The London School of Economics and Political Science

A neoliberalizing Chinese cinema: political economy of the Chinese film industry in post-WTO China

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Abstract

This thesis aims to investigate the industry restructuring of the Chinese film industry in the context of China integrating into the global neoliberal capitalist system since its WTO entry in 2002. By interrogating the power dynamics between the Party-state, domestic capital and transnational media capital, this thesis explores respective roles each of the three stakeholders have played in shaping the commercialization and marketization of the Chinese film industry. Methodically, this thesis primarily relies on elite interviews with industry professionals, together with critical discourse analysis of one key policy document, and secondary data collected from news outlets, trade publications, industry reports, etc. Drawing on the empirical data, I present four main arguments.

First, in light of China's culture system reform and the evolution of film policies since 2002, the Party-state continues to utilize film as an ideological instrument for consolidating the Party's hegemonic rule and sustaining its legitimacy. The Party-state proves ingenious in governing the Chinese film industry at the discursive level as China experiencing the integration into global neoliberalism. Second, despite the installation of the market mechanism in the film sector, the Party-state manages to retain control over the Chinese film industry, not only on the ideological front, but also in the economic sense by partaking in the competition with private capital, domestic and foreign. Third, the Chinese film industry has been profoundly transformed by the trend of conglomeration driven by other capital-intensive industry sectors in China, in particular the internet sector. Riding on their explosive success in the new century, several key tech giants seek to build Chinese media conglomerates that are competitive on the global scale. This process is further complicated by the keen participation of transnational media capital, mainly Hollywood players. Co-production film projects best epitomize the transnational collaboration which however, haven't achieved much success. Fourth, the Chinese film workers have developed professional skills that enable them to navigate between political imperatives, commercial demands, and personal fulfilment. The mental struggle of balancing individual artistic vision with political and commercial constraints is palpable for film practitioners on a daily basis, though to varying degree. One way of coping with the challenge is exercise agency in a highly depoliticized manner, channelling creative energy into filmmaking activities that are either considered politically safe, or in accordance with the official ideologies, in some cases pandering to the Party-state. The fact that Chinese film workers actively transform themselves into depoliticized subjects in their professional work, indicating neoliberalism as a national hegemonic project at its core.

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Last but not least, I want to dedicate this thesis to my parents, my grandma and my cat Paco. Along the journey I lost my mum and grandma, but I know they are here with me, every minute, every day, and always will be.

CHAPTER 1 INTRODUCTION

1.1 Background and justification

Now as I look back at my research journey, several things—industry news as well as fieldwork observations—come straight to mind. They are noteworthy at the beginning of a critical narrative about the commercialization and marketization of the Chinese film industry since 2002 for three reasons. Firstly, these brief anecdotes make different stakeholders explicit as participants in the narratives surrounding the Chinese film industry, highlighting their role in shaping the dynamics of the Chinese film industry. Secondly, they encapsulate the complicities and ambiguities embedded in the power relations between those stakeholders. And most importantly, they help shed light on the intricate connections between the Chinese film industry and the broader sociocultural and political conditions of post-WTO China.

When Feng Xiaogang was approached by e-commerce tycoon Jack Ma, the Chairman of Alibaba Group, with the offer of a job, he hesitated at first. As an established film director with a reputation within Chinese and international circles, he considered it beneath his dignity to direct a gala to promote an online shopping event for Singles' Day on November 11, 2015 (Zhang, 2015). However, Jack Ma successfully persuaded Feng to take the job by telling him to "catch up with the trend" (Ibid). Indeed, the interaction between renowned film directors and commercial events was to become a trend—one engineered and propelled by Alibaba and other Chinese Internet companies—and it would go on to transform the Chinese film industry dramatically (Ibid). The news that Feng Xiaogang had agreed to Ma's proposal resonated instantly with a bold statement Ma had made one year earlier in a keynote speech he delivered at the WSJ.D Live conference in Laguna Beach on October 27, 2014, when he had proclaimed Alibaba "the biggest entertainment company in the world" (Bond, 2014).

Starting from July 1, 2017, the Chinese audience found themselves bombarded by a three-minute-long promotion video entitled "*The Glory and the Dream—Our Chinese Dream*" (光荣与梦想—我们的中国梦系列公益片) before every picture in theatres.[1] Followed by the distinguished Dragon Logo (龙标 *long biao*)[2], the film release license without which rejection of theatrical release is guaranteed, these propaganda videos introduce themes including the "*Chinese Dream*" (中国梦), core socialist values, the four comprehensives, and the five-in-one overall arrangement. The parallel between this promotional video and historian William Manchester's book *The Glory and the Dream: A Narrative History of America, 1932-1972* (1974) is blatant (Kwok, 2017). As if the term Chinese Dream itself is not suggestive enough, the video puts forward a message that makes party doctrines ever more the centre of attention.

I share these stories in an attempt to draw attention to three major aspects of the transformations encompassing the Chinese film industry within the timeframe of 2002-2017, which comprise the theme of this thesis. First, I aim to revisit the state-cinema relationship and the way in which the Party-state utilizes the Chinese film industry as an ideological instrument to consolidate its ruling hegemony and legitimacy amongst domestic audiences and to boost its soft power abroad. Second, I try to examine the involvement of transnational capital and domestic capital from outside the film sector, specifically the Chinese Internet corporations, in pushing and shaping the commercialization and marketization of the Chinese film industry as China integrates into global neoliberal capitalism. And third, I draw on original interviews with film professionals to explicate their coping strategies in terms of navigating between political imperatives, commercial demands, and personal, artistic and aesthetic fulfilments.

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[1] http://ent.people.com.cn/n1/2017/0626/c1012-29363474.html

[2] In Mainland China, film release license is commonly referred to as the "dragon logo", because it has a yellow dragon-shaped logo on the red background. The remarks followed the logo changed from "the Film Bureau, State Administration of Radio, Film & Television" to "the China Film Administration" in December 2018, in accordance with administrative reshuffle undertook in early 2018. See more in Chapter 4 on film policy.

The 21st century has witnessed the mounting visibility of the Chinese film industry as a globally recognizable power player. In terms of typologies of cinema, it is experiencing what might be termed a transition from a postsocialist third world cinema to a regional powerhouse imaging and claiming the global as its scale of operation. No sign is more explicit of the meteoric rise of the Chinese film industry than the annual growth in the number of feature films, box office sales, and cinema screens (see Tables 1.1 and 1.2 below). On average, China's box-office takings grew by an annual rate of more than 40% from 2003 to 2010. And in 2012, China's domestic film revenues surpassed those of Japan, making the Chinese film market the second largest in the world, second only to the United States.[3] With fewer than 4,000 screens in 2007, the number of movie screens increased to 54,165 by March 2018, which means it has been increasing at an average of 19 screens a day since 2012.[4] The nation-wide infrastructural renovation and adaptation in part and by degrees enabled and accelerated by the real estate boom in China since 2009, help lay the foundation for a burgeoning domestic film market.

[3] https://www.economist.com/business/2015/10/15/lost-in-shangywood
[4] https://www.thetimes.co.uk/article/china-overtakes-us-for-having-the-most-cinema-screens-w9z7cvnn3
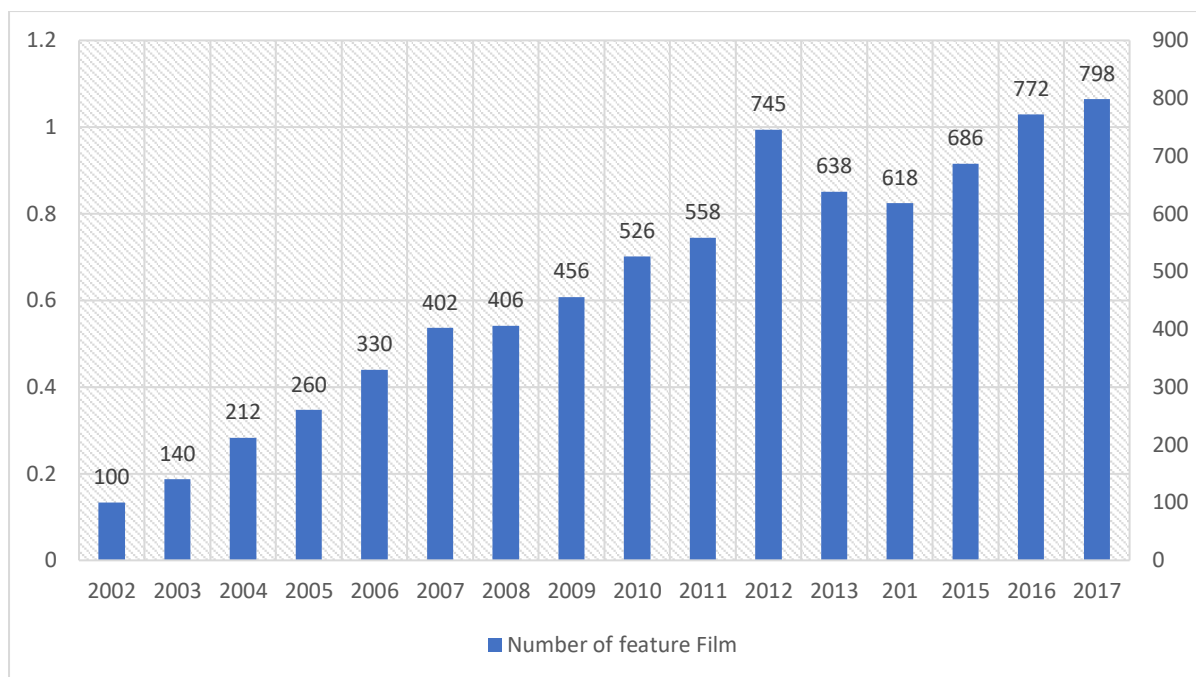
Table 1.1: Number of feature films from 2002 to 2017

Source: China Film Yearbook, Film Industry Research Report
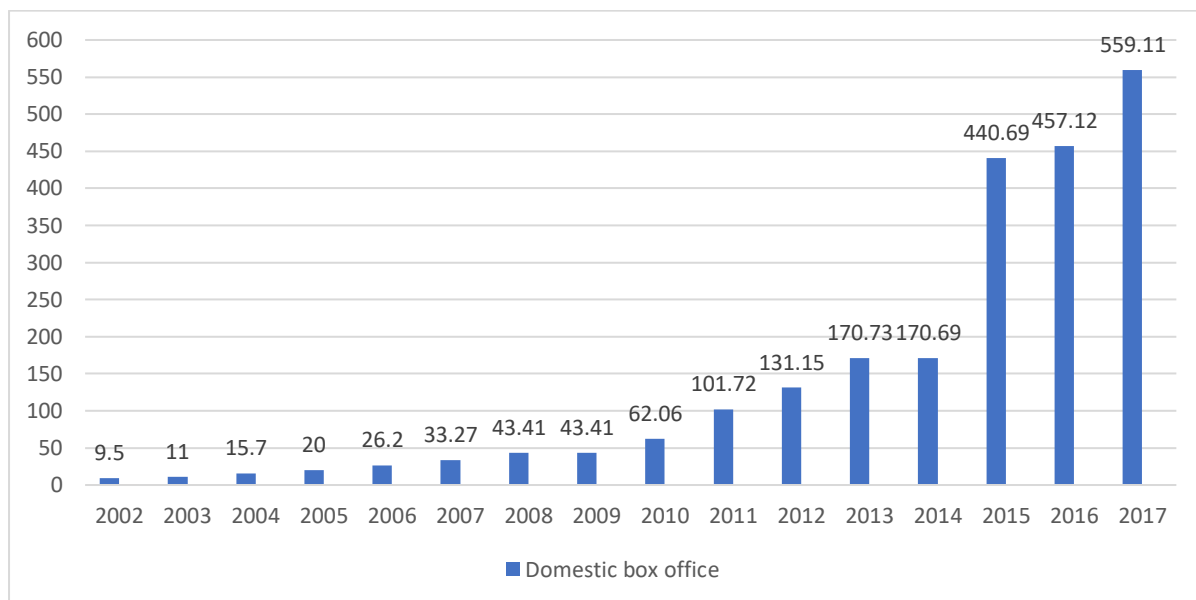
Table 1.2: Annual domestic box office revenue from 2002 to 2017

Source: China Film Yearbook, Film Industry Research Report
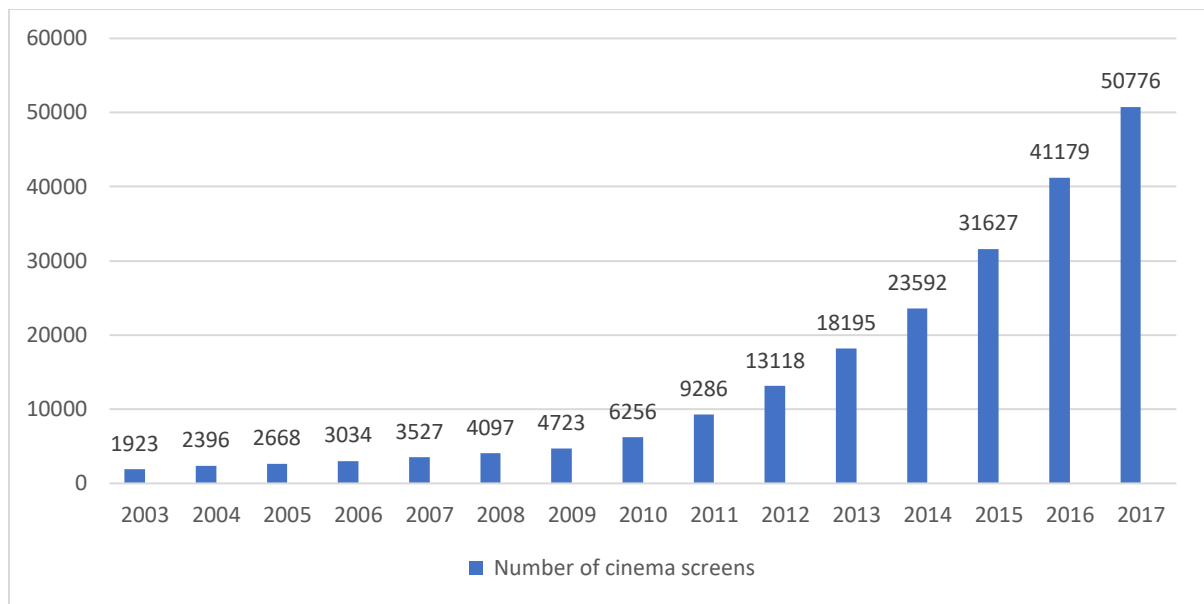
Table 1.3: Number of cinema screens from 2003 to 2017

Source: SAPRRFT, Film Industry Research Report

The film screening infrastructural improvements and transformations have to be seen in tandem with changes in the production of filmic content. The once historical wuxia epics popularized by Director Zhang Yimou have experienced a rapid decline, turning the *dapian* (大片) phenomenon overnight into a seemingly obsolete object of research. In place of the so-called Chinese blockbusters are now hundreds of commercial genre films. Chinese filmmakers are taking a page from Hollywood scripts and focusing on producing genre films, including romantic comedies, thrillers, crime, horror, and more. This increased diversification in content can also be seen as a timely response to demographic changes in the audiences for films in China, with an increment in the proportion of young viewers. Along with the proliferation of genre films is the growing appeal of local films, although Hollywood blockbusters still generate huge chunk of annual box office revenue. The opening up of the Chinese film market makes it one of the most desired overseas markets and collaborative partners for more mature film industries such as Hollywood, or those closer in terms of geographical and cultural proximity, such as the Korean film industry. The dazzling rise of the Chinese film industry is astutely

captured by western media where the dominant power of the global film industry lies. For example, in a December 2013 edition, *The Economist* devoted a cover to "China's Hollywood", proclaiming the emergence of a promising film market in the East.[5]

Considering that Chinese cinema only began to be incorporated into China's economic reform programme in the early 1990s, this is without doubt a major achievement. Historically, films and the cinematic apparatus came to China from the "West", along with the warships that forced "free trade" on China in the mid-19th-century Opium Wars (Zhang, 2004). As a new form of art and entertainment originating in the West, films arrived in Shanghai in 1896, only one year after their initial "invention" and screening. From the late nineteenth century until 1949, foreign films accounted for 90 percent of the Chinese screening market, among which Hollywood films were the predominant presence from the 1920s to the 1940s (Lu, 1997; Xia, 2002). At the end of the civil war and soon after the founding of the People's Republic of China (hereafter PRC), an indigenous cinema was developed and nationalized under the leadership of the Communist Party of China (hereafter CCP), turning into a state-owned enterprise that was stripped of its previous industrial elements, and made to serve merely as a crucial part of the various mediated "ideological state apparatuses" (hereafter ISA) (Althusser, 1971).[6]

If the foregoing discussion suggests a crude turning of cinema to an ideological tool, it reflects the historical realities. Production was subsidized and ideologically motivated with the purpose of propagating communist ideology and ensuring the Party's political control. The profit

[5] https://www.economist.com/christmas-specials/2013/12/21/the-red-carpet

[6] The term "ideological state apparatus" (ISA) was developed by the Marxist theorist Louis Althusser (1971) to denote institutions such as education, the churches, family, media, trade unions and the law, which are formally outside state control but which serve to transmit the values of the state, to interpellate those individuals affected by these, and to maintain order in a society, and above all to reproduce relations of production. Ideology refers to a system of meaning that helps to define, explain and produce the social "reality" that "serves to establish and sustain relations of domination" (Thompson, 1984: 56).

motive for cinema production which was burgeoning in other more capitalistic states was brought to a halt or completely eliminated by the endless political turmoil of the Maoist era, and was not reinstated for half a century. The Party guidelines were driven to even further extremes during the ten years of the Cultural Revolution (1966-1976) and, subject to the unrelenting political demands of the Maoist leadership, Chinese cinema was reduced almost to the role of a transparent vehicle for political propaganda and ideological indoctrination (Yin & Ling, 2002). Foreign films that were allowed to enter China were selected predominantly from socialist-bloc countries.[7] As a result, exchange between Chinese cinema and the outside world was extremely limited thought not entirely eliminated (Ma, 2016).

Apart from that, Chinese cinema has maintained its connection with world cinemas to varying degrees. In the 1980s when China started to open its door to the outside world, US films that passed strict censorship began to reappear in China on a very small scale. For example, in 1986 China established cooperative ties with America's Music Corporation of America (hereafter MCA) and agreed to import films from MCA for several years. Similar treatment went to Columbia Pictures Industries Inc, 20th Century Fox and The Walt Disney Company. Even then, the imported films were either played on Chinese TV channels or exhibited in limited theatres for very circumscribed audiences.

In 1989 the Tiananmen Square Incident temporarily interrupted the thaw in cultural exchange which then resumed about three years later, signifying the second return of Hollywood film importation. In 1994 when the US and China signed an agreement regarding intellectual property rights, a quota system of 10 movies per year on the basis of revenue-sharing was

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[7] During the thirty years from 1951 to 1981, only one American movie was allowed to be shown in China, *Salt of the Earth (1954).*

imposed on the import of Hollywood movies for the first time. The year 2002 when China

entered the World Trade Organization (hereafter WTO) marked a turning point for China's

integration into global capitalism, which also sets the backdrop against which the new Chinese

film industry began to embark on its path towards globalization. The original 10 slots restricted

by the quota system increased to 20 in 2002, and in 2012 an extra 14 slots were added for 3D

and IMAX films, bringing the total revenue-sharing slots to 34 (Coonan, 2014).

The market-driven shift in cultural production did not emerge until the 1990s when the official

label of "socialist market economy" justified the extension of market reforms to new areas of

the national economy. For the first time in history, the Chinese film industry was put on the

front line of economic restructuring. In the early 2000s, many documents issued by the State

Administration of Radio, Film, and Television (hereafter SARFT) began to refer to cinema as

an "industry" or *chanye*, rather than by the previously used term "cause" or *shiye*, which had

implied an understanding and acknowledgment of cinema's political and pedagogical functions

in China.[8] Thereafter, a process of marketization and commercialization took off at full speed

with China becoming a member of WTO. 2002 is therefore a landmark for the modernization

of Chinese cinema in the sense that for the first time, the film industry became a part of China's

overall integration into transnational capitalism and was pushed into direct economic and

ideological competition with external forces, particularly referring to Hollywood. In early 2003

the film industry was claimed to be the most promising pillar-industry among cultural

industries by the Chinese authority with remit for strengthening the marketization agenda.

Since then a series of policy reforms have paved the way for a painful process of wrenching

industrial restructuring. The formerly state-subsidized and Party-controlled propaganda

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[8] The regulatory institution later changed its name to State Administration of Press, Publication, Radio, Film and Television
of the People's Republic of China (SAPPRFT) in 2013.

machinery of cinematic production was put to the test of the market economy and has gradually turned into a system regulated by state supervision but also compatible with commercial imperatives. In anticipation of Hollywood's aggressive expansion in the Chinese film market upon China's accession to the WTO, filmmakers and industry observers agonized about "the wolves at the door" (Zhao & Schiller, 2001). This anxiety-laden discourse gradually withered away in public discussion when the government showed a strong determination to push for economic reforms in the cultural sector and to work with transnational capital. However, the Chinese film industry soon faced challenges shared by other national cinemas which have also been plagued by marketization. Therefore, the initiative to rebuild the link between Chinese cinema and the outside world was mostly considered as a remedy for China's ailing national cinema as it went through the growing pains of commercialization and marketization (Zhu, 2003).

One thing I want to clarify here concerns my use of terminology. Much scholarly attention has been paid to the formation of Chinese art cinema that came into being in the late 1970s as a counterpart to mainstream cinema (Lei, 2003; Yang, 2018). [9] Following its own path of development in the Reform Era (1978-present), Chinese art cinema has already been comprehensively studied not only for its aesthetic properties, but also as an integral part of the entire Chinese film system, as it contributes to a broader investigation of the social dynamics of postsocialist Chinese society. In a way, mainstream cinema and art cinema are two sides of the same coin. Confined by scope and scale, my research concentrates on mainstream cinema, as opposed to art cinema, which operates according to different sets of logics, both institutionally and aesthetically. Hence, the terms I will use in the rest of this thesis such as

[9] Please read Yang (2018) for a concise yet comprehensive explanation of the categorization from a historical perspective.

"Chinese cinema in the post-WTO era" and "a neoliberalizing Chinese cinema" only refer to Chinese mainstream cinema within the timeframe of 2002-2017 (the justification for this timeframe can be found in the next section), while leaving out other significant components of Chinese cinema of the same time period, normally known as Chinese independent cinema or cinema of the urban generation (Zhen, 2007). Additionally, this categorization should be differentiated from another widely accepted classification method which sorts all Chinese films into three all-encompassing categories: leitmotif (propaganda) film, entertainment (commercial) film, and art film by the start of the 1990s (Zhang, 2007; Zhen, 1994). My usages of those descriptive terms for films in the following chapters comply with this classification method.

In summary, a brief retrospective account of the Chinese film industry in the contemporary arena seems to suggest a prosperous and growing indigenous film market that has greatly benefited from the government's de-regulatory policies towards the cultural and media sectors since 2002. The cultural system reforms initiated at the beginning of the twenty-first century appear to have provided fertile ground for the development of the Chinese film industry, as a constituent of the other Chinese cultural industries, which has been zealously pushed by the Chinese authorities to the forefront of market reforms.[10] Nevertheless, there is no shortage of evidence showing that the Chinese film industry is continuing to experience a turbulent period of transformation that is characterized by uncertainties, conflicts and chaos.

At the forefront, the entry of Internet companies awash with capital is turning the film industry into an integral part of a much bigger picture. Waves of mergers and acquisitions across the IT, media and entertainment sectors are setting a tone of consolidation and conglomeration that

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[10] The genealogy of China's cultural system reform will be elaborated in Chapter 4.

is by and large driven and led by tech giants. Great threats are imposed upon film forerunners who have been spending about a decade trying to establish leading positions in the film industry. Established film companies, in turn, are feeling the pain of industrial and technological upgrading due to the penetration of Internet companies into the entertainment domain. These Internet-companies-turned-film-producers in turn have taken on a significant role in shaping the contours of the development of the Chinese film industry in recent years, and will most certainly be implicated in changes in narrative, form and content in years to come.

These new conditions are wearing away the advantages that established Chinese cinema producers have built through time, experience and great effort, while appearing to give Internet companies the upper hand in the Chinese cinema industry within just a few years. Now, both parties are improvising in the face of a film market changing at an unprecedented pace. To make sense of the transformations taking place in the Chinese film industry, it is of vital importance to look at the way it fits into the economic transition that is to large extent defined by the advancement in digital technologies. During this contemporary period of industrial transformation, newcomers are looking for ways to rebuild the entire industry order, while old players are striving to adjust their business models to adapt to this new environment.

The dynamics in the Chinese film industry are further complicated by the continuing pressure to open up its film market as part of the WTO membership package. Enjoying the benefits of state protectionism, domestic films outplayed foreign films in the local market in terms of box office performance in 2013. However, that's the exception to a long history of foreign films taking up more than half of the box office share in China. With the full-scale opening up of the Chinese film market in 2017, people cannot help but brood over the question as how to cope

with the Hollywood attack. My research captures the proactive strategies of local companies to expand globally. Thorny questions, however, remain: under a global neoliberal framework to what extent can and will the Chinese state intervene in the imbalanced flows of transnational capital and culture, and in which ways can the Chinese film industry unsettle the existing power relations embedded in the global film market?

With capital flooding in, filmmaking is increasingly subject to the logic of commerce. Under radical financialization and market-driven calculations, films become highly replicable products with similar ingredients and little imagination or creativity so as to reduce risk and ostensibly to guarantee returns. Creative and critical potential appears to be stifled when the big screen is rife with stories about urban youth and historical legends, most of the time to say the least, made worse by the elusive censorship system and by knowing self-censorship. Box office fraud has become a common practice in the Chinese film industry. Without sophisticated and effective regulatory mechanisms in place, misbehaviours such as "buying/stealing box office" are rampant under the table.[11] Theatres adopt all sorts of means to manipulate box office data and viewership figures to artificially inflate reported ticket sales. Manipulating and fabricating online reviews on major online platforms by hiring a so-called "water army" to boost marketing or to smear competing products is also commonplace.[12] The "Water army" is a nickname for web users who are hired to talk up or talk down a given movie. For every post, one would be paid 10 to 50 Chinese cents. Usually those who do this dirty work only get around 40% of what the film companies spend on it. The rest goes to online promotion firms acting as middlemen. So, one notorious marketing strategy is to launch a clandestine smear campaign against competitors slated for the same time period by hiring a "water army". Not to mention

[11] https://m.pedaily.cn/news/430784
[12] http://www.chinanews.com/cul/2012/12-19/4421675.shtml

other undercurrents going unreported in mass media such as casting couch scandals, and how film businesses are used as the ideal vehicle for money laundering.[13] All these irregularities add to a tumultuous and problematic reality that is strikingly incomprehensible to an outsider.

In this thesis I examine the 21st Chinese film industry as a social, cultural and political formation in the context of China's official integration into the global capitalist system, epitomized by China's entry into the WTO in 2002. Instead of studying the aesthetic and cultural dimensions of cinema, a tendency that has dominated research on Chinese cinema for decades long, I apply the approach of critical political economy to analysing the Chinese film industry as a socially integrated economic institution imbued with cultural and ideological implications. By examining the industrial restructuring of the Chinese film industry in post-WTO China when cultural production and circulation is increasingly influenced by and intertwined with forces of global capitalism and technological advancement, this thesis aims to explore the complex dynamics between the Chinese state, domestic capital and transnational capital, with an especial focus on the changing role of the Party-state in shaping the cinematic scene, both domestically and globally.

1.2 Contextualization and qualification

In light of the massive scale and complexity of Chinese cinema, to make this research manageable, I set up specific temporal and spatial boundaries in my thesis. Temporally, I use China's accession into the WTO in 2002 as the starting point for a new formative period of

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[13] The producer interviewee who revealed to me those shadowy sides of the film industry asked to remain anonymous and off the record. According to the producer interviewee, some would actually pay money to be a part of big productions, usually playing supporting roles. And a select few can have their sugar daddies underwrite big-budget projects and surround themselves with big names.

Chinese cinema. Although except during the Maoist era Chinese cinema has never really been completely isolated from the outside world, it was not until China became an official member of the WTO that the idea of "globalization" can be said to have applied in defining Chinese cinema at a discursive level.[14] For the sake of analytical clarity and consistency, I delimit the timeframe of the post-WTO era from 2002 to 2017. Accordingly, all the movies I mention in this thesis, either briefly as examples or extensively for textual analysis, are ones that were produced and exhibited during this specific timeframe.

Spatially, the focus of my research is on cinema of Mainland China or PRC, which I am fully aware is an organic component of a much larger cinematic constellation (Lim & Ward, 2011; Rojas & Chow, 2013; Zhang, 2004; Zhang, 2012). I acknowledge the fact that Mainland Chinese cinema has, to varying degrees, always maintained connections with cinemas from other areas of Greater China such as Hong Kong cinema and Taiwan cinema. However, given its enormity as an object of study, I narrow my research object down to Mainland Chinese cinema, which I believe deserves in-depth examination in its own right.

This research project is concerned about the production of cultural commodities, which in this case refers to a process and a range of activities concerning film production, circulation, distribution and exhibition. As such, I acknowledge the importance of both textuality and consumption, and therefore in coming chapters, textual analysis of film (summary of themes, plots and characters) will be conducted to examine how nationalism and its relation to the state is reflected and performed in the Chinese film industry; nevertheless, this is essentially, a piece of research into cultural production within a capitalist system stamped with Chinese

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[14] I use globalization in a narrow sense, as interchangeable with the "going global" scheme. I would also like to clarify that the CCP's comprehensive "going out" strategy came before the logic applied to the film sector. Devised at the turn of the century, the policy encouraged Chinese enterprises, backed by the country's foreign-exchange reserves, to acquire assets and expand business overseas.

characteristics. Yet, contrary to belief that political economic research is solely concerned with the social materialist condition in which cultural products are made into formation, it also relies on other theoretical resources and methodologies which integrate non-materialist elements into understanding and explaining production processes. A critical approach to policy analysis premised on the recognition of the power of language will be appropriated in this research to investigate the ways in which the CCP leadership naturalizes and legitimizes particular official ideologies through political documents.

This is also a research project conducted from an institutional perspective. It proposes that national cinema strives for viability and survival in a market economy conditioned by the logic of neoliberal globalization, subject to international regulatory laws, and in competition with other national cinemas and other media formats. It locates the development of the Chinese film industry at the intersection of commerce (both domestic and global market economy), cultural production, and the Chinese Party-state against the background of neoliberal globalization. More importantly, it foregrounds the role of the Chinese Party-state in mediating other forces, including domestic capital, transnational capital and international institutions. However, using the state as point of entry to analyze the Chinese film industry is by no means giving the state supreme status in relation to other factors. Instead, it acknowledges the fact that with regard to the Chinese cinema industry the state is in a continuously and mutually constitutive relationship with other forces in various forms.

Ultimately, my research utilizes the Chinese film industry as a vantage point to examine China's changing state-society relationship and its interaction with transnational capital. In Chinese cinema studies today, it is rare to find thorough studies of how decades of economic restructuring have been fabricated and embodied in Chinese cinema. The film industry, the

most political and commercial of modern industries, serves as a crucial space to observe how reality of "socialism with Chinese characteristics" unfolds and what challenges facing China as it emerges as a major world economy and cultural force. In no other sectors are the powerful forces of ideological politics and commerce so dramatically and visibly joined together and presented to the people as a single product. Thus, the Chinese film industry offers a purview into both the political economy of China's neoliberal project and its far-reaching implications on culture, thus contributing to the discussion of variations of neoliberalism across the globe.

I do not intend to take on the task of providing a comprehensive account of this transformative and decisive period of the Chinese film industry, which would require thorough analysis of every aspect of cinema from ideology, to aesthetics, economics, technology and audience. Instead, I focus on political, economic and cultural factors conducive to the changes in the Chinese film industry, manifested in state policies, institutional restructuring, and filmic content.

1.3 Critical political economy approach to the analysis of film industry

Research on Chinese cinema has been undertaken by scholars from a wide range of disciplines and perspectives.[15] Researchers with a political economic background have criticized the heavy inclination towards textual analysis and film theory in Chinese film studies (Zhu, 2003). This

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[15] Chinese film studies has been a bourgeoning field in academic circles since the mid-1980s. Influential works of Chinese film studies include *Perspectives on Chinese cinema* (1991) edited by Chris Berry, Paul Clark's (1987) *Chinese cinema: Culture and politics since 1949*, *New Chinese cinema: Forms, identities, politics* (1994) edited by Nick Browne, et al., and Jerome Silbergeld's (1999) *China into film: Frames of reference in contemporary Chinese cinema*. Rey Chow's *Primitive passions: Visuality, sexuality, ethnography, and contemporary Chinese cinema* (1995) is framed by postcolonial theories. Jinhua Dai and Shuqin Cui approached the Chinese cinema through the lenses of feminism theories. See also Cui Shuqin's (2003) *Women through the lens: Gender and nation in a century of Chinese cinema* and *Cinema and desire: Feminist Marxism and cultural politics in the works of Dai Jinhua* (Dai et al., 2002).

text and theory centred approach should come as no surprise. Given its functionalist role in the history of China's modernization throughout the 20th century, Chinese cinema has always foregrounded its ideological, pedagogical and artistic values over economic ones. Research is predominately focused on the relation between Chinese cinema and the formation of Chinese modernity. Moreover, the marketization and commercialization of Chinese cinema only began in 1984. Cinema in China has more often been treated as part of state propaganda apparatus rather than an independent economic institution operating with an independent economic logic. Studies of film history, national identity and national culture, ideological analysis of texts informed by Western critical theories are the research orthodox.16 Only a minority of scholarly publications focus on how political and economic reforms initiated by the CCP government have changed the Chinese film industry. Two clusters of literature contribute to the collection.

First is a series of studies about commercial filmmaking since the 1990s when Hollywood was re-introduced to China in 1994 of which most are PhD theses, while others are sporadic research, scattered as book chapters and journal articles.17 Wu's (1992) PhD thesis titled *The Chinese film industry since the 1977* is arguably the first comprehensive political economic and historical analysis of the Chinese film industry after the "reform and opening up" (gaige kaifang) policy initiated by the CCP government.18 It delves into the institutional restructuring of the film industry against the background of China's post-Cultural Revolution period until the early 1990s. Zhu's book *Chinese cinema during the era of reform* (2003) is one rare

16 This is evident from three recent compilations regarding Chinese cinema: *Companion to Chinese cinema* edited by Zhang (2012), *The Chinese cinema book* edited by Lim and Ward (2011), and *The Oxford handbook of Chinese cinema* edited by Rojas and Chow (2013). Their analytical framework is either based on periodization of film history or on cinematic expressions, styles, theories. Notable individual works include Cornelius, S. & I. H. Smith (2002) and Leyda (1972).
17 Particularly worth mentioning is Liu's *The Film industry in Communist China* (1965), one of the earliest attempts to examine the structure of the Chinese film industry itself. There are also a few book-length studies contributing to narrate the history of the Chinese film industry before or around the early 1990s. See Clark (1987), Ni (1994), Wu (1992).
18 "Reform and opening up" policy refers to economic reforms adopted by the CCP government under Deng Xiaoping's power which started in December 1978.

example looking at Chinese cinema's first entertainment wave from the mid 1920s to the early 1930s in conjunction with the transition from art to popular entertainment cinema from the mid 1980s to the 1990s.[19] Zhang (2008) follows a similar line of argument in his book *The cinema of Feng Xiaogang: Commercialization and censorship in Chinese cinema after 1989* in which he situates Feng's career in parallel with the trajectory of private Chinese film productions since the late 1980s, emphasizing the film officials' indecisive attitude towards the function of cinema and its impact on elite filmmakers. In a similar vein, Zhou (2007) looks into the installation of capitalist production in the film sector alongside the television sector. Zhu and Nakajima (2010) examine reforms from the mid-1980s to the early-2000s that were attempts to resuscitate the declining film industry. Chu (2010) analyzes the relationships between the market, the state, society, and transnational capital in light of changing culture policies since 1978. All of these authors cited above share the view that the state is withdrawing its overwhelming ideological influence in the face of ascending market power, as Dai (2006) suggests, "the political trajectory has been rewritten by the capitalist logic". However, the state has also effectively incorporated this logic and further consolidated its hold over the film industry with the help of domestic and foreign capital.

Another group of political economists have been doing research on the state governance of media industries in China in the last decade or so (Lee, 2000, 2003; Lee, He & Huang, 2006; Qiu, 2007; Stiglitz, 2002; Wacker, 2003; Zhao, 1998, 2003, 2008a, 2008b; Zheng, 2004). These scholars treat media and communications as the prism for analysing state transformation against the backdrop of China's integration into a global neoliberal capitalist system. Their studies address the conspicuous contradiction between a socialist legacy and a capitalist agenda

[19] Zhu Ying is one of the prolific scholars writing about the Chinese film industry in the 21st century in mass media. Relevant publications can be found on ChinaFile, The New York Times, The Atlantic, The Los Angeles Times, etc.

that has become embedded within the transformation of China's media system since the early 1990s. One of the tasks they undertake is to deconstruct the monolithically repressive image of the Chinese state circulating in several Western journalistic discussions about China, and instead to propose a more nuanced approach to Chinese state power. Notably, Zhao (1998, 2003, 2008a, 2008b) observes that the restructuring and rationalization of China's national media system under the new market logic has predominately taken the form of bureaucratic monopoly capitalism. In this view the government is constantly caught between the Party's insistent ideological leadership and the imperative to create a stronger media industry to withstand the influx of foreign content and ownership. Media organizations under the control of the Party assume the twin objectives of capital accumulation and ideological legitimization. Inevitably, discrepancies exist between official ideologies propagated by the state and the way these are acted upon and rearticulated among media elites.

Although the film industry is not at the center of critical political economic research on Chinese media, there are still some insightful analysis of Chinese cinema contributed by this approach. For example, I find Zhao's (2010) analysis of *Hero* (2002) from a transnational and transcultural political economic perspective particularly helpful. Through an interpretation of *Hero* as the manifestation of China's place in the global political and economic order, Zhao reveals the inherently contradictory process of China's global reintegration of the post-WTO era.

Moving beyond the Chinese case, it is Hollywood, the most prominent and powerful film industry in the world, that initiated scholarly interest in the political economic analysis of cinema. Different from media economists, critical political economists take on the task of unpacking power relations embedded in economic activities of film industry. They examine

market structure and performance of film industry in the larger context of capitalist society, aiming to deconstruct the myths of globalization, free market, free competition. Important works include Bettig (1996), Guback (1969, 1989), Miller et al. (2005), Wasko (1981, 1985, 1995, 2003), among which Hollywood domination of international screen market is a recurring theme.

Guback's essay in 1978 entitled "*Are we looking at the right things about film?*" laid the groundwork for this research field. He argued that film studies have traditionally overlooked the analysis of cinema as an economic institution and overwhelmingly has emphasized criticism and theory. Guback's work (1969, 1979, 1985) focuses on documenting Hollywood's economic and ideological domination, with the assistance of the US government, over the international cinema landscape. Wasko (1981, 1985, 1995, 2003, 2005) raises awareness about the need to treat films as commodities produced and distributed within a capitalist entity encompassing class and other social relations. This is a perspective that is particularly pertinent for my thesis and has informed the ways in which I approach interviews with film producers discussed in later chapters.

Toby Miller's *Global Hollywood 2* (2005) demonstrates that the dominant position enjoyed by Hollywood in the global entertainment industry would not be achieved and sustained without protection and assistance from the US government. The concern of all these scholars is not just with the ways in which the US film industry is successful, its takings and investments, and the mergers that are occurring around it. In the spirit of critical political economy, these scholars not only investigate the market structure of the film industry, the media corporations that control the industry, the vertical and horizontal integration in terms of ownership, but also the interaction between the industry and the state in both domestic and international markets

(Wasko, 2005). On the heels of this body of literature, a cohort of researchers has employed the critical political economic approach to examine other national cinemas that provided insightful references. Pendakur (1990) looks at market structure and labor issues in the Canadian film industry that has long been overshadowed by Hollywood domination, arguing that "political economy's concern with power in class societies and its emphasis on a dialectical view of history help explain how the battle to create an indigenous film industry has been fought in Canada, in whose interests, and with what outcome" (p.39).

In this same vein, Punathambekar examines the transition of Bombay cinema to Bollywood and argues that "transformation … was caught up in a larger process of the state realigning its understanding of 'culture as resource' away from well-worn developmentalist paradigms toward meeting the demands of new circuits of capital" (2013: 49).[20] Despite those efforts, one problem with some of the research in this area lies in the palpable Hollywood-centric proclivity that reflects the hegemony of Hollywood in global film market. More precisely, it is difficult for these scholars to come to grips with a cinema industry such as Bollywood which has had very little state funding or one such as China where the state has maintained massive budgetary and ideological control at the cost of profits, because they are so focused on the Hollywood model in which states offer a variety of incentives for cinematic production, but appear to have little direct coercive control over the narratives of contemporary films.

In this thesis I primarily rely on critical political economic approach to examine the transformative period of the post-WTO Chines cinema. In spite of various strengths, even the strongest political economic research needs to seek for analytical and methodological balance

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[20] A few film historian's work overlaps with political economy research. See, for example, Allen & Gomery (1985), Armes (1987).

with the help of other approaches. The following section summarises the importance of media economics to the critical political economic approach before concluding with an outline of the ways in which I hope to approach my own project.

