Guanxi, Gift-Giving, or Bribery? Ethical Considerations of Paid News in China

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This research was partially supported by the Gaylord Faculty Research Grant.

Acknowledgement: The author would like to thank former research assistants at the University of Oklahoma Lin Zuo and Josh Bentley for their help in preparing this manuscript.

ABSTRACT

This research addresses the phenomenon of paid news in China. The study reviewed the English- and Chinese-language literature on the subject of media non-transparency and cultural traditions of gift giving and guanxi in the Chinese media to explore whether discussions of media bribery are appropriate in the context of the Chinese media environment. The results of an exploratory survey of Chinese media professionals showed that the phenomenon of paid news exists in China, but the ethics of this practice are under scrutiny. The study discusses reasons why this practice exists in China and why some media professionals consider this practice acceptable.

INTRODUCTION

Media relations is an integral part of public relations as it accounts for 60-70% of all public relations efforts (Zoch & Molla, 2006). Public relations professionals encounter various constraints when practicing media relations. One constraint is media non-transparency, an issue many researchers around the world have studied in recent years (Harro-Loit & Saks, 2006; Kruckeberg & Tsetsura, 2004; Tsetsura, 2005; Klyueva & Tsetsura, 2015). Media transparency requires free flow of information and a lack of influence on reporters and the media. Thus, media non-transparency can be defined as “any form of payment for media coverage or any influence on editorial decisions that is not clearly indicated in the finished product or the media” (Tsetsura, 2005, p. 3).

Mass communication scholars and professionals should be concerned about media non-transparency because the practice compromises traditional values of mass media by undermining media’s roles as gatekeepers (Boynton, 2007; Craig, 2007; Pasti, 2005). Examples of media non-transparency include paying cash and providing gifts, meals, or trips to journalists and editors in exchange for publication. These
practices have been identified in many countries, such as Estonia, Poland, Russia, and Ukraine (Tsetsura & Gryuko, 2009; Harro-Loit & Saks, 2006; Klyueva & Tsetsura, 2011; Pasti, 2005; Tsetsura, 2005). However, few studies have examined the phenomenon of media non-transparency in countries outside of Europe. Specifically, more research is needed in those countries that were ranked lowest in the 2003 international index of media bribery (Kruckeberg & Tsetsura, 2003; Kruckeberg, Tsetsura, & Ovaitt, 2005).

English-language studies of journalism and public relations in China have mentioned the phenomenon of paying for media coverage, but have not focused specifically on media non-transparency (Chan, 1993; Lo, Chan, Pan, 2005; Wang, 1997; Wu, 2001; Zhang, 2007). Recently, Li, Cropp, Sims, and Jin (2012) and Hou and Zhu (2012) studied public relations ethics in China; however, they did not discuss media transparency issues. Most of the extant literature about media non-transparency, or paid news—a concept Chinese scholars and professionals use to describe the phenomenon—has been published in Chinese. However, Chinese research studies and essays about the phenomenon are mostly descriptive and rarely report primary research results (Cao, 2008; Chen, Zhao, & Shi, 2001; Deng, 2005; Feng, 2006; Kong, 2003; Le, 2007; Mei, 2007; Quan 2006; Xi, 2006). These studies have not conceptualized the practices in a manner consistent with media non-transparency research going on elsewhere in the world (Tsetsura & Gryuko, 2009; Klyueva & Tsetsura, 2010, 2011; Kruckeberg & Tsetsura, 2011; Tsetsura, 2005, 2011).

Most importantly, however, these studies have rarely, if ever, been accessed and examined by researchers outside of China. For that reason, the present work offers a comprehensive analysis of the existing Chinese research on the subject of paid news, and reports the results of an original investigation of media non-transparency in China.

This research identifies media non-transparency within the larger frame offered by Kruckeberg and Tsetsura (2003). The goal of this research is to investigate ethical considerations Chinese communication leaders face when they are involved in the phenomenon of paid news. It also explores perceptions and opinions of China’s communication practitioners about media non-transparency and explains these perspectives within China’s political, economical, cultural, and media contexts.

This study first presents an overview of public relations and media practices in China and then analyzes previous studies and observations of payments for media coverage in China’s media relations practices. Finally, this paper presents the qualitative results of a survey conducted among China’s communication leaders and discusses theoretical and practical implications of the findings.
Overview of Public Relations in China

The People’s Republic of China (PRC), a country with around 5,000 years of civilization history and the largest population in the world (Yan, 2000), has experienced dramatic changes in the last few decades, moving from strict Communist party control to growing commercialization and more of a market economy (Chen & Culbertson, 2003; Wang, 1997; Yang, 1989).

PRC is a communist state where the Chinese Communist Party (CCP) is the only political party. Eight smaller parties registered in the country are controlled by the CCP. The president of the CCP is the chief of State and is elected by the National People’s Congress (NPC) to serve a five-year term. The NPC is responsible for monitoring the government, delegating authority, and legislating (PR Landscape: China, 2012).

