

# China's Cultural War against the West

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My paper explores how an all-encompassing market force has complicated China's renewed cultural war against the West, which was launched initially on political/ideological/cultural fronts. While fending off Western cultural incursion, the battle is now frequently fought on the home turf between China's privately owned online media and the state controlled broadcast media, both vying for preferential policies from the state in relation to, ironically, Western media content. Throughout, the West has served as a punching bag and a convenient archenemy for the Party to rally popular support in the name of patriotism and cultural identity.

Foreign contents are viewed as a threat to state-owned broadcasters who see new media as undermining the revenue streams of traditional media. It is a further threat to the Chinese Communist Party (CCP) who is increasingly wary of Western culture erosion. Back in March 2014, authorities stipulated that the U.S. and U.K. shows must seek approval from censors before they are posted on video streaming sites. The stipulation was prompted by the outcry of the reissuing of two Internet content regulations that the state had previously rolled out, which aimed to root out excessive violence and sex online programming. The online content guidelines were mostly targeted at domestic programming. The regulator's inaction on foreign exports agitated domestic content providers, who appealed to censors for equal treatment so that they could better compete with foreign content providers.

In April, Chinese president Xi Jinping launched a campaign to rid Internet of porn, rumors and other unruly contents, domestic and imported, which soon precipitated the ban of four U.S. TV shows.

## **Slide 1. My WSJ article**

By July 2014, the State Administration of Press, Publication, Radio, Film and Television (SAPPRFT) began to entertain a plan to impose a quota system on the licensing of imported programs by popular Chinese video websites such as Sohu, Youku Tudou, and Tencent, which had collectively streamed about 400 American and British TV shows by then, including *Sherlock* and *The Vampire Diaries*.

By October 2014, rumors started to circulate that SAPPRFT would follow the movie-import quota system by applying a quota system to TV shows. The impact of such a policy would be devastating to Chinese video websites, as imported programs had been their major attractions among the well-educated young audiences, the core web users.

Most avid viewers of Western contents in China are young, well-educated urbanites, including college students and young professionals, part of the "post-1980s generation" with unprecedented access to "a rich tapestry of global culture."

The post-1980s elites are the trend-setters in China's cultural scene, and inevitable future leaders in Chinese economy and government. So the stakes are high for the Chinese state.

Meanwhile, Chinese internet firms are eclipsing traditional firms in revenue and eyeballs.

**Slide 2. Quote from Yu Dong, founder and CEO of Bona Film, one of the major distribution and production company in China.**

**Slide 3. These are the three giants, the so-called BAT**

The BAT trios are changing the way films are marketed and funded in China for both Chinese and Hollywood studios. The three companies are involved in the commercial cycle of just about every **film release** in China. *Alibaba, for instance, forged a three-year deal with the Shanghai International Film festival in 2015 to serve as the fest's official ticketing platform.*

Utilizing film fans as their core audience, the Trios screen hundreds of trailers and teasers, and produce their own TV shows. Their ability to consolidate the different segments of the local market for maximum profits has attracted US entertainment firms. The trios reciprocated by signing deals with Hollywood.

**Slide 4.** Youku Tudou under Alibaba, for instance, co-marketed *Despicable Me* and Disney's *Captain America: The Winter Soldier* in China.

**Slide 5.** iQiyi under Baidu is now responsible for online distribution, marketing and promotion of 800 Paramount titles.

iQiyi partnered with Lions Gate Entertainment (LGF) to offer movies in China through video-on-demand or a subscription service. *SVOD (subscription video-on-demand) and TVOD (transactional video-on-demand).*

Tencent (owner of Wechat—twitter and Facebook all in one and qq—messaging service) signed the exclusive distribution agreements with HBO, National Geographic and Sony Music.

Surprise--They all deliver mainstream US entertainment contents. Thus the battle is fought domestically btwn new and traditional media. And profit incentive complicates the party's cultural cleansing effort.

# 1. After 'Big Bang Theory' Censorship, No Mass Viewer Revolt

- <http://blogs.wsj.com/chinarealtime/2014/05/19/after-big-bang-theory-censorship-no-mass-viewer-revolt/>

## **2. The Digital Disruption**

- **Traditional film companies in China will eventually have to work for the three tech giants' film branches.**

**-- Yu Dong, founder and CEO of Bona Film**

# 3. The BAT Trios

- **Baidu** is China's leading search engine and the owner of iQIYI, a top rival to Youku Tudou
- With a market capitalization at \$246 billion, bigger than Disney and Time Warner combined, **Alibaba** operates the world's largest e-commerce business and is a producer, ticket vendor/promotional partner through its stake in online video platform Youku Tudou.
- **Tencent** owns messaging services QQ and social network service WeChat with nearly 800 million subscribers and is the largest online games distributor in the world

## 4. Youku Tudou

- co-marketed *Despicable Me* and *Captain America: The Winter Soldier* in China
- forged a landmark deal with the 20th Century Fox Youku to stream 250 films to China's 400m online video viewers.

## 5. iQiyi

- Bought the Internet broadcasting rights to 800 Paramount films and future movies including *The Godfather*, *Forrest Gump*, the *Transformers* series, the *Mission: Impossible* series, *Shrek*, *Terminator*, *Kung Fu Panda*, and *Madagascar*.
- It boasts five million paid subscribers with around 6,000 films in its library from China, US, Japan, South Korea, India and countries from Europe.
- iQIYI bought exclusive video-on-demand theatrical window rights to Lionsgate theatrical titles including *Hunger Games* and other tentpole movies.