fast, and workers are

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the highest state minimum wage being \$8.67 in Washington.

<sup>5</sup> Workers in Foxconn factories are forced to work 80 to 100 hours of overtime per month. Under China's labour law, the legal limit on overtime is 44 hours a month.

required to finish every procedure in exactly two seconds. They are not allowed to talk, smile, sit down, walk around, or move unnecessarily during their long working hours, and are required to finish 20,000 products every day (Students and Scholars against Corporate Misbehavior 2010). In addition, teenage students have been employed extensively by Foxconn, without the protection of labour contracts or statutory industrial insurance. Under these conditions, at least 17 Foxconn workers have attempted to commit suicide, 14 successfully. Long working hours, discrimination against mainland Chinese workers by their Taiwanese coworkers, and heavy labour intensity have all been cited as potential causes for the suicides.

With its population of highly-qualified skilled workers growing constantly, China is considered an attractive and cost-effective labour source, in contrast to knowledge-intensive developed countries. Alongside the sharp rise in the global production of communication and information technologies in the 1990s, transnational corporations began to set up subsidiaries in offshore regions, rather than migrating those highly-qualified knowledge workers to the countries where their headquarters were located (Sahay, Nicholson and Krishna 2003). Not only have low-skilled workers in the factories of traditional industries been affected by such offshore sourcing, but their highly-qualified counterparts working in knowledge-intensive areas are also beginning to feel the negative impact of new patterns in world production and trade (Huws 2003; Blinder 2006; Hong 2011). In the next section, I will examine the impact of the global division of labour on Chinese media workers, who were once assumed to

be both the “creative” protagonists and beneficiaries of globalization (Florida 2002; Huws, Lehndorff and Grimshaw 2010).

#### **5.4.2 The Impact of the Global Division of Labour on Chinese Media Workers**

In the world media and communication industry, the global division of labour is also primarily based on “process specialization.” As defined by Fröbel, Heinrichs and Kreye in the early 1980s, “process specialization” refers to the strategic process whereby transnational media corporations have shifted the capital-and-technology-intensive processes of media production to developed countries, while simultaneously transferring the labour-intensive processes of manufacturing media products to developing countries, such as China, India, and Malaysia.

As Klein (2007) argues, China’s large and relatively low-paid workforce has contributed to the substantial growth of its media industry, transforming it into a “world manufacturing center” that increasingly monopolizes worldwide media production. For example, many foreign media companies, including Disney, MTV, Cartoon Network, and Warner Bros. have outsourced most of their animated features to Chinese animation studios. These animation studios primarily produce Western-designed cartoon programs at an extraordinarily high quality with very low costs (Bennett 2006). The increasing number of Chinese animation studios has resulted in a boom in knowledge workers—including artists, animators, and technicians, trained in

the use of SGCS, SFX, and other motion-capture software and facilities—in the Chinese animation industry.<sup>6</sup>

Chinese media workers—including knowledge workers in the animation industry; newspaper, television, and radio journalists; and editors in publishing houses—are facing critical changes to their value systems and everyday working procedures, as well as the intensification of work-related pressures, due to the increasing incorporation of China’s media industry into centrally coordinated “global factories” headquartered in the core capitalist states.

A survey on workers’ political status and political relations conducted by the All-China Federation of Trade Unions (ACFTU) in 1993 revealed that Chinese media workers continued to hold a value system informed by collectivist and/or nationalist ideologies, despite the fact that they were working in a post-state-socialist society. In my interview with Gao, he talked about this disjuncture between deep-seated values and the current socio-economic structure:

Our old value system completely denied that labour is a commodity. Therefore, we preferred to stay in the same publishing house until our retirement, because this was the most direct way to express our loyalty to publishing houses. In return, publishing houses used to guarantee every editor life-time employment, together with a moderate monthly income and basic social welfare benefits (Gao 2010).

This value system is fundamentally different from that informing the current global capitalist understanding of labour. In accordance with the value system informing the global capitalist market, labour is a commodity, tradable at a price set by existing labour markets (Mosco and McKercher 2008; Mosco 2009). Due to the

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<sup>6</sup> SGCS stands for Silicon Graphics Computer Systems. SFX, shorthand for “special effects,” is a leading live entertainment sound playback software application.

commodification of labour, workers must compete for wages in the labour markets, which are driven by the capitalists' desire to secure the cheapest possible labour (Gang and Bandurski 2011). As the global division of labour deepens in the world media industry, Chinese media workers must prepare for actual or potential layoffs, due to the fact that their labour is becoming increasingly exchangeable and replaceable.

The emergence of the global division of labour in the Chinese media industry has led to crucial changes in the daily work processes of many Chinese media workers, such as their increasing limitation to the performance of simple tasks that require few technical and professional skills. For example, in the Shanghai Science and Technology Publishing House, most editors are only responsible for composing and printing the books, journals, and magazines that are edited by their foreign counterparts. This emphasis on foreign-edited publications partially explains why numerous publishing houses have been established in large cities along the country's eastern coastal sub-regions, from which it is most convenient to transport printed books, journals, and magazines abroad (Book Publishing Management Department of the GAPP 2008). Located in Melbourne, the Australian firm of Tingleman Outsource Media is becoming one of the world's largest outsource print brokers, focusing on providing quality assurance and negotiation services for transnational publishers outsourcing printing in China. In 2005, while sourcing from 13 large publishing houses in China, the company's total annual sales volume reached 2.5 million U.S. dollars (Cui 2010).

As Luo mentioned in my interview with him, even in the co-publishing process, Chinese editors rarely get any chance to participate in book planning and marketing, which are always managed by foreign editors in large transnational publishing companies. Instead, Chinese editors are limited to decorating the covers of publications, and proof-reading the materials for both grammatical and political correctness. The limitations imposed upon Chinese media workers as a result of the new global distribution of labour have created a tense, if not overtly confrontational, atmosphere between them and their foreign counterparts (Chang 1995; Mosco and McKercher 2008).

For Chinese media workers, the global division of labour has not mitigated the intense work-related pressures resulting from the media marketization process. On the contrary, it has only increased the pressure to compete for jobs and/or to plan for the future of their careers. Due to the country's large population, which offers a great amount of cheap labour for employers, competition for jobs has always been intense in China. The extensive outsourcing of media production by transnational media corporations to the Chinese media industry does not necessarily guarantee increased job opportunities for every Chinese media worker. Chinese media workers are pushed to compete for jobs with their counterparts in other developing countries that have entered global capitalism, such as India and the former Soviet block countries (Yates 2003; Hong 2011).

Due to the increasingly fierce competition for jobs, Chinese media workers, particularly senior media workers, are understandably worried about losing their

current jobs. My interviews with editors in several large publishing houses in Shanghai, reveal that this anxiety has become an inherent part of editors' everyday lives, rendering their futures even less certain. As a result, editors are pressured into continuing professional training and education, which is believed to be essential for moving up into the skilled levels of production (Sun and Yang 2002).

In addition to the immediate fear of losing their jobs, Chinese media workers have had to deal with decreasing predictability in and control over their work and careers. As long as they feel powerless to cope with the changing "moods" of either the global market or of their own management, Chinese media workers will be less concerned about workplace reforms than about simply "surviving" and "defending the positions they have already achieved" in their companies (Boes and Kampf 2010:111). My surveys indicate that 62.5 percent of Chinese editors have never changed their jobs, and only 5 percent have changed their jobs three times or more. These editors do not complain about their work, because they are fearful of losing their jobs. Instead, they work harder than their colleagues, and try their best to achieve the profit levels set by the leaders.

## **5.5 Conclusion**

In our digitally-connected age, all kinds of information, including political discourse, scientific research, corporate data, personal communication, and media entertainment circulate around the world at incredible speed. As Thussu (2007) remarks, advances in digital networks and technologies have largely freed the

production, consumption, and distribution of information from both temporal and spatial constraints. These innovations have contributed to China's increasing engagement in the global political economy—i.e. the reshaping of its economy by broader transnational production networks, under the auspices of the central government—since the late 1970s. In short, mass-media communication processes, institutions, and technologies in China have both contributed to, and been affected by, the broader wave of globalization (Zhou and Qin 2010).

To come to terms with the problems experienced by Chinese media workers as a result of the massive technological, political, and economic changes of recent decades, it is essential not only to examine the structuration process of the political economy of communication, but to analyze the media spatialization process, which has three main contributing factors: the deepening of globalization, the accompanying expansion of neoliberalism, and the global division of labour. The spatialization process has trapped Chinese media workers between the “twin modalities of the neoliberal governmentality” (Ong 2006:3), led to crucial changes in their value systems and their daily work processes, and intensified their work-related pressures. Instead of protecting the rights of Chinese media workers, the central government has tightened labour laws to ensure political control of the labour force, lowered tariff barriers to the entry of capital, and implemented a series of policies and regulations designed to maximize the profits of transnational media corporations and ensure undisrupted production.

In the next chapter, I will suggest plausible solutions to the precarious situation in which Chinese media workers, particularly editors in the publishing industry, currently find themselves. I will examine the benefits and limitations of labour convergence, and question the success of worker organizations and trade unions in protecting and safeguarding the rights and interests of Chinese media workers. In particular, I will analyze the role that the ACFTU is playing to help Chinese media workers deal with the challenges stemming from media reform.

## **Chapter Six**

### **Labour Convergence:**

#### **Worker Organizations and Trade Unions of Chinese Media Workers**

##### **6.1 Introduction**

Although it is perceived as an indispensable part of the continuing economic and social transformations in China, Chinese media reform has eliminated many of the privileges that Chinese media workers took for granted in the planned economy. These workers are increasingly confronted with the problem of contingent employment, declining social welfare benefits, and intense work pressure. They are also caught in a double-bind: while they are responsible for serving and publicizing the party-state's policies and interests, they are also expected to adapt to the media marketization process and generate profit like private businesses (Cheek 1997; Zhao 2008). In other words, Chinese media workers, operating within the new propaganda-commercial model, are enormously pressured by the competing factors of market competition and strict Party control. It is therefore unsurprising that China's increasing integration into the global political economy, particularly its gradual adaptation to the global division of labour, has necessitated great changes to most media workers' value systems and everyday work practices. Due to capital expansion on a global scale, these workers have lost their privileged positions as "masters" of the country (Rocca 2003). In this chapter, I will explore possible ways in which Chinese media workers can begin to better their frustrating and precarious situation.

Drawing on both international and Chinese experience, I will begin this chapter by exploring the importance of labour convergence for the working class, including both industrial and knowledge workers. At the international level, organized labour has responded to technological and corporate convergence in the knowledge economy, bringing together workers once divided by technological, craft-based, and industrial barriers. In China, both worker organizations and trade unions, as the two main patterns of labour convergence, have gradually come to represent the interests of the working class, with particular attention to the regulation of employer-employee relationships, even though the state is still playing an important role in worker organization and trade union activities (Clarke 2005).

In the following two sections, I will examine the effectiveness of worker organizations and trade unions at representing the concrete interests and protecting the legitimate rights of Chinese media workers. In the process, I will introduce and analyze the main duties and functions of several important worker organizations representing Chinese media workers, editors in particular, including the Publishers Association of China at the national level, and the Publishers Association of Shanghai at the regional level. In the third section of this chapter, I will introduce and analyze the main duties and functions of China's trade unions, especially the ACFTU, which serves as the sole national trade union federation of China, leading all Chinese trade unions as their "union centre" (Hong and Ip 2007:65). My examination of the status of worker organizations and trade unions in contemporary China will allow me to

address the reforms of such organizations in the Chinese media industry, as well as the effects of media commodification, structuration, and spatialization.

In the last section of this chapter, even though worker organizations and trade unions are effective in representing and safeguarding the rights and interests of the China media workers as I have argued above, I will outline their major limitations as both of them are under rapid transformation: they lack substantial political and economic power compared with the Party organs; their obligations to uphold the state's reform policies and the interests of the working class often conflict; and they are slow to reshape their guiding philosophies and promote personnel system reforms in accordance with new imperatives accompanying the market economy (Wang 2001). As many Chinese and Western scholars, including Alvin So (2007), Chris White (2007), and Beverly Silver and Lu Zhang (2007) have observed, there has been a rising tide of labour unrest in China's reform era, even though the central government has emphasized a "new development model" aimed at reducing inequalities among classes and regions in pursuit of a "harmonious society" (People's Daily 2005). Given the limitations of worker organizations and trade unions, and the volatility of the employer-employee relationships, it is essential to consider how new information technologies, changes inside the ACFTU, and the labour non-governmental organizations (NGOs) can aid in improving representation of the legitimate rights and interests of the working class.

## **6.2 Labour Convergence**

McKercher and Mosco (2010) point out that converging technologies and converging companies have led workers to come together across various industries, seeking improved collective bargaining opportunities and successful political interventions: “one of the trends in the trade union movement in both the developed and developing world is the consolidation of small and narrowly-focused unions into larger and more diverse organisations, representing not simply workers in a specific trade, or even within a single industry but in a broad sector of the economy, such as the converging communications, culture, and information sector” (p. 3-4).

In recent years, the Communications Workers of America, India’s Union for ITES Professionals, and the Union Network International (the global union for skills and services) have succeeded in bringing together workers in different occupations, including both industrial and knowledge workers whose jobs are outsourced from other countries and regions, as well as those whose jobs are threatened due to outsourcing. In this section, I will examine the forms of labour convergence in China and evaluate their success in defending the legitimate rights and interests of the Chinese working class. I will begin, however, by outlining the problems facing the majority of Chinese workers, especially those in the Chinese media industry. Such problems include the decline of working and living conditions, the increasing use of short-term contracts, and the rise of powerful state-capitalist alliances with interests opposed to those of the working class.

The working and living conditions of the Chinese working class have declined with the advance of China’s social reform. While all Chinese workers are challenged

by the deterioration of their working conditions, knowledge workers are also pressured by long hours, shortening deadlines, and reductions in employee autonomy. In addition, while all Chinese workers are under intense pressure to anticipate, and prepare for, the future, they are also deprived of any protective framework of social insurance (Ross 2009). My interviews with editors for the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House suggest that 55 percent of editors in the Chinese publishing industry earn below 5,000 *yuan* per month, with an average annual income of roughly 60,000 *yuan*, which is less than that of most knowledge workers in other professions, including finance, telecommunications, and scientific research; it is even less than that of some industrial workers, including miners.<sup>1</sup> As illustrated in Table 3.10, the editors' daily expenses are high, and, as most survey participants revealed, they can barely make ends meet in their daily lives. In addition, pressure to buy apartments or houses in Shanghai prevents them from spending much of their incomes to meet other needs and desires. Apartments and houses have become so expensive in Shanghai that most editors would need to work for nearly 50 years to afford one. Moreover, with the state's increasing withdrawal from the social welfare system, these editors have had to bear an increasing share of the costs of their pensions and medical insurance.

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<sup>1</sup> According to the report of the Shanghai Municipal Statistics Bureau (2009a, 2009b), the average annual income in Shanghai was around 40,000 *yuan* in 2009. The average annual incomes of knowledge workers in finance, telecommunications, and scientific research were 117,463, 98,548, and 74,611 *yuan*, respectively. The average annual income of industrial workers in mining was 61,533 *yuan*.

Apart from these concerns, the global division of labour, with its strategies of offshoring, downsizing, and outsourcing, has led to an increase in short-term contracts for both industrial and knowledge workers (Flecker et al. 2009). As Ross (2009) suggests, no one, not even those in traditional professions, can any longer expect a fixed pattern of employment in the course of their lifetime. Winseck (1998) and Mosco and McKercher (2008) observe that, due to both technological convergence and corporate or institutional convergence worldwide, many of the world's workers are under temporary work contracts, which render their futures deeply uncertain. Kring et al. (2009) argue that temporary work or contingent employment has also started to prevail in the Chinese market economy, replacing permanent work on a large scale. While editors in the pre-reform era were guaranteed lifetime employment, most current junior editors are under limited-term contracts. For instance, junior editors in the Shanghai Science and Technology Publishing House are required to sign separate one-year contracts every year for their first three years of employment. After this three-year period, those editors deemed "excellent" (well-behaved) are allowed to renew their employment on consecutive three-year contracts. Eventually, these editors may be given five-year contracts, depending on the amount of profit they generate for the publishing house annually. Also, according to the findings from my surveys, contingent employment has resulted in a broad spectrum of other problems for most Chinese media workers, including the necessity of taking on part-time jobs, working overtime, as well as declining social welfare benefits, salaries, and chances for promotion.

Furthermore, the socio-economic transition in China has resulted in the rise of state-capitalist alliances, whose interests are opposed to those of the working class, making the situation for workers even worse (Deyo 1989; Yeung 2004). Both Deyo (1989) and Yueng (2004) stress that, despite the rhetoric of the “socialist market economy,” China’s social development represents the interests of the political elite of the authoritarian state, the economic elite within the country, and international corporations with considerable economic ties to the state. In other words, China follows a development model that is characterized by state-capitalist alliances, in which the interests of political and economic elites, both nationwide and worldwide, coincide. As a result, the rights and interests of the working class are subordinated to those of the employers, who represent the state and/or the economic elite. Lee (1999) maintains that leaders in Chinese publishing houses, newspaper agencies, and television and radio stations possess significant autonomy, while most media workers are subject to coercive modes of labour control and arbitrary managerial power. Chinese media workers are increasingly defenseless in the face of heavy-handed enforcement of the capitalist logic of increasingly despotic enterprise regimes, and many of them have fallen into the ranks of the urban poor.

As Guan (2001) remarks, Chinese workers have responded to these problems by enhancing their collective identity. Collective identity plays an important role in locating workers in the social transformation, processing the demands of society upon them, and integrating them into global information flows (Castells 1997). As Mosco and McKercher (2008) have argued, divided bargaining does not help Chinese

workers solve the problems that they are faced with because it leads to the development of status hierarchies within enterprises, institutions, and organizations that benefit some workers at the expense of others. At the same time, divided bargaining plays one labour unit off against another, thereby fomenting conflicts within and between different groups of workers. In contrast, as many political economists have recognized, centralized bargaining is a useful means for the working class to attain long-term stability and labour harmony (McKercher and Mosco 2007; Mosco and McKercher 2008). As is the case elsewhere, new patterns of labour convergence have been emerging in China in response to the challenges of technological development and institutional convergence.

In China, worker organizations and trade unions are the two main patterns of labour convergence. In the pre-reform era, worker organizations and trade unions were parts of the state socialist system. As a result, there was no tension between workers' groups and the state, which regarded itself as the sole arbiter and protector of workers' rights and social stability (Hishida et al. 2010). As Feng (2003) remarks, in the pre-reform era, the paternalistic socialist state protected and ensured the workers' fundamental political and economic rights and interests, offering life-time employment, comprehensive social security, and basic health care. With the advance of social and economic transformations in China, however, the state has gradually shifted from "socialist paternalism" to "market socialism," and enterprises have become independent economic entities, "responsible for their own production, management, employment, wages, welfare, insurance and so on" (Wu 2010:10). The

state has largely shifted the responsibility of administering labour relations to enterprises, but employers have often chosen to maximize their economic interests at the expense of the workers' job security. In response to these changes, both worker organizations and trade unions in China have evolved to represent the interests of the working class and draw attention to employment regulations.

