THE AUSTRALIAN NATIONAL UNIVERSITY

THESES, SIS/LIBRARY
R.G. MENZIES BUILDING NO.2
Australian National University
Canberra ACT 0200 Australia

Telephone: +61 2 6125 4631
Facsimile: +61 2 6125 4063
Email: library.theses@anu.edu.au

USE OF THESES

This copy is supplied for purposes of private study and research only. Passages from the thesis may not be copied or closely paraphrased without the written consent of the author.

China's Film Industry: Crisis or Transition?

Jia Wei

China's Film Industry: Crisis or Transition?

By

Jia Wei
B.A., Jinan University, 1984
Bachelor of Law in Mass Communication, Jinan University, 1986

Sub-Thesis

Submitted for the degree of
Master of Arts (Asian Studies) at the Australian National University

Canberra, Australian Capital Territory

April, 1998

The sub-thesis is my own work
and all sources used have been acknowledged.

Jia Wei

Outline

Introduction

Chapter I Summary of Critical Aspects

1 Rapid Decrease at the Box-office
2 Movie Outlets Closing Down
3 Film Studios in Difficulties
4 The Fifth Generation -- Critical Success Abroad, Box-office Failure at Home
5 Summing up

Chapter II Changing Realities of the Chinese Film Industry

1 The Old Mechanism of the Film Industry

<1> Old System
<2> The Old System in a New Situation
<3> Calling for a New Policy

2 The Consequences of Film Industry Reform

<1> New System
<2> The New System with its New Problems
<3> Further Reforms, and More Problems

3 Film-making and State Controls

4 The Rural Market -- Film Distribution and Screening in the Era of Economic Reform

<1> Rural Cinema -- Mao- and Post-Mao
<2> 'Now that peasants have money in hand, films have disappeared from sight'
<3> Procedural Problems
A. Fees

B. Maladministration
<4> Characteristics of the Market
A. Dimensions of Complexity
B. Simplicity of the Market

5 Studying the Chinese audience

<1> Differences between Urban and Rural Audiences
<2> Deceptive Appearance of Chinese Audiences' Aesthetic Taste

6 Challenges to the Cinema -- Alternative Entertainment and Pirated Print

<1> Impact of Television
<2> Impact of the Black Market
A. Pirated Films
B. Coping with the Black Market

7 Summing up

Chapter III Future Scenarios

1 Are Entertainment Films a Solution?

<1> Social Changes and so-called Entertainment Cinema
<2> Chinese Entertainment Film -- an Ambiguous Concept
<3> Attitudes towards Entertainment Film
<4> The Evil Reputation of Entertainment Film
<5> Entertainment Films and Chinese Cultural Values
<6> Hollywood -- the Model for Chinese Entertainment Film
A. Hollywood's Experience
B. Entertainment Film -- an Inferior Copy of Hollywood?

2 Co-producer Films

3 Imported Films

<1> A Mixed Blessing
<2> Hong Kong -- Successful Defence Against Hollywood
A. Reasons for the Thriving Film Industry of Hong Kong
B. What China can Learn from Hong Kong and Hollywood

4 Summing up

Conclusion

Bibliography

China's Film Industry : Crisis or Transition?

Introduction

After three long decades of devastating political movements that followed on from the founding of the People's Republic of China, the Communist Party began devoting itself to economic reconstruction from the late 1970s. The stormy economic reforms that started in 1979, achieved tremendous successes in the rural areas and soon swept to urban centres. One government priority was now to open China up to the outside world. A related aim has been to reform China's economy through market-based policies and mechanisms. Along with these economic achievements, the reforms have also affected other aspects of society, such as customary life-styles, beliefs, values and traditions.

The Chinese film industry which, since the founding of the People's Republic of China in 1949, has operated as a mass medium serving China's state socialism, has been one of the many public sectors undergoing basic change as a result of economic reform. The

Communist Party used the film industry as a tool for political education and propaganda; accordingly it created and financed centralized structures to make, distribute and screen films. Under the impact of market forces that bureaucratic framework has by now largely broken down, but a commercially viable system of production and distribution has yet to effectively evolve to take its place.

In market-oriented economies, film-making is largely a business, usually a heavily-capitalized business that of necessity constantly seeks to identify, stimulate and respond to consumer demands. It requires shrewd commercial judgment and often involves an element of risk-taking. Only in recent years, however, have the Chinese government and the film industry paid attention to the commercial nature of the film industry. The Chinese film industry and its governmental regulators are still trying to come to terms with film-making as a demand-driven commercial enterprise. "China's film industry is in a period of transition," commented Wu Mengchen, president of the China Film Import and Export Corporation in late 1995. "One of the main characteristics is that it is changing from a welfare-state mode to a money-making mode."[1] Since the mid-1980s, when the Chinese government and film industry first began emphasizing the profit element in film-making, both critics and the media have repeatedly expressed the view that a crisis(*weiji)* was developing that threatened the contemporary Chinese film industry.

The question this paper attempts to address is whether or not there is a crisis, or whether the Chinese film industry is simply experiencing a changing economic and cultural

[1] 'A Chinese Wall is Showing Cracks', in the New York Times, 21 November 1995, p.D4.

pattern. There is no doubt that, in the post-Mao period of economic reform, serious problems of financing and administrative disruption have occurred in many sectors of society. But perhaps the film industry, like other industries in China, is simply undergoing a prolonged but salutary experience of being exposed to market forces and can be left eventually to achieve whatever level of functioning and profitability it proves capable of. The problems, however, involve more than economics and finance. As a propaganda tool of the Communist Party, Chinese films previously never achieved success as a serious art form; art was always subordinate to film's heavy-handed political message. But, in the last few decades, a number of Chinese films have startled critics and captivated audiences around the world. Some have been submitted to the Academy Awards (Oscars), Cannes, Berlin and other international film juries from which they have received unprecedented acclaim and attention. Chinese cinema has now repeatedly shown that it has world-class potential as a producer of quality films, but political and bureaucratic controls still hamper innovation and distort filmmakers' choice of content and treatment.

To realise its potential, the Chinese film industry needs to free itself of many government controls and many financial uncertainties and problems that persist in the wake of the collapse of the old industry framework. Such problems include forcing studios to produce shoddy 'entertainment films' for quick domestic returns, with the result that potentially vast Chinese audiences are not being attracted back to the cinema, or are being turned off cinema in favour of alternative forms of entertainment, or are boycotting Chinese-made movies in favour of Hollywood and Hong Kong imports. At stake is more than a

profitable domestic industry and prestigious international market. The Chinese film industry has a unique potential to project Chinese identity and talents abroad and make them accessible to the world. In addition, a vigorous and independent film industry could be uniquely valuable in helping the Chinese people to understand and come to terms with past traumas, and to progressively redefine themselves in this period of rapid economic and social change. The alternative to a financially viable indigenous film industry seems, on present indications, to be a low-output industry producing generally low-grade films, dependent on foreign investors to finance its quality productions, and increasingly vulnerable to domination not only by foreign imports but also by foreign cultural models.

In exploring these questions, this paper aims at examining the status quo of the Chinese film industry. First, this paper will summarize arguments by Chinese scholars and critics which support the notion that contemporary Chinese cinema is experiencing a crisis. Essays dealing with this topic published in various Chinese periodicals such as Dianying yishu (Cinema Art), Dianying pingjie (Film Review), Dangdai dianying (Contemporary Cinema), Liaowang (Vision) and so on, from 1986 to 1996, state the major reasons for this perceived crisis as follows: the rapid decrease in box-office receipts; the closure of many film theatres; the tenuous position of major film studios and the harsh reality of internationally-acclaimed Chinese films which are box-office failures in China itself.

Second, I will give an analytical account of the Chinese film industry, from the perspectives of history, politics and culture. I will discuss how the old system of the Chinese

film industry is out of step with Deng's reforms, and how new problems have resulted from film industry reform itself. Certainly, there are some sensitive issues that have not been aired in the Chinese media. Chris Berry, for example, argues that even though financial problems exist, Chinese new wave cinema is not only attacked for its commercial failure; also involved is state political policy.[2] Paul G. Pickowicz holds that the post-Mao state retreated from the film industry, but "they never really gave up control".[3] Miklos Haraszti argues that artists, under modern socialist regimes, were placed in a comfortable 'velvet prison', with better housing, higher incomes, foreign travel, and access to restricted publication and films. As a result they became part of the political elite, although the process caused some artists to believe that they gained independence or autonomy from the state.[4] Consequently I will discuss Chinese film-making and the 'freedoms' it has enjoyed in the economic reform era of 1979-1996. As 80 per cent of the Chinese population live in rural areas, the discussion in this chapter will focus on film distribution and screening in the countryside and how this huge market has diminished. The paper will go on to examine how the Chinese film industry has faced unprecedented competition -- not only from alternative entertainment, such as television or video, but also from pirated films and videos.