Over the years since the establishment of the PRC, China’s political and economic situation has changed significantly. As Chen and Culbertson (1992) pointed out, from 1949 to 1979, a small political elite dominated the political system. Within this tightly controlled, top-down system, mass participation was minimal. The government exercised a one-way asymmetrical public relations strategy (Chen & Culbertson, 1992) and there was no mechanism for gathering information about public needs or encouraging dialogue between the government and the people. However, the end of the Cultural Revolution and the beginning of China’s reform in the 1970s marked a turning point in modern Chinese history. “Efficiency,” “transparency,” “accountability,” and other government rhetorical expressions have been very popular not only among the top political leaders, but at all levels of communication. Thus, the traditional political propaganda seemed to no longer fit China’s rapidly changing reality, and public relations came to play a greater role in the Chinese government (Chen & Culbertson, 1992). Moreover, the control of media by the local government often conflicts with the centralized CCP control, and, as a result, “the propaganda control is no longer the homogeneous, top-down sort that dominated the media in the past” (Tong, 2010, p. 926).

In addition to political changes, fundamental changes in economics brought rapid developments in public relations practice. Ritchey (2000), Strenski and Yue (1998), and Wu (2001) noted that in 1978, when China decided to open its domestic market to the outside world, the country transitioned from a centrally planned system to a marketing-oriented economy. Having experienced decades of political turmoil and tragedies, the Chinese people turned away from ideological issues. Now, the major trends in China are toward commercialization and consumerism (Wu, 2001). China’s growing market economy was associated with greater separation between business and government, and this separation allowed for the rise of public relations in business arena (Chen & Culbertson, 2003; Li, Cropp, Sims, & Jin, 2012).
Origins of Modern Public Relations in China

Public relations practices in China were first reported in 1981 as marketing efforts by some foreign and joint venture enterprises in the Shenzhen Special Economic Zone. Foreign investment and joint ventures played a key role in advancing the profession around the world as well as in China (Black, 1992; Strenski & Yue, 1998). The Chinese business community soon realized the important role of public relations in economic activities and the field expanded with both independent firms and associations to support economic development (Strenski & Yue, 1998).

The young field of public relations developed rapidly until 1992, but then experienced a sudden slowdown. According to Chen and Culbertson (2003), around one third of the public relations departments in large business organizations were eliminated. The number of newspapers and journals about public relations declined dramatically from 33 in 1989 to only two a few years later. Public relations was not accredited as a major in universities any longer, although just a few months earlier dozens of educational institution had offered courses in public relations. Chen and Culbertson suggested several reasons for this slowdown. First, the slowing Asian economy in the mid-1990s affected Chinese businesses. Second, public relations is often seen as a function of marketing in China. Third, after the event of Tiananmen Square in 1989, Chinese authorities became wary of “Western imports.” Some scholars argued that public relations contributed to widespread government and business corruption (Kong, 2003; Lee, 1994; Li, 1994).

Within a few years, however, public relations began to grow once again. This revitalization and development was mainly due to further economic reforms supported by China’s Ninth National People’s Congress (NPC). The development of marketing processes called for integration of public relations practices with advertising. An increasing number of media and variety of media outlets that covered business news, along with growing companies and joint ventures, created many new jobs for public relations practitioners (Chen & Culbertson, 2003).

Now public relations is among the top five professions in China (PR Landscape: China, 2012; Hou & Zhu, 2012). According to the China Public Relations Industry Annual Report conducted by China International Public Relations Association (CIPRA) in 2012, the overall revenue of the public relations industry in China in 2006 exceeded 30 billion RMB (over four and a half billion US dollars), a 16 percent increase from 2011 (PR Landscape: China, 2012). In the last decade, the rate had been increasing by 33% in the continuous four years, from 2003 to 2006, and there had been more than 2,000 public relations firms operating in China in 2003 (Chen, 2004).

A monthly average salary for public relations practitioners is 7,000 RMB, approximately $930 (Chen, 2006). The salary level depends on whether the job is at a foreign or a domestic agency and varies from 3,100 RMB ($413) for an entry-level
position at a local agency to 10,300 RMB ($1373) for a managerial position at a foreign agency.

According to Chen (2006) and PR Landscape: China (2012), Beijing, Shanghai, Shenzhen, and Guangzhou are the top four geographic markets for public relations in China. Beijing has a 40% market share in the industry and is also the center of government affairs. Shanghai is the fastest growing area for annual public relations revenue and the number of professionals. Shenzhen is the second largest port in the country, after Shanghai, and home to the numerous high-tech companies. Therefore, technology and corporate public relations are the most popular practices in Shenzhen. The Guangzhou market handles more consumer-focused public relations.

Media Environment in China

Contemporary China’s media, with a history less than 100 years, have also been experiencing dramatic changes (Chan, 1993; Liu, 2000; Zhang, 2007). The Chinese Communist Party created its own media, primarily newspapers and magazines, in 1921. After the founding of the PRC, the entire Chinese media system was placed under Communist authoritarian rule. To motivate people to carry out the task of building a new nation, China gradually established its radio stations and TV networks (Wang, 1997).

The CCP exerted strict control over who worked in Chinese media and what content would be disseminated. No individuals could own news media—all Chinese media were owned by the Party, Party Committees, or government units. All publishers and editors-in-chief of party papers were directly appointed by the Party Committees and personnel at the non-Party papers were appointed by other Party officials (Wang, 1997; Wang & Ang, 2010; Yang, 2012; Zhang, 2007).

