EXPLORING THE ROLES OF ELITES IN MANAGING THE CHINESE INTERNET

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Abstract

This paper examines the issue of control of the Internet in China. We argue that the issue of control is more complex than most accounts concede. Control of a medium in China has to take into account competing interests among the political elite based in Beijing, competition between the major cities and Beijing for control of local resources and the resourcefulness of actual Internet users in China. The situation in China is compounded by the degree of scrutiny the Chinese Internet is subjected to by foreign analysts. To understand how the Internet operates in China we argue that it is imperative to look at the role of the political elites in formulating an enacting policy. Once this approach is adopted the Chinese Internet is placed in a broader context where Chinese regulations become subject to intense pressure from elites at the central and regional levels of government. From this perspective it becomes more appropriate to talk in terms of management rather than monolithic control.

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Introduction[1]

The Internet has become an established economic and social fact in China. In a very short period of time it has grown from an insignificant operation to an information system encompassing approximately fifty million users. These are, by and large, confined to the prosperous seaboard region although the Net has filtered through to the inner regions in the form of the Internet café. The speed with which the Net has penetrated China's mediascape has concerned the Chinese authorities especially as the Net has acquired a libertarian mythology that is deemed quite incompatible with Chinese systems of governance. Consequently the Chinese authorities have spent what seems to be an inordinate amount of energy exploring means whereby the Net may be controlled. This in turn has attracted external interest.

In the contemporary era of information-rich media and interconnected global citizen's movements, no nation's Internet policy has attracted as much attention as the People's Republic of China. Shifts in policy are routinely analyzed and dissected in the business press while the Internet's capacity to fundamentally transform social relations is widely celebrated in mainstream and specialist popular media. The cycle of *fanhshou* (relaxation followed by renewed attempts at control) of regulations is widely interpreted by overseas scholars within the context of China's authoritarian legacy. A standard view is that the Chinese Communist Party (CCP) remains determined to control the Internet; that is, the leadership views restrictive regulatory activities as perfectly legitimate insofar as nations have the sovereign right to monitor communication that is, by definition, against the national interest.

The perceived threat of Internet-driven activism, and the Chinese government's response to such dangers, is of crucial importance to the Internet's development in Asia and in some respects globally. The state of Internet governance in China, as in Myanmar and Singapore (see Kalathil and Boas 2003) raises serious questions about the way in which the medium may be controlled by a determined political regime. China has looked increasingly to Singapore for Internet management models. These have focused both on the negative and positive externalities: controlling proxies and offshore sites in addition to providing citizens with integrated online services (Kalathil and Boas 2003, 80). Overt political control is thus avoided in favour of covert state work. The technology of the Internet presents an authoritarian state such as The People's Republic of China with a set of challenges related to the maintenance of a top-down (or univocal) communications environment, while at the same time utilising the technology for economic and social development. From a governance perspective it is imperative therefore to find a way of balancing the positive and negative potential of the Net. The methods of control are never total, and depend ultimately on the negotiated requirements of consumers, providers and regulators.

There are a number of theoretical frameworks in addition to governance in which to explore current Chinese Internet policy. It is possible to think of the Internet in terms of networks (Castells 2001), flows of information and convergence (Flew 2003), political economy (Cairncross 1998), digital culture (Gere 2003) and post-structuralism (Poster 1994) to name a few. Most analysis in our view draws eclectically from these constructs. The Internet not only challenges governments, it also challenges established theories of communication, hence the spirit of bricolage

that informs many of the explanatory systems used in regard to the Net. This situation is compounded in the Chinese context because of the nature of the Chinese political system and the misunderstandings about China that circulate in the rest of the world. The assumption that China is one vast market waiting to be seduced still seems to motivate the likes of Rupert Murdoch with his purchase of StarTV in 1993. This myth has been punctured a number of times since the mid-18th Century and yet it persists and underpins much of the thinking about the Internet in China by non-Chinese companies and analysts. How then do we make sense of this?

Our theoretical position of the Net in China is derived from the work of Harold Innis who wrote in the 1940s and 1950s. Innis was preoccupied with harmony and balance in a civilisation. In his view the modern mass media were heavily oriented towards space at the expense of time and thus modern civilisations (now permeated with mass media products) are inherently flawed. Innis constructed a vast historical account of civilisations based on his understanding of time and space and their respective relationship to communication technologies. Thus a culture in which messages are engraved on stone tablets is one governed by temporal factors. It is a hierarchical culture in which knowledge is monopolised by a priestly caste whose theology is deeply influenced by a sense of history. By contrast, a culture in which paper is the dominant communication technology has a spatial bias that is reflected in its social organisation, its knowledge systems and ideologies.