It needs to be clarified that, incorporating some elements of media economics in my research in no way means that critical political economy is short of theoretical or analytical strength, neither does it mean media economics has more explanatory capability. I turn to media economics only for some analytical tools which help identify continuities and commonalities based on fundamental economic rationales behind evident changes and the particularities of market structures and practices in the Chinese film industry.

It is easy to assume that China's neoliberalizing cinema represents some sort of disjuncture from previous periods since it is undertaking neoliberalizing economic reforms confined within the parameters set by a regulatory regime marked by discursive adherence to ideologically socialist doctrines. However, literature on media economics dispel this myth by pointing out that the fundamental economic rationales sustaining the development of the film industry disregard social, cultural and historical context. [21] Picard defines media economics as "concerned with how media operators meet the informational and entertainment wants and needs of audiences, advertisers, and society within available resources. It deals with the factors influencing production of media goods and services and the allocation of those products for consumption" (1989: 7). It addresses a range of issues including "international trade, business

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[21] For handbooks on media economics, see, for example, Albarran, A. (1996). *Media economics: understanding markets, industries and concepts*; Alexander, A. et al. (2004). *Media economics: Theory and practice*; Cave, R.E. (2000). *Creative industries: contracts between art and commerce*; Doyle, G. (2002). *Understanding media economics*; Picard, R. et al. (1989). *Media economics: Concepts and issues*; Vogel, H.L. (2014). *Entertainment industry economics: A guide for financial analysis*. For research focusing on movie business, see, Hoskins, C. et al. (1997). *Global television and film: A guide to the economics of the business*; Vany, A.D. (2004). *Hollywood economics: How extreme uncertainty shapes the film industry*. Also see *The Journal of Media Economics*, which launched in 1988.

strategy, pricing policies, competition and industrial concentration as they affect media firms and industries" (Doyle, 2002: 2). From a mainstream neo-classical economic perspective, this line of enquiry into the media industries emphasizes micro-economic issues devoid of any moral and ideological concern, which attracts criticism from political economists who instead share concerns with the expansionary logic of capitalism, issues of labor, class, concentration of ownership, and collusion between state and capital.

Media economists identify some principal economic characteristics of film industry that make it operates in distinctive ways (Banks, 2007; Caves, 2000; Doyle, 2002; Hesmondhalgh, 2007; Howkins, 2001; Sedgwick & Pokorny, 2005). The film industry is characterized by uncertain demands and high risk given the massive initial costs of development, production and marketing of a film and the extremely low ratio of hits against losses. Caves (2003) recognizes this feature as "nobody knows property" in the sense that even under the assistance of market research, no one can actually tell which products would be hits no matter how much intimate knowledge is possessed. Also, the "public" nature of cultural commodities makes cultural industries "defy the premise on which the laws of economics based—scarcity" (Doyle, 2002:10). "Public" quality is described as non-rival in use by economists. One person's use of or benefit from the product does not affect its use by or benefit to another person. A film which is distributed through various channels can be consumed without diminishing other people's opportunities to view it. This means film production companies needs to create scarcity to fulfil the value of goods by limiting access to its films. One way to reduce risk, realize scarcity and maximize audience is for corporations to achieve "a high level of concentration, internationalization and cross-media ownership" (Garnham, 1990: 161). In economic terms, these practices refer to economies of scale and economies of scope that are applied under circumstances when marginal costs are lower than average costs.

There is an identifiable tendency towards concentration in market power across cultural industries worldwide (Albarran & Dimmick, 1996; Fitzgerald, 2012; Foley, 1992; Kunz, 2006; Murdock & Wasko, 2007; Picard, 1996). In what Hesmondhalgh (2012) calls a complex professional era, corporate strategies such as conglomeration and vertical integration in terms of ownership and corporate structure in cultural industries are part of a general tendency towards more and larger mergers and acquisitions in all industries, which quickened during the 1980s.[22] Conglomeration first hit the cultural industries in the 1960s in the form of industrial and financial and business corporations buying up and investing in media industries. Classical Hollywood from 1920s to 1950s serves as a perfect example of market concentration in the film industry through vertical and horizontal integration, and its more recent history since 1980s epitomize the process of conglomerates devouring the film industry to diversify their business interests (Gomery, 2009; Wayne, 2003). Institutionalisation of the Chinese film industry follows the steps of Hollywood at a much accelerated pace. Changes in the film market structure reveal a strong resemblance to what happened to Hollywood in its transformative years since conglomeration took off. However, those structural changes haven't been addressed in academia largely because, as object of research, they are too recent to result in fruitful and accurate observation and analysis.

The importance of distribution cannot be over-stressed for the movie business. Garnham theorizes distribution as "the key locus of power and profit in corporate media" (1990: 162). Turner (1988) argues that understanding distribution is the key to understanding the past, present and future of cinema as a "social practice". Lobato (2012) attributes a crucial role to distribution for Hollywood to maintain dominance in the global film market. Distribution gains

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[22] Hesmondhalgh uses the term *complex professional* as a heuristic device to describe the whole era of cultural production from the 1950s onwards. For more detailed analysis, see Hesmondhalgh (2007: 55).

more significance in an increasingly technology-saturated business environment in which innovative distribution models create strong presence. Many scholars come to address the hype around digital film networks based on examination of Internet-enabled distribution channels and platforms such as commercial online video-on-demand (VOD) services. Studies reflect on the possibility of online distribution disrupting traditional business models of the film industry, explore potential impact on social stratification, and reconceptualize notions such as piracy based on examination of unofficial or informal terrains of film distribution exemplified by Nollywood (Cunningham, et al., 2010; Currah, 2004; Garon, 2007; Koch et al., 2012; Iordanova & Cunningham, 2012; Lobato, 2009a; Silver & Alpert, 2003; Sparrow, 2007; Zhu, 2002).[23]

In the context of contemporary China, distribution becomes essential for examining neoliberalizing cinema for two reasons. First, one way for the Chinese state to mediate power relation with capital, be it domestic or transnational, is through firm control over distribution rights to imported movies. Second, the trend of market concentration and industrial conglomeration is partly driven by the urge to secure distribution networks connecting content providers with the ever enlarging and diversifying audience base. Thus, it is unsurprising to see the scene of the Chinese film industry been overhauled by IT corporations such as BAT (comprised of Baidu Inc, Alibaba, and Tencent and real estate giant Wanda Group)[24]. The tendency towards conglomeration is also fuelled by Chinese corporations' ambition of setting up the global market as their playground. Yet this discussion falls short of analysing the ways

[23] These researches exist alongside a more general scholarly interest in the topic of digital distribution across disciplines including media studies, economies, information systems, geography and legal studies. Prominent works include Anderson (2006), Jenkins (2006), Hartley (2009), etc. Concerns rest on whether digital distribution increases audiovisual diversity, empowers consumers, and enables new forms of literacy and access, etc.

[24] BAT is an acronym for Baidu Inc. (BIDU), Alibaba Group Holding Ltd. (BABA) and Tencent Holdings Ltd. (0700.Hong Kong, TCEHY)

in which changing models of conglomeration and distribution are connected to changing consumption and discursive understanding of cinema as a whole and films as units of meaning by audiences.

It can be seen, then from the overview in this section and the previous one that a critical political economy approach is strong on the economic basis for and context of production and distribution, but weaker when dealing with questions concerning the relationship between the ideological aspects of film texts and the discursive and social contexts which they inhabit. What's more, it falls short of analytical force when confronting the issue of how ideas are ingrained into the social fabric and their interaction with institutions and individuals. With this gap in mind, scholars such as Havens, Lotz & Tinic (2009), Hesmondhalgh (2007), Miller (2005), Peterson & Anand (2004) and Zhu (2003) have look for inspiration to research traditions such as cultural studies, introducing a "production of culture" perspective, and pushing the boundaries of organizational studies. For example, Nakajima (2007) traces structural changes in the Chinese film industry in the Reform era between 1978 and 2005. Viewing the film industry as embedded in distinctive social structures, he questions the validity of a clear-cut state-versus-market framework and argues for the establishment of integrated logics of filmmaking based on three aspects: "political legitimacy", "economic viability" and "artistic autonomy".

Drawing from theories developed in economic sociology, the sociology of culture, and Pierre Bourdieu's "field" theory, Nakajima provides a thorough analysis of the institutional restructuring of the Chinese film industry in that time period. He sheds light on the co-evolving relationship between market and state, and how this relationship is socially and historically configured. Zhu (2003) adopts the "cultural industries approach" which developed out of the

political economy approach rooted in the Frankfurt School and in its assumptions about the social impact of the mass media on the circulation of ideas and values amongst audiences. This revised approach retains the force of the critical political economic tradition which is attentive to issues of production, circulation, policy, institution and market, but also looks at film culture expressed through changing cultural discourses amongst audiences. Clarification of film culture is needed. I recognize that film culture is an all-encompassing term covering a board range of representations, discourses, and practices produced or performed by film professionals, film critics, and audiences. That is beyond the scope of my research. Rather, I only use film culture as a vocabulary shortcut to refer to the ways in which film professionals navigate through the changing Chinese film industry. Bringing this latter more integrated critical political economic/cultural industries approach into conversation with Foucauldian notions of discourse, the conditions of the Chinese film industry in the contemporary era will be subjected to multiple analysis in my thesis, the outline of which can be found below.

1.4 Thesis structure

Chapter 2 discusses the theoretical framework which emerges from a reading of the critical literature on Chinese cinema production in the contemporary and historical arena. In Chapter 3, I discuss the methodological decisions made during the conduct of this research and provide my reflections on the process and results. I primarily rely on elite interviews with industry professionals, together with critical policy analysis of one key political document. The secondary data is drawn from news outlets, trade publications, industry reports conducted by the government, etc. Chapter 4 focuses on film policy, cultural governance and censorship mechanisms within mainstream cinema. In Chapter 5, I turn my attention to the power interplay between the party-state, domestic private capital and transnational media capital, epitomized

in the conglomeration and convergence of the Chinese film industry, in large part facilitated by IT corporations. Chapter 6 and 7 are two sides of the same coin. Chapter 6 investigates the process of Chinese cinema's integration into a global neoliberal capitalist order, with specific focus on the dynamics between the Chinese film industry and Hollywood. While Chapter 7 examines how that process is manifested in cinematic content. Chapter 8 offers the conclusion.

CHAPTER 2 THEORETICAL FRAMEWORK: CINEMA BETWEEN IDEOLOGY AND ECONOMICS

2.1 Introduction

In this chapter, I draw on three bodies of literature to form a theoretical framework. The first section is dedicated to scholarship on contemporary mainstream Chinese cinema with a particular focus on how it is theorized in relation to globalization. This leads to the second section which interrogates the notion of neoliberalism and expounds its essential role in theorizing Chinese cinema during the years 2002 to 2017. Finally, this chapter concludes with a discussion of the politics of depoliticization, featuring aspects of China's politics and political communication during these years, and the implications for Chinese cinema.

2.2 Theorizing and contextualizing the research of Chinese cinema

Globalization is a constituent element in the formation of any national film industries across the world, to varying degrees. It is only possible to understand the Chinese film industry in the 21$_{st}$ century by situating it in an integrated global film market in conjunction with China's sociocultural and political specificities. Empirically, the Chinese film industry is increasingly imagined by state elites and industrial professionals on the global scale. Theoretically, the "Chineseness" of China's emerging film industry has been called into question in an increasingly transnational context (Chow, 1998; Lu, et al., 2014; Marchetti, et al., 2009; Pang, 2006a). Particularly pertinent to the discussion of globalization is how to reposition the Chinese film industry in relation to Hollywood.

In general, the theme of globalization threads through two fields of scholarship that are relevant to the study of the film industry. First is the paradigmatic transition from national cinema to transnational cinema. National cinema, as a significant taxonomic organizing principle of cinema studies, serves as a starting reference point for many analysis claiming "Chinese cinema" as their objects of research.25 The concept of national cinema is epistemologically built upon three interrelated premises: cultural-territorial model, established and self-sustaining national identity, and Hollywood-versus-national cinemas dichotomic framework. The national cinema paradigm approaches the cinema as a form of art that is primarily filtered through a political lens, which renders it intrinsically defined by national boundaries (Barrowclough, 1981).

In this approach films are believed to be the product of particular cultures and territories. By suggesting that cinema mediates shared cultural codes and social norms bearing national marks, a national cinema model can easily betray nationalist essentialism. It posits that cinema as an institution exists and at its core relies on the imagination of a unified and fixed national identity, articulated through cinema as at once a signifying system and social practices. For example, Higson once claims that, in essence, to identify a national cinema is "to specify a coherence and a unity; it is to proclaim a unique identity and a stable set of meanings" (1989: 37). This statement was challenged by himself later in the essay "*The limiting imagination of national cinema*" written in 2000 when he revisits the concept. As Yoshimoto once pointedly argued, writing about national cinema used to be an easy task for film critics because all they needed to do was to "construct a linear historical narrative describing a development of a cinema within a particular national boundary whose unity and coherence seemed to be beyond

25 Important publications on Chinese national cinema in recent years include Yingjin Zhang's *Chinese national cinema* (2004) and Berry & Farquhar's *China on Screen: Cinema and nation* (2006). Zhang approaches it in more traditional geographical terms, while Berry and Farquhar put the problem of how China is simultaneously affirmed and interrogated through the national at the centre.

all doubt" (1993: 338). Underneath this statement is a critique of the problematic assumption of a separate, expressive, monolithic and unified entity – "the nation" – inscribed in theorizing about national cinema.

Another problem with some national cinema models is that they usually start by acknowledging the dominant position of Hollywood in the world cinema landscape (Williams, 2002). In "*Reconceptualizing National Cinema/s*", Stephen Crofts begins expectedly with the recognition that "national cinema production is usually defined against Hollywood" to the extent that "Hollywood is hardly ever spoken of as a national cinema" (1993:44). He provides a typology that divides national cinemas into seven categories among which Hollywood is not even included.[26] This raises one troubling question about national cinema: should Hollywood with its studio system and generic films be viewed as the standard against which all national cinemas around the world must be addressed? If that is the case, it is hard to prevent all national cinemas from becoming the "other" to Hollywood, in the sense that Hollywood serves as the yardstick against which others are measured. The predominant position of Hollywood is taken as a given, not a historical and socio-cultural product.[27] To remedy this slant, Higson (1989) mobilizes the concept of national cinema from what he terms an *inward-looking* perspective. Higson does not consider Hollywood as an external force imposing its standards on the rest of the world, but as "an integral and naturalized part of the national culture, or the popular

[26] According to Crofts (1993: 44), the seven categories include: a) European-model art cinemas that do not directly compete with Hollywood; b) third cinema that opposes the USA and Europe in its insistence on distinctive national cinema; c) third world and European commercial cinemas that compete with Hollywood in domestic markets; d) cinemas ignoring Hollywood, exemplified by Indian and Hong Kong cinema; e) cinemas imitating Hollywood, including British, Canadian, and Australian cinema; f) totalitarian cinemas, including Chinese cinema in the Maoist era between 1949 and the mid-1980s, the cinema of Fascist Germany and Italy, and of the Stalinist regimes of the Soviet bloc; g) regional/ethnic cinemas.

[27] As Harry Magdoff (2003) argued, the domination of the United States of world film distribution from World War I onward is best characterized as "imperialism without colonies", established by the US government after 1914 and enhanced after 1945. However, it is also worth noting that the "studio system" was born in France and that, before World War I, French cinema occupied the same position as Hollywood does today in the world market.

imagination" (1989:39). Higson's view, however, risks downplaying the power dynamics between Hollywood and other national cinemas, without resolving the issue of dichotomization.

While some scholars propose to accept the limitations inherent to a national cinema paradigm and more constructively to get to grips with what the term can describe and illuminate, others see the national as an anachronism and reconsider film historiography from a transnational perspective (Bergfelder, 2005; Ezra & Rowden, 2006; Gates & Funnell, 2012; Hunt & Wing-Fai, 2008; Krings & Okome, 2013; Lu, 1997; Wang, 2011). The launch of journal *Transnational Cinemas* marks the beginning of institutionalising transnational film studies in academia. It sets out to be the primary forum for discussions and debates surrounding the concept of transnational cinema, which has been used as a theoretical concept and descriptive term from various approaches before the journal's inauguration. Higbee and Lim's (2010) paper in the first volume maps out three approaches to the theorization and deployment of transnational cinema, including: a) transnational emerging as a response to the limiting national cinema model, which exemplified by Higson (2000); b) transnational cinema as regional phenomenon comprised of cinemas with shared cultural heritage and/or geo-political boundary; c) transnational cinema privileges analysis of diasporic, exilic and postcolonial cinemas inspired by cultural studies, postcolonial theories and globalization research. All three approaches have their respective limitations and drawbacks. Generally, transnational cinema risks losing sight at the level of state policy, particularly as a means of promoting cultural diversity and attending to national specificity (Hill, 1992, 1996). Moreover, its celebratory undertone about the hybridity of glocalised cultural product glosses over the unequal power relationship underpinning global cultural production and circulation. To avoid this term turning into a potentially empty floating signifier due to its multifarious usage, Higbee and Lim (2010) argue for a critical form of transnationalism in film studies that negates the national-

transnational binary thinking, situates cross-border filmmaking activities in the web of social relations fraught with issues of postcoloniality, politics and power, and interrogate negotiation between those activities and the national on all levels. Only through engaging with transnational cinema in the form of theorizing it in conceptual-abstract and exploring its deployment in concrete-specific can it become an established academic field with critical purchase.

Scholarship on Chinese cinema(s) has been at the forefront of theorizing the transnational. Sheldon Lu's anthology *Transnational Chinese Cinemas: Identity, Nationhood, Gender* (1997) is one of the earliest attempts at a paradigmatic shift from a national cinema to a transnational cinema model within the discipline of Chinese cinema studies. Recognising the fractured nature of the very idea of Chinese cinema, which serves as a convenient rubric and analytical shortcut for complex processes and practices that often exceed China's national boundaries, a number of scholars have turned to transnational cinema as a replacement, without surrendering to it completely (Berry, 2010; Berry & Farquhar, 2006; Pang, 2006b; Zhang, 2007). As part of a research project to revitalise the institutionalisation of Chinese cinema as a coherent and legitimate academic discipline, with a focus on production instead of textual analysis and consumption, Berry and Pang (2010) propose a different understanding of Chinese cinema in reference to the advent of global cinema. They argue that "rather than understanding it as a single and self-sufficient system, as the idea of a national cinema tends to assume…in the age of flexible production, Chinese cinema must also be seen as something more flexible, multiple, and open—an internally stratified but interconnected combinatoire with dynamic participation in global cinema" (Berry & Pang, 2010: 90). Berry goes further to describe this global cinema as transnational in the sense that it is "growing out of the conditions of globalization, shaped by neoliberalism, "free trade", the collapse of socialism, and post-Fordist production…a

different order of cinematic cultures and industries from the old national cinema order" (Berry, 2010: 111).[28] Central to the discussion is to understand cinema as a unique transborder form of cultural production in late-capitalist society. The Chinese film industry is embedded as much in global economic conditions as in a specific cultural environment. In analytical terms, it liberates the Chinese film industry from an antagonistic relationship with Hollywood. Hollywood is deprived of its centralized position and treated as equal counterpart functioning within the encompassing framework of global capitalism, yet imbued with power dynamics featured by inequality, complexity and uncertainty.

The central concern arising from a collective attempt to rewrite Chinese film history as described above is to revisit and challenge the validity of the terminology "Chinese-language cinema". Debates are shaped by two strands: scholars led by Sheldon Lu share the view that the Chinese cinema of current era can be best analyzed within the "Chinese-language cinema" or "transnational cinema" framework; scholars represented by Li Daoxin and Lü Xinyu (Lü et al., 2015) criticize the "de-China-lization" and "Americantrism" embedded in those approaches, pointing out complexity within Chinese cinema, for example, in reference to ethnicity films. What the latter alerted to is the danger of losing Chinese subjectivity and subverting legitimacy of Chinese culture and Chinese national cinema. [29]

Other scholars have also attempted to unsettle the nation-state centred framework and national cinema-versus-Hollywood dichotomy in discussions of global media production. Reflecting on what they view as an outdated cultural imperialism thesis, some scholars have developed their

[28] It is necessary to differentiate global cinema from the term world cinema, which owes its origin to orientalism. See Dennison & Lim (2006). *Remapping world cinema: Identity, culture and politics in film*. London: Wallflower Press.
[29] For a more detailed review of the ongoing debate see Sun (2016).

research on media and globalization by deconstructing the centre-peripheral paradigm, by identifying multi-directional media flows, and by analysing the relocation of production centres across the globe (Curtin, 2007; Fuchs, 2010; Jin, 2007; Meng & Rantanen, 2015; Tunstall, 2008). For example, Thussu (2007) argues that gradual commercialization of media systems around the world has created new private networks that are primarily interested in markets and advertising revenues. It could be the case that individual nations scarcely matter in this market-oriented media ecology, as producers view the audience principally as consumers and not as citizens.

This shift from a state-centric and national view of media to one defined by consumer interest and transnational markets has been a key factor in the expansion and acceleration of media flows; but it is also belied, even in the case of India on which Thussu bases his thesis, by the increasing levels of nationalism and jingoism in media from news to film. Also worth mentioning in this context is Michael Curtin's (2003) work which mobilizes the concept of the "media capital" as the product of an increasingly interconnected global network of media production. Likewise, attempting to move beyond a national media framework, Curtin uses the idea of the media capital to represent centres of media activity that have specific logics of their own, ones that do not necessarily correspond to the geography, interests or policies of particular nation-states. These media capitals such as Shanghai, London, New York and Tokyo also represent cities positioned at the intersection of complex patterns of economic, social and cultural flows. While this is a view that needs to be kept in mind, it is also one that does not preclude a return to the centrality of the nation as an ideological artefact in that it is quite possible to imagine global cities and media capitals co-existing with highly nationalist frameworks – as in the efforts of Prime Minister Narendra Modi in India to woo Bombay capital and the Bollywood elites.

Apart from tactically renewing official discourses naturalising the CCP's ideology, the Chinese state's flexibility and resilience in media governance is also demonstrated in other manners. It is frequently argued that the Party-state navigates itself in massive economic restructuring for the purpose of consolidating its own ruling power. For example, drawing on the case of China Film Group (hereafter CFG) which represents marketization as liberalization but is part of a scheme to utilize the market to consolidate state power, Yeh and Davis (2008) notice a re-nationalising trend within the Chinese film industry. Since the late 1990s, encouraged by the state, former state-owned studios have started to form film groups which vertically integrate film production, distribution, and exhibition, as well as horizontally integrating film production, TV production, and video, DVD production. CFG is the perfect embodiment. As the foremost state-owned media conglomerate, CFG takes the lead in almost every sector of Chinese cinema, covering financing, co-production, joint ventures, cinema circuits, and particularly distribution.

Other ways of sustaining CFG's domination remain through a tight grip over distribution of imported movies and strategically allocating resources in a variety of ways. For example, Huaxia is in charge of flat-fee imports which also have a quota limit. In a private conversation during my research, an investor disclosed to me that usually producers or investors need to bribe their way into the competition for a slot. It is therefore unsurprising those who with connections to power holders are more likely to get a piece of the distribution pie, very often these fortunate ones being relatives of high-ranking officials.

With specific exclusions, limits on the involvement of private capital in the film industry have been lifted. Foreign capital is allowed in the area of production and exhibition, but distribution is a forbidden zone. Any form of investment that can boost the development of infrastructure or production experience is welcomed, but the door to reaping pure profits through the

distribution arm is shut down. This strategy extends to protective measures against foreign capital so as to create a more open and accommodating environment for domestic players and help to attract foreign capital, which will shore up the domestic film industry locally. Zhao (2008a) argues that what differentiates the "socialist market economy" from capitalist economies is that marketization, industrialization and privatization are seen as necessary measures to ensure that state-owned corporations possess advantageous positions in the market when private and global capital floods in. It has developed a market-based means of managing market share and entry to create a new mechanism of cultural control. The industry takes a gradualist approach to reform by incorporating small policy changes incrementally without explicit grand design embodied by Deng Xiaoping's widely quoted phrase: "groping for stones to cross the river" (*mozhe shitou guohe*) (Lin et al., 2003). In this manner, not only does the state rejuvenate its ideological and representational capacity by means of the market, it also shows a certain level of adaptiveness in the context of media convergence. Nevertheless, the state is under challenge from other forces, be these the (international and national) market, technology, intermediaries or critical film professionals.

2.3 Neoliberalism as a lens for viewing the cinema

Another body of literature consists of studies of national film industries through the prism of the concept of neoliberalism (Berry, 2012; Jin, 2006, 2011; Kapur & Wagner, 2011; Stratton, 2009; Yoon, 2009), the invasion of all spheres of society including that of the personal and the social and cultural by the values of the neoclassical "free market" and unregulated economic profit model. In this view, at the outset, cinema is a product of Western-style capitalism. However, throughout the 20th century, cinema as an institution has survived World War I & II, fascism and Nazism, decolonisation movements, communist governance across a swathe of the

world, competition from other entertainment forms like television from the 1950s onwards, state intervention and regulation, and many further political changes. Hollywood is the most prolific example of how cinema sustains itself and thrives in a capitalist system, becoming a commercially viable institution while maintaining a level of artistic autonomy. What emerges from scholarly discussion of global cinema in the 21st century, then, is the changing cinema-capital relationship in the current capitalist system with its strong neoliberal traits, in all its manifestations, specified by sociocultural and political contexts.

Any serious engagement with neoliberalism as a conceptual tool needs to define it, both theoretically and methodologically. Defining neoliberalism is never a straightforward task due to its self-contradictory nature. It has been used in myriad ways in scholarship across social sciences, referring simultaneously to an ideology, a set of practices, a process and the outcomes of combinations of ideology, process and practices (Brown, 2003; Flew, 2012; Harvey, 2005; Kipnis, 2007; Lemke, 2001; Pollin, 2005; Passavant, 2005; Rose, 1996, 1998; Springer, 2012).

The critical political economic approach described in the previous chapter treats neoliberalism as a hegemonic programme engineered and orchestrated by transnational political elites (Dean, 2008; Harvey, 2005; Kipnis, 2007; Peck, 2008). It is understood in more or less Marxist terms, as an ideology imposed on behalf of a transnational capitalist class through their manipulation of the state and public policies in order to reassert their class power.[30] As Barnett succinctly puts it, neoliberalism is "a new variant of a class-driven project of state restructuring in the interests of free-markets and expanded accumulation" (2005:7). In this view, neoliberalism in

[30] The best known definition of neoliberalism from this tradition is developed by David Harvey (2005): "A theory of political economic practices that proposes that human wellbeing can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free market, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices." (P.2)

all its guises is problematic because it promotes a barbaric capitalism that has produced a dramatically upward redistribution of wealth, a decline in the economic security of a majority of people in the world, and a society that morally supports, maintains, and legitimizes a social environment of deepening inequality. Institutional mechanisms are put in place to ensure the operation of free market, or the fantasy of free market. The neo-Marxist critique of neoliberalism sits alongside Foucauldian accounts of neoliberalism, which draws upon the late work of Michel Foucault on governmentality and liberal political rationality (Brown, 2006; Foucault, 2000; Miller, 2009, 2010; Rose, 1999). Structural and poststructural treatments of neoliberalism will always cause ontological and epistemological tension that are difficult to reconcile and transcend, not least because of the way in which one totalises the power of the market while the other resists an analysis that depends on such totalising power. For this reason, although I do deploy some poststructuralist concepts such as discourse, this thesis will not go into details of the poststructuralist approach to neoliberalism but focus on the political economic institutionalist approach.

The generalised explanatory power and status of neoliberalism as a concept has been challenged intensively, especially after the global economic crisis of 2008. The unevenness of the intensity of the neoliberal project across territory boarders and promiscuous application of neoliberal policies in diverse socio-political environments pose questions to the validity of an encompassing theorization of neoliberalism. In using a single, politically and emotionally loaded term to refer to diverse phenomena, it is suspected that analyzes of neoliberalism risk a reification that occludes more than it reveals. This problem of reification is clearly illustrated in the case of contemporary China. Guided by market-oriented policies for the past few decades, China has adopted a set of economic practices that bear a strong resemblance to neoliberal practices such as liberalization of trade and investment, privatization of state-owned enterprises

(SOEs), a reduction in public spending on social welfare like education and health care, etc. (Xu, 2011). Wang (2004) traces the emergence of the hegemony of neoliberalism in China back to 1989 and gives a comprehensive account that neoliberalism is the root cause of dramatic social inequality and the breakdown of the public welfare system. However, the oscillations between market-led and state-led development seem repeatedly to frustrate even the most sophisticated attempts at conceptual categorization.

China displays little functional coherence, either as a socialist-developmental or as a neoliberal state and neither does it display a tidy transition between the two (Breslin, 2006; Liew, 2005). The depth of official commitment to private property rights, free markets, and free trade is limited, contingent, and potentially reversible, particularly if the enhancement of any of these were to challenge the power of the Chinese Communist party-state. As a result, whether China is becoming neoliberal in the same way that the US or the European Union is neoliberal becomes a debatable question. While some scholars prefer to eschew the trope of neoliberalism altogether (Kipnis, 2007; Nonini, 2008), others consider China as being in a neoliberal transformative state (Chu & So, 2012; Flew & Cunningham, 2010; Harvey, 2005; Ji, 2006; Ren, 2010; Rofel, 2007; Yan, 2003; Zhao, 2008b; Zheng, 2008). They give the Chinese situation historical, geographical and cultural specificity.

China does not simply follow a well-established, fully laid out neoliberal plan based on normative principles, but rather pursues a mutated form of neoliberalism that couples continuity in the political system of governance with discontinuity in the state's promotion of radical marketization and privatization. For example, Harvey (2005) uses "neoliberalism with Chinese characteristics" to describe Chinese development since 1980, based on the observation that China presents "a particular kind of market economy that increasingly incorporates

neoliberal elements interdigitated with authoritarian centralized control" (p.2). The ideological signification of neoliberalism is strategically filtered and instrumentalised in alliance with doctrines of developmentalism and socialist legacies. At the core of the debate is to trace and explain the trajectory of the co-evolving of state forms and endemic, uneven and conflictive processes of deepening marketization (Peck & Zhang, 2013). Wang (2004) attributes the hegemonic position of neoliberalism in China to a domestic process during which the state's crisis of legitimacy was overcome through economic itself. Similarly, Ren (2010) emphasizes the critical role of the state in normalizing neoliberalism which is considered as a constructivist project implemented through governmental and social policies. By reinventing a new politics of the state to create and improve institutional frameworks appropriate to neoliberalism, the government intervenes and orchestrates the normalization of neoliberalism. Therefore, it is of vital importance to recognize the Chinese state's power in engineering economic structures to serve its own purposes.

In this thesis I subscribe to a critical theory of neoliberalization, which defines neoliberalism with four premises. First, it acknowledges the discrepancy between neoliberalism as ideology and as reality (Bourdieu, 1998; Brenner & Theodore, 2002). Cahill (2013) observes that when neoliberalism is understood as an ideology, it provides only a partial representation of the world. In practice, there can be no "pure-bred" neoliberalism in the idealist form. What exists are hybrid and mongrel formations. Lying at the contradictory heart, is the permanent "discrepancy between the galvanizing utopian vision of freedom through the market and the prosaic realities both of earthly governance and endemic governance failure" (Peck, 2013: 144). To resolve the incongruity needs to understand hegemony (Gramsci, 1971) not as a state of being, but a process that needs to be constantly "worked on", maintained, renewed and revised (Hall, 2011). Therefore, neoliberalism is better redefined as *the process of*

neoliberalization, enacted through the tensions between extra-local generality and local-embedded particularity.

Second, neoliberalism contradicts itself in the sense that there is no actual free market in the strictest neoliberal sense without state intervention. No market operation can be autonomous from national policy/regulatory oversight. A critical theory of neoliberalization recognizes the essential role of the state in creating, maintaining and shaping markets through instrumentalising neoliberal doctrines in specific socio-historical contexts. Third, it contests the presumed hegemonic and all-determining mega-cause status of neoliberalism across the globe. Whether neoliberalism uniquely defines the principal power relations in the contemporary world (as opposed to patriarchy, for instance, or to resistance to these forms) remains a contentious question.

Forth, it stresses the necessity of holding on to the concept despite the messiness of reality, for neoliberalism serves to unite politically as a "radical-theoretical slogan" (Peck, 2004: 403). Hall reflects on the relevance of the concept neoliberalism, arguing that "critical thought often begins with a 'chaotic' abstraction … naming neoliberalism is politically necessary to give the resistance to its onward march content, focus and a cutting edge" (2011: 706-707). This does not mean to treat neoliberalism as an analytical shortcut but admits its utility in pursuing progressive social scientific research.

The above discussion helps to clear an analytical path towards a deployment of the term "neoliberalism" in the analysis of the film industry. With its far-reaching global influence, neoliberalism is considered as having brought about poignant anxiety across national cinemas. These have reacted in different ways (Falicov, 2000; Kerr & Flynn, 2003; Zhu, 2009). Scholars

focus on examining the role of the state in pursuing and promoting neoliberal-oriented cultural policies and the ways in which the ideology of neoliberalism shapes, in the meantime naturalized and reproduced in market structure, industrial practices, and filmic content. Yoon (2009) observes the declining diversity within the Korean film industry in terms of content and production when big-budget blockbuster films – particularly crime noir and romcoms – and multiplex theatres have come to dominate the market under neoliberal pressure. In the case of the Australian film industry, Stratton (2009) perceptively points out the naturalisation of neoliberal ideology in story lines, narratives, and characterisations. Drawing upon Ong's (2006) understanding of neoliberalism as a mechanism of exclusion and inclusion, Stratton maintains that the act and consequences of unabashed celebration of the transcendental value of the free market leads to a state that is founded on exclusion rather than inclusion and where the hierarchical order is enforced through violence. And this violent ideological element reveals itself in Australian films. Stratton admits that this naturalisation is not without resistance at the beginning. This interesting line of argument, however, is not developed via detailed analysis, and the choice is justified by simply saying that it is rather the reproduction of neoliberal ideology and not resistance to it that he is seeking to tease out. Finally, Kapur & Wagner's (2011) book *Neoliberalism and global cinema* provides an overview of existing research in the area. They use global cinema as a lens through which to view the workings of what they determine to be a global neoliberal project and its extensive implications for global cultural production, and invention of neoliberal subjectivity.

2.4 From postsocialist cinema to neoliberalizing cinema

Before applying the lens of the concept of neoliberalism to the analysis of the post-WTO Chinese film industry, I first revisit the term "postsocialist cinema" put forth by Chris Berry in

his book *Postsocialist Cinema in Post-Mao China: The Cultural Revolution after the Cultural Revolution* (2004). Berry places his research focus on eighty-one relatively neglected Chinese feature films produced between 1976 and 1981, examining their themes, characters, audience address, and narrative structures. He views those films as cinematic discourses that participate in the constitution, maintenance, and transformation of a new society and culture condition, the post-Mao period which he refers to as postsocialism. Originating from Chinese studies, postsocialism is a term coined by Arif Dirlik as his response to Deng Xiaoping's "socialism with Chinese characteristics", a term by which Dirlik rebutted claims that Deng's term was just a euphemism for capitalism. Since then scholars based in various academic fields including Chinese literature, Chinese cinema studies, the political economy of communication, and so forth have been using 'postsocialism' as a broad general term for the contemporary Chinese social condition (Zhang Xudong, Xiaobing Tang and Sheldon Hsiao-peng Lu, Paul Pickowicz). In the same vein, Berry adopts the term postsocialism to imply qualitative changes distinguishing Mao's China and the period it follows, and tries to examine how those changes are registered through cinematic discourses.

While acknowledging the complexity in terms of the exact end point of the Cultural Revolution which he originally set out as the starting point for choosing his object of research from a methodological point of view, Berry justifies his inclusion of all films made in 1976, some of which are made before the official repudiation of the entire Cultural Revolution. [31] This methodological rationale bears importance in relation to my research and I will return to it in chapter 3 when I justify my selection of films to analyze in this thesis.

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[31] Please see chapter 3 of the book where Berry provides a more detailed account of this issue.

Inspired in part by Berry's work, this thesis seeks to provide a critical political economic analysis of Chinese cinema of the post-WTO era by putting the conceptualization of the relation between cinema as a social institution bearing identifiable and peculiar characteristics and the larger sociocultural and political circumstance that conditions it at the very centre of discussion. In line with Berry's approach, I propose the term "neoliberalizing cinema" to designate post-WTO Chinese cinema. Though it is imperative to clarify that this in no case amounts to a *reflection theory* of media effects, which Berry also clearly points out. The social and cultural formation is always in the process of evolution, so is the position of cinema within it, and their relationship to each other. Also, it would be naïve to consider that there is a sudden break between neoliberalizing cinema and postsocialist cinema. I am fully aware that the renaming based on significant historical events inevitably begs one critical question with regard to continuity and change. Here I return to the critical theory of neoliberalization discussed in the previous section which sees neoliberalism as a process rather than as a state of being, and furthermore, as a contested process rather than as a smooth transition. Therefore, instead of "neoliberal cinema", I use "neoliberalizing cinema" to emphasize a *process of becoming* teeming with inconsistencies and contradictions. After all, fundamental shifts in societal and cultural formation and the cinema within it do not eclipse the continuities entailed and sustained by historical legacies.

This leads to the question of the theoretical resources that I draw on to formulate and enrich the analytical framework of my research. Except from the obvious difference in terms of historical contexts, my theorization of neoliberalizing cinema departs from Berry's understanding of postsocialist cinema in its theoretical roots. Berry takes inspiration from Miriam Hansen's (1991) work on early American cinema in which Hansen considers cinema as a social institution with alternative potential, or what she calls an "alternative public sphere".

Admitting the traditional emphasis on textual properties and meaning making through spectatorship and reception in cinematic study, Hansen broadens her analytic focus by incorporating into her research factors such as patterns of distribution, modes of exhibition, socially differentiated audiences in different venues, ancillary discourses ranging from advertising to newspaper criticism, and so forth. Hansen understands cinema as historical product and examines how cinema helps create alternative public spaces where changes in social relations could take place through the act of movie watching. In summary, Hansen is interested in the possibility offered by cinema for opening up public spaces where alternative discourses could be created and materialized.

Considering the contested nature of the public sphere as a concept in the Chinese context, Berry finds it more appropriate to understand cinema as a rhizome instead of an alternative public sphere in postsocialist China.[32] Premised on a set of problematic assumptions – that either the conditions of liberal capitalist pluralism do not exist at all in postsocialist China, or that they are the goal towards which China is headed or a standard against which China should be measured – the notion of an alternative public sphere is deemed both inadequate and misleading to apply to postsocialist China. Hence, Berry turns to the metaphor of rhizome which allows him to analyze postsocialist cinema as a combination of "systems of order and … areas or zones that work against the repressive structure of an order to open up difference and heterogeneity… a place that can conform and dissent at once" (2004: 17-18) . Put simply, the analytical focus is on lines of flight within the formation that could lead to the possibility of conceiving of and discursively articulating difference.

[32] A more detailed discussion on the applicability of public sphere in China could be found on p24-26.

Berry's argument that there exist ambiguities, contradictions, and differences in Chinese cinema of post-Mao era paves the way for future research when China's politics gradually veers away from a centralized commanding system within which there was no prospect for autonomy to be found. But unlike Berry's approach of identifying different cinematic discourses in film texts framed by a conformist-versus-defiant dichotomy in political terms, I pull in the factor of the market against the backdrop of globalization as one of the shaping forces of this cinema in technological, aesthetic and ideological/narrative domains. The antagonism is no longer structured between a Party-state apparatus just recovered and withdrawing from ideological struggle and alternative public spheres such as cinema seeking to express different political voices and ideas. Rather, China's installation of market mechanisms and attempted integration into global capitalist system marked by WTO accession further complicates the landscape and creates new pressures on the agents within the cinema field, which also creates more leeway for compromise, negotiation and cooperation. Again, these processes correspond to a critical theory of neoliberalization in the sense that they acknowledge the complex relationship between the state and the market in constructing neoliberalism of a particular formation with national particularities as well as global commonalities. To strip down all the discussion, I examine the contemporary Chinese film industry as institutional and cinematic manifestations of critical neoliberalization bound up in a web of power relations played out on national, transnational and global scales.

2.5 The depoliticized politics and its implications for the cinema

To further inform and enrich the theoretical framework of neoliberalizing cinema, in this section I draw on Wang Hui's notion of "depoliticized politics" (2009) to look at how the larger political economic conditions of post-WTO China shape and being manifested in the Chinese

cinema. I break down this section into three parts. First, I explain the depoliticizing tendencies which characterize China's politics and political communication in the 21st century, and how it is expressed through depoliticized discourses propagated by the CCP as part of a concerted effort to promote China's soft power globally. In the second part, I start with the explication of the logical alliance between nationalism and cinema, and then specifically the CCP's discursive strategies of incorporating the cinema into its nation building. Lastly, I focus on media governance and its manifestations in the cinema.