---

[2] Chris Berry, 'Market Forces -- China's 'Fifth Generation' Faces the Bottom Line', in Chris Berry ed. Perspective on Chinese Cinema (London: British Film Institute, 1993), p. 123. Chris Berry is a lecturer in Cinema Studies at La Trobe University, Melbourne. He worked in the Chinese film industry in Beijing from 1985 to 1988.

[3] Paul G. Pickowicz, 'Velvet Prisons and the Political Economy of Chinese Filmmaking', in Deborah S. Davis, Richard Kraus, Barry Naughton and Elizabeth J. Perry ed. Urban Spaces in Contemporary China (Cambridge: the Press Syndicate of the University of Cambridge, 1995), p. 206.

[4] Miklos Haraszti, The Velvet Prison-- Artists Under State Socialism (London: I.B. Tauris & Co Ltd, 1988), especially pp. 18-19.

Third, this paper attempts to analyze whether so-called entertainment cinema (*yule yingpian*) and co-produced film ventures (*hepai yingpian*)[5] which were adapted for Chinese cultural, political and economic realities have helped ameliorate the situation. The guiding idea behind the creation of Chinese entertainment cinema has been inspired by Hollywood. This paper will briefly analyze the Hollywood film industry in comparison with the Chinese industry from a cultural and commercial perspective, as well as in terms of its economic underpinning. My discussion also includes Hong Kong, as it has been one of the few places able to challenge the impact of Hollywood movies. The conclusion looks at contradictions between China's deep-rooted socialist bureaucracy and the new 'socialist market economy' as well as differences between traditional cultural norms and foreign influence. According to Deng Xiaoping's political program, China is experiencing an unprecedented period of economic reconstruction that has seen the introduction of 'a socialist market economy' in place of a centrally planned economy. The Chinese cinema, as one of many Chinese industries, is facing a multitude of unresolved difficulties which have emerged as a result of the new economic policies. There are no clear-cut answers as to whether this model of reform will work for China.

[5] 'Yule yingpian' (entertainment cinema), Chinese entertainment cinema is inspired by Hollywood. It can be seen as a kind of commercial film. 'Hepai yingpian' (co-productions) are made with investment from overseas and from Chinese investors.

Chapter I. Summary of Debates -- Evidence of the Crisis

Chapter I. Summary of Debates -- Evidence of the Crisis

The Chinese film industry entered the 1980s with a mixed sense of optimism and pessimism. At the end of the 1970s, the industry had just recovered from a long political revolution and production had begun to increase. In 1977, twenty-eight feature films were produced; in 1978, forty; and in 1979, a total of sixty-five, with the number of movie-goers totalling 29 billion, an average of twenty-nine films per person that year.[6] About eighty-three feature films were produced in 1980.[7] Movies shown in cinemas during that period were not only newly-released films, but also included a large number of old movies filmed before the Cultural Revolution and banned during the Cultural Revolution. People rushed to the theatres to see new or rereleased films. However, the optimism experienced by the film industry at the beginning of the 1980s was short-lived. By 1985, only 21.76 billion tickets were sold, down ten percent from 1980.[8]

In the post-Mao era, the 'Fifth Generation' film directors enabled Chinese film to show the world a completely new face. From 1978 to 1996, 119 Chinese feature films were awarded various international cinematic prizes.[9] One of the first major successes was 'Red

---

[6] Li Shaobai, Feng Bo,'Zouxiang shichang' (Enter the Market), in Dianying yishu (Film Art), Vol. 1 (1995), pp. 17-18. See also Li Yiming, 'Yule pian, wenhua zhuanxing he shichang jingji de biran chanwu' (Entertainment Film, the Consequence of Changed Cultural Pattern and a Market Economy), in Dianying yishu (Film Art), Vol. 5 (1993), pp. 23-24.

[7] John Howkins, Mass Communication in China (New York: Longman Inc. 1982), pp. 67-68. See also Paul Clark, Chinese Cinema -- Culture and Politics Since 1949, (Cambridge University Press, 1987), pp185-186.

[8] Yang Ke, '1986 Dianying faxing fangying gongzuo huigu' (Chinese Film in the Year 1985: Distribution and Screening), in China Film Year Book (1985), pp11.2-11.4.

[9] Li Xingfa, 'Ruhe kan zhongguo pian zaiguowai huojian' (How to View Chinese Films Winning International Prizes), in Dangdai dianying (Contemporary Cinema), No. 4, (1997), p. 33. See also Ding

Sorghum' (*Hong gaoliang*), directed by Zhang Yimou, which won the Golden Bear Award at the Berlin Film Festival in 1988. In spite of these successes, aspects of crisis in the contemporary Chinese film industry have been widely discussed within the industry, as well as by the artistic community and even among audiences who are concerned about the future development of Chinese films.[10] Although Chinese cinema has never before achieved such great success abroad, the perceived crisis in the Chinese film industry has never been discussed with such urgency. The major concerns have been as follows:

1. Rapid Decrease at the Box-office

Much of the discussion about the crisis facing the Chinese film industry is focused on a rapid decline at the box-office. Figures from the State Statistical Bureau have showed that Chinese film audiences have been continuing to fall since the mid-1980s. (See Table 1.)

Table 1

Chinese Cinema -- Indicators: 1986 - 1993						
		Number of Admissions (billion)	*Number of Screenings*	*Box office Earnings* (billion *yuan*)	*Income from Film Prints* (billion *yuan*)	
1986		21.8	31000000	1.41	0.7	
1987		21.5	N/A	1.55	0.75	
1988		18.76	N/A	1.6	0.8	
1989		16.86	28470000	2.04	1.1	
1990		16.2	28860000	2.22	1.05	
1991		14.4	27480000	2.36	1.099	
1992		10.5	22664000	2.0277	0.9	
1993		9.3	N/A	N/A	N/A	

Source: China Film Yearbooks 1986 to 1993.

Renren, 'Zhongguo dianying jianwei shijie chengren' (Chinese films have become more easily accessible to international audiences), in Beijing ribao (Beijing Daily),31 December 1992, p. 5. And Wu Xihua, '93 Guoji yingtan redian zhuisu' (Review the Headlines in the International Film World in 1993), Dianying pingjie (Film Review), Vol. 5 (1994), pp.2-3.

[10] See for example, Chris Berry's translated document: 'A reader's letter that will make people think', in Chris Berry ed. Perspective on Chinese Cinema ((London: British Film Institute, 1993), pp. 125-126.

The number of admissions in 1979 was 29 billion, an average of twenty-nine films seen per person for that year.[11] But the number of admissions was only 9.5 billion in 1993, a decrease of more than two thirds compared with 1979.[12] Taking 1993 for example, there was a 50 per cent fall-off in the number of screenings and a 60 per cent decline in admissions, also a fall-off of 35 per cent - 40 per cent in box-office earnings and income from film prints compared with the previous year, 1992.[13] It seems from these figures that films have been rapidly losing their attraction for Chinese audiences.

The record 29 billion admissions in 1979 is often used as a basis for comparison with succeeding years.[14] It is important, however, to remember that this was a period of optimism induced by the end of Mao's era, the collapse of the 'Gang of Four' and the initial stage of Deng Xiaoping's economic reforms. Film production increased and many films produced during the previous seventeen years were resurrected and screened repeatedly. The reality of the Chinese film industry at that time was that it was still recovering from the Cultural Revolution. Neither the production of new films, nor their distribution or screening, had

---

[11] Li Shaobai, Feng Bo, (n. 6 above).

[12] Ibid, p. 17.

[13] Ibid.

[14] For example, see Li Shaobai, Feng Bo (n. 6 above); Pan Yan, 'Zhongguo dianying: zai huobao biaoxiang de beihou' (Something Behind the Prosperity of Chinese Film), in Liaowang (Vision), Vol. 51 (1995), p. 13; and Zhang Baiqing, Zhang Wei, 'Dianying guanzhong xue' (Film Audience Theory) (Beijing: China film press, 1994), pp. 296-297.

entered a period of great expansion. The box-office, film distribution and screening records were achieved only because of the repeated screening of old films.[15]

What is even more crucial to the film industry is the fact that filmgoers went to the cinema not just to see Chinese-made films but mainly to enjoy films imported from foreign countries and Hong Kong.[16] For example, a billboard announcing the film schedule of a Beijing railway worker's club for May, 1985, showed that among the seven feature films to be shown that month, two were from Hong Kong, one from the United States, one from West Germany, and the rest from France.[17] Not a single Chinese film was scheduled. This was by no means an isolated case. Why did Chinese audiences no longer enjoy Chinese movies, and what caused the rapid decrease in the number of admissions?

During 1992, the film-making profits of the sixteen feature film studios in China was only Renminbi (RMB)[18] 4.23 million *yuan*, which was far from being enough to maintain simple production. The average cost of each film produced was RMB 1.54 million *yuan* in 1992.[19]

---

[15] Li Yiming, 'Yule pian, wenhua zhuanxing he shichang jingji de biran chanwu' (Entertainment Film, the Consequence of Changed Cultural Pattern and a Market Economy), in Dianying yishu (Film Art), Vol. 5 (1993), pp. 23-24.