There has been a resurgence of interest in the work of Innis in the past decade as his ideas seem directly relevant to the cultures predicated on the new media that are inherently spatial in orientation and governed by speed, velocity and volume of information flows. The Internet is at the heart of this transformation. According to James Carey (1992) Innis provides the key to understanding the conditions of the transformation when he pointed out that the introduction of a new communication technology also established new ways of thinking and new things to think about. In short, the transformation is not only a material phenomenon but also operates at the level of human consciousness. For some this sounds suspiciously like technological determinism but Innis claimed to be a technological realist pointing that all technologies have a contradictory potential (Drache and Beyer 1996). Moreover, Innis takes the long view of history, which is in accord with Chinese historiography. Thus, while the prevailing orthodoxy assumes that the Internet is dispersed and democratic, it may equally be centralised and authoritarian in its applications. Lokman Tsui (2001) explores the construction of the Internet in China as a digital Panopticon, where he argues that the medium has an authoritarian potential. It seems to us that the Internet has the potential to transform a culture and as such is perceived to challenge the power base of the CCP. Hence the strong desire to manage its operations and functions in China.

Context

The Chinese Communist Party, the supreme political power in China, has attempted various means to control the content its citizens' access on the Internet. These range from the introduction of punitive regulations to the denial of services. In September 2002 a decision was made to deny surfers access to the Google search engine when a number of articles retrieved were critical of Jiang Zemin, the outgoing President of the CCP (BBC World Service 2000). These articles originated out-

side China, and were written and subsequently published on the Net by dissident Chinese. Such heavy-handed attempts at control of the Internet by the Chinese authorities seem to confirm the command / submission model (Sun 1996) that has informed much Western analysis of the Chinese media since 1949. This model posits an all-powerful centre issuing dictates to the margins that are implemented without question by regional and local bureaucrats. This model, we argue, reproduces a particular Cold War world-view that is no longer tenable. The command / submission model comprises three parts. First, there is the all-powerful centralised state that issues dictates and ordinances that are to be scrupulously followed by all citizens. Second, a compliant media concerned with self-preservation through compliance with CCP policy. Third, there is a passive audience that consumes the information or entertainment provided without question or thought. In this paper we argue the situation is much more complex than simple command by the centre and passive submission by subjects at the margins. The impetus for the view we express is derived from the work of scholars such as Michael Keane who analyses the contemporary Chinese media scene in terms of a shift from the "engineer state to the facilitator state" (Keane 2001; 2002a; 2002b; 2003; Donald and Keane 2002). Others scholars are developing the "uses of media approach" to explain the drift away from the command model to one where market forces seem to prevail (Donald 2003). Thus a number of factors need to be taken into account in order to grasp the challenge the Internet presents to the current closed and authoritarian political regime in China. These include the manner in which elite politics are organised in Beijing, the tensions inherent in superimposing a market driven economic model on a command driven culture, the regulatory regime that emerges from these tensions and oscillates between extremes of restrictiveness and openness, the regional disparities that currently inform Chinese society, and the role of Western firms in providing software and infrastructure to China.

These are all important issues and it is impossible to deal comprehensively with each in this short paper. Rather, we survey some recent developments in order to make a case for an alternative account of Internet control in China. Our central argument is that the CCP has achieved limited success in controlling the Internet in China, hence the oscillations in policy formation and implementation. Limited success, however, has not deterred the Chinese bureaucrats in the Ministry of Information Industries (MII) and their respective political masters from pursuing new, more sophisticated ways of controlling the Internet. To this end new management strategies have been deployed. The issue, then, arises that if the strategies and technologies of control are successfully deployed in China, other states may follow the lead taken by China in controlling the Internet. The question of spamming has become the focus of the current drive to control the Internet in a number of countries (Hansell 2003).