Since 1979, however, Chinese media have been going through unprecedented economic reforms and social changes (Lo, Chan, & Pan, 2005). Mainland China has tried to modernize itself via economic reforms under the continued control of the Communist Party. This approach has led to media commercialization (Chan, 1993; Lee, 1994) as China’s economics reforms have also brought significant changes in media (Zhao, 1998). In 2001, there were 2,007 newspapers, 8,725 magazines, 10,000 radio stations, and 3,000 TV stations in China (China Journalism Yearbook 2001, 2002). According to the Chinese Newspaper Development Report 2005, by June 30, 2005, 158,070 journalists worked in all media organizations, and the number of newspaper journalists was 82,404, about 52% of all journalists in China (Zong et al., 2005). Internet use has grown significantly, as well. By the end of June 2013, the number of Internet users in China had reached 591 million, a growth of 25.56 million compared to the end of 2012. In 2013, the Internet penetration rate was 44.1% (China Internet Network Information Center, 2013). China long surpassed the Unites States as the world’s largest Internet market (Barboza, 2008).
All Chinese news organizations received government money or subsidies before the economic reforms were implemented, but after the economy boomed, these news organizations became more and less self-sufficient (Wang, 1997). According to Wang (1997), in 1992 the State Press and Publications Administration suggested that the State would continue to subsidize general national newspapers but leave business newspapers into compete in the market. By 1997, almost all newspapers had become self-supporting. Because China developed a huge media sector which needed a great amount of financial support, many media outlets had to find ways of raising money and compensating for the loss of financial subsidies from the government (Mei, 2007).

Even though the CCP has partially loosened its control over mass media, the Party still has various means to control the media, such as influences over personnel and censorship (Wang, 1997; Lo, Chan, & Pan, 2005). As Chinese media gain more freedom and become more commercialized, they must be careful not to cross any lines laid down by the Party (Mei, 2007; Pu & Foster, 2012). Yang (2012) also found that Party media and market-oriented media frame stories somewhat differently, which demonstrates discrepancy in the ways how the same news might be reported differently in different media. Credibility of the media is often questioned in contemporary China and thus requires strategies for building credibility toward media (Wang & Jia, 2004).

**Media Non-transparency**

Payment for media coverage, one of the most widespread forms of media non-transparency, has received significant attention from public relations scholars in recent years (Hobsbawm, 2006; Holmes, 2001; Kruckeberg & Tsetsura, 2003; Kruckeberg, Tsetsura, & Ovaitt, 2005). The practice of offering cash or other types of payment for news coverage exists in many countries (Harro-Loit & Saks, 2006; Klyueva, & Tsetsura, 2011; Tsetsura, 2005). Scholars believe non-transparency is related to the political, environmental, and media particularities of each country, which include factors such as perceived effectiveness of anti-corruption laws, professional education of journalists, existence of well-established and enforceable journalism codes of ethics, economic hardships, and free press and free flow of information (Klyueva & Tsetsura, 2015; Kruckeberg, Tsetsura, & Ovaitt, 2005; Tsetsura & Grynko, 2009).

**Paid News in the Chinese Media**

The International index of media bribery, a ranking of 66 countries, listed China as the country in which print media are *most likely* to be opaque (Kruckeberg, Tsetsura, & Ovaitt, 2005). Many Chinese researchers have also observed that Chinese media face issues with non-transparency. In China, media non-transparency is generally
referred to as paid news. Xi (2006) noted that driven by financial benefits to individual reporters and editors, paid news is becoming more and more popular. Eager to showcase their achievements, some news sources pay reporters or editors to publish their stories.

Paid news is mostly disguised as real news delivered by reporters. Some paid news is even published in the reporting section to make it more believable (Kong, 2003). Chinese scholars have identified several forms of paid news. First, when new organizations are founded or when new products are released, some reporters will be invited to attend special events and press releases will be circulated. Reporters are given money or gifts and in return these reporters try to get the news stories published (Mei, 2007; Wang, 1997). Second, when some reporters write feature stories or in-depth stories about organizations, they receive money from these organizations for the work and time spent on writing these stories (Pan, 2000; Wang, 1997). Third, some organizations buy a column in a newspaper to publish their own information regularly. The problem with this arrangement is that audiences may not be able to distinguish this paid news from real news (Wang, 1997). Fourth, soliciting advertisements or sponsors for one’s own news organizations, offering public relations or advertising services to businesses, and self-censoring news to avoid offending key advertisers are also popular media practices in China (Lo, Chan & Pan, 2005).

Payments for news coverage in China can be direct and indirect, similar to the types of payments found in other countries (Tsetsura, 2005). Cash payments might be given under names such as “bus fare,” “lunch money,” or “red envelope” (Wang, 1997; Pan, 2000). Often the amount is vaguely defined and can be as low as a few dollars or as high as several hundred dollars (Ristow, 2010). The study conducted by Lo, Chan, and Pan in 2005 found that although many people considered it unethical to accept cash from sources, there were still a sizable number of journalists who accepted these cash payments. Edward Teng, a partner in Ernest & Chan Co. Ltd., an agency which concentrates heavily on media relations and publicity stated:

Newspapers will run stories, but usually they charge for what we call publicity… Since the government owns most newspapers, and salaries are fairly low, a reporter or editor is paid money for the coverage. If we invite a reporter to our office to write a story, we pay him or her. If the newspaper asks us for an interview or comes to us to ask if there is any story, we don’t pay. (PR Landscape: China, 2012, p. 8)