[16] Chris Berry's translated document (n. 10 above).

[17] Ma Qiang, 'The Chinese Film in the 1980s: Art and Industry', in Wimal Dissanayake ed. Cinema and Cultural Identity --Reflections on Films from Japan, India and China (New York: University Press of America, 1988), p.168.

[18] Renminbi (People's dollar) or *yuan*; in 1997, US$ 1 approx to 8 *yuan*.

[19] Li Shaobai, Feng Bo (n. 6 above), p. 17.

2. Movie Outlets Closing Down

Articles also indicated that, along with the fall in the number of admissions and box-office income, many urban cinemas and film projection teams in rural areas had closed down. Sichuan, for example,[20] the province with the largest population, had 11,000 cinemas and film projection teams within the province during the 1980s, with annual ticket income of RMB120 million *yuan* per year, annual film rental income of RMB 57 million *yuan* and net profit of more than RMB 10 million *yuan*. However, in 1993 there were only 2,300 cinemas and film project teams, with film rental income of less than RMB 20 million *yuan*.

In the 1980s, there were roughly 1,000 cinemas in Chengdu, the capital of Sichuan Province. The admission price was then only RMB 25 cents per ticket, yielding annual ticket income of more than RMB 8.6 million *yuan*. By September 1993 Chengdu had only 300 cinemas, with only about 150 fully operational. In the 1980s there were more than 300 theatres in Chengdu industrial and mining enterprises, but that number had been reduced to sixty by 1993. There were previously about 500 cinemas in suburban areas and outlying counties, almost all of which had been closed down by 1993; the remaining four or five cinemas were not operating at full capacity.[21] In the interior of China, the cost of a film screening, including facilities, utilities, depreciation charge, salaries, is about RMB 120. The

---

[20] Lan Ning, 'Dianying faxing fangying shichang ruhe yingjie mingtian' (How Chinese Film Distribution and Exhibition Move Towards the Future), in Liaowang (Vision), Vol. 7/8 (1994), pp. 37-39.

[21] Ibid.

cost of a screening at more luxurious/modern film theatres is around RMB 150.[22] As audience numbers continue to decline there is little revenue to be made from film screenings. As a result, cinemas have had to find alternate ways to earn money. By contrast, the range of other recreation options has greatly increased since the 1980s. In Chengdu, there are dozens of nightclubs, 200 discos, and more than 3,000 video theatres. And the urban residents of Chengdu can receive 22 different television channels including the cable network,[23] which is even more flourishing in the coastal cities of China. A 1987 article reports that Guangdong Province has "4,680 pool rooms, 510 video game arcades and more than 3,300 video theatres, visited by 150,000 people every day".[24] However, the decline in moviegoing, and the rapid loss of movie business can be only partly blamed on these new forms of recreation. The complex entertainment environment will be discussed further in the following chapter.

Hardest hit have been China's rural residents who still make up the bulk of the population. They were previously serviced by mobile projection teams, but these were heavily subsidised by the state and have now largely ceased operations. Loss of rural audiences has been a major blow to the Chinese cinema and is often quoted as a principal component of the percieved crisis in the film industry. The rural market is discussed in the following chapter.

---

[22] Lan Ning, (n.20 above), p. 37.

[23] Ibid.

[24] Quoted in Chris Berry, (n. 2 above), p. 114.

3. Film Studios in Difficulties

Many problems have emerged in the Chinese film industry since the mid-1980s. As well as the fall in audiences and the closure of cinemas, the cost of film production has also increased dramatically. A 1990 article announced that, "since 1980, the cost of raw materials used in film production have gone up between 15 per cent and 36 per cent".[25] Shanghai Film Studio is one example where the average cost of film production had been about RMB 400,000 *yuan* in 1980, but had reached RMB 1.54 million *yuan* by 1992.[26] Most film studios have experienced hard times since the mid 1980s.

Prior to economic reform, Chinese film studios were state-owned enterprises. Under the administrative system of central planning, all films produced in China were bought from film studios by the China Film Corporation for distribution and exhibition at a fixed amount. After economic reforms started in the film industry, film studios were no longer state owned.[27] They were now responsible for their own profits and losses. The government no longer subsidises film production, and film studios have to seek funds for themselves.

Director Li Guo-ming from one of the oldest film studios, Changchun Film Studio, said:

---

[25] Ibid, p. 115.

[26] Li Shaobai, Feng Bo (n.6 above), p. 17.

[27] In a technical sense, the Chinese film studios have become non state-owned enterprises, but the government has never really given up control of the film studios. This will be discussed later in Chapter II.

> As the cradle of the new China film industry, Changchun Film Studio has made undeniable contributions to the Chinese film industry. Now Changchun Film Studio has grown old. If you go to have a look at Changchun Film Studio, you will see the shabby buildings and backward facilities. ..... Films produced by Changchun Film Studio must at a later stage be taken to be completed at Beijing Film Studio or Shanghai Film Studio, because our own audio facilities are far behind the quality requirements. We have 2,100 employees, in addition, there are about 1,000 retired staff and about 1,000 employee family members. Together there are about 4,500 people in Changchun Film Studio. We need more than RMB 10 million *yuan* per year to cover the salaries of 4,500 employees. Only 1,000 people are needed to produce twenty films per year, but we have to feed another 3,500 people. ..... We have all the problems that state-owned enterprises have, and we have also had other problems that state-owned enterprises do not have.[28]

Similar problems exist for studios other than Changchun Film Studio. The same problems plague Beijing Film Studio, where the 'iron rice bowl' (*tie fanwan)*, which includes basic benefits, such as medical and school expenses for retired employees and their families, is also draining the company of capital funds. An excessive number of staff have become a huge burden for most big film studios. There are about 2,000 people employed in both the Beijing and Shanghai Film Studios. Even a medium sized company, such as Xi'an Film

---

[28] Pan Yan (n. 14 above), p. 13.

Studio, has some 1,600 people. On the payroll of Xi'an Film Studio are 1,600 employees of whom 300 are retired but being supported by the company. According to statistics, 20 per cent of film-making cost has been wasted on the excessive staff and has nothing to do with film production.[29]

While film studios have over-employment on the one hand, they lack competent professionals on the other. Because of over-staffing, film studios cannot recruit new personnel such as university graduates. Many famous film stars are busy pursuing career development elsewhere and do not appear in the film studio for quite a long time. On pay-days, their housekeepers attend the accountant's office to draw the stars' salaries on their behalf.[30]

As a result, film studios have had to find other ways to make money. One example is the 'Qin Dynastic Palace' at Xi'an Film Studio which was the original set of the film 'Qin Shi Huang' (First Emperor of the Qin). Now it has been converted into a tourist spot which has attracted many visitors from home and abroad. In addition, Xi'an Film Studio hires out its facilities for television commercials and dramas.[31]

---

[29] The general over-staffing problem has also been discussed in a number of articles. For example see Pan Yan, (n.14 above), pp. 13-15. Also Qi Yue, 'Fangtan dianying gaige' (Open Discussion of Film Reform), in Dianying yishu (Film Art), Vol. 5 (1993), p. 19; and in a T.V. documentary "China's Dream Factory" shown by SBS at 4:35pm, on January 2, 1997, both Zhang Yimou and Huang Jianxin mentioned this aspect at interview.

[30] See Pan Yan, (n. 14 above), p. 14.

[31] See n. 29 above SBS reference.

4. The Fifth Generation – Critical Success Abroad, Box-office Failure at Home

In the last few years, Chinese films have become more easily accessible to a wider international audience.[32] A number of recent Chinese movies were submitted to Cannes, Berlin and other international film juries from which they received unprecedented acclaim and attention. 1985 is notable because of the appearance of Chen Kaige and Zhang Yimou's 'Yellow Earth' (*Huangtu di*), an international success which established the Chinese cinema as a serious art form. However, unlike the few Chinese films shown in Europe and America during the 1960s and 1970s, it is not the political content but the innovative cinematic characteristics of these films which have startled the critics and captivated audiences around the world. These innovative new wave films have had a lot to do with the arrival in the film industry of a number of young directors, most of whom graduated in 1982 from the Beijing Film Academy, China's film school. They were the fifth class to graduate from the school's Directing Faculty, hence their tag 'The Fifth Generation'.