Civil libertarians are constantly arguing that governments are eroding our privacy, and that the technology has the potential for surveillance of its citizens (Lyons, 2001). One difference between China and the Europe and the United States over Net control revolves around notions of privacy and information rights. The libertarian impulse still has the power to affect attitudes towards controlling the Net in the United States that is lacking in China. Nevertheless, all governments claim the right to protect their citizens from what they regard as unhealthy influences. In the case of the United States it is the protection of minors that is empha-

sised, while in China it is the protection of the reputation and image of the Party and its leaders that is deemed paramount. Consequently it is possible to view the actions of the CCP as part of a wider movement to control the Net where the protection of citizens is used to justify the implementation of policies and the application of technologies that enhance the surveillance aspects of the Internet.

As suggested earlier, the Chinese leadership often looks to Singapore for leadership on policy regarding the management of the media. The Singaporean political model has been described as "authoritarian liberalism." As Kanishka Jayasuriya points out this approach employs the kind of pragmatism that is associated with a capitalist economy under the guidance of the state (Jayasuriya 2001). It is for these reasons that we align ourselves with scholars such as Kalathil and Boas (2003), Keane (2001; 2002; 2003) and Donald (2003) who argue that it more appropriate to shift the focus from one dominated by perceptions of control of the Internet to one that emphasises techniques for managing the Net.

To frame what the government does in terms of how it stems the flows of information in managing the Internet allows for an easier navigation of the central paradox governing the government's position on the medium. There is an oscillation between the desire to control and the recognition of the reality of a mediasphere that is increasingly subject to the demands of the market. By focusing on the techniques of management rather than regimes of control also enables us to better analyze the changing power relationships that have arisen as a consequence of the changing Chinese mediascape that has progressed from a situation governed by material scarcity to one shaped by material plenitude, in the urban centres at least. It provides a more flexible framework for thinking about the changes that are taking place and the CCP's response to change at all levels of Chinese society, including social mores (the urban emphasis on fashion), consumerism, not to mention political change and the prevarication around the transfer of power from Jiang Zemin's to Hu Jintao (*Far Eastern Economic Review* 2002).

To argue the CCP seeks control is to continue to subscribe to the top down interpretation of the way in which the media and indeed the CCP operate in China. The ebb and flow of relaxation and crackdown on the flow of information on the Net is generally in response to an event or events that are beyond the control of the CCP or which coincide with an important event that the CCP wishes to stage manage such as the 2002 leadership meetings. The current crackdown on the Net is directed at student dissent and hacking.[2] In 2002 it related to the 16th Party Congress where Jiang Zemin handed over control of the CCP to his anointed successor Hu Jintao. Of greater significance are events that are beyond the control of the government that feature on the Net. These events are frequently viewed as manifestations of the anarchic potential of the Net and are often used either as an excuse to crackdown on the Net, as in the case of the Falun Gong demonstrations in 1999 or a reason to crackdown on corruption as in the case of the Nandan mine disaster in 2000. On the other hand, access to the Net is used to exhibit the willingness on the part of the CCP to participate in global affairs. For example, during the October 2001 APEC meeting in Shanghai the brief lack of access to international websites for journalists and diplomats caused an incident that was perceived to reflect badly on China causing embarrassment on the international stage. Access to the sites was quickly restored. The cycle of relaxation and crackdown is a part of the way in which the CCP manages the country.

Elite Politics and the Internet

Technically China operates as a one party state in which the Chinese Communist party is supreme, speaking with one voice on all matters. However, the singularity of the state apparatus is more apparent than real. The highest echelons of the CCP are highly factionalised and the political organisation of the state follows a model of vertical integration. While it has the appearance of being a monolithic in terms of the way the Party and state are structured under the aegis of a ruling elite, power is actually dispersed and fragmented through competing factions and interests.

Currently the predominant faction of the ruling central elite led by Jiang Zemin who, despite stepping down as supreme leader, still exercises power through his retention of control of the armed forces is in favour of the Internet and has expressed its support for the medium on a number of occasions. In 2000 Jiang spoke to the American magazine *Science* and the U.S. based *Sixty Minutes* television program about the benefits and the pitfalls of the Internet (*People's Daily Online*, 19/6/2000). On both occasions the interviews were widely reported in the Chinese media. Jiang's faction has extended Deng Xiaoping's imperative to modernise China's economy along market lines while at the same time maintaining a tight reign on the cultural implications of this policy reform agenda. By contrast, the more conservative faction who subscribes to a Maoist line on Chinese politics and culture, see the Internet in a different light and would be much happier to see it erased from the Chinese ideoscape or failing that placed under more stringent access conditions. Li Peng who heads the more conservative elements of the CCP has, however, also shown his qualified support for the Internet while at the same time reasserting the position of the state press by claiming that he looks at the *Peoples Daily Online* every day (*Inside China Today*, 29/12/2000). In addition there are those who want China to modernise for other technocratic reasons that draw upon a long tradition of seeking solutions to Chinese economic problems in the West such as the "self improvement movement" of the nineteenth century (Wong 1997; Pomeranz 2000). This group has close associations with the Ministry of Information Industry, headed by Wu Jichuan.

