



HEARING CHINA'S VOICES



WHILE STILL A ONE-PARTY STATE, CHINA IS NO LONGER A ONE-VOICE NATION. IN 1949 AND FOR DECADES AFTERWARDS, MAO ZEDONG'S WORDS WERE THE ONLY ONES THAT MATTERED, AND HIS PROPAGANDA CHIEF MEI YI HELPED BROADCAST THEM IN CHINA AND AROUND THE WORLD.

TODAY, WITH AN ESTIMATED 70 MILLION BLOGGERS AND 420 MILLION INTERNET USERS, TOTAL CONTROL OVER THE FLOW OF INFORMATION IS IMPOSSIBLE, AND PIONEERING NEW MEDIA OUTLETS SUCH AS CAIXIN CAN BE TRUSTED TO TELL THE TRUTH AND COMMENT FAIRLY.

THE *BRUNSWICK REVIEW* PRESENTS TWO INSPIRING WOMEN WHO ARE PUSHING THE BOUNDARIES OF THE CHINESE MEDIA INDUSTRY. MEI YAN, THE DAUGHTER OF MEI YI, IS HEAD OF VIACOM AND MD OF MTV IN CHINA. INVESTIGATIVE JOURNALIST HU SHULI IS THE FOUNDER OF CAIXIN MEDIA AND THE FOUNDER AND FORMER EDITOR OF *CAIJING* MAGAZINE

ADVOCATE FOR OPENNESS

BRUNSWICK'S GINNY WILMERDING AND TIM PAYNE TALK TO THE HEAD OF VIACOM AND MD OF MTV IN CHINA, MEI YAN



The Chinese people have stood up." On October 1 1949, Mao Zedong's radio address announcing the founding of the People's Republic of China was broadcast live around the world, a technical achievement that his propaganda chief, Mei Yi, would later say was one of the biggest of his career. In the decades that followed, any deviation from the Communist Party's official narrative could send a person to prison.

Some 61 years later in that same country, a powerful official appeared on television wearing a "one million yuan watch." A few observant citizens spotted it and began talking about it on Weibo, China's equivalent of Twitter, and before long the official had been sacked. There may be no formal democracy, but "people power" has arrived in China.

Mei Yan, the daughter of Mei Yi, is now Viacom's Chief Representative and MTV's Managing Director for China. Her career in broadcasting (CNN, News Corporation and now Viacom) has taken a different path from that of her father, who headed the Broadcast Administration, the cabinet-level body

that managed China's nationwide network of radio and TV stations and the international station Radio Beijing in the 1950s and 1960s. On a recent hazy Beijing afternoon in Viacom's sleek and modern China headquarters, Yan reflected on how the information age has profoundly changed China in recent years, and how the notion of propaganda has fallen out of favor.

Until recently, it was not uncommon to walk into a state-run enterprise or government office and see a sign in English for the "propaganda department." In China, the word for propaganda, *xuanchuan* 宣传, means simply to disseminate, publicize, or propagate information. Formerly a neutral word in English too, it took on a negative connotation in the West during the 20th century, when the Soviet Union, Nazi Germany and China used propaganda to promote and further causes that liberal Western societies found repugnant.

In the early years of communism, Yan's father was the spokesman for the Communist Party during its negotiation with the Nationalist government in Nanking. He had been tapped by Mao to run his radio broadcasts from Communist Party headquarters in Yan'an, Shaanxi province, when China was at war with Japan, and later served as one of the translators for the influential book documenting the Party's early history, Edgar Snow's *Red Star Over China*.

That just one person could have been responsible for communicating news of a nation the size of China is almost impossible to fathom in today's era of information overload. 

His daughter reflects: “You cannot imagine how isolated China was during those early years. The belief was that news and information would distract the people from the cause, so there was just one perspective, one truth. This was more than just censorship.”

Her father’s identity as a censor is one which Yan feels compelled to debunk. He had a loftier goal, which was not to limit, but to shape the national consciousness.

Mei Yan, hailed as one of China’s most powerful women by influential blogger and *China Daily* columnist Huang Hung, argues there is an unbroken line between the past and the present, from her father’s broadcast of Mao’s speech to the 21st century’s Twitter-like services. In today’s world, total control over the flow of information is impossible, but information is still power.

“The person with a gun, he holds a country together. The person with a pen, he can destroy that country,” says Mei Yan,

paraphrasing a lesson learned from her father, who was expounding on Mao’s famous quote: “Political power grows from the barrel of a gun.” It was just a matter of time before the idealism of those early days in Yan’an yielded to a siege mentality, a paranoia and a chaotic purge of loyal elements in the party such as Mei Yan’s father, who was jailed

for nine years during the Cultural Revolution when she was a young child (he was rehabilitated after Mao’s death in 1976 and became head of the Chinese Academy of Social Sciences).