2.5.1 Depoliticized politics

If post-Mao China witnessed a major shift in the Party's priorities from mass-scale class struggle to socialist modernization, post-WTO China embodies what Wang Hui's calls "depoliticized politics". By this he contends that "the party is no longer an organization with specific political values, but a mechanism of power" (2009: 6). The disastrous Cultural Revolution brought an end to the "*line struggle*" (路线斗争), which according to Wang (2006) is the only way to maintain party's internal vitality and ensure that it does not become a depoliticized political organization. With "line struggle" painted as "mere power play", Wang observes "a thoroughgoing suppression of the political life of the party… laid the foundation for the stratification-i.e. depoliticization—of the party" (Wang, 2006: 33). The single-party system and the absence of institutionalised mechanism for inner party democracy makes the theoretical debate over ideological issues impossible and obsolete. In other words, the Party has changed into "a depoliticized apparatus, a bureaucratic machine, and no longer functioned as a stimulant for ideas and practice" (Wang, 2009: 9). The political crisis triggered by the 1989 Tiananmen incident reaffirmed the Party's determination to shed its previous skeletal communist underpinnings and shut down any possibility of ideological debate. Deng

Xiaoping's "*southern tour*" (南巡) in 1992 to advocate his line of further marketization consolidated the depoliticizing trend. Public space for ideological debates over the fundamental direction of China's social transformation was officially sealed off when Deng proclaimed his own truth—"*development is the hard truth*" (发展是硬道理)—and imposed the famous "*no debate*" decree which claimed that there should no longer be any open debates over the ideological nature of policy reform (Zhao, 2012).

To fill the ideological void, the Party turned to an attempt to legitimate ideological doctrines via economic development and nationalism. However, along with the rapid economic development since the CCP implemented marketization in the early 1990s has come escalating social inequality. The primary task of the CCP was to renew official ideologies devoid of real political connotations, and to develop a pragmatic and technocratic approach to governance that puts the consolidation of the Party's ruling legitimacy at the top of the agenda. The principle of "*stability is paramount*" (稳定压倒一切) was upheld and carried into the 21st century. When Hu Jintao came into power in 2003, he felt the mounting urgency of renewing China's previous Communist ideological doctrines to manage the undermining effects of increasing social inequality on not only the political legitimacy of the CCP but also China's economic growth (Yu, 2010). Relying on new political discourses such as that of the "*harmonious socialist society*" (社会主义和谐社会), the CCP began to try to re-channel the economist or developmentalist policy that focused solely on the growth of GDP into a more balanced reform to address the mounting social disparity, injustice and popular resentment (Liu, 2012). "Harmonious socialist society" as a concept was first mentioned in the resolution of the 16th Party Congress in November 2002 and defined at the fourth plenary session in September 2004 as a society built on "democracy and rule of law, justice and equality, trust and truthfulness, amity and vitality, order and stability, and a harmonious relation with

nature".[33] It was further explicated by Hu Jintao in February 2005 in a long speech, in which he highlighted the concept's relevance to the legitimacy of CCP by stating that the creation of a "harmonious socialist society" was "essential for consolidating the party's social foundation to govern and achieve the party's historical governing mission".[34]

Xi followed suit when he took office and peppered the official ideology with discourses such as the "*Chinese Dream*" (中国梦), a catchphrase that has a particular bearing on the Chinese film industry. Popularized after 2013 which describes a set of personal and national ideals in line with socialist thinking, "Chinese Dream" is another newly established official discourse propagated by the CCP and crystalized in the domain of cultural production.[35] It has become the trademark slogan for President Xi's administration since he first publicly uttered the words in a November 2012 Speech at the opening of an exhibition in Beijing called "*The road toward renewal*" (复兴之路).[36] In what appears to be a rip-off of the "American Dream", this term spells out a vision of a prosperous China's ascendance to cultural, political and economic power under the leadership of the CCP (Carlson, 2015; Wang, 2014).

Another discourse that could be understood in conjunction with depoliticization is "*soft power*" (软实力). Originally developed by Nye in the field of international relations as a depoliticized way of imagining the hegemonizing attempts of nations through cultural dissemination, "soft power" means "one country gets other countries to want what it wants—might be called co-optive or soft power in contrast with the hard or command power of ordering others to do what

[33] http://www.xinhuanet.com/zgjx/2007-01/22/content_5635918.htm
[34] http://www.gov.cn/ldhd/2005-06/27/content_9700.htm
[35] This term has been popularized in mass culture in the form of film *American dreams in China* (2013), reality shows *Chinese Dream Show (simplified Chinese: 中国梦想秀*) produced by Zhejiang Television Network, or through platform such as Spring Festival Gala produced by CCTV.
[36] http://www.xinhuanet.com/politics/2012-12/06/c_113936084.htm

it wants" (Nye, 1990: 166). In line with Gramsci's (1971) work on hegemony and consent this potential of indirectly influencing the behavior or interests of other political bodies is built upon intangible power resources such as culture, ideology and institutions. Soft power as a concept was introduced into China in 1993 when Wang Huning, now a member of CCP Central Committee Secretariat, wrote and published the first Chinese article on soft power, discussing culture being the main source of a state's soft power. Only in the early 2000s the term enters Chinese mainstream discourse, first in international politics and then domestic policies, inter-provincial competition and corporate governance (Han & Jiang, 2009). After being debated heatedly in intellectual circle for several years, soft power was adopted by the Chinese leadership in political speeches and policy documents. In 2007 this term gained strategic significance at the highest levels in China's political discourse when Hu Jintao delivered a political report to the 17th CCP National Congress in which he specifically stated that "we must enhance culture as part of the soft power of our country to better guarantee the people's basic cultural rights and interests".[37]

China's soft power strategies have attracted scholarly attention in the field of communication studies in recent years, in particular the implications for the Chinese media industries (Guo, 2013; Su, 2010; Sun, 2010; Vlassis, 2015; Zhang, 2010; Zhao, 2013; Zhou, 2015). Sun's (2010) analysis of former CCP propaganda chief Li Changchun's speech on the importance of enhancing Chinese media's "communication capacity" demonstrates that a soft power campaign based on a transmission view of communication neglects the symbolic dimension of the communication, and due to the lack of contemporary moral appeal inherent in China's approach to soft power, it is impossible for China to escape global geopolitics, nor can it avoid Western ideological resistance. Despite the CCP's efforts to foreground an ostensibly

[37] https://www.chinadaily.com.cn/hqzg/2007-10/25/content_6205616_7.htm

depoliticized notion of culture and to downplay ideological differences within China, to what extent this charm offensive has been effective in terms of exporting the ideological frameworks and nationalism behind Chinese cultural products remains open to doubt. Put aside its practicality and achievability, Meng (2018) argues that the CCP's soft power initiative resonates with the general depoliticizing trend in China's political communication by taking "a technocratic approach that circumvents ideology with an emphasis on economic development, an instrumentalist view of 'communication capacity', and an essentialist, apolitical understanding of Chinese culture" (p. 38).

In general, I agree with the argument that these new ideological discourses formulated under the Hu Jintao and Xi Jinping administrations epitomize a crucial shift in China's politics and political communication, which could be explained by Wang Hui's notion of "depoliticized politics". The discourse of "revolutionary class struggle" of the Maoist China was buried in the dust of history. What replaced it were culture-oriented depoliticized discourses, through which the direction of societal transformations was rid of any ideological undertones, the issue of escalating social inequality was presented as the inevitable by-product of economic development, and the shift in the class basis of the regime was made obscure (Ling, 2006; Meng, 2018; Wang, 2006; Wuthnow, 2008; Zhao, 2008a; Zhao, 2012).

Before moving to the next part, I want to emphasize one crucial point that, behind a depoliticizing regime is a more than ever contentious and stratified Chinese society. The politics of depoliticization shouldn't be interpreted as the disappearance of ideological contestation within the Party, and at the grassroots level. Neither does it mean that the socialist legacies and revolutionary history from which the CCP used to derive legitimacy have been wiped out of the regime's political discourses, or have lost political currency in articulating

China's future, as Xi's administration has evidently illustrated. I will return to this point in chapter 4 when conducting critical policy analysis of Xi's talk at the Beijing Forum on Literature and Art in 2014 (hereafter Beijing Forum Talk). Lying at the heart of "depoliticized politics" is the CCP's attempt to gloss over fundamental ideological contradictions and reconcile the discrepancies between socialist promises and capitalist policies through political discourses free from any ideological connotations and thus resistant force.

2.5.2 Nationalism and cinema: a logical alliance

Nationalism is a modern phenomenon that appeared alongside the emergence of the nation-state system in Europe and came to China as a product of Western imperialism and Japanese invasion. Zhao Suisheng (2004) offers an overview of Chinese nationalism in his book *A Nation-state by Construction*. According to Zhao, nationalism penetrated Chinese people's thinking only after China was brought into the modern nation-state system in the 19th century, which was facilitated by the national crisis that came after China's defeat by the British in the 1840-1842 Opium War and by the Japanese in the 1894-1985 Sino-Japanese War.

Since Maoist China, the discourse of nationalism has remained as one of the vital sources from which the CCP derives its political legitimacy. By positioning itself as the defender of China's interests among the nation-states of the world, the CCP relies on nationalism to take on the responsibility for speaking in the name of the nation and demands that citizens subordinate their individual interests to China's national ones (Zhao, 2005). The top-down nationalism functions premised on the core idea that China's unique national conditions make China unprepared to adopt Western-style liberal democracy and that the current one-party rule is necessary to maintaining "*political stability and unity*" (安定团结) and a prerequisite for rapid

economic development (Wei & Liu, 2001; Zheng, 1999). In the meantime, while nationalism can be furthered through propaganda, it is more than propaganda propagated by the party elites for its own instrumental purpose (Gries, 2004). The CCP has always been wary of and tried to rein in rising bottom-up popular nationalist sentiments that it assumes may backfire, turning into criticism of the regime. A pragmatic nationalism is therefore endorsed and strategically managed to create a favorable international environment for China's economic development.

Cinema is considered as conducive to nation-building from a social constructivist point of view by media scholars with particular research interests in the relationship between nationalism and media (Anderson, 1983; Billig, 1995; Dermody & Jacka, 1987; Hill, 1997; Moran, 1996; Turner, 1999). Nationalist ideology can be viewed as being premised upon what Anderson (1983) defines as "imagined community" building on the collective imagination of people who inhabit in a particular geo-political space. This should not, however, been viewed in a simplistic sense as the expression of a single monolithic set of group interests. As Turner (1999: 180-188) argues, different cultural and symbolic systems which participate in the ideological constriction of nations as bounded units are always in contention with each other; most forms of nationalism involve at some point or some manner the suppression of identities and voices that do not bow to the most powerful nationalist political vision, a pattern that means the nationalist community always has its "others", even where some of these others have found themselves in full agreement with the ideology of the nation. In this sense, the Chinese nationalist consciousness does not exist naturally, and was not born, but was made possible with the construction of a unified nation through concerted discursive efforts, via the medium of media representation, official articulation, concrete institutions and immediate, lived experiences of people all together (Ong, 2005). In Higson's words, to build a nationalist consciousness is to build "a strong sense of self-identity that imagine themselves as members

of a coherent, organic community, rooted in the geographical space, with well-established indigenous traditions" (Higson, 2006: 16). In light of the actual fractures within the population of most nations along lines of class and caste, religion, race, gender and language, the process of imaging a coherent, homogeneous, and unproblematic community is achieved through the authoritative telling and retelling of a shared history, elaboration of a shared present, and the projection of a shared future (Bishop & Jaworski, 2003). Thus, rather than being the "natural" and "immemorial" object of reverence for many nationalists, the nation is socially forged and "sutured" together through a variety of discursive processes (Laclau & Mouffe, 1985). Born to be a key site for symbolic creation and circulation, cinema has thus become a significant public space in which compelling version of the nation is produced and negotiated.

Turner (1999: 158-159) argues that representations of the nation are particularly important for building and maintaining the hegemony of nationalist ideologies. There are, therefore, always attempts to "control the proliferation of these representations" in cinema. In China, historically there is therefore nothing novel about cinema being incorporated into a nation-building enterprise. It runs a long time in the CCP's history for cinema to be used to consolidate the its ruling legitimacy. The function of cinema evolves through conformity to re-invention and re-articulation of official ideologies distinguishing particular socio-cultural and political periods, which require sophisticated governance techniques to materialize.

2.5.3 Media governance and cultural policies

In existing film studies, governance of Chinese cinema is often reduced to state regulation embodied by film policies and more straightforwardly, censorship mechanism. The Chinese film industry subjects to an opaque and elusive censoring process which is believed to be choking up the creative talent of the industry. The overall observation with regard to art

censorship in China after Cultural Revolution is that it is gradually relaxing its grip.[38] With regard to scholarship on film censorship, it largely falls into two categories, either focus on censorship over images on the big screen (Johnson, 2012; Zhu, 2003; Zhu & Nakajima, 2010), or censorship over independent, underground and alternative filmmaking (Berry & Rofel, 2010; Ma, 2014, Nakajima, 2010).[39]

The fact that there is a long spectrum of views and attitudes towards the changes taking place in Chinese film control since the 1980s reflects a rather murky state of affairs. The uplifting and optimistic view argues that the CCP's hands on film control is indeed getting looser and more tolerant. For example, Rui Zhang (2008) suggests that a transformation from hard censorship to soft censorship of a rating system seems likely to come to Chinese cinema. On the middle ground is a view represented by Mary Calkins who analyzes film censorship from legal perspectives and argues that the "film censorship in China, like contracts and constitutional law in China, is contextual, individualized, and continuously negotiable rather than absolute or binding" (1999: 242-243).[40] On a similar note, Paul Pickowicz (2013) teeters between pessimism and optimism when talking about political constraints on filmmaking. Building on his intimate encounters with Chinese film history, Pickowicz concludes that "if the political history of Chinese filmmaking in the last hundred years has taught us anything, it has shown us how these cycles of crackdown and opening come and go" (2013: 17). However,

[38] Jerome Silbergeld (1997) concludes that the relaxation of film censorship is derived from the CCP's conscious adjustment of its art policies during the Reform era (pp.328). Richard Kraus (2004) attributes the lightening censorship over art to four reasons: breaking the rules, media expansion, technological change, and the professionalization of cultural criticism (pp.122-126).
[39] A majority of the research centres on censorship after the 1980s. Zhiwei Xiao's doctoral thesis titled *Film Censorship in China, 1927-1937* (1994) is the only comprehensive research available on the nationalist film censorship before 1949. Paul Clark's book *Chinese Cinema: Culture and Politics since 1949* (1987) includes essays which provide valuable information about the censorship of the Chinese socialist film industry since the founding of the People's Republic of China until the 1980s.
[40] What validates this judgement is the fact that very often film directors simplify their admittedly complex relations with the Chinese state. They could have serious conflicts with the state but sometimes they also enjoy cooperation and benefits from the state.

in Kraus's view, the sluggish and erratic restructuring of the cultural world is "the product of a weakening regime taking aim at a moving target" (2004: 130) because the marketization of culture has both complicated the job of the censors and generated new tasks.

However, current understandings and study of censorship is restricting in three aspects. First, self-censorship is rarely discussed in the Chinese context, although it has been adopted as a coping mechanism by many industry professionals. Detailed analysis of workings of self-censorship is rare in current research primarily due to the difficulty of collecting empirical evidence; this is addressed particularly well by Siao Yuong Fong (2018) in her ethnographic work on self-censorship in the television industry in Singapore.[41] Obviously, there is a degree of bitterness about the bleak situation. The rhetoric about censorship among film professionals indicates splitting and vacillation between coming to terms with the realities of the constraints and risks, trying to make the best out of what at hand or voluntary alienation and distancing from the mainstream so as to retain creative independence and integrity. The intricacies of self-censorship range from familiarising oneself with subjects off limits and staying away from them, internalizing naturalized consensuses within the industry without questioning, challenging or even helping to maintain these borders and boundaries in areas from sexuality to politics, making compromises when in conflict with official opinions so as to get the greenlight for production or distribution, and many more. My point, however, which is confirmed by Fong's work, suggests that these power relations cannot be understood as repressive in an absolute and totalising sense. As Fong (2018) points out, the space of negotiation is not entirely sealed off. Sometimes, censorship can even be a productive force.

[41] The difficulty of collecting data regarding self-censorship will be elaborated in the methodology chapter and following empirical chapter.

For example, some scholars argue that this particular blend of political censorship cultivates the rapid development of diversified distribution channels such as the Internet, and a dual-track and double standard censorship system has been mobilized to manage the new condition (Xie, 2012; Zhou, 2015). Secondly, censorship enforced by market mechanisms has become an equally, if not more overshadowing force in an increasingly marketised film industry. The impact is most palpable in the domain of independent and underground filmmaking. Exemplified by the so-called Fifth Generation directors such as Zhang Yimou and Chen Kaige, artistic filmmaking in China experienced its heyday in the 1980s when the liberating and critical political climate and socio-cultural milieu provided fertile ground for re-narrating national history and stories through cinematic expression. However, this burgeoning came to an end in the mid-1990s when the socialist cinema apparatus collapsed in the face of deepening marketization in the cultural sector, and when the CCP did not need artists and intellectuals to help legitimize its ruling power as in the previous decade when ideological debate was still being allowed and encouraged in public cultural spaces.

What followed was the underground or independent filmmaking represented by Sixth Generation directors including Wang Xiaoshuai, Zhang Yuan, and Jia Zhangke. This generation was not lucky enough to have the privileges enjoyed by their predecessors when Chinese cinema was still financially supported and culturally endorsed by the state. Going overseas and/or underground became those directors' survival strategy, which further alienated them from the state, establishing a broad pattern of independence and rebellion amongst this generation of film makers. The brief trajectory of artistic filmmaking in contemporary China again took a drastic turn in the 21st century when the state receded to the secondary position

while market dynamics came to the fore in further marginalizing and isolating critical artistic voices in Chinese cinema.[42]

When the Chinese film industry stretches out its influence into the global arena, so does its censorship system. As Chinese finance capital has become the hotly pursued new darling at international film trade markets, familiarity with Chinese censorship rules has become a necessary and a valuable career skill for foreign producers. The logic of Chinese soft power (see section 2.5.1) is thus working in unexpected and twisted ways, with the assistance of capital, instead of from traditional Chinese cultural production. Therefore, to adequately register the nuances embedded in censorship mechanism manifested in power relations among the state, market and film professionals in the global context, it is necessary to re-conceptualize the role of the state in governing Chinese cinema and more empirically grounded research. However, capital and censorship alone cannot account for the state's complex global cultural governance machinery. Censorship enforced by regulation and legislation is only part of a colossal governing apparatus. Instead of singling out censorship as the overarching governing technique, I situate state regulation of the Chinese film industry in the discursive construction of a broader nationalist project under the theoretical framework of critical neoliberalization.

Chapter four will address those competing factors and the interconnections among them. But before turning to that analysis, it is worth noting in more detail the methods I have used in this thesis to gather and generate data, sample and analyze data, and to reflexively frame the ethics of the study.

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[42] For more in-depth research on independent and underground filmmaking in China, see, Pickowicz, P.& Y. Zhang (2006). *From underground to independent: alternative film culture in contemporary China*; Zhang, Z. (2007). *The urban generation: Chinese cinema and society at the turn of the twenty-first century*; Zhang, H. (2014). The dissolution and re-organization of the Chinese film industry, *The Observer*, obtained access at http://www.guancha.cn/ZhangHuiZuo/2014_08_04_252862.shtml

CHAPTER 3 METHODOLOGY

3.1 Introduction: reflexive methodological considerations

In this chapter, I discuss and reflect on the methodological choices of this project—primarily critical policy analysis of Party leader's speech and in-depth elite interviews with industry professionals. I situate my research in the broad field of media industries scholarship which has grown out of diverse disciplinary contexts and benefited from a wide range of analytical methods. In their co-edited volume, *Media Industries: History, Theory, and Method*, Holt and Perren (2009) outline a genealogy of media industries scholarship. From their work I take the relevance of "production studies" and/or ethnographic approaches to media studies: in particular participant observation, and expert producer interviews, offer a grounded, empirically based understanding of media industry practices, including the operations, business models, and day-to-day realities of the media industries, past and present. As discussed in chapter 1, my approach to the Chinese film industry is mainly informed by the hybrid theoretical approaches of culture industry studies, media economics and institutional political economy.

I embarked on this foray into the Chinese film industry with no prior connection with the Chinese film industry at all, in both professional and intellectual senses, which later on turned out to be the primary difficulty in my fieldwork. Thus, this thesis strives to provide situated and partial yet grounded observations and explanations of the institutional reconfigurations of the Chinese film industry as a budding locale of film production and circulation, of which the underpinning rationales and mechanisms are more and more imaged and operated on the global scale. My work formulates a coherent narrative of the commercialization and marketization of the Chinese film industry during a specific historical period.

My position as an outsider inevitably constrained the analytical adequacies of this project due to a lack of intimate prior knowledge of the day-to-day realities of the film industry. However, in the meantime, the lack of first-hand experience or immediate contacts with the industry entails a distance prerequisite for a critical perspective on the Chinese film industry. The development of the film industry is highly conditioned by sociocultural and political contexts and therefore should be understood as *a formation* as well as *a process* profoundly entangled with other dimensions and sites of social change. My position affords me the critical eye to more easily discern regulatory ideologies deeply rooted in the practices of film workers.

Well aware of the rift between industry and academia, I hope to at least narrow the gap, rather than broaden it. The objective of this brief account of my fieldwork experience is partly to draw attention to the challenges involved in doing elite interviews with practitioners in a field where personal networks and communication skills are of foremost importance, particularly so from the perspective of an outsider. To compensate the potential deficiencies of my outsider status, I have turned to critical policy study as a complementary method.

3.2 Critical policy analysis

When I set out to conduct an analysis of Chinese film industry policies, I soon realized the conventional approach of policy analysis embedded in the empiricist, rationalistic and technocratic tradition is limiting in its analytical strength for my thesis. Instead, I turned to critical policy analysis, an approach that fits better with my overall theoretical pursuits. In this section, I give a brief review of the rationale and principles of critical policy analysis, explain why it is more appropriate, and justify the choice of document which I will use as the object of critical policy analysis in chapter 4.

Instead of one particular or several concrete film policies laid out by the film authorities, I am more interested in doing in-depth analysis of political statements associated with significant ideological substance. In section 4.2, I will map out the evolving re-arrangements of the legislative and managerial structure pertinent to Chinese cinema and review landmark film policy documents since 2002 as an integral part of discussion on the transition of Chinese cinema from film institution to film industry. These aspects of the Chinese film industry are important in chronicling the history of institutional restructuration of the post-WTO Chinese cinema from the point of view of the party-state. However, I argue those official policy documents only constitute the top layer of the overall media governance mechanism. It is imperative to give a critical account of the ideological positions underpinning extant film policies, and in this case, I turn to one of Xi Jinping's political speeches as a vehicle that allows me to elucidate the Party's position in articulating the function of cinema and its relation to nation-building.

A critical approach to policy analysis requires the re-evaluation of two fundamental issues. First, critical policy analysis indicates an epistemological re-orientation. At the heart of the conventional policy analysis approach is an effort to sidestep the normative, ethical, and qualitative dimensions of policymaking and to reduce political and social issues to technically defined ends that can be assessed and measured through administrative means (Williams, 1998). This approach ignores the inherently normative and interpretive nature of policy problems and pays scant attention to the context within which social problems and policy issues unfold (deLeon, 1988). Rein (1976) calls for a value-critical policy analysis that acknowledges the central role of social value, leading to an epistemological shift to post-positivism or post-empiricism in policy analysis. This epistemological orientation denies the existence of a single objective "truth" out there and neutral scientific policy analysis, foregrounds the essentially

constructed nature of any empirical statements, and turns to focus on the crucial role of language and discourse in mediating policy questions, framing normative assumptions of policy definitions and understanding, and so on (Hawkesworth, 1988). Not only does a critical approach challenge the possibility of the mobilisation of a solely technical rationality in analysing policy issues, but furthermore it criticizes rationalistic policy analysis for oft-times co-opting ideology that masks elite political and bureaucratic interests, as any policy is deeply grounded in subjective factors and less visible presuppositions (Fischer, 2003). Generally speaking, a critical approach denotes an interest in analysing opaque as well as transparent structural relationships of dominance, discrimination, and control.

Secondly, critical policy analysis requires a fundamental shift in viewing the relationship between language and society, discourse and power. The "linguistic turn" in social science introduced by Wittgenstein's analytical philosophy rejects the Kantian possibility of ideas originating with individuals but instead turns its focus to language as a medium of generating meaning and constructing reality (Fischer, 2003; Harris, 1990; Thompson, 1984). As Hall (1997) argues, if language is taken as the primary order of experiencing the life world, then it is inherently implicated in struggles over power and is itself a means of exercising power through representation. Therefore, the use of language is important in more than just a linguistic sense: it sets up a dialectical relationship between discourse and power. As a medium of domination and social force, language serves to legitimize relations of organized power.

Here I pause to discuss my understanding of the term discourse. Usually there are three ways for political scientists to collect data to test hypotheses: interviews, document analysis, and observation (Johnson & Joslyn, 2001). Researchers turn to written records when the political phenomena cannot be measured through other two means. Written records are composed of

documents, reports, statistics, manuscripts, and other written, oral or visual materials. This is similar to the way text is defined by Fairclough as "the written or spoken language produced in a discursive event" (Fairclough, 1993: 138), emphasizing the polysemic nature of texts including visual images and sound. However, discourse contains two layers of meaning, entailing a much more sophisticated implication than writing. At a basic linguistic level, discourse refers to the use of language, in forms of written, visual or speech. Foucault goes beyond that and conceives it as a system of representation, more specifically, "a group of statements which provide a language for talking about—a way of representing the knowledge about—a particular topic at a particular historical moment" (Hall, 1997: 72). Therefore, discourse is more than a linguistic concept but also materially grounded and materially promoted.

Ideology works through discourse by making the social world appear to be natural and unproblematic (Billing, 1991; Fairclough, 1992; Hawkesworth, 1988; Oktar, 2001). Discourse practices are viewed as having major ideological effects, helping to produce and reproduce unequal power relations though particular ways of representing and positioning (Brooks, 1995; Fairclough & Wodak, 1997). The process of naturalisation of common sense makes embodied struggles over power seem neutral and without any ideological burden, which paradoxically indicates a fundamental ideological effect (Gramsci, 1971). Critical policy analysis is helpful in that it recognizes the *ideological nature of discourse* and helps *make explicit power relationships* frequently hidden under taken-for-granted political statements. Power, ideology, and hegemony are issues inherent in critical inquiries.

To sum up, language uses in political statements should be analyzed not only as texts, but also social practices that construe social relations, identities and systems of knowledge and beliefs.

Critical policy analysis treats language as a means of exercising power conditioned by its specific social context, and aims at uncovering ideological prejudices neutralized, social inequalities naturalized, and the exercise of power legitimized through political documents at the discursive level (Chouliaraki, 2008; Fairclough, 1993; Widdowson, 2000).

A common critique levelled at critical political analysis is the lack of validity. Major concern has been expressed about whether a critical approach is able to produce valid knowledge given its interpretative features which apparently render analysis highly subjective and ideological (Hammersley, 1997). As Widdowson puts it, this approach is "in a dual sense, a biased interpretation: in the first place it is prejudiced on the basis of some ideological commitment, and then it selects for analysis such texts as will support the preferred interpretation" (Widdowson, 1995: 169). Similarly, Schegloff (1997) points out the risk of slipping into mere ideological analysis when the critical analysis of social context does not bind to data. Fundamentally, what differentiates critical discourse analysis from other forms of analysis is the recognition that the world is "always already" inflected by language and therefore the truth is ideologically textured (MacLure, 2003). Any knowledge, including policy documents, knowledge about policy analysis, and knowledge derived from policy analysis, is far from neutral but implicated in complex power relations. There is no escape from the subjective interpretation of any texts, hence the concern of producing biased, ideologically-charged knowledge through critical policy analysis is rather irrelevant. It is exactly the interpretative and explanatory power of critical policy analysis that I rely on to conduct my research. In a general sense, I do not aim to provide definite answers or hard evidence to a social question, but rather to commit to offering interpretations of discourses whose production, distribution and consumption are conditioned upon historical background.

Another criticism centres on the lack of detailed and systematic procedure in relation to data collection. It is true that critical policy analysis does not contain a well-defined and widely applicable data-gathering method. However, the requirement to incorporate a sophisticated sampling technique as in content analysis is itself ideologically biased against critical policy analysis. Essentially, critical policy analysis is not evaluated as a method concerned about representativeness, hence techniques of data collection has never been a major theoretical issue. It does not set out to identify universal processes and indeed, it is critical of the idea of generality as discourse is "always occasioned-constructed from particular interpretative resources and designed for particular context" (Gill, 2009: 186). Instead, critical policy analysis is more about how to critically draw out underlying meanings from "typical texts" such as political speeches in a way that other methodologies are unable to accomplish (Wodak, 2009).

The criterion of data selection in my thesis is primarily subject to the text's significance in political terms, its capability or potential in influencing and shaping the discourse contour and whether it is easy to get access to. I will elaborate on this issue in chapter 4. Indeed, the value of this work is strengthened further by my deployment of elite interviews to complement the textual analysis and triangulate the findings. I discuss the sample and methodological implications of these interviews in the following section.

3.3 Elite producer and policy interviews

3.3.1 Defining elites and confronting power relations

Elites can be "loosely defined as ... those with close proximity to power" (Lilleker, 2003: 207) or with particular expertise (Burnham et al., 2004). There is some debate about whether there

are overlaps and distinctions between experts and elites since being expert in a particular field is not always a sign of belonging to the economic elite. Morris (2009) uses the term 'elite interviews' to describe interviews with individuals or groups who ostensibly have closer proximity to power or particular professional expertise. What is unquestionable is that this is a method which allows researchers to get unprecedented and quick and well informed access to the key debates and topics in a particular field, and if the experts happen to work in media production, to the contextual dilemmas and knowledge which inform aspects of their choices and daily decision-making around cinematic production. This was my reason for settling upon this as one of my central methods. Of course,

The particularities of interviewing elites have been extensively discussed in general social sciences texts on research methods (Bryman, 2004; Creswell, 2003; Harvey, 1990; Hertz & Imber, 1995; Mikecz, 2012; Morris, 2009; Neal & Mclaughlin, 2009; Silverman, 2006; Welch et al., 2002). Among a variety of methodological challenges associated with conducting elite interviews, the predominant one is gaining access, followed by issues of establishment of rapport and maintaining a balance of power between the researcher and the interviewee. Literature on elite interview abounds with practical guidance on strategies and techniques that could be employed to help interviewers gain access and establish rapport. Jeremy Tunstall (1993) has been prolific in conducting research on the media industries and employing interviews as his primary method.

"Elite interviewing is characterized by a situation in which the balance [of power] is in favor of the respondent" (Burnham et al., 2004: 205), and this can lead to additional challenges in gaining access and to the respondents' tendency to seek to control the agenda (Burnham et al., 2004; Bygnes, 2008). These difficulties tend to result in the majority of research interviews

being undertaken with less powerful people, who may also be less skilled at deflecting questions (Homan, 1991; Ostrander, 1995), and less likely to be able to pass the researcher to a public relations department (Burnham et al., 2004). Professional identifications with filmmaking practices are historically formulated, and are embodied in transformative patterns of film culture enabled by technological development, shifting political environment and economic conditions, etc. In this thesis I incorporate film culture as part of the object of research, which refers to professional perceptions of film market, film as cultural commodity, and film consumption. There has no research of a similar kind in existing literature. My way of reconciling this set of complexities was to *approach the positioning of my interviewees rather as cultural intermediaries than as elites* and to prepare extremely thoroughly the background knowledge required. The concept of cultural intermediaries bears some further discussion.

In *Distinction: A social critique of the judgement of taste* (1984), Pierre Bourdieu uses "cultural intermediary" to describe a subsection of the new petite bourgeoisie, whose work involves the provision of symbolic products and services. In comparison to the cultural intermediary as critic in the traditional sense of the term proposed by Bourdieu, this concept has been picked up by many scholars who broaden its explanatory capacity to include professionals participating in all cultural and media industries that have the role of linking producers of symbolic content with consumers of symbolic content (Cronin, 2004; Hesmondhalgh, 2012; McFall, 2002; Negus, 2002; Nixon & du Gay, 2002; Wright, 2005). Some even go further and apply the idea of the cultural intermediary to consumers to describe and explain the prosumer trend (Lee, 2012). In his book *The cultural industries* (2012), Hesmondhalgh traces the concept to its origin and compares that to the ways it has been utilized today. Bourdieu uses cultural intermediary to describe "the producers of cultural programmes on TV and radio or the critics

of 'quality' newspapers and magazines and all the writer-journalists and journalist-writers" (1984: 325). However, in later studies of cultural intermediary, its definition is not always clarified in terms of how it is different and to what extent its meaning is extended. As a result, Hesmondhalgh prefers to terms such as "creative manager" coined by Ryan in the book *Making Capital from Culture* (1992) and "symbol creator". Slightly contrasting from David Hesmondhalgh's approach of abandoning the concept to avoid definitional confusion, but not going as far as to apply this to audiences or users of media, I argue that this concept serves a central methodological purpose in this thesis as a rationale for the sampling of particular experts involved at different levels of the Chinese film industry.

3.3.2 Sampling and operationalizing of the research question and the topic guide

As discussed above, cultural intermediaries are people who develop myths and rituals which help legitimate norms and values regulating and shaping industrial practices (Bourdieu, 1996). Through circulation of rhetoric, they intermediate not only power relations within a specific industry, but also social trends and ideologies linking the industry with society. Moreover, cultural intermediaries have the capacity of critically reflecting on their practice (Cronin, 2004). In the case of Chinese film industry, I break down the concept into three categories to represent people who function as agents of neoliberalizing cinema according to their relationship with the film industry.

1. At the core is the group of film professionals including directors, producers, distributors, exhibitors, and screenwriters. They build the foundation by directly partaking in filmmaking practices.

2. The second group is comprised of people involved in policymaking process, working in the state apparatus. They are conventionally considered at the top of power hierarchy within the film community.

3. The last group consists of people from marginal positions of the industry, such as critics, researchers, self-media practitioners, etc. They play mediating roles between the film industry and a wide range of audience through different platforms and serving different interests.

I started the process of sampling and contacting potential interviewees at a very early stage of my research by sending out interview requests mainly through social media, or any kinds of internet platforms that I could find. I didn't establish any filtering or selection rules in the initial phase. About three months prior to my fieldwork trip in China in 2013, I began to make the most use of my own research credentials, affiliations and personal connections.

I chose Beijing as the fieldwork site for my research because Beijing is the centre of film production in the Chinese film industry and has been so for the majority part of its history, except the early years when Shanghai was the cultural and financial centre. [43] All my respondents and their companies resided in Beijing. When I was officially based in Beijing, the snowballing technique was the most important strategy that I relied on to reach out to new interviewees. At the end of every interview, I always asked for names of contacts that the interviewees thought would be able and willing to provide information in the form of an interview. Meanwhile, I kept myself busy by going to activities and events which could potentially put me in touch with future interviewees, such as attendance at relevant conferences, meetings, public discussions and seminars. On various occasions, I was given contact details of potential interviewees. Some of the interviewees provided me with additional reading

[43] https://archive.nytimes.com/www.nytimes.com/ref/college/coll-china-media-001.html

materials. I learnt an enormous amount about the topic from each encounter, and deployed it carefully in the following interviews. Following each interview, I sent each a letter thanking them for their cooperation, retaining professional goodwill with my interviewees. This gesture not only served as a reminder in case the interviewee offered additional help, such as reports or additional contacts during the interview, but also kept the door open for follow-up interviews.

In the end, a total of 15 extended and in-depth elite interviews with Chinese film industry professional and producers were conducted between July-October 2013, and August 2014 (see table 3.1 below). They consist of three categories of cultural intermediaries as I described above. Apart from that, I attended one book launch and one industry forum during the summer of 2013 in Beijing, and three directors' Q&As at the BFI in London in 2014 (see table 3.2 below). These participant observations also provided important insights, and a way of triangulating data, that I could not get from elite interviews alone.

In line with the Ethical Guidelines of my institution and the commitment to my interviewees' confidentiality, I ensured that interviewees who did not wish to be named or whose identities would place them at risk from the revelatory nature of their interviews would remain anonymous and their testimonies used only as background and supporting data. For this reason they are not listed below in Table 3.1.

No	Name	Affiliation	Date	Location
1	Peng Kan (彭侃)	P&D Director,	13/07/2013 3pm	Mann Coffee (Wangjing store), Beijing

		Legend Media Co. Ltd.		北京漫咖啡望京店
2	Su Yi (苏毅)	Wechat public account: Yue Mu (悦幕)	14/07/2013 11am	Joy City (Chaoyang), Beijing 北京朝阳区大悦城
3	Sun Hongyun (孙红云)	Associate Professor, Beijing Film Academy	14/07/2013 6pm	Sculpting in Time (Beijing Normal University Store), Beijing 北京雕刻时光北师大店
4	Raymond Zhou (周黎明)	China Daily Columnist, film critic	15/07/2013 3pm	China Daily Lobby 中国日报社
5	Ben Ji Erwei (戢二卫)	Managing Director/Producer, Reach Glory	24/07/2013	Beijing Parkview Green 北京芳草地
6	Zhou Tiedong (周铁东)	President, China Film Promotion International (CFPI)	26/07/2013 11pm	25 Xinwai Street, Beijing 北京新外大街 25 号
7	Pan Yanyun (潘烟云)	Production manager, UCE Group INC. Beijing	05/08/2013 6pm	Beijing International Center, Sanlitun, Beijing 北京三里屯

8	Guo Xiaoping (郭晓平)	Director of the Market Research Center, Bona Film Group	09/08/2013 3pm	18/F Tower, U-Town Office Building, Beijing 北京悠唐国际
9	Chen Honglin (陈鸿霖)	Producer, Great Promise Media (Beijing) Co. Ltd.	13/08/2013 4pm	Sculpting in Time (finance street store) 北京雕刻时光金融街店
10	Zhang Wanmin (张万民)	Governing Director-Genenral China, Asia Film&Television Federation	15/08/2013; 06/09/2013	6 Xiaozhuang, Chaoyang District, Beijing 北京朝阳区小庄 6 号
11	Jin Fuxin (靳赋新)	Vice President, China Film Stellar Theatre Chain	13/09/2013 3pm	Zhongqi Building, Xiaoxitian, Beijing 北京小西天中器大楼
12	Amy Liu (刘新颖)	Vice President, EntGroup	17/09/2013 4pm	Donglang film industry park, Beijing 北京东郎影视产业园
13	Stego	Film Editor	23/09/2013 11am	798, Beijing 北京 798 艺术产业园
14	Xu Yunze (许云泽)	Screenwriter, Film Workshop Co., Ltd.	19/08/2014	Mann Coffee (Qinian Street store) 北京漫咖啡祈年大街店

15	Huang He (黄河)	Vice President of Production and International Affairs, Desen International Media Co. Ltd.	20/08/2014	SOHO, Beijing 北京银河

Table 3.1 List of elite interviewees, in chronological order

Event	Participants	Time	Location
Book launch for 号脉电影	Zhou Tiedong (Writer, President, CFPI) Zhou liming (Film critic, ChinaDaily)	7th July 2013 3:30pm- 5:30pm	Kubrick bookstore, Beijing 北京库布里克书店
17th Beijing Screenings: Can China devise a strategy to promote its films abroad? Obstacles and suggestions	Zhou Tiedong (Chair) Luan Guozhi (Deputy chief, SAPPRFT) Stanley Rosen (Professor, USC) Patrick Frater (Asian Bureau Chief, *Variety*) Jiang Yanming (President&CEO, China Lion Film Distribution)	4th Sep 2013 2:00pm	Novotel Peace Hotel, Beijing 北京诺富特和平酒店

	Wang Fan (Film scholar)		
Q&A with Feng Xiaogang	Feng Xiaogang	21st Feb 2014 7:00pm	BFI, London
Q&A with Jia Zhangke	Jia Zhangke	8th May 2014 7:00pm	BFI, London
Q&A with Peter Chan	Peter Chan	13th October 2014 7:00pm	BFI, London

Table 3.2 List of participant observations during 2013-14

Before entering into fieldwork, I developed a generic topic guide that would allow me to cover all three aspects of the Chinese film industry that I wanted to address, as indicated in Chapter 1. And as the pool of my interviewees expanded over time, I started to have a better grasp of the reality in terms of what types of contacts would most likely lead to an actual interview. The topics of interviews were thus a process of improvisation on my original plans. On the one hand, I had to keep adjusting the original topic guide as my knowledge and expertise with regard to the industry grew. On the other hand, I also needed to keep it on track to prevent it from straying too far away from my main research interests. I categorize my interview questions based on different themes I want to address (see table 3.3 below).

Themes	Typical questions
Film regulation	Film policy

	• What do you think of certain film policy? (the policy varies accordingly depending on which sector of the film industry the interviewee works in, production, distribution, or exhibition, or others) • What do you think of the general trend of commercialization in the Chinese film industry? • In your opinion, what kind of role do you think the Film Bureau should play in the marketization and commercialization of the Chinese film industry? • How do you understand the ideological function of cinema in general? Censorship • Do you think film censorship has impact on your day-to-day practices and if so, in what ways? • What are the difficulties or maybe opportunities film censorship has brought to your work? • What is your opinion on the current film censorship system? • How do you position yourself in relation to the censorship machinery? Coping strategies • How do you deal with challenges arising from censorship?
The role of Party-state	State-owned media conglomerates/film studios • What are the challenges involved in promoting Chinese films in foreign markets?