In both the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House, worker organizations and trade unions have become more effective at communicating directly with the leaders, advancing the demands, opinions, and suggestions of editors, and pushing for the leaders' responses. They have also become more effective at communicating indirectly with various bureaus of the Shanghai Municipality, sending reports to and pressing their concerns upon the latter. For example, in 2004, the Shanghai Municipal Labour and Social Security Bureau stipulated that when labourers revoke their labour contracts, the maximum economic compensation paid to enterprises by the individual labourers should not exceed 5,000 *yuan*. This decision was influenced by the results of surveys conducted by the Shanghai Federation of Trade Unions among workers in all professions, which indicated that workers had to pay a significant economic compensation, far beyond the acceptable range, to leave their enterprises. As a result, these workers had no choice but to stay in the same enterprises until their contracts expired. The limitations placed on compensation have granted workers more flexibility in choosing and changing their employers in the market economy.

While worker organizations and trade unions are becoming less and less dependent on the party-state, they are more reliant on higher-level worker organizations or trade unions, like the ACFTU, which helps to defend the rights and interests of the working class by applying legal and political pressure on employers. Wang (2008) claims that the ACFTU possesses the expertise, resources, and connections to strengthen the influence of worker organizations and trade unions, and forge previously non-existent connections among different groups of workers. In the next two sections of this chapter, I will explore the basic duties and functions of worker organizations and trade unions, and the role that the ACFTU plays in helping Chinese media workers adapt to the challenges related to current media reform.

### **6.3 Worker Organizations**

Worker organizations and trade unions in China are mass organizations of the working class, formed by workers on a voluntary basis, which coordinate the interests of three parties—the party-state, enterprises, and workers (Jiang 1996). As opposed to China's trade unions, which are generally organized by workers in different enterprises and institutions, China's worker organizations or associations—such as the China Translator Association (established in 1982), the China Chef Association (1987), the Chinese Institute of Certified Public Accountants (1988), the China Banking Association (2000), and the China Medical Doctor Association (2002)—are organized by workers in a single profession. The main purpose of China's worker

organizations is to engage in professional training, assist workers in enforcing their legal rights, and help workers become more effective advocates in the workplace.

There are numerous worker organizations in the Chinese publishing industry, covering book, newspaper, journal and magazine, and audio-visual product publishing at both the national and the regional level. Major national worker organizations include the Publishers Association of China (PAC, established in 1979), the China University Presses Association (1987), the China Periodicals Association (1992), and the China Editors' Association (1992). Table 6.1 lists the most important Chinese worker organizations in the publishing industry and their years of establishment. At the regional level, worker organizations—such as the Publishers Association of Shanghai, the Publishers Association of Beijing, and the Audio and Video Distributing Association of Jiangsu Province—are established in almost every province and in four municipalities (Beijing, Shanghai, Tianjin, and Chongqing). Both the Publishers Association of Shanghai and the Publishers Association of Beijing rely on the vertical chain of command to receive instructions and orders from the PAC, which acts as their administrator. The former are mainly responsible for carrying out the concrete policies and regulations passed by the latter, as well as for fulfilling the tasks assigned by it.

Table 6.1  
Most Important Worker Organizations in the Publishing Industry of China

Name of Association	Year of Establishment
China Paper Association	1964
Publishers Association of China	1979
Printing Technology Association of China	1980
Printing and Printing Equipment Industries Association of China	1985

China University Presses Association	1987
China Copyright Protection Association	1990
China Book and Periodical Issuing Association	1991
China Periodicals Association	1992
China Editors' Association	1992
China Audio and Video Association	1994

Source: Xin (2005), p. 131.

### **6.3.1 The Publishers Association of China**

This section and the next section will specifically look at worker organizations for editors at the national level and regional level, respectively. At the national level, established in December 1979, the PAC is a national autonomous organization of provincial and municipal publishers' associations, primarily representing book and journal publishing. There are also 30 working committees affiliated with the PAC in various fields, such as science and technology, youth issues, women's issues, copyright, and proofreading. As a non-profit and non-governmental organization, the PAC aims to link publishers with government at all levels. For example, the PAC has worked with the Books and Periodicals Distribution Association of China and the Xinhua Bookstore to draft "The Regulations on Importing Overseas Copyrights," which serves as the guideline for trading between Chinese and foreign publishers (Publishers Association of China 2008). Moreover, the PAC promotes best practices in the publishing industry, most notably by offering several influential book awards. The China National Book Award and the Taofen Publishing Award are the two most distinguished of these awards. At the same time, the PAC cooperates with the Taofen Foundation and a few large Chinese media conglomerates to produce an annual list of

the Top 100 Chinese Publishers, the release of which has been one of the most significant yearly events in China's publishing industry since 1993 (Xin 2005).

The PAC has also arranged for Chinese publishing professionals to attend many international book fairs, such as the Frankfurt Book Fair, the Bologna Children's Book Fair, and BookExpo America. In the past ten years, 500 to 600 Chinese publishing professionals have attended the annual Frankfurt Book Fair, which has strongly promoted business cooperation between Chinese and foreign publishers. The PAC has also sponsored dozens of international copyright fairs and book fairs in China, as well as arranged international copyright cooperation symposiums and lectures designed to make Chinese-language publishing more accessible to the outside world. For example, the Beijing International Book Fair (BIBF), one of the three major international book fairs held in China, has drawn growing attention from both Chinese and international publishing houses since its beginning in 1986. Held in September 2011, the 18<sup>th</sup> BIBF was 53,600 square meters in size with 2,155 booths. Over 2,000 publishers, coming from 60 countries and regions, participated in the exhibition, displaying more than 200,000 book titles. It is estimated that in 2007, at the 14<sup>th</sup> BIBF, the total value of copyright trade was 10 million *yuan* (Xie 2007). According to Han (2011), the growth rate of the total value of copyright trade reached approximately 20 percent over the last five years.

### **6.3.2 The Publishers Association of Shanghai**

In contrast to national worker organizations, such as the PAC, which are mainly engaged in drafting regulations, promoting best practices, and organizing copyright trades, regional worker organizations are mainly engaged in offering training for editors and protecting both the political and economic interests of the latter. In my interview with Ma, who works in the Publishers Association of Shanghai (PAS), she mentioned that the PAS has become an indispensable source for those workers interested in continuing their professional training, offering various seminars and short-term training lectures since its establishment in 1981. Since 1993, it has held 33 professional training sessions attended by 2,000 employees in Shanghai's publishing circle (Wang and Zhou 2009). More importantly, with the guidance of the PAC, the General Administration of Press and Publication of China (GAPP), and the Shanghai Municipal Education Commission, the PAS has collaborated with many universities and colleges in Shanghai, including Shanghai Normal University, Shanghai University, University of Shanghai for Science and Technology, and Shanghai Publishing and Printing College—in order to set up publishing-related majors, such as editing, publishing, and distribution. More and more employees in the Shanghai publishing industry, particularly those who do not have adequate professional education, have been receiving continuing professional training in these universities or colleges on a full-time or part-time basis (Tian 2010). Such training usually lasts for one and a half to two years, and an official degree is granted when the training is completed.<sup>2</sup>

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<sup>2</sup> It is worth pointing out that even though worker organizations are public organs

Several other worker organizations in Shanghai—including the Shanghai Women Editors' Association, the Shanghai Women Federation, the Shanghai Interpreters' Association, the Shanghai Books and Periodicals Distribution Association, and the Shanghai News and Publishing Association—conduct training sessions for editors at irregular intervals, focusing on book market research, book advertising and promotion, book distribution, publishing management and strategies, and other topics relevant to the fundamental changes that are occurring in the marketplace (Baensch 2003).

The PAS performs some other duties in order to support its members. First, in order to strengthen the connection between publishers in Taiwan and those in Shanghai, the PAS sponsored the 1<sup>st</sup> Cross-Straits Book Fair in August, 2011. Over one hundred publishing houses in Taiwan set up booths to take orders from libraries, bookstores, and readers in Shanghai. The Cross-Straits Book Fair has not only offered a legal venue for the publishers in Shanghai and Taiwan to do business face-to-face, but it has also been a significant cultural event for most of the editors in these publishing houses. Second, the PAS has long encouraged junior editors in Shanghai to actively participate in many national exhibitions, competitions, and events organized by the PAC, including the Annual National Book Design Exhibition, the National Editing and Proofreading Competition for Junior Editors, and the China's Publishers'

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autonomously formed by Chinese workers, their training sessions are guided by a number of laws and regulations issued by the state. Such laws and regulations include the Labour Law (1995), the Education Law (1995), the Enterprise Law (1998), the Higher Education Law of China (1998), and the Enterprise Employee Training Regulations (1996). These laws and regulations are supplemented by regional and local training regulations of the government, as well as by the training policies of the corresponding worker organizations.

Picture Exhibition and Publishing Materials Fair. Third, since its establishment, the PAS has also helped the PAC edit the “Publishing in Shanghai” section in the *China Publishers’ Yearbook*, which records China’s reforms of the publishing industry, including changes in publishing policies, the reforms of publishing houses, and the growth of publishing output in every province, municipality, and autonomous region in China. In these ways, the PAS strives to enhance both the competency and competitiveness of most editors in Shanghai, as well as to enrich their daily lives outside of their work.

#### **6.4 Trade Unions**

Different from worker organizations which are organized by workers in a single profession, trade unions in China are working-class mass organizations led by the CCP and formed voluntarily by workers and staff members in various enterprises, institutions, and government agencies (Lee 1986). According to the Trade Union Law, industrial and knowledge workers in enterprises, institutions, and government agencies, who rely on wages or salaries as their main sources of income—irrespective of their nationality, race, gender, occupation, religious belief or educational background—have the right to organize or join trade unions (Article 3). That is to say, trade unions are composed of members from a large number of different enterprises: state-owned, foreign-owned, privately-owned, and joint-ventures. The basic duty of trade unions is to safeguard the legitimate rights and interests of the working class, as stipulated by the Labour Law (1995) and the Constitution (revised in 1992), under the

organizational umbrella of the nation's mainstream and most comprehensive trade union center, the ACFTU. As opposed to Western trade unions, Chinese trade unions carry out various functions, such as organizing social events, providing professional training, taking care of workers' social welfare benefits, helping management to implement operational decisions, coordinating relations between management and workers, and assisting laid-off workers in regaining employment and coping with the ongoing social transformation (Verma and Yan 1995; Cooke 2005).

#### **6.4.1 Trade Unions as “Transmission Belts”**

Chinese trade unions act as “transmission belts” between the party-state and workers (Ishii 2010:1). On the one hand, trade unions serve the “top-down” function of mobilizing workers for labour production on behalf of the state. Taylor, Kai and Qi (2003) suggest that, although trade unions are theoretically autonomous public organs formed by the Chinese working class, they are, in practice, under the monopolistic control of the party-state, effectively functioning as an “arm of the Party” (p. 40). Significantly, according to the Trade Union Law (amended in 2001), trade unions in enterprises, institutions, and government agencies should “abide by the leadership of the CCP, and conduct their work independently and voluntarily in accordance with the Trade Union Charter” (Article 4). In the Chinese publishing industry, trade unions are committed to transmitting the state's policies to editors, and supporting publishing houses to meet their production targets, thereby promoting the nationwide economic

development and maintaining long-term social stability under the Party's leadership (Zhang 1994).

On the other hand, trade unions also serve the “bottom-up” function of communicating workers' demands for improved working conditions and benefits to the state (Taylor, Kai and Qi 2003). As Lee and Warner (2007) remark, one of the guiding principles of trade unions is to harmonize the state's policies with the workers' need for better protection of their interests at a time when the majority of Chinese workers are losing their previous political and economic status due to “marketization” and “de-socialization” (p. 65).

Judging from my interviews, in both the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House, trade unions are actively organizing many social activities to celebrate traditional Chinese holidays—such as the Chinese New Year, the Mid-autumn Festival, and the Double Ninth Festival—as well as distributing gift cards and transportation subsidies to both senior and junior editors in the publishing house. More importantly, according to Jin (2010), who has worked as a union official in the Shanghai Science and Technology Publishing House for more than 30 years, trade unions have performed four other major social functions in addition to organizing social activities and distributing social welfare benefits:

In accordance with the regulations of both the Labour Law (effective in 1995) and the Trade Union Law (effective in 1992), trade unions in the publishing industry are currently organized around four major social functions designed to unite editors. These four major social functions are: protecting the legitimate interests, both material and cultural, and the political rights of editors, particularly their rights to work; mobilizing and organizing editors to take part in the

country's social construction and reform, as well as to accomplish economic and social achievements; representing and organizing editors to enroll in the administration of the state and social affairs, and to participate in the democratic management of publishing houses; and educating editors to conform to socialist ideologies, as well as to expand their knowledge and enrich their cultural experiences. To conclude, the ultimate purpose of trade unions in the publishing industry is to protect the overall interests of the whole population, promote the development of a socialist market economy, and strive for the realization of China's socialist modernization (Jin 2010).<sup>3</sup>

In recent years, Chinese trade unions have made progress in fulfilling their basic duty to safeguard the legitimate rights and interests of the working class under the Party's leadership, principally through their direct communications with employers and indirect communications with government officials at all levels.

In their direct communications with employers, many trade unions in enterprises and institutions have put forward the demands, opinions, and suggestions of the working class and pushed for responses. As I remark in chapter four, editors are responsible for a large proportion of their own medical expenses, due to increasing marketization in the health care system, which helps the publishing houses alleviate their heavy social burdens (Du and Zhang 1995). According to the World Health Organization (2002), the state's withdrawal from providing free medicines and medical services to individuals caused the proportion of the medical expenses paid by individuals in China to grow from 53.3 percent in 1995 to 63.4 percent in 2000. In the Shanghai Science and Technology Publishing House, however, union officials engaged in direct communications with the leaders, and presented a petition signed by the editors, with the result that the leaders agreed to purchase supplementary health

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<sup>3</sup> Appendices H and I offer an overview of "The Labour Law" and "The Trade Union Law," respectively.

insurance from the China Life Insurance Company for every editor. The insurance covers 90 percent of the editors' total medical expenses, with a maximum reimbursement of 20,000 *yuan* annually. This reimbursement significantly relieves the economic pressure on editors at a time when the costs of medicines and medical services keep rising. As a result of such negotiations between the leaders and trade unions, many publishing houses in Shanghai are now buying supplementary health insurance for most of their editors.

When facing critical labour disputes, trade unions usually send reports to related government agencies, thus indirectly pressing them to take up their concerns. Even though government officials ultimately determine whether or not to accept the demands, opinions, and suggestions of trade unions, they are usually pressured to respond favourably. Trade unions at the regional level often assist local government agencies in drafting regulations and policies favourable to their own members' interests, and seek various forms of assistance from the local Party organs (Taylor, Kai and Qi 2003). For instance, in the last two decades, a growing number of workers in many privately-owned and some state-owned enterprises have been faced with the problems of delayed payment and non-payment, due to bankruptcies, operational losses, and corrupt employers in these enterprises (Chan 1993). The problems of delayed payment and non-payment are exacerbated due to the fact that employers unilaterally decide the wage levels, wage forms, and methods of payment, to the great disadvantage of the working class. According to the ACFTU (2000:136), wages arrears in 1999 amounted to 36.37 billion *yuan* and were owed to 13.82 million

workers, leading to massive labour disputes nationwide. In response, union officials at the regional level have sent reports and survey results on wages arrears among their members to the local government officials, pressuring the latter to issue regulations fixing acceptable wage-payment periods. Constant pressure from local trade unions led to the adoptions of “The Shanghai Enterprise Wage Payment Measure in 2003” and “The Regulation of the Beijing Municipality on the Payment of Wages in 2004,” both of which helped to secure the rights of employees to obtain remunerations and regulate wage payments (Zhao 2010).

On the one hand, as public organs, trade unions in the publishing industry are bound to promulgate socialist ideology and follow the Party’s leadership; on the other hand, as representative organizations of editors, they communicate the editors’ concerns to powerful bureaucracies that make crucial economic decisions within publishing houses, as well as to government officials at all levels. Based on my analysis of both worker organizations and trade unions in the Chinese publishing industry, I conclude that they have gradually gained importance in the daily management of publishing houses, representing editors’ interests within a once heavily centralized planned economy. In the next section, I will concentrate on the duties and activities of the ACFTU, the sole national trade union federation of China, which leads all the Chinese trade unions as their “union centre” (Hong and Ip 2007:65).

#### **6.4.2 The All-China Federation of Trade Unions**

Founded on May 1, 1925, the ACFTU is a mass public organ formed by the Chinese working class on a voluntary basis, as a pro-communist trade union organization representing China's massive labour force. The ACFTU is the largest trade union in the world, claiming a total membership of more than 169.94 million workers at the end of 2006 (International Center for Trade Union Rights 2005). Among them, 61.778 million of its members were women (36.4 percent of the total membership), and 40.978 million of its members were migrant workers (24.1 percent of the total membership). By 2006, 73.6 percent of Chinese workers belonged to the ACFTU. The ACFTU also seeks to strengthen and extend friendly and cooperative relations with trade union organizations from other countries, based on principles of independence, equality, mutual respect, and non-interference in each other's internal affairs.

According to the ACFTU Charter, not only should trade union members in the same enterprise or institution be grouped under one umbrella organization, but trade union members in the same industrial branch of the national economy should be grouped under the same national industrial union (ACFTU 1953:131-132). As a result, the ACFTU is divided into 10 national industrial unions, 31 provincial trade union federations, and 1.324 million grassroots trade union organizations. Ng and Warner (2000) emphasize that "industrial unionism" is not only doctrinally consistent with Marxist-Leninist "socialist unionism," but it has become indispensable to the ACFTU

leadership's attempts to consolidate the organization and solidarity of Chinese workers in the "grass-roots" unit of the workplace (p. 102).<sup>4</sup>

Since its establishment, the ACFTU, like other trade unions in China, has acted as a "transmission belt" between the party-state and workers (Ishii 2010:1). On the one hand, to serve the "top-down" function of achieving the Party's goal of socialist construction, the ACFTU endeavors to mobilize workers' enthusiasm and encourage their efforts to take an active part in economic development, thus promoting nationwide economic growth. In addition to promoting economic construction on behalf of the Chinese working class, the ACFTU aims to "build a contingent team of well-educated and self-disciplined workers" who would constitute the main force in the development of socialist material and cultural civilization (Ng and Warner 1998). Accordingly, the ACFTU revised its constitution at the Twelfth People's National People's Congress in 1993, explicitly making both its structure and activities commensurate with the nation's goal of building "socialism with Chinese characteristics."

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<sup>4</sup> The ten national industrial unions are: the National Committee of the Chinese Educational, Scientific, Cultural, Medical and Sports Workers' Union; the National Committee of the Chinese Seamen and Construction Workers' Union; the National Committee of the Chinese Energy and Chemical Workers' Union; the National Committee of the Chinese Machinery, Metallurgical and Building Material Workers' Union; the National Committee of the Chinese Defense Industry, Postal and Telecommunications Workers' Union; the National Committee of the Chinese Financial, Commercial, Light Industry, Textile and Tobacco Workers' Union; the National Committee of the Chinese Agricultural, Forestry and Water Conservancy Workers' Union; the All-China Federation of Railway Workers' Unions; the National Committee of the Chinese Aviation Workers' Union; and the National Committee of the Chinese Banking Workers' Union.