Notwithstanding the official media, there are many voices and sources of information in China today. Chinese people do not know who to trust and what is true, but they do have an insatiable appetite for information and are helping to create and disseminate it. Media are now trusted less than ever. Yan explains: “When Chinese people know more, and can read more, the availability of information makes them skeptical, rather than more trusting.”

Take for example the August 2010 passenger plane crash in Yichun, Heilongjiang province, in which 42 people died, or the mudslide in Zhouqu, Gansu province, a natural disaster that claimed at least 1,400 lives in an area plagued by over-logging and development-related water and soil erosion. Coverage of these events could not be more different than the news blackout after the Tangshan earthquake of 1976 that killed 250,000 people.

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“In the old China, there were no disasters,” says Yan. “None of them were reported, because the leadership was afraid that to do so would cause angst and insecurity. Today, we hear the news immediately, and the government must respond to disasters on the spot. The leaders have to be accountable, have to travel to the scene right away. People are inquisitive and provocative, and that drives progress. The leaders may not feel comfortable with it, but they have to deal with it.”

In response, the State Information Office now holds a press conference every Thursday and takes questions from both foreign and domestic reporters. This was unheard of in the past.

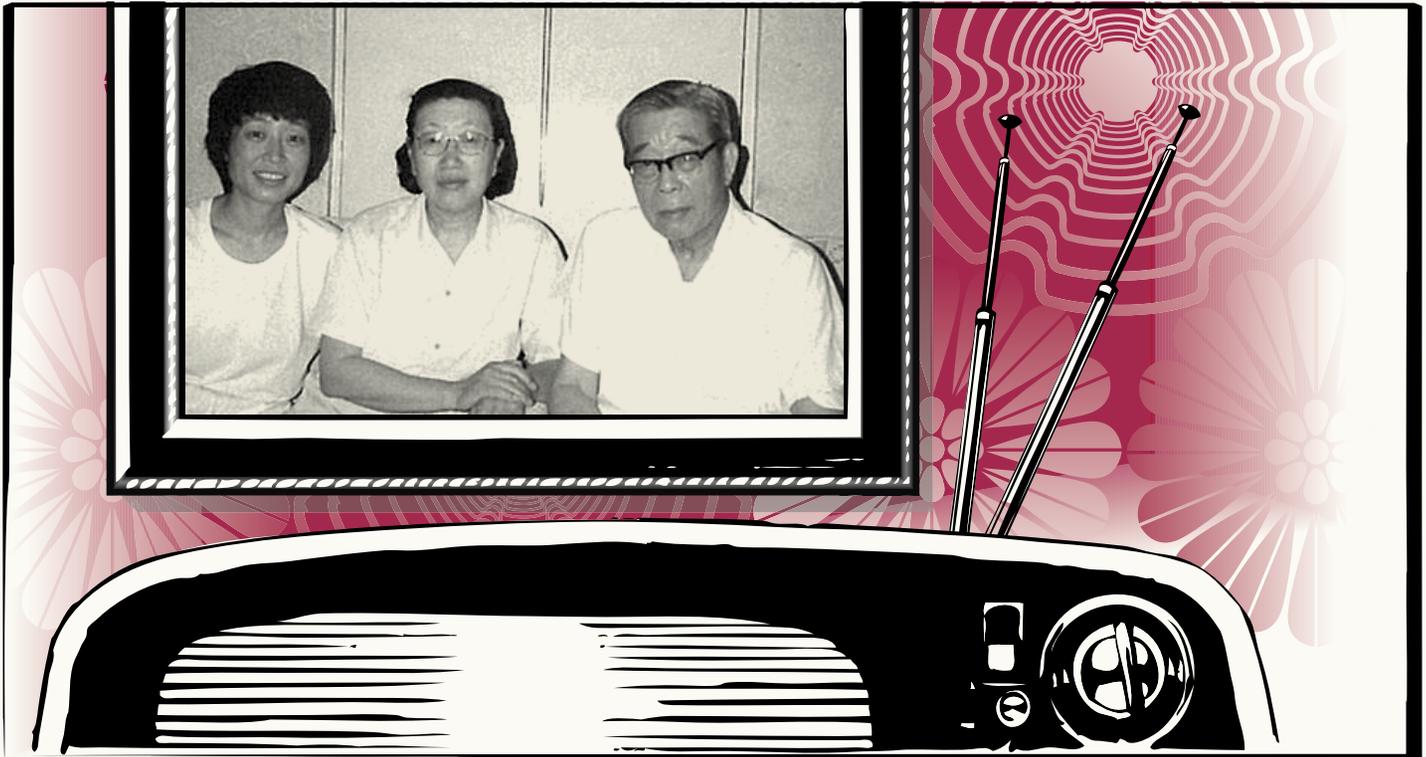
Yan points out that the publicity might actually be beneficial to the government. For instance, coverage of national disasters could help pro-environment policymakers build public support. It is a relatively new role for Chinese journalists and citizens. So, press freedom is driving accountability and progress in China, albeit slowly and unevenly.