However, despite the growing international attention being given to Chinese films, the nature and content of their features are not proving attractive to home audiences and they have not been supported at the box-office. Having experienced hardship during the Cultural Revolution, the Fifth Generation had the bursting urge to articulate their personal experience and present their outlook on Chinese history, culture, politics, and in particular the ten-year long Cultural Revolution. The Fifth Generation were clearly doing something different, and

---

[32] Douglas Wilkerson, 'Film and the Visual Arts in China', in Linda C. Ehrlich and David Desser ed Cinematic Landscapes -- Observations on the Visual Arts and Cinema of China and Japan (Austin: The University of Texas Press, 1994), p. 39.

nearly all interviews with them attest to the fact that their effort to mark themselves out from their predecessors was self-conscious and deliberate. Director Huang Jianxin quoted Rodin's well-known remark:"A real artist always expresses his own thoughts and is not afraid to break the existing rules."[33] The trends created by the Fifth Generation undoubtedly strongly influenced Chinese film circles. It seemed initially as if a film could not live up to its name as art and could not truly express its essential character unless it attached great importance to visual modelling and expressive functions at the cost of simplification of plot and performance. Because of this propensity, films made for the purpose of pure entertainment were neglected. The Fifth Generation went so far in pursuing their artistic goals that they even believed a film would suffer artistic depreciation if it received widescale acceptance.[34] This attitude was reinforced by film academics and critics who at the time placed their focus on artistic merits, and gave little attention to the popular appeal and profitability of film.

However, Fifth Generation directors' films have been increasingly attacked for their failure at the box-office and for being better known abroad than at home. It is reported that the average Chinese movie sells about 100 prints, but only a handful of Fifth Generation films have reached this level. 'Yellow Earth' (*Huangtu di)* only sold thirty prints within China, and many others have sold even less. Director Tian Zhuangzhuang's 'On the Hunting Ground' (*Liechang zhasha*) sold only one print, and the 'Horse Thief' (*Daoma zei*) only sold

---

[33] Chris Berry and Mary Ann Farquhar, 'Post-Socialist Strategies: An Analysis of Yellow Earth and Black Cannon Incident', (n.32 above), p. 81.

[34] Tang Junshan, 'Yule pianyu dianying de huapuo' (Entertainment Film and Film Industry Decline), in Dianying wenxue (Film Literature), Vol. 1 (1991), p. 77.

seven prints.[35] Criticisms of Fifth Generation films and film-makers for box-office failures have snowballed since Tian Zhuangzhuang's remarkable announcement made in a 1986 interview.[36] Tian showed unconcerned about his films' lack of popularity, and claimed that he was making films for audiences of the next century.[37] Most cinema reviews carried negative responses to the interview and made charges against Tian and other Fifth Generation film-makers. They stressed that film should serve politics and the immediate needs of the broad audience, but that Fifth Generation films failed to do so. They also argued that the international achievements of the Fifth Generation were not evidence of a boom in the Chinese film industry.[38] It is interesting that profitability has become a criterion in passing judgment on Fifth Generation films. It shows that the commercial significance of the cinema has begun to enter the public consciousness as an element in film-making that cannot be ignored. It may eventually mean that politically-based subsidies and control of the cinema will become more controversial if they are seen to detract significantly from its commercial viability. For example, it is said to be an open secret in China that 'reform' movies, made at Government encouragement or demand to carry political messages, are no more popular with audiences than Fifth Generation films. Before this topic can enter the public debate about

---

[35] Zhang Wei, ' Tansuo piande daoyan jizhi yu guanzhong' (New Wave Film's Director and his Audience), in Dangdai dianying (Contemporary Cinema), Vol. 1 (1993), p. 41.

[36] A September 1986 interview was published in China's most widely read film magazine, Dazhong dianying (Popular Cinema), No. 9 (1986), p. 4. See also Chris Berry's translation (n.10, above) pp.127-130.

[37] Zhang Wei (n. 35 above), p. 41.

[38] Shu Ke, 'Dianying de shichang yu shichang de dianying' (Film Market and Film in Market), in Dianying pingjie (Film Review), Vol. 7 (1993), pp. 6-7.

industry reforms and the box-office, however, published statistics on the finances of such movies need to become available.[39]

5. Summing Up

In view of all these problems, there is no doubt that areas of the contemporary Chinese film industry are in a severely depressed condition. Under the former central planning mechanism, as a major propaganda vehicle of the Communist Party, the Chinese film industry did not have these difficulties. It is highly probable that, compared with recent years, the number of admissions was much higher, and the film industry's financial problems were much fewer under the planned economy policy of the Mao era. However, that in itself does not indicate the existence formerly of a flourishing film industry with a rich and varied output.

If the state had not carried out its economic reforms, many of the current problems of the Chinese film industry would not have arisen. Indeed, many other problems, such as unemployment and criminal activity, have also rapidly increased, despite a rise in the standard of living since the death of Mao Zedong in 1976. However, it cannot be denied that Deng's economic reform has brought about extraordinary changes and achievements that have enabled China to impress the whole world. In the Chinese film industry, the most pressing question now is how to overcome structural problems inherited from the former system and adapt to the changing environment of market reforms and competing forms of entertainment. The industry's most obvious residual problems relate to organisational aspects of film making,

---

[39] Chris Berry (n. 2 above), pp. 122-123.

marketing and distribution; but entrenched attitudes about the nature and functions of the cinema are also critical to the industry's future.

Chapter II. Changing Realities of the Chinese Film Industry

Chapter II. Changing Realities of the Chinese Film Industry

While film as an art form in China has been making sound progress, it is also facing unprecedented difficulties. This is the case with other art forms in China as well, especially traditional ones such as Beijing opera, folk dance and music. In contrast, it seems that popular culture is thriving. As mentioned above, discos, video theatres, video game arcades, *karaoke* bars and night clubs are booming, a product in many ways of current economic policies. Behind these manifestations of popular culture, it is important to understand the realities of China in the context of the deep-rooted ideology of a state socialist regime. Through understanding this background, many reasons can be given for the changes in the Chinese film industry.

Before proceeding to the development of the Chinese film industry in the early 1980s, it is useful to take a retrospective look at the industry from its very beginning. Film first arrived in China in 1896, when agents of the Lumière brothers screened a film at a Shanghai tea house, which later became the centre of the Chinese film industry. The rapid development of the film industry in the following decade can be seen as a partial consequence of the spheres of influence over China by European powers, the United States and Japan.[40] In 1917, the Commercial Press set up a Department of Motion Pictures, which in 1921 produced the first feature-length film (Yan Ruisheng, 10 reels), and in 1923 built the first film

---

[40] John Howkins, (n. 7 above), p. 66.

studio.[41] Among the more notable films were 'The Spring River Flows East' (*Yijiang chunshui xiang dong liu),* and 'Eight Thousand Li of Clouds and Moon' *(Baqian lilu yun he yue)* both of which were made immediately following World War II and which still attracted large audiences when they were reshown in the late 1970s and the early 1980s.[42]

After the founding of the People's Republic of China in 1949, all film studios and other film institutions were managed and regulated by the state, which set national plans for financing, production, distribution and promotion. In 1950-1951, the eight film studios operating in Shanghai were combined into what is now the Shanghai Film Studio; a similar amalgamation occurred in Beijing. From 1949 to 1957 the industry produced a total of 170 films, an average of about twenty a year.[43]

1. The old mechanism of the film industry

<1> Old System

For nearly half a century after 1949, the Chinese film industry was based on the Soviet model in areas ranging from guiding ideologies and artistic forms to administrative mechanisms. This meant that film marketing was a state monopoly; that is, film studios were responsible only for film-making, leaving the responsibility to the state for purchasing and

---

41 Ma Qiang, (n.17 above), p. 166.

42 John Howkins, (n. 7 above), p. 66.

43 Ibid, pp. 66-67.

distributing films. The main regulatory body for the film industry was the Ministry of Culture's Film Bureau, which was responsible for policy and planning. It allocated quotas to each studio and arranged pricing, resources and distribution. A separate body, the China Film Corporation (CFC), was responsible for day-to-day matters and was the industry's principal specialist and executive organization. Its main functions were to monitor and advise the industry. It bought all the films produced by Chinese studios and organized their distribution and exhibition.

The system was highly centralised and bureaucratic. The CFC would order a certain number of prints of a given film from the film studio; this order was decided solely according to the CFC's estimate of the possible demand for the film, a demand that was subject to state promotion and subsidy for films of a politically suitable nature. It then bought the copyright of the film at the fixed price of RMB 10500 *yuan* for each print, without reference to the quality of the film or the studio's cost of production. The CFC then sold the prints to its provincial and municipal branch corporations. The branch corporations in turn arranged distribution of the film to various projection units in their regions. The local projection units paid a fee for each film but had no control over the titles that came to them. There were no other sources of supply. If the projection units declined the films offered them by the CFC branch corporations, they would have nothing to show.

After selling a specified number of prints to the CFC, film studios thereafter would have no further role in generating income from their films through distribution, export,

television broadcasting or visual and audio copying. The CFC controlled all these functions and also controlled exports and imports of film. Few profits found their way back to the studios that produced successful films. After distributing a film, the CFC regional corporations returned their after-expense profits to the central CFC office in Beijing, which took a 71 per cent share; only 29 per cent went to the studio that made the film. If a studio managed to achieve an overall profit on its operations, it was taxed at a massive 55 per cent.