In addition to cash payments, other forms of payments exist in China. Studies by Wang (1997), Lo, Chan, and Pan (2005), Mei (2007), and Feng (2006) found that many journalists in China thought it was acceptable to take free gifts, free meals, or free trips from news sources, and these practices were common among their peers in
the media. Deng (2005) and Cao (2008) argued that paid news is a moral issue. Potter (1965) proposed that moral conduct is partially determined by the entities to which people are loyal. Tan (2007) suggested mass media have various entities to which they have to be loyal: the government, audience, organization, and individuals. But, according to Tan (2012), mass media in China are required to be loyal to the government and the CCP, and the research showed that the Chinese media are mostly loyal to the government and to themselves, but not loyal to the audience. Nowadays, because all media are still stated-owned, they should answer to the government (Wang, 1997). Other Chinese scholars have agreed that the government and the CCP should censor news coverage by providing political guidelines, as well as moral and professional rules of journalism (Lo, Chan & Pan, 2005; Deng, 2005). Under this theory, the government needs to monitor media non-transparency practices, and the media outlets loyal to the government need to follow the proposed rules and policies. However, like media in other countries, China’s media also need to be loyal to their audiences (Tan, 2007; Zhang, 2007). As such, media should also follow their own rules of transparency, in the best tradition of journalism. According to Chen, Zhao, and Shi (2001), China’s journalists are required to deliver real, correct, objective, and fair content to the audience.

Being loyal to both the government and the audience creates certain challenges for Chinese media, which we call a concept of divided loyalty. Wang & Ang (2010) identified the “principal-agent” problem. They argued there are conflicting interests between the people who control the content (such as the Party representatives) and the people who have to make a living (such as the journalists). Wang and Ang pointed out that this conflict contributes to corruption. However, the situation is further complicated by the media’s need to be loyal to organizations. Because organizational legitimacy is always important and prevalent, any organization is an entity to which China’s media should be loyal (Tan, 2012). This need for loyalty to organizations means that Chinese media have a certain responsibility to help businesses succeed (Tan, 2007). Thus, Chinese media can sometimes face the dilemma of which entity deserves the highest loyalty. What decisions should the media make in case when the interests of the government, organizations, and the audiences conflict? This quandary does not have a clear solution in Chinese scholarship.

Some scholars have suggested that China’s media should be loyal to journalism and journalists. Lo, Chan and Pan (2005) showed that journalists in China are comparatively satisfied with the social impact of their work and feel a sense of achievement. However, journalists are much less satisfied with their primary salaries and the benefits of their jobs. Therefore, an economic factor becomes a main concern for individual journalists as they struggle to survive with their modest salaries. Chinese journalists may engage in media non-transparency because they need more money to survive, not because they want to be loyal to the organizations they cover. A similar reason for media non-transparency was reported in studies outside of China.
In Russia and Ukraine, for example, many journalists said their poor salaries and unsatisfactory work conditions forced them to accept cash and other payments for publications (Klyueva, & Tsetsura 2015; Tsetsura & Grynko, 2009).

Media can have conflicting loyalties to multiple groups (Tan, 2007). Tan (2007) and Zhao (1998) suggested that the clashing interests between these groups might be the causes of moral problems in China’s media. It can be that these loyalties that journalists value are what decide their moral orientation.

Conflicts of loyalty are widely discussed among Chinese scholars. However, other explanations for the existence of paid news are offered, as well. Some scholars blame a financial pressure on the media (Li, 1994). Due to declining government subsidies, media organizations must transfer the financial pressure to individual editors and journalists. Some media organizations even set quotas for editors or reporters to make money for the media organization by attracting paid content (Li, 1994).

Another reason for the prevalence of paid news is the individual profit motive of many journalists. When reporters who work hard on serious news make less money than those who write the paid news, financial motivations might lead more reporters to cover paid news instead of real news (Li, 1994).

Furthermore, there are no clear professional integrity standards in China. Historically, the journalistic tradition emphasized political loyalty rather than professional integrity. Thus, when political loyalty is no longer the media’s first loyalty, journalists do not have clear standards of integrity to follow or to use for self-evaluation (Zhao, 1998; Yin, 2003). China has no official rules or laws that tell journalists in advance what actions cross the ethical line (Zhang, 2007). Most public relations people work with journalists in defining all-important “lines” between what is acceptable and what is not. In addition, journalism in China lacks any real oversight from the public (Le, 2007). The current oversight for journalism comes only from the CCP and the declining government regulation. Media oversight from the public and from NGOs is still under development (Le, 2007).

**Cultural Influence on Paid News in China**

Hou and Zhu (2012), Huang (2000), and Wu (2001), among others, explained that guanxi, a Chinese cultural factor which has shaped Chinese society for a long time, has an essential influence on public relations and media practices in China. Guanxi literally means social relationships and social exchange in the society (Yang, 1989). According to Yang (1994), “Guanxi involves the exchange of gifts, favors and banquets; the cultivation of personal relationships and networks of mutual dependence, and manufacturing of obligation and indebtedness” (p. 6). Scholars have summarized several points central to the definition of guanxi. Firstly, guanxi has far-reaching historical roots in “Confucian ethics of interpersonal kinship and the clan
system” (Guthrie, 1998, p. 257). Secondly, guanxi in modern society is based on interpersonal relationship independent from the formal organization structure, and it could even be an alternative way to formal bureaucratic processes within organizations (Guthrie, 1998). Thirdly, guanxi is grounded in the “human sentiments” that arise from the concept of reqing (a closely related to guanxi concept, which can be translated as a human sentiment) (Guthrie, 1998; Yan, 1996), and guanxi practice could be “the instrumental manipulation of these relations and sentiments” (Guthrie, 1998, p. 257). Fourthly, indebtedness and obligation are fundamental to guanxi practice. Through the exchange of favors people become indebted to one another, and people can expect one another to pay these social debts sometime in the future (Guthrie, 1998).