On the other hand, the ACFTU serves the “bottom-up” function of safeguarding the legitimate rights and interests of the working class, particularly those of laid-off workers. Since the state began economic reform of the public sector, both industrial and knowledge workers have been challenged by the problem of lay-offs (Ministry of Labour and Social Security 2001). According to the Information Office of the State Council (2004), this problem became more serious after China’s entry into the World Trade Organization in 2001.

In responses to the proposals initiated by the ACFTU, minimum wage and minimum living expense systems have been implemented by the central government, thus providing laid-off workers unemployment compensation and guaranteeing them a basic living standard. When these two systems were first established, however, many laid-off workers were not able to gain access to the funds due to implementation problems (Tang 2001). In 2000, according to the National Bureau of Statistics and the Ministry of Labour and Social Security (2001:67, 443), only 55 percent of unemployed workers received unemployment compensation, while the total number of unemployed workers reached 5.95 million. In response to these difficulties, the ACFTU has set up a nationwide network of service centers to offer advice to the jobless. The ACFTU has also been very active in collaborating with Chinese trade unions at all levels, in order to take advantage of new employment opportunities for laid-off workers. In its attempt to protect the interests of laid-off workers, the ACFTU has greatly improved its ability to:

1. integrate the re-employment of laid-off workers into the overall plan for national economic and social development;

2. improve the working body for re-employment and promoting re-employment work;
3. boost the reform of the social security system, thus guaranteeing the basic needs of laid-off workers;
4. intensify the supervision and combat the infringement of the workers' right to work (Hong and Ip 2007:68).

Through the protracted and unremitting efforts of the ACFTU, the re-employment rate of laid-off workers in some regions rose from 40 percent to 70 percent in the period between 2006 and 2008, even though sometimes the ACFTU served the state by fighting against workers who oppose state policies and practices.

### **6.4.3 The Labour Law**

With the deepening of the social and economic reforms launched at the beginning of the 1980s, the ACFTU's top leadership has increasingly turned to legislative means to further its members' interests. The most far-reaching success was the implementation of China's first Labour Law in January 1995, after many years of heated debates and negotiations between the ACFTU and various political institutions, including the National People's Congress, the State Council, and the Central Committee of the CCP.

The Labour Law concentrates on the protection of workers' rights, regulating the number of work hours per week, the maximum amount of overtime work, the standardised lay-off procedures, and the social welfare benefits of both the unemployed and retired (Li 2000). According to the Labour Law, workers' rights include both individual and collective rights. The individual rights of the working class include "the rights to be employed on an equal basis, choose occupations, obtain

remunerations for labour, take rests, have holidays and leaves, receive labour safety and sanitation protection, get training in professional skills, enjoy social insurance and welfare treatment, and submit applications for settlement of labour disputes” (Article 3). The collective rights of the working class include the rights to participate in and organize trade unions; to take part in democratic management through workers’ congresses and workers’ representative assemblies in enterprises, institutions, or government agencies; and to negotiate and conclude collective contracts protecting the legitimate rights and interests of labourers on an equal footing with employers (Article 7 and 8; Taylor, Kai and Qi 2003). It is the provisions of the Labour Law that allow trade unions, especially the ACFTU, to safeguard the rights of workers and staff members.

At its core, the Labour Law promotes a clearly defined power balance between employers and workers, so as to ensure stable industrial relations, specifically concentrating on the handling of labour disputes (Article 1). It stipulates that both employers and labourers can appeal to *mediation* or *arbitration* in case of labour disputes (Article 77). Once a labour dispute occurs, the parties involved can appeal to the labour dispute mediation committee of their unit for *mediation*. If the dispute cannot be settled through *mediation*, and one of the parties asks for *arbitration*, an application can be filed to a labour dispute arbitration committee for *arbitration*. According to Articles 80 and 81 of the Labour Law, a labour dispute *mediation* committee is composed of the representatives of workers, employers, and trade unions. According to the same articles, a labour dispute *arbitration* committee is composed of

the representatives of labour administration departments, trade unions at the same level, and the employers. The chairmanship of the labour dispute *mediation* committee is held by a trade union representative, and that of the labour dispute *arbitration* committee is held by a representative of a labour administrative department. Through the implementation of the Labour Law, trade unions are playing an important role in labour disputes (Hong 2010).<sup>5</sup>

The Labour Law is a significant reform that offers workers great employment security and income protection. As Wang et al. (2009) argue, the Labour Law has energized many workers, who are now using the courts and the Communist Party-controlled trade unions to press their claims; however, it has not been implemented without problems. With its increasing autonomy, local government has retained the power to adjust central policies and laws to local conditions; therefore, labour policies from the central government, laws promulgated by the National People's Congress, and regulations emanating from the ACFTU are easily thwarted and superseded at the regional level (Hsing 1998). For example, even though the Labour Law sets maximum working hours, at eight hours a day and 44 hours a week, it is an open secret that many export-oriented enterprises violate this rule, often with the acquiescence of the local government (Benson and Zhu 2000).

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<sup>5</sup> Both "The Regulations of the People's Republic of China on Settlement of Labour Disputes in Enterprises," effective in 1993, and "The Labour Dispute Mediation and Arbitration Law," effective in 2008, comprehensively explain both the mediation and arbitration procedures for labour disputes. Both of them are considered effective ways to adjust capital-labour relationships in China.

Despite the energy the ACFTU expends on crafting labour-related legislations, it does not possess the constitutional right to enact laws. Both in the processes of enacting and monitoring new laws, the ACFTU must subordinate itself to the Ministry of Labour and Social Security, which has the powers to put legislative programs into effect within governmental systems (Perry 1995). As an autonomous organization formed by the working class and directly linked with the Central Committee of the CCP, the ACFTU has played an active role in protecting the interests of both the party-state and the working-class. Due to its subordination to the Ministry of Labour and Social Security, however, the ACFTU is obliged to accommodate the interests of a variety of stakeholders, including the central government, large state-owned enterprises, and international corporations that sustain very strong economic ties to the central government (Cooke 2004). These obligations hinder its ability to safeguard and defend the interests of the working class.

To conclude, both worker organizations and trade unions have become important in representing the legitimate rights and interests of the working class under the Party's leadership. As state apparatuses, trade unions are responsible for adapting workers to the labour and economic policies of the state. As labour organizations, however, they have successfully engaged in direct communications with employers and indirect communications with government officials at all levels to defend workers' interests (Chen 2003). The ACFTU has made great strides in protecting the interests of laid-off workers, proposing nationwide minimum wage and minimum living expense systems, as well as helping them exploit new employment

opportunities in the labour market. Most importantly, due to the persistent efforts of the ACFTU, the first Labour Law was enacted in 1995 (amended in 2008), clearly defining workers' rights and regulating the legal procedures for both labour dispute *mediation* and *arbitration* processes, thus maintaining a fair power balance in labour relations.

### **6.5 Rethinking of Worker Organizations and Trade Unions**

Worker organizations and trade unions in China have raised workers' educational levels, mediated labour disputes, and united the labour movement, thus representing and forwarding the rights and interests of the working class. Nevertheless, in the last section of this chapter, I will rethink the duties and functions that both worker organizations and trade unions perform in the reform era as their functions have also been under rapid and dramatic transformation since the beginning of current social reform. I will begin by examining the three major weaknesses of worker organizations and trade unions: their lack of substantial political and economic power, their conflicting obligations to uphold the interests of both the state and the workers, and their reluctance to reshape their guiding philosophies and promote personnel system reforms. Due to these limitations, labour unrest in China has been on the rise. In this context, I will suggest that new information technologies, changes inside the ACFTU, and the emergence of labour NGOs may aid the working class in its attempts to better represent its legitimate rights and interests.

### **6.5.1 Limitations of Worker Organizations and Trade Unions**

In this section, I will concentrate on three major limitations of worker organizations and trade unions. First, due to the fact that they lack substantial political and economic power, neither worker organizations nor trade unions are the workers' first choice for assistance in times of trouble. The workers doubt that these organizations can function autonomously, protecting and expanding the political and economic interests of the working class independent of state and/or employer control (Wang 2001). On the contrary, these organizations have been accused of being unrepresentative and powerless, both in their relations with large state-owned enterprises and private or foreign enterprises (Guan 2001).

In the pre-reform era, the state played a decisive role in worker organization and trade union activities. Warner (1995) argues that the state was virtually omnipotent in the planned economy, because it implemented important rules and regulations on changes in the workplace, such as wage reform, bonus distribution, working conditions, and social welfare benefits. Officials in both worker organizations and trade unions at various levels were appointed by the state, and both of their promotion and demotion were managed by the leading administrative cadres in the Party organs. At the same time, the Central Committee of the CCP also ensured that each worker organization or trade union was under the tight surveillance and control of the Party organs at the corresponding bureaucratic level (Chan 2006). In short, the "top-down" function of transmitting Party's directives had substantially suppressed the "bottom-up" function of bettering working conditions and workers' benefits.

In response to the difficulties experienced by workers in the current climate of social reform, the Trade Union Law was amended in 2001, thus replacing the law enacted in the early 1950s, in order to better oversee and advance the interests of the working class. Nevertheless, worker organizations and trade unions have become increasingly dependent on employers in the market economy (Warner 2001). In his interview, Yu remarked that

In our publishing house, leaders (employers) rather than editors (workers) are gaining growing power in organizing and allocating personnel; dominating and controlling the process of industrial relations; and distributing wages, bonuses, and social welfare benefits among editors. These changes have been accompanied by the ascending social status of the leaders in the publishing house. As a consequence, not only are worker organizations and trade unions predominantly regulated by the leaders, but the social and political organizations of the leaders, for example management and employer associations, have become more influential than those of the editors (Yu 2010).

The second problem is that officials in both worker organizations and trade unions have realized that, in the market economy, they are greatly hampered by conflicting obligations to uphold both the state's reform policies and workers' interests (Chan 2000b), and their access to the workforce has declined in proportion to the shrinking importance of the state-owned sector in the economy—even though they still possess a strong presence in some traditional state-owned industries, such as the railway industry (Cooke 2000). Liu and Li (2001) state that employers in the private sector, where the functions of worker organizations and trade unions are not clearly defined according to the Labour Law, have unilaterally determined labour standards, work rules, employment conditions, and the management and settlement of labour

disputes.<sup>6</sup> This unilateralism has seriously disadvantaged workers and undermined the mutual interests of employers and employees.

In addition, Ding et al. (2002) maintain that worker organizations and trade unions have been increasingly organized around the interests of employers instead of around those of the working class. Over the past few decades, some union officials have established closer relationships with employers, even admitting them to membership in trade unions. As Sheehan (1999) suggests, some union officials take pride in representing the interests of the employers rather than those of the workers, with some even going so far as to charge workers on behalf of the employers in labour disputes. In such cases, corruption has resulted in the failure of union officials to represent workers' interests.

Third, according to Ng and Warner (1998), despite the pressure to harmonize with ongoing social marketization and privatization processes, both worker organizations and trade unions are reluctant to reshape their guiding philosophies and promote personnel system reforms. Worker organizations and trade unions maintain “democratic centralism” as their guiding philosophy, thus functioning as Party’s popular organs for organizing the masses (Hong 2010:67). Officials in both worker organizations and trade unions are often in their posts not because they are the best candidates for their jobs, but because they have been “unsuccessful” in their previous

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<sup>6</sup> Levine (1997) argues that in the private sector, union membership levels are extremely low, and union activities are less popular—only about 30 percent of private organizations have established unions to offer workers better working conditions and benefits. It is also worth pointing out that even state laws and regulations designed to protect workers are often ignored or violated in the private sector. Therefore, industrial conflicts in the private sector have multiplied in recent years.

managerial posts. Based on my surveys and interviews, most chief officials of worker organizations and trade unions in Chinese publishing industry are elected from party secretaries, enterprise managers, or other senior managerial staff. As a result, the independence and effectiveness of worker organizations and trade unions remain highly questionable (Chan 1998).

The vertical command structure of worker organizations, which linked those at the national level with those at the regional level in the pre-reform era, has been weakened by the processes of economic decentralization and privatization. For example, the PAS has been active in offering professional training sessions for editors in Shanghai's publishing circle, as well as sponsoring book fairs to enhance the communication between local publishers and those from other countries and regions, rather than focusing on implementing the policies and regulations passed by the PAC. While the publishing industry in Shanghai is developing rapidly due to the efforts of the PAS, the latter's decreasing dependence on the PAC has loosened the vertical command structure of worker organizations.

Instead of concentrating on overseeing and advancing the interests of workers, trade unions have acted as welfare relief agents in order to mitigate worker discontent. This change of focus is strongly promoted by the party-state, especially when a growing number of petitions have been presented directly in front of the central government. In addition, in many enterprises and institutions, trade unions are no longer formed on a completely voluntary basis. Instead, workers are urged to join trade unions as part of routine workplace procedure. This violates the nature of trade

unions, as stipulated in the Trade Union Law. Finally, demand from workers in the private sector to establish trade unions remains comparatively low. Many privately-owned enterprises, without union organizations, themselves carry out the functions usually performed by trade unions. Migrant workers in these privately-owned enterprises are not familiar with the concept of workplace representation, and they frequently stereotype trade unions as ineffective and redundant organizations compared to the Party organs (Cooke 2002).

### **6.5.2 Labour Unrest**

In the planned economy, the state owned and operated massive enterprises that were its primary source of revenue, and it controlled both labour standards and daily work processes. At the same time, however, it offered the working class lifetime employment, pensions, health care benefits, and subsidized housing (Perry and Selden 2010). As a result, collective labour actions were not common. So (2009) asserts that the welfare role of the state has largely disappeared with the implementation of social reform. In other words, with the declining political and economic power of the state, workers' incomes, social security and welfare benefits, and the prestige that was once offered by the state, have been jeopardized. According to Naughton (2007), the seemingly harmonious management-labour relationship in the planned economy has been replaced with one that is characterized by "conflicting interests, rising disputes and increasing inequality in contractual arrangements between management and labour" (p. 35). As the state places increasingly more emphasis on improving

efficiency and less on social justice and equality, the interests of the workers are sacrificed to those of capital and management. Chinese workers are enduring a dramatic decline of their political and social status, as well as significant weakening of their economic interests, resulting in major alternations in their class consciousness.

Meanwhile, workers also have difficulties protecting their rights and interests as “an independent social class or by collective force” (Taylor, Chang and Qi 2003:89) due to the pressures and limitations placed on worker organizations and trade unions by both government officials and enterprise employers. There is a growing feeling among many Chinese workers that they have no effective institutional channels through which to express discontent or complain about unfair treatment. In response, the Chinese working class has actively engaged in many types of collective labour action, including group petitions, slowdowns, strikes (illegal since 1982), acts of sabotage, and physical violence against managerial personnel, all of which is reported to have increased at a rapid pace over the past three decades.<sup>7</sup>

The deepening commodification of labour in the reform era has been accompanied by three rising tides of labour unrest in China. The first wave of large-scale collective labour actions was carried out at the beginning of the 1990s, primarily by workers laid off from state-owned enterprises (Silver and Zhang 2009). During that period, state-owned enterprises abandoned the previous work-unit system, and carried out massive lay-offs as part of an effort to promote production effectiveness

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<sup>7</sup> Critically, Chinese workers do not have the right to strike according to the current Constitution. Such right, which had originally been granted to workers, was removed in the 1982 Constitution. Therefore, neither the Labour Law nor the Trade Union Law allows workers to go on strike.

and compete with their international counterparts; both of these decisions led to widespread protests in “China’s rustbelt” (Lee 2007c). As Pringle (2002) remarks, in the early 1990s, newspapers published almost weekly reports of collective labour actions, such as a demonstration demanding pensions; a railway line being blocked by angry, unpaid workers; and collective legal action against illegal employer behavior, such as body searches. According to the Ministry of Labour and Social Security, collective labour actions peaked in 1993, with 10,000 collective labour actions, frequently in the form of strikes, involving 730,000 protestors. This represented an increase of 900 percent in collective actions from levels of the early 1980s (Ding and Warner 1999), and led to the enactment of the Company Law in 1994, which prohibits massive lay-offs in state-owned enterprises.

The second wave of collective labour actions was mainly organized by young migrant factory workers drawn to the coastal areas from the countryside (Silver 2003) after China’s entry into the World Trade Organization. As China has become more integrated into the global political economy, its own economy boomed with the constant influx of capital from foreign countries. Unfortunately, this boom was achieved at the expense of serious deterioration of working conditions for the Chinese working class, particularly for migrant workers in the private sector. Considered a cheap and flexible source of labour in the new free market, migrant workers are faced with violations of shop-floor labour, occupational safety, and health standards, as well as threats to their rights to work (Chan 2001). Moreover, factories dictate their terms of employment, and require “deposits” from migrant workers beginning work in the

factories. If workers quit without the permission of management before their contracts expire, or if they are fired, they forfeit the “deposits.” Therefore, most migrant workers are bound to their factories because they cannot afford to lose the “deposits,” which are normally between half a month to a month’s wage, even though the working conditions in these factories are terrible. As a result of these deplorable conditions, “unprecedented series of [strikes] and walkouts” have hit factories in China: there were 6,767 collective labour actions, involving 251,268 workers in 2000; and 8,247 collective labour actions, involving 259,445 workers in 2003 (Cody 2004). In 2004, millions of migrant workers went on strike in many factories in China’s Pearl River Delta, protesting against their wages and working conditions. White (2007) remarks that the number of cases brought by workers before the official labour arbitration committees has increased steadily, from 78,000 per year in 1994 to more than 800,000 per year in 2003.

The third wave of collective labour actions occurred in the aftermath of the recent global economic turndown. At least 20 million Chinese workers are facing job loss after the closures of tens of thousands of labor-intensive, export-oriented factories due to the global financial crisis, accompanied by a surge of collective labour disputes, with each case on average involving 23 people (Xinhua News 2008). Even a large number of industrial workers in profitable enterprises, such as electronics and manufacturing factories, were subject to low pay, grueling hours, and sometimes martial workplace rules. For example, 17 workers have attempted to commit suicide at the Foxconn Technology Group in Shenzhen, due to intense work pressure, and 14

of them died. Workers at this factory have to work 12 hours a day, six days a week. They must wear a uniform and a badge in the factory to be easily identified, as they are not allowed to walk outside of the authorized areas within the factory. Also, they must live in dormitory compounds watched by guards (Blanch 2010).

