

Al-Jazeera, Phoenix Satellite Television and the Return of the State: Case studies in market liberalization, public sphere and media imperialism

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The authors analyze two non-U.S. television systems, Al-Jazeera (based in Qatar) and Phoenix Satellite Television (based in Hong Kong, China), with reference to issues of market liberalization, public sphere, and media imperialism. Analysis of its origin and development, ownership, business models and programs suggests that Phoenix TV is a highly successful, China-oriented commercial venture. Inspired in part by the world's most notorious media mogul, yet mostly compliant with a restrictive political environment, the station has transitioned from commercial, corporate ownership to an entity which state controlled entities have a significant, but not controlling ownership presence. Al-Jazeera started as a hybrid private-state entity, primarily oriented to the Arab and Islamic worlds and secondarily to a larger international audience interested in Arab and Islamic affairs. Its relatively aggressive editorial independence has occasionally alarmed — in diverse ways — domestic, regional and international elites. Its increasing commercial clout has been accompanied by notable adoption of British-style (BBC) formatting amid indications of greater state influence or control, at local and international levels, which may undermine its otherwise promising claim to a genuine public sphere function. By 2007, these two stations were both trending toward a model of Western-style formatting and greater commercial orientation, albeit within distinctive cultural frames. Additional content analysis will help assess whether the process of convergence with Western style entails enhanced “mainstreaming” in terms of content.

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From the end of World War II, as Herbert Schiller ([1969], 1992, 1998) observed, the U.S. played a pivotal role in the development of media networks worldwide, a process that Boyd-Barrett (1977), among others, dubbed "media imperialism." Tunstall ([1977], 1994), chronicling media development from the 1940s to the 1970s in his book *The Media are American*, claimed, "in my view a non-American way out of the media box is difficult to discover because it is an American, or Anglo-American, built box" (p. 63). Tunstall focused mainly on media *content*, whereas Schiller scanned content *and* hardware as well as infrastructure (e.g., telephony, satellite), an approach also adopted by Dan Schiller (1999, 2005) and Boyd-Barrett (2006). Since the 1980s, significant worldwide changes in technology and communication policy affecting media ownership, distribution, and content, challenged the extent of U.S. dominance. Herbert Schiller (1998) remained insistent on the USA's dominance, asserting that it is "easier said than done" (p. 24) to resist its power. Tunstall (2008) adopted a position contrary to both Schiller's and his own earlier (1977) position, arguing in his 2008 book, *The Media were American: U.S. Mass Media in Decline*, that the U.S. had mainly lost its global media leadership.

This project focuses on policies of market liberalization in the context of media, and their implications for media imperialism. Media liberalization is often associated with deregulatory policy which, according to Tunstall (2007), is "a 100 percent American term" (p. 58). He does not pursue the possibility that deregulatory policy, as a significant component of U.S.-inspired neo-liberal foreign policy, has become a form of U.S. global conquest. The impact on media industries worldwide has included privatization, enhanced commercialization, and intensification of concentration both within individual media sectors and among conglomerates that span different media and/or bridge media to non-media sectors of the economy. Conglomeration accentuates media imperialism through capital accumulation, saturating of domestic markets, and increasing the pressure on conglomerate formations to seek international or global expansion in order to sustain rates of profit.

Until 2007, almost all major players in transnational communication markets were based in Western countries or Japan, most of them in the U.S. or, like Bertelsmann and Sony, significantly dependent on the U.S. market. There are other significant export centers, generally limited to specific genres or markets (such as telenovelas from Brazil primarily for Latin markets, Bollywood movies for an Indian diaspora, or Japanese "anime" for domestic and Western youth audiences). As implied in Boyd-Barrett's (1977, 1998) definitions of media imperialism, the spreading of deregulation to other nations not only facilitates media imperialism, but is itself a form of media imperialism.

We shall consider two non-American television media: (1) Al-Jazeera, established in 1996 and based in Doha, Qatar, originally serving primarily the Arab and Muslim worlds and, 10 years later, distributing to a global market; and (2) Phoenix Satellite Television, based in Hong Kong up to 2007, now in Beijing, distributing primarily in China and to the Chinese diaspora. Qatar is a comparatively illiberal, autocratic Arab nation, yet Al-Jazeera has enjoyed a degree of media freedom experienced by few other agencies in the Arab world. Phoenix TV, established in 1996, draws most of its revenue from mainland China. It had been considered primarily a private media agency with little government investment until 2007. It was launched with joint investment from Rupert Murdoch's News Corporation, Today's Asia Ltd.

(whose owner, Changle Liu is current president of Phoenix), and China Wisdom International — controlled by the Bank of China. In 2006, China Mobile, Ltd., a dominant mobile services operator-owned and run by the state, became its third biggest shareholder, which questions whether Phoenix should still be considered as an entirely private enterprise.

Until 2006, there was relatively little government investment in Phoenix, which did not mean that it was free of government control, since media in mainland China is under the overall control of the Communist Party and subject to significant regulatory restrictions (e.g., foreign investors must feature Chinese themes in two-thirds of all programs) (Borton, 2004). One prerequisite for access to the huge market of China is to avoid offending the government at any cost.