Hou and Zhu (2012) indicated that guanxi affects public relations practices in both positive ways and negative ways. Although guanxi promotes the spread of public relations in China, it may also twist the meaning of normal public relations. On the positive side, Hou and Zhu noted that guanxi is a facilitator of the spread of public relations in China. Even in the modern industrialized and commercialized society, people still often follow a family-intimating and blood-related guanxi web. In the huge social network, people still depend on the guanxi web for security. In such a dense environment of guanxi, public relations, which values relationships between parties, naturally thrives.

At the same time, guanxi can lead to inappropriate public relations practices. People often regard public relations as a direct method of generating profits, or they think that guanxi might be a way to profit in public relations (Huang, 2000).

Gift giving is an integral part of guanxi practices (Yang, 1989; Yan, 1996; Steidlmeier, 1997). Quan (2006) identified gift-giving culture as a cause for the existence of paid news in China. Quan noted that traditional Chinese values emphasize the custom of gift exchange between persons. Influenced by Confucian culture over many years, gift giving has become a social norm and the expected behavior in social interactions (Steidlmeiser, 1997). Gift giving consists of personal exchange, circulation of gifts, favors, and banquets (Yang, 1989). The act of gift giving shows respect to another person and enhances the obligation and reciprocity of such relationships (Steidlmeier, 1997).

Yan (1996) and Steidlmeier (1997) pointed out that there are two layers to gift giving. Gift can have an expressive purpose as well as an instrumental purpose. The expressive purpose of a gift is to communicate, that is, to reflect the long-term interpersonal relationship between gift-givers and gift-receivers. The instrumental purpose of gift giving is to pursue benefits by fostering a short-term relationship. Instrumental gift giving is usually used in materialistic or benefit-oriented relationships. In the case of paid news, the gifts between journalists and news resources represent mostly benefit-oriented exchanges (Quan, 2006; Yan, 2000).
Quan (2006) concluded that the origin of paid news comes from the spirit of gift-giving culture. The material utility is just the external form of the gift, while the internal appeal of the gift is to foster social stability and relational bonds. In paid news, the gift-givers want to get the specific stories published by giving gifts. At the same time, they also want to express their feelings to the gift-receivers so as to maintain consistent and mutually beneficial relationships with journalists and the media. However, the immediate goal of gift giving is still to acquire material utility, and it exerts a subversive effect on media operations (Yang, 1989, 1994). This vulgarized gift culture distorts public relations and media practice, jeopardizing the media’s credibility (Quan, 2006).

To this date, no studies have examined how the gift-giving tradition of the Chinese culture and the concept of guanxi might lead to media non-transparency in China, or whether these cultural factors are used to justify non-transparency practices in Chinese media. Moreover, research has not investigated how conflicting loyalties (e.g., to government, audiences, and organizations) might contribute to media non-transparency in China. Based on both the English and Chinese language literature on media non-transparency, this study seeks to answer the following questions:

**RQ 1:** What factor do communication professionals in China think has the largest influence on media?

**RQ 2:** What are the most popular kinds of paid news, according to Chinese professionals?

**RQ 3:** Do cultural traditions influence the ethics of paid news, according to Chinese communication professionals?

**METHOD**

To answer these research questions, two groups of Chinese communication leaders from four large cities in China were invited to participate in this study. The first group consisted of media representatives, editors, and journalists of national and local media (hereafter referred to as media practitioners). The second group was made up of public relations practitioners. This section outlines the study’s methodology.

**Sampling**

A non-probability purposive sampling was utilized for this research to deliberately access professionals’ special knowledge, position, and experience related to the topic at hand (Cresswell, 1994). For public relations practitioners, two professional public relations associations (CIPRA and CPRA) and 41 top international and domestic
agencies in China were invited to distribute the survey questionnaire among their employees. After three months of correspondence, 13 organizations agreed to distribute the survey. Among the 325 public relations practitioners who received the survey, 68 people agreed to participate. However, only 20 people answered all questions, yielding the response rate of 6.1%. Also, one professional association (All-China Journalist Association) and 21 top media organizations in China were asked to participate in the research. After four months of correspondence with these media organizations, the top management from ten media outlets agreed to distribute the survey to their practitioners. A total of 88 media professionals agreed to participate and received surveys, but only 20 agreed to answer the questionnaire. Although response rates across the professional groups were low, the researchers were pleased with the number of responses given the sensitivity of the research topic (personal communication with CIPRA and CPRA officers and top agency managers in China) and the overall caution among Chinese communication leaders to share personal opinions on the subject of media transparency (Mei, 2007; Tan 2007; Zhang, 2007). Many participants dropped out of this study once they reviewed the questionnaire. They found the topic, in their own words, “too sensitive.” Some responded to researchers directly via email stating that, unfortunately, they cannot share their thoughts on the subject; however, they would be very interested in reading the results of the study. Others never contacted the researchers, perhaps due to a fear that participating in the study would negatively affect their work situation. One participant who agreed to answer the questionnaire stated that he would answer our questions and would pass the survey to his peers, but he thought they would be “scared to answer these questions.” Thus, after a total of six months of data collection (four months of correspondence and two months of data gathering), the researchers were only able to collect a limited number of responses. Nevertheless, the data offer unique and valuable insights in Chinese media practices. It is significant that this study allows the voices of actual communication professionals who work in China and encounter these media practices on a regular basis to be heard for the first time. The data from this study tell a unique story about ethical considerations of paid news in China.

