



# CHINA MEDIA BULLETIN

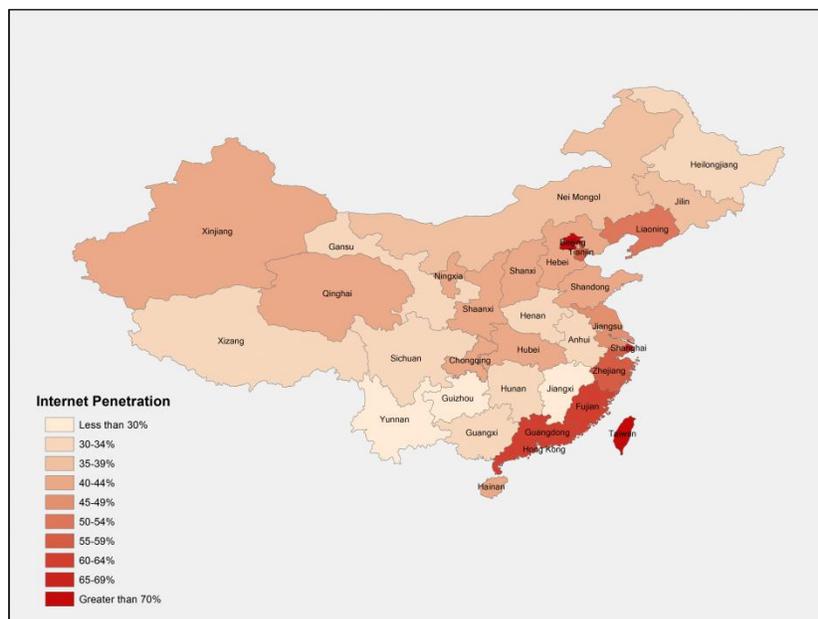
*A biweekly update of press freedom and censorship news related to the People's Republic of China*

Issue 80: February 7, 2013

## Headlines

- State media grapple with skepticism over economic data
- Regulator bans TV ads for luxury 'gifts'
- 'Surveillance state' breeds distrust in Chinese society
- Uighur scholar barred from leaving for U.S.
- More U.S. news outlets report China-based hacking

## PHOTO OF THE WEEK: DIGITAL DIVIDE



Credit: [Tea Leaf Nation](#) (Data from [CNNIC](#))

## BROADCAST / PRINT MEDIA NEWS



### State media grapple with skepticism over economic data

China's state media have been struggling to cope with growing skepticism about official economic data, whose accuracy has long been questioned due to their lack of transparency and independent verification (see CMB No. [62](#)). On January 18, for the first time in over a decade, the National Bureau of Statistics (NBS) announced the country's Gini coefficient, an indicator of income inequality on a scale of 0 (perfectly equal) to 1 (utterly unequal). The figure reportedly reached 0.474 in 2012—higher than the warning level of 0.4 set by the United Nations. Although the official Xinhua news agency touted the data release as a demonstration of the government's resolve to bridge the gap between rich and poor, the official numbers were met with surprise and doubt by international analysts and members of the Chinese public. In a February 4 article that first appeared on the Chinese website of the *Wall Street Journal*, a think-tank researcher argued that while the income estimates for the poor were probably accurate, those for the rich were likely too low due to wealthy people's refusal to complete surveys or their tendency to exclude illicit income. Also on February 4, the Communist Party mouthpiece *People's Daily* acknowledged shortcomings in the Gini coefficient calculation and the need to improve the methodology. However, the article sought to downplay an earlier study by Southwestern University of Finance and Economics in Sichuan Province that had estimated China's Gini coefficient for 2010 at 0.61, maintaining that it had relied on a smaller sample than the NBS analysis and was therefore less reliable. Separately on February 4, the state-run *Guangming Daily* reported that the NBS's gross domestic product (GDP) figure for 2012 was 5.76 trillion yuan (\$922 billion) lower than the sum of the year's provincial GDP statistics, apparently reflecting fraudulent reporting by local officials. The perennial gap between central and provincial GDP figures, now equivalent to the total economic output of Guangdong Province, has grown rapidly in recent years, from 2.68 trillion yuan in 2009.