To Mei Yan, “press freedom is all about how confident a government or society is. Freedom comes from inner strength, when you know you are on a winning course. Then, you are freed to tell the truth.” During China’s years of hardship, the “truth” was the party’s official line, and if you didn’t believe in it, you might

find the reality unbearable. Now China’s success, and the confidence it breeds, is allowing the truth, or multiple truths, to get out. She uses her own business to illustrate China’s need to search hard for what is authentic, original, and creative.

“After the lip-synching scandal at the Beijing Olympics in 2008 [when a schoolgirl singing at the opening ceremony mimed to another’s voice], China’s image was tarnished. We counteracted that at MTV by launching *MTV Zhen* [“True”],” a show that features original rock bands from all over China. “It’s all about being real,” she says of this venture. Yan has faith that there is a deep well of original creative talent in China, and her company is encouraging artists to draw upon an inner strength and confidence that allows them genuinely to express themselves.

Of course, there are still taboos. “Sex, pornography, drugs, casinos. It is not wise to write about these things, unless you do it in a certain way,” says Yan. Many reporters confirm the need for a delicate dance around sensitive issues: family planning is okay; female infanticide is not; the “three Ts” – Tibet, Taiwan and



Mei Yan pictured at home in Beijing nearly 10 years ago, with her mother, Yin Qihua and father, Mei Yi

Tiananmen – are still touchy. But there is also evidence that the more the government plays down a “difficult” subject (for example the controversial *Falun Gong* movement), the more attention it gets.

When it comes to leading Viacom in China, Yan is all business, but she is a realist. Explaining why China is different to her overseas bosses is difficult, but she hopes to push the boundaries. Today, the media business is one of the last frontiers to liberalize, not having been included in the industries affected by China’s accession to the World Trade Organization.

Still, progress has been made. A 2003 “landing” agreement with the government allowed three channels owned by Time Warner, Viacom and News Corporation to broadcast in Guangdong and to luxury residential buildings and hotels across the country. Nickelodeon content was among the first foreign animated programming allowed to be broadcast on Chinese TV; before that, the authorities tried to nurture the development of China’s own animation industry. This was a victory, but Viacom has had to partner with Chinese stations such as CCTV, deemphasizing its MTV and Nickelodeon brands in a way it would never do on its home ground.

Mei Yan also points out that while the Chinese market is obviously very large, even big players do not have access to all of it. And when distribution is restricted, so are advertising revenues. The road to profitability will be a long one, but she is working within the system, finding a sustainable path to success through partnerships and creative ways of delivering content online.

By her own admission, Yan’s father may not have been able to understand today’s bewildering new media landscape, but he was able to cheer with her when she reported the fall of the Berlin Wall for the UK’s Independent Television News in 1989. She thinks that if he were alive today, he would celebrate his fellow citizens’ ability to speak the truths they believe in.

Mei Yan is Chief Representative in China of Viacom Asia and Managing Director of MTV Networks Greater China. She oversees all of the operations of MTV’s businesses in the country, which include the MTV and Nickelodeon brands. Prior to joining Viacom she held senior roles within News Corporation and the Chinese operations of its STAR TV network. She began her career as a journalist, and spent time working for ITN and at CNN’s US headquarters in Atlanta.

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TRUSTED SENTINEL

BRUNSWICK'S CAI JINQING TALKS TO HU SHULI, CHIEF EDITOR OF CAIXIN MEDIA AND FOUNDER AND FORMER EDITOR OF CAIJING MAGAZINE



In a country where the ties between government and the media have long stifled independent journalism, Hu Shuli stands out. Her crusading editorial agenda and tenacious investigative instincts have earned her a reputation as the most respected and influential journalist in China.

Caijing magazine, which she founded in 1998, was recognized as the most respected source of analysis on business, finance and politics in China. Under Hu's stewardship, it mixed high-level business commentary with searing exposés on topics as diverse as the government mishandling of the 2003 SARS crisis to the corruption that led to the collapse of school buildings in the 2008 Sichuan earthquake.