Instrument

The study adopted a survey questionnaire used by Tsetsura (2005) to investigate media bribery in Poland. Although the instrument included both quantitative and qualitative elements, this paper focuses solely on the qualitative data gathered through open-ended questions. Questions asked participants to share personal accounts, opinions, examples, and cases that dealt with different aspects of media non-transparency. Questions referred to both direct and indirect payments, and addressed several different instances of media non-transparency uncovered in previous studies, including financial pressures from advertising departments, governmental pressures, and editorial self-censorship (Klyueva & Tsetsura, 2011; Tsetsura, 2005; Tsetsura & Grynko, 2009).
Data Gathering and Data Analysis

The survey was first translated into Chinese and then back-translated into English. After comparing surveys for the accuracy and making necessary changes, both Chinese and English versions of the survey were put into Survey Monkey, an online survey website. Potential participants were sent email invitations to take part in the study. These emails included links to the online survey. Invitations were sent to those representatives of organizations who agreed to distribute the invitation to their employees. Data were collected over an eight-week period in the fall of 2007 and winter of 2008. The four-step distribution process was utilized, with follow-up correspondence sent once a week for four weeks.

A three-step qualitative analysis of (1) reducing the data, (2) identifying participants’ explanations, and (3) approaching grounded theory through researchers’ data sense-making was applied (Lindlof, 1995). This method first calls for finding repetitiveness in open-ended responses, then identifying participants’ explanations of the phenomena in these responses through a systematic close reading of the written narratives, and finally grouping responses through the reflective analysis of the data. This three-step analysis is a variation of a thematic analysis used to process and organize qualitative data (Boyatzis, 1998). The qualitative responses were read and reread to ensure the meaning of each unit was understood, to identify preliminary categories, and to identify and scrutinize recurring themes within the data (Strauss & Corbin, 1990).

FINDINGS AND DISCUSSION

RQ1 asked what factor communication practitioners in China think has the largest influence on media. A qualitative data analysis of open-ended responses revealed that there are five major influences on China’s media practices. The most frequently mentioned influence was government \((n = 11)\). News values was the second frequently mentioned influence \((n = 9)\). The third, fourth and fifth largest influences were advertising \((n = 4)\), journalists/editors \((n = 3)\) and media financial situations \((n = 3)\).

This result is generally congruent with the Potter’s theory (1965). He argued that people’s moral choices depend on where their loyalties lie. According to Tan (2007), China’s media practitioners must be loyal to four major entities: government, audience, media organization, and individuals. This loyalty is closely connected with the influences each of these entities have on the media. Tan wrote that the entity with the largest influence on the media is the government. As a result, journalism professionals said they should strictly comply with the CCP and the government’s communication policy and regulations. The second entity is the audience, which
requires media practitioners to only cover news with adequate news values. The third entity is the organization. Journalists influenced by this entity will be more likely to give in to the financial pressures from the media to provide news coverage to those organizations that pay money to the media or have large advertising contracts. The fourth and final entity is the individual journalist. According to Tan (2007), media practitioners most loyal to this entity are primarily concerned with their own financial well being and other personal benefits.

RQ2 asked about the most popular kinds of paid news, according to Chinese professionals. To answer this question, communication practitioners in this study were first asked to report whether they believe paid news exists in Chinese media practices. They reported that the phenomenon exists and discussed several forms of paid news. Communication practitioners indicated that these paid news items are usually presented as genuine news, and readers are not notified when news items have been paid for.

Participants identified five popular types of paid news. First, marketing materials about new product launches are often presented as news. Second, non-newsworthy items about corporations are published to increasing awareness of these corporations. Third, many feature stories in magazines are actually paid news, especially stories that contain flattering portrayals of companies or public figures. Fourth, many large social events held by media organizations are sponsored by organizations or named after them. In return, the media cover stories about these organizations over the course of the event. Fifth, some TV commercials showed on regional TV stations are disguised as professional lectures.

Two respondents said that in their experience, there are clear differences between the way paid advertising and real news are presented. One practitioner gave a personal example:

The section arrangement of the newspaper I work for makes readers very easy to distinguish between advertising and news (The scope is very clear). The local radio and TV station in the area I work always clarify which period of time is especially for advertising (Audiences feel free to leave during the advertising period).

The respondents also indicated that the more local and regional the media are, the less regulated they are and the more common paid news becomes.

The respondents discussed whether an advertising sales department at a media organization could influence media coverage. The respondents agreed that this phenomenon exists in China’s media practices \((n = 6)\). For example, news outlets often avoid reporting negative news about advertisers \((n = 2)\). Respondents provided some details of how to avoid negative news:
When media plans to publish news about some illegal conducts of some organizations, if the organization is a big advertising client of the media, the media would avoid publishing. What’s more, the media would remind the involved organization about the possible exposure.

An indirect form of advertising department influence is also reported. Some reporters/editors are assigned financial task for media. One professional provided this example:

Some newspapers have special sections such as cars and electronic appliances. The reporters working for these special sections are also advertising sales—they even have sales quota every month.

The media practitioners argued that this phenomenon is related to the financial pressures media face and the location of the media ($n = 2$). The more severe financial pressure they have, the more likely media organizations are to engage in this practice. Similarly, the more regional the media are, the more frequently this phenomenon occurs.