<2> The Old System in a New Situation

In the 1990s, particularly after the speeches delivered by Deng Xiaoping during his 1992 southern inspection tour were published, the post-Mao government pushed ahead with further reform to develop a socialist market economy. The radical reforms set many different industries, including the film industry, to reconsider their future orientations. Modern-day China is no longer like Mao's era when movie-going was a collective, political activity in which everyone had to take part. During the Mao era, film was the most popular mass medium and the most entertaining recreation in China. People often did not need to pay to see the movies, as school or work units could use special funds for this purpose. For ordinary people, movie-going was not a matter of personal choice, but of conforming to political and social expectations. Today people need to make a conscious decision if they go to a movie; moreover all movie-goers must now pay for themselves. Though they may be persuaded or influenced by advertising to go to the movies, they are not commanded to do so

by official directives, or pressured by community opinion. If they are unable to find any satisfactory choice of movie, they can at least spend their money on something else.

Major structural reforms came late to the Chinese film industry. In fact, prior to 1993, the industry was still producing, distributing and screening its films under the planned economy system. However, with the extension of economic reforms in 1993, the market economy rapidly had an impact on the film industry establishment. Like other industries, the products of the old planned economy have had to face an ever-sharpening competition in a new market, which is changing constantly and enjoying much greater flexibility than before.

Under the planned economy in which film studios, CFC and film theatres operated regardless of any clear-cut reference to profit and loss factors, the old mechanism played its role in overall management by taking out profits and making up for losses.[44] However, with the shift to a market economy, the commercial nature of film has become more evident, including competing financial interests and roles of the various film studios and other industry sectors. In addition, the number of films imported and exported has increased as a result of official policy to open China to the outside world. As a consequence, the old mechanism is no longer able to cope with or adapt to the current situation; this in turn has put the film industry under unprecedented pressures. An appeal to reform the film administrative and management systems therefore became the strongest voice within the film industry.

---

[44] Wu Zhonghua, 'Dianying tizhi gaige fangan chutai' (Reform Policy for the Chinese Film Industry Come out), Tianjin ribao (Tianjin Daily), 14 January 1993, p. 3.

In 1992, income from film prints nationwide was RMB 178 million *yuan*. After subtracting their costs, the film studios' profit was only RMB 4.23 million *yuan*. However, total box-office income in the same year was RMB 2.03 billion *yuan* with the income of film distribution being RMB 910 million *yuan* and the income of screening RMB 1.099 billion *yuan*.[45] It seemed, on the one hand, that film-making was a high-cost industry which produced low returns; while on the other, the box-office was a low-cost operation and yet yielded high returns. This unreasonable distribution of profit greatly retarded the development of the film industry.[46] The fact that income from film-making was so out of proportion with the income of the box-office also explains why the people engaged in film-making lacked creative initiative and gave little thought to what the audience really needed. Although the former neglect of commercial considerations, to a certain extent, freed some dedicated new wave film directors from financial pressure, it led to a number of drawbacks and created a vicious cycle in the industry. The low return from film-making brought about low investment. Low investment dampened film-makers' initiative. As the vicious cycle continued, more shoddy, low-grade films were produced, and failed to attract audiences.

The above-mentioned point about 'low cost and high return' in the area of box-office sales, needs further analysis. Income from screenings was affected by both the high cost of a single screening and the extremely low cost of tickets. It cost RMB 51 *yuan* in Shanghai for a single screening in 1983 and RMB 99 *yuan* in 1988. However, in the 1980s, the state's

---

[45] Men Suxian, '1992 Dianying faxing fangying gaisu' (1992 China Film Distribution and Exhibition), in China Film Year Book, (Beijing: China Film Press, 1993), p. 211.

[46] Pan Yan (n.14 above), p. 13.

Price Control Bureau did not consider price increases even though the costs of production and film distribution had increased.[47] Besides, the funds collected by the regional branches of the CFC were used to pay their costs, most of which involved salaries and benefits for their employees. As provincial and municipal governments controlled personnel appointments in the regional branches of the CFC, the branch corporations were commonly used by local governments as dumping grounds for unwanted bureaucrats. One particular county-level branch had eleven vice-managers.[48] One outcome was that, after expenses, very few projection units showed a profit, and theatres that were already uncomfortable and unattractive declined in profit even further. Moreover, *karaoke* restaurants, teahouses, discos, and even McDonalds fast food outlets, are more attractive alternatives than movie theatres.

Not surprisingly, under such a system of distribution, only two or three studios were able to return an annual profit during the 1980s. Consequently, the technical infrastructures of the studios steadily deteriorated.

<3> Calling for a New Policy

As early as June 1988, at a Chinese Film Development Strategy symposium, the leaders of the film distribution industry urged a reform of the old film management system.[49] They argued that an efficient media system could hardly be established upon the existing highly-centralized decision-making mechanism, which not only resulted in rigid management

---

[47] Paul G. Pickowicz (n. 3 above), p. 209.

[48] Ibid.

[49] Wu Zhonghua (n.44 above), p. 3.

but reduced business vitality and competitiveness. They also called on the decision-making authorities to give proper autonomy to film distribution work units at the provincial level for conducting their own business, particularly, the right to buy films produced by film studios and organize their distribution and exhibition.

At an Art Symposium held during the First Golden Rooster and Hundred Flowers Film Festival in 1992, all the speakers digressed from the main subject -- art.[50] Instead they focused on film industry reform. Screenwriters, directors and actors all argued that the existing regulated remuneration system was unreasonable. This was because regulated remuneration for film-making could not be compared with remuneration for co-productions with foreign partners, for tele-movies, or even for advertising work. Film studios wanted to sell more film prints and make more money, while the film distribution industry claimed that once the quantity of annual film prints sold surpassed 15,700, it would lose money as box-office income could not cover production cost.[51] The film studios complained that a small group of people in the film distribution industry monopolized decision-making. They did not believe that the low number of distributed film prints truly reflected market demand. In response, the film distributors made a counter-attack based on the small number and low quality of films made, claiming that although they had ordered many film prints, only a few people would come to see them. Cinema operators also complained that, as the quality of

[50] Ibid.

[51] Ibid.

film had dropped, so had audience numbers. In addition, they complained to studios about the lack of programs, and the many shortages and delays in supplying films.

One point of view was that the contemporary Chinese film industry was experiencing a "four-separation" phenomenon: separation between economy and culture; separation between quantity and quality; separation between film's entertaining function and educational function; and separation between a planned economy and market demands.[52] These four separations were said to have plunged the Chinese film industry into an economic slump, putting tremendous pressure on it.

2. The Consequences of Film Industry Reform

<1> New System

In 1993, the government issued its first official directive on implementing film industry reform.[53] From then on, the CFC was no longer the sole agency for releasing and distributing every feature film as it had been for 40 years. The new policy proclaimed that film studios could establish direct contacts with 32 provincial and municipal branch corporations of the CFC. The film studios could conduct their profit accounting with the

---

[52] Wu Zhonghua (n. 44 above), p. 3.

[53] The official Document No. 3 -- 'Guanyu dangqian shenhua dianying hangye jizhi gaige de ruogan yijian' (Some Suggestions for Deepening the Contemporary Film Industry System Reform) announced by The Chinese Broadcasting, Film and Television Ministry on 5 January 1993. See also Wu Zhonghua (n. 44 above), p. 3, and Ding Renren, 'Zhongguo dianying mozhe shitou guohe' (Chinese Film Industry Crossing the Stream by Feeling for the Stones), in Beijing ribao (Beijing Daily), 26 January 1994, p. 5. Also Pan Yan (n.14 above), p. 14.

distribution corporation in several ways under the new policy: by selling distribution rights to various regions, or by sharing the profits from the box-office income etc. All 16 feature film studios were given the right to distribute their own films by themselves, both at home and overseas. As far as the seasons, regions, or pricing of distribution were concerned, these studios could make their own decisions. If a film distribution corporation at the provincial level did not order any film prints, then the studio could directly sell its films to film corporations at the municipal level without bothering to go through the provincial level. The new policy saw the output of locally-made feature films increase by about fifty from previous years.

However, the new policy retained the CFC's exclusive right to import foreign films. This meant that the CFC was still in charge of issuing imported films to provincial and municipal film distribution corporations.

<2> The New System with its New Problems

Undoubtedly, the reform was warmly welcomed by the Chinese film industry. However, no sooner had film studios and film distribution corporations at various levels started to take advantage of the new system than they found problems no less severe than before the reform took place. In the past, all film studios with the right to produce feature films had a annual quota of up to twenty films. The CFC would pay in advance RMB 1 million *yuan* for each film to be produced according to the quota. As a result, a bigger film studio could receive RMB 20 million *yuan* in advance as circulating capital. However, after

the reform this amount of circulating capital was immediately slashed. For a film studio suffering protracted debt, the advance payment could maintain its basic operations, but without this, the studio would even have difficulties paying its staff salaries. These days a film studio has to issue its products to distribution corporations first, and then wait until their films are screened for money to return. It takes an average of one year for a film to recoup its original investment.