- *Washington Post* 2/4/2013: [China's economic data draw sharp scrutiny from experts analyzing global trends](#)
- Xinhua 1/22/2013: [Gini coefficient release highlights China's resolve to bridge wealth gap](#)
- Caixin Online 2/4/2013: [The real problem with those Gini numbers](#)
- *China Digital Times* 2/5/2013: [Government proposal aims to narrow economic divide](#)
- *People's Daily* 2/4/2013 (in Chinese): [Which Gini figures are more off the chart?](#)
- China Scope 2/4/2013: [Discrepancy between local and central governments GDP statistics](#)



### Regulator bans TV ads for luxury 'gifts'

In keeping with Communist Party leader Xi Jinping's pledges to tackle ostentatious corruption within the leadership, and in the wake of recent graft scandals uncovered by netizens, the State Administration of Radio, Film, and Television (SARFT) on February 6 issued a ban on television

advertisements that seem to pitch products as high-quality bribes (see below). In a statement posted on its website, SARFT said that commercials with slogans such as “a gift to the supervisor”—for items including famous watches, rare stamps, and souvenir gold and silver coins—could foster a “harmful social atmosphere.” The notice claimed that broadcasters had a duty to follow the party’s recent exhortations to avoid displays of luxury and extravagance. While it remained unclear how strictly the regulator would enforce the rule, Reuters reported that shares of Swiss watchmakers Swatch Group and Richemont fell on February 7 in the wake of the news. The market for other luxury goods, including jewelry and high-end liquor, has also reportedly wilted amid the broader antigraft rhetoric.

- *Financial Times* 2/7/2013: [China bans ‘gift’ adverts in graft fight](#)
- *Reuters* 2/7/2013: [Watchmaker shares hit after China bans ads for expensive gifts](#)
- *Xinhua* 2/6/2013 (in Chinese): [State Administration of Radio, Film, and Television demands ban on gift-giving commercials](#)

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## NEW MEDIA / TECHNOLOGY NEWS



### **Amid flurry of graft scandals, netizens expose properties scheme**

Gong Aiai, a former deputy head of the state-run Shenmu County Rural Commercial Bank in Yulin, Shaanxi Province, was detained on February 4 for “forging documents and government stamps” after an online posting accused her of owning multiple properties worth an estimated 1 billion yuan (\$161 million) under false names. According to a January 30 statement on the Ministry of Public Security’s website, seven other individuals, including four police officers, were held on suspicion of helping Gong obtain false identities under China’s *hukou* household registration system, which gives individuals access to various rights and benefits in a specific location. Gong, who is also a member of the Yulin People’s Congress, was nicknamed “House Sister” by Chinese netizens after the story broke, echoing past scandals in which luxury-loving officials received monikers like “Watch Brother” and “Uncle Properties” (see CMB No. [72](#)). An initial January 16 posting on the popular web portal China.com claimed that Gong bought at least 20 properties in Beijing alone, but subsequent reports counted twice as many. While state media accounts focused on the shocking number of properties Gong allegedly owned, netizens noted that police corruption enabled her to obtain the false identities. “This is the real reason why housing prices in Beijing can’t come down,” a user wrote on his microblog. Similar *hukou* schemes have been exposed across the country in recent weeks, with various local officials accused of illegally amassing or trading hundreds of properties. New Communist Party leader Xi Jinping has made a series of speeches against graft since taking power in November (see CMB No. [79](#)), apparently emboldening netizens to launch more campaigns against individual officials, which are in turn taken up by mainstream media. In a *New York Times* interview published on February 5, citizen journalist Zhu Ruifeng said he received numerous tips from whistleblowers as well as donations from wealthy supporters of his anticorruption website. “We

used to say that when you have a problem, go to the police,” he said. “Now we say when you have a problem, go to the netizens.”