The tensions between the competing elites of Chinese politics are worked out behind closed doors within the bureaucratic apparatus. Factional tensions are played out more broadly in the media through the support and patronage of particular publications and websites. The *Renmin Ribao* (The People's Daily) for example is the mouthpiece of the CCP Central Party Committee and publishes ministerial statements verbatim, which are then taken up by other Party newspapers and circulated throughout China. At the same time the paper may be viewed as one of the sites where factional competition is articulated. A symptomatic reading of the various texts relating to policy initiatives can reveal significant amounts of information about the relative strengths of the factions on important issues such as the Internet. The statements on the Internet made by Jiang and Li Peng act as announcements for the continued development of the Internet by the factions that each represents.

Each province, municipality, prefecture or county (three of the basic political divisions of China) has its ownParty elite who may align themselves with factional leaders in Beijing (the centre) or, alternatively, they may create a regional power base. Further, province, city and prefecture may compete against each other in the

pursuit of specific factional interests. An example of this occurred in 1995 when the Ministry of Radio, Film and Television decreed that the "one region, one network" approach would prevail with regard to cable broadcasting. Wuhan Municipality had invested large sums of money in the creation of a city network and resisted the claims of the Hubei Provincial Cable Network to be the pre-eminent broadcaster in the region (Shoesmith and Wang 2002). It has taken several years to resolve this issue through the amalgamation of all county and prefecture broadcasters to create two super stations for the province, one in Wuhan city and the other in Hubei province.[3]

In the Chinese system of governance elites are important, largely for two reasons; they command access to resources and they control channels of communication (Harrison 2003). The significance of elites in our context is twofold. There are competing views on the modernisation of China that coalesce around elite groupings and these views spill over to the Internet. Consequently it is impossible to view Chinese media policy (which incorporates the Net) as either singular or monolithic. It is the site of intense competition (Keane 2003).

Reforming the Economy

Under Mao Zedong China followed a path of economic self-sufficiency that was determined by socialist principles and punctuated by campaigns to increase productivity through collective effort. The Great Leap Forward in 1958 exemplifies this trend. Significantly the term has become code for failure in the present Chinese political lexicon because the propaganda surrounding the event could never disguise the magnitude of the disaster for most Chinese that ensued from a misguided plan to improve the economy along socialist lines (Wang 2001). This phase of Chinese economic development culminated in the Cultural Revolution (1966 – 1976). In 1978 Deng Xiaoping became the dominant figure in Chinese politics and set about a radical reshaping of the Chinese economy through internal reform followed by the Open Door policy that permitted some foreign investment. In short, Deng advocated the introduction of market forces to co-exist along side Communist ideology. There would be an economy determined by market forces that remained firmly under Chinese control while at the same time the CCP would dominate the social and cultural landscape. Very few facets of Chinese life escaped the consequences of this massive shift in thinking about how a modern China could be created. These consequences are still being worked through. The dislocation among peasant communities, the imminent bankruptcy of most state industries and the burgeoning wealth of the Beijing-Shanghai-Guangdzhou axis are all consequences of the shift. The media did not escape.

Under Mao Zedong the media was subordinate to the will of the proletariat and followed the mass line. In the Maoist context this meant that the media both followed and at the same time articulated the party line. Journalists had to be Party members and were popularly spoken of as being *huoshe* (the mouthpiece or "the ears and tongue" of the CCP). Within this context the CCP developed an extensive mediascape for propaganda purposes with minimal resources that permeated Chinese society. Its extensiveness and centralised nature shaped the manner in which many western scholars thought about the Chinese media of the Maoist era.

Propaganda was the principal function of the media until the mid-1980s when

there was subtle shift brought about by the introduction of advertising on TV. Gradually the emphasis moved from state propaganda to entertainment (Zhao, 1998). Moreover, the dramatic expansion of TV after the mid-1980s meant that the numbers of broadcast personnel increased significantly. By the 1990s the new broadcasters were more interested in professional activity than party propaganda. This perceptual shift was surrounded by extensive debate about the role and function of TV in a communist society at all levels, including the trade press (Zhao 1998). By the end of the 1990s the focus shifted from TV to the Internet. The unintended consequence of this was that broadcasting could reorganise itself within a context of professionalism rather than propaganda, although the latter function was repressed but not abandoned.