How does Phoenix Television fit the framework of media liberalization? Tunstall (2007) says that deregulation is totally an American term because it “refers to Washington, D.C., tradition of regulatory agencies — and in the case of communications, the Federal Communications Commission (FCC)” (p. 58). Deregulation of national television systems started in the U.S. and then the UK in the 1970s and 1980s, but reached its peak after the 1996 Telecommunications Act (Gershon, 2006). This was “clearly deregulatory in nature and adopts competition as the basic charter for all telecommunication markets” (p. 189). Deregulation was not the mere absence of regulation, but a politicized and carefully crafted stance of support for market policies, exposing the media to the full force of the market — a drive for profit, privatization and commercialization.

Deregulation typically removes restrictions on media ownership, making it easier for media corporations to acquire or merge with one another within or across media sectors. In those countries that have had extensive state-owned or state-protected media, deregulation makes it easier for private enterprises to buy into state media and/or pushes state media to greater dependence on commercially generated revenue which, continued state surveillance notwithstanding, is the case of China. By annulling restrictions on mergers and acquisitions, deregulation almost everywhere has further concentrated media power in the hands of a few big conglomerates, even as it reduces government control. Processes of deregulation and privatization are closely interrelated. According to Tunstall (2007), Rupert Murdoch played an essential role in initiation of deregulatory policies in both the U.S. and the UK. For example, in the UK, Prime Minister Margaret Thatcher bent monopoly rules in order to allow Murdoch to acquire *The Times* and *Sunday Times* in 1981 and *Today* in 1987. In 1990, Thatcher looked the other way as Murdoch merged with a regulated and official satellite service to establish BSkyB as the UK satellite TV monopoly.

From 1980-2007, media liberalization became a global trend, transforming media markets domestically and impacting transnational communication. It was into this era that Al-Jazeera and Phoenix were born. In both China and the Arab World during this period, there was a modest trend away from government control toward greater commercialization and internationalization, although we argue that in neither case was the movement from government control nearly as pronounced as many had once anticipated.

Media Liberalization and Public Sphere

Liberalization and deregulation have generally facilitated the privatization of what had been publicly accountable media, and concentrated communications power in the hands of a few big players. These trends of deregulation, privatization, and concentration naturally result in media commercialization, since private media owners' primary interest is in profit and/or the pursuit of private ends through the exercise of political power that media ownership confers. Croteau and Hoynes (2006) argue that deregulation of media ownership defers to the power of the market, measures success almost solely in terms of corporate gain, and addresses its audiences as consumers rather than citizens. This argument implies that for those democratic countries where media systems have been governed according to notions of public interest, the trends of liberalization and deregulation are detrimental to the public sphere.

The term *public sphere* was coined by Habermas ([1962], 1989) for whom the public sphere is a dialogic network of debate. It is a normative concept against which the actual potential of media as constituent enablers of and contributors to, democratic dialogue may be measured. McGuigan (1998) defines the public sphere as "the ideal of a democratic system of mass communication" (p. 91). It looks forward to a society that is governed through rational discourse among its members, where the power of the strong may be checked by that of the weak through access to communication resources and participation in political debate and decision-making. While deregulation and liberalization policies may proclaim positive benefits for diversity, they often undermine actual diversity, since the range of voices gaining access to media becomes subject to market criteria as opposed to notions of what is good for the health of society as a whole. As Gershon (2006) argues, "complete and unfettered deregulation can sometimes create the very problem it was meant to solve; namely, a lack of competition" (p.198) because deregulatory policies have consolidated the power of a few larger players who, by merger and acquisition, kick smaller players out of the arena. In the name of reducing the potential for government interference, deregulation opens the door to corporate dominance and, through manipulation of public opinion and expression, the corruption of the political realm by the corporate. Thus, the concentration of media ownership arguably has jeopardized the public sphere in democratic countries.

However, for more authoritarian societies, where the media are tightly controlled by government for the perpetuation of bureaucratic, Party, or cultural elites, the commercialization of media may be positive for the public sphere, enhancing diversity of media content and challenging power. Applying the logic of Croteau and Hoynes (2006), we hypothesize that even in such circumstances, commercial media will tend to address audiences as consumers rather than as citizens, in a manner that tends to marginalize social and democratic discourse in favor of advertiser-sponsored entertainment and "infotainment."