It is ironic that, after establishing their rights to autonomous management and film distribution, every film studio has had to face problems of survival. This situation became a source of black humour within the Chinese film industry and people quipped: the more movies made, the more money lost; fewer movies made, fewer losses; and no movies made, then no loss at all.[54]

In the past the CFC had been regarded as a dominant 'mother-in-law' figure. In the course of reform, this 'mother-in-law' (CFC) had been defeated. However, film studios were surprised to find that thirty-two 'small mothers-in-law' emerged in place of the CFC. Thirty-two film distribution corporations at the provincial and municipal levels took a very indifferent attitude towards film studios that were eager for funds for film production. Having the upper hand with film studios, they bided their time and bargained for advantageous prices.

---

[54] Ren Yin, Dai Jinhua, Zhang Yiwu, 'Zhongguo dianying de kundun' (The Difficulties of Chinese Film), Guangming ribao (Guangming Daily), 26 January 1994, p. 5.

The 'Jiangsu Incident', which was widely reported, was just one of several telling examples.[55] From January 23 to January 28, 1993, after the introduction of the new system, the first film trading fair was held in Beijing. In order to get into the market, the Beijing Film Studio (BFS) released 'Lion Kings Fighting for Power' (*Shiwang zhengba*), a feature film made jointly by the BFS and an overseas partner. Prior to the fair, the BFS and Shanghai Film Distribution Corporation (SFDC) signed an agreement which was finally settled after more than twenty days of difficult negotiations. According to the agreement, the two parties would share the profits in line with a film distribution ratio. It was estimated that BFS could get revenue from this agreement of nearly RMB 1 million *yuan*, which would have been impossible only a few years before. In the past, revenue was calculated through the number of film prints sold, each print cost RMB 10,000 *yuan* or so. Normally, no more than two hundred film prints would be sold nationwide. It would be rare if a film could earn over RMB 2 million *yuan*. Now, to everyone's surprise, a film could earn more than RMB 1 million *yuan* in the Shanghai region alone.

However, 'Lion Kings Fighting for Power' was jointly boycotted at the fair by various provincial film distribution corporations led by Jiangsu province. Jiangsu province was the largest provincial market, as it was the most financially successful film distributing area for eight years in succession. The BFS tried to sell distribution rights for RMB 1.4 million *yuan* to Jiangsu province, but Jiangsu asked for sixteen prints of the film at a total price of only RMB 176,000 *yuan*, thus leaving a huge gap that was too big for both parties to settle

[55] Ding Renren (n. 53 above). *'Mozhe shitou guohe'* is Deng Xiaoping's remark used to describe economic reform in China. See also Pan Yan (n. 14 above) pp. 14-15.

through negotiations. In accordance with official Document No.3, a film studio could directly distribute its films to film distribution corporation levels below provincial level if a film distributing corporation at that level did not buy any prints. At this film trading fair, the sixteen studios, supported by the Chinese Film Studio Association, counter-attacked Jiangsu province. They directly signed contracts with the four cities of Jiangsu province -- Nanjing, Suzhou, Wuxi and Nantong, and resolved not to provide any films to the Jiangsu Film Distributing Corporation for a period of two years. Instead they would deal directly with the four cities mentioned above. This incident caused a great disturbance throughout China. In the end the Film Bureau had to rush to mediate, as a result of which the Suzhou Film Services Centre was established on June 12, 1993. In the wake of the mediation, two film trading fairs were held by the four cities and by the East China Region respectively, in which contracts worth more than RMB 6 million *yuan* were signed. Film studios however then became concerned whether the long-awaited film industry reform had in fact transformed the former highly centralized 'central leadership' into a system of 'local autonomy' that would allow provinces and cities to have too much control over their own areas.

<3> Further Reforms, and More Problems

In 1994, Document No.348 of the Broadcasting, Film and Television Ministry was issued.[56] It enabled a film studio, if it so desired, to directly distribute its film prints to

[56] Pan Yan (n. 14 above), p. 15.

individual cinemas without passing through any of the various levels of the film distribution corporation. As a result, all institutional obstacles blocking film studios from the market were removed. Suddenly film studios found that there was nothing standing in front of them. Facing such a free market, would they be happy or worried? The truth of the matter is that only a few film studios were able to adapt to the new situation created by this reform. The majority of film studios once again found themselves off-balance. 'With all the markets opened so fast to us, doesn't it mean that we have to carry our print boxes, each weighing tens of kilograms, and beg people over the country to buy our films?'[57]

One point of view held that the state failed to launch a comprehensive reform and this caused the resulting dilemma in the film industry. Policy reform of the film industry was mainly aimed at solving organisational issues such as the manifold bureaucratic hurdles in film distribution and unreasonable profit distribution between film-making and film distribution. However, film studios did not always benefit greatly from the reform; on the contrary, some of them were disadvantaged by the resulting changes. Another view held that, in order to push forward, the three main spheres of the Chinese film industry -- film studio, distribution, and screening -- must take the initiative to reform themselves, instead of staying put and waiting for changes in policy to take effect. The film studios have long been used to the mechanism of the planned economy and have tended to stand aloof from the market-place. As a result, films still tend to be made in the light of bureaucratic or political considerations, or according to the personal preferences of influential authorities or individuals. Even in the

---

[57] Ibid.

first wave of industry reforms film studios only initiated a few small changes at a snail's pace. Subsequently they have achieved little.[58]

It is widely recognised that economic reforms have brought about huge changes in China. New problems have also cropped up in all walks of life, the unintended consequences of economic reform. A disturbing feature is the fact that the film industry includes aspects of both commerce and art; its well-being is not simply a matter of economics. Furthermore, the Chinese film industry is both a cultural entity and a colossal bureaucracy, which makes it even harder to reform.

In short, in the first year (1993) of the new film industry policy, the number of cinema admissions decreased, box-office income fell, distribution income and the number of screenings all slumped to record lows. Nevertheless, the number of films made in collaboration with foreign partners skyrocketed, fifty-three in total, far exceeding the number set by the state. The reason for this increase is simple. Though without funds, the staff of the studios could not afford to stand idle. 'Film co-production' basically means that the Chinese industry contributes labour and set locations, while its partners (the majority of the investors are from Hong Kong, Taiwan or Japan) invest the capital. This process will be discussed further in Chapter III.

---

[58] The conflict between film studios and the film distribution corporations has been broadly discussed, see Pan Yan (n. 14 above) and Ding Renren (n. 53 above).

Some studios have taken advantage of the new policies. For example, the SFS, through the establishment of its East Cinema Line in March 1995, took the lead in China to realize a dream of combining film-making, distribution and screening. The BFS, because of a shortage of circulating capital, took the opportunity to raise funds from society as a whole. Although its production in 1993 yielded thirty-nine films, out of a total of RMB 80 million *yuan* spent on film-making in China that year, the BFS only invested RMB 150,000 *yuan* from its own capital resources .[59] However, successful innovations like those of the SFS and the BFS have been made by very few film studios. Though their achievements may augur well for the film industry's future prosperity, the massive Chinese audiences have still not been attracted back to the cinema; and the number of distributed film prints is pitifully small. The film industry still has to face and overcome harsh realities.

Redistribution of income among film making, distribution, and screening is one of the main objectives of film industry reform. The reform naturally has pushed the self-interest of various realms of the industry into unprecedented prominence. Every work-unit tends to put its own interests above anything else, completely disregarding others' problems. For example, the crucial part of No.3 Document is to strip the CFC of its exclusive right to distribute locally-made feature films. As a result of this deprivation, the CFC immediately lost two-thirds of its business, and about one-third of its staff became redundant. Thanks to the disengagement of their subordinate/superior relationship with the CFC, film distribution corporations at the provincial and municipal levels made a quick and timely U-turn at the time

[59] Pan Yan (n. 14 above), p. 15.

of the reform and shrewdly protected their own interests by delaying the repayment of the debts they owed to the CFC. By the end of 1993, the total distribution income of all the film distribution corporations at the provincial and municipal levels had reached RMB 90 million *yuan*, whereas, the CFC could not pay its staff, nor repay RMB 40 million *yuan* owed to the film studios.[60]

Having experienced two years of upheaval, the CFC in 1995 used its exclusive prerogative to distribute imported films, and, by sharing the resulting box-office income, imported ten successful films from overseas (including newly released Hollywood films, such as 'The Fugitive', 'True Lies' etc.). The imports proved very successful throughout China but, in consequence, dismayed the Chinese film industry. Many people in the industry criticized the CFC for importing such big-budget Hollywood films, claiming that this kind of importation would deal a heavy blow to or even kill off China's film industry. (For further discussion of this issue see Chapter III.)

The deep-rooted ideology of state socialim is so ingrained in the Chinese film industry that it has been unable to adapt to the new economic reform policies. Moreover, the film industry is not purely a commercial business; it faces the same problems as any other business, but also has industry-specific problems which others do not have. Those problems often involve political and cultural issues, thus making the solution of economic problems even harder.

---

[60] Ibid, pp. 14-15.