A typical case of collective labour actions in this period was the strike at Honda's Foshan Factory in 2010 (Chatterjee 2010; Tabuchi 2010). About two thousand workers called a strike to demand better pay and better working conditions. The military-style administration and harsh working conditions at Honda's Foshan Factory has made its workers, most of whom are in their early twenties with little or no social support, work on highly-repetitive, assembly-line tasks for up to 12 hours without a break. In addition, the wages of the company's Japanese employees in China were 50 times those of the striking Chinese workers. After nearly two weeks of intense negotiations, workers agreed to resume work after they were assured that their basic wages would increase by 366 *yuan*—a typical Honda industrial worker earns 1000 *yuan* a month—in addition to receiving other allowances and concessions, and fair chances to get promoted. The increasing costs of labour in China reflect the growing tension between workers and foreign companies, which rely on China to provide both a source of cheap labour and a fast-growing market.

Identifying labour problems as the biggest threat to social and political stability, the central government started to move away from a single-minded emphasis on attracting foreign capital and fostering economic growth at all costs to the idea of a “new development mode” aimed at reducing inequalities among classes and regions

in pursuit of a “harmonious society” (People’s Daily 2005). In 2007, President Hu Jintao made an important speech on safeguarding the legitimate rights and interests of workers in the reform era (Xinhua News 2008). The new Labour Contract Law was enacted in 2008, in an attempt to achieve a new balance between workers and employers by enhancing job security, putting significant restrictions on employers’ rights to hire and fire workers without cause, and strengthening the roles of both worker organizations and trade unions. The new Labour Contract Law has shifted bargaining power in favor of employees, raised awareness of rights among workers, and ushered in a new era of higher costs of production. In addition, the ACFTU amended its constitution in 2003 to make “the protection of workers’ rights a priority,” in an attempt to halt and reduce rising labour unrest and maintain social stability (Chan and Kwan 2003).

### **6.5.3 Prospects: How to Better Represent Workers’ Rights and Interests**

In this section, I will concentrate on three approaches, through which workers’ rights and interests, including those of Chinese media workers, can be better represented. First, the latest technological developments, particularly the expansion of the Internet, have allowed the working class to become more tightly connected to trade unions (Lucore 2004). Workers are not only able to access a large amount of online information about trade unions, workers’ activities, and labour disputes, but can bond with workers in different professions by sharing common problems, interests, and prospects, thereby promoting solidarity among different groups of

workers. Second, recent changes have been taking place inside the ACFTU, including the expansion of union branches at the local level (Zheng 2004), direct elections for local union officials (Howell 2006), and the enforcement of the tripartite consultative procedure in the workplace (Shen and Benson 2008). Third, many labour NGOs have emerged in China, such as the Chinese Working Women Network (CWWN) and the China Labour Bulletin (CLB). In practice, these organizations have improved communication among “progressive domestic social forces, global labour and civil society organizations, and Chinese workers” (Zhao and Duffy 2007:40), thereby empowering workers in labour relations with employers and the state.

#### **6.5.3.1 Technological Developments**

New information technologies have made unions much more approachable for the working class. With rapid technological developments, particularly with the widespread expansion of the Internet, workers are able to gather different kinds of information, communicate horizontally across official structures, and easily post their comments and publish their own information about labour-related happenings on their blogs (Lucore 2004). For example, at the time of writing, 1,496,024 visitors have launched the homepage of the ACFTU, which offers the latest news and updates important published files of the ACFTU. Specifically, the “Statistics” section under the “Document” column covers a broad spectrum of topics, including the construction of trade union organizations, education and training among trade union cadres, labour contracts and collective contracts, trade unions’ legal work, and international

exchanges conducted by trade unions every year (ACFTU 2007). Additionally, workers are welcome to post their feedback on the current activities organized by the ACFTU to the “Window on Workers” column, which has substantially strengthened the interaction between workers and the ACFTU.

New information technologies have also promoted solidarity among different groups of workers. Perry (1995) argues that internal differences within the working class have often provoked the resentment of one group of workers against another, such as contract workers against permanent workers, migrant workers against local workers in the cities, and workers from one locality against those from another. The differences between workers cannot be easily eliminated, and it is difficult to convince them that they share common problems, interests, and prospects. With the introduction of new information technologies, however, workers in all professions can bond by participating in online discussions on labour issues, joining in the same QQ cluster to share their work experiences, and logging on various labour forums to respond to current labour disputes (Qiu 2010). For example, “Workers Online” is a popular online labour forum, launched in 1996. It has successfully offered a platform for ordinary workers, both industrial and knowledge ones, to post their problems and seek assistance, for journalists to report breaking news on domestic and foreign labour issues, and for labour activists to update information on labour disputes nationwide. Thanks to “Workers Online” and other online labour forums, the class consciousness of the working class is steadily being built.

### **6.5.3.2 Changes inside the All-China Federation of Trade Unions**

The rising tides of labour disputes have provided the ACFTU with more direct incentives to expand union branches (Zheng 2004). One of the most significant signs of progress is the ACFTU's requirement that any basic-level trade-union committee with a membership of 25 or more should be registered under the district trade union (Workers' Daily 2009). Meanwhile, as Sun (2009) remarks, lower-level trade unions continue to expand their membership by targeting migrant workers in small-scale and privately-owned enterprises. Essentially, the ACFTU has issued an urgent directive to prevent the loss of membership in the face of large numbers of jobless and returning migrant workers. As a result, nearly 50 percent of China's migrant workers had become union numbers by 2009 (Cooloud News 2009).

In addition to the expansion of local union branches, the ACFTU also promotes holding direct elections for union officials at the regional level. For example, the ACFTU in Guangdong province began holding direct elections for local union officials in 1986. Howell (2006) claims that by early 2004, one-third of all trade unions in foreign-invested and privately-owned enterprises in Guangdong province had chairs and committees directly elected by workers. My interviews with both editors and union officials in the Shanghai Science and Technology Publishing House suggest that union officials directly elected by the editors are playing an important role in the daily management of the publishing house, by participating in policy decisions, jointly approving the editors' promotions, and obtaining access to all its

financial, administrative and political information. As Jin, a union official in the Shanghai Science and Technology Publishing House, mentioned in her interview,

There is one chief union official and seven other union officials in the publishing house. Every union official is responsible for contacting eight to ten editors, and sending regular reports to the chief union official. We, as both union officials and editors, work together with other editors. Only the chief union official deals with union administrative affairs on a full-time basis. Directly elected once every two years by editors and staff members, we enjoy a very high reputation inside the publishing house because, as union officials, we have dedicated ourselves to making editors' voices heard in high-rank administrative meetings. It is critical to mention that, at the present time, the suggestions proposed by the chief union official, in most cases, are taken seriously by the leaders. Also, any policy regarding editors and staff members in the publishing house should be approved by the chief union official before its implementation. In a nutshell, as union officials, we endeavor to represent and safeguard the rights and interests of the employed—editors rather than the leaders, in a most extensive way (Jin 2010).

Although it is difficult to determine how much impact the direct election of union officials has had in building an independent trade-union movement in China, there is no doubt that it has created an opening for changes in the union structure, and potentially in the relationship between trade unions and the party-state.

Warner and Ng (1999) argue that Chinese union officials have drawn very limited attention to collective bargaining, due to “their serious lack of the necessary back-up bargaining resources, skills and capacities” (p. 307). However, in 2002, the ACFTU issued a directive, addressed at invigorating efforts to the establishment of a nationwide tripartite consultative procedure, referred to as “collective bargaining” by the central government and the ACFTU, to handle labour disputes (Shen and Benson 2008:231). The tripartite consultative procedure involves trade unions, employers, and the government, with all parties contributing to the development of labour standards and the protection of workers' rights and interests through voluntary interaction and

dialogue. As Yu Hong (2011) observes, over the past few years, the tripartite consultative procedure has been playing an active role in the settlement of labour disputes, the formation of labour regulations, and collective bargaining. For example, the ACFTU demanded that enterprises should avoid job cuts and wage cuts, and follow the procedure of collective consultation before making job reduction decisions. Employers are also required to obtain consent from trade unions through the tripartite consultative procedure before hammering out any emergency plans. In order to improve workers' abilities to undertake collective bargaining on wages, under the current tripartite consultative system, trade unions have:

1. set up an office for wage negotiations, thus providing an institutional framework for such work;
2. formulated policies for wage negotiations;
3. provided grass-roots trade unions and enterprises with information about relevant laws and policies, guidelines for annual wage increases, and labour costs;
4. extended specific assistance to enterprises, setting good examples and providing guidance (Fang 2004:8-9).

As a response to both the growing incidence of labour disputes and the ongoing social and economic transformations within China, the tripartite consultative procedure serves as the cornerstone of collective bargaining, and has the potential to incite a new wave of working-class solidarity.

### **6.5.3.3 The Emergence of Labour Non-governmental Organizations**

With the help of international academic institutions, as well as labour and human rights organizations, many labour NGOs have emerged in China. Zhao and Duffy (2007) claim that these organizations are actively promoting communication between “progressive domestic social forces, global labour and civil society organizations, and

Chinese workers” (p. 40), thereby empowering workers in their labour relations with employers and the state. Among these NGOs, the Chinese Working Women Network (CWWN) and the China Labour Bulletin (CLB) are the two most influential ones.

The CWWN was set up in 1996, as a non-governmental organization with the mission of promoting betterment for the lives of Chinese migrant women workers and developing feminist awareness of workers’ empowerment. In other words, it attempts to defend labour rights, build feminist consciousness, strengthen occupational health and safety, and offer alternative socio-economic life for labour organizers, feminists, university professors, researchers, social workers, cultural activists, workers, and students. Ngai and Chan (2004) claim that the Cultural Women Workers’ Center is one of its most important projects in China. Located in Shenzhen, the center provides migrant women workers with a cultural and physical space, apart from their workplaces and dormitories, through reading groups, singing and dancing groups, movie sharing networks, poem writing groups, handicraft making networks, and other activities. Most importantly, the CWWN strives to cooperate with concerned organizations to facilitate self-empowerment among Chinese migrant women workers. To that end, the CWWN has been participating in a great number of international conferences and workshops at both the local and the international level, such as the Chinese Labour Seminar, the 5<sup>th</sup> East Asian Women’s Forum, and the Ethical Trading Initiative Conference.

Another influential labour NGO is the CLB, which was founded in Hong Kong in 1994. Having grown from a small monitoring and research group into a proactive

outreach organization, the CLB seeks to defend and promote the rights of workers in China through extensive links and wide-ranging cooperative programs with labour groups, law firms, and academics throughout China, as well as with the international labour movement. In 2003, according to Caryl (2010), the CLB launched a Labour Rights Litigation Program, with the purpose of identifying cases of labour rights abuse, providing legal advice and support to the workers concerned, and helping workers seek justice through the court system. It is also important to note that the CLB has produced an extensive series of research reports in both Chinese and English that provide an in-depth analysis and overview of some of the most important labour issues in China, including the workers' movement, migrant workers, child labour, and coal mining accidents.

## **6.6 Conclusion**

Along with the transition from a socialist planned economy to a reformed liberalized market economy, both industrial workers and knowledge workers, employed in state-owned enterprises, private or foreign firms, and joint ventures, have been stripped of the privileged political and economic status that they used to enjoy under the state socialist system. As Sargeson (2001) argues, the Chinese population has been increasingly polarized into winners and losers. Most workers have been the losers of the ongoing social reform, becoming more vulnerable to material insecurities and productivity pressure due to the rise of the contingent employment. Therefore, in this chapter, it is not only essential to examine how Chinese media workers have

benefited from labour convergence—worker organizations and trade unions as its two main patterns, but more importantly, to understand how the working class, including both industrial workers and knowledge workers, is organized to protect and expand its political and economic rights and interests when workers are increasingly subject to strict directives and productivity demands, as well as tight control of the labour process, at a time when their wages, social welfare benefits, and pensions have considerably declined.

In accordance with labour convergence worldwide, and in response to technological and corporate convergence in the knowledge economy, Chinese workers have formed both worker organizations and trade unions to represent their rights and interests and regulate the employer-employee relationship. As mass organizations of the working class formed by workers and staff members on a voluntary basis, both worker organizations and trade unions coordinate the interests of three parties—the party-state, enterprises, and workers. For example, in order to protect the interests of laid-off workers, the ACFTU has proposed nationwide minimum wage and minimum living expense systems, as well as explored new employment opportunities for laid-off workers in the labour market, instead of keeping them silent and persuading them to unconditionally accept the unilateral decisions of the enterprises. Most importantly, due in part to the continuing efforts of the ACFTU, the Labour Law was enacted in 1995, clearly defining workers' rights and regulating the legal procedures for both the labour dispute *mediation* and *arbitration* processes, thus maintaining a fair power balance in current labour

relations. Chan (2006) contends that the Labour Law has created an opening for legal activism, leading to the rise of numerous labour NGOs and legal specialists.

Also, in the Chinese media industry, based on the findings from my interviews with editors, leaders, government officials, and union officials in the Chinese publishing industry, I conclude that both worker organizations and trade unions have been engaged in representing the legitimate rights and interests of the working class through various means under the Party's leadership. Not only have trade unions (as state apparatuses) taken different measures to adapt workers to the labour and economic policies of the state, but they have also (as labour organizations) greatly improved their ability to conduct direct communications with employers and indirect communications with government officials at all levels, thus offering workers better working conditions and benefits (Chen 2003).

There are, however, several major weaknesses of worker organizations and trade unions in China as both of them are changing their structures, functions, modes of management along with current social transformation. According to social critics, such as Elizabeth Perry (1995), Martin Whyte (1999), and Sally Sargeson (2001), both worker organizations and trade unions have failed to fully represent workers' interests because they serve the interests of the state more than those of the workers. In most cases, their obligations to uphold the state's reform policies and the interests of the working class largely contradict. In the private sector in particular, the employers have unilaterally determined the labour standards, work rules and employment conditions, and the procedures for management and settlement of labour

disputes, thereby severely disadvantaging workers and undermining the mutual interests of employers and employees. As a result, labour movements are on the rise.

This leads one to ask how the legitimate rights and interests of the working class could be further protected in such a way that workers could better deal with the challenges brought about by government officials, state-owned enterprise managers, and/or employers in the private sector. Based on my surveys and interviews, I argue that there are three plausible approaches. First, with the latest technological developments, workers are able to reach a large amount of online information on trade unions, workers' activities, and labour disputes. More importantly, workers in different professions can become more socially bonded by sharing their common problems, interests, and prospects, thereby promoting solidarity (Lucore 2004). Second, it is important to address the recent changes that have been taking place inside the ACFTU, including the expansion of union branches at the local level, direct elections for local union officials, and the enforcement of the tripartite consultative procedure in the workplace (Zheng 2004; Howell 2006; Shen and Benson 2008). Such changes have created an opening for further reform in the union structure, and potentially in the relationship between trade unions and the party-state. Third, many labour NGOs, such as the CWWN and the CLB, have succeeded in improving communication between "progressive domestic social forces, global labour and civil society organizations, and Chinese workers" (Zhao and Duffy 2007:40). Both of these organizations try to empower workers in labour relations so that they can better protect their legitimate rights and interests. The next chapter, the concluding chapter,

will summarize the basic findings of this dissertation, with a summary of its theoretical, methodological, and substantive findings followed by a discussion of suggestions for future research.

## **Chapter Seven**

### **Conclusion**

Not too long ago, a news item in *The New York Times* (December 21, 2010) caught my eye. Sun Hongjie, who worked in the remote town of Kuitin (a city in the Xinjiang Uygur Autonomous Region) for the *Beijing Morning Post*, was attacked on December 17, 2010, and suffered permanent brain damage. Sun had a reputation in the western region of Xinjiang as a crusading journalist who sought to expose the corruption and wrongdoings of the local government. It was speculated that the attack was linked to his research on the forced demolition of a milk factory by the local government, which had sold the land to a property developer to its own economic benefit. The assault was the worst on a journalist in China in recent memory. Local officials, however, denied that the attack was linked to Sun's research (Wong 2010). Although tragic, the story triggered my interest in the everyday lives of Chinese media workers, particularly their ability to respond to rapid social transformation and changes to working conditions and labour processes.

### **7.1 Summary of the Dissertation**

Throughout the dissertation, I examined the challenges confronting Chinese media workers—challenges brought about by current media reform and social transformation, resulting (in turn) from the technological developments of the information age and China's increasing integration into the global political economy—using a critical political economic approach. This project was informed by

my original case studies of the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House, which provided primary insights into the inter-related processes of commodification, structuration, and spatialization in the Chinese media industry.

I began by exploring the media commodification process—characterized by the transformation of publishing houses from public institutions to companies, the formation of media conglomerates, and the widespread expansion of private and foreign investment in the Chinese publishing industry—which has left Chinese media workers torn between the need to conform to the political restrictions and propaganda functions of the state, and the obligation to generate profit for their companies. In other words, these workers are expected to serve the political interests of the state, while also expanding democracy and promoting political and social reforms. In addition to negotiating this double-bind, Chinese editors must also deal with a range of problems springing from the commodification process, including contingent employment, deteriorating working conditions, declining social welfare benefits, and intense work pressures (e.g. changes in their work hours, locations, duties, and their monthly incomes).

I then turned to explore the structuration process—characterized by the many technological, political, and economic transformations that have accompanied the commodification process—which has led to radical changes in class relations and power dynamics, thus resulting in five critical problems for Chinese media workers. First, the rise of new technologies has resulted in the devaluation of professional

knowledge and skills upon which media workers had once prided themselves, leading many to upgrade their qualifications and enhance their professional skills by pursuing continuing education. Second, the media marketization process has proved difficult to reconcile with the Party principle, and media workers have been forced to cultivate new forms of public/civic media that walk the fine line between serving the interests of the party-state and generating profit. Third, the application of market principles to the social welfare system has led to the decline of state- and employer-provided protections, including both pensions and health care, for Chinese media workers, resulting in pressure for those workers to buy private medical insurance and to save a large portion of their incomes for the future. Fourth, the dismantling of the work-unit system has left media workers increasingly dependent on market forces and decreasingly assured of job security, subject to fixed term rather than lifetime employment contracts and uncertain performance evaluations to which their salaries and promotions are tied. Fifth, social stratification within the media industry has produced problematic and often exploitative power relationships. Leaders in the media industry have separated from the mass of workers, thus forming an independent social stratum that holds decision-making power over the distribution of bonuses, the allocation of social welfare benefits, and the management of human resources. As a result, media workers have been forced to establish intimate personal connections with the leaders, if they hope to be successful in the recruitment process or in their applications for Party membership. In addition, divisions have developed between media workers within the same social group, with junior editors being pressured to

sign shorter-term contracts, receiving more challenging work assignments, enduring intense work pressures, and getting fewer chances for promotion than senior editors. As a result, junior editors in large publishing houses have joined with worker organizations and trade unions to negotiate increases in their monthly incomes and limits on their work hours and monthly workload from the leaders.

I then turned from the structural changes within Chinese society to examine the global trends that have contributed to the media spatialization process: globalization, neoliberalism, and the global division of labour. With China's integration into the global political economy, Chinese media workers have been forced to accept that their labour has become a commodity, tradable at a price set by existing labour markets, and increasingly exchangeable and replaceable (Mosco and McKercher 2008; Mosco 2009). Instead of staying in the same publishing houses, newspaper agencies, or television and radio stations until their retirements, Chinese media workers must now prepare for actual or potential layoffs. In addition, they are finding themselves trapped between the "twin modalities of the neoliberal governmentality (Ong 2006:3)," and subject to the growing tension within a propaganda-commercial model split between the forces of market competition and strict party control. Furthermore, the global division of labour has meant that many Chinese media workers have been marginalized to perform simple tasks that require few technical and professional skills. As a result of all of these factors, Chinese media workers have lost their privileged positions as "masters" of the country, and must deal with decreasing predictability in and control over their work and careers (Rocca 2003).