- **Radio Free Asia 2/5/2013: [Bank official held for fraud](#)**
  - ***New York Times* 2/5/2013: [Latest corruption scourge in China centers on housing](#)**
  - ***Washington Post* 2/5/2013: [China arrests bank officer accused of amassing vast property holdings under fake identities](#)**
  - ***Wall Street Journal* 1/31/2013: [Police officers detained in ‘house sister’ hukou scandal](#)**
  - **Xinhua 1/18/2013 (in Chinese): [Shenmu house sister exposed 20 houses in Beijing; worth 1 billion yuan](#)**
  - ***New York Times* 2/6/2013: [Chinese blogger thrives as muckraker](#)**
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## **New usage stats show continued mobile and internet expansion**

According to the latest report by China’s Ministry of Industry and Information Technology (MIIT), the country has more than 1.1 billion mobile-telephone users, for a penetration rate of 82.6 percent, meaning China has for the first time broken the 80 percent world average (see CMB No. [59](#)). Beijing and Shanghai ranked first and second among provincial-level administrative units, with 157.2 and 128 mobile phones per hundred people, respectively. Four other provinces—Guangdong, Zhejiang, Fujian, and Inner Mongolia—have a rate higher than 100 percent, suggesting that many residents own more than one device. The report noted a correlation between mobile-phone usage and migrant populations, and predicted that the growth in phone numbers would slow over the next three years as the market becomes saturated. Separately, on January 14, the China Internet Network Information Center (CNNIC) published its annual report on China’s internet usage and infrastructure, finding that there were 564 million internet users in the country in 2012, with a 42.1 percent penetration rate that was spread unevenly over various provinces (see, inter alia, CMB No. [44](#)). Coastal regions generally had a higher penetration rate due to their higher level of economic development. Beijing had a 72 percent rate—similar to those of Hong Kong and Israel—during the year, while Jiangxi, a relatively poor province at some remove from the coast, had a 30 percent rate—below those of countries like Uzbekistan, Bolivia, and Tuvalu. The blog *Tea Leaf Nation* posted a pair of maps showing the internet penetration rates and gross domestic product (GDP) figures across all of China’s provinces and Taiwan (see link below).

- ***Tech in Asia* 1/31/2013: [82% of Chinese have mobile phones, some provinces have more mobiles than people](#)**
  - **Sina Tech 1/30/2013 (in Chinese): [China mobile phone carriers broke past world average, room for growth dwindles](#)**
  - ***Tea Leaf Nation* 1/22/2013: [A map of two Chinas—internet penetration and economic development](#)**
  - **China Internet Network Information Center 1/2013 (in Chinese): [Statistical Report on Internet Development in China: January 2013](#)**
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## **'Surveillance state' breeds distrust in Chinese society**

According to a January 29 report by Washington-based National Public Radio (NPR), the Chinese authorities in recent years have installed more than 20 million cameras across the country—including on streets, in classrooms, and at sporting venues—for the stated purpose of maintaining “social stability,” reducing crime, and preventing cheating (see, inter alia, CMB Nos. [28](#), [51](#)). One analyst estimated that 30 million cameras are now in place, for a ratio of one camera for every 43 citizens. While some Chinese say the cameras make them feel safer, others fear that they are being used to identify and punish outspoken citizens and encourage self-censorship at academic institutions. The overall surveillance system incorporates a variety of eavesdropping technologies, reportedly enabling security agents to use mobile telephones as tracking and listening devices. Shanghai-based human rights lawyer and blogger Li Tiantian told NPR that police had once stopped her from going to a court hearing after they listened in on her call for a cab. In an effort to disrupt her personal life, security agents in 2011 showed her boyfriend video recordings of Li entering hotels with other men (see CMB No. [23](#)). NPR reported in a January 30 companion piece that devices such as audio bugs and hidden cameras have become increasingly common among ordinary citizens as well. Qi Hong, a former journalist from Shandong Province, said he had used bug-detecting equipment to uncover over 300 devices for more than a hundred of his friends. The NPR journalist then purchased his own detection device, reporting that “in just five minutes, I detected bugs in a lamp, several phones, and two fax machines” at a friend’s office. Chinese officials also rely heavily on surveillance technology to gain political and financial advantages over their colleagues. According to the *New York Times*, ousted Chongqing Communist Party boss Bo Xilai was purged from the leadership in 2012 partly because he allegedly tapped Chinese president Hu Jintao’s phone calls. The case exemplified the distrust that pervades Chinese society and official circles, fueled by a secretive system of governance and the proliferation of spying devices without legal safeguards enforced by impartial courts.