	• What do you think of the relationship between state-owned film studios with private media corporations?
	• What's your experience in dealing with state-owned film corporations such as CFG (depending on the job title of the respondent in the film industry)?
	China Film Group (CFG)
	• How do you perceive the role of CFG in the Chinese film industry?
	• Do you think the role of CFG has changed and if so, in what ways?
	• Through what means and for what purposes does CFG accommodate to the changing political economic context to maintain its position?
	• In what ways do you think the hegemony of CFG manifest itself?
Conglomeration	• Do you think the trend of conglomeration has affected on your daily work in any way?
	• What do you think of the participation of these big Internet corporations (in particular BAT) in the entertainment sector?
	• In what ways do you think this trend of conglomeration has changed or would change the Chinese film industry?
	• what do you think of the relationship between state-owned media conglomerates and the newly emerging powerful players in the field?
Globalization	• What are the forms of transnational collaboration?
	• What are the difficulties you have encountered in forging transnational deals?

	• What do you find particularly challenging, rewarding, or frustrating in dealing with transnational film corporations?
	• What is the process of making a transnational co-production?
	• Who are the active participants of this process, what role does each of them play, in what ways and to what extent do they engage in the process?
	• What changes do you think globalization has generally brought about in the Chinese film industry and how do you perceive these changes?
Professional identity	• How do you navigate in the Chinese film industry that is changing so rapidly?
	• What are the major challenges or struggles in your daily work and how do you cope with them?
	• How do you perceive your profession?
	• What is your main motivation?
	• What kind of changes you hope you, or others, can make to the Chinese film industry, if you want to?

Table 3.3 Elite interview topic guide

My fieldwork experience calls for a nuanced interpretation of industry professionals' reflexivity in line with Caldwell's book *Production Culture* (2008) which focuses on the lived experiences of film/TV production workers (prestige and anonymous) in Los Angeles by exploring their cultural practices and belief systems. Caldwell argues that, far from involving rote or merely intuitive work, many film/television workers (including those in the manual

crafts) critically analyze and theorize their tasks in provocative and complex ways. He contends that communities of film/tv production themselves are

> cultural expressions and entities involving all of the symbolic processes and collective practices that other cultures use to gain and reinforce identity, to forge consensus and order, to perpetuate themselves and their interests, and to interpret the media as audience members. (2008: 2)

Like him, I found "the relative power and autonomy of individual agents to express divergent political perspectives, creative visions, and cultural attitudes within larger institutional structures" (Caldwell, 2008). Kuper, Lingard and Levinson (2008: 689) argue persuasively that

> Reflexivity refers to the recognition of the influence the researcher brings to the research process. It highlights the potential power relationships between the researcher and the research participant ... It also acknowledges how a researcher's [characteristics] ... influence the choices made within the study, such as the research question itself and the methods of data collection."

As Plesner (2011) argues, "being an insider and an outsider are not finite positions but constantly negotiated" (p.480). Mikecz (2012) maintains that positionality is not solely determined externally in the context of an insider/outsider dichotomy but is on a continuum that can be proactively influenced by the researcher. My experience supports the argument that researcher's positionality is fluid, operates on an "insider/outsider" continuum rather than as a binary, and evolves over the course of research depending on several factors.

During the course of my fieldwork that spanned two summers, I discovered that it was too simplistic to fit my position into the "insider" versus "outsider" dichotomy. Being a postgraduate student with no prior working experience in the Chinese film industry, or in any other profession for that matter, definitely made me an outsider. However, my affiliation with an elite UK university granted me the academic status which in general proved to be highly valuable in terms of gaining access and trust in the fieldwork. This was particularly true when the interviewees saw the potential of their favours being reciprocated through my credentials.

One example was my experience with the chief editor of an English language magazine dedicated to giving "comprehensive coverage of the rapidly growing Chinese film market".[44] This magazine's distribution network cover a diverse range of channels, including class A international film festivals, industry associations, official agencies, film production companies, distribution companies and related cultural institutions. The interview itself was not fruitful as the editor was not a film worker to begin with. The interview took an interesting turn when the editor asked me if I would be willing to lead their London office, or put it in a fancier way, to be their "London ambassador", which was a title I was sure made up on the spot. Being a small magazine, they were in dire need of expanding its public exposure and I was expected to circulate hard copies of their magazines at film conferences or any film related events I would attend around London in the future. In this case, I was offered the opportunity to build a closer relationship with the respondent due to my credential, which however was very unbalanced by nature. In the end, I found myself turn into my interviewee's medium of fieldwork, with our positions completely reversed on the "insider/outsider" continuum.

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[44] The interviewee asked to remain anonymous.

Although my initial concern of not being able to gather enough data due to the difficulties in interviewing elites never completely disappeared during the process, over time I realized that the success of interviewing elites to a large degree hinges on the researcher's knowledgeability of the interviewee's background. Thorough preparation and research of the interviewees' background, including career path, corporations or organizations they work for, publications under their name, could help decrease the status imbalance between myself as the interviewer and my expert interviewees, and in some cases, could significantly change the tone of the interview in a positive direction.

My work with some of the interviewees proved that sufficient background research could greatly enhance the chance of successfully eliciting useful and trustworthy information from elite interviewees. Zhou Tiedong, the president of China Film Promotion International, was very unimpressed by the first few questions I raised and started to show signs of irritation and impatience ten minutes into the interview. Zhou thought the questions were too generic which showed my lack of knowledge of his professional accomplishments. I was caught off guard at first but soon regained composure by shifting the focus of the conversation to his book 号脉电影 (haomai dianying, 2013), which was launched just two weeks ago and very luckily I attended the event. I quickly realized that Zhou held himself in high regards as a writer and researcher of Chinese cinema. Therefore, I took out his book which I bought at the launch event, showing him all the notes I have made throughout the book, meanwhile expressing my appreciation of his astute observations and insightful analysis of the Chinese film industry, not only as a policymaker but also as an intellectual. It effectively diffused the tension between us and changed the dynamic of the interview to a more open and trusting one. In the end, the interview proved fruitful and I learned a big lesson on how to accommodate to different respondents with different character predispositions and traits.

My experience of conducting elite interviews, particularly the one with Zhou, propels me to agree with Ezzy's (2010) argument that "emotions are central to the conduct of interviews" (p. 163). What I found particularly challenging in my fieldwork, was not only the anticipated power imbalance between majority of my interviewees and I, but also the unpredictability caused by various contextual eventualities. Depending on each individual's working experiences, professional credentials, affiliations, age, gender, and very importantly but often neglected, unpredictable personalities, interviewing elites could be result in very different experiences. Every interviewee was different and should be approached differently. Some of the interviewees didn't hesitate at all when approached by me and were pleased to lend their expertise and perspectives to my research throughout the interview, including post-interview follow up. Others were less approachable and put up barriers. Overall, I found myself learning much from each different type of interviewee and each experience.

3.4 Limitations and conclusion

Methodologically, this project is limited in three main respects. The restrained access to industry elites is the first and foremost problem. I cherish every single opportunity of face-to-face interview due to the difficulty involved in actually getting one. However, in retrospect, there are times when different respondents are providing repetitive information, while in other cases I find the empirical data generated from the interviews are insufficient to answer certain research questions. Secondly, the validity of my secondary data is weakened by two factors. Data collected from trade publications are filtered through layers of rhetoric, hype and misinformation. Another problem relates to the temporary scale of this research. Temporally speaking, my data only covers a considerably shortened period of time from 2013 to 2015, rather than the timescale I set out for this thesis, which is from 2002 onwards. The last

limitation also concerns time, but in a different way. The landscape of the Chinese film industry changes so dramatically and quickly that by the time I write the analysis, some data becomes invalid or needs update, which unfortunately goes beyond the scope of this thesis.

CHAPTER 4 FILM POLICY, CULTURAL GOVERNANCE, AND CENSORSHIP

4.1 Introduction

Ever since China's first domestically produced silent movie *Conquering Jun Mountain* (定军山) was born in a Beijing photograph shop in 1905, Chinese cinema has survived tense and turbulent political and cultural havocs throughout the 20th century. Evolving with the development of Chinese cinema is the continuously shifting state-cinema relationship conditioned by the larger socio-cultural and political context, consonant with the changes in China's cultural policies, administrative institutions of control, and censorship and propaganda systems.

Existing studies on the relationship between the state and cultural production in contemporary China revolves around one major question: does deepening marketization and commercialization in the culture domain necessarily undermine the power of the state in regulating cultural production (Meyer-Clement, 2004, 2016; Pickowicz, 2013; Zhang et al., 2012)? The question is framed in opposing terms between state control and economic liberation based on the premise that the latter with the potential capability of contradicting, challenging, and destabilizing the agendas of the former. One prominent argument in recent research about China's media regulation is that, the Party-state proves to be proactive and resourceful in the face of rapid marketization intensified by globalization and technological convergence (Yeh & Davis, 2008; Zhu, 2003). It is argued that the implementation of market economy in the media and entertainment sector is carefully designed, supervised, and controlled by the CCP through a variety of means, particularly forging elaborate and flexible state-market alliance.

Based on close reading of cultural and film policy documents as well as first-hand data collected from interviews, I aim to challenge this argument at three levels. First, the belief that economic liberation would help the Chinese film industry shake off the chain of the state falls prey to a romantic liberal market logic that ignores the complicated political economic milieu of contemporary China. The state and the market are two inseparable forces, neither antagonistic nor collaborative by nature. Secondly, the Party-state indeed proves to be ingenious in the process of installing market mechanism in the Chinese film industry. Nevertheless, the machinery of cultural governance is far from a self-sustainable monolithic organ, but fraught with contradictions, ambiguities and uncertainties caused by a Party-state experiencing pain from societal transformation. Thirdly, at the level of policy implementation, constant but restricted amount of power negotiation takes place between state authorities and film practitioners. Despite the CCP's heavy-handed manner at the ideological frontier, there exists space for struggle mediated by and through individuals with desires and ambitions.

Discussion in this chapter falls into three sections. First, I delineate changes in China's film policy in the context of China's overarching cultural system reform since 2002.[45] Second, I examine Xi's talk on literature and art in parallel with Mao's historic Yan'an talk and employ critical policy analysis to try to understand the implications of Xi's talk for the Chinese film industry. The last section focuses on the film censorship regime, exploring the characteristics of its functioning, and how the CCP maintains a regulatory environment in favour of the Party consolidating its dominant power in the Chinese film industry.

[45] In China, film policy documents are constituted by statements and regulations issued by the CCP's Central Committee; the State Council; Ministry of Culture; State Administration of Press, Publication, Radio, Film and Television of the People's Republic of China (SAPPRFT), formerly known as the State Administration of Radio, Film, and Television (SARFT); speeches and talks from Party leaders.

To begin with, I offer a succinct historical retrospective of China's state-cinema relationship in the past century, which would put into perspective of the continuities and changes in the evolving agenda of Chinese film policy in the new millennium.

Up until the 1920s, Chinese cinema didn't experience much political interference as the nationalist government hadn't yet established its control in this emerging cultural arena.[46] This laissez faire state of affairs was partially made possible by the fact that the earliest history of Chinese cinema was by and large created by foreign hands when film was first imported to Shanghai from the West in 1896 (Zhang, 2003). However, the entrance of domestic forces into film production in the 1930s brought the foreign-controlled era in Chinese cinema to an abrupt end. Visionary industry frontrunners introduced market mechanisms to a budding domestic cinema based in Shanghai, the home to early Chinese cinema. Upon the arrival of native companies that gradually grew into formidable players through the integration of production, distribution, and exhibition, Chinese cinema was ushered into a "golden age" that spanned two entire decades.

Indeed, the chaotic and unruly political milieu between the 1930s and 1940s gave birth to a national cinema that became a contentious site for both artistic experiments and complex ideological expression. Despite heavy censorship by the KMT regime, progressive leftist filmmakers, including a group of CCP cadres who infiltrated the expanding studio system, established a strong presence in the cinematic space. Leftist filmmakers of the 1930s and 40s aspired to a more just and equal society, championed utopian ideals, and utilized cinema as a platform to envisage possible solutions for China's future, be they revolutionary or

[46] The nationalist government, officially the National Government of the Republic of China, refers to the government of the Republic of China between 1 July 1925 to 20 May 1948, led by the Kuomingtang (hereafter KMT).

conservative. Historical events intervened, and this relatively creative, liberated and tolerant space for collective negotiation and imagination came to a standstill and was eventually eradicated during the following decades.

Soon after the founding of the People's Republic of China (PRC) at the end of the civil war in 1949, Chinese cinema was deliberately steered into a period of significant nationalization under the Maoist regime. Chinese cinema under the leadership of the CCP was arguably born with ideological imprints and nationalist obligations, in other words, it was part of the ideological state apparatus from its inception. Cinema was systematically stripped of previous commercial elements and began to serve primarily as the CCP's mouthpiece, propagating communist ideology and revolutionary creeds. To realize Mao's Utopian idea of a socialist country, various political movements were initiated in order to curtail private space and politicize the citizens of China (Zheng, 2004). Consequentially, the profit motive of cinema was downplayed entirely due to the political circumstances. Particularly during the ten years of the Cultural Revolution, films appeared to be reduced almost entirely to vehicles of political messaging, that scholars have called ideological indoctrination, subject to the political demands of the CCP leadership (Yin & Ling, 2002).47

The last two decades of the 20th century witnessed the gradual shedding of overtly politicized narratives of the Chinese film industry in official discourses, as a result of the CCP's endeavour to transform China's planned economy to market economy under the leadership of Deng Xiaoping, in the name of the "*Reform and opening up*" policy (改革开放). When Mao's

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47 The Cultural Revolution was a social-political movement initiated by Mao Zedong and driven by the the PRC from 1966 to 1976. Focusing on class struggle, this movement aimed to enforce socialism by removing capitalist elements in Chinese society, and to consolidate Mao's absolute power within the Party. This movement significantly affected China politically, economically and culturally.

successor Deng Xiaoping came into power in the late 1970s, he was facing a dilapidated economy and an over-politicized Chinese society while the CCP was struggling with a crisis of its political legitimacy. To restore the CCP's ruling legitimacy, Deng opted for pragmatism and marketization in both practical and ideological spheres by initiating an opening up enterprise, prioritizing economic development over ideological battle.[48] The task of rebuilding legitimacy through economic performance was met with the brunt of another ideological crisis caused by the 1989 pro-democracy movement and the breakdown of communism in the Soviet Union and Eastern Europe.

In 1992, Deng made the historical *southern tour* to the coastal special economic zones which symbolically reaffirmed the course of economic reform and removed any possibility of political and ideological debate triggered by the turmoil of 1989 (McGrath, 2008). Deng's famous statement "*development is the hard rule*" (发展是硬道理) became part of the new indisputable canon. At the 14th Party Congress held in the same year, the CCP leadership issued *The Decision on Economic Reform*, in which the concept of a "socialist market economy" was proposed for the first time, marking the CCP officially commit itself unambiguously to the transition from planned economy to market economy.

Responding to CCP's call to install market mechanism to energize crumbling state-owned enterprises, the Chinese film industry entered into the period of marketization and commercialization, which nevertheless, overshadowed by the development of other industry sectors. Throughout the 1980s and even 1990s, the cultural domain only played a "peripheral" part in the market reform as priority was given to other industries (Kraus, 2004: 22). In 1993,

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[48] The "reform and open up" policy was launched by Deng Xiaoping, referring to the programme of economic reforms that started in December 1978.

breakthrough for the Chinese film industry finally came on the heels of the promulgation of socialist market economy, with the publication of the policy document entitled *Some Opinions on Deepening the Reform of the Film Industry System* (关于当前深化电影行业体制改革的若干意见), often referred to as Document Number 3. This monumental document dismantled the centralized managing model of film production, distribution, and exhibition, particularly the long-entrenched distribution-exhibition monopolistic control of China Film Corporation, which exemplified by the policy of "*tonggou tongxiao*" (统购统销, meaning unified purchase and unified sale) (Zhu, 2002). From then on, the Chinese film industry embarked on the plodding and tortuous journey of marketization and commercialization.

In spite of various market reform measures, by the end of 1990s, the Chinese film industry plumped to its historically lowest point in terms of annual production output and revenue returns. Zhang (2004) attributes the collapse to several key factors: disintegrating previously state-supported cinema infrastructure, irresolute market reform policies, the rise of alternative entertainment choices like television, and the re-entry of Hollywood in 1994. In the face of China's imminent accession into the WTO, the looming threat of Hollywood was something the Chinese film industry had to take into account. Therefore, the central government speeded up the pace of economic reform in the cultural realm by introducing the "cultural industry" as a key concept in framing the cultural system reforms in 2001, among which the film industry was put on a priority list.

4.2 From film institution to film industry

Transformation of the Chinese film industry in the post-WTO era unfolded against the

backdrop of China's *Reform of the Cultural System* (文化体制改革). Based on a revised understanding of culture in socialist market economy, the Chinese government initiated the cultural system reform by adopting a conceptual distinction between public *cultural undertaking* or *cultural institution* (文化事业) and commercial *cultural industry* (文化产业) at the 16th Party Congress convened in 2002. [49] For the first time the Chinese leadership officially integrated the term "cultural industry" into cultural policies and assigned a key position to cultural industry with significance for national economy. However, it is until 2005 the concept of cultural industry—including audiovisual entertainment, news media, and book and magazine publishing—was materialized upon the issuing of the *Guiding Opinions on Deepening Reform of the Cultural System* (关于深化文化体制改革若干意见) by the CCP Central Committee and the State Council. This cultural policy was further consolidated when the China State Council promulgated the *Culture Industry Promotion Plan* (文化产业振兴规划) on September 26, 2009, enhancing the status of the culture industry to that of a strategic industry. The People's Bank of China, together with the Central Propaganda Department, the Ministry of Finance, the Ministry of Culture and nine other departments, jointly issued the *Guiding Opinions on Financial Support for Culture Industry Development and Prosperity* (关于金融支持文化产业振兴和发展繁荣的指导意见) on March 19, 2010. This document is the first guidance supporting the development of the culture industries, and it means that cooperation between the financial and culture industries has finally gained policy support. The most recent policy boost for the development of the cultural industries came with the

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[49] The term "cultural industry" was only loosely employed in policy documents during the 1990s. It was introduced in the "Decision of the CCP Central Committee and the State Council on Accelerating the Development of the Tertiary Industry" in 1992 during the 8th Five-Year Plan period (Zhang, 2006, pp.93). The dual formula of "*shiye jituan qiye guanli*" has made occasional appearances in governmental documents, suggesting that the news media sectors manage public institutions in the way like commercial business enterprises. However, the term was legitimized in the "Proposal of the CCP Central Committee on the 10th Five-Year Plan" adopted in 11 October, 2000 by the 5th Plenary Session of the 15th CCP Central Committee.

publication of the *Decision to Deepening Reform of the Cultural System and Promoting the Great Development and Flourishing of Socialist Culture* (关于深化文化体制改革推动社会主义文化大发展大繁荣决定) in 2011, which marked the beginning of an intensive policy-facilitated expansionist period.[50]

Another document of immense ideological significance for the cultural system reform is "Document No.9", also called *A Briefing on the current situation in the ideological realm*, which was circulated within the Communist Party by its General Office in April 2013.[51] The strident tone of this document suggests the Chinese leadership's determination in tightening ideological control over all social spheres in the wake of economic liberalization, including the market reform undertaking in the cultural domain. This internally disseminated document set up and reinforced boundaries at the ideological front for cultural system reform, which also provided the political context for the restructuration of the Chinese film industry towards further marketization and commercialization.

The Chinese film industry comes under the direct jurisdiction of the State Administration of Radio, Film and Television (SARFT), which simultaneously reports to the State Council and the Propaganda Department of the CCP.[52] As the regulatory body overseeing radio, television and film, SARFT aims at ensuring cultural programmes generated by these sectors are in accordance with the ideological requirements of the Propaganda Department. In March 2013,

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[50] 6th Plenum of the 17th CCP Central Committee in October 2011 was dedicated to cultural system reform. It called for the production of a socialist culture that would satisfy domestic cultural demand, provide genuine mainland entertainment for overseas Chinese communities and present the image of a strong China abroad. http://en.pkulaw.cn/display.aspx?id=14720&lib=law

[51] A translated version of the full text of Document No.9 can be found on ChinaFile, by courtesy of *Mingjing Magazine*, a U.S.-based Chinese-language magazine. http://www.chinafile.com/document-9-chinafile-translation#start

[52] In March 1998, the State Administration of Radio, Film and Television (SARFT) was established following a major restructuring of the former Ministry of Radio, Film and Television (MRFT) under the direct control of the State Council.

the State Council merged the State Administration of Radio, Film, and Television with the General Administration of Press and Publication to form the State Administration of Press and Publication, Radio, Film, and Television (hereafter SAPPRFT) as a means to streamline censorship process under a more centralized administration.

In 2002, the State Council passed the first post-WTO administrative regulation about the film industry called the *Film Administrative Regulations* (电影管理条例), preparing the legal ground on which the market reform of the Chinese film industry operates.[53] In 2004, with a view to carrying out the overall planning for deepening cultural system reform, SARFT issued the *Several Opinions on Fostering the Development of the Film Industry* (关于加快电影产业发展的若干意见).[54] This directive advocates a more market-oriented film industry with increased diversity in every aspect of the industry, so as to "form several large modern film enterprises through five to ten years of development…and make China's film industry stronger and bigger so that it can become one of the world's film powerhouses" (China Film Yearbook, 2005: 10). Under the close supervision of SARFT, these regulations and guidelines served to pave the way for the growing marketization and commercialization of the Chinese film industry (Zhang, 2008). In 2010, the central government released a critical policy document titled *Guiding principles about promoting prosperous development of the film industry* (关于促进电影产业繁荣发展的指导意见).[55]

[53] http://en.pkulaw.cn/display.aspx?id=2253&lib=law
[54] This document was invalidated by SARFT in 2010. Accessed at
http://en.pkulaw.cn/display.aspx?id=3430&lib=law&SearchKeyword=film%20industry&SearchCKeyword=
[55] http://www.gov.cn/zwgk/2010-01/25/content_1518665.htm

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┌─────────────────────────────┐        ┌─────────────────────────────┐
│ The Propaganda Department of │        │ The State Council            │
│ Central Committee of CCP     │        │                              │
└─────────────────────────────┘        └─────────────────────────────┘
           │                    ╲                        │
           ▼                     ▼                       ▼
┌─────────────────────────────────┐   ┌─────────────────────────────┐
│ State Administration of Press,   │   │ Ministry of Industry and     │
│ Publication, Radio, Film and     │   │ Information Technology (MIIT) │
│ Television (SAPPRFT)             │   │                              │
└─────────────────────────────────┘   └─────────────────────────────┘
     │        │        │      ╲                  │
     ▼        ▼        ▼       ▼                  ▼
┌──────────┐ ┌────────┐ ┌─────────┐        ┌──────────┐
│Technical │ │Content │ │ Network │        │ Hardware │
│Standards │ │        │ │         │        │          │
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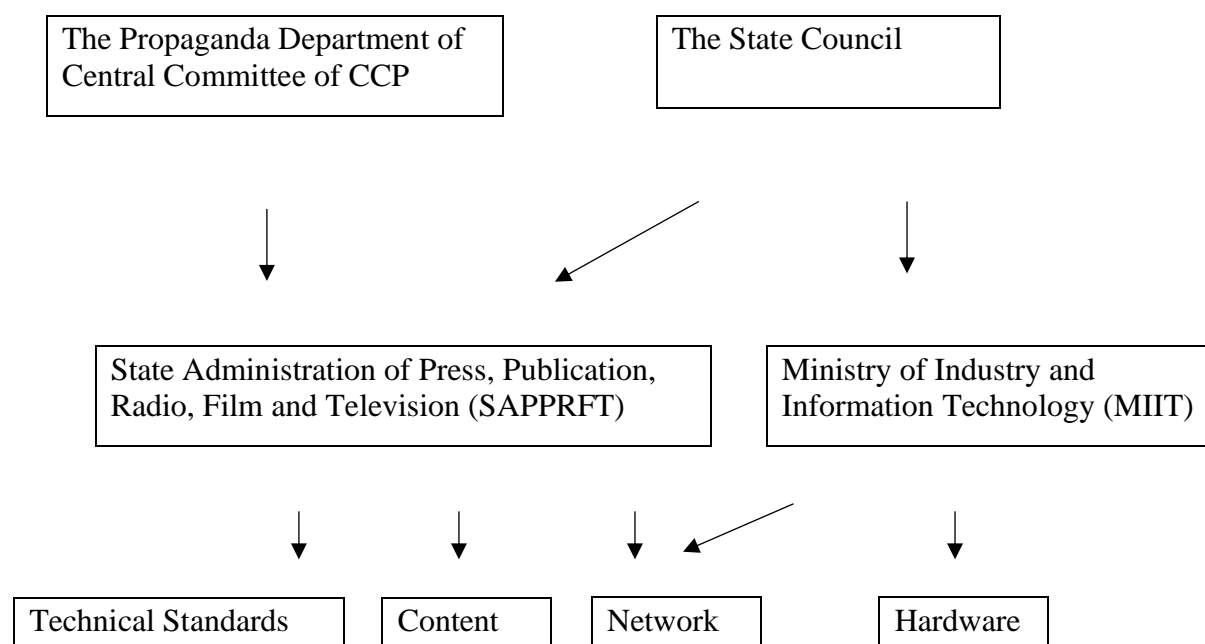
Note:→ stands for supervision

Figure 4.1: Division of labor between SAPPRFT and MIIT (Source: Wu & Leung, 2012)

Breakthrough on the legislative front came with the promulgation of the *Film Industry Promotion Law* (电影产业促进法, hereafter Film Law) by the Standing Committee of the National People's Congress in 2016.[56] The formulation of China's first law targeting the film industry specifically started as early as 2003, but the following decade only brought about years of frustration and disappointment, with constant announcements of its imminent arrival by film bureaucrats and news media but no result. Before the finalization of the Film Law, two drafts seeking for public comments were respectively published in 2011 and 2015. After years of laborious and tortuous legislative process, the Film Law finally got approved and enacted, acting as the highest-level statutory regime for the Chinese film industry.

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[56] http://news.xinhuanet.com/2016-11/07/c_1119867357.htm

The release of this long-awaited Film Law is lauded as "a milestone" by film authorities as it prepares a legal framework for further development.57 As SAPPRFT deputy director Yan Xiaohong commented, the objective of the new law is to "cut red tape and motivate the market" so as to promote further reform in the film industry.58 This is also part of a broader government-wide effort to reform and simplify China's complex and sprawling system of administrative approvals across all fields.59 Without proposing fundamental changes to the existing regulatory system, the Film Law makes some tweaks to streamline censorship procedures through cutting approval items, ratify relaxation on certain aspects of film activities, delegate supervisory power from the central government to provincial level, and bolster law enforcement on copyrights infringement, movie piracy and box office fraud.60

As a part of wider governmental institutional reforms in 2018, SAPPRFT was dismantled and succeeded by a new television and radio administration attached to the State Council, while the functions of the film, news and publication industries were subordinated to the Publicity Department of the CCP.61 According to CFG, assigning the National Film Bureau (NFB, hereafter Film Bureau) to the direct supervision of the Publicity Department demonstrates the CCP's resolution to maximize the film industry's ideological role in implementing the Party's propaganda principles and policies.62 This move of putting Chinese cinema under the direct

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57 http://news.xinhuanet.com/english/2016-11/07/c_135812127.htm
58 http://www.chinadaily.com.cn/culture/2016-11/08/content_27309688.htm
59 http://www.lexology.com/library/detail.aspx?g=f733536d-95bd-4598-90b0-43e9d565392c
60 http://www.lexology.com/library/detail.aspx?g=4c29bbdf-d917-46c9-a391-229d0c35dcb2
61 The Propaganda Department of the CCP is an internal division of the CCP in charge of ideology-related work and China's information dissemination system. The key responsibilities of the Propaganda Department on film oversight are managing administrative affairs; guiding and supervising production, distribution, and screening; organizing the review of movie content; guiding the coordination of major national movie activities; and undertaking cooperative foreign productions, international cooperation and exchange of input and output films. It changed its name to the Publicity Department of the Communist Party of China (CPCPD) for the negative connotation of the word propaganda. Accessed at https://uk.practicallaw.thomsonreuters.com/w-015-2153?transitionType=Default&contextData=(sc.Default)&firstPage=true&comp=pluk&bhcp=1
62 https://deadline.com/2018/03/china-film-industry-regulation-communist-party-propaganda-department-1202350328/

supervision of the Propaganda Department of the CCP was alarming for the film industry for obvious reasons. I turn to this issue in the next section through a critical reading of Xi's Being Forum talk.

4.3 A new era for China? Critical policy analysis of Xi Jinping's talk

Ever since Xi Jinping took over power in 2013, the Party under his leadership has exercised heavy-handed political control through a series of initiatives including a forceful anticorruption campaign. Observers from western media speculated about whether Xi's efforts to centralize his political power represented a more authoritative leadership style and more importantly, an ideological revival of Maoism (Keck, 2013; Moses, 2013; Osnos, 2015). This uneasy sentiment was reaffirmed in 2017. The 19th National Congress of the CCP held that year witnessed a critical shift in China's political arena when President Xi Jinping proclaimed in his almost three-and-half hour long report that, China has "entered a new era", an era "that will see China move closer to the centre of the world" (Xi, 2014). Rallying the Party behind the ideological banner of "socialism with Chinese characteristics for a new era", Xi set the goal of realizing the "Chinese Dream of national rejuvenation".[63] Concerns abounded based on the perception that the report was a strong signal of Xi further consolidating his political power.[64]

As discussed in section 3.2 when I justify the methodological choice of critical policy analysis, my focus is to lay bare the ideological underpinnings of political texts that shape the ideological contours of the Chinese film industry. Therefore, instead of singling out specific film policy

[63] Xi's reported has a lengthy title "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era". English version of the full report could be accessed at
http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf
[64] https://variety.com/2018/film/asia/china-movie-regulation-communist-propaganda-department-1202732209/

documents, I examine part of a talk given by Xi Jinping at the Beijing Forum on Literature and Art in October 2014,[65] which instantly serves as a potent reminder of Chairman Mao's momentous talk at the Yan'an Forum on Literature and Art (hereafter Yan'an Talk) in 1942.[66] In light of these two speeches' respective historical and political significances in relation to the CCP's governing approach to the culture sector, I argue that a closer scrutiny of Xi's talk could yield insights that other methods would struggle to provide.

The text overall is narrated in first person and structured in the form of *normative argumentation*, claiming what should be done. The speaker presents four subjects in the text: the (Chinese) nation, the Party, and the (Chinese) people, and the literature and art workers. The Chinese nation is articulated in the form of phrases like "motherland", "the whole nation", "our country", "Chinese society", "a common spiritual home", which all contribute to creating a sense of unitedness and timeless.

To perpetuate the concept of a geographically integrated and temporally eternal China, Xi makes consistent references to the Chinese history of "more than 5000 years", quoting historical figures epitomising the patriotic spirit that is the "most profound, fundamental and eternal matter" of the socialist core value view. By taking the references out of their specific historical contexts, this rhetorical strategy attempts to frame patriotism primarily as a cultural matter detached from any political and ideological implications. Filtered collective memories are deployed here as a rhetorical device in the aim of evoking a sense of belonging and strengthening identification with the entrenched tradition of patriotism that is rendered a historically coherent and ideologically self-evident doctrine.

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[65] http://chinadigitaltimes.net/2015/10/xis-arts-speech-historical-context-and-soft-power-implications/
[66] Chairman Mao's talk marked the beginning of the Rectification Movement, a campaign within the Chinese Communist Party for turning the liberal and independent Chinese intellectuals into party mouthpieces. The talk can be accessed at https://www.marxists.org/reference/archive/mao/selected-works/volume-3/mswv3_08.htm

The Party is portrayed as a leader, protector, educator, and motivator. It enjoys an authoritative image that is granted with political legitimation and armed with knowledge, strength, and commitment to be able to "rally", "educate", "inspire", "guide", "encourage", "nurture", "mobilize", "satisfy", "serve" the people to achieve common objectives.

Xi repeatedly uses the first-person plural word "we" to refer to literature and art workers to whom the speech is specifically addressed. Given its inclusive nature, the word "we" helps call for identification with the Party from the audience. And it is often followed by active verbs and phrases ("realize", "carry forward", "practice", "march", "endure and overcome", "create", "plumb", "ruminate", "reflect", "resolve", "prioritize", "learn from") that emphasize the agency of the subject.

The subjectivity of the people is constructed in a slightly more complex manner. On the one hand, the people are hailed as the "creators" and "witnesses" of history, from whom literature and art draws inspiration. Their "hearts and voices" must be "reflected" and "spiritual and cultural needs" must be "satisfied". Essentially, the Party and socialist literature and art are at service of the people who are the "sons and daughters" of China. Xi emphasizes this point by referring back to a string of statements given by previous Party leaders (Comrade Mao Zedong, Deng Xiaoping, Jiang Zemin, Hu Jintao), expressing the same concern on the nature of socialist literature and art.

On the other hand, the people are represented as weak, inferior, susceptible to external influences, easily to be manipulated by wrong ideologies and misled to do wrong deeds. They are usually associated with negative words such as "muddleheaded" and "indulge", "lost value views" in the wake of market economy, thus in urgent need of "guidance" from the Party.

Upon a closer look, these two seemingly contradictory perceptions of the people can find reconciliation in the removal of the people's agency in narrating the history supposedly created by themselves. Despite the people's "creator" status, nowhere could be found their actual contributions to the national history and culture. What's also omitted is their ability of presenting and articulating their own "hearts and voices" and "spiritual and cultural needs", the task of which should be relayed to the hands of the Party and told in a way in conformity with the principles of socialist literature and art.

Together, the Party, the nation, and the people, take up particular positions in articulating a narrative that the Party devotes itself to the "great rejuvenation of the Chinese nation" as always, and meanwhile assumes the responsibility of realizing, safeguarding, and expanding the fundamental interests of the "overwhelming majority of the people". However, the definition of "people" itself has witnessed nuanced changes in the sense that the previous emphasis on the central position of the "working class" has disappeared entirely. The CCP downplays the problem of widening class divisions in China's political sphere by eschewing the usage of the word "working class" altogether in official discourses and replacing it with a general term "the Chinese people".

Moving beyond the literal meaning of the text, Xi's talk puts emphasis on reinventing China as a player in an impending global cultural war. Words and phrases such as "battle", "commanding heights", "fierce", "competition", "hostile", "plot", "Westernize", "divide", "infiltration", "struggle", "ring the alarm bell", "on a long-term guard", "forceful measure", "on guard and react" together construct an ongoing intense ideological confrontation between China and Western powers. Moreover, the Party shows its determination to "reverse" the "international cultural and public opinion structure of 'strong West and weak us'". What

vividly portrayed is an ongoing and almost invisible cultural war across the global. A fundamental conflict is set up between China and apparently hostile foreign powers within which China is presented as the underdog in terms of its cultural power and in urgent need of defending itself from an invasion coming from malicious foreign countries.

In this text, the articulation of the relationship between China and other countries is a crucial dimension constitutive of the imagination of Chinese nation. Chinese nation is defined against the existence of an opposite Western. The construction of a cultural war between China and "hostile foreign power", "Us" and "Them" and a depiction of China as an armed player who is ready and resolute in defending itself on the battlefield not only indicates a more proactive foreign policy but more importantly, reinforces the Party's dominating role in building socialist culture which functions to boost "national cohesion".[67]

To better understand and evaluate the weight of Xi's speech for the CCP's approach to ideological work and culture governance in the "new era", I juxtapose the text with Mao's historic Yan'an talk. Given their drastically different historical and political contexts, my aim is not to do a systematic comparison between the two speeches, but to illustrate in what ways and to what extent Xi's leadership represents a rupture rather than a continuation of previous two eras, and more importantly, the implications for the development of Chinese cinema.

The above analysis uncovers some of the CCP's deft discursive strategies in alignment with the logic of depoliticized politics explained in section 2.5.1. Xi's speech differs from Mao's on the matter of who should be served by socialist literature and art. Mao pushed leftist cultural

[67] https://www.nytimes.com/2013/08/20/world/asia/chinas-new-leadership-takes-hard-line-in-secret-memo.html?pagewanted=all&_r=2&

policy to the extreme by stipulating that literature and art should remain subordinate to politics, and fulfil its revolutionary purpose by serving the advancement of socialism and the needs of the working classes and peasantry. Xi carries forward the narrative in terms of encouraging literature and art workers to adhere to Party leadership and promote socialism and patriotism with their work. However, Xi tones down certain aspects of the ideological rhetoric by forsaking the usage of "working class and peasants" whose interests the CCP used to claim to represent and serve. By circumventing the class dimension and class conflicts, Xi's homogenizing conceptualization of "the people" loses the ability to articulate differing needs and negotiate incongruities in an increasingly stratified society (Lin, 2014).

By the same token, culture is discharged from its historical mission of representing the working class and peasants, and instead re-designated with responsibility for promoting Chinese values and building China to be a global cultural power against hostile western values and culture. Liberating it from progressive ideological doctrines but reconnecting with Chinese history, the CCP strategically articulates a depoliticized notion of culture, rendering it no longer "a site of struggle between antagonistic social forces over the fundamental directions of society" (Zhao, 2013: 21).

Hence, Xi's critique of rampant commercialism and market logic in the cultural sector that gave rise to "superficial" and "vulgar" works should not be read as an attack on capitalism or economic liberation *per se*, rather an attempt to avoid pitting socialism against capitalism as ideological opponents which would evoke the old "line struggle" debate. In the face of a crisis-ridden China plagued by the irreconcilable discrepancies between the CCP's socialist promises and capitalist development policies, the CCP tactfully translates the ideological contestation between socialism and capitalism to a battle between China and the West competing for the

authority of articulating a global vision for the future of all humankind and a more just global order (Hong, 2012; Zhao, 2012). This shift is in part crystalized in the form of China embracing the rhetoric of soft power. As Zhao shrewdly puts it, what is at stake is "not so much about Chinese soft power but a fundamental conflict between competing global political economies and cultural imaginaries" (Zhao, 2013: 27).

The above critical policy analysis of Xi's speech renders the assertion that Xi's leadership indicates a return to Maoism unwarranted. Indeed, Xi attributes the problem of "vulgar" works to the tendency of prioritizing market value over social value in the cultural industries, which he claims should be rectified by sticking to the principle of "serving the people". However, the critique is not aimed at marketization and commercialization *per se*, neither does it touch upon how the implementation of marketization and commercialization has "reconfigured the class orientation of cultural production" (Meng, 2018: 183).

4.4 The film censorship regime

Prior to the administrative reshuffling in March 2018, The Publicity Department and SAPPRFT together set the ideological parameters for the film censorship regime. Only a few general guidelines are provided as the bottom line that cannot be trod upon. This allows the authorities wiggle room to interpret policy deemed necessary upon implementation, a practice that has received the most protests from film workers. In its simplest form, censorship subjugates all films to eight rules explicating forbidden content:[68]

[68] In 2008, SARFT offered a few more broad codifications of film taboos.
https://www.indiewire.com/2011/11/how-to-be-censored-in-china-a-brief-filmmaking-guide-50870/

1. Violating the basic principles as established in the Constitution or instigating resistance to or disruption of the implementation of the Constitution, laws, and administrative regulations;

2. Jeopardising China's unity, sovereign, or territorial integrity, leaking national secrets, endangering national security damaging China's dignity, honour, and interests, or advocating terrorism or extremism;

3. Defaming fine national cultural traditions, instigating ethnic hate or discrimination, infringing upon ethnic customs and habits, distorting national history or national historical figures, hurting national sentiments, or undermining national solidarity;

4. Instigating the disruption of the religious policies of the state or propagating cults or superstition;

5. Jeopardising social ethics, disrupting the public order, undermining social stability, advocating obscenity, gambling, abuse, highlighting violence or terror, instigating crimes or teaching methods for committing crimes;

6. Infringing upon the lawful rights and interests of minors or damaging the physical and mental health of minors;

7. Insulting or defaming others, disseminating others' privacy, or infringing upon the lawful rights and interests of others;

8. As prohibited by the laws and administrative regulations.

Table 4.1: Source: SARFT

The Film Censorship Committee consists of 30 or so individuals from a broad range of backgrounds, including the film industry, the Communist Youth League, the Women's Federation, and various government departments. Censorship decisions are normally delivered in the form of suggestion for adjustments yet articulated in a decidedly elusive way. On legal

grounds, the details of censorship are allowed to be made public. In reality, proactively disclosing censorship details only does a disservice to filmmakers. Thus, the disclosure of the verdict of the film censorship board regarding Jiang Wen's *Devils on the Doorstep* (2000) provides a rare opportunity for outsiders to get a glimpse into the authority's censoring methods and priorities.[69]

Jiang Wen's movie *Devils on the Doorstep* is inspired by the novel *Survival* by You Fengwei. Set in the last years of the Second Sino-Japanese War during the World War II, this movie tells a story of a Chinese villager (played by Jiang himself) who is forced by a mysterious figure to take custody of two prisoners from the Japanese Army. Fearing both the mystery man and the Japanese, the village falls into a dilemma over what to do with the two prisoners. In an interview, Jiang revealed that, rather than an anti-Japanese war film, *Devils on the Doorstep* intended to show "how Chinese literature and film has perpetuated an attitude of blaming the aggressor and casting the Chinese population as passive victims of aggression… this common human psychological trait of blaming others for disaster that goes beyond Chineseness." (Raynes, et al., 2000). This theme unsurprisingly angered the film censorship board.