Deregulation and Media Imperialism

Boyd-Barrett (1977, 2006) observes that transnational media influence is not restricted to content but extends to such things as media policies, practices, and the shape of media systems. Since the advent of liberalization, and in response to opportunities created by the collapse of communism and of

one-party states, more governments have imported an American media model, accelerating a global trend of media privatization and commercialization. Tunstall (2008) notes that during a long-term process of relative decline in U.S. media influence worldwide, U.S. exports, nonetheless, benefit from the removal, in many parts of the world, of government regulations over ownership, technology, and content. This benefit has sometimes been merely temporary where U.S. imports are relegated by local productions to non-peak viewing hours. Boyd-Barrett (2006) argues that deregulation of media is not necessarily the road to authentic local autonomy, but rather leads to a tyranny of local media, organized by concentrations of local capital in alliance with local centers of political power, as well as with regional and global capital. Thussu (1998) concludes that neo-liberal deregulatory policy has "enabled the globalization of media markets and given free rein to mainly Western-based media conglomerates to become truly global in their operations" (p. 63). The rise of global media systems results from deregulatory policies (McChesney, 1998), and the global media system is closely related to the global capitalist political economy. Deregulation has played an essential role in boosting media imperialism from countries with power over countries with less power, as was suggested long ago by Boyd-Barrett's (1977) original definition of media imperialism as:

the process whereby the ownership, structure, distribution, or content of the media in any country are singly or together subject to substantial external pressures from the media interests of any other country or countries, without proportionate reciprocation of influence by the country so affected. (p. 117)

Two decades later, in his paper *Media Imperialism Reformulated*, Boyd-Barrett (1998) updated the media imperialism theory in general application to the colonization of consciousness by considering the monopolization of communications space, no matter in which specific localities this process unfolds. We can rephrase this formulation as a process that involves the financial domination of one country, area, or group by another, in part accomplished through and with the support of communications industries (hardware and/or software in production, distribution and reception) and the powerful multi-national corporations that control them. These global media industries constantly reproduce a materialistic, divided, capitalist consumer society that is currently in danger of exhausting planetary resources. Among many pernicious effects is their capacity to destroy, belittle, or co-opt local cultures, languages and representations.

Critics have argued that the term "imperialism", which can be seen as the imposition of power by rich on poor, by powerful on weak, implies a degree of political control by powerful nations which disappeared with the collapse of Soviet-led communism. Whether we choose to see the world as uni-polar, *aspirationally* uni-polar (the U.S.) or multi-polar, there can be little doubt in the new millennium that the world is experiencing volcanic struggles for power which demonstrate instances of both territorial and corporate imperialism. Other problematic trends of this era include the rampant growth of commercialization; the decline of public broadcasting; the dominance of entertainment programming; a lack of genuine diversity in program genres and formats. We may agree with Tunstall (1986) that deregulation and commercialization do not remove the media from politics or political attention. While to liberalize is to release the media from "bureaucratic control" (a negative characterization of systems that seek to regulate media for the "public interest"), the effect is to subject media policy to the private

interests of competing media titans whose market strategies have implications at national, transnational and global levels.

Al-Jazeera

Al-Jazeera and Media Liberalization: Background, Channels and Programs

Al-Jazeera started in Doha, Qatar, in November 1996, specializing in news and current affairs, with the support of a team of former BBC Arabic Service editorial staffers who became available when the Saudi Arabian corporation, Mawarid — reportedly angered by a BBC documentary critical of Saudi Arabian executions — withdrew financial support from the project (El-Naway & Iskandar, 2003). At the beginning, broadcasting time was six hours, later rising to 12 hours, and by the year 2000, it had begun to broadcast 24 hours a day. To date, Al-Jazeera is estimated to have about 50 million viewers worldwide. Channels include the original international service, a news channel broadcasting 24-hours in Arab language; Al-Jazeera Sports 1 and 2; a children's channel; a documentary channel, and Al-Jazeera Mobasher, a live political and public interest channel similar to C-SPAN or BBC that broadcasts conferences in real-time without editing or commentary. In 2006, Al-Jazeera launched its global service, Al-Jazeera English, "the world's first global English language news channel to be headquartered in the Middle East" (english.aljazeera.net, 2007).

In terms of ownership, Al-Jazeera can be considered a hybrid private *and* commercialized state enterprise, funded initially from a five-year loan of \$150 million in total from the emir of Qatar and expected to be self-financing by 2001. When this failed to occur on time, the emir continued his subsidy. With ownership in the hands of the emir, it is not wrong to say that Al-Jazeera is government-owned. However, Al-Jazeera does not seem, by any means, to be government-controlled. The emir abolished media censorship by disbanding the Information Ministry, and Al-Jazeera has enjoyed a margin of editorial independence unprecedented in the Arab world. In this sense, Al-Jazeera did take advantage of the trend toward media liberalization which very likely enhanced its popularity among Arab audiences.

Al-Jazeera's program topics include news, current affairs, features, analysis, documentaries, live debates, entertainment, business and sport. Especially popular are *Al-Jazeera This Morning*, its main morning show broadcasting the latest news items and reports, in addition to sports, press review and feature stories; and *Today's Harvest*, an extensive one-hour news bulletin program offering news coverage, compiling the headline news of the day along with in-depth analysis and interviews. In addition to politics, the program also features highlights of economic and sports news. There are popular discussion shows, including *More than One Opinion*, a weekly platform for a variety of opinions and views on political, economic, social, scientific and cultural issues; and *No Frontiers*, a discussion program that focuses on current affairs of interest to viewers from all sectors of society. Guests include politicians, party leaders, intellectuals, academics, experts and Islamic scholars who share their knowledge with the public and provide answers to audience queries. *Opposite Direction*, is a weekly program that debates two opposing viewpoints on a controversial issue (www.allied-media.com, 2007).