**RQ3** asked whether cultural traditions influence ethics of paid news, according to Chinese communication leaders. Although most of the respondents acknowledged there is a cultural tradition of gift giving in their country, respondents had different definitions for a gift in the context of media and paid news. There were also many ambiguous answers to questions about the ethical issues of paid news. Some respondents described the characteristics of a gift. A gift was defined as something freely given to individuals by advertising agency or organizations. Some respondents addressed the things which usually could be gifts from their experience, such as electronic devices, crafts, office supplies and sample products. Generally, “anything practically useful could be a gift,” as two participants put it. Some respondents even directly indicated that “gift means money.” Gift in the media context was also defined by some respondents in terms of how much money it is professionally appropriate to accept and, as a result, what are the limits on the money they can accept. For example, participants reported that presently 200 RMB (about $25) is a standard ceiling for an appropriate professional media-related gift. According to respondents, this amount is roughly the same as a “transportation fare” that would normally be given to reporters who were invited to an organization’s events.

Two respondents expressed the belief that accepting gifts is okay, as long as they do not need to sacrifice their news principles. One respondent said, “Reporting regular news is our job duty, but exchanging paid news with money is reasonable.” However, more practitioners argued that although paid news is prevalent in China, they still think that news should flow freely and should not be purchased with money ($n = 5$).

Public relations practitioners and media specialists who participated in this study
hoped that media practitioners could be more honest, be less concerned about their own benefits, and could clearly define a policy of gift acceptance that could be strictly implemented.

Some practitioners indicated that although paid news is strictly forbidden in China’s existing professional policies, it cannot be completely eliminated. Three reasons for the existence of paid news emerged from participants’ responses: (1) imbalance of reporters’ salary, (2) financial stresses on media organizations, and (3) low levels of professionalism among public relations practitioners. One respondent reasoned:

The credibility and objectivity are emphasized by China’s media. Reporters’ acceptance of gifts and money are strictly forbidden. However, due to the problems of the media system, here is a big difference between reporters. Besides, the profession of public relations in China is at a low level. These elements all result in the increasing of paid news.

Journalists and public relations practitioners also shared their views of professional integrity and ethics. Most \((n = 8)\) practitioners indicated ethical problems are prevalent and the phenomenon of paid news goes against professional integrity in China. At the same time, two participants insisted that media practitioners in China would not abuse their power if they continue to accept paid news because the “overall regulation is adequate.”

Although most practitioners interpreted the process of accepting or offering paid news as unethical behavior, they said it does take place because of financial and cultural factors. Again, the most frequently mentioned reason was the financial pressures individual journalists are facing \((n = 4)\). Most of practitioners thought that the financial pressure comes from flaws in the media system such as stiff management, low salaries, and internal unfairness \((n = 3)\) while one thought it is related to the economic situation of the media outlet for which an individual journalist works \((n = 1)\). Two practitioners argued that this unethical phenomenon happens in media because of the public relations practitioners \((n = 2)\). They indicated that because public relations profession has such a short history in China, and because most public relations practitioners have never received professional education or training, these practitioners deal with media is very unprofessional ways and “the level” of their work is of “a low quality.”

One respondent also argued that payment for media coverage is reasonable from a marketing perspective. Because businesses have the need to publicize their brands and products, a substantial demand for media coverage exists. Thus, practitioners and media people engage in paid news to satisfy market needs.

Journalists and public relations practitioners also shared their experiences about
salaries for media practitioners. They thought that media practitioners’ salary levels cannot be addressed universally, as too many individual differences exist. However, respondents generally agreed that media practitioners get paid not only from their salaries, but also from many other sources. Several respondents argued that the revenue from other sources can be even higher than the actual salary from the media outlet. Furthermore, participants indicated there was a difference in salary levels among journalists from different regions.

Based on the respondents’ comments, income levels for media practitioners seem to vary widely. This variance may contribute to practitioners’ willingness to accept paid news, since paid news allows practitioners to supplement their income. Those who adhere to ethical policy and professional integrity usually do not receive as much income as those who abandon the principles and only work for their own financial interests. This negative financial incentive might be driving more and more journalists to give up news principles and embrace the practice of paid news.

Although respondents discussed the influences of gifts none of them mentioned guanxi as a reason for the existence of paid news. Although several communication leaders referred to “cultural particularities” of Chinese media relations, their responses mostly addressed financial challenges and personal ethical choices rather than culture-bounded guanxi explanations. Even though they discussed the idea of gift giving as one that influences the phenomenon of paid news, this reason was not salient enough to overcome personal motivations and economic constraints of the media and practitioners.

**Ethical and Cultural Influences on Paid News in China**

Consistent with the previous literature, the findings showed that the phenomenon of media non-transparency, specifically paid news, exists in Chinese media practices. This study also found that only some media and public relations professionals in China considered it acceptable to accept payments from news sources. This result differs from the findings of Lo, Chan, and Pan (2005), who indicated that payment for media coverage (cash, free gifts, free meals, free trips, and self-censorship) is universally acceptable among media and public relations practitioners in China. However, these results are consistent with the findings of Tan (2007), who reasoned that media and public relations practitioners might partially accept the practice of media non-transparency. Tan’s rationale was the conflicting loyalties journalists have to different social entities. Tan argued that if media practitioners choose to be loyal to the government or audience, media non-transparency would be less likely to happen. On the other hand, if media practitioners are determined to be loyal to organization or to themselves, they would be more likely to accept paid news.