The question that arose was how did the Internet fit this new Chinese mediascape? The argument that the Internet was too important for the state not to be involved but too expensive for the state to set up and operate was widely accepted (Bezlova 2002)). Moreover, there was clear perception that the Internet was crucial to China's policy of modernisation (Leonard 2002). There was the potential for a crisis if the Internet was allowed to develop freely in a market driven situation. Strategies had to be found whereby the Net could be developed and controlled within a Chinese inspired framework. The key to this was the development of regulations that were both flexible and stringent at the same time.

Regulation of the Internet evolved in response to two distinct but related forces and focused on three dimensions of the Net: the flow of information, security, and health and safety. First, regulation of the Internet is clearly related to the CCP's desire to control the flow of information within China, especially as it relates to events that may reflect on the reputation of the CCP. Second, there are security issues. In trying to control flows of information the authorities have adopted a scattergun approach that are in reality vague and ineffective. Between 1996 and 2002 seven attempts at regulation were introduced. An exemplar of this trend is the Internet security law passed at the 19th Session of the Standing Committee of the Ninth People's Congress. The resolution covers things like slander, spreading false information, stealing state secrets, distributing pornography and "organising or keeping in touch with a cult." The attempt to ensure security of the state was protected, focused initially on the expulsion of "electronic weeds" (*dianzi zacao*), ideas that challenged the primacy of the CCP or encouraged the spread of "falsehood" and "feudal superstition" (*China Online*, 29/12/2000). The disastrous fire in an unlicensed Internet Café in Beijing, in June 2002 provided the authorities with a reason to impose even more controls on the Internet that had wide support in the community (*People's Daily Online*, 21/6/2002). The safety of its citizens is sufficient for a government to impose stringent regulations. However, even in this situation where there was community support, control has proved illusory. Internet cafes remain a focus for young people and despite the arrest of "hackers" and other users, they remain problematic for the municipal authorities throughout urban China.

Regulatory controls of the Internet are complicated further by the number of government players involved in the control of the Internet in China. Until recently the Ministry of Information Industry (MII) has overseen the development of the Internet but now the responsibility is divided between the MII and the State Council Information Office (SCIO). The MII will continue to control Internet Service Providers (ISP) and the infrastructure and the SCIO is to be responsible for content. In

April 2000 the SCIO set up the Internet Information Management Bureau to oversee and regulate Internet Content Providers (ICP), headed by Wang Qingcun. There are plans to replicate this bureau at the provincial level as well. In addition the State Administration of Radio, Film and Television (SARFT) and the Ministry of Culture still have an interest in the development of the Internet, as does the Netnews Bureau of China Internet Information Centre, which is also run by the State Council. However, the MII is still able to assert influence over content through the control and regulation of ISPs. In September 2000 The Minister of the MII, Wu Jichuan announced that radio, television, and cable television entities were not able to be involved in the telecom sector or to provide Internet services. He said, "if, in the future, telecom and Internet services again become available to cable TV businesses, they will be required to separate broadcast operations from information-technology networks" (*People's Daily Online*, 29/9/2002).

Regional Disparities

It is now accepted that China is the world's second largest Internet market with some 50 million users and ten million computers (Li 2002).[4] There are also more than 300,000 websites created and maintained by Chinese Internet users. The rate of development is truly impressive, with projections suggesting an even more rapid expansion of users. There are confident predictions (BBC World Service, 30/10/2002) that China will become the premier Internet market within a decade, easily surpassing the United States. This Internet activity is in addition to the traditional Chinese mediasphere that possesses "more than 2,000 daily newspapers and 900 TV stations"(Li 2002). However, these impressive figures obscure important social facts. Most of the 50 million Internet users live in within the Beijing-Shanghai-Guangdzhou axis and are either professionals or students and belong to an emerging Chinese middle class that is information rich in comparison to their rural counterparts. Compared to TV, for example, which has an 80% penetration of the Chinese market with few regions excluded from its reach, the Internet is an exclusive medium, confined to approximately 1% of the Chinese population. The political implications of this have yet to be thought through. However, they do bring into sharp focus the problem of regional disparity that haunts contemporary China.