Al-Jazeera, as a non-regulated media agency, did not chase profit as desperately as newly deregulated media in the West. In 2006, through Al-Jazeera English, it began global distribution, including to the U.S., where its penetration of the market has been stymied by the near total disdain of cable and satellite distributors. Typically, deregulation of the media has made them less dependent on national subsidies and more dependent on advertising. This may eventually be the case with Al-Jazeera, which has also attracted significant revenue through the sale of programming, especially of its news coverage of conflicts in Iraq, Palestine and Afghanistan.

Al-Jazeera and the Arab Public Sphere

Al-Jazeera has attracted considerable Western attention, despite the enormous rival media investments of the state of Dubai, in the United Arab Emirates, whose state-of-the-art Media City was designed to establish Dubai as a global communications hub. The U.S., itself accustomed to a relatively docile domestic press (at times of most critical importance to the Administration, as in the lead-up to the invasion and occupation of Iraq in 2003), has criticized Al-Jazeera for irresponsible and unprofessional journalism, even of supporting terrorism. Critics often cite as evidence the exclusive broadcasting of taped interviews of Osama bin Laden (whose provenance is often doubtful, not least in view of suggestions from Pakistani sources President Musharraf and former opposition leader Benazir Bhutto, among others, that Bin Laden may have died in 2001-2003). Defenders of the channel, on the other hand, point to the BBC backgrounds of many of its founding journalists, and its pledge to present all viewpoints, as suggested by the motto "the opinion and the other opinion." This is in accordance with the thesis of the public sphere; that is, diversity of voices as an absolute good. Al-Jazeera has endeavored to open its airtime to voices from a variety of nations (including the U.S.), ethnic groups, and perspectives. Miles (2005) states that Al-Jazeera was the first Arab channel to allow Israelis to present their case in their own words, in Hebrew, English, or Arabic. This is a significant departure from past practices of the Arab media, a shock perhaps to the Arab public and a greater shock to Arab ruling elites. Al-Jazeera regularly broadcasts clips of Israeli officials within news bulletins and conducts live interviews with six to 10 Israelis monthly. Miles finds that Al-Jazeera actually gives more airtime to Israeli issues than any other channel outside Israel itself. Although Israel has accused Al-Jazeera of being biased, many Israelis regard Al-Jazeera as an important new force in the Arab world. Lynch (2006), through analysis of media texts, argues that Al-Jazeera constitutes a genuine public sphere where a wide range of opinions are debated. However, this might be just one side of the story.

Al-Jazeera has indeed enjoyed a measure of freedom of speech that is uncommon in the Arab world. No Arab government (not excluding Qatar, although Qatar has received much less criticism compared to other Arab nations) is exempt from Al-Jazeera's on-air criticism, and this has led to multiple complaints from, and even conflicts with, other Arab nations. In 2002, Saudi Arabia recalled its ambassador from Qatar because Al-Jazeera had broadcast programs deemed by Saudi Arabia as harmful to relations between the two countries. Similar episodes occurred in Kuwait, Algeria, and Egypt. Each time a government complained to the Qatari government about a particular program on Al-Jazeera, Qatar maintained that it could not interfere with Al-Jazeera's editorial independence (Lage, 2005). To this degree, we can think of Al-Jazeera as introducing a profound, if fragile or temporary, change to the Arab

World — and to the World generally, since an opening up to critical voices in the Arab World represents a process of enlightenment that may be of benefit to an emerging global public sphere. However, we should consider whether, and in what senses, Al-Jazeera works to promote a public sphere or an Arab public sphere. Successful U.S. pressures notwithstanding, should we conclude with Tunstall (2008) that Al-Jazeera will continue to present a uniquely different voice on Arab affairs?

In the Arab world generally, by the mid-1990s there was clear evidence of a profusion of commercial media activity within the confines of a deeply conservative political and religious order (Boyd-Barrett, 2000). Mohammadi (1998), addressing the electronic media impact on the Islamic world, also points out that “the priorities of national interests become secondary to global market forces and that the emergence of a few powerful mega-corporations is instrumental in establishing the domination of Western culture and consumer society in the Islamic world” (p. 257). Al-Jazeera seems not to be immune from this rule. Political subsidy (\$30 million a year from the state of Qatar for the first five years) reduced the immediacy of financial pressure to commercialize (initially the station aired relatively few commercials, and in any case was boycotted by many Arab advertisers) and this did not seem to inhibit the station’s political coverage even of local Arab politics (Zayani, 2005). Yet continuing dependence on subsidies may not have been sufficient to enable Al-Jazeera resist pressures in 2007 toward a more pro-U.S. position. It is unlikely that a more commercially-independent station would have resisted strong pressure from the U.S. and Qatari governments any more successfully.