After examining the impacts of the commodification, structuration, and spatialization processes in the Chinese media Industry, I then explored the ways in which Chinese media workers are responding to them. I found that both worker organizations and trade unions, under the Party's leadership, have been engaged in representing the legitimate rights and interests of the working class. Although, as state apparatuses, trade unions are responsible for adapting workers to the labour and economic policies of the state, they have been successful in defending workers' interests by engaging in direct communications with employers and indirect communications with government officials at all levels. While trade unions serve the "top-down" function of mobilizing workers for labour production on behalf of the state, they also serve the "bottom-up" function of communicating workers' demands for improved working conditions and benefits to the state (Taylor, Kai and Qi 2003:40). As Lee and Warner (2007) remark, one of the guiding principles of trade unions is to harmonize the state's policies with the workers' need for better protection of their interests at a time when the majority of Chinese workers are losing their previous political and economic status due to "marketization" and "de-socialization" (p. 65). In the past two decades, however, labour unrest has been on the rise due to their failure to do this effectively, as well as their lack of substantial political and economic power, and their reluctance to reshape their guiding philosophies and promote personnel system reforms (Wang 2001).

I then suggested plausible solutions to the problems of Chinese media workers, arguing that new information technologies, changes inside the All-China Federation

of Trade Unions (ACFTU), and the emergence of labour non-governmental organizations (NGOs) may aid the working class in its attempts to better represent its legitimate rights and interests. First, the latest technological developments, particularly the expansion of the Internet, have led to tighter connections between working class individuals and trade unions (Luore 2004), as well as between workers in different organizations and professions. Workers are not only able to access a large amount of online information about trade unions, workers' activities, and labour disputes, but can bond with workers in different organizations and professions by sharing common problems, interests, and prospects. Second, recent changes inside the ACFTU, including the expansion of union branches at the local level (Zheng 2004), direct elections for local union officials (Howell 2006), and the enforcement of the tripartite consultative procedure in the workplace (Shen and Benson 2008) have created an opening for further reform in the union structure, and potentially in the relationship between trade unions and the party-state to better represent workers' rights and interests. Third, many labour NGOs have emerged in China, such as the Chinese Working Women Network (CWWN) and the China Labour Bulletin (CLB), improving communication among "progressive domestic social forces, global labour and civil society organizations, and Chinese workers" (Zhao and Duffy 2007:40), and thereby empowering workers in labour relations with employers and the state.

As a conclusion, the acceleration of commercialization in the Chinese media industry has led to the transformation of the Chinese mass media from state-subsidized and single-minded propaganda organs into state-controlled, advertising-

supported, and self-interested economic entities. This transformation has only been partial, and the media are still treated as the party's political propaganda organs (Zhao 2005, 2008). While the Chinese public's need for entertainment, social and business information, and its participation in economic and cultural life are acknowledged and partially fulfilled through the media, the latter's ties to the state have placed great limitations on its effectiveness (Lee 1994a; Zhao and Duffy 2007; Qiu 2010; Hong 2008, 2011). The Party hinders and sometimes even prohibits the media's access to political information, their meaningful participation in political life, and any significant role they might seek to play in making key economic decisions. Such restrictions within the media system simply mirror the broader social policy that dictates that the Party principle must not be directly challenged under any circumstance, and Chinese media workers survive by softening, rather than challenging, the prescribed political propaganda by broadening its content to include social and personal issues. As a result, the mass media often serve as a supplement, rather than an opposition, to the more conventional Party organs. In other words, Chinese media workers must put on a good show while "dancing with chains" (Zhao 1998:161).

## **7.2 Contributions of the Dissertation**

### **7.2.1 Theoretical Significance**

Zhao and Duffy (2007:230) argue that, with the development of "authoritarian capitalism," the reconfiguration of class power has played a constitutive role in

China's market reform, and as a consequence, it is impossible to fully understand the characteristics of China's socio-economic changes without clarifying the distinctions between China's social classes and conceptualizing their relations. In contemporary China, the working class, including both industrial and knowledge workers, whose wages represent their sole or main source of livelihood, is the largest class group (Wood 1994; Hassard et al. 2007). In my dissertation, I contributed to the project of elucidating the situation of China's working class by strategically focusing on one subgroup—Chinese media workers—and applying a political economic approach to the macro-triangle framework of power relations among the state, capital, and civil society; the propaganda-commercial model; the global division of labour; and the rise of worker organizations and trade unions. In an age when Chinese society is increasingly shaped by the social relations of communication, and the institutional power structure of the society is undergoing a fundamental transition from a socialist planned economy to a reformed liberalized market, an analysis of the dramatic changes in the labour processes of Chinese media workers—by focusing on their common problems, interests, prospects, and responses as a class—is vitally important. My study also explored the relations between Chinese media workers, as well as their relations to, other working class groups, which will largely determine both whether the Chinese Communist Party can successfully construct a harmonious society and the possibilities of China's further economic and political reforms.

### **7.2.2 Methodological Significance**

I organized my dissertation around two original case studies of the Shanghai Science and Technology Publishing House and the Shanghai Education Publishing House—which allowed me to produce a more accurate picture of the factors contributing to the current condition of Chinese media workers (particularly editors), and their responses to it than what is available through statistical analyses that deal with situations where behaviour is homogeneous and routine. By allowing researchers to compare their firsthand observations with the results obtained through other methods of research, the “deep data” or “thick description” provided by case studies can help bridge the gap between abstract research and concrete practice (Stake 2000:437). In addition, case studies allow for not only the examination of the particular complexities of a case, but they also enable the researcher to gain insights into larger systematic issues, allowing the researcher to look at an issue using both close- and long-focus lenses (Yin 2009).

In order to avoid sample and measurement biases that are associated with subjective decisions in data collection and analysis used in case studies, I have adopted a mixed-methods research approach, also known as triangulation. Berg (2007) maintains that subjective decisions can influence how the research is conducted, what alternative research methods are used, and how surveys and questionnaires are prepared. In other words, subjective decisions are involved in every step of the case study: from deciding which case to examine to the final hours of writing up the findings. Triangulation—examining the same research questions and collecting data by using multiple sources (e.g. documents, observations, surveys, and interviews)—

helps to spell out the choices the researcher has made and the direction that he/she has taken.

### **7.2.3 Substantive Significance**

This dissertation expands our understanding of the working conditions and life experiences of millions of knowledge workers in the Chinese media industry, shedding light on an important dimension of the rise of the information society. For example, in order to better understand the massive impacts of the global division of labour on the Chinese media industry, I not only concentrated on the two primary factors that have facilitated the global division of labour—the decomposition of complex media production process into separate and simple units of production, and the technological and telecommunications convergence, which frees media production from the constraints of geographical location—but I also highlighted the development of a worldwide reservoir of tens of thousands of media workers who are both politically and financially repressed and subjugated. Thus, in chapter five, I addressed the critical changes facing Chinese media workers as the Chinese media industry is increasingly incorporated into the centrally coordinated “global factories” headquartered in the core capitalist states.

As Mosco (2006) remarks, despite a number of outstanding exceptions, “media labour and class formation is a blind spot in communication studies” (p. 493). The growth of employment in the communication industries, and the technological and institutional changes unleashed by corporate concentration and informationalized

capitalism, have raised the importance of examining the changing nature of work and worker organization, so as to advance our understanding of the broader transformative historical processes that both shape and are carried out through media and communications. In this dissertation, I emphasized how Chinese media workers, like industrial workers, have suffered from the problems of contingent employment, the decline of social welfare benefits, and intense work pressures, which most scholars and policymakers have ignored (Qiu 2010; Hung 2011). Labour analysis is important because, even though the Constitution still labels them as the “masters” of the country, workers have lost their power due to current social reform. Labour analysis is also fundamental in understanding the broader social and economic transformations that have been taking place in China since the late 1970s.

### **7.3 Suggestions for Future Research**

I propose three suggestions for future research. First, while my dissertation is based on surveys and semi-structured interviews with editors from most of the large publishing houses in Shanghai, further research could focus on editors in publishing houses in other big cities in China—e.g. Beijing, Guangzhou, and Shenzhen—where market principle has also been largely applied to the local publishing industry. Second, while my dissertation is focused on editors, future research could produce a more detailed description of the status of Chinese media workers by focusing on journalists, photographers, broadcasters, and publication distributors. Third, while my dissertation revealed unequal treatment of junior and senior editors, future research could examine

the distinct (and relative) treatment of permanent, temporary, and contract editors; unionized and non-unionized editors; and male and female editors.

It is said that “the squeaky wheel gets the grease,” but Chinese media workers have functioned as the all-too-silent cogwheels of the social machine. By looking at their labour process transformation; their social, economic, political, and cultural dynamics; and their dilemmas, challenges, and opportunities, I intend to give a voice to their situations and open up new possibilities for the improvement of both their working conditions and social welfare benefits, as well as to better understand the broader social and economic transformations that have been taking place in China since the late 1970s.

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**Appendices**  
**Appendix A Original Survey Questions**

The questions of my survey can be divided into four parts: personal information, the changes in the working conditions, the changes in the social welfare benefits, and the comments on media reform.

**Part 1: Personal Information**

1. What is your age?
2. What is your gender?
3. What is your marital status?
4. What is your final degree? From which university are you graduated?
5. Are you a permanent resident of Shanghai?

**Part 2: The Changes in the Working Conditions**

6. When were you enrolled in the publishing house?
7. How much is your monthly income? How much is your annual income?
8. How much do you expect to earn, considering the increase of the living standards in Shanghai?
9. Have you ever compared your income with other media workers in Shanghai, for example, journalists? Or editors either in other publishing houses in Shanghai or in publishing houses of other provinces?
10. Do you take on part-time jobs?
11. Do you have to work overtime? If yes, how many extra hours do you have to work? Where do you work?
12. How often do you sign your contract?

13. Is your everyday attendance strictly recorded?
14. Have you ever changed your job? If yes, how often?
15. What are your main tasks as an editor?
16. Is being an editor your first choice as your lifetime career?
17. What are the results of the implementation of the contingent employment in the publishing house? Is your quality of life affected? If yes, in what kind of ways?
18. What are the problems of the evaluation system in the publishing house?
19. Are you satisfied with your current job? If yes, why? If no, what are the reasons?
20. What is the major pressure for you as an editor? Where does it come from?

**Part 3: The Changes in the Social Welfare Benefits**

21. Do you have a child? If yes, have you ever taken a maternity leave?
22. Have you received any subsidy for your housing? Do you have to pay a mortgage every month? If yes, how much do you have to pay?
23. Do you receive medical insurance and unemployment benefits?

**Part 4: The Comments on Media Reform**

24. What do you think of media reform? What is the positive influence exerted on you as a result of the implementation of media reform? On the contrary, what are the negative effects? In association with media reform, what do you think of the media conglomeration process in the publishing industry?
25. How effective are unions in the publishing house to protect your rights?

## **Appendix B Letter of Information**

To Note, the letter of information is provided both in English and Chinese, to help the participants better understand the purpose the research, how the interviews are conducted, the issues of confidentiality and anonymity relating to the research, and the people or agents that the participants can contact if there are any questions, concerns or complaints about the research.

Project Title: *The Political Economy of Knowledge Workers in the Chinese Media Industry*

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This project is being conducted by Jianhua Yao, a doctoral candidate in the Department of Sociology at Queen's University, Canada. Funding for this research includes financial assistance, a grant from Social Sciences and Humanities Research Council, from my supervisor Dr. Vincent Mosco (Department of Sociology, Queen's University), and a Graduate Dean's Travel Grant for Doctoral Field 2010-2011 (Queen's University).

Due to the decline in the power of labour worldwide, knowledge workers in China's media industries are turning into precarious workers. The main purpose of this research is to understand the challenges that are facing media workers in China, due to social development as well as the emergence of the global division of labour. I have selected you from the pool that is recommended by the leader of the publishing house. The research is intended to examine media workers of different generation, of

different gender, and of different occupational rank.

The research involves face-to-face semi-structured interviews. The estimated duration of the interview is approximately 90 minutes, and it will take place in a location of your choosing. Your participation in this interview is completely voluntary, and you are free to withdraw at any time. I will not divulge your identity at any time, including in my dissertation and in any publications based on this research. There is no compulsion to answer a question/questions with which you are uncomfortable. Also, at any time in the interview, you may choose to withdraw some or all of the information that you have provided. Both your name and the identity are concealed in the interviews as well as in the publications.

Due to measures taken to protect your confidentiality—both in the research and writing stages—the risks associated with participating in the research are minimal. If the interview is conducted in Chinese, I might frequently stop to ask if your ideas can be expressed in different terms. This practice will allow me to minimize the risk of misinterpretation (of your ideas) when I translate the project into English. In addition, at the end of the interview, I might request permission to contact you later to confirm that my interpretation of what you have said is correct.

With your permission, your interview will be tape-recorded, then transferred into audio computer files and transcribed. The data will be kept in a secure location. This information will only be used for the purposes of this project. You may choose to answer questions or make comments off the record, at which time the recording device will be turned off.

Paper copies of the transcripts will be kept in a locked cabinet in my campus office, and the audio computer files and transcripts will be stored on my personal computer. The data will be password protected. Both the tapes and the paper copied transcriptions will be destroyed upon the completion of the dissertation defense. At no time will recorded interviews or notes be made available to anyone other than my supervisor and me. It is important for me to make sure that your confidentiality is protected by the concealment of your name and identity.

It is my intent to publish this research as part of my dissertation. I may also publish it in books, journals, or media articles on the subject of the political economy of knowledge workers in the media industries of China.

There is no remuneration provided for participating in this research.

This study has been granted clearance according to the recommended principles of Canadian ethics guidelines, and Queen's policies. If you have any questions, concerns, or complaints about this study, you may contact me, Jianhua Yao, a doctoral candidate in the Department of Sociology at Queen's University, by phone 1-416-999-1743 or email [6jy14@queensu.ca](mailto:6jy14@queensu.ca). You can also contact my supervisor, Dr. Vincent Mosco, by phone 1-613-533-2163 or email [moscov@queensu.ca](mailto:moscov@queensu.ca), as well as Dr. Stephen Baron, the Chair of the Sociology Department Ethics Committee. He can be reached at: [barons@queensu.ca](mailto:barons@queensu.ca), or 1-613-533-2170. Also, the General Research Ethics Board Chair can be reached through email at [chair.GREB@queensu.ca](mailto:chair.GREB@queensu.ca), by phone at 1-613-533-6081, or by mail c/o Office of Research Services, Queen's University, Kingston, Ontario, Canada.

## Appendix C Letter of Consent

To note, the letter of consent is provided both in English and Chinese for the reader to better understand the purpose the research, how the interviews are conducted, the issues of confidentiality and anonymity relating to the research, and the people or agents that the participants can contact if there are any questions, concerns or complaints about the research.

Project Title: *The Political Economy of Knowledge Workers in the Chinese Media Industry*

Jianhua Yao  
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I understand that I am participating in a study entitled *The Political Economy of Knowledge Workers in the Chinese Media Industry*. The research is conducted by Jianhua Yao, a doctoral candidate in the Department of Sociology at Queen's University.

I understand that my participation will include an interview that may take about 90 minutes of my time in the location of my choosing. The potential benefits of participating in this study include gaining a better understanding of both the challenges faced by media workers in China, and their connection to social development and the emergence of the global division of labour.

I understand that my participation in this research is completely voluntary, and I can withdraw at any time, during or after the interview, without any consequence or any explanation. I can also refuse to participate prior to the interview if I decide that I

no longer want to do it. I may also choose to end the interview at any time if I feel uncomfortable. After the interview, I may also choose to withdraw the information I have provided, if I do not wish to have it included in the dissertation. If I choose to withdraw my information, it will be deleted from the database immediately and permanently. I also understand that my identity will not be revealed at any time, including in the dissertation and in any publications based on this research.

I understand that the risks associated with participating in the research are minimal. With my permission, the interview will be tape-recorded, then transferred into audio computer files and transcribed. The data will be kept in a secure location. This information will only be used for the purposes of this project, and only Jianhua Yao and his supervisor will have access to the notes, recordings, and transcripts taken from the interview. Paper copies of the transcripts will be kept in a locked cabinet, and the audio computer files and transcripts will be stored on the personal computer of the researcher. The data will be password protected. Both the tapes and the paper copied transcriptions will be destroyed upon the completion of the dissertation defense. I understand that if I wish, I also have the right to be off the record during any portion of the interview, during which time no notes will be taken. I also understand that the confidentiality is protected by the concealment of my name and identity.

I understand that if I have any questions, concerns, or complaints about this study, I may contact the researcher, Jianhua Yao, a doctoral candidate in the Department of Sociology at Queen's University, by phone 1-416-999-1743 or email

[6jy14@queensu.ca](mailto:6jy14@queensu.ca). I can also contact his supervisor, Dr. Vincent Mosco, by phone 1-613-533-2163 or email [moscov@queensu.ca](mailto:moscov@queensu.ca), as well as Dr. Stephen Baron, the Chair of the Sociology Department Ethics Committee. He can be reached at: [barons@queensu.ca](mailto:barons@queensu.ca), or 1-613-533-2170. Also, the General Research Ethics Board Chair can be reached through email at [chair.GREB@queensu.ca](mailto:chair.GREB@queensu.ca), by phone at 1-613-533-6081, or by mail c/o Office of Research Services, Queen's University, Kingston, Ontario, Canada.

My signature below indicates that I have read the Letter of Information and understand the above conditions of participation in this study and that I have had my questions regarding the study answered by the researcher to my satisfaction.

**I hereby consent** to participate in this study:

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Name of Participant

Signature

Date

**By initialing the statement below,**

\_\_\_\_ I am granting permission for the researcher to use a tape recorder.

## **Appendix D Interview Outline**

### **Introduction**

The study of knowledge workers has raised important questions for academics and policymakers, especially in the information age. Compared to the radical industrial proletariat, knowledge workers—professional, skilled, and presumably the middle-class—are playing an increasingly critical role in the global job market. However, the decline in the power of labour worldwide, as a result of both technological convergence and corporate or institutional convergence, has turned much of the world's labour force, including knowledge workers, into precarious workers. My research will specifically concentrate on the challenges confronting knowledge workers in China brought about by social development. In addition, from a much broader perspective, I will also analyze how they have been coping with the rapidly transforming, informationalized, and transnational capitalism with the global division of labour.

### **Basic Information**

This project is being conducted by Jianhua Yao, a doctoral candidate in the Department of Sociology at Queen's University, Canada. Funding for this research includes financial assistance, a grant from Social Sciences and Humanities Research Council, from my supervisor Dr. Vincent Mosco (Head of Department of Sociology, Queen's University), and a Graduate Dean's Travel Grant for Doctoral Field 2010-2011 (Queen's University).