The main part of the verdict relates to what they considered to be the "incorrect" and "degrading" portrayal of Chinese villagers and of the nature of the Chinese people. For example, one note was,

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[69] I do realize this film falls out of the timeframe of 2002-2017. It is included here because it provides a rare opportunity to look into some of the CCP's censoring measures.

"*the common Chinese people do not show sufficient hatred towards the Japanese, do not sufficiently differentiate between foe and friend, and display ignorance and apathy*".

Another note read,

"*the film does not correctly display the cruelty of the Japanese army but, amongst others, shows a Japanese soldier giving sweets to children*".

And one more note said,

"*Japanese army songs are played often, putting a spin on the Japanese imperialists flaunting their strength, which may gravely hurt the feelings of the Chinese people.*" [70]

This example illuminates the importance of Chinese cinema as a vital instrument of fostering nationalism in the eyes of the film authorities. Films that deal with sensitive topics such as the Sino-Japanese War, a national trauma that bears unparalleled significance in sustaining the CCP's ruling legitimacy and in constructing national collective memory and identity, would receive extra attention from the authorities to ensure the representation of Chinese nation, Chinese people and the historical events depicted are in accordance with official ideologies. The same logic applies to movies like Lu Chuan's *City of Life and Death* (2009), Yin Li's *The Knot* (2006), Zhang Yimou's transnational co-production *The Flowers of War* (2011). Lu's movie also deals with the Second Sino-Japanese War, but focusing on the Battle of Nanjing

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[70] All three notes retrieved from https://chinacopyrightandmedia.wordpress.com/2012/10/17/devils-on-the-doorstep-an-interesting-look-into-film-censorship/

and the following massacre committed by the Japanese army.[71] Director Yin Li is the Deputy Director of China Film Director's Guild and famous for producing a series of high profile main melody movies thanks to his prestige position in the film industry. These war movies are all endorsed by the state, though in different ways, mainly depending on the directors' relation with the state, how it is financed, and who the target audiences are.

Nationalism also plays a role in greenlighting transnational co-production. Many co-production projects have been killed off at an early stage of script development due to bizarre censorship rules in that regard. Xu Yunze shared one story when she worked at Tsui Hark's film studio as a screenwriter.

> A Hollywood studio once approached us with a sci-fi/action genre movie script. In the story, human resurrect and weaponise Peking Man, which unsurprisingly turn out to be highly intelligent and autonomous creatures not hesitating to wipe out human and take over the planet. To survive the crisis, American and Chinese military forces have to work together. The project was cancelled because they [censorship board] think in the script the Chinese military forces are portrayed in a negative light while the Americans are the hero who save the day, which is unacceptable. (Personal interview with Xu, Beijing, 19th August 2014)

Without transparent criteria on which to categorize films depending on their content, all films are gauged against a few indiscriminate rules as a yardstick (see the above table). This inevitably leads to one problem plaguing all film workers, that is the absence of a motion picture rating system. As an organic element of the film law, the establishment of a rating

[71] This movie is also known as *Nanking! Nanking!*

system has always been on the policy agenda. As early as 2004, Tong Gang, then Director of Film Bureau with SARFT, declared the approach of a film rating or classification system as a vital part of the film promotion law in an interview, though not in the form of a copycat but a rating system with its own characteristics.[72] However, the latest film law passed once again failed to incorporate the installation of any equivalent of a rating system, even the possibility of it.

More than a decade of waiting indicates that the hope of instituting a Chinese rating system is probably farfetched, and the authority's resolution on this matter is somewhat dubious. Indeed, film academics and industry elites have made strenuous lobbying efforts on numerous occasions, which have usually met with elusive responses from officials claiming that such a system would not be "appropriate" in China.[73] Xie Fei, a renowned director and a professor at the Beijing Film Academy, released an open letter in 2012, in which he called for the abolition of censorship procedures in favour of a *standardised rating system* similar to that used in the US. In this open letter, Xie expressed widely shared concerns regarding China's censorship system:

[China's censorship system] has long ago lost its real social, economic, ideological and cultural significance … In the past few years, there were so many unwritten laws when censoring movies. Unwritten laws such as: "ghosts are not allowed in contemporary settings," "extramarital affairs are not allowed," "certain political incidents are not allowed," etc. The censorship system [in China] is not defined by law but done according to individuals. Such rules are killing artistic exploration. [Censorship system

72 http://www.chinadaily.com.cn/english/doc/2004-12/17/content_401171.htm
73 http://www.economist.com/node/10498786 One proposal surfaced when Ang Lee's *Lust, Caution* (2007) was released in Mainland China in a heavily censored form.

needs to] move from the current administrative review system to a rating system that allows for a self-governed and self-disciplined film industry, bound by legal restrictions and administrative supervisions.

(Xie, 2012)[74]

This was by no means the first time industry elites urged for changes in the censorship regime in public since the takeoff of culture system reform. As early as 2003, it was the Film Bureau that took the initiative to hold an open conversation on China's film censorship with several celebrated independent filmmakers, including Lou Ye, Jia Zhangke, Wang Xiaoshuai, the so-called Six Generation filmmakers who supposedly took the brunt of censorship. [75] The exchange between the officials and filmmakers was materialized in a document titled *1113 Four Recommendations*, in which the filmmakers formulated four proposals as to reforming the censorship system. More than a decade later, none of them came to fruition. There are optimists extoll it as a progress that stories about film censorship could be told and heard in public, even just sporadically. However, the very fact that discussion about film censorship fixates on the lack of a rating system resonates with the overall de-politicizing trend in the culture domain.

Some industry practitioners consider the policy-makers' reluctance to introduce a rating system primarily as a strategic move to preclude potential compromising effect on the CCP's political control and ideological hegemony. According to Wang Yong,

[74] http://bbs.tianya.cn/post-free-2956111-1.shtml
[75] https://cn.nytimes.com/china/20121231/cc31censorship/

"SARFT tactically confuses pornography and violence with politics when setting up criterion for censorship … a rating system would get in the way as it would require publicly disclosing details of their decisions why certain movies fail censorship, particularly in cases when the reason is political." (Personal interview with Wang, Beijing, 3rd August 2013)

By removing or deliberately blurring boundaries between approved content and unlawful one, the current film censorship makes all filmmaking practices succumb to an evaluation system that is devoid of political and ideological coloring.

There are also practical issues that put film officials on alert for a rating system. Huang He, an industry veteran with years of work experience in global film marketing and distribution, pointed out that "a rating system would make it more difficult to curb the distribution in China of foreign films, many of which fail to meet current censorship standards" (Personal interview, Beijing, 20th August 2014). Film producer Robert Cain, a seasoned consultant on Sino-Hollywood co-productions, shed light on the matter contending that by not establishing a rating system, the CCP is patronizing its public in the name of protecting them from harmful things (See discussion in chapter 6 of the ways in which Chinese censors are removing content and tweaking content in co-productions).[76]

What dominates the discourse surrounding Chinese film censorship is one based on a constructed antagonistic relationship between an authoritarian censoring machinery and suppressed filmmakers. The censorship regime is primarily regarded in existing literature as a highly politicized arena. Despite a relaxing tendency in legal formulations particularly with

[76] http://www.voanews.com/a/chinese-movie-industry-debates-proposal-to-end-censorship/1574994.html

regard to film production approval procedures, the censorship regime remains a key instrument for the CCP to maintain and reinforce ideological control over the Chinese film industry. I agree with the premise that the censorship regime imposes grinding and crude constraints on the freedom of cinematic expression in any political sense. However, by conceptualizing the censorship regime solely on political terms, this argument is analytically inadequate to address three issues.

First, the popular perception of censorship by pitting it against the creative autonomy of film practitioners offers little insight into the complexity of work mentalities of the latter. Depending on their position and status in the business, film workers demonstrate divided feelings about censorship. In practice, there is a long spectrum of views and attitudes towards film censorship.

The prototypical noncompliant type is the most recognizable in mass media. For instance, director Feng Xiaogang stirred up China's online social media for a speech he delivered when he accepted the honour of director of year from the China Film Directors Guild in April 2013.[77] In the speech, Feng lashed out at censorship:

> In the past 20 years, every China director faced a great torment and that torment is [beep]. A lot of times when you receive the order [from the censors], it's so ridiculous that you don't know whether to laugh or cry, especially when you know something is good and you are forced to change it into something bad. Are Hollywood directors

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[77] Feng gained his industry status as the precursor of China's commercial filmmaking for series of New Year urban comedies since the late 1990s (Gong, 2009; Zhang, 2008; Zhu, 2007). Seemingly at odds with his previously brazen commercialism, in recent years Feng started to uphold his artistic ideals and present himself as the defiant figure brave enough to take on the issue of censorship openly, lamenting the lack of creative autonomy under the current censorship regime.

tormented the same way? ... To get approval, I have to cut my films in a way that makes

them bad.[78]

It is both ironic and befitting that in the video circulated on the Internet, the word "censorship" in the first sentence was beeped out, which renders Feng's message even more poignant. However, adding another layer to the irony is the fact that Feng Xiaogang is known for his endorsement of an unabashed commercialist orientation in filmmaking and the rationale for him speaking up in this manner is itself somewhat doubtful. Feng represents a rather small and exclusive group of industry elites, whose social and cultural capital enable them to be relatively vocal about the destructive impact of censorship on the Chinese film industry.[79] Among them are a few established independent filmmakers who re-emerged from the underground scene, trying to work around the censorship on the one hand, and to adapt to the commercialising tendency on the other. This dual pressure steers their creative energy in new directions, for instance into making films that are less provocative and more (international or national) market friendly.

In general, film workers' struggles with censorship are ever more marginalized in public spaces. Only very limited media exposure exists about the negotiation between film directors and the authorities. For example, After a five-year ban from all filmmaking activities because of *The Summer Palace* (2006)[80], Lou Ye released through his Weibo account details he received from

[78] https://www.theatlantic.com/china/archive/2013/04/chinese-film-director-censorship-is-torment/275114/
[79] People inhabiting different positions in the film industry carry different levels of bargaining power when they are in conflict with the authorities. Those well-connected with the CCP, through personal networking or other informal ways, may yield more power. However, close affiliation is a double-edged sword, casting both enabling and limiting influence at once. A closed circle of industry elites is entitled to unparalleled level of state support under specific circumstances. To reciprocate and also to strengthen status in the industry, these established individuals also need to "fulfil their duty to the CCP and the nation" in ways desired by the authorities, who would exploit the cultural capital possessed by the film directors to achieve maximal amount of mass influence. Director Zhang Yimou is the example at hand.
[80] http://www.washingtonpost.com/wp-dyn/content/article/2007/09/06/AR2007090602550.html?noredirect=on

the censorship committee for his first feature film since the expulsion, *Mystery* (2012).[81] The dispute in question seemed trivial, SARFT requested him to modify a scene in which a person was struck to death by a hammer more than a dozen times. The suggestion was to moderate the level of violence by cutting excessive strikes to just twice, considered a reasonable amount of violence to kill a person on screen. At first Lou refused to comply with the advice for its ludicrousness. Yet under the pressure of impending release date, Lou made concession after several rounds of negotiation and reportedly volunteered to give up his right of authorship to the released version. Lou revealed a moment of disillusionment afterwards in an interview,

> "In the end, I came to the realization that for them [SARFT], it is not a matter of whether I make the adjustment and how, it is a matter of me showing the gesture of compliance, a message that everyone without exception must play by their rules."[82]

The same sentiment is shared by other independent filmmakers such as Jia Zhangke, whose status as a globally acclaimed film director couldn't secure his movie *A Touch of Sin* (2013) promised cinematic release. [83] The growing sense of disenchantment with the censorship regime among these reputable film directors contributes to producing an environment in which the desire to push the envelope of filmmaking in China becomes almost irrelevant. In this context, the conventional debate of how to balance and integrate political and artistic pursuits in filmmaking has lost currency and receded to a new one that is dominated by commercial motives.

[81] http://www.infzm.com/content/82356
[82] http://www.chinanews.com/yl/2012/09-27/4218122.shtml
[83] https://cn.nytimes.com/film-tv/20131030/tc30jiazhangke/

Therefore, it is not surprising that the majority of mainstream majority of the filmmaking community develop the survival strategy of taking on censorship as a practical problem not an ideological one. By treating censorship merely as a string of practical challenges that they have to overcome in their day-to-day work, film workers proactively de-politicize the censorship regime. Especially for those leaning on the creative side of the film industry such as producers, directors and screenwriters, how to minimise potential future hassle from censorship committee is engrained in their mindset in the earliest stage of any film project. Thus, the ability of exercising self-censorship becomes a valuable asset that enables film workers to deal with challenges presented by the muddy and capricious censorship system on a daily basis. Producer Pan Yanyun perfectly articulated this point:

"Political censorship has become a default setting for us. You have no choice but to work with it tactfully. Disappointment, setback, failure, are to be expected in this business. In the process, you start to learn, gain experience, build the boundaries within which you are free to operate. They (boundaries) are not written in black and white, which means you have to figure out yourself where the invisible lines lie." (Personal interview with Pan, Beijing, 6th August, 2013)

Another producer Chen Honglin went further right on the opinion spectrum by saying that:

"Politics do not concern me, I am making commercial movies, movies that audiences are willing to pay for a ticket to watch. I do not go anywhere near it [politics]. It is what the market wants matters." (Personal interview with Chen, Beijing, 13th August, 2013)

In comparison to Pan, whose voice was representative of filmmakers who bear the same pain caused by censorship, Chen completely detaches herself from that sentiment and demonstrates little concern for the ideologically repressive nature of the censorship regime. This response could be in part explained by Chen's position in the film industry and her close ties with the local government which she hints at in an informal conversation but about which she subtly and tellingly declined to share further details. For Chen and her counterparts whose business largely relies on connections with the Party, it is in their interest to help maintain the status quo. The amount of resources Chen received from her local government to some extent made her a complicit in reproducing and naturalising the censorship regime.

Producer Ji Erwei addressed the question of censorship from a different perspective:

"When you consider Iranian cinema, the censorship in Iran is much harsher than in China. But movies such as A Separation (2011) still get produced and released. It is not about the censorship (which accounts for the low quality of Chinese movies), but the lack of storytelling skills, as well as relatable and universally accepted value system. It is the attitude of blaming censorship for everything, no matter in mass media or in academia, that provides the scapegoat for the Chinese film industry. Censorship should not be the shortcut to understanding China's film policy and regulation." (Personal interview with Ji, Beijing, 24th July, 2013)

Second, the idea of the CCP managing censorship as an iron-fisted institutional colossus betrays a simplified understanding of the ways in which censorship actually works, and makes consigned to oblivion of various proxies of interposition in the censoring process. I argue that

negotiation room could be, and has been created among different stakeholders through mediating agents, consisted of censorship board members, powerful individuals, etc.

The multiple working organs create frictions that allows negotiation room for certain degree of autonomy from hard-boiled control. Under the supervision of a variety of regulatory bodies serving different interests, the Chinese film industry sometimes has to answer to contradictory demands. One example is the treatment of violence in films. For the film bureau, "excessive" violence is not allowed on the big screen, though the usage of "excessive" conforms to consistent ambiguity in film policy documents. This constraint has taken its toll on films that engage with violence as a crucial plot device or the very subject of the film, particularly in crime films. Censorship plays a major part in squeezing certain film genres while encouraging others. The upsurge in romantic comedies and coming-of-age movies since the box office success of *Love is not Blind* (2011) owes to the "play it safe" mindset of producers. An interviewee who asked to remain anonymous expressed his frustration when asked why there is such a limited range of film genres available in the cinema. He used crime film as an example to illustrate the constraints on producing certain film genres due to harsh censorship.

> I participated in the development of a crime film script. It was a crime thriller drama about a policeman pursuing a criminal for years. The movie was not interested in right or wrong, good or bad, instead we had the vision of a power play between these two equally intelligent individuals, each bearing the cross of their own demons. However, after two years of countless rounds of modifications based on "suggestions" from the censorship board, the script still didn't gain the nod from the authorities. The major concern was "over the top" representation of violence. Another note was that, we overly mystified the power of the criminal and the Chinese policemen were portrayed as

incompetent in comparison, which was unacceptable. The funny thing is, this script eventually got approved by moving the setting to a foreign country and significantly toning down the depiction of violence. (Anonymous)

However, the display of violence in a film is accepted to overstep the invisible boundary when the film is partly commissioned by governmental agencies with specific agendas. For example, Ministry of Public Security, People's Liberation Army Ground Force and People's Liberation Army Navy respectively involved directly or indirectly in the production of *Operation Mekong* (2016), *Wolf Warriors* 2 (2017), and *Operation Red Sea* (2018). These three movies represent a new movie type that is hybrid of action-packed commercial movie and main melody propagandistic movie. In all cases, SARFT has to withdraw to secondary position in making censorious decisions when conflicts rise between different supervisory parties.

Another example would be Lu Chuan's *City of Life and Death* (2009) which I mentioned before. Despite dealing with similar cinematic materials as *Devils on the Doorstep* which by nature entails certain extent of nudity and violence, the former passed censorship while the latter was banned. The irony lies in that, even with higher level of violence, Lu's movie got greenlit for theatrical release because it complied with official ideological requirements.[84] Therefore, the workings of censorship process defy a forthright conclusion due to the fact that the film industry has to serve various purposes and interests.

Third, the censorship has become such a powerful and convenient tool accounting for problems in the Chinese film industry that oftentimes the economic dimension of those problems is overlooked or underplayed. A prominent example is the proliferation of horror movies, more

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[84] http://ent.sina.com.cn/m/c/2009-04-20/21412483084.shtml

often referred to as ghost movies in China. On the list of censored themes and subjects in Chinese films, the "ghost" (*gui*) occupies a particular position due to the Party's fear of promulgating superstitious ideas. In the mainstream filmmaking, one strategy usually employed by filmmakers to circumvent this restriction is replacing ghosts with other forms of supernatural being, such as "demons" (*mo*) in *A Chinese Ghost Story* (2011) or "evil spirit" (*yao*) in Gorden Chan's *Patined Skin I* (2008) & *II* (2012). These big budget commercial "ghost movies" proved there are shades of grey in the censorship system that can be exploited. However, basing in Zhejiang Province, there are hundreds of small-budget, low-quality ghost movies churned out every year, and a small fraction of them made it to the cinema. Those lucky enough to get onto the big screen are often criticized by audience for their low production values and more importantly, lack of real ghosts despite promoted as ghost movies on the posters. Commonly, the blame is put on the film censorship for completely depriving Chinese films of any kind of ghosts. However, Producer Pan stressed the economic and cultural particularities of making horror movie in China, which she believed are imposing more restrictions on this film genre than censorship. Unlike the big budget ghost movies relying on creative ways to tell a good ghost story, the second type of ghost movies are simply ripping off the film genre.

Horror movies are kind of "taboo art" in the Chinese film industry for superstitious reasons. It is a common practice in the Chinese film business to conduct a worship ceremony on the first of shooting and this is particularly important for ghost movie crews. Today, production of Chinese horror movies is clustered in Zheng Jiang Province where traditions, norms and practices of making horror movies has been well established and therefore makes it the most economically efficient locale to produce generic horror movies. The geographical concentration of economic and personnel

resources in making horror movies lead to a half-closed circle of film community that devotes to producing low budget no-ghost ghost movies. This distinctive film genre not only complies with a specific set of cultural norms, but also operates within a self-sustained system of production, distribution and exhibition. (Personal interview with Pan, Beijing, 5th August 2013)

4.5 Conclusion

This chapter has demonstrated that since administrative regulations are issued by government administrations rather than by the people's congress in China, these are vulnerable to party intervention. As Majone (1989: 117) argues, policy instruments are seldom ideology-free, and my critical policy analysis of Xi's Beijing Forum Talk examines in minute detail the ways in which the language driving changes in orientations towards filmmaking and cinema culture are entwined with political rhetoric and ideological positioning of the nation. It can be seen that cultural policies driving film production and globalization in China still depend in large measure on the party-controlled institutional framework in China and its changing political imperatives, one of which, ironically, happens to be an encroaching economic neoliberalism.

China's film censorship system is notorious for being obscure, erratic and ideologically stifling and this chapter has analyzed the multiple ways in which producers interact with it. There is no denying that harsh censorship puts a tight leash on creative freedom in terms of experimenting with a diverse range of film genres, extending the boundaries of cinematic exploration of reality, and enriching the cinematic presentation of humanity in its entirety and complexity. Nevertheless, I take issue with the conventional way of framing the censorship question in existing literature along the lines of whether or to what extent film censorship has

relaxed its ideological grip since the take-off of economic reform (Calkins, 1999; Kraus, 2004; Nakajima, 2010; Pickowicz, 1995; Silbergeld, 1997; Xie, 2012).

I maintain that, the very question of whether the state's censoring hands are getting tighter or looser falls prey to the ill-defined assumption of censorship as merely an airtight repressive institutional system safeguarding the CCP's ideological security. It is of vital importance not to treat the censorship regime as a self-contained actuality imposed from above by the central authorities that serve political and ideological purposes, and would spontaneously elicit varied reactions from industry practitioners, be it cooperation, resistance, or indifference. Chapter 5 explores the further tensions inherent in in the competition and conglomeration taking place between state capital and private capital both foreign and domestic.

CHAPTER 5 MARKETIZATION, CONVERGENCE AND CONGLOMERATION

5.1 Introduction

As demonstrated in the previous chapter, the installation of market mechanisms and the prevailing power of capital accumulation have led to market concentration in the Chinese film industry. In this chapter, I delve deep into the wider economic context, and continue to explore the changing market dynamics in the Chinese film industry against the backdrop of intensifying digitisation taking place across the media and entertainment sector in China. I examine the rise of a new media economy that is profoundly influenced and shaped by the Internet era within which the Chinese film industry operates, and more importantly its implications for the Chinese film industry in terms of structural reorganization as well as content production. Drawing evidences from interviews and secondary data collected from media publications, I discuss the features of the merging media ecology, strategies that Chinese companies are adopting to navigate in the new business environment, and consequences of this fast-developing trend for the Chinese film industry at large.

Behind the bold declaration by Jack Ma that Feng Xiaogang should "catch up with the trend" as described in Chapter 1[85], lies a shifting discourse of crisis in the Chinese film industry in the 21st century. China's WTO accession in 2001 stirred up sentiments of anxiety towards the opening up of Chinese film market, specifically to Hollywood. The well-known "wolf is coming" narrative in the beginning of the new century expressed concerns over the looming prospect of Hollywood crushing the ailing Chinese film market (Rosen, 2002; Su, 2010; 2016).

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[85] Jack Ma said this when he was giving a keynote speech at WSJ.D Live conference in Laguna Beach on 27th October, 2014. http://www.hollywoodreporter.com/news/jack-ma-alibaba-is-biggest-744371

A decade later, the threat is felt more poignantly from new players of the Chinese film industry, mainly consisting of large domestic Internet companies. This phenomenon can be best captured in a statement made by Chinese studio Bona Film's chairman Yu Dong. During the Shanghai International Film Festival in 2014, Yu made a speech predicting that the dominant film studios of the future would be Baidu, Tencent and Alibaba (commonly referred to as "BAT"), with all the current top studios such as Bona, Wanda Media and Huayi Brothers serving them. This talk echoes an unsettling sentiment among established companies in the movie business who are concerned with the possibility of a future when it is the Internet behemoths dominate the movie industry.[86]

The trend of conglomeration characterized one of the defining transformations of the Chinese film industry in the new millennium. Initiated and encouraged by the state, the Chinese film industry started to experience market concentration and consolidation exemplified by large scale of mergers and acquisitions across the media and entertainment industries since the late 1990s (Frater, 2015). This tendency has been accelerated in the past few years by companies based in e-business such as Alibaba, Internet giants Tencent and Baidu, and even real estate company Wanda Group.

State-owned film studios led the reforms of the Chinese film industry, but they also thwarted it by a lack of motivation. Private enterprises have become the major forces of conglomeration. Regulation restrictions limit the range and scale of conglomeration. Power resides with CFG because of its political clout, and with outsiders for their ability to capitalize film into versatile and profitable products accessible on multiple platform.

[86] https://www.techinasia.com/baidu-alibaba-tencent-dominate-chinas-movie-industry-3-years
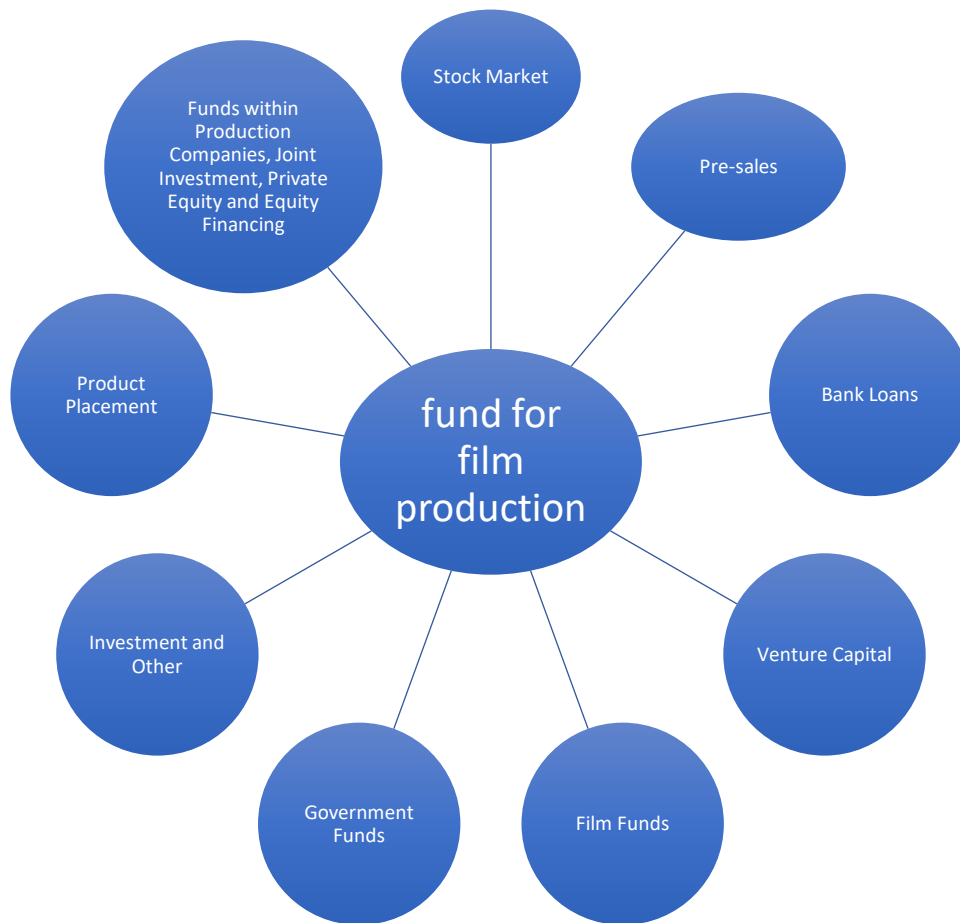
Figure 5.1: Film financing channels in China, source: www.entgroup.cn

By the end of 2009, the corporate and shareholding reform of state-owned institutions in film production, distribution, and exhibition picked up speed, fortifying the accumulation imperative of the whole film industry. At the end of 2003, restrictions on all of the three sectors had already become less strict with the publication of "Film Production, Distribution, Exhibition Management Status Temporary Regulation" (Document No.20), and "Temporary Regulation on Foreign Business Investment on Film Theatres" (Document No.21).

The State Administration of Press Publication, Radio, Film and Television said that the integration of different media "falls short of central authorities' requirement and public expectation," and set a target of 2020 for improvement, reported state news agency Xinhua. Specifically, media organizations should integrate systems across different media and make greater use of cloud computing and "big data". This was not the first call for the development of more powerful media conglomerates. Similar calls went out in 2009 and in 2014.

5.2 Production and distribution

Market reforms really took hold first and foremost in the sector of film production. The story involves a range of practices from the initial licencing to shoot films to the ways in which box office sales are reported and the meaning those reports hold.

Only movies dealing with "special" themes need to submit a full screenplay prior to shooting for review and approval, while those with "general" themes only need to file a synopsis with the government. The original requirement of a "film production license" for each individual film has now been abolished, provided that the enterprises or organizations have the appropriate personnel, funds and other resources and receive approval from the relevant authorities at the provincial, regional or municipal level. Approval after completion of production is still required but may be obtained from the authorities at the provincial, regional or municipal level. Relevant authorities of the State Council must formulate applicable review standards and make them available to the public.

There are two ways in which theatres generally "forge ticket sales." The distributors can inflate box office takings to make the film appear popular, thus attracting more viewers and

screenings; or theatres can conceal their true ticket sales and pocket the earnings without sharing them with film makers[87]. In March, SAPPRFT suspended the license of a distributor that had inflated box office receipts for the domestic movie *Ip Man 3* (2015). These examples are embedded in a much longer history of production, distribution and exhibition.

5.2.1 Production: Retreating state sector, growing private sector

Throughout the late 1980s and early 1990s, the central state administration repeatedly proclaimed that only the films produced by the 16 state-owned studios could be distributed domestically through the monopoly of the China Film Corporation. To bypass the stringent rule, private investment had to find "official" partners to get a "banner" from those state-owned studios for their films to be distributed domestically. Some studios sold the "banner" to private investors even when the studio itself did not involve in the actual filmmaking. This situation ceased in 1995 when the right to film production was extended to smaller provincial studios (which usually produce educational films, science programmes, TV documentaries and TV films). Private investors were also allowed to be the official producer of the films if the investment was more than 70 percent of total production cost. In 1996, the percentage was lowered to 30 percent.

5.2.2 Distribution: Consolidating state sector, struggling private sector

Su (2014: 96) argues that distribution is the key to understanding changes in the power-play at the heart of the Chinese film industry:

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[87] http://news.xinhuanet.com/english/2016-11/07/c_135812127.htm

The Chinese state reinforces its authoritarian power by weaving both market forces and global capital into the state mechanism. The state employs a strategy that takes advantage of Hollywood resources to build the domestic film industry in order to promote Chinese soft power. However, this strategy faces the continuous challenge posed by Hollywood, which requires a constant adjustment of the state's role and the continuous revision of its cultural policies.

In March 2003, the Film Bureau widened access to domestic film distribution to private investment, though the permit could only be granted when the investing organization met the threshold of 500 thousand yuan initial investment, and had successfully completed three "surrogate distributions" or distributed one "state-recommended film" (often a political propaganda film).[88]

The reform of cinema chains put film production under a more coercive market discipline. In 2000, to reduce administrative obstacles against the free flow of films as commodities, SARFT along with the MOC implemented a cinema chain exhibition system as another major move of industrial development. The market-oriented reconfiguration of distribution has produced spatial and social biases that have wide-reaching implications for film exhibition.

5.3 Consolidation and convergence

As discussed in the opening chapters of this thesis, the Chinese film industry at the end of the 1990s was in a seemingly dire situation, caught in the middle between an ailing state-subsidized

[88] "Surrogate distribution" refers to the practice in the 1990s that private investment worked with state-approved distribution organizations to distribute their films by paying certain amount of fees. It worked in a similar way as production investors buying "banner" from state-owned film studios to produce.

system and nascent market reform. This grim condition was made worse by China's imminent accession to the WTO. Hence, the party-state advocated industrial consolidation and conglomeration (集团化) in the film industry as one of the corresponding economic strategies.

5.3.1 First phase: 2001-2008

At the beginning of the 21st century, the party-state introduced conglomeration through three key policy documents. In 2000, SARFT and the Ministry of China jointly published *Opinions on deepening the reform of the film industry* (Document Number 320) in which conglomeration is proposed the first time in official policy document as an important means to further the cause of marketization. Later in the same year, SARFT published another document on conglomeration, *Principal Opinions on Experimental Works of Radio, Film and Television Conglomeration Development* (Document Number 841). In February 2001, SARFT sanctioned the move to conglomeration by publishing *Basic Opinions on Encouraging the Establishment of Film Groups* (Document Number 126). The document stated that the film industry would form the system of six film groups in China including the Big Three of Beijing, Shanghai, and Changchun, as well as Zhujiang, Xi'an and E'mei.

To secure state's firm control of the Chinese film market, CFG is pushed to the centre of the conglomeration trend, enjoying the most favourable position in harnessing benefits of marketization. CFG was formed under SARFT in February 1999, aiming to become China's "most comprehensive and extensive state-owned film enterprise in China with the most

complete industrial chain that facilitates film production, distribution and exhibition as a coordinated process and integrates film, TV and video into one single entity".[89]

CFG's state-owned status endows it with political and ideological imperatives that lead it to become China's first and biggest media conglomerate in the Chinese film industry. Under the centralized planned economy, CFG assumed the role of carrying out the policy of central buying and underwriting. Indeed, CFG enjoys advantages inherited from socialist legacies, which have helped it to establish a monopolistic position in the film industry through carefully manoeuvred marketization under the supervision of the party-state. Despite the seeming incongruity of this effect, policy deregulation and market liberalization appear to have been designed in China in a way that tries to ensure the party-state's continuing control over the film industry. In this landscape, CFG serves as a crucial weapon to ensure market reform does not jeopardise and diminish that control. Another major state-run film group is the Shanghai Film Group (SFG) which also plays a similar role.

Other than CFG and SFG, other major state-owned film groups have been struggling to survive in the rapidly developing film market. On the one hand, an avowed lack of motivation to transform from state-sponsored studios to profit-driven corporations, and a notable lack of expertise, management skills, state support, and socialist burden, all contribute to make these companies stagnant and ineffective. On the other hand, the government's need to prioritize CFG leaves other state-owned film studios far behind in reinventing themselves to adjust to the market economy. All of this, however, demonstrates the party-state's flexibility in creating a favourable environment with limited resources at hand.

[89] The China Film Group Corporation started in 1951 as the China Film Management Corporation, in charge of nationwide distribution. The company was renamed the China Film Distribution and Exhibition Corporation in 1958. Then in 1971 it was consolidated with the China Film Archive and China Film Equipment Corporation to become the China Film Corporation (CFC). Then in 1999 it further consolidated into CFG.

5.3.2 Second phase: 2009-2012

I set the year 2009 as the starting point for the second phase of conglomeration in the Chinese film industry when Huayi Brothers went to public in the Shenzhen Stock Exchange.[90] It is since then private film companies started to make profound presence in the Chinese film industry by consciously integrating their core film business with other derivative media and entertainment sectors to form media conglomerates, with the help of the capital market.

China's media and entertainment industry has witnessed an abrupt eruption of mergers and acquisitions (M&As). It is reported that since 2009 there have been more than 300 M&A deals covering film, TV, publishing, advertising, gaming, Internet (totalling almost $10.3 billion). Among all the cultural domains, the film industry constitutes an integral part in shaping the process of conglomeration.

Under the guidance of the party-state, private film companies were also encouraged to become "shadow national media empires" that are expected to grow into the scale of Warner Brothers and become national icons par excellence so as to compete with Hollywood majors.[91]

As a traditional film company specialised in production, Huayi is well aware of the importance of giving group earnings greater stability by diversifying its business away from film and TV production. It has been committed to both vertical and horizontal integration through a string of M&A deals since 2013. For example, to strengthen its theatre activities, Huayi bought a

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[90] Starting as an adverting company in 1994, Huayi Brothers (hereafter Huayi) is currently China's largest listed film company.
[91] China's major private media companies include Huayi Brothers Media, Bona International Film Group, Enlight Pictures, Orange Sky Golden Harvest, Beijing Perfect World Media, and Beijing Galloping Horse Pictures.

20% stake in Jiangsu Yao Lai Cinema Management. While to shore up its ailing television sector, Huayi purchased 70% of Zhengjiang Changsheng, a television show production company. Few months later, Huayi bought a 51 percent stake in Zhejiang Yongle, a film and TV corporation. In July 2013, Huayi Brothers bought a controlling 51% stake in the mobile games developer Yinhan Technology Company Limited., a Guangzhou-based mobile game company. This transaction marks a strategic move for Huayi Brothers to venture into the gaming content space, further enriching its business structure in the entertainment industry.92 However, to what extent the sort of strategy is really benefiting Huayi's movie business is questionable at best.93

Apart from making some quick money, engagement with gaming companies hasn't created actual economic value for Huayi in terms of content production. All these deals are attempts to diversify its business beyond high-risk feature film production. Apart from that, Huayi is also determined to follow the Disney model of exploiting movie content through building movie-theme parks. In 2011, Huayi announced a plan to build a theme park in Suzhou, a popular tourist destination about an hour from Shanghai. Insiders say Huayi has four such projects mooted during the past few years but only one really comes to fruition this year, that is, Mission Hill. Huayi Brothers Feng XiaoGang Movie-Themed Town located in Haikou. Designed to be a major entertainment and commercial district, this complex features settings from some of Feng's famous movies, including *Temperature So 1942* (2013), *Aftershock (2010)*, *If You are the One I* (2008) & *II* (2010) and series of Lunar New Year movies showcasing the historical revolution in Chinese architecture over the last century. Additionally, the project will see the construction of five or six professional movie studios with supporting filming facilities. The

92 It is worth noting that the mobile game industry in China is already the fastest growing, most competitive, most fragmented and fastest changing mobile game market in the world. It was reported that Huayi made more profits from its mobile gaming arm than its TV and film production and distribution in 2014.
93 Huayi's purchase of stake in Beijing Ourpalm is a good example.

failure of other similar cultural projects obviously has a great deal to do with governmental policy regarding real estate development. The Chinese government tightened regulation on the development of theme parks in the country, which is interpreted as a move to cool property speculation and the development of risky enterprises.

5.3.3 Third phase: 2013-2015

The "trend" suggested by Jack Ma in the little anecdote in the beginning of this thesis and which I referred to again at the opening of this chapter, refers to the collaboration between the Chinese film industry and the Internet industry. The arrival of Internet corporations in the film sector significantly speeds up the pace and widens the scope of conglomeration. The logic of synergy and tight diversification is magnified when it is met with larger forces of digitisation and globalization, which results in an intensified process of conglomeration.

Alibaba

Alibaba was put in the spotlight when it launched record-breaking IPO launch in 2014. and its grand ambition of becoming the biggest platform builder in the cultural industry. As a combination of Amazon, eBay and PayPal, Alibaba's existing range of activities run from provision of Internet backbone, through e-commerce, to games and mobile music and online booking of movie theatre ticket. However, it has been steadily expanding beyond its core business of online retail and tackling all sorts of new ventures. Interest in entertainment started at individual level. Alibaba's Chairman Jack Ma purchased a 4% stake in Huayi Brothers Media as early as 2006, which increased to 8.1% after Jack MA and his investment film increased their stake in late 2014. Alibaba's investment in cultural industries picked up speed since 2013 and intensified afterwards. In 2013 Alibaba bought an 18% stake in Sina Corp.'s

Weibo microblog (the Chinese equivalent of Twitter as a way to attract mobile users). Earlier in 2014, Alibaba acquired a controlling 60% stake in ChinaVision Media Group, a Hong Kong-based Chinese television and film production firm for US$804 million.[94] Later the company changed name to Alibaba Pictures Group and in a rare coup, it hired Zhang Qiang away from his job as vice president of state-owned China Film Co. to become CEO of Alibaba Pictures.

Alibaba has also unveiled a deal with Dragon TV, a subsidiary of Shanghai Media Group, to jointly create an entertainment platform that combines traditional media, the Internet and mobile communications. At the forefront of China's online video market, Alibaba sunk US$1.22 billion in China's most popular video portal Youku Tudou in exchange for 16.5% stake. In the same month, it contributed to a US$1.05 billion investment in streaming media partner Wasu Media. Later that year, Alibaba took another tentative step into the movie business with the launch of Yu Le Bao, which translates as "Entertainment Treasure". It is a vehicle similar to crowdfunding that allows ordinary Chines to become micro-financiers for films, television programs and online gaming projects through insurance and wealth management products offered by Guohua Life, a Shanghai-based life insurance company. It aims to provide a grassroots investment platform to bring the public closer to the cultural industry. Each individual investor is allowed to buy a maximum of two plans from the available list of projects and investors have been offered an interest rate of 7% on their investment. The most recent investment is a cinema-ticketing system. Alibaba Pictures has agreed to buy Guangdong Yueke Software Engineering Company for US$134 million.[95]

[94] The purchase of the ChinaVision stake will allows Alibaba to offer entertainment content as well as access to games and even English Premier League soccer.
[95] The firm currently supplies more than 1,000 theatres across China with electronic ticketing systems, as well as facilitating third-party electronic payments using systems such as Alipay.

Tencent

Alibaba's arch-rival Tencent is beefing up its online video arm to take advantage of its strong social networking business. With WeChat and QQ social networks as ubiquitous in China as Facebook elsewhere, Tencent put itself ahead of other Internet companies in terms of attracting and accessing China's mobile users. As Tencent's trump card, the massively popular mobile messaging application WeChat allows Tencent to channel 500 million monthly active users to its entertainment services, a huge consumer base for subscriptions or marketing–pay dirt for media and advertising partners. With delivering channel in place, Tencent desperately needs content to fill. It has spent billions of dollars in recent years building up its content library. Flushed with cash, Tencent has locked down exclusive deals with some of the biggest names in Hollywood in exchange for top-tier film, television, game and music content.