This said, one should not conclude that Al-Jazeera is all that it seems. By performing in the way that it does, Al-Jazeera plays important diplomatic roles for different players, both nationally and internationally. The favorable international reputation of the BBC World Service may serve as a guide here, since its apparent objectivity and fairness contributed to positive perceptions of Britain and British foreign policy in general. Such a reputation is an alluring beacon to propagandists, as black propaganda is all the more likely to be effective if planted in such a location. Of Al-Jazeera, Sakr (2007) quotes the view of critics that the station’s apparent boldness is a deception, “giving a false impression that political reform is under way so as to distract attention from deep structures of political repression in individual Arab states (p. 123).” It is situated, after all, in a conservative Arab state that has close ties to the U.S. and hosts a major U.S. military presence that has been used against Iraq and, according to Lebanese sources, in support of Israel against Hezbollah in the Lebanese-Israeli war in 2006. For many years, the station has given substantial airtime to U.S. officials (Schechter, 2007).

Al-Jazeera under Western Pressure. Can It Really Resist?

Al-Jazeera’s popularity (ranking as the world’s fifth most recognized brand, according to Zayani, 2005) greatly encouraged it to go global. As we mentioned above, Al-Jazeera launched its international channel, Al-Jazeera English, in October, 2006. At that time, the station claimed that it would be attempting to provide an alternative to what it sees as the Western perspective of rivals CNN and BBC World, offering a “south to north” interpretation of the news. In a sense, it made it. Meanwhile, however, is its stance also changing under American pressure? Joining Al-Jazeera English was Nigel Parsons, who had previously been a director of APTN. Parsons brought in mainly mainstream journalists from the UK’s

ITN, BBC, Tribune (a left wing weekly), Canadian Broadcasting Corporation (Sakr, 2007), Rupert Murdoch's *Sky News* and his *Sun* newspaper, and CNN. Strong U.S. pressure on the Qatari government and the station had already helped remove Al-Jazeera's first managing director, Mohammed Jassem al-Ali, in 2003, and Yvonne Ridley, a British journalist (Sakr, 2007). A Board shuffle in May 2007 saw the exit of Wadah Khanfar, director-general of Al-Jazeera Networks, and the appointment to the board of the former Qatari ambassador to the U.S., Hamad Al Kuwari, and the appointment of pro-U.S. Ahmad Kholeifi to oversee the channel's financial and administrative operations. While former Washington bureau chief Hafez Al-Mirazi complained that the service (under the care of recently ousted Khanfar), was becoming too Islamist and illiberal, Danny Schechter (July 2007) confirmed that an internal power struggle was in play "that may dilute Al-Jazeera's independence and steer it in a more pro-Western, pro-U.S. direction." Thus, arguably, we can conclude that Al-Jazeera English challenges the continuing Western monopoly on the reporting of news and current affairs, although the formatting and style of debate is sometimes barely distinguishable from Western counterparts.

Both Zayani (2005) and Sakr (2007) note that the station may play a diplomatic role for the Qatari government, providing an opportunity for its ruler (Sheikh Hamad Khalifa al-Thani, Emir) to "burnish his Arab nationalist credentials" and helping create a "buffer" between Qatar and those Arabs critical of its role of support to the U.S. in the 2003 invasion of Iraq. The station does not provide much coverage of countries like Syria, Egypt, and Saudi Arabia, while its concentration on violence in Palestine may even be said to provide Israel with further pretexts for its policy of occupation and oppression. Tendencies toward greater conservatism of coverage were evident from 2005 as the station geared up for international distribution in November, 2006 (60%, or approximately 20,000 of the station's online audience for streaming, YouTube, etc., are based in the U.S., according to Parsons, quoted by Edgecliffe-Johnson, 2007).

In summary, commercial and political considerations appear to be moving, hand in hand, toward the "mainstreaming" of Al-Jazeera. In 2006, the channel recruited veteran UK broadcaster and interviewer Sir David Frost to host the show *Frost Over the World*. Frost told the Independent's Ian Burrell (2008) that the reputation of the channel would be boosted when "people realized that the Emir of Qatar, the owner of Al-Jazeera, is our most important ally in the Middle East, meaning Britain and America's ally. All our planes are there, all our airmen are there, all our soldiers are there. It's clearly not an al-Qa'ida hangout." MediaChannel (2007) reported rumors of a "soft editorial shift" toward a more pro-Qatari and pro-American agenda in 2007, inaugurated with a new pro-U.S. Board of Directors "which include the former Qatari Ambassador to the United States, Hamad Al Kuwari and Mahmood Shaman, who are both clearly sympathetic to the U.S. Agenda in the region," (Friends of Al-Jazeera, 2007). Another commentator, Siddharth Ramana (2007), notes that "Qatar and the United States are sharing an increasingly friendly relationship" and that this may be the reason for Al-Qaeda's decision to "ditch" Al-Jazeera. Al Qaeda source Al-fajir Media was reported in October and December 2007 to have criticized Al-Jazeera as having jointed the ranks of the "crusaders."