But late last year she resigned as head of the empire she had built. There were rumors of bitter disagreement between Hu and *Caijing's* owners over editorial policy and financial control.

In a stunning vote of confidence, more than 90 per cent of the magazine's journalists and two-thirds of business staff followed Hu to her new venture, Caixin Media.

"It was a difficult choice," she says. "I can only say that differing visions of *Caijing's* sustainable development brought us to a critical point. I feel that, as journalists, it is our responsibility to warn of possible dangers, especially in the financial markets and business environment in China. Our mission is to play the role of watchdog. For the past 10 years, more than a third of our reporters and editors [at *Caijing*] were focused on exclusive investigative reporting, because we thought that the public should know what was happening behind the curtains of China's emerging financial markets." For example, in 2000, *Caijing* journalists exposed illegal trading and stock price manipulation among Chinese mutual funds.

"That was the first in-depth media report about such problems in China's securities market," she says. "Ten companies sued us, but Chinese investors finally got a glimpse into the practices of their fund managers. The net result was that we, the media, earned public trust and were able to have a real impact on regulatory supervision of the markets."

Her new enterprise continues that tradition. "When readers open our magazine or click on our website, they know that *Caixin*



will publish what they *should* know, not necessarily what they want to hear.”

Strictly speaking, there are no completely independent media outlets in China today, but certain factors – such as being free of government financing, government-staffed employees and government resources – can increase the independence of some media.

Meanwhile, to maintain the public’s trust, Hu has insisted on transparency at her new enterprise. “We set up a Trust Board, composed of academics, business leaders and intellectuals,” she says. “The Board is independent from our directors and management. It makes key decisions, such as appointing the chief editor, and sets the standard for our editorial principles. That is the source of our professionalism and independence, and that’s the best source of protection. Political influence and commercial interests need to be kept out of editorial judgment. In general, in China, we need to improve corporate governance of the media to ensure its independence.”

At the same time, regulation of the media is changing and the government is not entirely inflexible. “We need to move into the gaps and grasp every possible opportunity to push forward the boundaries of what is possible and what the media are allowed to do,” says Hu.

She points to a recent incident in Zhejiang province, where local police issued an arrest warrant for a journalist who had written a negative report about insider trading in a local company. The reporter had to go into hiding to avoid being arrested. This caused such an uproar in the press that the authorities withdrew the warrant and apologized. “It was remarkable to see how the media came together to oppose this abuse of power by the authorities,” she says.

Journalists have responsibility too. Being “professional” does not simply mean professional training. “Rather, it means that we uphold our journalistic ethics and remain independent, not influenced by power, money or relationships. By doing so, the media can help to improve the rule of law and preserve citizens’ rights,” she says.

Hu believes her publication’s most important asset is the trust it has earned from readers who rely on it to report accurately and comment fairly.

“For any media outlet, the most important asset is its credibility,” she says. “In China currently, the market-oriented media, though they don’t have the same level of official backing as government media, have gained an ever greater influence on society. Gradually, these market-oriented media are becoming the true mainstream media.”

Hu’s company publishes two magazines: one weekly, called *Century Weekly*, and a monthly economic review, *China Reform*. There is also a website, Caing.com, in Chinese and English, and a digital English bi-weekly magazine called *Caixin Weekly – China Economics and Finance*.

Caixin is also leaping into the digital age, with iPhone, iPad, Android and Kindle applications, and a social networking platform. When *Caixin*’s reporters cover a news story, they write micro-blogs, set up online polls and conduct video interviews.

“The digital threat in China is not as severe as it is elsewhere,

because the entire media industry is still at an early stage of development and still growing. But it’s clear that, given the upswing in internet usage in China, that is where our future lies,” she says. “But I would rather regard this as an opportunity than a threat. In fact, the internet has been a key factor

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behind the success of independent, market-oriented media like ours in China, so we should embrace it.”

No wonder Hu has been described as “the most dangerous woman in China.” Her launch of *Caixin* came only months after her departure from *Caijing* and is already making its mark. ☺

Hu Shuli is Chief Editor of Caixin Media, Chief Editor for *Century Weekly*, Executive Chief Editor for *China Reform* and Dean of the School of Communication and Design at Sun Yat-sen University. Prior to founding Caixin Media in 2009, for 11 years she was Editor of *Caijing* magazine, a title she founded and led to eminence as one of China’s most authoritative business publications.

Cai Jinqing is a Partner in Brunswick’s Beijing office and has played a central role in a series of critical corporate situations involving cross border M&A communications, corporate reputation and public affairs.

Lou Yi also contributed to this article.