## **Research Interests**

My research interests can be elaborated into following three aspects.

1. What are the major changes in the labour process for media workers in China?

2. How are these changes connected to the combined pressure of the running social system and the emergence of the global division of labour? On the one hand, how are media workers responding to the pressure to generate profit for their companies as well as to expand democracy and promote political and social reforms? On the other hand, how are they handling the dramatic social changes brought about by the emergence of the global division of labour? Specifically, are media workers more precarious when much of their work has been outsourced, particularly with the commodification process of the knowledge that they have produced?

3. How are media workers responding? Specifically, what types of organizations are they establishing (e.g. worker organizations, trade unions) and how effective are these organizations?

## **Tentative Questions**

1. As a media worker, how would you define the changes in your social status over the past few decades? What do you perceive to be the reasons for these changes?

2. How would you understand the changes in your work process?

- a. Specify the differences in the work process, if possible.
- b. How do you understand the Party principle as the governing rule in the previous years?
- c. To what extent do you recognize the challenges toward the propaganda function of the media sector by commodification?

- d. What is the role that technology has been playing in changing your work process? To what degree have you been aware of both the opportunities and challenges brought about by the rapid development of information and communication technologies?
3. How would you define your social role in the whole society?
- a. How do you cope with your personal dilemma—namely, on the one hand, to serve political and ideological interests of the state; on the other hand, to pursue economic interests—within the propaganda-commercial model of journalism?
  - b. How do you understand media democratization? What are your thoughts about how to make it come true in contemporary China?
  - c. What is the impact on your work, or your social role as a media worker in general, directly or indirectly, exerted by neoliberalism? To be more specific, how would you describe your work in a global context, particularly from the perspective of the global division of labour?
  - d. What are your responses to the above changes? How popular is unionization in the publishing house? Otherwise, are there any other resources or organizations that you can turn to if you are faced with difficulties?

### **Confidentiality**

The research involves face-to-face semi-structured interviews. The estimated duration of the interview is approximately 90 minutes, and it will take place in a location of your choosing. Your participation in this interview is completely voluntary, and you are free to withdraw at any time. Your identity will not be divulged at any time. There is no compulsion to answer a question/questions with which you are uncomfortable. Also, at any time in the interview, you may choose to withdraw some or all of the information that you have provided. Both your name and the identity are concealed in the interviews as well as in the publications.

## **Appendix E Interview Questions for Editors and Union Officials**

### **Interview Questions for Editors**

My questions for editors mainly focused on their changing labour process as well as the decline of their social welfare benefits.

For the questions of the changing labour process, they included, but were not limited to:

1. How many hours do you work per day? How many days do you work per week? When do you start working and when does your work end every day? Do you have fixed or flexible work hours? Is your attendance officially recorded?

2. What is your main work as an editor? What was your main work before media reform? Are they different? What are the abilities that are required for your job? How do they differ before and after media reform?

3. What are the criteria of assessment? How does it relate to your monthly income? How about the workload every month? In term of the intensity of your work, is it easy to finish all the required work? Do you have to work overtime?

4. What are the procedures for promotion? What are the qualifications for promotion? How do you understand the pressure to get yourself promoted?

At the same time, the questions that I have raised to understand the decline of editors' social welfare benefits included:

1. What are the compositions of your monthly income?

2. How do you sign your contract? Do you know how other editors sign their contracts? Is there any difference? More importantly, how do you understand these differences?

3. Who is paying for your unemployment benefits and medical insurance? What is the amount? Is there any extra insurance that has been purchased for you by the publishing house?

4. Is there any subsidy provided to help with housing? If yes, what are the forms, and what is the amount? Do you think it is sufficient?

5. Is training popular and institutionalized? What are the forms of training? Is training accessible to all the editors?

6. Are there any other benefits, for example, travelling grants, new year gifts, birthday cakes, moon cake tickets for the Mid-autumn festival, food expenses subsidies, and so on?

### **Interview Questions for Union Officials**

My questions for union officials were mainly about the main functions of unions in publishing houses and the practical problems facing them to better organize workers. The questions that I have addressed included:

1. How popular is unionization in the publishing house?

2. How unions are financially supported? If their financial resources come from administrative units, how can unions be independent from representing the interests of the employers?

3. What is the organizational structure of unions? Are union officials performing their duties on a part-time or a full-time basis? What are the responsibilities for the chief union official(s) and union officials, respectively?

4. How are union officials elected? Who are qualified to be elected? What are the restrictions on their terms of service?

5. What are the main functions of unions? Are union members satisfied with what they have achieved?

6. Do you think unions can play a more active and profound role in the publishing house? If yes, what are the problems, political and social, internal and external, that are now facing unions? What are the opportunities for the growth of unions with further media reform?

## Appendix F

### Interview Participants

	Gender	Age	Educational Background	Category	Affiliation
1	M	46	Bachelor	Editor	Shanghai Science and Technology Publishing House
2	F	37	Master	Editor	Shanghai Science and Technology Publishing House
3	F	55	College	Editor	Shanghai Science and Technology Publishing House
4	F	33	Master	Editor	Shanghai Science and Technology Publishing House
5	M	25	Bachelor	Editor	Shanghai Education Publishing House
6	F	31	Master	Editor	Shanghai Education Publishing House
7	M	32	Master	Editor	Shanghai Education Publishing House
8	M	55	Bachelor	Editor	Shanghai Education Publishing House
9	F	34	Doctoral	Editor	Fudan University Press
10	M	58	Bachelor	Chief Editor	Shanghai Art and Literature Publishing House
11	M	59	Doctoral	Chief Editor	Shanghai Lexicographical Publishing House
12	F	45	Bachelor	Union Official	Shanghai Science and Technology Publishing House
13	F	33	Master	Union Official	Shanghai Science and Technology Publishing House
14	F	42	Bachelor	Union Official	Shanghai Education Publishing House
15	M	32	Master	Union Official	Shanghai Education Publishing House
16	M	44	Bachelor	Chief Union Official	Shanghai Art and Literature Publishing House
17	M	53	Bachelor	Chief Union Official	Fudan University Press
18	M	48	Master	Government Official	Shanghai Publication Bureau
19	F	43	Bachelor	Government Official	Shanghai Publishers Association

**Appendix G Organization and Responsibilities of  
the General Administration of Press and Publication of China**

The General Administration of Press and Publication (GAPP) is the administrative agency responsible for regulating and distributing news, print and Internet publications in China. In terms of the internal departmental structure, the agency is organized into the following departments:

- General Office;
- Book Publishing Management Department;
- Newspaper, Journal and Magazine Publishing Department;
- Department for the Management of Audio-visual Products and Electronic Publications;
- Department for the Management of Publication Distribution;
- Department for the Management of Printing Industry;
- Personnel and Education Department;
- External Cooperation Department;
- Copyright Management Department.

The responsibilities of the GAPP include:

1. Formulating and guiding implementation of the development planning, macro-economic regulation goals, and production policies for the news publishing industry.
2. Formulating plans and organizing implementation of the quantity, structure, and distribution for the entire nation's publishing, printing, copying, and distribution units.

3. Approving the establishment of new publishing units (including book publishing houses, newspaper publishers, journal and magazine publishers, audio-visual product publishers, etc.) and publication distributors (including books, newspapers, journals and magazines, audio-visual products, etc.).

4. Carrying out the monitoring and management of news publishing activities (including publishing, printing, copying, distribution, import, and trade).

5. Investigating and prosecuting, or organizing the investigation and prosecution of, illegal publications and the illegal activities of publishing, printing, copying, distribution, and import and export units.

6. Examining and approving applications for Internet sites to engage in information services, and carrying out monitoring and management of the contents of the information published on the Internet.

To conclude, the GAPP has the legal authority to screen, censor, and ban any print, electronic, or Internet publications in China. Because all publishers (including Internet publishers) in China are required to be licensed by the GAPP, the agency has the power to deny people the right to publish, and completely shut down any publisher who fails to follow its dictates. In accordance with the laws, regulations, and rules, no entity or individual may engage in publishing, printing, copying or distributing books, newspapers, journals and magazines, or audio-visual publications without authorization from the GAPP.

## **Appendix H Labour Law of the People's Republic of China**

Adopted at the Eighth Meeting of the Standing Committee of the Eighth National People's Congress on July 5, 1994, promulgated by Order No.28 of the President of the People's Republic of China on July 5, 1994, and effective as of January 1, 1995.

### **Contents**

Chapter 1	General Provisions
Chapter 2	Promotion of Employment
Chapter 3	Labour Contracts and Collective Contracts
Chapter 4	Working Hours, Rests, and Leaves
Chapter 5	Wages
Chapter 6	Labour Safety and Sanitation
Chapter 7	Special Protection for Female Staff and Workers and Juvenile Workers
Chapter 8	Professional Training
Chapter 9	Social Insurance and Welfare Treatment
Chapter 10	Labour Disputes
Chapter 11	Supervision and Inspection
Chapter 12	Legal Responsibilities
Chapter 13	Supplementary Provisions

### **Chapter 1 General Provisions**

**Article 1** This Law is hereby formulated in accordance with the Constitution in order to protect the legitimate rights and interests of labourers, readjust labour relationship, establish and safeguard the labour system suiting the socialist market economy, and promote economic development and social progress.

**Article 2** This Law applies to enterprises, individually-owned economic organizations (hereinafter referred to as the employer) and labourers who form a labour relationship with them within the boundary of the People's Republic of China.

State departments, institutional organizations and social groups and labourers who form a labour relationship with them shall follow this Law.

**Article 3** Labourers have the right to be employed on an equal basis, choose occupations, obtain remunerations for labour, take rests, have holidays and leaves, receive labour safety and sanitation protection, get training in professional skills, enjoy social insurance and welfare treatment, and submit applications for settlement of labour disputes, and other labour rights stipulated by law.

Labourers shall fulfill their tasks of labour, improve their professional skills, follow rules on labour safety and sanitation, observe labour discipline and professional ethics.

**Article 4** The employer shall establish and perfect rules and regulations in accordance with law and guarantee that labourers enjoy labour right and fulfill labour obligations.

**Article 5** The State shall take various measures to promote employment, develop vocational education, formulate labour standards, regulate social incomes, perfect social insurance, coordinate labour relationships, and gradually raise the living level of labourers.

**Article 6** The State shall advocate labourers' participation in social voluntary labour, labour competition, and activities of forwarding rational proposals; encourage and protect labourers in scientific research, technical renovation, and invention; and commend and award labour models and advanced workers.

**Article 7** Labourers shall have the right to participate in and organize trade unions in accordance with law.

Trade unions shall represent and safeguard the legitimate rights and interests of labourers, and stage activities independently in accordance with law.

**Article 8** Labourers shall take part in democratic management through workers' congress, workers' representative assembly, or any other forms in accordance with law, or consult with the employer on an equal footing about protection of the legitimate rights and interests of labourers.

**Article 9** The labour management department under the State Council shall take charge of the management of labour of the whole country.

Local people's governments above the county level shall take charge of the management of labour in areas under their jurisdiction.

## **Chapter 2 Promotion of Employment**

**Article 10** The State shall create employment conditions and expand employment opportunities through promotion of economic and social development.

The State shall encourage enterprises, institutional organizations, and social groups to start industries or expand businesses within the scope allowed by stipulations of laws and administrative decrees for the purpose of increasing employment.

The State shall support labourers to organize and employ themselves on a voluntary basis and to get employed in individual businesses.

**Article 11** Local people's governments at various levels shall take measures to develop various kinds of job agencies and provide employment services.

**Article 12** Labourers shall not be discriminated against in employment due to their nationality, race, gender, or religious belief.

**Article 13** Women shall enjoy equal rights as men in employment. Gender shall not be used as a pretext for excluding women from employment during recruitment of workers unless the types of work or posts for which workers are being recruited are not suitable for women according to State regulations. Nor shall the standards of recruitment be raised when it comes to women.

**Article 14** Any special stipulations in laws and regulations about the employment of the disabled, minority people, and demobilized soldiers shall be observed.

**Article 15** The employer shall be banned from recruiting juveniles under the age of 16.

Art, sports and special-skill units that plan to recruit juveniles under the age of 16 shall go through examination and approval procedures according to relevant State regulations and guarantee the right of the employed to receive compulsory education.

### **Chapter 3 Labour Contracts and Collective Contracts**

**Article 16** Labour contracts are agreements reached between labourers and the employer to establish labour relationships and specify the rights, interests and obligations of each party.

Labour contracts shall be concluded if labour relationships are to be established.

**Article 17** Conclusion and alteration of labour contracts shall follow the principle of equality, voluntariness, and agreement through consultation. They shall not run counter to stipulations in laws or administrative decrees.

Labour contracts shall become legally binding once they are concluded in accordance with law. The parties involved shall fulfill obligations stipulated in labour contracts.

**Article 18** The following labour contracts shall be invalid;

- (1) Labour contracts concluded against laws or administrative decrees;
- (2) Labour contracts concluded through cheating, threat, or any other means.

Invalid labour contracts shall not be legally binding from the very beginning of their conclusion. If a labour contract is confirmed as being partially invalid, the other parts shall be valid if the parts that are invalid do not affect the validity of these other parts.

The invalidity of a labour contract shall be confirmed by a labour dispute arbitration committee or a people's court.

**Article 19** Labour contracts shall be concluded in written form and contain the following clauses:

- (1) Time limit of the labour contract;
- (2) Content of work;

- (3) Labour protection and labour conditions;
- (4) Labour remunerations;
- (5) Labour disciplines;
- (6) Conditions for the termination of the labour contract;
- (7) Liabilities for violations of the labour contract.

Apart from the necessary clauses specified in the preceding clause, the parties involved can include in their labour contracts other contents agreed upon by them through consultation.

**Article 20** The time limits of labour contracts shall be divided into fixed and flexible time limits and time limits for the completion of certain amount of work.

Labour contracts with flexible time limits shall be concluded between the labourers and the employer if the former request for the conclusion of labour contracts with flexible time limits after working continuously with the employer for more than 10 years and with agreement between both of the parties involved to prolong their contracts.

**Article 21** Probation periods can be agreed upon in labour contracts. These probation periods shall not, however, exceed six months at the longest.

**Article 22** The parties involved in a labour contract can reach agreements in their labour contracts on matters concerning the keeping of the commercial secrets of the employer.

**Article 23** Labour contracts shall terminate upon the expiration of their time limits or the occurrence of the conditions agreed upon in labour contracts by the parties involved for terminating these contracts.

**Article 24** Labour contracts can be revoked with agreement reached between the parties involved through consultation.

**Article 25** The employer can revoke labour contracts should any one of the following cases occur with its labourers:

- (1) When they are proved during probation periods to be unqualified for employment;
- (2) When they seriously violate labour disciplines or the rules or regulations of the employer;
- (3) When they cause great losses to the employer due to serious dereliction of duties or engagement in malpractices for selfish ends;
- (4) When they are brought to hold criminal responsibilities in accordance with law.

**Article 26** The employer can revoke labour contracts should any one of the following cases occur, with its labourers to be notified, in written form, of such revocation in 30 days' advance:

(1) The labourers can neither take up their original jobs nor any other kinds of new jobs assigned by the employer after completion of medical treatment for their illnesses or injuries not suffered during work;

(2) The labourers are incompetent at their jobs and remain as so even after training or after readjusting the work posts;

(3) No agreements on an alteration of labour contracts can be reached through consultation between and by the parties involved when major changes taking place in the objective conditions serving as the basis of the conclusion of these contracts prevent them being implemented.

**Article 27** In case it becomes a must for the employer to cut down the number of workforce during the period of legal consolidation when it comes to the brink of bankruptcy or when it runs deep into difficulties in business, the employer shall explain the situation to its trade union or all of its employees 30 days in advance, solicit opinions from its trade union or the employees, and report to the labour administrative department before it makes such cuts.

If the employer cuts its staff according to stipulations in this Article and then seeks recruits within six months, it shall first recruit those that have been cut.

**Article 28** The employer shall make economic compensations in accordance with relevant State regulations if it revokes labour contracts according to stipulations in Article 24, Article 26 and Article 27 of this Law.

**Article 29** The employer shall not revoke labour contracts in accordance with stipulations in Article 26 and Article 27 of this Law should any one of the following cases occur with its labourers:

(1) Those who are confirmed to have totally or partially lost their labour ability due to occupational diseases or work-related injuries;

(2) Those who are receiving treatment for their diseases or injuries during prescribed period of time;

(3) Women employees during pregnancy, puerperium, and nursing periods;

(4) Others cases stipulated by laws and administrative decrees.

**Article 30** The trade union shall have the right to air its opinions if it regards as inappropriate the revocation of a labour contract by the employer. If the employer violates laws, regulations or labour contracts, its trade union shall have the right to ask for handling the case anew. If labourers apply for arbitration or raise lawsuits, the trade union shall render support and help in accordance with law.

**Article 31** Labourers planning to revoke labour contracts shall give a written notice to their employer in 30 days' advance.

**Article 32** Labourers can notify, at any time, their employer of their decision to revoke labour contracts in any one of the following cases:

- (1) During their periods of probation;
- (2) If they are forced to work by the employer through means of violence, threat or deprivation of personal freedom in violation of law;
- (3) Failure on the part of the employer to pay labour remunerations or to provide labour conditions as agreed upon in labour contracts.

**Article 33** The employees of an enterprise as one party may conclude a collective contract with the enterprise as another party on labour remunerations, work hours, rests and leaves, labour safety and sanitation, insurance, welfare treatment, and other matters. The draft collective contract shall be submitted to the workers' representative assembly or all the employees for discussion and passage.

Collective contracts shall be signed by and between the trade union on behalf of the employees and the employer. In an enterprise that has not yet set up a trade union, such contracts shall be signed by and between representatives recommended by workers and the enterprise.

**Article 34** Labour contracts shall be reported to labour administrative departments after their conclusion. Labour contracts shall take effect automatically if no objections are raised by these labour administrative departments within 15 days after they are received.

**Article 35** Labour contracts concluded in accordance with law shall be binding on both the enterprise and all of its employees. The standards on labour conditions and labour payments agreed upon in labour contracts concluded between individual labourers and their enterprises shall not be lower than those stipulated in collective contracts.

#### **Chapter 4 Working Hours, Rests, and Leaves**

**Article 36** The State shall practice a working hour system wherein labourers shall work for no more than eight hours a day and no more than 44 hours a week on the average.

**Article 37** In case of labourers working on the basis of piecework, the employer shall rationally fix quotas of work and standards of piecework remuneration in accordance with the working hour system stipulated in Article 36 of this Law.

**Article 38** The employer shall guarantee that its labourers have at least one day off a week.

**Article 39** If an enterprise can not follow the stipulations in Article 36 and Article 38 of this Law due to special characteristics of its production, it may follow other rules on work and rest with the approval by labour administrative departments.

**Article 40** The employer shall arrange rests for labourers in accordance with law during the following holidays:

- (1) The New Year's Day;
- (2) The Spring Festival;
- (3) The International Labour Day;
- (4) The National Day;
- (5) Other holidays stipulated by laws and regulations.