Earlier, the channel had often drawn the ire of top U.S. officials, including that of former Secretary of Defense, Donald Rumsfeld, and had been the target, intentionally or otherwise, of U.S. missiles in Kabul and Baghdad. President Bush reportedly considered the possibility of bombing its headquarters in Doha,

and an Al-Jazeera cameraman, Sami al-Haj was arrested in Afghanistan 2001 and later transferred to Guantanamo where, six years later, he remains. On the other hand, Al-Jazeera has worked as a source for CNN (in Afghanistan). Its airing of video and radio broadcasts purported to be from Osama bin Laden (verification of the authenticity of such tapes often leaves room for doubt) may have been black propaganda to stoke fear of terrorism for U.S. political advantage, while further vilifying bin Laden for Western consumption and reinforcing official, U.S. government narratives of 9/11.

Phoenix Satellite TV

Phoenix and Media Commercialization: Background, Ownership and Financial Success

Rupert Murdoch's worldwide media investments have been a feature of global media for over a quarter of a century and appear to be accelerating with his acquisition in 2007 of the Dow Jones company, (publisher of the *Wall Street Journal*). A significant aspect of his previous globalizing strategy has been to form partnerships with, and sometimes eventually to acquire, local media corporations. In China, one of Murdoch's partners is the Hong Kong- based Phoenix Satellite Television, which was established by a joint investment from Murdoch's News Corporation, in partnership with Today's Asia Ltd., and China Wisdom International — a company invested and controlled by the Bank of China. 75% of Phoenix was owned by Today's Asia and News Corporation. Most (93%) of the capital of Today's Asia Ltd., based in Hong Kong, is owned by its chairman, Mr. Changle Liu, also currently chairman of Phoenix, with a controlling interest of 38%. Liu had previously served as colonel of the People's Liberation Army, was a propagandist during the Cultural Revolution, and has reported for China National Radio (Chinaviva.com, 2007). News Corporation owns STAR Television (broadcasting widely through China, Asia and America), one of the founding members of Phoenix. The smaller owner of Phoenix, China Wisdom International, has been acquired by a state enterprise, the Bank of China., and in 2006, a 20% stake in the company was acquired by China Mobile, a state-owned and state-run enterprise of the People's Republic of China government, registered in Hong Kong, with a 65% share of the mainland Chinese mobile market. The stake was bought from News Corp. whose Phoenix holding fell to 17.6%. China Mobile has an alliance with Viacom's MTV China, ostensibly a competitor of Star TV. By 2004, Phoenix had reached a relatively affluent audience of 50 million households (Borton, 2004). In 2007, Phoenix announced that it would move its headquarters to Beijing. China Mobile's entry puts a question mark over whether it is appropriate to continue to describe Phoenix as a purely commercial as opposed to a hybrid private and commercialized state-controlled operation.

By 2007, Phoenix had five channels, three domestic (Phoenix Chinese, established 1996; Phoenix Movie Channel, established 1998; Phoenix InfoNews Channel, established 2001) and two international (Phoenix North American Chinese Channel, established 2001 and Phoenix Chinese News and Entertainment Channel (CNE), established in 1999, and based in London for European distribution). All of them broadcast in Chinese Mandarin (www.phoenixtv.com). Phoenix features a variety of programs including broadcast news, current affairs, talk shows, analysis, documentaries, and entertainment programs like TV drama and movies. According to its website, its main target audiences are "urban residents, higher income earners and educated sectors" (www.ifeng.com) of Chinese society. This group of

people arguably constitutes the social class which benefited most from the economic development of China, during which time it has acquired considerable purchasing power.

Phoenix's commercialization is more immediately apparent than in the case of Al-Jazeera. This is evident from the titles of its popular programs, many of which include brand or company names, sometimes added only after a program has proven popular. For example, *A Date with Lu Yu*, a talk show with high viewership in the format of *The Oprah Winfrey Show*, was renamed *KunLun Lubricant Oil's Date with Lu Yu*. Other examples include *Kang Hong Summary of Press* (Kang Hong is a big pharmaceutical company in mainland of China) and *Wei Chai Dong Li Panoramic Eyeshot of Phoenix* (Wei Chai Dong Li is a major mechanic engineering enterprise in China).

Phoenix, with little subsidy or investment from government, has been impressively successful in finance. According to the annual report, net profit in 2005 was \$US20 million, an increase of 20.6% over the previous year. The company has been valued at HK\$22 billion (equal to about \$US2.7 billion) (Borton, 2004). According to Curtin's report (2007), by 2000, Phoenix had attracted close to \$65 million in revenue from a roster of 300 advertisers.