3. Film-making and State Controls

After the founding of the People's Republic of China in 1949, film was considered a reliable tool for political propaganda; therefore, film-makers were inclined to make films that reflected Party ideology or portrayed revolutionary and historical achievements. In other words, those films were made to educate people or to serve current political movements. Under the post-Mao state, with more relaxed cultural policies, a number of films began to focus on more personal and philosophical aspects of people's lives instead of portraying heroic deeds in the bitter years of war or miserable experiences during the Cultural Revolution. In this context a new wave cinema emerged in the 1980s. Since the major reforms of the film industry in the early 1990s, the state has openly encouraged the production of lightweight so-called entertainment films, in the expectation of achieving higher profit margins. The profitability of films at the box-office had not been a major issue in public policy since 1949. These shifts in policy by the state have brought some significant and welcome changes in both film-making and in the structure of the Chinese film industry. Here the question is to what extent Chinese film artists have achieved real independence or autonomy. Has the state socialist regime really given up control of the Chinese film industry?

It is frequently asserted that freedom is an essential requirement of art, that the true artist is an individual who is independent, at least in his own creative process. However, the Chinese film industry is still undoubtedly constrained by ideological factors. The most obvious of these is the system of official clearances. For example, without the permission of the Film Bureau, no film can be released in China.[61] Actually, a film must first be sent to the local propaganda department for examination on completion of shooting before being sent to the Film Bureau. Some categories of film have to be examined and approved by the Broadcasting, Film and Television Ministry, the Central Propaganda Ministry and other ministries or commissions of the Central Government. Indeed, this over-elaborate procedure of film censorship is also a sensitive topic in other branches of the media, but scholars and artists complain that the formal and informal censorship system creates special obstacles for film-making.[62]

An apparently similar situation developed in the late state socialist regimes in Eastern Europe. In the early 1980s, state socialism in Eastern Europe loosened some Stalinist economic controls in order to address serious economic problems; at the same time, traditional, heavy-handed methods of cultural and ideological control were also modified.[63] In The Velvet Prison, Miklos Haraszti analysed the new strategy whereby the former punitive forms of censorship were superseded by coopting the artistic community into what he

---

[61] The Film Bureau under the Broadcasting, Film and Television Ministry has the authority to examine films and approve their release.

[62] Lan Ning (n. 20 above), p. 38.

[63] Miklos Haraszti (n. 4 above), pp. 82-95.

describes as a "symbiotic relationship" with the modern socialist state.[64] The state still exercised a form of censorship, but achieved this not so much through overt controls, but through creating an environment in which artists and intelligentsia willingly co-operated to observe certain limits to creative freedom; within those limits, artists were permitted to be modestly innovative and experiment with new art forms, as long as the purpose of such innovation was to cast new light on the received truths of state socialism.[65] The state still retained a monopoly on art, and a bureaucratic apparatus was still used to regulate official support and rewards for artistic activity and to administer a unified system of art education. However, instead of being in conflict with state censorship, artists now became part of the arts bureaucracy, or were flattered and bribed into compliance, active or passive, with official standards and expectations. Inducements included assured incomes, better housing, foreign travel, access to restricted publications and foreign films.

According to Haraszti, artistic production boomed in Eastern Europe under the new system.[66] The vast majority of artists and writers collaborated with the socialist state in the post-Stalin era and became part of the political elite; they rationalised it to themselves by calling it social progress and portrayed the relationship between the intelligentsia and the state as similar to the muscles and bones in an indivisible, organic unity. Some even convinced themselves that they enjoyed personal independence because they could, within limits, criticise or joke about some state policies or procedures. In fact, they were unlikely to

---

[64] Ibid, p. 6.
[65] Ibid, p. 109.

[66] Ibid, p. 9.

do anything that would jeopardise their new status and comfort. No recognition existed for artists outside of the official context. The notion of an autonomous artist therefore made little sense and dissident artists were perceived as irrelevant or even incomprehensible.[67] In this way, the hegemony of state socialism over the arts was arguably more total than it was in the Stalin era.

Haraszti believed that intellectual independence was also impossible for artists in China[68] and certainly the cultural strategies of state socialism in Eastern Europe bear some resemblance to official policies on culture and freedom of expression in post-Mao China. Both China and Eastern European countries were strongly influenced by socialist policies of the former Soviet Union until commnunism finally collapsed in Europe. In fact, Geremie Barmé has commented[69] that the Chinese intelligentsia has been even more compliant towards totalitarianism than the intellectuals of the former Eastern Europe.

However, despite these similarities, China has its own history, culture and reality. Handed down through generations over a period of several thousand years, Chinese cultural values such as 'Literature is used to teach morality' (*Wen yi zai dao*), 'The rise and fall of a nation is the concern of every citizen' (*Guojia xingwang pifu you ze*), have exerted great influence upon Chinese intellectuals. Traditionally, instead of only being literati immersed in 'music, poetry, writing and painting' (*qin shi shu hua*), Chinese intellectuals usually ended up

---

[67] Ibid, p. 157.
[68] Ibid, p. 120.

[69] Geremie Barme,'The Chinese Velvet Prison: Culture in the "New Age,"1976-89', in Issues & Studies, August 1989, pp. 60-61.

in official careers in order to serve their country and fulfil their personal ideals and ambitions. Furthermore, they always referred to their official duties as something associated with sentiment and blood. Chinese intellectuals always regard China as their homeland where they were born and bred, and for whose honour they are bound to fight. These values are deeply ingrained in those Chinese intellectuals with excessive self-esteem and self-respect. To take the Chinese film world for example, even though many famous film directors would have been able to go overseas following the 'June 4th' incident of 1989, and although the government did not provide them with many prerogatives or favourable treatment, most made a considered decision to stay in China of their own accord and remain there still. Even in the late 1990s, the income of a Chinese intellectual is far less than that of a young businessman in most urban areas and also in some rural areas. A full-time professor's monthly income is, for example in Guangzhou, around RMB 1300 *yuan*, including RMB 700 *yuan* as a basic salary with other allowances and bonuses. I doubt that this is a comfortable 'velvet prison' for the Chinese intellectual.

Nevertheless, while China's post-Mao state socialist regime retreated on many cultural and ideological fronts, the result was nothing like an independent and autonomous film industry. The state never reformed the vast bureaucratic structure of socialist China's film industry. Moreover, it did not encourage artistic autonomy or the emergence of a civil society.[70] It has retained direct and indirect influence and authority over a wide range of aspects related to the cinema. For example, the Chinese Filmworkers' Association continues

[70] Gordon White, 'Prospects for Civil Society in China: A Case Study of Xiaoshan City', in The Australian Journal of Chinese Affairs, No.29, January 1993.

to function as the Party-controlled union for all film workers. The principal publisher of books related to cinema continues to be the state-owned China Film Press, and many film magazines and journals continue to be owned and published by the state.

Furthermore, though individual film studios can decide what they want to make, the final product still has to be submitted to the Film Bureau for censorship review. To extricate the Chinese film industry from its economic predicament, the post-Tiananmen state permits directors to raise money abroad, but it reserves the right to determine which films can bear the 'Made in China' label, and insists on getting its share of foreign earnings. Much has been made of government interference with innovative films such as Zhang Yimou's 'Judou' (*Judou, 1990*) and 'Raise the Red Lantern' (*Dahong denglong gaogao gua, 1991*) were banned in China until mid-1992 and, despite international acclaim, received no Chinese awards, and Chen Kaige's 'Farewell My Concubine' (*Bawang bieji, 1993*) was heavily edited before it was released in mid-1993. Those films could be interpreted as an exposure of the dark side of Chinese culture, and even that they reflect a strain of brutality in Chinese life that persists to this day. However, as P. G. Pickowicz has pointed out,[71] the delay in releasing these films was not primarily because of political concerns over their content or Zhang Yimou's politics, but had more to do with the issues of bureaucratic control of the film industry and its revenue. For example, the Chinese government claimed that Hollywood had no right to nominate 'Judou' for an Oscar without its approval, thus asserting its intention to remain as far as possible in control of Chinese film making and not allow important aspects of film distribution and foreign marketing to pass out of its hands. Again, when 'Raise the Red

---

[71] Paul G Pickowicz, (n. 3 above), pp. 211-213.

Lantern' was nominated for an Oscar as a 'Hong Kong film', the Chinese Government insisted that the decision as to whether it should bear a 'China' or 'Hong Kong' label belonged to it alone. The issues have thus been, primarily, organisational control of the film industry, including its economic aspects, rather than political control for which the Chinese Government has been able to rely on established mechanisms, including self-regulation by directors and scriptwriters.

Obviously, reforms did create a space between the state and the Chinese film industry, but how much autonomy does the industry have? The well-known official slogan that Teng Jinxian, director of the Film Bureau stressed is "Raise high the main melody and uphold a great variety"; this remains the creative principle of Chinese cinema.[72] What does the main melody (*Zhu xuanlu*) mean here? The definition of the term is very vague. However, to risk over-simplification, the meaning of the term is self-evident: namely, the main melody is something that the authorities like to hear. In the past, particularly in the Maoist era, the tone of the main melody was set to expose the evil of the KMT (Nationalist Party) and show the misery of ordinary people's lives under the KMT while singing the praises of the Communist Party. Today, the main melody is played to praise reforms and modernization and to bring the socialist spirit to the fore.