In my fieldwork it became obvious that Baidu is also striving to make a mark in the entertainment sector just like its rivals. As an Internet search engine giant, Baidu has good resources and platforms to promote its productions as well as marketing campaigns. Also, its adequate supply of capital makes a great advantage in the filmmaking sector. It acquired iQiYi and PPS respectively in 2012 and 2013, both online video streaming sites, forming the largest online video platform by the number of mobile users and video viewing time, competing for online viewers with Youku Tudou. Among which, iQiYi unveiled its own in-house film production studio iQiYi Pictures in 2014 which plans to co-produce seven domestic films and one Hollywood movie in 2015.[96]

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[96] http://www.zacks.com/stock/news/154871/alibaba-and-tencent-focus-on-entertainment-sector

The rivalry has been taken overseas with all three companies setting up offices in the US to slug it out for programming deals with Hollywood studios and producers.[97] With Hollywood turning to the world's second largest film market for money, Chinese companies are craving for their quality content to fulfil voracious local audiences' desire to be entertained. A win-win situation therefore is easily forged. Alibaba is actively seeking partnership with foreign companies to expand its content library of video as well as music. Last year, Alibaba teamed with Lions Gate Entertainment to stream Hollywood movies and television shows exclusively through Alibaba's latest generation of set-top box. It also signed a digital music distribution deal in China with BMG, the music division of Germany's Bertelsmann SE. As for Tencent, since 2014 it has added to its media arsenal streaming rights to 21st Century Fox Inc.'s FOX, FOX Sports and the National Geographic Channel, Sony Corp.'s Sony Music Entertainment, Warner Music Group, Time Warner's HBO network and the US National Basketball Association.[98] Baidu established a new venture based in Los Angeles, Aquamen Entertainment, marking its first foray into the film production business.

The quest for synergy was spurred by multiple factors, notably the dramatic growth of home video and cable, media deregulation policies, free-market economics, and the obvious impulse to enhance and exploit the value of blockbuster hits. Given the current industry structure and the proliferation of delivery systems, the Old Hollywood model of vertical integration no longer made sense. Far more effective was the strategy of multiple "pipelines" to consumers delivering content created and owned by parent company.

[97] http://www.ibtimes.com/why-chinese-internet-giants-tencent-alibaba-are-battling-hollywood-content-1729203
[98] http://www.ejinsight.com/20150513-how-tencent-uses-wechat-to-command-entertainment-space/

The three major Internet players have been busy seeking alliances in a wide range of industrial sectors and services including film, TV, gaming, online video streaming sites to acquire content, services or technology that the companies don't already have. The aim is to grow in each other's markets, enlarging and consolidating user base. Not only are they awash with capital which the always-risky film business is craving and depends on, they also provide platforms which are crucial for building a sustainable infrastructure of a sophisticated film market in the future.

Internet corporations try to make inroads into the film market by producing their own content.[99] Internet marketing which relies on social media and other new tools becomes a vital part of movie promotion by building buzz online. There are more and more audience-targeted and platform-specific products based on collection and analysis of user-generated data. The widespread of gadgets, tablets and other digital mediums significantly widens the option of distribution channels and creates more platforms for reproducing, franchising and licensing copyrighted content, therefore more revenue streams. Major forces behind these changes are China's three Internet giants, known collectively as BAT—short for Baidu, Alibaba, and Tencent who have been competing fiercely for domination in the online marketplace (Frater, 2015; Fry, 2018). Specialising in different areas, e-commerce giant Alibaba, top search engine Baidu, and China's largest Internet Group Tencent are all making efforts to tap into the film industry.

[99] https://www.ibc.org/content-management/bat-vs-faang-the-battle-for-digital-dominance/3103.article

5.4 Factors contributing to conglomeration

During the century long course of its development all over the world, the film industry has been evolving in conjunction with the advancement of technology. The introduction of sound into motion pictures, the invention of radio, television, DVD and digital technologies have greatly changed the film industry in ways that are at once distinctively and strikingly similar. The film industry has gone through repeated periods of resisting, negotiating with, harnessing, and incorporating new technologies which at first glance might be a big threat to the industry, but always turn out to be providing more vibrant and lucrative sources of profits for the industry. However, the proliferation and diffusion of new technologies means more than *technological convergence*, they are shaking up the very ground on which the media industries stand in terms of changing the ways in which media industries operate in all respects, from production, distribution, exhibition and marketing, to the content of productions.

BAT are not alone in the race to change Chinese film industry, property and leisure industry giant Dalian Wanda is another game-changing newcomer who have also tried their hand at television.[100] Together, they are soup-to-nuts integrators of all the components along the movie life cycle, either through organic growth, acquisition or alliance. What they have facilitated is a trend of convergence which, however, has already been at play since the end of the 1990s.

Once the regional CEO of News Corp. and Microsoft, a board director of Phoenix TV and initiator of New Corp.'s investment in Bona Film Group, Jack Gao acutely observed the trend of convergence in the media and entertainment industry:

[100] See Michael Keane's discussion, 2016. Disconnecting, Connecting and Reconnecting: How Chinese Television Found its Way out of the Box.

"The $4 trillion industries－IT, Internet, telecom and media－are in convergence …

The entertainment industry is being continuously impacted by digital technologies and

quickly changing in terms of the business model and also in the way how premium

content is produced and distributed."[101]

Le Vision

Le Vision, claimed to be "a film company in the new media age", is a leading player riding the

tide of conglomeration. As the filmmaking entity of online video portal LeTV, Le Vision was

founded in 2011 by Zhang Zhao and ranked No.4 among private film companies in the Chinese

market share within two years. Compared to its competitors, Le Vision enjoys two distinct

advantages. Firstly, Le Vision pays particular attention to marketing relying on analysis of data

collected from the Internet, such as social media, so as to analyze, anticipate, and even shape

niche market with consuming power. CEO Zhang Zhao made it very clear that "the Chinese

film industry is still small and could be shaped with better marketing and O2O (online to

offline) strategies" [102]. Secondly, LeTV is committed to building a vertically integrated

industrial chain covering content, distribution channels, and exhibition platform. For example,

LeTV is building a huge library of licensed content of television dramas and major movies. It

expanded its business to hardware when it started to produce its own SuperTV, a kind of smart

TV and set-top box. With Le TV's technology support, it simultaneously distributes content on

four integrated screens: the theatre screen, PC screen, TV screen and the mobile phone screen.

The secret of success lies in the fact that it produces content and builds pipeline at the same

time and collect enough data from a variety of online channels to help create and market

[101] http://europe.chinadaily.com.cn/business/2014-09/19/content_18626596.htm
[102] http://jazzhsu.com/2013/08/23/zhang-zhao-the-game-changer/

audience-tailored products. Theoretically, this strategy will enhance Le Vision's films to be distributed and screened on a much wider and larger scale. However, whether it is just wishful thinking needs further observation.[103]

Wanda Group

The last example is the Wanda Group. Clearly it is not yet a media conglomerate. However, it indicates the increasing involvement of non-media corporations in the film industry. Across my fieldwork it is evident that few can challenge Wang Jianlin, Chairman and CEO of the Wanda Group, in his ambition to go big and to go global. In 2012, this real estate mogul made a serious splash when he purchased America's number two movie theatre chain AMC, which helped him successfully capture the attention of Hollywood's leading players. In 2013 he took this this ambition a step further by summoning Hollywood A-listers and major studio senior executives to Qingdao to participate in the unveiling of the $8.2 billion Qingdao Oriental Movie Metropolis. An industry insider whom I interviewed but who did not wish to be named said that Wanda had been planning the metropolis for about four years, but in a different location, Dalian. Speculations at the time of my fieldwork were that the breakout of the Bo Xilai scandal was partly involved in the dramatic twist of relocating the movie metropolis to Qingdao.

The mission of this grand studio is claimed to lure Hollywood talents and capital here to make co-productions. That is however, just one side of the story. Technically it wouldn't be possible to attract Hollywood runaway production deals here in the immediate future due to the lack of skilled workforce, the lack of agency and middleman to "make the deal happen", as one

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[103] So far it hasn't born fruit. For example it is reported that 60% of Chinese users do not really know how smart their smart TV are.

executive of Chinese media corporation said in a private interview with me, and lack of competitive advantage compared to other global runaway locales for Hollywood such as New Zealand and Canada where the governments provide generous tax breaks. After all, it is more about real estate than film business, even Wang himself implied that in interviews. Wang got himself a great deal with local government in Qingdao as the land was traded at a price of 1800rmb/m2, way below the usual average price at that area, which makes it a land grab wrapped in a Hollywood story.104 The metropolis is hoping to facilitate tourism relying on the attraction of its entertainment facilities and boost business in other areas, like hotel and huge shopping mall located in the metropolis.

Wang found himself a new way to accumulate wealth by investing in cultural industries in a disguised form, with a little encouragement and help from the government. The biggest advantage Wang has is that his ambitions are highly congruent with the Chinese government's key priority to expand the country's soft power and show that the "Chinese dream" can compete with the American dream (see Chapters 1 and 2), which has always been epitomized by Hollywood. The government is keen to develop Chinese cultural industry into a major sector of national economy, in the meantime grab on culture's ideological function to promote the "Chinese Dream". The real impact is however uncertain and yet to be discovered. One Hollywood studio executive said that there was no substance of the opening event, but arranged mostly to please Wang's political friends, impress the local government and party officials to get better deals and favours. Still it came as a welcome move for Hollywood studios as they have long been good at following the money. And ideally, this metropolis would help them

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104 The facility is set to have 10,000 square meters of studios, a film museum, movie theatres, resort hotels and other "cultural tourism projects". It will open in June 2016 and be fully operational in 2017. Wanda also announced plans to bring in over 50 domestic production companies to make 100 films and TV shows per year, with another 30 foreign movies expected to be made in China.

achieve greater access to the Chinese film market. What's for sure is that Wang has bigger ambitions; and this studio is just one step towards his goal of building a much larger media empire.

5.4.1 Conglomeration, ownership and risk in a time of Internet capital

A closer study of these examples points to some factors contributing to the surge of conglomeration. The state has adopted a series of cultural policies to encourage and promote the establishment of national media conglomerates since the late 1990s. The Chinese state created a favourable regulatory environment for the consolidation, mainly for two reasons. Firstly, on the eve of China's entry into WTO, China needed to protect domestic cultural market from the invasion of transnational capital. To build media conglomerates that are vertically and horizontally integrated is crucial to compete with their transnational counterparts. Secondly, the state also seized the opportunity to consolidate its own power over cultural production and circulation under the socialist market economy. The most powerful and comprehensive media group CFG is a telling example. CFG was formed under SARFT in 1999, becoming China's "most comprehensive and extensive state-owned film enterprise in China with the most complete industrial chain that facilitates film production, distribution and exhibition as a coordinated process and integrates film, TV and video into one single entity" (CFG website).[105] The group takes lead in financing, co-production, joint ventures, and cinema circuits.

Therefore, it can be seen that, as my arguments in chapters 1, 2 and 4 suggested, conglomeration is a political imperative led by the Chinese party-state in response to the perceived cultural and media imperialism after China joined the WTO. It takes place under the

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[105] http://www.zgdygf.com/Introduction

institutional umbrella of the party-state, combining a resistant consciousness, a victim complex and pathos of heroic nationalism. What's more important however, is the dimension of commercial consideration. The conflux of opposite possibilities facilitates the strategic alliance and convergence of state interests and popular imperatives, local designs and global ambitions. This provides a precondition for the emergence of new forms of hegemony over media and cultural production in contemporary China.

It is widely recognized that film business is highly risky considering the massive initial costs of development, production and marketing of a film and the extremely low ratio of hits against losses. This is especially true for the Chinese film industry. Despite the seemingly thriving and lucrative film market, only about 30% movies produced every year get theatrical release and less than one third of them turn a profit. Even worse, unlike Hollywood studios whose profits coming from a wide range of releasing windows and licensing their products to toy makers and theme parks, theatrical release is almost the only source of income for producers and distributers in China. The key to reduce high risk, maximize audience and profits lies in recognizing the significance of intellectual property for cultural industries.

As Wasko (2003) explained, the media industries are increasingly operating according to the ownership of rights to films, TV programmes, songs, brands. The key to success of media industries is to combine ownership of content and distribution. Disney is a very good embodiment of the perception. Some media conglomerates in China have already said the corporate strategy is to follow the footstep of Disney, trying to build a media empire based on its model. And crucial to this strategy, is vertical integration, stretching companies' market power across all stages in the vertical supply chain so as to maintain control on the distribution

channels. By circulating copyrighted content across a wide range of media platforms, the products get intensive cross-promotion, the corporation hugely widens its sources of revenue.

Media conglomeration is one way to generate capital required in a competitive market and to provide long-term financial stability for film production companies. By its nature, the filmmaking business is voracious for capital. From its earliest days, the film industry has relied successfully on outsiders to spread its capital and mitigate the high risk of producing and distributing movies. The Chinese film industry has witnessed intensive capital investment in the Chinese film industry.[106] The rise of various types of equities in the 1990s and the 21st century including hedge funds, private equity funds and venture capital funds has changed the financing side of the film business. For example, the growth of slate deals in the industry is thanks to the expansion of these diversified forms of investment capital. In China, until the August of 2013, Chinese VCs and PE firms established 25 PE funds focusing on production and development of film and TV products in the expectation of raising $5.26 billion, as China Venture Group reported. Other investment sources include local governments, bank loans, implantation of Ads and presales of film copyrights, etc. The reliance on intensive capital investment explains why film companies are actively seeking to be publicly listed, which is an important way to raise funding. Before 2013, listed companies such as Huayi, Bona, Enlight were the main forces of M&A deals. After that, the underperforming of the Chinese stock market in 2013 delayed plans for initial public offering (IPO) for many media corporations, which triggered a wave of M&As.

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[106] The development of film industry always has some kind of connection with black money. In a private conservation I was told the record-breaking movie *Lost in Thailand* (2012) received part of its funding from black money worthy 20 million RMB. Usually black money is used to cover unaccounted production costs, even under-the-table actor fees. The investor is later paid back in cheque from the film's profits.

Though the massive scale of conglomeration in the Chinese film industry started way before the arrival of Internet companies, it intensified multiple times when Internet firms worked their way into the media ecosystem of the big screen. Internet companies are taking the lead in forming media conglomerations thanks to several factors.

The enthusiasm of Internet companies entering the entertainment industry is in part due to national policy of encouraging the integration of Internet and traditional economy. In the "Report on the work of the government" delivered by Premier Li Keqiang at the Third Session of the 12th National People's Congress on March 5, 2015, the proposal of "Internet Plus" action plan is for the first time unveiled as following:

> "We will develop the Internet Plus action plan to integrate mobile Internet, cloud computing, big data, and the Internet of Things with modern manufacturing, to encourage the healthy development of e-commerce, industrial networks, and Internet banking, and to get Internet-based companies to increase their presence in the international market."[107]

The avowed aim of the plan is to promote innovation-driven development and upgrade China from being a "big industrial country" to a "powerful industrial country", a goal often seen in recent Chinese government policy pronouncements. [108] Under the general framework of upgrading traditional economy with the help of mobile Internet, a series of cultural policies have been announced and implemented regarding taking advantage of technology to boost the long-term development of Chinese film industry. Luan Guozhi, deputy director of SAPPRFT

[107] http://www.chinadaily.com.cn/china/2015twosession/2015-03/05/content_19729663.htm
[108] http://english.gov.cn/premier/news/2015/03/15/content_281475071697289.htm

said the involvement of tech firms such as Alibaba in the film industry "has a positive meaning and can promote the film industry, improve the quality and make the Chinese film market bigger".[109]

With drastically accumulated wealth within a rather short period of time, BAT is in a good position to expand. No longer content to nurture their natural monopolies in peace, BAT are engaging in a frenzy of acquisitions to compete with each other in most markets. Their ambition set them off to be on the mission of monopolising every aspect of daily life that could conceivably be put on the web and sold to the public until their power becomes ubiquitous. They are fighting on many fronts, from mobile payments to social media to taxi service, entertainment is only one of them, but one the most prosperous. Capital abundance gives them the advantage over traditional media players who have much smaller scale of revenue streams. Unlike Hollywood studios whose profits coming from a wide range of releasing windows and licensing deals, theatrical release is almost the only source of income for producers and distributers in China.

With huge numbers of subscribed users to be capitalized upon, Internet companies are eager to find ways to develop these customers' loyalty by providing premier services and entertainment content. Despite coming from respective bases of dominance, with Alibaba based in e-commerce and payments, Tencent in messaging, social networking and mobile gaming, and Baidu in search engines, they arrive at the same conclusion that to lure and retain users they need to meet their demands for entertainment content, domestic as well as foreign.[110]

[109] http://www.hollywoodreporter.com/news/china-media-watchdog-welcomes-tech-783022
[110] Online video programs and entertainment have become the most popular applications on the Internet and mobile Internet, boasting 440 million subscribers and 7.44 billion hours of access time a month in China.

The mobility that is attached to new technologies has shaken up the previously dull or cosy world of the Chinese entertainment industry. Nearly half a billion Chinese use smartphones and tablets to access the Internet now. Most of the new acquisitions in terms of film companies discussed in this chapter have been made with mobiles in mind.[111] It is the perfect embodiment of the concept of convergence which refers to "the flow of content across multiple media platforms, the cooperation between multiple media industries, and the migratory behaviour of media audiences". Through the integration of platform and content, media companies are able to accelerate the flow of media content across delivery channels, so as to expand revenue opportunities, broaden markets and reinforce viewer commitments.

5.4.2 Distribution

The most prominent change Internet companies have brought to the film industry is a much more flexible and diversified distribution mechanism. During my fieldwork I have observed the rise of video-on-demand (VOD) services that are now offered by a wide variety of hosts with a diverse selection of titles at a remarkably low price. This provides more options of distribution models for film companies who are actively experimenting with new "window" strategies. For example, on April 9, 2014, iQiYi, Baidu's online video platform, officially released the first revenue-sharing model for film distribution in "online cinemas". Based on this model, an individual film will have a 7-month payment option, with which the revenue-sharing ratio depends on the number of viewings; after the seven months, users could watch the film for free, and revenue-sharing will be based on advertising revenue. This online

[111] For example, Baidu paid $1.9bn for 91 Wireless, an app store designed to give it an edge with mobile users. Alibaba has an undisclosed stake in UC Web, China's top mobile browser. Alibaba also made an offer for AutoNavi Holdings, a mapping service, valuing it at $1.6bn, and allowing it to compete head-to-head with Baidu's mobile map app.

distribution enables those films that do not have the chance to enter Chinese theatres a chance to make profits.

A more accessible online video market in China is also perceived as good news for transnational media corporations. Having the largest Internet market in the world, China's online video space has become another potential gold mine for Hollywood. Since 2013, China's online video market began to emerge as a viable new distribution channel for Hollywood content providers. The online space offers a far different landscape than the troubled film sector. There is no quota system, fewer bureaucratic hassles and far fewer logistical headaches (no need for a middleman in the form of a state-run distributor like China Film Group). Major online video sites are shifting business focus from the user-generated business model of YouTube to providing licensed content, mostly of U.S TV series and movies. Top U.S. TV series, such as *The Walking Dead*, *Modern Family*, and *The Big Bang Theory* were sold to Youku Tudou and other streaming services. Though the sums involved in such licensing deals remain slight due to still rampant digital piracy, the potential of the market is enormous.

Strategic partnerships are taking also place between Chinese corporations and transnational media corporations. For example, Tencent has recently partnered with Warner Bros., Universal, Miramax Films and Lionsgate for a new online video venture called Hollywood VIP. Video platform Youku Tudou has partnered with Disney to be the exclusive online movie marketing platform in China for its Marvel collection of movies and TV series. The agreement spans online marketing through trailers, online ticketing, live events and original programming dedicated to feature movies. The deal underlines the growing role of China's online video platforms, not just as distributors and ancillary market platforms, but also as pre-release

marketing vectors. However, as the famous tax standoff between Hollywood studios and the main movie distributor China Film Group demonstrated, the unpredictable Chinese film market is not easy for transnational media corporation to navigate.

There are several e-commerce companies serving as third party between distributor and exhibitor by selling low priced movie tickets at RMB9.9 or RMB19.9 to customers.[112] In extreme cases, ticket price dropped to RMB3.8. Those mobile ticketing apps have initiated waves of price wars since early 2014, with the latest full-scale battle unfolded during the Chinese spring festival season. The impact on theatre owners is immediate and multifold. As ticket sales at cinemas declined considerably, thought with overall box office intake not affected that much, revenue from drinks and snacks gets hit hard. VIP membership at cinemas starts to lose its attractiveness to regular moviegoers when tickets charge as low as just RMB20. Those ticketing apps are changing the distribution mechanism by combining distribution, promotion and ticket sales into one tight package, in other words, by integrating itself into the industry chain.[113] Ultimately, what they desire for is to enlarge their user base. Those ticketing apps do not make up the extra cost for nothing. The more tickets they sell, the more registered users they acquire. By putting extra promoting efforts on a particular movie its parent company invests, it gets to grip a larger piece of the box office.

5.4.3 Promotion and marketing

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[112] Major players include maoyan.com (movie ticketing app belong to Meituan, a group buying website), dianping.com (consumer site offering restaurant reviews, discounts and group-buying services), gewara.com, wepiao.com (movie ticketing app which enables users of Tencent messaging apps WeChat and QQ to buy tickets), dianying.taoboa.com (movie ticketing system under taobao.com, Alibaba Group).
[113] http://www.globaltimes.cn/content/909975.shtml

2013 was labelled the Year Zero of Big Data's application in China's media industries. The hype of big data is created and sustained by a belief that it is a useful and effective tool to collect and analyze user generated data hence predict audience tastes and potential box office performance of any particular film.[114] This lends great advantage to online video sites with access to abundant user generated information through which they can build database to the purpose of analysing audience behaviour and psychology. Leading online video portals like Youku Tudou, Tencent Video, iQiYi of Baidu, are all claiming to utilize their sources to establish databases of such sorts. This function is made possible based on an identification of audience tendencies via the conduct of niche market research. Successful examples include *Love is not Blind* (2011), *So Young* (2013), *Tiny Times* (2013, 2014).

Apart from providing convenient advice to what kind of movies might sell well in the market, big data and sentiment analysis is also considered useful in informing and attracting potential audience to participate in online promotional events and local gatherings to ensure an effective O2O varied marketing in different regions. The importance of the application of big data to the search for newer and larger audiences is also a contributing factor in consolidation. The cooperation between Youku Tudou and Alibaba is an illustrative example.

It is reported that Youku Tudou and Alibaba will jointly establish a Marketing Innovation Lab to drive the adoption of big data in marketing. This deal makes sense in that these two companies share same strategic goals. Youku Tudou's strategy is to leverage the data on audience preferences that it harnesses from its 500 million multi-screen users to produce films to the tastes of the Chinese audiences, and improve film marketing and distribution.[115] While

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[114] The first and most-talked-about reference is House of Cards, an American TV series produced and broadcasted by Netflix which developed a new model for television industry.
[115] http://variety.com/2014/film/asia/chinas-youku-tudou-launches-heyi-film-production-arm-1201292734/

Alibaba Pictures expects to analyze consumer shopping patterns and behaviour on (e-tailers) Taobao and Tmall through big-data technology so as to create customized movies and TV programs while marketing and distributing them efficiently across Alibaba's platforms. [116] Alibaba Pictures said it and its parent "have explored a user-demand-oriented e-commerce customization model through the Internet and big data, in addition to developing a cross-industry in-depth cooperation model for e-commerce and cultural and creative industry by taking advantage of the deployment of O2O (online to offline) film related business in ways such as conducting promotion and marketing activities on Alibaba Group's e-commerce platforms."[117] As Victor Koo, Chairman and CEO of Youku Tudou summarised,

> "The Youku Tudou Cloud and Alibaba's data and technology will collaboratively bring consumer behaviour in media and entertainment and consumer behaviour in products and services closer together. Both parties will work in stride to realize the 'Screen is Channel' and the 'Content is Storefront' vision, creating strong synergies between the domains of media and entertainment, and commerce and payment." [118]

Despite the big fuss presented in mass media about the effectiveness and pervasiveness of big data, many executives of film companies maintain a much more cautious and pragmatic view towards the real effect of big data on influencing the way film production and distribution operate.

[116] http://variety.com/2015/film/news/china-rising-quartet-of-middle-kingdom-conglomerates-revolutionizing-chinese-film-industry-1201421685/
[117] http://www.wsj.com/articles/alibabas-entertainment-plans-hidden-behind-the-curtain-1427879745
[118] http://variety.com/2014/digital/asia/alibaba-signs-video-marketing-deal-with-youku-tudou-1201342990/

5.4.4 Content

Arriving alongside the rising power of Internet companies in the film industry is the vexed concept and practice of Intellectual Property (henceforth, IP). IP has probably become the most fashionable word in the Chinese film industry since 2014. Even a cursory glance at the questions of IP facing the Chinese film industry suggests two things. First, the Chinese film industry is shockingly short on original content to fill rapidly increasing number of screens. Second, to reduce the risk of developing original material that hasn't been tested by the market, producers tend to seek gold from IPs that have already proven successful in a certain niche market. Newly established film production arms of online video platforms are among the pioneers capitalising on the opportunity by bringing successful IPs from the online and offline worlds to the silver screen.[119] Online video sites are not only building an ecosystem for Original and User Generated content, but also trying to improve in-house production capabilities by producing their own films, in the form of micro-movie which can be watched on mobile devices, which can be further developed into feature films.[120]

For example, Heyi Pictures was established in 2014 as the stand-alone movie production operation of Youku Tudou, a development and finance company that aims to incubate more of its shorts and series into properties that can be exploited both online and off. In practice this is expected to mean that Heyi develops intellectual properties and helps scale up content from micro-movies to theatrical features. Among a slate of six feature films it just unveiled to co-produce with various partners, most of which are adaptations of original properties that have

[119] http://variety.com/2015/film/asia/chinas-heyi-unveils-six-picture-movie-slate-1201423350/
[120] The short, low-budget, amateur movies known locally as micro-movies have emerged as a popular alternative to professionally produced films and TV series among media consumers in China.

become popular on Youku Tudou's online platform. As senior VP of Youku Tudou and CEO of Heyi Pictures Allen Zhu said,

> "Chinese movie audiences are calling for more quality titles, while the Chinese movie business demands a larger and continuous flow of new IPs. By working with prominent partners across different domains, Heyi Pictures is building an open platform to develop stronger IPs across multiple screens to bring to these audiences."[121]

Content production signifies a shift accommodating to new distribution platforms. In a sense the Internet has become one of the hottest breeding grounds of feature films. There is plenty of quality IPs from other cultural domains such as online literature that film producers can choose from. However, selected IPs do not usually travel well when transformed and transferred to a different cultural format. The chosen IPs have all been proven successful on the Internet, but the problem is that originally, they served the taste of a quite particular – and even, one might say, peculiar – audience, which significantly limits the range of presentable subjects on screen. However, this seems the least of the concerns of film companies. As long as films with a certain subject prove marketable and profitable, within a short period of time, the film market would be filled with copycats.

5.5 Conclusion

Sections of the Chinese film industry are proactively restructuring themselves to a be a commercially viable industry by foregrounding the economic and cultural dimensions while downplaying the propagandist and pedagogical role of cinema. In line with this, Chinese films

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[121] http://variety.com/2015/film/global/youku-tudou-film-development-1201475656/

have gone through a process of depoliticization, and the industry through a process of commercialization and marketization, which means cinema is turning from an instrumental tool for solely propagandist and identity building purposes to a market–driven economic sector aiming for profit maximization but retaining a range of complex connections to national identity. Indeed, striking as these changes are, they do not entail the complete retreat of politics from the domain of cultural production. While not at the top of agenda anymore, political considerations are working as a bottom line that cannot be crossed at any cost.

Throughout this chapter I have examined how state-owned studios and private production companies try to maintain their position on an increasingly competitive market. I have also looked at cases of convergence and conglomeration, especially in relation to the dominant Internet companies and the investment coming from non-media sectors.

The rise of the China Film Group (CFG) and its attempt to re-nationalize and transnationalize Chinese cinema proves the inherent tension in China's integration to global media. Rather than serving to liberate creative genius of the people and endowing them with more freedom, marketization in China is only a part of a scheme to utilize the market to consolidate state power. Of course, the binary thinking of putting state and people at opposite position is misleading and non-constructive. It would be naive to argue that the depoliticizing trend of the Chinese cinema as a whole does not leave space for any progressive or alternative expression in Chinese films.

CHAPTER 6 CINEMA ON A GLOBALIZING MISSION

6.1 Introduction

Now we already have a slate of public listed film companies such as Huayi, Enlight, Bona, their performance in the next few years in the capital market is extremely critical, together with other might-be listed media corporations, regardless state-owned or private. Let's take Huayi as an example, when its market value grows to $15 billion, it will be in the same league as Warner Brothers. Imagine then, integration and conglomeration of global capital will be the new norm. It won't be impossible if say, Huayi acquires Universal. We will see real export of Chinese culture and values with the help of those Chinese media conglomerates. Their impact will be profound, much greater than Confucius Institutions. (Personal interview with Ji, Beijing, 24 July 2013)

Ben Ji, the Managing Director and Producer of Reach Glory Communications, could hardly contain his excitement when painting an optimistic picture in which Chinese media corporations are perceived as well-matched players alongside their Hollywood counterparts. Looking out through the floor-to-ceiling windows of his office, there stands a giant Iron Man model, an indication of pride for this Beijing-based leading entertainment marketing company that has for a few years now been navigating between Hollywood studios and Chinese corporations.

This was in July 2013. The Chinese film industry had received a glimpse of a possibly lucrative domestic film market after the unexpected and explosive success of the comedy film *Lost in Thailand* which released in December 2012. And already there were film professionals hovering, imaging a rosy future for the Chinese film industry on the global scale. Yet, just a

decade previously, globalization had been greeted with a completely different and of course understandable sentiment of scepticism and anxiety.

As discussed in chapters 1, 2 and 4, the defining moment of WTO entry in 2002 instantly forced China's infantile film industry into a position vulnerable to unprecedented global competition, which not only stirred up industry-wide anxiety among film professionals, but also ignited intellectual interests on the possible impacts of globalization on the Chinese film industry. One of the gravest concerns emerging from that monumental moment was the imminent threat brought by Hollywood, the formidable global force waiting to prey on a foreign film market that had barely been exposed to its dominating weight. Ever since then, globalization has become a forcibly shaping factor in the Chinese film industry.

In this chapter, I look at ways in which the Chinese film industry has been adjusting itself to embrace the challenges rising from integrating into the global film market in the historical setting of China joining WTO. In light of the increasingly tightened connections between the Chinese film industry and transnational media capital since 2002, I set out to explore intricate power interplays between global media capital, domestic capital and the party state in shaping the globalization path for the Chinese film industry. To achieve that, I put the China-Hollywood relationship under closer scrutiny, with a specific focus on co-productions, in the attempt to illustrate power dynamics between the three power players, demonstrating the roles each of them have individually played to push through their own agendas so as to reap benefits from a rapidly growing Chinese film industry. I argue that the globalizing process is spearheaded by a small group of industry elites privileged with skills and resources that enable them to navigate among multiple stakeholders with respective agendas and interests in mind.

6.2 The "going global" mission

I was not at all surprised when I found out that on the back of Zhou Tiedong's business card there were words printed in red: *Catch the Chinese Dream* (捕捉中国梦). Zhou was the president of China Film Promotion International (hereafter CFPI), a corporation established under the authority of China Film Group Corporation in 2005. The avowed mission of CFPI was to provide assistance and service for the promotion and commercial distribution of Chinese national films overseas.[122] In this section, I propose a multi-layered reading of the "Chinese film going global" narrative. There are two identifiable systems operating in parallel but subject to different sets of rules and logics.

The first layer of the "going global" narrative, as I discussed in Chapter 4, refers to the top-down political commandment to make Chinese films attract a global audience and which conforms to the Party-state's cultural policy of performing cinema's ideological function to serve political purposes. The main task going along this track is seen as being to build collaborative relationships with industries in other countries so that middle or small budget Chinese movies with relatively low production values can find platforms to obtain global exposure. However, my fieldwork reveals that this is a theoretically tenable but practically unfeasible mission.

When I asked Zhou what kinds of efforts they had been making to promote Chinese films overseas, he gave me a definitive answer without any hesitation.

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[122] http://www.chinesefilms.cn/index.htm

It is impossible [for Chinese films going global]. If we use Hollywood as the standard, there has no other national cinema really achieved this goal, or ever will be able to. Almost 97% films on the U.S. film market are their own products, which left about 3% for non-Hollywood movies. And within that 3%, 75% are in English language, which means there is only 1% space for real foreign language movies including Chinese films. This is an *industry fact*, undeniable consensus. Hollywood has a stricter form of censorship, just not in the sense we use the term, which I call the "market censorship" (无形的铁幕, translated into English *invisible iron curtain*). This is a much tougher version of censorship to crack. That is why Hollywood has dominated the global film market for so long, and why we should learn from Hollywood, treating filmmaking in the way they should be treated, within the default political perimeter that we have no control of. At the end of the day, cinema is business, it abides by basic economic laws. Forget about going global, we [the Chinese film industry] are just taking baby steps towards a full-fledged commercialised film industry like Hollywood and that is what we should be focusing on. Political censorship is irrelevant in this conversation and should not be used as the scapegoat for commercial failure. (Personal interview with Zhou, Beijing, 26th July 2013)

The CFPI is acting as the Chinese counterpart of the MPA for promoting Chinese cinema worldwide and for encouraging exchanges between China and the rest of the world. Its main obligations are to facilitate Chinese films' participation in international film festivals and markets, to hold China film festivals, to provide information on overseas distribution for Chinese film producers, and to build up distribution networks for Chinese films in the international market. However in reality, CFPI is facing tremendous difficulties in fulfilling its

functions. In an interview with the magazine Southern Weekly, Zhou Tiedong addressed the challenges of promoting Chinese films internationally in greater detail.

The fundamental problem lies in the question that, who is appealing for "going global"? The authorities or the private sector? For political, or cultural, or commercial reasons? It is a question that has never been brought up for open discussion. The narrative of "Chinese film going global" is propagated by the film officials, who might themselves have conflicted opinion about this undertaking contrived by the Party, which has obviously been manifested at the level of execution. It is just a concept on the paper, with no infrastructure support in place, including financial allocation, organizational and administrative arrangements. We have reached agreements with national television stations of countries like New Zealand, Australia, Kazakhstan, Thailand, Pakistan, United Arab Emirates. They are willing to launch a channel exclusively for Chinese films, but they don't want to pay copyright fee. The television station from Turkey would only offer 600 dollars for each Chinese film. Essentially, when your films are not commercially appealing, the only way to go global is free giveaway[123].

Zhang Wanmin, Governing Director-General of Asia Film & Television Federation (hereafter AFTF), shared similar view on this matter.

It doesn't matter how much effort we put into this mission, it is unattainable because the rationale behind it is against the nature of filmmaking. Primarily, cinema is a business, films should only be evaluated according to the logic of market mechanisms as a commercial product. At the end of the day, what people are paying for is

[123] http://www.infzm.com/content/94479

entertainment, but not ideology. Of course, strictly speaking, no entertainment is free from ideology, ideology is everywhere. What I mean is that, when films are intentionally made or distributed as something expected to fulfil ideological functions, they cannot travel far across transnational boundaries, not even in the domestic context. It's just working against film's nature. (Personal interview with Zhang, Beijing, 15th August 2013)

Sun Hongyun, a professor from the Beijing Film Academy, was more straightforward in expressing her point of view on this topic.

They [the Party authorities] don't care about the feasibility of this project. It is pure politics and nothing more. They are not the ones need to worry about operationalization, about money, about creating a viable business model to sustain the vision. And more frankly, they don't care even they realize it is doomed to fail. The film officials are the ones put in the dilemma, how they perceive their job is another story. Sometimes, I have sympathy towards them, but only sometimes. (Personal interview with Sun, Beijing, 14th July 2013)

Two important insights can be drawn from my interviews with film officials affiliated with governmental organizations. First, it is considered a commonly acknowledged "fact" within the community of film officials that "going global" equals conquering the North American film market, or put in a different way, it means being competitive on the same level as Hollywood. This mindset resonates with Ji's remark which I quoted at the beginning of this chapter, that Hollywood serves as the yardstick against which the Chinese film industry can be gauged as truly global or not. The extent of globalization of the Chinese film industry could only be

defined and evaluated within a framework created and controlled by Hollywood. And to achieve the goal of competing with Hollywood on the same footing, many thinks that the Chinese film industry should imitate the Hollywood style of filmmaking, its business model, as well as its techniques of storytelling.

This trajectory can be seen also in other film industries. As Govil *(*2016) writes in *Orienting Hollywood: A Century of Film Culture between Los Angeles and Bombay*, at the time when Hollywood had a strong presence in the Indian film industry before the 1940s, "Hollywood film marked the horizon of technological achievement… Its marketing and promotional machinery was the envy of newly institutionalising Indian industry organizations…Hollywood functioned as a crucial marker of film form" (2016: 4). Guo Xiaoping, the Director of the Market Research Center from Bona Group used the term "Hollywood complex" to describe the Chinese film industry's "obsession" with "going global".

> The "Hollywood complex" is something almost hardwired into the mindset of Chinese film officials, film workers, and even ordinary audiences. Hollywood serves as role model for China to imitate or as an arch-rival to defeat. You can hear talks by media executives about how the development Chinese film industry is in parallel with Hollywood at the 1980s when a wave of consolidation taking place, how the Chinese film industry will be dominated by several major studios just like the Hollywood, how the horizontal and vertical integration of the media sectors will lead to media monopolies, even global conglomerates, within ten years. (Personal interview with Guo, Beijing, 9th August 2013)

Second, my interviewees' self-reflexive response help shed more light on the inconsistent and frequently self-contradictory nature of China's film regulatory machinery that I discussed in Chapter 4. There exists a discrepancy in the attitudes towards the Chinese film industry between the Party-state and the Film Bureau. On the one hand, the Film Bureau has shown signs of shifting its focus away from using films as a propaganda tool in ways which they assume will facilitate the marketization and commercialization of the Chinese film industry. On the other hand, despite the fact that the Party-state granted Chinese cinema industry status as early as 2002 and has since promulgated numerous de-regulatory guidelines conductive to the establishment of market mechanisms in the film sector, the Party-state has been exerting an ever tighter and more centralizing ideological grip on film production over the past few years.

In this context, the second layer of the "going global" narrative is partly driven by domestic private corporations' ambition to expand globally and establish foothold world-wide, corporations whether within the entertainment industries or not. It resonates with chapter 5 where I discuss the trend of conglomeration facilitated by Chinese Internet companies in the entertainment industries and its impact on the Chinese film industry. The forces of conglomeration and globalization joined together in paving a path for the development of Chinese film industry in the 21st century that is featured by an intensifying China-Hollywood relationship.

Only in recent years, with the help of local agents serving as the middleman, have Chinese companies discovered a new way of tapping into the North American market—always the last territory to conquer—through product placement in entertainment programmes. TCL is a forerunner as it purchased the naming rights for Chinese theatre in 2013, a landmark for

Hollywood. Ji's company is one of the most significant Chinese companies specialising in this area.

> More and more Chinese companies are looking to create opportunities for the exposure of Chinese products in foreign movies, be it a television set from multinational electronics company CTL, or a milk box from dairy company Yili. (Personal interview with Ji, Beijing, 24th July 2013)

So, what does it look like when Chinese cinema does "go global"? There are two ways of "going global". The first involves domestic capital investing in foreign projects, whether these are China related or not. The second way involves making a domestic film up to what is considered a global gold standard in technical and aesthetic terms, usually with the help of leading international companies.

> Our latest endeavour is the movie *Zhong Kui: Snow Girl and the Dark Crystal* (2015). Zhong Kui, known as "the demon queller", is a figure from Chinese mythology who fights against demons and evil spirits. Though Zhong Kui is a household name in China, he is a complete stranger to foreign audiences. To make this character more visually relatable, we made one specific change to his costume. Zhong's conventional image is a disfigured burly man dressed in loose robes, which speaks to his identity as a Taoist demon exorciser. However, this signature look was disapproved by our art director who we hired from Hollywood, for "the Western audience might find the dressing style bizarrely impractical for a ghost hunter who needs to fight a lot". (Personal interview with Huang, Beijing, 20th August 2014)

It can be seen here that revision of the central character's dress performs something of the role of cultural translator in regard to the bridge between audiences in a film example such as this one. Whether or not this form of translation helps all films to "go global" in the same way is a moot point.

While in the international market, the demand for mainstream Chinese films has declined, sharply in recent years, this is not a surprise because, with a few exceptions, Chinese commercial films have never been popular with foreign audiences. What's surprising is that the situation for art film, or independent film, is not promising either. At an industry forum in Beijing last year, Professor Rosen Stanley pointed out that Chinese films are just not wanted that much in the overseas as before. The oriental spectacle suddenly seems lost its charm for foreign audience. That's a question needs to be answered if the government tries to showcase and promote Chinese culture through the exportation of Chinese movies.