**Article 41** The employer can prolong work hours due to needs of production or businesses after consultation with its trade union and labourers. The work hours to be prolonged, in general, shall be no longer than one hour a day, or no more than three hours a day if such prolonging is called for due to special reasons and under the condition that the physical health of labourers is guaranteed. The work time to be prolonged shall not exceed, however, 36 hours a month.

**Article 42** The prolonging of work hours shall not be subject to restrictions of stipulations of Article 41 of this Law in any one of the following cases:

- (1) Need for emergency treatment during occurrence of natural disasters, accidents or other reasons that threaten the life, health or property safety of labourers;
- (2) Need for timely rush-repair of production equipment, transportation lines or public facilities that have gone out of order and as a result affect production and public interests;
- (3) Other cases stipulated in laws and administrative decrees.

**Article 43** The employer shall not prolong the work hours of labourers in violation of the stipulations of this Law.

**Article 44** The employer shall pay labourers more wage remunerations than those for normal work according to the following standards in any one of the following cases:

- (1) Wage payments to labourers no less than 150 per cent of their wages if the labourers are asked to work longer hours;
- (2) Wage payments to labourers no less than 200 per cent of their wages if no rest can be arranged afterwards for the labourers asked to work on days of rest;
- (3) Wage payments to labourers no less than 300 per cent of their wages if the labourers are asked to work on legal holidays.

**Article 45** The State follows the system of annual leaves with pay.

Labourers shall be entitled to annual leaves with pay after working for more than one year continuously. Specific rules on this shall be worked out by the State Council.

## Chapter 5 Wages

**Article 46** Distribution of wages shall follow the principle of distribution according to work and equal pay for equal work.

The level of wages shall be raised gradually on the basis of economic development. The State shall exercise macro regulation and control over total payrolls.

**Article 47** The employer shall fix its form of wage distribution and wage level on its own and in accordance with this Law according to the characteristics of its production and businesses and economic efficiency.

**Article 48** The State shall implement a system of guaranteed minimum wages. Specific standards on minimum wages shall be stipulated by provincial, autonomous regional and municipal people's governments and reported to the State Council for registration.

The employer shall pay labourers wages no lower than local standards on minimum wages.

**Article 49** Standards on minimum wages shall be fixed and readjusted with comprehensive reference to the following factors:

- (1) The lowest living costs of labourers themselves and the number of family members they support;
- (2) Average wage level of the society as a whole;
- (3) Productivity;
- (4) Situation of employment;
- (5) Differences between regions in their levels of economic development.

**Article 50** Wages shall be paid to labourers themselves in the form of currency on a monthly basis. The wages payable to labourers shall not be deducted or delayed without reason.

**Article 51** The employer shall pay wages to labourers in accordance with law when they have legal holidays, take leaves during periods of marriage or mourning, and participate in social activities in accordance with law.

## Chapter 6 Labour Safety and Sanitation

**Article 52** The employer shall establish and perfect its system for labour safety and sanitation, strictly abide by State rules and standards on labour safety and sanitation, educate labourers in labour safety and sanitation, prevent accidents in the process of labour, and reduce occupational hazards.

**Article 53** Labour safety and sanitation facilities shall meet State-fixed standards.

The labour safety and sanitation facilities of new projects and projects of renovation and expansion shall be designed, constructed and put into operation and use at the same time as the main projects.

**Article 54** The employer shall provide labourers with labour safety and sanitation conditions meeting State stipulations and necessary articles of labour protection, and carry out regular health examination for labourers engaged in work with occupational hazards.

**Article 55** Labourers to be engaged in special operations shall receive specialized training and acquire qualifications for these special operations.

**Article 56** Labourers should strictly follow rules on safe operation in the process of labour.

Labourers shall have the right to refuse to follow orders if the management personnel of the employer direct or force them to work in violation of regulations, and to criticize, expose and accuse any acts endangering the safety of their life and physical health.

**Article 57** The State shall establish a system for the statistical report and treatment of accidents of injuries or deaths and cases of occupational diseases. The labour administrative departments and other relevant departments under the people's governments at or above the county level and the employer shall, in accordance with law, carry out statistical report and disposition with respect to accidents of injuries or deaths occurred to labourers in the process of their work and situations of occupational diseases.

## **Chapter 7**

### **Special Protection for Female Staff and Workers and Juvenile Workers**

**Article 58** The State provides special protection to female staff and workers and juvenile workers. Juvenile workers refer to labourers up to 16 years old but below 18 years old.

**Article 59** It is forbidden to arrange underground work for women workers at mines, or any labour with Grade IV physical labour intensity as stipulated by the State, or other labour forbidden to women.

**Article 60** It is forbidden to engage women workers in work high above the ground, under low temperatures, or in cold water during their menstrual periods or labour with Grade III physical labour intensity as stipulated by the State.

**Article 61** It is forbidden to engage women workers during their pregnancy in work with Grade III physical labour intensity as stipulated by the State or other work the

State prevents them from doing during pregnancy. It is forbidden to prolong the work hours of women workers pregnant for seven months or ask them to work night shifts.

**Article 62** Birth-giving women workers shall be entitled to maternity leaves no shorter than 90 days.

**Article 63** It is forbidden to engage women workers in work with Grade III physical labour intensity as stipulated by the State during their breast-feeding of babies less than one year old and other labour the State prevents them from doing during their breastfeeding periods. Neither shall their work hours be prolonged nor they be asked to work night shifts during these periods.

**Article 64** It is forbidden to engage underage workers in work under wells at mines, poisonous or harmful work, labour Grade IV physical labour intensity as stipulated by the State, or any other labour the State prevents them from doing.

**Article 65** The employer shall carry out regular physical examinations for underage workers.

## **Chapter 8 Professional Training**

**Article 66** The State shall promote the cause of professional training through various channels and by various measures to develop the professional skills of labourers, improve their quality, and strengthen their employment and work abilities.

**Article 67** People's governments at all levels shall include professional training into their programmes for social and economic development, and encourage and support enterprises, institutional organizations, social groups, and individuals to carry out professional training in various forms.

**Article 68** The employer shall establish a system for professional training, extract and use funds for professional training according to State regulations, and provide labourers with professional training in a planned way and according to its specific conditions.

Labourers to be engaged in technical work shall receive training before taking up their posts.

**Article 69** The State shall determine occupational classification, set up professional skill standards for specific occupations, and practice a system of professional qualification certificates. Examination and appraisal organizations authorized by governments shall be charged to carry out examination and appraisal of the professional skills of labourers.

## **Chapter 9 Social Insurance and Welfare Treatment**

**Article 70** The State shall promote the development of the cause of social insurance, establish a social insurance system, and set up social insurance funds so that labourers can receive help and compensation when they become old, suffer diseases or work-related injuries, lose their jobs, and give birth.

**Article 71** The level of social insurance shall be brought in line with the level of social and economic development and social sustainability.

**Article 72** The sources of social insurance funds shall be determined according to the categories of insurance, and the practice of unified accumulation of insurance funds shall be introduced. The employer and individual labourers shall participate in social insurance in accordance with law and pay social insurance costs.

**Article 73** Labourers shall be entitled to social insurance treatment in any one of the following cases:

- (1) Retire;
- (2) Suffer diseases or injuries;
- (3) Become disabled during work or suffer occupational diseases;
- (4) Become jobless;
- (5) Give births.

The dependents of the labourer who dies shall enjoy, in accordance with law, subsidies provided to these dependents.

The conditions and standards on the eligibility of labourers for social insurance treatment shall be stipulated by laws and regulations.

The social insurance funds for labourers shall be paid in due time and in full.

**Article 74** Organizations charged with the task of handling social insurance funds shall collect, keep and use social insurance funds in accordance with stipulations in laws, and assume the responsibility to guarantee and multiply the value of these funds.

Organizations charged to supervise social insurance funds shall supervise in accordance with law stipulations, the collection, keeping and use of social insurance funds.

The establishment and functioning of the organizations in the preceding two clauses shall be specified by law.

No unit or individuals shall be allowed to use social insurance funds for other purposes.

**Article 75** The State encourages the employer to set up supplementary insurance for labourers according to its practical conditions.

**Article 76** The State shall promote the development of the social welfare cause, construct public welfare facilities, and provide conditions for labourers to rest and recuperate and convalesce.

The employer shall create conditions to improve collective welfare and provide labourers with better welfare treatment.

## **Chapter 10 Labour Disputes**

**Article 77** In case of labour disputes between the employer and labourers, the parties concerned can apply for mediation or arbitration, bring the case to courts, or settle them through consultation.

The principle of mediation is applicable to arbitration and court procedures.

**Article 78** Labour disputes shall be settled according to the principle of justice, fairness, and promptness so as to safeguard the legitimate rights and interests of the parties involved in these disputes in accordance with law.

**Article 79** Once a labour dispute occurs, the parties involved can apply to the labour dispute mediation committee of their unit for mediation; if it can not be settled through mediation and one of the parties asks for arbitration, application can be filed to a labour dispute arbitration committee for arbitration. Any one of the parties involved in the case can also apply to a labour dispute arbitration committee for arbitration. The party that has objections to the ruling of the labour arbitration committee can bring the case to a people's court.

**Article 80** A labour dispute mediation committee can be set up inside the employer. This committee shall be composed of workers' representatives, the representatives of the employer, and trade union representatives. The chairmanship of this committee shall be held by a trade union representative.

Agreements reached on labour disputes through mediations shall be implemented by the parties involved.

**Article 81** Labour dispute arbitration committees shall be composed of the representatives of labour administrative departments, representatives from trade unions at the same level, and the employer's representatives. The chairmanship of such a committee shall be held by the representative of a labour administrative department.

**Article 82** The party that asks for arbitration shall file a written application to a labour dispute arbitration committee within 60 days starting from the date of the occurrence of a labour dispute. Generally speaking, the arbitration committee shall produce a ruling within 60 days after receiving the application. The parties involved shall implement arbitration rulings if they do not have any objections to these rulings.

**Article 83** If any of the parties involved in a labour dispute has objections to an arbitration ruling, it can raise a lawsuit with a people's court within 15 days after receiving the ruling. If one of the parties involved neither raises a lawsuit nor

implements the arbitration ruling within the legal period of time, the other party can apply to a people's court for forced implementation.

**Article 84** Cases of disputes resulted from the conclusion of collective contracts shall be handled through consultation by all the parties concerned brought together by the labour administrative department of a local people's government if these cases can not be handled through consultation between the parties involved. Cases of disputes resulted from the implementation of collective contracts shall be brought to a labour dispute arbitration committee for arbitration if these cases can not be solved through consultation between the parties involved. The party that has objections to a ruling can raise a lawsuit with a people's court within 15 days after receiving the ruling.

### **Chapter 11 Supervision and Inspection**

**Article 85** The labour administrative departments under people's governments at or above the county level shall supervise and inspect efforts by the employer to abide by laws and regulations, and have the power to stop any behaviour that runs counter to labour laws and regulations and order correction.

**Article 86** The supervisors and inspectors of the labour administrative departments under people's governments at or above the county level shall have, while performing their public duties, the right to go to the employer to make investigations about the employer's implementation of labour laws and regulations, consult data they deem necessary, and inspect labour spots.

The supervisors and inspectors of the labour administrative departments under people's governments at or above the county level shall produce their documents of certification while performing public duties, impartially enforce laws, and abide themselves by relevant regulations.

**Article 87** Relevant departments under people's governments at or above the county level shall supervise, within the range of their duties and responsibilities, the employer in its observance of labour laws and regulations.

**Article 88** Trade unions at various levels shall safeguard the legitimate rights and interests of labourers, and supervise the employer in its observance of labour laws and regulations.

All units and individuals shall have the right to expose and accuse behaviours that go against labour laws and regulations.

### **Chapter 12 Legal Responsibilities**

**Article 89** If the rules and regulations on labour formulated by the employer run counter to the provisions of laws and regulations, it shall be given a warning by labour

administrative departments, ordered to make corrections, and asked to hold responsibility over harms that may be done to labourers.

**Article 90** If the employer prolongs work hours in violation of stipulations in this Law, labour administrative departments can give it a warning, order it to make corrections, and may impose a fine thereon.

**Article 91** The employer involved in any one of the following cases that encroach upon the legitimate rights and interests of labourers shall be ordered by labour administrative departments to pay labourers wage remunerations or to make up for economic losses, and may even order it to pay compensation:

- (1) Deduction or unjustified delay in paying wages to labourers;
- (2) Refusal to pay labourers wage remunerations for working longer hours;
- (3) Payment of wages to labourers below local standards on minimum wages;
- (4) Failure to provide labourers with economic compensations in accordance with this Law after revocation of labour contracts.

**Article 92** The employer whose labour safety facilities and labour sanitation conditions fall short of State regulations or who fails to provide labourers with necessary labour protection articles and labour protection facilities shall be ordered by labour administrative departments or other relevant departments to make corrections, or be fined. Those involved in serious cases shall be reported to people's governments at or above the county level so that these people's governments can decide and order it to stop production for consolidation. Criminal responsibilities shall be fixed upon the persons in charge according to stipulations in Article 187 of the Criminal Law should the failure on the part of the employer to take measures against possible accidents result in serious accidents and cause losses of labourers' life or properties.

**Article 93** Criminal responsibilities shall be fixed upon the persons in charge in accordance with law if the employer forces labourers to venture to work against regulations and as a result cause major accidents of injuries and deaths and serious consequences.

**Article 94** The employer that recruits juveniles below the age of 16 in violation of law shall be ordered by labour administrative departments to make corrections, and fined. That which involves in a serious case shall have its business license be revoked by the administration for industry and commerce.

**Article 95** The employer that encroaches upon the legitimate rights and interests of women and underage workers in violation of the stipulations of this Law on their protection shall be ordered by labour administrative departments to make corrections, and fined. That which causes harms to women and underage workers shall assume the responsibility over making compensations.

**Article 96** The responsible person of the employer involved in any one of the following cases shall be taken by a public security department into custody for 15 days, fined, or given a warning, and criminal responsibilities shall be fixed upon whoever commits a crime:

- (1) Use of violence, threat or illegal deprivation of personal freedom to force labour;
- (2) Humiliation, corporal punishment, beating, and illegal search or holding of labourers.

**Article 97** The employer shall assume the responsibility over compensation for losses caused to labourers by the invalidity of contracts due to reasons on the part of the employer.

**Article 98** The employer that revokes labour contracts or purposely delays the conclusion of labour contracts in violation of the conditions specified in this Law shall be ordered by labour administrative departments to make corrections and assume responsibility over compensation for any losses that may be sustained by labourers therefrom.

**Article 99** The employer that recruits labourers whose labour contracts have not yet cancelled, thus causing economic losses to the former employer, shall assume joint liabilities for compensation according to law.

**Article 100** The employer that refuses to pay social insurance funds shall be ordered by labour administrative department to pay within fixed periods of time. That which fails to make payments beyond the prescribed time shall be asked to pay arrears.

**Article 101** The employer that unjustifiably prevent labour administrative departments and other relevant departments as well as their workers from exercising supervision and inspection powers or retaliates informers shall be fined by labour administrative departments or other relevant departments. If a crime is committed, the person in charge shall be brought to hold criminal responsibilities.

**Article 102** Labourers who revoke labour contracts in violation of the conditions specified in this Law or violate terms on secret-keeping matters agreed upon in labour contracts shall be asked to hold responsibility over compensation in accordance with law if their violation causes economic losses to the employer.

**Article 103** Criminal responsibilities shall be fixed upon the workers of labour administrative departments or any other relevant departments if they abuse their powers, neglect their duties, and practice fraud for the benefit of relatives or friends to such a degree that they commit crimes. Those who have not committed crimes shall be disciplined administratively.

**Article 104** Public servants and the workers of organizations charged to handle social insurance funds shall be brought to hold criminal responsibilities if they use social insurance funds for other purposes and as a result commit crimes.

**Article 105** If other laws or administrative decrees have already specified punishments for encroachment upon the legitimate rights and interests of labourers in violation of the stipulations of this Law, punishments shall be given in accordance with the stipulations of these laws or administrative decrees.

### **Chapter 13 Supplementary Provisions**

**Article 106** People's governments at the provincial, autonomous regional and municipal level shall work out rules on the steps of the implementation of the system of labour contracts according to this Law and their local conditions and report the rules to the State Council for registration.

**Article 107** This Law shall take effect on January 1, 1995.

## **Appendix I Trade Union Law of the People's Republic of China**

Adopted at the Fifth Session of the Seventh National People's Congress on April 3, 1992, amended in accordance with the Decision on Amending the Trade Union Law of the People's Republic of China made at the 24<sup>th</sup> Meeting of the Standing Committee of the Ninth National People's Congress on October 27, 2001.

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### **Chapter 1 General Provisions**

**Article 1** This Law is enacted in accordance with the Constitution of the People's Republic of China with a view to ensuring the status of trade unions in the political, economic and social life of the State, defining their rights and obligations and bringing into play their role in the socialist modernization drive.

**Article 2** Trade unions are mass organizations of the working class formed by the workers and staff members on a voluntary basis.

The All-China Federation of Trade Unions and all the trade union organizations under it represent the interests of the workers and staff members and safeguard the legitimate rights and interests of the workers and staff members according to law.

**Article 3** All manual and mental workers in enterprises, institutions and government departments within the territory of China who rely on wages or salaries as their main source of income, irrespective of their nationality, race, gender, occupation, religious belief or educational background, have the right to organize or join trade unions according to law. No organizations or individuals shall obstruct or restrict them.

**Article 4** Trade unions shall observe and safeguard the Constitution, take it as the fundamental criterion for their activities, take economic development as the central task, uphold the socialist road, the people's democratic dictatorship, leadership by the Communist Party of China, and Marxist-Leninism, Mao Zedong Thought and Deng Xiaoping Theory, persevere in reform and the open policy, and conduct their work independently in accordance with the Constitution of trade unions.

The National Congress of Trade Unions formulates or amends the Constitution of Trade Unions of the People's Republic of China, which shall not contravene the Constitution of the People's Republic of China or other laws.

The State protects the legitimate rights and interests of trade unions from violation.

**Article 5** Trade unions shall organize and conduct education among workers and staff members in order that they shall, in accordance with the provisions of the Constitution of the People's Republic of China and other laws, give play to their role as masters of the country and participate in various ways and forms in the administration of State affairs, management of economic and cultural undertakings and handling of social affairs; trade unions shall assist the people's governments in their work and safeguard the socialist State power under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants.

**Article 6** The basic duties and functions of trade unions are to safeguard the legitimate rights and interests of workers and staff members. While protecting the overall interests of the entire Chinese people, trade unions shall represent and safeguard the legitimate rights and interests of workers and staff members.

Trade unions shall coordinate labor relations and safeguard the rights and interests enjoyed in work by the workers and staff members of enterprises through consultation at an equal footing and the collective contract system.

Trade unions shall, in accordance with the provisions of laws and through the congresses of the workers and staff members or other forms, organize the workers and staff members to participate in democratic decision-making and management of and democratic supervision over their own work units.