Historically China has always confronted the problem of regionalism. Like earlier Ming and Qing imperial dynasties, the CCP managed to impose a cohesive regime in China. The communist ascendancy was preceded by an extended period of regional fragmentation from 1911 (the collapse of the Qing Dynasty) to 1949 (the end of the Civil War). This uniformity was achieved through the imposition of singular vision of China. All intellectual and political activity was directed towards the maintenance of this singularity. The advent of the Internet, more than any other medium, challenges this worldview by allowing a diversity of views to be expressed and widely circulated in society among those that elite depends upon for support of the regime, something that has been impossible under the old media. As Li observes "chat rooms have aired ideas and debates that simply are not accessible through state-sponsored media. The reader-interest based content makes agenda-setting more consumer-driven then government-driven, and people's attitudes are being shaped by information from chat rooms than from official media" (Li 2002). He goes on to add:

> *In their eagerness to develop the Internet, China's top leaders appear willing to tolerate a certain amount of frankness that would otherwise be stamped out. The Internet has become a powerful and popular channel for both the government and ordinary Chinese to hear each other and be heard* (Li 2002).

There are many features of this analysis that we would like to agree with, but we would advocate caution. For a start, Li sounds suspiciously like a Party apologist. Moreover, as we have shown elsewhere in this article, there have been times when there has been a remarkable concordance between the views expressed in the chat rooms and the official media. It is not beyond the government to manipulate the chat rooms with timely interventions on issues perceived to challenge the official version of Chinese sovereignty or identity.

Consequently, our view is that the Chinese authorities are prepared to tolerate a degree of dissent up to a certain level. It is for this reason that we advocate the term management to describe official activity relating to the Internet rather than the all-inclusive term control. In addition to this ability to bend according to circumstances the elites have always used the practice of self-censorship to ensure that both lesser officials and consumers alike adhere to policy.

Wang Handong (2001) has argued that Communist China is a "high definition" culture where government has developed strategies whereby citizens are unclear as to their rights and obligations. Thus, regulations may be framed deliberately as ambiguous and opaque in order to allow for different interpretations according to the prevailing circumstances. In practice this translates into uncertainty. If one does not know whether one's actions are criminal or not and there is no clearly defined punishment, then one exercises extreme caution in one's social, political and economic behaviour. The paradox is, of course, that the lack of clarity allows for the possibility of widespread corruption and abuse of the system but at the same time it also provides the pretext for extreme punishment when the government decides to crack down on corruption. Chinese behaviour at all levels under the communist regime has been characterised by self-censorship and accessing the Internet is no exception.

Localising the Net

The Government has actively sought to develop the Chinese Internet not just through the development of the infrastructure but also through creation of content. This also forms another aspect of the CCP's aim to manage the Internet. In August 2000 the Peoples Daily reported that there were approximately 2,000 news websites in China (*People's Daily Online*, 9/8/2000). This contrasts starkly with a report on ChinaOnline where it was claimed that a seventh of all Chinese newspapers had websites, totalling 273 newspapers with websites, 56 of which are national papers (*China Online*, 9/8/2000). In February the State Council announced that it would provide funding to support five state owned media websites; Xinhua, china.org.cn run by the State Council, Peoples Daily, China Daily and China International Broadcast Station (Xinhua News Agency, 23/3/2000). Further confirmation of this came on the 7th of March 2000 when the government established an official news website that links nine Beijing based traditional media newspapers outlets, including the *Beijing Daily, Beijing Youth Daily, Beijing TV Station Group* and the *Beijing Cable Broadcasting Station* (*People's Daily* Online, 29/9/2002).

There is further evidence of this as other traditional print media scramble to get into web publishing. In May 2000 *The Liberation Daily* (*Jiefang Ribao*) and ten influential news organisations set up the Shanghai Orient Network Information Centre to establish a news and information service on the Internet. The investors include the Shanghai *Youth Daily (Shanghai Qingnian Ribao)* and radio and television stations (*China Online*, May 2000)).