Al-Jazeera and Phoenix Compared

As in the case of Al-Jazeera, Phoenix was launched in 1996 and has grown legendarily in the succeeding decade. Phoenix was not conceived primarily as a media agency of news and current affairs, but was focused on offering entertainment. As it developed, it gradually shifted its main mission to incorporate the provision of news and information. Especially after it launched its Channel of InfoNews in January 2001, it became a major source of current affairs and financial information for Chinese audiences. It was the only television source of news to mainland China that operated 24 hours each day, 7 days a week, until in May 2003, when The China Central Television started CCTV-news. Phoenix had continued, until the involvement of China Mobile in 2007, as the only *non-government* television agency broadcasting 24 hours a day, reaching some 50 million households. Besides the Greater China Area, it can be accessed in Southeast Asia, Australasia, Europe and the U.S. Thus, with news and information as its main mission, Phoenix can be considered as a major media agency, an important constituent of the mediascape of the Chinese-speaking world.

In terms of ownership, Phoenix TV was predominantly private up until 2007, and this constituted a significant difference from Al-Jazeera, which was tied to the State via the subsidies it received from the emir of Qatar. Geographically, Phoenix TV is headquartered in Hong Kong, believed to enjoy the freest media environment in Asia, whereas Al-Jazeera is located in Qatar, a nation in the oil-rich Middle East that had not previously been associated with media freedom. Most of Phoenix's target viewers are in mainland China, however, a nation associated with strict state ownership and control of media. The international channels of Phoenix are directed primarily at the Chinese diaspora, whereas Al-Jazeera is reaching out to an international audience that combines both the conservative and media-restrictive regimes of the Middle East and the liberal market regimes of the Western world.

Phoenix: Pro-China Stance and Public Sphere

Phoenix had been virtually the only “non-government station” in China and even now, at the time of writing, it is not clear to what extent the involvement as majority owner of government-run China Mobile will incorporate the station within the formal state sphere. Known among audiences worldwide as the “Chinese station,” Phoenix focuses on news and information, yet also beams a mixture of light entertainment such as drama, talk shows, and movies. It is popular domestically because it is quicker, livelier, and more aggressive in its reporting and presentation than the Chinese state television, China Central Television (CCTV). It acquired some notoriety by adopting a Western “CNN” style, drawing heavily on Western news sources such as Reuters, Bridge, Fox, Sky and AP news, calling itself a Chinese version of the U.S. television networks, and covering some news (e.g., about Taiwan, SARS, mining accidents, homosexuality) in greater detail and more promptly than state television. Nonetheless, it generally conforms to the policy directives of the Chinese government, observing restrictions on coverage of sensitive issues such as Tiananmen Square massacre of 1988 and abortion (Borton, 2004). Its strong relations with government were confirmed in 2003 when the Chinese State Administration of Radio, Films and Television made Phoenix one of the few “non-government”-related television broadcasters in mainland China allowed to broadcast information about events covered only by the government media. In 2007, Phoenix Info News claimed to be the only “non-government” channel televising the weekly briefing of the State Council of China. Additionally, it has collaborated with the United Nations in broadcasting UN programs.

In contrast to Al-Jazeera, many of whose editorial personnel were hired from a relatively unrestricted but state-controlled broadcaster, the BBC, and other Western channels, Phoenix staff were mainly recruited from state broadcaster CCTV. While claiming to offer in-depth news analysis from different perspectives, news output is still very much in line with the coverage of state media outlets. Its highly popular morning news program *Good morning, China*, for example, reports editorials from the major state newspapers. Based on our long-term viewing of this channel, we find that for most sensitive events, Phoenix keeps silent. As we have seen, Phoenix has barely mentioned Falun Gong, the meditation sect outlawed by the Chinese government. It has never mentioned the protests in China’s special economic zones by laid-off workers. Changle Liu, corporate president, admits that it is hard for Phoenix to establish a balance between appealing to the public and avoiding giving offence to government authorities.

As it claims on their Website, Phoenix TV has arguably provided a primarily urban and more affluent section of the Chinese people (50 million households, representing some 150 million viewers) with one more choice, a choice whose style and influences represent modernity and Westernization. It may have been the first television source to singly represent voices from the mainland, Hong Kong, and Taiwan. It might be said to have done relatively little to promote freedom of speech and diversity of opinion beyond what is permitted by government. Declining the possibility of a public sphere function, profit is the station’s main motivation. A relatively affluent audience on mainland China is Phoenix’s primary target market, and this market is tightly controlled by the Chinese government. A good relationship with the Chinese government is a necessary precondition for survival, and Phoenix TV has autonomously accepted the Chinese government’s restrictions on journalism. The lure of the market in

China is too big to resist for business entrepreneurs who also happen to be media moguls. As Tunstall (2008) demonstrates, size of regional population is positively related with media development. A media market of 1.3 billion potential viewers is difficult to resist.

Phoenix: Resistance to Media Imperialism?