Trade unions shall maintain close ties with workers and staff members, solicit and voice their opinions and demands, show concern for their everyday life, help them solve their difficulties and serve them wholeheartedly.

**Articles 7** Trade unions shall mobilize and organize workers and staff members to take an active part in economic development and to strive to fulfill their tasks in production and other work. Trade unions shall educate workers and staff members constantly in the need to improve their ideological, ethical, technical, professional, scientific and cultural qualities, in order to build a contingent team of well-educated and self-disciplined workers and staff members with lofty ideals and moral integrity.

**Article 8** The All-China Federation of Trade Unions shall, on the principle of independence, equality, mutual respect and non-interference in each other's internal affairs, strengthen friendly and cooperative relations with trade union organizations of other countries.

## **Chapter 2 Trade Union Organizations**

**Article 9** Trade union organizations at various levels shall be established according to the principle of democratic centralism.

Trade union committees at various levels shall be democratically elected at members' assemblies or members' congresses. No close relatives of the chief members of an enterprise may be candidates for members of the basic-level trade union committee of the enterprise.

Trade union committees at various levels shall be accountable, and report their work, to the members' assemblies or members' congresses at their respective levels and be subjected to their supervision as well.

Trade union members' assemblies or congresses shall have the right to remove or recall the representatives or members of trade union committees they elected.

A trade union organization at a higher level shall exercise leadership over a trade union organization at a lower level.

**Article 10** A basic-level trade union committee shall be set up in an enterprise, an institution or a government department with a membership of twenty-five or more; where the membership is less than twenty-five, a basic-level trade union committee may be separately set up, or a basic-level trade union committee may be set up jointly by the members in two or more work units, or an organizer may be elected, to organize the members in various activities. Where female workers and staff members are relatively large in number, a trade union committee for female workers and staff members may be set up, which shall carry out its work under the leadership of the trade union at the corresponding level; where they are relatively small in number, there may be a member in charge of the female workers and staff members on a trade union committee.

In townships, towns or in urban neighborhoods, where workers and staff members of enterprises are relatively large in number, joint basic-level trade union federations may be set up.

Local trade union federations shall be established in places at or above the county level.

Industrial trade unions may be formed, when needed, at national or local levels for a single industry or several industries of a similar nature.

The All-China Federation of Trade Unions shall be established as the unified national organization.

**Article 11** The establishment of basic-level trade union organizations, local trade union federations, and national or local industrial trade union organizations shall be submitted to the trade union organization at the next higher level for approval.

Trade union organizations at higher levels may dispatch their members to assist and guide the workers and staff members of enterprises to set up their trade unions, no units or individuals may obstruct the effort.

**Article 12** No organizations or individuals may dissolve or merge trade union organizations at will.

A basic-level trade union organization shall be dissolved accordingly when the enterprise or institution or government department to which it belongs is terminated or dissolved, and the matter shall be reported to the trade union organization at the next higher level.

The membership of the members of the dissolved trade union organization specified in the provisions of the preceding paragraph may be retained, and the specific administrative measures in this regard shall be formulated by the All-China Federation of Trade Unions.

**Article 13** For a trade union in an enterprise or institution with two hundred and more workers and staff members, there may be a full-time chairman. The number of the full-time functionaries of a trade union shall be determined by the trade union together with the enterprise or institution through consultation.

**Article 14** The All-China Federation of Trade Unions, a local trade union federation or an industrial trade union enjoys the status of a legal person in the capacity of a public organization.

A basic-level trade union organization, which has acquired the qualifications of a legal person as prescribed in the General Principles of the Civil Law, shall, in accordance with law, be granted the status of a legal person as a public organization.

**Article 15** The term of office of the basic-level trade union committee is three or five years. The term of office of the committees of the local trade union federations at different levels and of the industrial trade union organizations is five years.

**Article 16** Basic-level trade union committees shall convene members' assemblies or members' congresses at regular intervals, at which major issues related to the work of trade union organizations shall be discussed and decided. Upon the proposal made by a basic-level trade union committee or over one-third of the trade union members, a provisional members' assembly or members' congress may be convened.

**Article 17** No trade union chairman or vice-chairman may be arbitrarily transferred to another unit before the expiration of his tenure of office. When such a transfer is prompted by the need of work, it shall be subject to approval by the trade union committee at the corresponding level and the trade union at the next higher level.

The recall of the chairman or vice-chairman of a trade union must be discussed at the members' assembly or members' congress, and no such recall shall be made without approval by more than half of all the members at the assembly or congress.

**Article 18** The term of labor contract for the full-time chairman, vice-chairman or member of a basic-level trade union shall be automatically extended from the date he assumes the office, and the term extended shall be equal to the term of office; if the term of labor contract left to be served by a chairman, vice-chairman or member is shorter than the term of office from the date he the assumes the office, the term of the

labor contract shall be automatically extended to the expiration of the term of office, except that he commits serious mistakes during the term of office or reaches the statutory age for retirement.

### **Chapter 3 Rights and Obligations of Trade Unions**

**Article 19** If an enterprise or institution acts in contravention to the system of the congress of workers and staff members or other systems of democratic management, the trade union shall have the right to demand rectification so as to ensure the workers and staff members the exercise of their right in democratic management as prescribed by law.

For matters which should be submitted to the assembly or congress of workers and staff members for deliberation, adoption or decision, as prescribed by laws and regulations, enterprises or institutions shall do so accordingly.

**Article 20** Trade unions shall assist and guide workers and staff members in signing labor contracts with enterprises or institutions managed as enterprises.

Trade unions shall, on behalf of the workers and staff members, make equal consultations and sign collective contracts with enterprises or institutions under enterprise-style management. The draft collective contracts shall be submitted to the congresses of the workers and staff members or all the workers and staff members for deliberation and approval.

When trade unions sign collective contracts, trade unions at higher levels shall afford support and assistance to them.

If an enterprise infringes upon labor rights and interests of the workers and staff members in violation of the collective contract, the trade union may, according to law, demand the enterprise to assume the responsibilities for its acts; if the disputes arising from the performance of the collective contract fail to be settled through consultations, the trade union may submit them to the labor dispute arbitration bodies for arbitration; if the arbitration bodies refuse to accept the case or the trade union is not satisfied with the arbitral ruling, the trade union may bring the case before a People's Court.

**Article 21** If an enterprise or institution punishes a worker or staff member in a manner that the trade union considers improper, the trade union shall have the right to advance its opinion.

Before unilaterally deciding to dissolve the labor contract with a worker or staff member, the enterprise shall inform the trade union of the reasons why; and, if the trade union considers that the enterprise violates laws, regulations or the contract in question and demands that it reconsider the matter, the enterprise shall study the opinion of the trade union, and inform the trade union of its final decision in writing.

Where a worker or staff member believes that the enterprise infringes upon his labor rights and interests and therefore applies for labor dispute arbitration or brings the case before a People's Court, the trade union shall give him support and assistance.

**Article 22** If an enterprise or institution, in violation of laws and regulations on labor, infringes upon the labor rights and interests of the workers and staff members in any of the following ways, the trade union shall, on behalf of the workers and staff members, make representations to the enterprise or institution and demand that it take measures for rectification; the enterprise or institution shall review and handle the matter, and give a reply to the trade union; if the enterprise or institution refuses to make rectification, the trade union may apply to the local people's government for a decision according to law:

- (1) embezzling part of the wages of the workers and staff members;
- (2) failing to provide occupational safety and health conditions;
- (3) arbitrarily extending working hours;
- (4) infringing upon the special rights and interests of female workers and staff members as well as the minor workers; or
- (5) seriously infringing upon other labor rights and interests of the workers and staff members.

**Article 23** Trade unions shall, in accordance with State regulations, see to it that the working conditions and occupational safety and health facilities for enterprises under construction or expansion and for technological transformation projects are designed, built and put into operation or use simultaneously with the main parts of projects. The enterprises or the competent departments shall give serious consideration to the opinions put forth by the trade unions, and inform the trade unions of the results of their consideration in writing.

**Article 24** When the trade union finds that the enterprise gives a command contrary to the established rules and compels workers to operate under unsafe conditions, or when major hidden dangers and occupational hazards are found in the course of production, the trade union shall have the right to put forward proposals for a solution, and the enterprise shall, without delay, consider the proposals and give a reply to the trade union. Where the very lives of the workers and staff members are found to be in danger, the trade union shall have the right to make a proposal to the enterprise that a withdrawal of the workers and staff members from the dangerous site be organized, and the enterprise shall make a decision promptly.

**Article 25** Trade unions shall have the right to investigate into the infringements upon the legitimate rights and interests of the workers and staff members by enterprises or institutions, and the units concerned shall give them assistance.

**Article 26** Trade unions shall participate in investigation into and settlement of job-related accidents causing death or injuries to workers and staff members and in investigation into and solution of other problems seriously endangering the health of workers and staff members. Trade unions shall make proposals for solutions to the departments concerned, and have the right to demand that the persons who are directly in charge and the other persons who are responsible be investigated for their

liabilities. The proposals put forth by trade unions shall be considered and replies be given without delay.

**Article 27** In case of work-stoppage or slow-down strike in an enterprise or institution, the trade union shall, on behalf of the workers and staff members, hold consultation with the enterprise or institution or the parties concerned, present the opinions and demands of the workers and staff members, and put forth proposals for solutions. With respect to the reasonable demands made by the workers and staff members, the enterprise or institution shall try to satisfy them. The trade union shall assist the enterprise or institution in properly dealing with the matter so as to help restore the normal order of production and other work as soon as possible.

**Article 28** Trade unions shall participate in the conciliation of labor disputes in enterprises.

Local labor dispute arbitration bodies shall include representatives of trade unions at the corresponding levels.

**Article 29** Trade union federations at or above the county level may provide legal services to their affiliated trade unions and workers and staff members.

**Article 30** Trade unions shall assist enterprises, institutions and government departments in providing adequate collective welfare services to the workers and staff members and in properly dealing with matters concerning wages, occupational safety and health as well as social insurance.

**Article 31** Trade unions shall, in conjunction with enterprises and institutions, conduct education among the workers and staff members in the need to do their work and protect the property of the enterprises and the State in the attitude of masters of the country, mobilize the masses of workers and staff members in activities to make rational proposals and technical renovations and in sparetime cultural and technical studies and vocational training, and also in recreational and sports activities.

**Article 32** Entrusted by the government, trade unions shall, together with relevant departments, do a good job of choosing, commending, cultivating and administering model workers and advanced producers (workers).

**Article 33** When organizing people to draft or revise laws, regulations or rules directly related to the immediate interests of workers and staff members, the government departments shall listen to the opinions of trade unions.

When working out plans for national economic and social development, the people's governments at or above the county level shall, where major questions related to the interests of workers and staff members are concerned, listen to the opinions of the trade unions at the corresponding levels.

When studying and working out policies and measures on employment, wages, occupational safety and health, social insurance, and other questions related to the immediate interests of workers and staff members, the people's governments at or above the county level and their relevant departments shall invite the trade unions at the corresponding levels to take part in the study and listen to their opinions.

**Article 34** The people's governments at or above the county level may, through meetings or by other appropriate ways, inform the trade unions at the corresponding levels of their important work programs and administrative measures related to trade union work, analyze and settle the problems as reflected in the opinions and aspirations of the masses of the workers and staff members conveyed by trade unions.

Administrative departments for labor under the people's governments at various levels shall, together with the trade unions at the corresponding levels and the representatives of enterprises, establish trilateral consultation mechanisms on labor relations and jointly analyze and settle major issues regarding labor relations.

#### **Chapter 4 Basic-level Trade Union Organizations**

**Article 35** In a State-owned enterprise, the congress of the workers and staff members is the basic form of democratic management of the enterprise and the organ by which the workers and staff members exercise their right to democratic management, and discharges its functions and powers in accordance with the provisions of laws.

The trade union committee of the State-owned enterprise is the working body of the congress of the workers and staff members and takes care of the day-to-day work of the congress, checks and supervises the implementation of the resolutions adopted by the congress.

**Article 36** The trade union committee of a collectively owned enterprise shall support and organize the participation of the workers and staff members in democratic management and democratic supervision, and defend their rights in electing, removing managerial personnel and deciding on major questions concerning operation and management.

**Article 37** Trade union committees of enterprises or institutions other than the ones specified in Articles 35 and 36 of this Law shall, in accordance with the provisions of laws, organize the participation of the workers and staff members in democratic management of the enterprises and institutions by ways appropriate to the enterprises or institutions.

**Article 38** When discussing major issues on operation, management and development, the enterprise or institution shall listen to the opinions of trade union. The trade union in an enterprise or institution shall have its representative(s) attending any meetings held by the enterprise or institution to discuss matters on wages, welfare, occupational

safety and health, social insurance and other questions related to the immediate interests of the workers and staff members.

An enterprise or institution shall support the trade union in carrying out its activities in accordance with law, and the trade union shall support the enterprise or institution in exercising its power of operation and management in accordance with law.

**Article 39** Election of the representative(s) from among the workers and staff members to the board of directors or the board of supervisors of a company shall be conducted in accordance with the relevant provisions of the Company Law.

**Article 40** Basic-level trade union committees shall hold meetings or organize activities for workers and staff members outside production or work-hours; when such meetings or activities are to take up production or work-hours, they shall seek prior consent from the enterprises or institutions.

Part-time committee members of basic-level trade unions shall receive their normal wages, and their other benefits shall remain unaffected if the meetings they attend or the trade union work they do during production or work-hours take up not more than three working days every month.

**Article 41** Full-time functionaries of trade union committees in enterprises, institutions and government departments shall have their wages, bonuses and subsidies paid by the units to which they belong. They shall enjoy the same social insurance and other welfare benefits as the other workers and staff members of their units.

## **Chapter 5 Trade Union Funds and Property**

**Article 42** The sources of trade union funds are as follows:

- (1) membership dues paid by union members;
- (2) contribution, equivalent to two percent of the monthly payroll of all the workers and staff members, allocated by the enterprise, institution or government department where the trade union is established;
- (3) incomes derived from enterprises and undertakings run by trade unions;
- (4) subsidies provided by the people's governments; and
- (5) other incomes.

The contribution allocated by the enterprises or institutions, as specified in Subparagraph (2) of the preceding paragraph, shall be listed and allocated before tax.

Trade union funds shall mainly be used in the service of the workers and staff members and for activities sponsored by trade unions. Measures for the use of trade union funds shall be formulated by the All-China Federation of Trade Unions.

**Article 43** Where an enterprise or institution delays allocating or refuses to allocate the contribution to the trade union without justifiable reasons, the basic-level trade

union or the trade union at a higher level may apply to the local People's Court for an order for payment; if it refuses to obey the order, the trade union may, in accordance with law, apply to the People's Court for compulsory enforcement.

**Article 44** Trade unions shall establish budgets, final accounts and auditing and supervisory systems based on the principle of financial autonomy.

For trade unions at various levels, auditing commissions shall be set up.

Trade unions at various levels shall subject their incomes and expenditures to examination by the auditing commissions at the corresponding levels, report them regularly to the members' assemblies or congresses and receive their supervision. The trade union members' assemblies or congresses shall have the right to express their opinions on the use of funds.

The use of trade union funds shall be subject to State supervision according to law.

**Article 45** People's governments at various levels and enterprises, institutions and government departments shall make available such necessary material means as facilities and places for trade unions to function and conduct their activities.

**Article 46** No trade unions' property, funds, or immovable property allocated by the State may be embezzled, diverted to other uses or arbitrarily disposed of, by any organization or individual.

**Article 47** No enterprises or institutions run by trade unions to serve the workers and staff members may have their affiliation changed arbitrarily.

**Article 48** Retired trade union functionaries at or above the county level shall enjoy the same treatment as retired functionaries of government departments do.

## **Chapter 6 Legal Responsibility**

**Article 49** Where their legitimate rights and interests are infringed upon in violation of the provisions of this Law, the trade unions shall have the right to submit the matter to people's governments or relevant departments for solution, or to bring the case before a People's Court.

**Article 50** Any organization or individual that, in violation of the provisions of Articles 3 and 11 of this Law, obstructs the workers' and staff members' from joining or organizing of trade unions in accordance with law or the effort made by trade unions at higher levels to assist and guide the workers and staff members in establishing trade unions shall be ordered to by the administrative department for labor to make rectification; if it refuses to do so, the said department may apply to the people's government at or above the county level for solution; where grave consequences are caused as a result of the use of such means as violence and threat in

obstruction and thus a crime is constituted, criminal responsibility shall be investigated according to law.

**Article 51** Any organization that, in violation of the provisions of this Law, retaliate the functionaries of trade unions who perform their duties and functions according to law by transferring them to other posts without justifiable reasons shall be ordered by the administrative department for labor to rectify and reinstate the functionaries; if losses are caused therefrom, compensation shall be made to them.

Anyone who humiliates, slanders or inflict injuries upon the functionaries of trade unions who perform their duties and functions according to law, which constitutes a crime, shall be investigated for criminal responsibility according to law; if the case is not serious enough to constitute a crime, he shall be punished by the public security organ in accordance with the regulations on administrative penalties for public security.

**Article 52** In any of the following cases in which the provisions of this Law are violated, the administrative department for labor shall order that the victim be reinstated, his remuneration payable during the period of the termination of the labor contract be made up, or that a compensation two times the amount of his annual income be given:

- (1) the labor contract of a worker or staff member is terminated due to his participation in trade union activities; or
- (2) the labor contract of a trade union functionary is terminated due to the performance of his duties and functions prescribed by this Law.

**Article 53** Any organization or individual that, in violation of the provisions of this Law, commits one of the following acts shall be ordered by the people's governments at or above the county level to rectify, and the said government shall handle the case according to law:

- (1) preventing a trade union from mobilizing the workers and staff members to exercise, according to law, their democratic rights through the congress of the workers and staff members and other forms;
- (2) illegally dissolving or merging trade union organizations;
- (3) preventing a trade union from participating in the investigation into and solution of an accident causing job-related injuries or death to workers or staff members or other infringements upon the legitimate rights and interests of the workers and staff members; or
- (4) rejecting consultation on an equal footing without justifiable reasons.

**Article 54** Anyone who, in violation of the provisions of Article 46 of this Law, embezzles the fund or property of a trade union and refuses to return it, the trade union may bring the case before a People's Court and demand that the fund or property be returned and that the losses caused be compensated.

**Article 55** Where a trade union functionary, in violation of the provisions of this Law, infringes upon the rights and interests of the workers and staff members or of the trade union, the trade union at the corresponding level or the trade union at a higher level shall order the functionary to rectify, or impose a sanction on him; if the circumstances are serious, the functionary shall be removed from office in accordance with the Constitution of Trade Unions of the People's Republic of China; if losses are caused, the liability for compensation shall be borne; if a crime is constituted, criminal responsibility shall be investigated according to law.

### **Chapter 7 Supplementary Provisions**

**Article 56** Specific measures for implementation of this Law by the trade unions in government departments shall be formulated by the All-China Federation of Trade Unions together with relevant government departments.

**Article 57** This Law shall go into effect as of the date of its promulgation. The Trade Union Law of the People's Republic of China, promulgated by the Central People's Government on June 29, 1950, shall be nullified at the same time.