The problem lies in the paradox of making films that resonate with domestic audiences while also remaining attractive to international audiences. For local film companies, producing films for transnational audiences is not their priority and neither is it a realistic goal. Even if they team up with foreign studios to make co-productions for the international market, it is more of a strategic decision and won't be on the top of their agenda. It is the state pushing for the exportation. However, overemphasis on using film as means to promote soft power is actually paralyzing the healthy development of a film market that is in urgent need of building a solid domestic market.

The influence on content is going beyond Chinese movies only. Any film that is hoping to enter Chinese theatres, has to comply with certain rules. Foreign studios are making changes to their

movies to accommodate the Chinese market. Dreamworks has thrived in China with family films devoid of sex and violence which are considered taboo, but many studios stumble at the censors or when in talks with putative Chinese partners, resulting in delays, frustration and cancelled co-productions.

Blockbusters of recent years such as *Iron Man 3*, *Django Unchained*, *Transformers 4* and Brad Pitt's *World War Z*, have all been modified to please Chinese authorities and audiences, prompting accusations of artistic surrender. All of this is certainly influencing the visibility and representation of Chinese characters in co-productions and even in some foreign movies. For example, in the second Sino-U.S. Film Co-Production Forum held by MPAA at FOX Studio in October 2012, James Cameron said he was considering inserting Chinese elements into two sequels to Avatar, saying it would be "logical" to have Chinese characters on the planet Pandora. Peter Shiao, chair of the US-China Film Summit and founder and CEO of the Los Angeles-based Orb Media Group said that playwrights more often turn to Middle East when they need a baddie in the movie, and will probably continue to do so until they have their own rising film market like China.

6.3 The China-Hollywood relationship and beyond

6.3.1 Entering the Chinese market: attractions and barriers

It goes without saying that the lucrative film viewing market makes China highly desirable for foreign film companies who have been seeking a foothold in China. After decades of feeling thwarted by tight quotas for imported movies, foreign studios begin to see China as a land of opportunity. However, it remains far from easy for foreign players to undertake film business

in China given China's complex and volatile political economic environment. Attempts by Hollywood to tap into the Chinese market started as early as 1990s. Back then, restrictive import policy and elusive regulatory regime has been putting Hollywood studios off alongside with other prohibiting factors. Warner Brothers, for instance, temporarily pulled out of the Chinese market. Other studios shifted attention to different national markets such as India. Indeed, apart from the Village Roadshow who invested in Stephen Chow's *Journey to the West* (2013) which set new record at the Chinese box-office, no partnership has yielded any significant result yet.

Amongst other factors, the challenges and uncertainty of doing business in China usually derive from cultural policies which are viewed as nebulous because so little understood, regulatory hurdles, restrictions on foreign capital and the apparent and real hubris of Chinese officials. One key aspect stems from the fact that unlike other countries, where joint productions are often limited to financing agreements, Chinese film authorities are not content to just sign the cheques and then wait patiently for the film to be delivered. They also expect editorial oversight and are more likely to greenlight scripts with an ideological point of view that they can identify as strongly Chinese in one way or another.

Chinese officials of course expect that this kind of partnership will broaden the cooperation platform which allows local corporations to absorb production experience and expertise from overseas and will eventually open the channels for Chinese movies to air globally and offer international audiences a better understanding of Chinese culture. However, the reality apparently does not satisfy film authorities, leading to films doing poorly at the box office. In response to this, recently, the Chinese government tightened the requirements for a film to qualify as a co-production.

In order to enter the Chinese film market, foreign films must jump through bureaucratic hoops including qualifying for film import quotas, censorship, the scheduling system, and the revenue sharing model. Only 34 foreign films are qualified for import and entitled to take away as much as 43% of the box office revenue just like any other Chinese films (it was 13% before China released new policies for Sino-US films in January in 2012). This urges foreign studios to join forces with Chinese companies, either by establishing jointly owned companies or through co-production deals with domestic companies. For example, the Closer Economic Partnership Agreement (CEPA) stipulates that films coproduced by Mainland China and Hong Kong would be treated as domestic films while Hong Kong films will not be classified as imported films any more. Other cases include Britain, Indian, France and Italy, whose governments have been lobbying very hard to bypass China's quota system.

The first and most prominent type of co-operation can be summarised in the form that Chinese capital, private and state-owned, rushes to Hollywood in exchange for Hollywood's resources in the aim of securing an advantageous position in the roaring competition of building China's indigenous media conglomerates. The second form refers to the reversal flow of capital from Hollywood to the Chinese film market, which however is overwhelmingly dwarfed by the first type for reasons that are both political and economic. Lastly, I consider China-U.S. co-production as a unique form of transnational cooperation that deserves closer examination on its own terms.

In 2012, Fox International Productions (FIP) partnered with the Bona Film Group, one of China's largest films companies, to develop, co-produce and distribute multiple movies intended for the burgeoning Chinese market. In the same year, DreamWorks Animation partnered with China Media Capital (hereafter CMC), Shanghai Media Group and Shanghai

Alliance Investment to develop a Shanghai studio enterprise valued at $330 million, Oriental DreamWorks. This ambitious venture aims to produce one animated feature a year starting in 2016, and intends to be involved in animated TV production, live action films and live action TV—including reality formats—as well as mobile and Internet content.

Acting as the middleman, Relativity Media has partnered with Asian private-equity firm SAIF Partners and IDG China Media, the China-focused investment arm of Boston's International Data Group to develop, produce, acquire and distribute Chinese movies with worldwide appeal. Relativity Media is also joining with China's Huaxia Film Distribution Co. to launch a strategic partnership to create the first joint venture that will handle distribution along with film production and financing in both China and the America.

Founded in 2011, Legendary East was originally a venture formed by Legendary Entertainment Chairman Thomas Tull, together with Paul Y. Engineering Group which owns half of the company, and Huayi Brothers International taking up 10 percent of the share. However, to secure financing, Legendary East scrapped a deal with Huayi Brothers in 2012 and finally signed a deal with the China Film Group in 2013. Under the new agreement, the two companies would co-produce multiple films over a three-year period. This agreement marked the first time CFG had signed a long-term, multi-picture production deal with a Chinese or international partner.

Film companies from other countries have also been trying to get involved. EuropaCorp, one of France's largest production companies, and Fundamental Films, a large distributor based in Shanghai, formalize a co-production deal in early 2013. As part of the three-year deal, Fundamental will distribute up to 15 titles produced by EuropaCorp and co-produce at least

three of the movies. For the first joint production, Wolf Totem, an adaption of Jiang Rong's award-winning, semi-autobiographical novel, EuropaCorp was teamed up with China Film Group and Beijing Forbidden City Pictures. Christophe Lambert, CEO of EuropaCorp, said that his company is seeking partnership with local companies so as to compete on the same levels as large Hollywood majors.

Up until now, all major six studios have set up joint ventures with local investors or media corporations in China. But it has been a bumpy journey for foreign studios trying to tap into the Chinese market. No concrete news has yet come out regarding specific timelines, the size of the slate or potential project. As for Legendary East, the first venture with Huayi went south as it failed to raise enough money on the Hong Kong Stock Exchange through the shell company, Paul Y. Engineering Group at the end of 2011. Huayi Brothers was unable and also refused to fill the financial gap. According to an insider, the deal with CFG was closed because the CFG brought enough money to the table while the Legendary promised something valuable for the CFG.

This also revealed that, ultimately, global film business comes down to dollar signs. For example, the Bechdel test—which requires scripts with major female characters who do not spend all their time talking about men and the male leads—introduced by the Swedish government last year seems like a feminist joke to many producers in Hollywood, as it would never survive multiplexes outside Sweden. Sweden's eight million-strong audience are small potatoes for Hollywood. But if Beijing were to demand the same standard, it would be a different story. In the current difficult conditions of the capital markets along with the continuing volatility in the global media industries, what the studios are looking for from China is first and foremost, capital investment.

Village Roadshow Entertainment Group Asia is the frontrunner in creating and exploiting Sino-foreign co-production deal structures. Launched in 2011, Village Roadshow Pictures Asia (VRPA) is a platform for undertaking the development, financing, production, marketing and distribution of feature films which are filmed principally in the Chinese language and designed for audiences in the Mainland China and other Greater China markets. It has established strategic partnerships with local producers, directors and media companies, as well as overseas alliances to bring international expertise and professional technical services to the Chinese market. So far VRPA has co-financed and co-produced Stephen Chow's *Journey to the West* (2013), *Say Yes!* (2013), and more recently Keanu Reeves' directorial debut *Man of Tai Chi* (2013).

Zhang Xun, the president of China Film Co-Production Company (CFCC), emphasized at the US/China Film Summit in 2013 that, one crucial condition for a film to become a co-production is that the film should be heavily invested in Chinese culture and in presenting a positive image of all things Chinese. More specifically, a co-production needs to have a minimum of 20% Chinese investment, a joint script, and significantly to feature Chinese talent. It can be seen, therefore, that earning the title of co-production is not easy. Movies that initially seemed to get that privilege, *Iron Man 3* (2013) and *The Expendables 2 (2013)*, ended up being released in China without the title of co-productions. However, despite these glitches and barriers, it is the general tendency that more and more co-productions have been coming out. At the American Film Market in November 2017, executives from China's top distributors and producers—CFG, Enlight Media, Bona, Huayi Brothers, Beijing Galloping Horse and Wanda Group expressed many positive views about the future of co-productions in China starting this year.

6.3.2 Mini-studios

In considering the China-Hollywood relationship, we must also consider the role of U.S. mini-studios that were founded with the help of generous start-up capital from China in recent years: Bob Simonds' STX Entertainment and Jeff Robinov's Studio 8. STX is by now a much more established studio than Global Road ever became. The company has 14 films slated for release in 2019, as well as two co-productions in development with Tencent and four more with Jack Ma's Alibaba Pictures. Founded in 2014, STX has targeted a perceived opportunity in star-driven, midbudget moviemaking—which the major studios have turned away from—while also positioning itself to tap into China's growing pool of investment capital and fast-expanding box office. None other than Tang himself helped the company broker a major 18-picture slate investment from Chinese studio Huayi Brothers Media in 2015 (that deal recently ran its course), and the company also landed an array of high-profile Chinese equity investors—Tencent, Hony Capital, and Hong Kong's PCCW—along with blue chip backers in the West like Liberty Global, TPG Capital and others.

Combined with financial backer Hony Capital, STX is well-heeled push through as many films as any major Hollywood studio, however their deal structures are very different. The company is headed by Robert Simonds with the largest stakeholder being global private investment firm TPG Growth. They, along with Gigi Pritzker, have one ultimate goal: to become a major Hollywood studio… one step at a time. The mantra for the company seems to be "respect the capital".

6.3.3 Outsourcing and soft power

Another way for the indigenous film markets to be integrated into the global market is through runaway productions, which constitutes a major part of what Toby Miller called *Global Hollywood*. It is an important form of production used to describe the outsourcing of film work from Hollywood to cheaper foreign locales. It occurs when a Hollywood studio outsources and offshores parts of the production process to cultural workers clustered in media capitals that offer low-waged by skilled workforce, subsidies and tax breaks, desirable locational features such as sophisticated studio complexes, and favourable currency exchange rate. Both the film bureau and film professionals are keen to establish China as the next desirable runaway locale for Hollywood studios. Though this practice is still in its infant stage. China does have sophisticated film-studio complex situated in Beijing, Zhejiang, Qingdao, etc. But the major obstacle is how to build the confidence of overseas studios to move backlot or part of the production process to China. Compared to other runaway locales such as Australia where the government would cut studios a 40 percent rebate, Chinese government does not offer enough economic incentive. China has no subsidies or tax breaks like in Europe and while labor is cheaper, crews and equipment are not as good.

Clearly it is not a media conglomerate, yet. However, it indicates the increasing involvement of non-media corporations in the film industry. The real estate mogul Wang Jianlin made a splash when he purchased America's number two movie theatre chain AMC in 2012 which helped him successfully capture the attention of Hollywood's leading players. In 2013 his ambition took a leaping step further by summoning Hollywood A-listers and major studio senior executives to Qingdao to participate in the unveiling of $8.2 billion Qingdao Oriental Movie Metropolis.

Technically it will be a difficult task to attract Hollywood runaway production deals to China in the immediate future due to the lack of a skilled workforce, the lack of agency and middleman who are needed to "make the deals happen", as one executive of a Chinese media corporation confessed to me in a private interview, and the lack of competitive advantage compared to other global runaway locales for Hollywood such as New Zealand and Canada where the governments also provide generous tax breaks. After all, it is more about real estate than film business, even Wang Jianlin himself implied that in interviews. Wang got himself a great deal with local government in Qingdao as the land was traded at a price of 1800rmb/m2, way below the usual average price at that area, which makes it a land grab wrapped in a Hollywood story. The metropolis is hoping to facilitate tourism relying on the attraction of its entertainment facilities and boost business in other areas, like hotel and huge shopping mall located in the metropolis.

Despite big ambitions, and pronouncements from Wang Jianlin (as discussed at length in chapter 5) that he was going to buy one of the major Hollywood studios, his company was ultimately handcuffed by the Chinese government amid a crackdown on capital flight and so-called irrational investments. Jonathan Garrison, a former Goldman Sachs VP and current CEO of the Beijing investment consultancy EnRoute Global said that, "Since the start of last year [2013], Beijing has made it clear that capital from China will be focused on investment into core strategic sectors, with state owned enterprises taking the lead… The obtaining of approval for investment into foreign content-related industries is a lot more challenging now."[124]

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[124] https://www.hollywoodreporter.com/news/global-roads-implosion-sparks-new-china-money-fears-hollywood-1139705

Just before President Xi Jinping's visit to the United States in 2015, Warner Bros. announced a major agreement with China Media Capital (CMC), a giant investment fund backed by the Chinese government, to form a joint venture, Flagship Entertainment Group Limited. The new entity will develop, distribute and produce a slate of Chinese-language films, including global tent poles, for distribution in China and around the world.

Flagship Entertainment will be 51 percent owned by a consortium of Chinese investors led by CMC, with Hong Kong broadcaster TVB holding 10 percent within the group. In 2015 it was announced that Warner Bros. would own the remaining 49 percent. Flagship plans were announced to develop, invest in, acquire and produce a wide range of films for distribution throughout China and around the world, utilising Warner Brothers' unrivalled global film distribution network.[125]

> The key to a successful co-production, also the biggest obstacle, is find a universally accessible story that could transcend cultural and linguistic barriers. It [the story] should retain a hint of distinctive local flavour but repackaged in a way fitting easily into recognizable film genres, which have been standardised and practised by Hollywood for decades. (Personal interview with Huang, Beijing, 20th August 2014)

6.3.4 Co-productions: a delicate balancing act

Huang was the Vice President of Production and International Affairs of Desen International Media Co. Ltd (hereafter DSIM), a Beijing-based film company founded by renowned

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[125] https://www.hollywoodreporter.com/news/warner-bros-china-media-capital-825025

producer Ann An in 2009. Huang got a master's degree on communication and film studies from the United States and had worked there as a journalist for 6 years and another few years in the film business as an individual before coming back to China. He shifted his career path to film production and joined DSIM where he was put in the position in charge of all film projects that involves dealing with transnational co-operations, most of which with Hollywood companies. Huang got the position for his working experience in the US, particularly for his knowledge of "how things run in Hollywood" because he found that "when it comes to co-production projects [with Hollywood], the first and foremost difficulty is understanding the way it works, thinks, and communicates" (Personal interview, Beijing, 20 August 2014).

When I conducted the interview with Huang, he had been working on a co-production project for over three years. The script was adapted from a novel about a true story of a Chinese nurse named Rita Wong (Chinese name: Huang Huanxiao) who cared for injured U.S. Flying Tigers airmen during the World War II.[126] Huang had high hopes for this film as he had invested tremendous amount of efforts in this project. At the time of the interview, Huang was excited for finding the perfect Hollywood screenwriter to adapt the novel into a movie scrip, who understood Chinese culture and had experiences dealing with Chinese film corporations. Dasen even held a press conference before this movie went into official shooting. In the end, the project didn't happen according to plan, which is not unusual in the film business. What's worse, the movie later released under a different title *The Chinese Widow* (烽火芳菲) in 2017, also known as In *Harm's Way* and *The Hidden Soldier*. Dasen had, by then, disappeared in the production credits.

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[126] The Flying Tigers was the nickname for the first American Volunteer Group of the Chinese Air Force in 1941-1942. The airmen, whose planes were painted with shark teeth, were known in China as "Fei Hu" (Flying Tigers) for their courage. See https://en.wikipedia.org/wiki/Flying_Tigers

It must be emphasized that transnational collaborations are driven by a few elite figures with both industry experience and political connections who are powerful enough to navigate the landscape. Also there are number of elaborate sets of domestic and foreign alignments of principle which have to take place before one of these collaborations gets off the ground or is released. In China, the State Administration of Press, Publication, Radio, Film and Television must approve any movie before it can be screened. The 37-person committee, as noted in the U.S. government report "Directed by Hollywood, Edited by China", has a mandate to ban all movies that are "anti-China." It's headed by a member of the Communist Party who worked for 10 years as the deputy director of Beijing's propaganda department. Censorship is not just a domestic issue either.[127]

In the case of *Looper* (2012), the filmmakers originally intended for the protagonist to go to Paris. But in order to access the Chinese market, the producers signed a co-production deal with a Chinese company that was contingent on switching the setting from Paris to Shanghai. The Chinese censors probably liked that the movie portrayed China, in the near future, as a more attractive place than France; they have balked at scenes that even slightly appear to malign China—such as a scene in Shanghai of clothes drying on clotheslines in *Mission Impossible 3* (2006).

The list of movies that have made changes to appeal to China's censor board is a long one. The makers of *Red Dawn* (2012), a film that imagines a Chinese invasion of America, switched the invaders to North Korean. Leaked Sony emails reveal executives worrying about Chinese censors modifying key scenes ("Don't think we can make a stand on it either way," one wrote,

127 https://priceonomics.com/hollywoods-new-chinese-censors/ - How Hollywood Changes Movies to Appease Foreign Censors

"too much money on the line, cross fingers we don't have to cut the scene out."), and the makers of the most recent China-set *Karate Kid* (2010) had the censors pre-approve their script.

Chinese censors also demanded changes to the zombie flick *World War Z* (2013). The original script cited China as the source of the zombie outbreak, and the characters discussed how the Chinese government covered it up—a plotline that censors probably found too reminiscent of accusations that the Chinese government covered up a SARS outbreak in 2003. The filmmakers changed the location of the fictional outbreak to Russia!

All of these examples demonstrate that it is far from easy for foreign players to undertake film business in China given China's complex and volatile political economic and ideological environment. In order to enter the Chinese film market, foreign films must jump through dreadful bureaucratic hoops including qualifying for film import quota, censorship, the scheduling system, and the revenue sharing model, etc. This urges foreign studios to join forces with Chinese companies, either by establishing jointly owned companies or through co-production deals with domestic companies.

Next to censorship, which is not in itself conceived in a protectionist way, another tool utilized by the Chinese government to protect its own film industry is a *blackout* period for Hollywood blockbusters. Amy Liu, Vice President of EntGroup, a research firm, pointed out that the film-opening schedule is an important protectionist tool. In July 2018, typically a big month for movies, for example, no new Hollywood blockbusters were permitted on Chinese screens. Liu adds that subsidies and preferential taxation also favours local firms.

From storytelling nous to animation wizardry, Hollywood studios are still far ahead. So why are Hollywood producers still so keen to do business when they know their audiences are going to be curtailed through these means? The answer may be found in China's unusual and innovative business models.

When it comes to the integration of the Internet into the film business, "China beats Hollywood hands down," Mr Shiao argues. He thinks innovation in this area at Western firms is stifled by concerns about such things as pay-television rights and DVD sales—markets that never took off in China. Free of such legacy issues, Chinese firms are experimenting with their business models to develop new online revenue streams and to enhance fan engagement on social media. The producer of *Monkey King: Hero is Back* (2015), an animated film, crowdfunded the movie through WeChat, a Chinese messaging app, promising to add the names of investors' children to the film credits if they gave over 100,000 yuan ($16,000) each; the film raised over 7m yuan this way. The internet has also become an important distribution channel. Alibaba, Tencent and Baidu, China's biggest internet firms, are all investing in online video. As in America, revenues from streaming services are expected to surpass takings at the box office in a few years. Local filmgoers, for their part, are increasingly young and technology savvy: 63% of movie tickets are now bought online, compared to 13% in America. Even if Hollywood does not find a pot of gold in China, it may be there that it learns what the future of the global film business holds.

There are only two ways for films made abroad to enter the Chinese market: 34 big foreign productions a year are let in via a quota system; Chinese firms are also allowed to acquire the rights to 30 to 40 smaller foreign films a year for a fixed fee. To bypass these tedious procedures, the most convenient way is through co-production projects involving domestic capital, transnational capital, and sometimes the Chinese state.

The global film market has long been dominated by Hollywood. However, its dominance is not built solely on the claim of the so-called universal appeal of its movies' subject matter. It has a long history of engagement with the political economic power shifts across the world. The European film industries were decimated after world war I and since then the U.S. turned its position from a net importer to an exporter of movies. The state and commerce department joined Hollywood to push the exports through a series of policies and services. World War II offered another shock to European industries, and then Hollywood used the Marshall plan of reconstruction as a tool to require recipients to open up their markets immediately to U.S. cinema. Since that time, a combination of the state exerting economic pressure, the ability to clear production costs domestically, and the use of the international division of cultural labor has kept Hollywood in its position of global dominance. Despite the rapid growth rate of the Chinese film industry, it is in no position to challenge the hegemonic position of Hollywood. This is a lasting concern for any research on what supposed to be the traditional "peripheral" culture trying to survive the decades old plight of cultural imperialism. The whole thesis may be obsolete, but the residual spirit is still haunting the third world.

Su (2016) critically and historically reviews the process of China's encounter with global Hollywood from 1994 to 2008, in the light of extensive cultural debates regarding the possible impacts of Hollywood on the Chinese film industry and changing cultural policies acting as counter-hegemonic strategies in response to global Hollywood. Since 1994, China started to adopt the conventional practice of revenue-sharing to import ten foreign mega-productions per year. The number rose to 20 after China joined the WTO and rose again to 34 in 2014 after Xi's visit to the US. A prominent yet unnoticed case is that, China's state-owned film company China Film Group made an "eight-figure" equity investment in two forthcoming projects by Thomas Tull's Legendary Entertainment feature-film projects, Seventh Son and Warcraft. The

investment marked the first time the state film colossus China Film has taken a stake in Hollywood films.

China has reached several prominent cooperative film deals with multiple nations including the US, UK, India, South Korean, etc. Handshakes have been exchanged between top level executives, though not necessarily from film companies. CEOs from media conglomerates and e-commerce giants can be easily spotted in film industry forums. It is the industry that seems everyone is trying to get a foothold. Chris Morgan, the American screenwriter whose writing credits include *The Fast and the Furious* franchise, describing the Sino-Hollywood relationship metaphorically: "from a worldwide marketing perspective … the two sides that are fighting are sort of Axis and Allies, but it's not specified who the Axis are, so any country with a movie theatre can be on the side of the Allies."[128]In April 2015, an investment banker named Donald Tang arranged for thirty Chinese entrepreneurs to visit Fox, Sony, and STX.

6.4 Conclusion

This chapter has demonstrated that Hollywood is an avid pursuer of Sino-foreign co-production projects and that Hollywood is also the venue to which most Chinese producers look in terms of collaboration and pushing the industrial boundaries. In the face of continuing weak performances and a rapidly changing business environment, studio executives cannot afford to overlook any potential market for financing and profit. Box-office revenues outside America are growing two and a half times as fast as they are domestically. One executive of film

[128] Though not specifically stated in the quote, Chris Morgan are referring to Hollywood and China as the two sides in the context. See The mogul of the middle, The New Yorker, January 11, 2016 Issue, http://www.newyorker.com/magazine/2016/01/11/the-mogul-of-the-middle.

production company I spoke to even called the international box office "the lifeboat on the Titanic".

Many Hollywood studios are already engaging with local players and establishing production-distribution footholds of various kinds. Side-by-side, according to one executive of Chinese media corporation whom I interviewed, many Chinese studies and companies are also actively looking for opportunities to form strategic alliances with Hollywood studios, such as the mini-studio Lionsgate (Entertainment Corporation).

Awareness of what a strong entertainment industry means for the Chinese economy at large is increasing. My interviews suggest that it won't come as a surprise within the next decade when a Chinese conglomerate buys up a U.S. production company. Therefore it is understandable that the indigenous market is witnessing serious redevelopment, while comparatively, in spite of the relaxing of quotas, imported movies have not yet made a major breakthrough.

The Chinese government implements a complex regulatory system to decrease the market share of imported Hollywood films for theatrical release. The import quota, censorship, and competitive release-scheduling policies in particular severely limit Hollywood's access to the Chinese market. However, because the government has a monopoly on film distribution and receives nearly half of all box office receipts from Hollywood films, the profit incentive is comparatively more important than protectionist motives in the decision to import a Hollywood film or grant it a revenue-sharing quota slot. Economics have also come to play a major role in what used to be a highly censorious environment for the making of films. As in the case of *A Touch of Sin* that I examined in this chapter, in lieu of a harsh crack down on the making of critical films and ones with social conscience, the new Chinese censorship strategy is simply

to ignore films that appear critical of their policies, making them invisible for the general public, and leading them to fail at the box office.

Meanwhile Chinese mainstream film productions have stepped up their game and Hollywood is still losing ground in China, with Chinese films accounting for about 56 percent box office receipts. However, these statistics, like many others, also cannot just be taken at face value. This situation is by no means the defeat of Hollywood and the victory of the Chinese film industry. Indeed, as I showed in regard to the tensions between the ideological and cultural features of films which do very well in China, Chinese films have not in any way cracked the conundrum of international markets – in fact, they themselves are losing ground even in the realm of arthouse movies, and cannot seem to secure the liking of audiences outside China. This curious situation means that while capital is becoming more and more globalized in the Chinese and foreign film industries, and while influence over ideas and cultural representation is converging through the control exerted by major Chinese funders, there remains a wide gap between the tastes of the majority of Chinese movie viewers and those of their counterparts outside China's borders.

Finally, China's integration into the world film market which has been accelerated after China's entry into WTO has brought about great artistic and political challenges for the local film industry to produce a commercially viable, culturally authentic, and yet "politically correct" films. Miller (2003) perceptively pointed out the struggle shared by many national cinemas between building a viable sector of the economy and providing a national cinema that is able to critically reflect upon society through film representation. In the face of tight censorship and the encroachment of Hollywood, possible results for the Chinese film industry are that directors, as in the case of Zhang, are pushed further and further away from social

realities, gradually losing touch with the experiences of ordinary people's lives, and ultimately snarled in finding a proper way to narrate national history, myth and culture which is not offensive to the government or to the West, relying on supposedly universal values appealing to Western consumers, at the expense of political substance, artistic innovation and self-reflexivity.

CHAPTER 7 HOLLYWOODIZING CHINESE CINEMA

7.1 Introduction

In this chapter, I shift attention away from institutional re-arrangements of Chinese cinema to content, that is, concrete film texts, in an attempt to investigate the exposition of a neoliberalizing cinema through its expression at a textual level. My objective is to present observations with regard to the changing features of filmic content of Chinese cinema in the post-WTO era. All the chosen films here are within the timeframe of 2002-2017 as discussed in chapter 1.

How changing socioeconomic and cultural forces shape the aesthetics and ideologies of entertainment products is one of the central concerns for any political economic research on entertainment media. In reading texts to access their exemplification of the larger political economic issues as I hope to do in this chapter, the dilemma is the question of the gap between textual analysis in relation to its context and the long-debated lack of reliability of textual "reflections" on the socioeconomic and political context.

I therefore clarify that the analysis of film texts in this chapter and previous ones by no means takes the film texts *per se* as objects of historical mobilization for the entire film industry in the same way that policy documents are. The intention is not trying to answer ontological, epistemological or aesthetic questions through the meticulous reading of movie sequences. Neither has this thesis tried to extract any kind of "truth" about the reality within which the movie is made through analysis of sequences and representations in the movie. Rather, the purpose of doing a very limited "textual analysis" of filmic content now is to illustrate the ways in which the negotiation and contestation among various social political and economic factors

manifest themselves in choices made about the content, including contingencies that might be overlooked by an entirely macro- or meso-level study.

I break down analysis into three sections. Section 7.2 and 7.3 revolve around the phenomenon of *dapian*, or the so-called Chinese blockbuster. Unlike the main melody film, I do not view Chinese blockbuster as an established film category that could fit into the classification system consisting of main melody films, commercial films, and art films (see section 1.1). These are not mutually exclusive definitive terms; hence, a main melody film can also be analyzed as a Chinese blockbuster. Here I use the term "Chinese blockbuster" to describe a constellation of films that are varied manifestations of a neoliberalizing cinema. The first part is dedicated to three films by Zhang Yimou. What is of particular significance here is how Zhang Yimou navigates through a convoluted web of forces shaped by multiple players, including the Party-state, domestic capital, transnational capital, and his personal artistic vision. Then I concentrate on commercialized main melody films, epitomized by the famous *Founding of New China* trilogy. As the most recognizable film category in Chinese cinema history, I look at how this specific film type has evolved during the course of 2002-2017 in light of China's rapidly changing political economic condition, and its position in the global order. I conclude these two sections by zooming in on the most recent commercial hit *Wolf Warrior 2* (2017) directed by Wu Jing, applauded by the film authorities as a perfect mixture of Chinese blockbuster and main melody film. In section 7.4, I put the exclusive nature inherent in a neoliberalizing cinema at the center of discussion by asking the question, whose "Chinese dream" is articulated and represented on the big screen and in what ways, while whose dreams are now nowhere to be found?

7.2 One man's show: *Hero* (2002), *The Flowers of War* (2011), *The Great Wall* (2016)

Once seen as an edgy filmmaker whose work was frowned upon—and sometimes banned—by authorities, Zhang Yimou gained international fame for his early art house films made in the late 1980s and 1990s. However, Zhang's filmmaking career steered to a different direction at the turn of the century when he decided to ride the wave of marketization of the Chinese film industry and turned to mainstream commercial filmmaking, leaving behind the defiant spirit at the heart of his art films. A list of commercial blockbusters helped Zhang garnered excellent box office records as well as public condemnation for choosing scale effects over intrinsic quality, though his fame and social cultural status climbed to new height after he directed the opening ceremony of Beijing Olympics. Once the subversive now has been co-opted to be the most powerful mainstream legitimate filmmaker in China, which some have dubbed a sell-out by some critics and domestic audience.

However behind this seemingly striking shift we can identify some continuity in Zhang Yimou's filmmaking career. It would be a misunderstanding to think Zhang has only started to care about making profits from movie since *Hero (2002)*. In fact commercial success has always been a motivational force for him. However, his efforts dwindled in the context of a bleak domestic film industry in the 80s and 90s. This also explains why the discussion of (suffering) women in his films has always been conducted within a frame of orientalism/self-orientalism and transnational consumerism (Grossman, 2002). Therefore we cannot see Zhang's "degeneration" into a commercial filmmaker as being a result of a sudden ideological change, but rather it should be viewed as emblematic of overall industrial changes, and the new possibilities of the market.

7.2.1 Where it begins: *Hero* (2002)

Upon China's accession into the WTO, there was a palpable sense of urgency in the Chinese film industry to catch up to Hollywood on the industrial front. In the face of a sluggish domestic film market at the turn of the century, Zhang Yimou reinvented Chinese traditional *wuxia* genre in the form of martial arts period drama, often deemed a conscious attempt to replicate Hollywood high-concept blockbuster. Apart from possessing the usual cachet of Hollywood blockbusters such as slick and sophisticated production values and all-star cast, these Chinese blockbusters are distinguished for spectacular martial arts display, and sometimes enviable support from the Chinese film authorities. For instance, *Hero* was premiered at the Great Hall of the People, a venue normally used for legislative and ceremonial activities by the government of the CCP.[129] *Hero*'s commercial breakthrough paved the way for a string of Chinese blockbusters in the ensuing few years, including Zhang Yimou's *House of Flying Daggers* (2004), *Curse of the Golden Flower* (2006), Chen Kaige's *The Promise* (2005), and Feng Xiaogang's *The Banquet* (2006).

It is not a coincidence that *Hero* came right after Ang Lee's critically acclaimed and commercially successful movie *Crouching Tiger, Hidden Dragon* (2000), which was often considered as a momentous landmark for Chinese-language movies on the global cinematic landscape. According to Zhang, he had been working on the script for many years, which originally planned to be a low-to-medium budget arthouse movie like his previous ones. When *Crouching Tiger* became a commercial hit in Hollywood and won the Best Foreign Picture at Oscar, Zhang hesitated whether he should put the project on hold for fear that people would criticize him for jumping on the bandwagon (Yang, 2017). However, Hong Kong producer Bill

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[129] http://www.china.com.cn/chinese/2002/Dec/246677.htm

Kong, who produced *Crouching Tiger*, encouraged Zhang to make the film after learning about this project and promised an all-star cast. Hence, an intended arthouse film turned into a massive-scale blockbuster that transcended national boundaries. Two years after *Hero*'s Chinese release, Miramax opened the film in U.S. theatres under the persuasion of Quentin Tarantino, eventually making it one of the highest-grossing foreign language films and martial arts films in North American box office history, and the first Chinese *dapian*. Without doubt, Zhang's renowned status in both the domestic market and abroad due to his artisan movies circulated through international film festivals in the 1980s and 1990s made the highest budget Chinese film up to date possible.

Chinese film critic Liming Zhou, also known as Raymond Zhou, considers *Hero* the first endeavour of the Chinese film community to cope with the grim reality that Chinese films had to compete with foreign films, majority of which were imported Hollywood blockbusters, on an equal footing. This opinion was shared by other seasoned industry practitioners based on all the interviews I conducted.

Hero (2002) represented a watershed in the history of the Chinese film industry. Chinese filmmakers were forced to accept the fact that once the import quota increased [in compliance with WTO agreements], they had to compete with Hollywood films head on. *Hero* was China's answer to the challenge. On the one hand, for Chinese films to stand a chance in competition for market share with 20 foreign films that were largely Hollywood blockbusters, film practitioners decided to follow suit and play the game on Hollywood's term, that is, producing our own blockbusters. On the other hand, films with high production values were considered the best way to combat rampant movie piracy at the time and lure audience back to cinema. *Hero* signalled the beginning of a

new era when film workers put the pursuit of economic benefit on the top of their agenda, blatantly, and with blessings from the film authorities. (Personal interview with Zhou, Beijing, 15th July 2013)

What's also imperative for industrial elites such as Zhang Yimou was transform Chinese cinema into a storyteller of the Chinese history, values and culture through the universal language of cinema. As Zhang Wanmin put it, Zhang's decision of making *Hero* was "not only a calculated move from a business point of view, but also an intuitive choice out of nationalistic impetus" (Personal interview with Zhang, Beijing, 15th August 2013). However, his comment of "nationalistic impetus" had another layer of meaning. For a movie like *Hero* to be produced, marketed, and released on such a grand scale, "it was vital to get the nod from the Film Bureau on the ideological front, after all, it is business and if it [nationalism] helps the movie to sell, it's part of the package" (ibid).

One of the narrative strategies for a globalized Chinese film was thus to deliver a sense of cultural authenticity and cultural universality at once. To make globalized local cultural products, producers tend to give their work a universal spin, conveying values such as a balanced view of personal freedom and social obligation, or make use of foreign (Chinese) cultural symbols and myths that are already familiar to Western audiences, such as Feng's *The Banquet*, which is a loose adaptation of Shakespeare's tragedy Hamlet.

However, soon filmmakers found out that this routine does not work magic anymore. On the one hand, the domestic audience is getting tired of this genre which they consider to have no substance but only style. Moreover, for the audience it becomes increasingly hard to distinguish one film from another. On the other hand, these movies are not received well by international

markets, except *Hero*. After all, it is difficult to cross cultural psychic distances to appreciate cultural differences without feeling at least somewhat alienated, and self-orientalism is a tool that will only work so many times (Yan & Santos, 2009).

7.2.2 *The Flowers of War* (2011)

A reading of *The Flowers of War* yields interesting insights when the film is juxtaposed with Zhang's early films—represented by *Red Sorghum* (1988), *Raise The Red Lantern* (1991), and *The Story of Qiu-Ju* (1992)—which are adaptations from post-Mao avant-garde literature that aims to subvert socialist ideology by constructing alternative narration of national history. Alongside accolades earned through the circuit of international film festivals for artistic merits, these art films have also attracted criticism among film scholars and cultural critics for playing into the hands of self-orientalism (Yu, 2008). One common critique is that the political messages embedded in the original literary works are undermined when expressed cinematically in the form of ahistorical oriental visual spectacles for the viewing pleasure of Western audiences. The political implication of sexuality, which can only be understood in reference to local experience, is displaced into discourse of orientalism. By creating a feminized China on screen, Zhang's early films render the Western audiences the authoritative position to read the non-Western other as feminized object. In a sense, the films become "the cinematic construction and representation of the Chinese nation [thereby turned into the object] for the [active] gaze of the West" (Lu, 1997: 126). As Zhang Yiwu (1993) puts it, Zhang is "part of the cultural and ideological apparatuses of the discourse of Western postcolonialism in the 1990s". Another critique is about the "authenticity" of the films. Critics question to what extent can local audience relate themselves to the China displayed on screen. Put aside these commentaries, I would argue that they couldn't overshadow and discredit the Zhang's intention

and efforts to express a spirit of resistance, the courage and ability to reflect upon the past, tradition, and social reality.

The Flowers of War attests to the validity of the self-orientalizing critique to a certain degree. The film's original title was *The Heroes of Nanking*, but it was changed midstream to emphasize the soft and woman-centred aspects of the storyline. When Zhang was asked about why chose to turn this novel into movie, he replied: "The story of the Rape of Nanking has been told before in films, and is a very political and serious subject, but what intrigued me about this story was that it's actually told from the female perspective, so it's more humane and has a personal touch."[130]

In the film, Zhang uses a convent girl Shujuan as the narrator whose gaze at the prostitutes is repeatedly presented and highlighted. The prostitutes' sexuality is accentuated through Shujuan's peeping. One possible reading is that through Shujuan's peeping, Zhang intends to ease and eliminate the tension between the girls and prostitutes as two exclusive social groups grounded in the ideas about virtues. It is a process of liberating female sexuality in the form of reconciling the relation between convent girl and prostitute. However, it is problematic because the deep-rooted cleavage between girls and prostitutes might be erased in the mind of the girls; there is no evidence to suggest the same for the prostitutes or the audiences. What is ironic about the relationship the director tries so hard to establish between the prostitutes and the girls, a bond of friendship, or sisterhood, is that it is built on two premises that *other* the prostitutes: the fundamental *difference* between them in terms of the absence or presence of virginity; and the prostitutes' act of sacrificing themselves to save the supposedly "innocent" girls.

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[130] http://www.chinanews.com/yl/2011/12-21/3547669.shtml

The way the film portrays the prostitutes as *self-sacrificing* in fact reinforces the entrenched view of Chinese female chastity and purity, fusing a Western with a Chinese orientalist stereotype, and using death as a cleansing and reconciliatory mechanism. The lonely and dangerous journey for those prostitutes at the end is of course a tragedy but presented as a heroic action in the name of redemption. Also, the shift in subject of gaze from male to female character does not change the object of gaze, in this case, the prostitutes. In the film the prostitutes are presented in a highly sexualized way. Their appearances fit the imagination people have of the typical 1930s oriental female beauty: brilliant red lips, fine-trimmed eyebrows, slanted eyes, fluffy and shining-black hair and tight colorful silk cheongsam. There are several scenes in which they are poetically shot. One is the clothes-changing scene when the prostitutes slowly unbuttoned their showy cheongsams and let them slip down their bodies, then spin round and round to wrap their naked bodies. Another scene is when they give a farewell performance for the girls. The victimized convent girls symbolize a feminized and hence unthreatening China, who is ultimately saved by a Western white male. The narrative structure reveals the fact that this film plays to deeply orientalist themes once again, and with even less pretence than previous Zhang films.

Not only does this film fail to change an entrenched patriarchal view of feminine virtue, it also enlarges the possibility of the audience's enjoyment of quasi-pornographic beauty by shooting the prostitutes in a deeply objectified way. The "decadent" bodies of the prostitutes are supposedly utilized to subvert stereotypes towards them as fallen women, yet it is exactly the decadence of their bodies that makes the film possible to feed the scopophilic pleasure of the spectators via the sensual display of their bodies. This interestingly indicates some kind of continuity in Zhang's filmmaking mentality and echoes Ray Chow's argument about Zhang's previous films: "the Chinese films that manage to make their way to audiences in the West are

usually characterized, first of all, by visual beauty… we see that contemporary Chinese directors are themselves so fascinated by the possibilities of cinematic experimentation that even when their subject matter is—and it usually is—oppression, contamination, rural backwardness, and the persistence of feudal values, such subject matter is presented with stunning sensuous qualities." (1995: 54).