Can we say that Phoenix Television resists or embraces media imperialism? Phoenix is targeted to a market which is highly regulated politically, yet simultaneously moving toward liberalization (albeit slowly) economically. Writing before China's access to the World Trade Organization, Thomas (1999), analyzing the media policies of various nations in Northeastern Asia, classified Northeastern Asian nations' response to transnational satellite television. According to him, China's response could be described as "latent suppression," meaning that the government has "policies against the ownership of satellite dish antennae or cable access which are not enforced or irregularly enforced" (p. 246). Maybe this can account for why the legal access rate to Phoenix is only 14%¹. "Latent suppression" arguably suggests that the Chinese government did wish to ban foreign media but lacked the political will or logistical ability to do so. In making it possible for Western multinationals to partner with local operations, it opened the door to foreign investment and the transplanting of business know-how, and prepared the way for its membership in the World Trade Organization, yet without conceding much in the way of its continuing political control.

Programming on Phoenix may be said to be "localized" – the majority of its airtime is dedicated to events in or related to China. However, its formats are very "American," involving infotainment, tabloid-style coverage of events which are selected on the basis of news value in the standard Anglo-American journalism tradition. Its operational strategies draw substantially from "American" examples. In the USA, it is common to name a TV program after the host or hostess, especially for talk shows or commentary of current affairs. Oprah Winfrey may be the most well-known example. However, in China, this strategy had been absent until Phoenix adopted this model to promote its programs successfully. Phoenix claims that plenty of its programs are specially designed or "tailor-made" for a certain host or hostess, and accordingly these programs are named after these hosts/hostesses. Such cases include Luyu Chen, the hostess of *A Date with Luyu*, Sally Wu, the hostess of *Sally Wu – Eyes on World*, and Wentao Dou, the host of *Behind the Headlines with Wentao*. This strategy of creating "stars" has been proven very successful. Quite a few hosts and hostesses become symbols of Phoenix and, to an extent, help cultivate audience loyalty to Phoenix. Now, more and more TV stations located in mainland China, including CCTV, imitate this Western model.

Based on the above analysis, maybe it is safe to say that Phoenix has embraced and extended American media imperialism, while being very careful not to transgress political boundaries monitored by the Chinese government. Phoenix exemplifies the surprisingly weak connection between Anglo-American news traditions, on the one hand, and free and investigative reporting, on the other. Thus, Phoenix can be considered as an example of a "local" institution that borrows heavily on Western formats, fawns to the

¹ Phoenix achieves large audience share in part because of pirated access.

Chinese political bureaucracy, and produces a highly commercialized, if Chinese-looking, package of entertainment pabulum.

Thomas (1999) predicted that continued economic liberalization in China would lead it inevitably toward "complacent inaction," that is, "lack of laws concerning access to satellite and cable television due to government disinterest or negligence" (p. 246). Can Phoenix, as a local media giant, shift toward a public interest, public sphere mission? It seems very unlikely. Phoenix TV is no different from Western conglomerates in its hunger for market share.

Conclusion and Discussion

In this project, we analyzed two non-U.S. television systems, Al-Jazeera and Phoenix Satellite Television, with reference to issues of market liberalization, public sphere, and media imperialism. Both Al-Jazeera and Phoenix TV are popular in their respective principal markets. However, we are reluctant to offer them as examples of successful cases of regional resistance to American or Western imperialism. Both stations operate in *comparatively* liberalized environments (i.e., when compared with previous regulatory eras of their respective regions of operation). Phoenix buys into the American model of a hyper-commercialized and (mostly, but not totally) politically compliant media operation, to a considerably greater extent than Al-Jazeera. Al-Jazeera increasingly aspires to commercial success while pursuing a mission that certainly speaks to ideas of "public sphere," both for the Arab world itself, and for the Arab world in dialogue with the West. Previous ventures in the Arab world had demonstrated that it was possible to aggressively pursue commercial goals while remaining politically compliant. For a range of possible motives, as we have seen, Al-Jazeera and its sponsors chose a different path. After 10 years of operation, however, we encounter the development of a remarkable paradox. In the one case we have a highly successful, nationally-focused commercial venture, inspired in part by the world's most notorious media mogul, yet mostly compliant with political restrictions that transitions from corporate commercial ownership to an entity which state-controlled entities have a significant but not controlling ownership presence. In the other case, a hybrid private-state entity, both regionally and internationally focused, pursues a path of relatively aggressive editorial independence that seemingly alarms domestic, regional, and international elites. Its increasingly successful commercial clout is accompanied by the adoption of Western-style formatting and indirect state (national and international) influence or control that may weaken its claim to a genuine public sphere function. By 2006, these two operations, once divergent, had seemingly converged toward a Western-style (American or British), commercial model increasingly subject to potential state control, direct or indirect. Much more content analysis is needed in order to explore whether this is leading to greater political conservatism or "mainstreaming."

Tunstall (2008) argues that local and regional media are more significant today than the Anglo-American media that once dominated the global media scene. In this paper, we have considered the paradox that the apparent triumph of the local or regional may, in fact, obscure the actual triumph of a global economic order dominated by a few Western powers. Phoenix TV claims that it wishes to be the "CNN" of the Chinese-speaking world, and Al-Jazeera is often referred to as the "Arab CNN." Have they perhaps succeeded too well?

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