The problem is that there is no simple guideline to tell media practitioners how to make choices. In today’s media world in China, the CCP’s censorship is no longer as
effective as it used to be, and China’s media environment still lacks necessary media laws and third party oversight systems (Zhao, 1998; Yin, 2003). One can tell from the mission statements of public relations and media associations in China, the professional standards which guide practitioners are still in an early stage of development (PR Landscape: China, 2012). Without well-developed professional norms, media practitioners’ loyalty is self-directed based on individual values. Practitioners’ choices might vary under different situations and might even be contradictory at times. This potential contradiction might lead practitioners to waver in their attitudes toward accepting paid news. In fact, the results of this study found that respondents were often ambiguous in their answers, somewhat agreeing and somewhat disagreeing that such practices are appropriate.

Media and public relations practitioners were not able to completely agree or disagree about whether media non-transparency practices are acceptable. This might be explained by the influence by China’s traditional culture. According to Huang (2000), Quan (2006), and Yang (1989), even in modern society, guanxi culture, which pursues an interpersonal relationship and reciprocity between parties, is still prevalent. Previous research showed that guanxi could influence public relations practices in China in both positive and negative ways. On the one hand, it contributes to the prosperity of public relations in China. On the other hand, it could erode public relations by reducing public relations to a direct profit-earning strategy (Huang, 2000). Gift giving, an integral part of guanxi, is believed to be a widely socially-accepted conduct among many Chinese people. It emphasizes the traditional custom of gift exchange with the purpose of showing respect to people and enhancing the reciprocity of the relationship (Yang, 1989).

Yan (1996) and Steidlmeier (1997) argued that gift giving has two layers. One layer reflects the long-term relationship between people while another layer seeks short-term benefits. Because Chinese people normally consider a gift as a cultural symbol or custom, the money aimed at gaining benefits is easily given and accepted under the guise of gift. Reporters, who receive “red envelope” or other types of cash payments for publication of non-newsworthy items or for attending marketing-oriented commercial activities, could consider this type of media non-transparency as an acceptable standard in Chinese culture.

In addition, news sources, such as public relations practitioners, can offer cash or gifts to media practitioners as a means of getting their publicity materials published. At the same time, these public relations practitioners are expressing their friendship and solidarity with media practitioners, thus enhancing the long-term relationship between the two parties. Although this traditional custom is no longer a requirement among the younger generation, the thoughts and behaviors of many Chinese people are likely still influenced by the traditional patterns. In this cultural environment, media and public relations practitioners are more likely to find the ways to justify the practice of payment for media coverage.
CONCLUSION

This was the first study that collected first-hand data from media professionals in the mainland China on the issue of media non-transparency and payments for news coverage. Professional standards that overwhelmingly condemn practices such as paid news create an ethical dilemma for media professionals, as the results of this study indicated. Media and public relations practitioners who participated in this study were conflicted about whether it is professional to accept payments from news sources. As Zhao (1998) wrote, Chinese history places much more weight on party loyalty than professional integrity for journalists. Because there are no clear professional rules and guidelines for practitioners to follow, the behavior of media practitioners in China often depends on individual values and priorities. Practitioners rely on their free will either to obey CCP’s regulation policy or to follow other values. Some practitioners who are used to following CCP regulations or who have higher personal ethical standards still mentally resist payments from a professional perspective.

However, because payments for media coverage have already been prevalent in China’s media/public relations industry for some time, some practitioners would not consider such payments to be unprofessional at all. Consequently, media and public relations practitioners’ general attitude toward the phenomenon was that they somewhat agreed and somewhat disagreed that paying for news coverage is professional.

The analysis of previous literature and the results of this study demonstrated that, in reality, payments for media coverage have become an informal professional way of receiving publicity. Although this rule is not written in any textbook, it is widespread in practice. Still, the acknowledgment or discussion of these payments is a sensitive issue for professionals. This study, for instance, was able to collect responses from only a fraction of communication professionals who originally agreed to participate due to the “sensitive nature of the topic,” as some respondents put it. This means that some communication professionals in China do recognize the problematic nature of payments of news coverage, although they agree that media non-transparency exists.

Of course, some may say that these professionals may not recognize payments of news coverage as a problem but answered survey questions in a certain way thinking that the researchers might have had a problem with their answers. A possibility of incomplete or inaccurate answers always exists in the survey research, but in this specific case, we are quite confident that these were true opinions. The previous studies by researchers in China also showed that many professionals point out that paying for news coverage, without transparency, is problematic (Cao, 2008; Chen, Zhao, & Shi, 2001; Deng, 2005; Le, 2007; Mei, 2007). The research supported the
findings of previous studies and analyses by Chinese scholars who condemned the phenomenon of media non-transparency, or paid news, and found it unprofessional, unethical, and immoral (Cao, 2008; Chen, Zhao, & Shi, 2001; Deng, 2005; Feng, 2006; Le, 2007; Li, 1994; Mei, 2007; Yin, 2003).

This study calls attention to the development of professional integrity in public relations and media industries in China. In today’s commercialized environment, Chinese media and public relations professionals should develop clear integrity standards to practice publicity and to define all-important “lines” between what is acceptable and professional and what is not. Only then can media and public relations professionals in China make appropriate decisions based on their ethics, loyalty, and professionalism.

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