- **NPR 1/29/2013: [In China, beware: A camera may be watching you](#)**
- **NPR 1/30/2013: [In China, the government isn’t the only spy game in town](#)**
- ***New York Times* 4/25/2012: [Ousted Chinese leader is said to have spied on other top officials](#)**



## **Retouched Mao-era photos circulate online**

On January 29, a microblog post that included original news photographs from the Mao Zedong era alongside altered versions was circulated on the popular microblogging platform Sina Weibo. The entry, which generated more than 2,200 comments and was reposted over 13,300 times within one day, had first been published by, then removed from, the history section of Chinese web portal ifeng.com. Many of the images were of high-ranking Chinese Communist Party (CCP) officials. In one of the photos, Lin Biao, a former military leader who was condemned for attempting to flee to Moscow in 1971, was removed from a group portrait of party luminaries. In another group picture, everyone was eliminated except for two men—CCP leader Mao Zedong and Soviet leader Joseph Stalin. In a 1927 photo of Chinese intellectuals, writer Lin Yutang, who escaped to Taiwan when the

CCP took over China in 1949, was taken out of a version published in 1977. In October 2012, a museum in Guangzhou showcased an exhibition of altered historical photographs, including one taken during the Tiananmen Square crackdown of 1989, to which crowds of people who seem to be welcoming the tanks were added (CMB No. [73](#)). It remains common for state-run media to publish retouched images.

- **Global Voices 1/30/2013: [Two versions of Mao's China: History retouched as propaganda](#)**
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## XINJIANG



### **Uighur scholar barred from leaving for U.S.**

Ilham Tohti, a prominent Beijing-based Uighur economics professor and founder of the ethnic rights website Uyghur Online, was barred from traveling abroad on February 2. He was detained and held for questioning for more than eight hours at the Beijing Capital Airport when he and his teenage daughter attempted to board a flight to the United States. Tohti had planned to begin a year-long fellowship at Indiana University. While his daughter was eventually allowed to board the plane, Tohti was sent home by the police, who did not provide him with an explanation. The airport denied having any information about the case. The internationally known Uighur scholar is a frequent target of harassment by the Chinese authorities. While the reason for the travel ban remains unclear, it is likely a combination of retaliation for his criticism of government policies in Xinjiang and the authorities' fear that he could gain prominence as an eloquent advocate for Uighur rights in exile. In October 2012, Tohti was forced to leave Beijing ahead of the November 8–14 Communist Party Congress, during which he was taken to Xinjiang's capital, Urumqi, and his hometown of Atush (see CMB No. [76](#)).

- **Radio Free Asia 2/2/2013: [Uyghur scholar taken back home](#)**
  - **Radio Free Asia 2/1/2013: [Uyghur scholar, daughter held](#)**
  - **Associated Press 2/3/2013: [China bars prominent Uyghur scholar from travelling to US](#)**
  - **Front Line Defenders 2/4/2013: [China: Uyghur human rights defender Mr Ilham Tohti prevented from leaving country](#)**
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## BEYOND CHINA