In 2002, thirty news websites joined forces to create a news portal including the *People's Daily*, *China Daily*, *China Youth Daily*, CN Radio.com 21dnn.com and eastday.com. The *People's Daily* described the new search engine as precise, fast and having "healthy content" (*People's Daily* Online, 9/8/2000). Even the most popular commercial portals such as Sohu.com, and Sina.com carry domestic political news that only comes from the *People's Daily* or Xinhua News Agency (Xin 2002). This rigorous development of content based on state owned media forms part of the strategy to manage the Internet, by effectively reducing the sources for news. In short, it is an attempt by the CCP to insulate China from the alleged globalising tendency of the Net

The Chinese Internet market for hardware and software is now huge. In 2000 1.67 million computers were sold to individuals, a 50% increase on 1999.[5] According to Asian Information Resources this translated into US$15.4 billion in IT sales. Further, the Chinese market now displays some maturity with a clear separation of provision of hardware from software. Local desktops dominate the PC sector, Japan controls the laptop market and USA dominates the server market through Hewlett Packard, IBM, Compaq and Dell (Lynch, 2002). Two immediate issues arise from this mix. First, the Chinese authorities' concern that the American control of the server sector. Second, the issue of software.

The burgeoning IT market, however, can work in favour of the Chinese. In 1996 the USA earned US$120 million revenue in China and it has increased exponentially each year since then. The value of this market then becomes leverage for the Chinese who can pressurise the American companies into providing software that assists them in managing the Internet. If the software is successful in China it can be purchased by other governments whose desire to manage the Internet coincides with that of the Chinese authorities, and the provider's profits increase. As Lynch argues:

> The [Chinese] government enlists cooperation from foreign businesses in exchange for exclusive access to China's gigantic market… .Companies such as Cisco have been accused of providing the government with advanced technologies designed to make the "Great Internet Firewall" leak-proof (http://www.taipeitimes.com/News/edit/archives/2002/12/14/187161, consulted 24 December 2002)-

With regard to software for everyday use, the Microsoft global dominance of this market extends to China. The Chinese authorities that wish to maintain self-reliance in the field view Chinese reliance on a foreign medium dimly. To end this dependency four software parks have been strategically established in China in Chuangzhi, Hunan, Qilu and Chendu with a view to creating authentic Chinese software packages.

Again, these developments are watched closely elsewhere as their success could herald the end of English as the dominant language of the Web. It is by threads

such as these that China becomes more deeply enmeshed in the global process and consequently the Chinese desire to "control" the net is closely watched by all stakeholders in the new mediascape.

Conclusions

Chinese attempts to manage the Internet revolve around a deep-seated contradiction; whether the Net is a benefit to a modernising China or whether it is a threat to the CCP's control of information in the PRC. This contradiction leads to an oscillation in policy formation and implementation in China between attempts to control all facets of the Internet or the introduction of a softer, management oriented approach. At present the contradiction has led to a compromise where the authorities focus on three separate but linked aspects of the Net: closer supervision of Internet cafes, clampdown on domestic portals, and periodic denial of access to Google and Alta Vista (BBC World Service, 3/9/2002). Whether this should be viewed as monolithic control is open to question. For example, the Ministry of Culture oversees the supervision of Internet cafes whereas the closure of Google and Alta Vista seems to have been instigated by MII, and these two ministries do not necessarily share the same ends (*China Star*, 17/10/2001). Moreover, the supervision of Internet cafes appears to have the approval of parents who are concerned with the well being of their children (Bezlova, 2002). Further the focus of the discussions about Internet cafes has tended to be exclusively on Beijing and Shanghai and we know little about the clampdown in more remote areas where the cafes are a new addition to the townscape. Given the disparity in time between the announcement and the enactment of regulations relating to the old media in China we can probably assume that the cafes continued to operate outside of the major urban centres. Thus, we are faced with a more complex situation in regard to the Internet than the "control and submit" model suggests. Like its counterparts elsewhere the Chinese government claims the right to regulate the Internet, but is pragmatic enough to recognise that this can only be achieved with vigilance and the creation of the traditional technique of self regulation traditionally used to control information in Chinese systems of governance. Finally, the Internet is such a new addition to the Chinese mediasphere and its influence on Chinese affairs remains difficult to assess. Nevertheless the indicators do suggest that its contradictory potential of the Net may take in unexpected direction.

Notes:

1. We would like to thank Michael Keane for his editorial help with this article and the two anonymous reviewers who helped us clarify our ideas. However, all errors are ours alone.

2. See chineseinternetresearch@yahoo groups.com, 25.3.2003 & 06.04.2003.

3. Personal communication from Wang Handong, Head, Television Studies, Wuhan University.

4. The figures for Internet use in China vary from source to source. The most recent figure has been put at 60 million users.

5. See www.welcome-to-china.com.

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