If there was some genuine political significance of resistance existing in Zhang's previous films, in *The Flowers of War* Chinese women as a group are completely sold out to the patriarchally and racially charged commodifying gaze of the imagined audience, regardless of whether this happens to be a domestic or western one. Ironically, this practical strategy backfired, with the film receiving heavy criticism in the western world and poor box office performances, which presaged the dramatic end of the long-term partnership between Zhang Yimou and Zhang Weiping, the executive producer. The split between them may involve many reasons and it is impossible to uncover the real story, as Zhang Yimou kept silent in the face of Zhang Weiping's fierce personal attacks in mass media. The only response from Zhang Yimou was the view he insinuated on the importance of choosing the right working partner who shares the same value system. Without taking sides and well aware of the complexity of the story, it is reasonable to say that this comment speaks something about the conflicts between the pressure of commercial pursuit and creative autonomy reflected in the two Zhang's relationship since publicly, one represents art and the other represents capital.

The Flowers of War has demonstrated once again Zhang Yimou's masterful skills in terms of telling local stories to global audiences and proved his high adaptivity to the ever-changing political economic context. However, in the hope of achieving intercultural accessibility and appeal, this film fails to take a point of view when telling a crucial chapter of national history,

rather packaging its voice as that of a *positionlessness* and *universal* global cultural commodity, aiming at becoming the Chinese version of *Saving Private Ryan (1998)*. In order to create a globalized visual feast, universalized and accessible themes with the capability of easily traveling across cultural differences are indispensable. Zhang himself has explicitly expressed this view:

> No matter what wars or disasters happen in history, what surrounds these times is life, love, salvation and humanity. I hope those things are felt in this story. The human side of the story was more important to me than the background of the Nanjing massacre. Human nature, love and sacrifice—these are the things that are truly eternal. For me, the event is the historical background of the film. But the enduring question of the story is how the human spirit is expressed in wartime. (Zhang, 2011)

The emphasis on humanistic factors clearly displays an effort to distinguish the film from previous ones depicting the same subject that were written off as unilateral propaganda, and to fend off potential criticism of patriotic sentiments. This film achieves this by deliberately diluting the nationalist sentiment through a portrait of the Japanese army with multiple layers. Instead of demonizing the Japanese army, this film adds a humanistic dimension for them. In one scene, a Japanese officer visits the church and apologizes for his subordinates killing a convent girl. Then he sits down in front of an organ and plays a Japanese folk song, at which point other Japanese officers join him in song to express their homesickness.

For the realm of mainstream filmmaking where the logic of commercialization has much higher stakes than it does in underground filmmaking, self-censorship is so prevalent that the political elements are of even less concern to officials. The fact that Zhang's proposal of using white

male as the protagonist in *The Flowers of War* passed censorship speaks far less of his courage in pushing political boundaries and more of the agreement reached between him and the authorities about the primary goal of achieving commercial success. It also comes as no surprise that to compensate this narrative choice, Zhang strengthens and highlights the heroism of Chinese male soldiers in the first third of the film until the death of Major Li, played by Tong Dawei, which ironically and astonishingly echoes the storyline of *City of Life and Death (2009)*, in which the narrative perspective of a Chinese male soldier dominates the first third of the film too. This resonates with the unequal power relations and cultural exchanges in the landscape of the global film industry. The desire to tap into the US film market requires a storyline that is culturally accessible, which clearly risks losing both cultural specificity and critical political commentary.

7.2.3 A failed Sino-US co-production: *The Great Wall* (2016)

Another landmark of Zhang Yimou's directing career is the film *The Great Wall* (2016), the biggest Hollywood-China co-production ever with an estimated budget of $150 million. The production of *The Great Wall* signified the return of Zhang Yimou as the industry trailblazer, who once single-handedly established with *Hero* and now elevated the standard for Chinese blockbuster.

> The opportunity of making a big-budget movie like *The Great Wall* came to me at a point of my career when the external environment created the necessary condition for it to be made. I was approached by Legendary Entertainment about the script and first declined, because as far as I know, it will just be another typical Hollywood blockbuster which I wasn't interested in. However, my manager told me that the true value of *The*

Great Wall does not lie in the story itself, but the prospect that this movie will be released in more than 5000 cinemas across the world with the help of Hollywood's global distribution network. That struck me and I was instantly intrigued by the idea that a Chinese story told by Chinese people gets global release, which is unprecedented and will be a true co-production, in every sense of the term. There is a saying in China 借船出海, meaning taking advantage of others' resources to achieve our own objective. The significance of *The Great Wall* is not the film *per se*, but that we can ride the tide of Hollywood big studio's unrivalled global film distribution network to help Chinese films reach audience as wide as possible. (Zhang, 2016)[131]

The epic flop of *The Great Wall* brought to an end of tenacious endeavours by the Chinese film industry to produce Chinese blockbusters tailored mainly for a global audience, and of the Hollywood studios to further exploit China's explosive film market. Finding a Hollywood-China co-production that works in China and internationally has become a driving interest for many studios, and Legendary has been particularly focused on trying to track down the breakout film. However, as Clark Xu of China Media Capital (hereafter CMC) shrewdly pointed out, that "nobody has cracked the code on creating stories that can work in both China and the West."[132]

The conscious choice to produce a Hollywoodized Chinese blockbuster aiming at global film market requires various narrative strategies. For example, war film is a perfect way of narrating national history, provoking nationalist sentiments and fostering a sense of national identity. Sino-Japanese war has served as the most important and convenient symbolic event through

[131] https://www.jiemian.com/article/1022940.html
[132] http://www.economist.com/news/business/21674821-chinas-booming-film-market-tantalising-hard-crack-lost-shangywood

which nationalism and patriotism can be easily evoked among Chinese people and allowed to be expressed within limits. This national trauma has been represented in films repeatedly as it can not only easily evoke ordinary audience's nationalist sentiment which to a certain extent assures its performance at the box office, but also can attract state support so readily that content is negotiable when interests of politics and commerce conflict. It is a subject with little political risk as long as it is narrated in line with official discourse.

Another example of Zhang's effort to "bringing the West and East together organically" (Zhang, 2011) is to find a foreigner to play the priest who originally in Yan Geling's novel is a Chinese. Though Zhang implied once in an interview that the film censorship authorities had concern about this storyline, he however convinced them through a slow pace of negotiation. In my reading, the political consideration is still the top concern for authorities without doubt. However, like the invisible contract the party has established with underground filmmakers, as long as their films does not directly talk about social political taboos or make explicit reference to current social problems to the extent that party could not tolerate, they can express self-identity the way they like (Pickowicz, 2006). The boundary of free expression is premised upon a certain distance between public and private life.

From the outset, the production of all three films is in part driven by Chinese filmmaker's global envision and authorities' culture-oriented soft power ambition. To meet a unified global standard set by Hollywood blockbuster, Chinese *dapian* is featured by huge budget, star power, splendid spectacles, flamboyant marketing and global distribution, a highly marketable and easily comprehensible theme. This particular film category which Zhang has helped to build speaks volume for the changing dynamic both within and around the Chinese film industry at large. It may run the risk of simplifying a complex situation to argue that Chinese blockbuster

is a product of complicity among many different parties: the film director, the producer, the state, and transnational capital. However, it would also be an understatement to deny the intricate power dynamics between them, each with their respective agenda to push forward.

The intention of singling out three films out of a large body of work is not give evaluation of or pass judgment on Zhang's entire directing career spanning almost four decades. It would be extremely unfair to do so. Although many have suggested that Zhang Yimou has sold out completely to commercial global blockbusters with no real substance or connection with daily grind, in a paper he penned for *The New York Times* titled "What Hollywood looks like from China" in December 2017, he asked the question that Chinese audiences provide Hollywood with huge profits, but what does China's film industry gain in return? This suggests that Zhang was aware of the possibility of losing "our unique values and aesthetics in the shadow of Hollywood blockbusters" (Zhang, 2017).

7.3 Commercialized main melody film: "tribute movie", *Wolf Warrior* 2 (2017)

In this section, I examine how the changes in the nexus of politics and capital since 2002 have led to a reinvention of the Chinese main melody or propaganda film. Classic main melody films were mainly designed to put across views in tune with official policies in an easily digestible manner, with an almost total disregard for profit and viability on the commercial front. However, in the past decade or so, the Chinese film industry has witnessed a re-orientation in this particular genre in terms of the blending in of commercial elements to secure market profits, alongside the original propagandistic purpose. With the dual objectives of achieving political correctness and maximizing market effects, politics and capital form a complicit partnership. Films such as *The Knot* (2006), *City of Death and Life* (2008), *Confucius* (2010), and

Aftershock (2010) all fall into this category. Xu named this particular type the "politically customized commercial movie" (政治定制商业片), taking Tsui Hark's *The Taking of a Tiger Mountain* (2014) 133 as an example (Personal interview with Xu, 14th August 2013).

The most prominent exemplar is the trilogy of *Founding of New China* commissioned by the film regulators and produced by CFG to commemorate important historical events for China. Known as "tribute movie" (献礼片), the trilogy consists of *The Founding of a Republic* (2009), *The Founding of a Party* (2011), both directed by Han Sanping and Huang Jianxin, and *The Founding of an Army* (2017) by Hong Kong director Andrew Lau. *The Founding of a Republic* is made to celebrate the 60th anniversary of the PRC. It tells the history of how sixty years ago Mao's CCP overcame Chiang Kai-shek's Nationalist Party, the Kuomintang, in the civil war to establish the PRC. To attract a younger, Internet-savvy generation, this film breaks the pattern of regular propaganda films with its star-studded cast, featuring nearly 200 of the best-known stars in China. The film endeavours to obliterate all kinds of ambiguities, complications and contradictions surrounding history, but rather affirms a sense of "we" who have all suffered through China's bitter and humiliating history and now are moving forward to build a stronger, unified, and ever-more-prosperous nation together. *The Founding of a Party,* also known as *Beginning of the Great Revival*, is to mark the 90th anniversary of the CCP, narrating the history of the formation of the CCP, beginning with the fall of the Qing Dynasty in 1911 and ending with the Party's founding congress in 1921. The most recent addition to the trilogy is made for the 90th anniversary of the founding of the People's Liberation Army. Another movie that falls into the same category is *1911* (2011), also known as *Xinhai Revolution* and *The 1911*

133 The story is based on a conflict between the People's Liberation Army of China and a bandit gang that takes place in northwest China in the winter of 1946, a period in which civil war raged throughout the land. The most feared of all the bandits is Lord Hawk (Tony Leung), who commands an army of thousands from his fortress atop Tiger Mountain.

Revolution. This historical drama is a tribute to the 100th anniversary of the "*Xinhai Revolution*" (辛亥革命).[134] Film scholar Dai Jinhua (2012) poignantly points out the depoliticized nature shared by all those movies, in the sense that the awareness of class divisions and class subjectivities which were at the core of traditional revolutionary narratives have been reduced to power struggles detached from a specific historical and ideological context.[135]

Another prominent example is *Wolf Warrior 2* (2017), the most successful propaganda blockbuster to date. This Rambo-style action adventure has become the all-time highest-grossing film at the Chinese box office. Its phenomenal commercial success lies partly in incorporating Hollywood filmmaking conventions with China's current nationalist ambitions, which is embodied in the film's telling tagline "Anyone who offends China will be killed no matter how far the target is". The film revolves around a covert rescue mission when rebels overrun a town in an unnamed African country. Leng Feng, a Chinese special forces soldier played by Wu Jing, is sent in to save Chinese businessmen and locals held by Western mercenaries. People's Daily gave a fervent review of *Wolf Warrior 2* for its portrait of a "superhero of Chinese style", who showed "fearless heroism and responsibility" and "evoked passion for patriotism".[136] It is worth noting that the authorities' rave about this film is delivered in a depoliticized manner. The review attributes the film's popularity among the audience to its "respect for the market" and "promoting positive energy", instead of its blatant nationalist expression. Chinese superhero is praised for transcending the individual heroism embedded in western superhero narratives and seeking for love and justice for the humankind

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[134] The Xinhai Revolution (辛亥革命), also known as the Chinese Revolution or the Revolution of 1911, was a revolution that overthrew China's last imperial dynasty (the Qing dynasty) and established the Republic of China (ROC).
[135] https://www.guancha.cn/WangYan/2012_02_20_66257.shtml
[136] https://baijiahao.baidu.com/s?id=1574677454711092&wfr=spider&for=pc

as a unity. Overall, the film is seen as the perfect embodiment of "China's cultural confidence and soft power".

Putting *Wolf Warrior 2* in parallel with *The Flowers of War* yields interesting findings. Despite the vastly different background of the stories respectively set against, there is an evident shift in the saviour/victim construction. If we track further back to the era of *Hero*, the change is more striking. Following Zhao's (2010) approach of interpreting *Hero* as a reflection on China's place in the global political and economic order, the trajectory from *Hero* to *Wolf Warrior 2* illustrates the shift not only in China's position in a neoliberalizing global capitalist order, but also the way it is registered and articulated through cinematic expression. From being a newly invited member of the global capitalist political economic order in 2002, China has embraced and proactively participated in shaping the trajectory of neoliberal globalization across the globe. In a way, China's nationalist ambition and soft power scheme is perfectly captured by *Wolf Warrior 2*, a film essentially talking about China being the protector and leader of the third world, warding off first world enemies.

7.4 Where are the invisible? *The Piano in A Factory* (2010), *A Touch of Sin* (2013)

Generally there has been a tectonic shift in terms of genre in the post-liberation period thanks to increasing commercialization. People came to realize a thriving domestic market relying more and more on a string of low to moderate budget films that can struck the right chord with the newcomers in China's film audience–youngsters and inhabitants of smaller cities away from the biggest metropolises. In a recent study, regional trade publication Film Business Asia found that horror accounted for 12% of Chinese film productions last year, compared with 6% in 2003, and that romantic comedies had quadrupled from 2% to 8% over the same period. The

unexpected success of romantic comedy or so-called chick flick *Love Is Not Blind* (2011), *Finding Mr. Right* (2013) and comedy *Lost in Thailand* (2012) demonstrates the magic power of genre film. Even a poor production as *Tiny Times* (2013) also made a splash at last year's box office which made the concept of fan movie the buzzword for a while. The writer-turned-director Guo Jingming has a huge built-in audience which is largely comprised of teenage girls. The market delivers a much more diverse slate than before. Yet, the option for genre experimentation is still severely narrowed by censorship, technical limitations, and capital constraints, etc.

What's worth worrying about in this the situation is the extremely curtailed and biased cinematic representations of contemporary society. Social groups with little or no consumption power are quite simply rarely seen on the big screen. Chinese cinema as an important public space for representation of citizens as part of the nation is highly selective in its representation of the population. The award winning *A Touch of Sin* (2013) which was originally scheduled to release in Mainland China in late 2013 was put back on the shelf without any sign of seeing the light in the immediate future. Depicting violence by members of an underclass who are victims of cosmopolitan China's new prosperity, this film appeared as a slap in the face for the government. At the time I was doing my fieldwork, rumours were that coverage or promotion of this film was banned in any official media. While director Jia Zhangke is still doing publicity for this film with his Weibo as it is currently screened overseas, the film does not cause any ripples in public discussion in Mainland China.

In light of those groups who are under-represented or completely invisible in contemporary Chinese films, it is imperative that we question the exclusive nature of the Chinese dream. In this section I want to discuss the ways in which the Chinese Dream has been projected onto the

Chinese big screen. How does the changing socioeconomic and cultural forces shape the entertainment product is one of the central concerns for any political economic research on entertainment media. The dilemma is unbridgeable gap between textual analysis in relation to its context or the long-debated unreliability of text "reflecting" the context. It should be clarified upfront that the analysis of film texts in this thesis by no means taking the movies per se as the object of research. The intention is not trying to answer ontological, epistemological or aesthetic questions through reading of movies but rather to give a sense of the ways in which political economic and ideological issues are materialized through film in line with a particular set of logics.

Kapur & Pendakur have argued that "the image as ideology can teach an important lesson about the workings of capital. It is, that just as capitalism unites the world, bringing it within its grasp, it also fragments and divides it, sharpening the inequalities and rendering the losers invisible" (2007: 57).

Jia Zhangke, sometimes referred to as the "the poet of a global China" (Mäkinen, 2018), uses films to present a shadowy side of the Chinese society that is almost invisible on big screen. Jia's attempt to articulate an alternative vision of Chinese reality and Chinese dream through the movie *A Touch of Sin* (2013) failed. When questioned about who would go to cinema to watch his movie when Jia was promoting this movie at BFI London, Jia responded defensively:

> The characters in my movie won't be able to spend 50rmb on a movie ticket. In some sense, it's not about them, or not just about them. I want those who frequently go to movies to understand one fact that, there is another world of reality existing out there, alongside with ours. People need to realize the world we are seeing on the screen is not

everything. It is my job to make people aware of other realities, realities that are overshadowed by China's economic development, urbanization and globalization. These people [in my film] are not irrelevant, they are part of our reality. There are claims that my movies are only for intellectuals, this is obviously not my intention. But I think intellectuals need to and should watch my movies, despite what they think, they don't truly understand the world I am portraying and the lives living within it. (Jia, BFI, 8th May 2014)

The same logic applies to the movie *Piano in a Factory* (2010), an elegy for the glory past of the working class in socialist China and its tragic demise of the present. The time when peasants and factory workers used to claim to be the subject of Chinese cinema has long gone, together with the departed communist revolutionary past. The working class has disappeared into the ash heap of history as rhetorical device, with no political identity to assert and certainly, minimal market value attached. The disposition of working class in the Chinese society is also manifested in their representation in Chinese cinema.

Zhang (2004) expresses the concern that films that do not have commercial potential inevitably have to face the possibility of total oblivion. Zhao (2008a) is concerned about the possibility that commercialization will render the Chinese film industry "increasingly irrelevant to internal class and cultural politics" (2008a: 166). One film is a very good example to demonstrate the existing problem. In *The Piano in a Factory* (2010) directed by Zhang Meng, the issue of China's working class is brought back into public discourse with seemingly odd but absolutely necessary timing. The film tells the story of a laid-off worker Chen Guilin, a father fighting for custody of his daughter against his ex-wife, who betrayed him and remarried a rich business man. The condition for custody is to give their daughter a piano. Without enough money to

buy a real one, Chen manages to gather his old co-workers together in the disused factory they used to work in to build a piano which is made of steel. Putting aside this film's artistic accomplishment, it has received critical acclaim simply for giving a voice to a neglected social group—laid-off workers, those who are considered as the victims of China's rapid economic development. Unsurprisingly this film did not sell well on the film market in competition with big-budget Chinese films and Hollywood films. This example resonates with Zhao's concern that it is increasingly difficult for marginalized voices to enter mainstream discourse, sometimes for political or ideological reasons. But what has been overlooked is the effect of commercialization in squeezing those seemingly unprofitable products that are attentive to social problems, such as inequality and labor, related to the expansion of global capitalism.

7.5 Conclusion

For one thing, China's neoliberalizing cinema is characterized by an ever more intertwined relationship between politics and commerce, to the extent that they are mutually feeding each other, making them almost undistinguishable sometimes. The belief that propaganda film only mirrors the ideological needs of the state is a myth requires deconstruction. It may speak the language of socialism on the screen, it plays by the rule of capitalism off the screen. The logic of market economy turns making propaganda film into a good business plan for investors who only follow the money. In a sense, the government outsources the production of propaganda films to private film companies, which ironically couldn't care less about the ideological meaning of the movies. A large proportion of propaganda films are still supported by the local government, either financially or through other channels. Ideology has been stripped off its ideological overtone by throwing itself into the embrace of capital.

The government capitalize politics while the capital parasitize politics, is in and of itself an un-political and political act at once, which paradoxically, constitutes the very essence of depoliticized politics. It becomes a combination of undead zombie and undressed emperor. A challenge, then, is how to liberate the bottled-up creative genius of Chinese film production not only from the state's complex system of censorship, but also from a Hollywood-dominated, representationally stereotyped and unimaginative global film market in the neoliberal era.

For another, the trajectory of Chinese blockbuster from *Hero* to *Wolf Warrior 2* could be juxtaposed with the journey of China incorporating into the global capitalist system. China transforms from a small member eager to be reckoned with, the "other" waiting to be heard and empathized with, to a forceful presence as a mediator, saviour, and most importantly, a storyteller who is able to articulate its own reality and future.

CHAPTER 8 CONCLUSION

8.1 Introduction

In this thesis, I have investigated the restructuring of the Chinese film industry in the context of China's attempted integration into a global neoliberal capitalism system since its WTO entry in 2002. Inspired by Chris Berry's approach of employing "postsocialist cinema" in his study on Chinese cinema from 1979-1981, I designate the term "neoliberalizing cinema" to the post-WTO Chinese film industry, which I consider as institutional and cinematic expressions of the process of neoliberalization that contemporary China is going through.

Throughout the years from Hu Jintao's administration to Xi Jinping's, the CCP initiated and orchestrated institutionalised efforts to construct coherent political narratives in which fundamental ideological contradictions were masked and expressed in depoliticized forms in the service of sustaining the legitimacy of the regime. Real conflicts between classes were plastered over and instead addressed as culture-related and morality-centred problems that are inexorable components of China's modernization process and can be resolved by reviving (supposedly) traditional Chinese culture as suggested by Xi's speech, in which Chinese culture was regarded as the most valuable and unproblematic ontological and epistemological underpinning for China's future development. In alignment with what Wang Hui calls the politics of depoliticization, the function of Chinese cinema was re-articulated and sutured into a broader nationalist project and soft power campaign through a raft of political discourses, such as "harmonious socialist society" and "Chinese dream".

In this thesis I aimed to answer three major research questions: (1) How does the Party-state redefine the function of the Chinese film industry and its relation to it in official discourses?

(2) What are the characteristics of the marketization and commercialization of the Chinese film industry since 2002 and how are they manifested on the textual level? (3) How do film professionals navigate through the rapidly changing Chinese film industry and what are their coping strategies?

To answer these above questions, I contextualized my research at the intersection of three lines of intellectual enquiry. First, I used the Chinese film industry as a prism for examining the interrelationship between marketization and commercialization processes and regime stability and legitimacy consolidation in post-WTO China. The notion of *neoliberalizing Chinese cinema* has served well as a lens through which the state-market relationship manifests its complexities and contradictions. Second, I zoomed in on the interplay between the party-state, domestic capital and transnational media capital and the role each stakeholder plays in facilitating the formation of the neoliberalizing Chinese cinema. The power dynamics between them have been examined in the context of neoliberal globalization, with particular attention paid to the participation of Chinese Internet corporations in shaping the political economic setting of the Chinese film industry. Third, I discussed and included film professionals as agents of neoliberalizing Chinese cinema, examining their daily struggles and coping strategies via the medium of interviews, through which I identified a certain level of industry reflexivity and highlighted the tensions of aesthetic, artistic freedom, creativity, cultural and ideological demands and the sustainability of funding models.

As I mentioned in Chapter 1, the political economic analysis of China's media and communication sector from a critical perspective is a prolific research area. However, the cultural politics of entertainment media, in particular of the Chinese film industry, is seriously under researched. This project was undertaken with that gap in mind, and with a focus on the

tensions inherent in institutional transformations of the Chinese film industry from both institutional and critical political economic perspectives. However, I quickly realized the deficiency of this approach in the sense that it fell short of analytical power when dealing with questions related to official discourse, film culture, and a more nuanced reading of the context-text dynamics. Thus I enlisted theoretical and conceptual assistance from media economics, cultural industries critiques, and a Foucauldian conception of discourse, to form an integrated approach that would help inform a more comprehensive and refined understanding of the Chinese film industry.

Methodologically, I combined elite interviewing, critical discourse analysis and secondary data analysis. In total between 2013 and 2014 I interviewed 15 industry experts, or *cultural intermediaries* as I defined them in chapter 3. These cultural intermediaries exemplified far wider groups of expertise, and were from different sectors of the film industry, including policymaking, production, screenwriting, film criticism and film research, as well as self-employed media practice. The wide range of positions they occupied in the film business allowed me to explore different aspects of the film industry. Elite interviews are accompanied by critical discourse analysis of key documents and in particular of Xi's ideologically charged speech on Chinese art and literature, which provides a unique perspective on the state-cinema relationship.

In the following sections, I revisit and summarise main findings and relate them back to the theoretical literature I drew on. In the end, I briefly wrap up key contributions of my research and present implications of this thesis for future research on the Chinese film industry.

8.2 Re-visiting the state-capital alliance

The Party-state has always previously subordinated the cultural sector to its political interests and regarded cultural production as one of the main instruments for propagating and maintaining its ideology. This is particularly true for Chinese cinema. However, mounting artistic and cultural pressure has been placed on the liberatory potentials of an increasingly marketised and commercialised film industry based on the premise that economic liberation of media production could lead to political change.

I argue against the widely accepted dichotomous understanding of the state-market relationship in China, and instead propose a critical theory of neoliberalization as the overarching theoretical framework to investigate the role of the Party-state in fostering industry restructuring of the Chinese film industry.

Indeed, with productive and destructive consequences running in tandem, the 21_{st} century has witnessed a commercial logic commanding the Chinese film industry in a way unprecedented in the history of Chinese cinema. Economic liberation has driven large scale institutional restructuring in the sectors of production, distribution and exhibition, and has also brought about changes in the state capital-private capital relationship. Yet this is by no means a linear narrative in the form of push and pull between the undisrupted progression of commercialization and the continuous retreat of politics from the cultural sphere. Underlying the ostensibly comprehensive liberalized economic policies lies an unswerving ideological bottom line. The state engineers economic reforms in the film industry in a manner that keeps any challenge to the official political ideology and cultural rhetoric of the day at bay.

In terms of its relationship with domestic capital, the state is transforming itself into a new actuality composed of multiple roles: supervisor, protector, collaborator and competitor. Exemplified by CFG, the state withdraws from actual production and focuses on the reinforcement of its powers in the arena of distribution, especially the distribution rights to imported foreign films. The state channels the majority of its resources into investing in major commercial films, be these domestic or Hollywood blockbusters, ready to reap the economic benefits with minimal capital risks.

In this context the CFG is forming closer relationships with domestic capital in producing blockbusters that can turn great profits. Examples of investment in domestic blockbuster movies are John Woo's two-part historical epic *Red Cliff I* (2008) & *II* (2009) as well as Stephen Chow's sci-fi hit *CJ7* (2008). Externally, in 2014 CFG joined Paramount's Marco Polo" project as a minority financial investor, which had produced fantasy movies like *Warcraft* (2016) and *Seventh Son* (2014). [137] As I highlighted in foregoing chapters, Liu attributed CFG's reduced interest in film production to the lack of motivation because "moving away from production to capital investment is a smart business strategy for CFG since production has never been its strength, especially after the massive scale of infrastructure changes ensued after intensive marketization in the film sector" (personal interview, Beijing, 17th Sep 2013).

Tensions arise between CFG and domestic private media companies when they compete on the economic front in terms of seeking for partnership opportunities with transnational capital. The former holds the upper hand due to its monopolistic power in controlling import quota. It gives them an advantageous position in comparison to private corporations and affords them

[137] https://variety.com/2014/film/spotlight/china-film-group-1201243320/

enormous bargaining power when making co-production slate deals or investment deals with transnational media corporations. In this regard, BAT-backed film corporations, particularly Alibaba Pictures and Tencent Pictures, are in better positions to form alliances with transnational media capital owing to their deep pockets, which further consolidate their status in the film industry. Big Hollywood titles under Alibaba Pictures' name include *Mission: Impossible 5* (2015) & *6* (2018), *Star Trek Beyond* (2016). Tencent Pictures are behind the production of movies such as *Kong: Skull Island* (2017), *Wonder Woman* (2017), and *Venom* (2018).

The CFG's strategic choice of moving away from production does not mean that they have abandoned the production of traditional main melody propagandistic movies. The CFG either focuses on making big-budget propagandistic blockbusters like *The Founding of a Republic* (2009), or outsources propaganda productions to smaller private film companies, although without guaranteed compensation. Chen's story is a great case in point (see chapter 4). And in this case, film-making practices operate in ways defying market logic.

We can find discrepancies between ideological narratives articulated in official discourses and the actual materialization of those principles and how they are acted upon and appropriated amongst media elites and professionals.

Since early the 1990s, the Chinese government has been actively pushing through its market reform agenda in its cultural and media sectors and this has already begun to bear fruit. The exponential growth of the Chinese film industry is therefore significantly tied to the government's apparently encouraging and permissive cultural policies. Marketization has penetrated into every facet of the film industry as the Chinese government shows determination

in its push for economic reform in the cultural sector featuring key prescriptions of neoliberal media policy regimes: liberation, deregulation, and privatization.

Riding on this wave of globalization and convergence, Chinese cinema is going through a period that is completely swept up in capitalist logic, albeit with the state still trying to keep it in-line with their ideological imperatives.

The state is therefore holding on to its historical ideological legacy of treating cinema as an important instrument for socialist education in official discourses. However, political imperatives are overtly downplayed while economic aspects of the film industry are foregrounded, cultural dimensions are enhanced to a strategic level demonstrated by the state's ambitions to Chinese soft power. Therefore, there remains a discrepancy within the state's discourse pertaining to the cultural industries and cinema itself and between the discourse and the practices.

Returning to the theoretical frameworks with which the opening chapters started, the Chinese cultural sector plays an important role in ensuring and maintaining regime stability not only by influencing economic development and communicating with the population, but also by offering opportunities for the regime to exploit the ideological potential of cultural products, either directly, by making direct normative appeals, or indirectly, by communicating a world view. Alongside this, the state manoeuvres both domestic and transnational capital to maintain its monopolistic role in the Chinese film industry through institutional mechanisms, such as CFG and China Movie Channel (CCTV6).

Scholars have done research on the dismantling effect of marketization and commercialization on state-owned studios in the new century. A central argument of some existing studies is that the Chinese government is trying to strengthen its economic power against the rapidly growing private sector by manoeuvring an emerging domestic film market that is carefully designed and strictly supervised by the state itself. This view is particularly welcomed by scholars specialising in political economic analysis of media and cultural production in a wide range of realms.

With the old nationalized cinema system being dismantled by virtue of the state's push for marketization and commercialization, the state is overtly retreating from the production sector, leaving it apparently almost completely to the hands of private capital. Meanwhile, to make sure the output of main melody propagandistic movies, the state offers economic incentives or rewards of other sorts to lure private companies to fill the gaps left by their own departure. This specific political demand is realized through officially endorsed exhibition outlets and platforms, such as China Movie Chanel (CCTV6) and overseas Chinese film festivals.

This, then, creates a niche market driven by political imperatives instead of market demands, a market carefully monitored by the state and sustained through government outsourcing projects to private companies, mostly small film companies with government connections, or other kinds of political capital. However, the power imbalance prescribed between the state and private companies means there is no guaranteed compensation or economic return for the latter. The invisible market renders many end products (films) invisible to mass publics, with minimal economic value for producers. This kind of politically curtailed market behaviour is made possible by opportunistic capital with connection to government, which does not always yield satisfying results in return. Main melody movies remain another form of big-budget

commercial blockbuster that is well packaged with A-list stars, reasonably high production values, favourable release scheduling, high profile marketing campaign, but little criticality or innovation in other artistic matters and a stiflingly homogenising reference to the nation.

8.3 Neoliberalizing Chinese cinema and depoliticizing film workers

I reprise the concept of "cultural intermediary" to account for three empirical findings with regard to how film professionals perceive and cope with challenges arising from their day-to-day filmmaking practices. The first finding is a response to a wider conversation about media professionals serving as agents of political changes in so-called authoritarian contexts. Professional identifications with filmmaking practices are historically formulated, and are manifested in shifting patterns of film culture enabled by technological development, political environment and economic conditions, etc.

In recent years, there have been a handful of studies elucidating the political implications of Chinese film professionals' work in the sense of whether their filmmaking activities help foster institutional changes or contribute to regime stability (Chu, 2012; Meyer-Clement, 2016). These studies share a commonality: that is, they regard politics as the principal dimension in the construction of professional identity for Chinese film workers. I appreciate their approach but argue for a slightly different one. My fieldwork as analyzed in this thesis leads to the conclusion that other elements like personal fulfilment, artistic pursuits, monetary motives are equally important aspects in constructing professional identity.

The mental struggle of balancing individual artistic vision with political and commercial constraints is palpable for film practitioners on a daily basis, though to varying degree. One

way of coping with the challenge is to exercise agency in a highly de-politicized manner, channelling creative energy into filmmaking activities that are either considered politically safe, or in accordance with the official ideologies, in some cases pandering to the Party-state. The fact that Chinese film workers actively transform themselves into de-politicized subjects in their professional work, indicates that neoliberalism as a national hegemonic project remains at the industry's core. However, this does not mean there is no room for negotiation within the space of cinematic representation.

The second finding is that Hollywood is at one and the same time the role model to imitate, the arch-rival to compete with, and the ultimate enemy to ward off. These contradictory ideas are so deeply ingrained in the mind sets of film professionals and government officials that, to them, "globalization" by default equals Hollywoodisation.

Thirdly, it is absolutely clear that elites in film production circles have no intention of fulfilling the Party's avowed socialist objective of *serving the people*. Media elites in China interpret the discourse of "serving the people" very differently from the de facto meaning of the state's ideology. The Chinese people are considered as consumers first and foremost, and with differential purchasing power, based on which they are categorized. Cinema becomes something that is more and more similar to other entertainment options, such as games, short online movies, and so on.

Thus the tumultuous, unbridled and unruly forces of capital have turned the Chinese film industry into a disorderly and even anarchic site onto which the censorship mechanism has descended as only a secondary factor in the suppression of dissenting creativity. Films with social relevance and genre awareness are returning profits, but very rarely do these particularly

successful films shed light on subjects that touch upon the real nerves at the heart of contemporary Chinese society.

8.4 Limitations and agenda for future research

This thesis is by no means without limitations. For instance, the empirical information generated from elite interviews in the present research is by and large from Beijing. The findings are expected to be enriched or contested by future research which centres on cultural production in other tier one and tier two cities. Additionally, had time permitted, I would have liked to include and analyze further policy documents from the past three years, and to examine the ways in which predictions in my interviews have been proven or fallen by the wayside.

Apart from the above methodological reflections, this research may also illuminate possible future theoretical and empirical studies focusing on one specific sector of the Chinese film industry, from production, to distribution, and exhibition, paying particular attention to how the dynamics between these sectors are disrupted and reconfigured by external forces such as the entry of technology conglomerates. Another possible direction for future research is to dive deeper into the field site to put the daily activities of film workers under microscope and to investigate the actual workings of the filmmaking process through participant observation. I believe that the empirical studies of the negotiations, contestations and struggles film workers have to experience in their creative cultural work on a daily basis are urgently needed.

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Appendix 1: Informed Consent form (translated version)

Study consent form: Political economy of the Chinese film industry

Researcher: Xiaoxi Zhu, PhD student, LSE, Department of Media and Communications

e-mail: X.Zhu6@lse.ac.uk

Phone number: +86-17368167318 (China), +44-7549247815 (UK)

I volunteer to participate in this interview.

I have been informed about the nature and details of this study, and I agree to share my perspective on the subject.

I am aware and consent to the usage of voice recording and subsequent transcription of the interview. Only the researcher, Xiaoxi Zhu, will have the access to these transcripts and my personal data will be protected.

I know that the findings of this study may be reported in future publications or conference presentations. In such cases, I understand my real name will be altered, and I reserve the right not to be identified.

I agree with the statement above.

Date:

Participant:

Appendix 2: Demographic information of the respondents

No	Name	Affiliation
1	Peng Kan (彭侃)	P&D Director, Legend Media Co. Ltd.
2	Su Yi (苏毅)	Wechat public account: Yue Mu (悦幕)
3	Sun Hongyun (孙红云)	Associate Professor, Beijing Film Academy
4	Raymond Zhou (周黎明)	China Daily Columnist, film critic
5	Ben Ji Erwei (戢二卫)	Managing Director/Producer, Reach Glory
6	Zhou Tiedong (周铁东)	President, China Film Promotion International (CFPI)
7	Pan Yanyun (潘烟云)	Production manager, UCE Group INC. Beijing
8	Guo Xiaoping (郭晓平)	Director of the Market Research Center, Bona Film Group
9	Chen Honglin (陈鸿霖)	Producer, Great Promise Media (Beijing) Co. Ltd.
10	Zhang Wanmin (张万民)	Governing Director-Genenral China, Asia Film&Television Federation
11	Jin Fuxin (靳赋新)	Vice President, China Film Stellar Theatre Chain
12	Amy Liu (刘新颖)	Vice President, EntGroup
13	Stego	Film Editor
14	Xu Yunze (许云泽)	Screenwriter, Film Workshop Co., Ltd.

| 15 | Huang He (黄河) | Vice President of Production and International Affairs, Desen International Media Co. Ltd. |

Appendix 3: The list of participant observations

Event	Participants	Time	Location
Book launch for 号脉 电影	Zhou Tiedong (Writer, President, CFPI) Zhou liming (Film critic, ChinaDaily)	7th July 2013 3:30pm-5:30pm	Kubrick bookstore, Beijing
17th Beijing Screenings: Can China devise a strategy to promote its films abroad? Obstacles and suggestions	Zhou Tiedong (Chair) Luan Guozhi (Deputy chief, SAPPRFT) Stanley Rosen (Professor, USC) Patrick Frater (Asian Bureau Chief, *Variety*) Jiang Yanming (President&CEO, China Lion Film Distribution) Wang Fan (Film scholar)	4th Sep 2013 2:00pm	Novotel Peace Hotel, Beijing
Q&A with Feng Xiaogang	Feng Xiaogang	21st Feb 2014	BFI, London
Q&A with Jia Zhangke	Jia Zhangke	8th May 2014	BFI, London
Q&A with Peter Chan	Peter Chan	13 October 2014	BFI, London

Appendix 4: Talks at the Forum on Literature and Art Work

Xi Jinping's talk at the Beijing Forum on Literature and Art[138]

15th October, 2014

Striking out at Vulgar Popular Culture

Since reform and opening, our nation's arts have ushered in a new springtime, with the creation of a great many of acclaimed works. At the same time, it cannot be denied that, from the perspective of artistic creation, we have quantity over quality and problems of plagiarism, imitation, stereotypes and repetition, assembly-line production, and fast-food consumption. Some works ridicule the sublime, warp the classics, subvert history, or defile the masses and heroic characters. In others good and evil cannot be distinguished, ugliness replaces beauty, and the dark side of society is over-emphasized. Still others blindly chase and cater to public tastes, vulgar interests, chase financial gain, and provoke the "ecstasy" of the senses. Others churn out baseless works of shoddy quality and make irrelevant comparisons, creating a kind of cultural "garbage," while others pursue luxury, flaunt wealth and ostentation, and emphasize external appearance over content. There are also those obsessed with the so-called "art for art's sake", who remove themselves from the masses and reality. All of these should be a warning to us: the arts must not lose their direction within the trend of the market economy, they must not deviate on the question of whom they are for, otherwise art will have no vitality.

On the Fickleness of Contemporary Culture

In discussions with several people in the arts, I asked what was the most obvious problem in the arts. Without prior discussion, all brought up the same word: fickleness. Some feel that if

you cannot realize a pragmatic value in a work of art or make money out of it, it's not worth it. Not only can this type of attitude mislead the creative process, it can also allow vulgar works to become very popular, letting the bad money drive out the good. As the history of human artistic endeavours makes clear, short-sightedness and creating shoddy works is not only a kind of injury to the arts, but also a kind of injury to the moral life of society. Entertaining the simple sense organs will not equate to a happy spirit. The arts must win the people's approval, fancy but ineffectual work is not acceptable and egotistical self-promotion is not acceptable.

The Market Value of the Arts is Secondary to Social Value

Compared to social benefits, economic benefits are secondary. If a conflict arises between the two, economic benefit must be subservient to the social benefit, and market value must be subservient to social value. The arts cannot be a slave to the market, they must not be covered in filthy lucre. When it comes to outstanding works of art, it is best if they first achieve success in terms of ideology and art, and subsequently are welcomed by the market. The ideals of aesthetics and the independent value of art must be maintained, and while we cannot neglect and ignore indicators such as distribution, ratings, click-through rates, box office gross, and others, we also cannot prioritize these indicators and be led by the market.

A Conservative and Patriotic View of Arts

Contemporary arts must also take patriotism as a theme, leading the people to establish and maintain correct views of history, nationality, statehood, and culture while firmly building up the integrity and confidence of the Chinese people.

Arts Must Not Chase After the Foreign

If we treat the foreign with reverence, treat the foreign as beautiful, only follow the foreign, take overseas prize-seeking as the highest goal, blindly following and unsuccessfully impersonating others, there is absolutely no future! In fact, foreigners have also come to us seeking inspiration and source materials, with Hollywood making Kung Fu Panda, Mulan, and other films using our cultural resources.

On the Need to Sanitize Foreign Art Forms

After reform and opening, our country widely studied and borrowed from the world's arts. Nowadays, circumstances are still the same, and many art forms arise from overseas, such as hip-hop, breakdance, etc., but we should only adopt them if the masses approve of them, while also endowing them with healthy, progressive content.

Foreign Films Stimulate the Domestic Industry

Nowadays the world is an open world, and the arts must also compete in the global marketplace, and without competition there is no vitality. For example, in the realm of film, which is experiencing market competition, foreign films have not defeated our domestically produced films, but have stimulated our domestic film production to raise its quality and standards, to develop in the midst of market competition, and possess even greater competitive power.

On the Need for Greater Control of New Art Forms

When it comes to the production and distribution of traditional arts and culture, we have a set of relatively mature organizational systems and management measures in place, but for new art forms we still lack effective management methods and techniques. In this matter, we must catch up and work hard to come to a resolution. We must deepen reforms, improve policies, and establish robust systems in order to create quality products and develop talent.