### **More U.S. news outlets report China-based hacking**

In the wake of the *New York Times*' revelation on January 30 that hackers traced to China had infiltrated its computer systems, a string of American media outlets have reported being targeted as

well (see CMB No. 79). The *Wall Street Journal* disclosed on January 31 that hackers had entered its networks through computers in its Beijing office and focused on monitoring its coverage of China, rather than stealing commercially valuable information or subscriber data. Several of the paper's correspondents were tracked, including Jeremy Page, who wrote articles in November 2012 about the murder of British businessman Neil Heywood and his ties to ousted Chongqing Communist Party chief Bo Xilai. On February 5, the *Journal's* owner, Rupert Murdoch, added to the allegations when he wrote on a microblog that "Chinese still hacking us, or were over the weekend." Bloomberg similarly confirmed on January 31 that there had been attempts to attack its news service following its June exposé on the family wealth of Chinese Communist Party (CCP) leader Xi Jinping. On February 1, the *Washington Post* reported that a cyberattack launched as early as 2008 had penetrated its main server to retrieve administrative passwords. Mandiant, a Virginia-based computer security company hired by the *Times* and the *Post*, said that Chinese hackers had stolen e-mail, contact lists, and files from more than 30 journalists and executives at Western news organizations, and many of their names were stored for repeated attacks. While it has yet to be irrefutably proven that the attacks were sponsored by the Chinese government, monitoring China correspondents' computers would enable authorities in Beijing to anticipate critical stories and identify Chinese informants, who could face retribution for providing sensitive information. On February 4, the CCP mouthpiece *People's Daily* rejected the claims of China-based hacking, calling them a "new justification for America's strategy of containing China."

- *Wall Street Journal* 1/31/2013: [Chinese hackers hit U.S. media](#)
- Associated Press 2/6/2013: [Rupert Murdoch: Chinese are still hacking The Wall Street Journal](#)
- *New York Times* 1/31/2013: [Wall Street Journal announces that it, too, was hacked by the Chinese](#)
- *Washington Post* 2/1/2013: [Chinese hackers suspected in attack on the Post's computers](#)
- Agence France-Presse 2/4/2013: [China Communist paper rejects hacking allegations](#)
- *People's Daily* 2/4/2013 (in Chinese): [China denies alleged hacking of New York Times](#)

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## NOTABLE ANALYSIS



### **Human Rights Watch releases annual report, denounced by Xinhua**

On January 31, New York-based Human Rights Watch (HRW) released *World Report 2013*, the latest edition of its annual review of human rights practices in more than 90 countries. According to the China section of the report, government restrictions on freedom of expression continued in 2012. The internet was closely monitored by censors, and at least 27 Chinese journalists were serving prison terms for vaguely defined offenses such as "inciting subversion." Several foreign journalists were also beaten or harassed, including one who was expelled from the country in May. Security forces maintained a heavy presence in Tibet and Xinjiang, enforcing stringent controls on cultural and political expression. Beyond China's borders, the authorities successfully barred dissident and

exiled writers from international events. On February 4, in response to the report's release, the official Xinhua news agency rolled out a clutch of similar articles in which Chinese "experts" rejected HRW's analysis on different topics. In one such piece, a Shanghai-based research director dismissed the respected organization's claims on freedom of expression as "lame arguments" that amounted to a "political conspiracy."

- Human Rights Watch 1/31/2013: [World Report 2013: China](#)
- Xinhua 2/4/2013: [Law abidance prerequisite for freedom of expression: expert](#)
- Xinhua 2/4/2013: [Expert defends China's internet management](#)



### Asia Society launches 'ChinaFile,' hosts panel of China correspondents

On February 6, the Asia Society's Center on U.S.-China Relations launched a new online magazine called *ChinaFile*. Its aim is to aggregate, archive, and publish original news, analysis, and multimedia content related to Chinese politics, media, economics, and culture. To mark the initiative's debut, the Asia Society in New York hosted a panel discussion featuring six correspondents from the *New York Times* whose periods covering China ranged from 1946 to the present. The group reflected on changing conditions in the country, the shifting obstacles to reporting there, and the viability of the current political system.

- [ChinaFile](#)
- Asia Society 2/5/2013: [Covering China yesterday, today, and tomorrow \(complete video\)](#)

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For additional information on human rights and free expression in China, see:  
[Freedom in the World 2013](#)  
[Freedom on the Net 2012](#)  
[Freedom of the Press 2012](#)

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