This creation guideline is set in such a way that film studios and artists cannot effectively air their complaints. Even though one may speak up, nothing can be done to

[72] Raise high the main melody and uphold a great variety -- 'Gaoyang zhuxuan lu, jianchi duoyang hua'.

change things in the end. Although the state has not specified its requirements in black and white by means of an official document, every film studio understands perfectly well that they are required to make a certain number of films bearing the main melody each year, otherwise they simply cannot account for the failure of their task to their superiors. On the other hand, it is easier to apply for funds so long as a film is to be made about the main melody. A film director once raised the question of why huge investments were only made in those '*zhu xuanlu*' (main-melody) films while few funds were given to other films.[73] A main-melody film is escorted all the way to the market from distribution to screening by official documents, whereas a new wave film tends to be left in the cold in terms of promotion and distribution.

The contemporary Chinese film industry has seemingly been suffering deeply from financial difficulties. However, the issues are not related purely to the economy. For example, Yao Shougang, a director of Xi'an Film Studio, spent six years travelling around more than ten provinces to collect source materials for 'The Chinese POW',[74] and revised the screenplay some ten times. Nevertheless, the film needed an estimated investment totalling some RMB 2.5 million *yuan*. Not regarded as a main melody film, 'The Chinese POW' could not be filmed as the studio could not invest any money for the project. Meanwhile, in 1991-1992, in order to celebrate the 70th anniversary of the founding of the Chinese Communist Party, the authorities made a special project of the so-called 'gift-presenting or celebratory films' (*xian lipian*);[75] thus every film studio had to make a certain number of 'gift-presenting

---

[73] Zhou Wei, 'Yishu jiade kunhuo yu hewang' (Why Chinese Artists Feel Puzzled and What They Thirst for), Wenhui dianying shibao (Wenhui Cinema Times), 20 June 1992, p. 1.

[74] Ibid, p. 2.

[75] Ibid, pp. 1-2.

films' to celebrate the Party's birthday, into which investments totalling more than RMB 10 million *yuan* were injected. Following up the project was a host of main-melody films including 'The Founding Ceremony' (*Kaiguo dadian*), 'The Lofty Kunlun Mountains' (*Weiwei kunlun*), 'Separating Heaven From Earth' (*Kaitian pidi*), 'Bose Uprising' (*Bose qiyi*), 'The Decisive Campaign' (*Da juezhan*), 'Zhou Enlai', 'Jiao Yulu', 'Mao Zedong and His Son' (*Mao Zedong he tade erzi*), and 'The Beiping-Tianjin Campaign' (*Pingjin zhanyi*). The total investment was over RMB 20.6 million *yuan* for 'The Beiping-Tianjin Campaign' alone.

An official source reported that being a group of high-quality films, the 'gift-presenting films' attained outstanding achievements and pushed the work of distribution and screening to a higher level. In order to cooperate with the project of 'gift-presenting films', the China Film Corporation drew out a 'three-first' policy designed to give these films the first priority for film-making, developing and distribution. The official propaganda departments made full use of advertising on TV and video and went all-out for pre-release promotion. The preview program of the CFC for new releases in 1991 ran as long as 1,660 minutes, greatly exceeding the length of time in 1990.[76] In addition, the CFC also made some special promotion films for 'The Decisive Campaign' and 'Zhou Enlai'. The promotion of these was unprecedented both in strength and impetus at both local and central government levels.

---

[76] Hu Jian, '1991 Dianying faxing fangying gongzuo huigu' (Chinese Film in 1993: Distribution and Exhibition), in China Film Year Book, 1992, pp. 239-240.

During the screening of the 'gift-presenting films', a great number of work units bought tickets collectively, contributing to an impressive box-office income. However, it was a different matter so far as the attendance rate was concerned, as discussed in the third chapter.

Judging from this aspect, film remains one of the most important forms of media in terms of the state socialist regime ideology. In spite of the fact that the film industry is experiencing reforms in which the commercialization of film has impinged upon the state socialist ideologies, the film world is still strictly controlled by the central government. Even with funds available, it is impossible for a film studio to make whatever it wishes. By contrast, even in financial difficulties, it can still openly and legitimately make films reflecting the main melody. It was reported, in filming the setting of Liaoxi Battle in 'The Decisive Campaign', 16,000 extras were mobilized, and five cameras were shooting at the same time.[77] In addition, there were 360 degree panoramic shots, which created a magnificent scene unprecedented in Chinese film history.[78]

Furthermore, the main function of the main-melody films is to propagate the state socialist ideologies to the masses on the one hand, and deliberately conceal this intention on the other. The covert purpose, however, appears from the plots or settings, which are expected to subtly diffuse ideologies to the audience. Compared with previous mainstream

---

[77] Yin Hong, Chen Hang, 'Jinru 90 niandai de Zhongguo dianying' (Chinese Film in the 1990s), Dangdai dianying (Contemporary Cinema), No. 1 (1993), p. 7.

[78] Ibid, p. 8.

films, the main-melody films do not directly project the government's policies. They try to avoid showing any overt political tendencies. Instead, they are inclined to inject moral and sentimental elements into stories or use these elements to wrap up the subject matter tinted with political ideology. To take 'Jiao Yulu', 'Zhou Enlai' and 'Mao Zedong and His Son' (*Mao Zedong he tade erzi*) for example, instead of focusing upon the achievements or performances of their political careers, the films portrayed these political figures as ordinary people in terms of morality and sentiment, thus hoping to arouse recognition and resonance from audiences. In short, with great support from low and high ranking Chinese authorities and with a more subtle use of political themes, the gift-presenting films were highly acclaimed nationwide. The critics claimed that 1991 was the 'year of revolutionary history films', which, they also stated, correctly grasped the political point of the main-melody films and combined them with the audience's sense of aesthetics.[79]

Nevertheless, the Party's birthday, in the last analysis, was not always celebrated in a grand fashion. A large number of films, produced due to main-melody policy, were not well received by audiences. In fact, as Chris Berry suggests, it is an open secret in China today that 'reform' films -- a sub-group of main-melody films -- are no more successful with audiences than Fifth Generation films, although there are no published statistics to verify this. The Fifth Generation's new wave films are attacked on the grounds that they are better known abroad than they are at home and that some of the new wave films are failures at the box-office. Actually, where Fifth Generation films probably take up no more than 10 to 15

[79] Peng Jiajin, '92 Xianshi ticai dianying pingsu' (Review on the Realistic Theme Cinema in 1992), in Wenyi bao (Literature and Art), 5 June 1993, p. 5. See also Yin Hong and Chen Hang, (n. 77 above), pp. 6-9.

per cent of annual production and are usually made with low budgets, reform films command full budgets and take up to 40 per cent of annual production funds.[80] They are a far heavier burden on the studios than 'Fifth Generation' new wave films, but studios dare not refuse to make them and no one has dared to attack them yet for failing to attract audiences. The commercial nature of film demands that a film is conceived, produced and marketed in much the same way as most other commodities. But the Chinese film, first of all, must implement the Party's policy.

4. The rural market - Film Distribution and Screening in the Era of Economic Reform

<1> Rural Cinema -- Mao- and post-Mao

In China, the cinema theatre plays a comparatively minor role in the screening of films. For the 80 per cent of Chinese who live in the countryside, and for many others in towns, theatres often do not exist or are difficult to reach. A different method is required to cater to these audiences, and film units or projection teams were therefore developed. These typically consisted of one or two people with a projector. The China Film Corporation estimated in 1985 that there were 180,000 film projection units in China, of which 150,000 worked in the countryside and 30,000 in the towns.[81] They brought their films to

---

[80] Chris Berry (n.2 above), pp. 122-123.

[81] Yang Ke, '1985 Dianying faxing fangying gongzuo huigu' (Chinese Film for the year 1985: Distribution and Exhibition), in China's Film Year Book, (Beijing: China Film Press, 1986), p.11.3.

communities without cinemas and screened them in school halls, canteens, factories and under the stars.

Traditionally, films in China have been understood as a form of popular literature, and are expected to appeal not only to urban audiences, but to the exceedingly large population living outside the cities. As film has also been seen as one of the most important propaganda tools since Mao founded the People's Republic of China, it was considered important to facilitate film access for rural populations. The China Film Corporation owned most of the professional projection units and was responsible for most film screenings, especially in the countryside.[82] Other units could maintain their own theatres and equipment, and often screened films in competition with the official exhibition units. In the Mao era, films were shown throughout the country, even in the most remote regions, and tickets were often very inexpensive; in the more isolated sections of the countryside, films were sometimes shown free of charge.

Films could be found only in capital cities 50 years ago, and rural populations were unable to see any films. By 1951, the new regime had organized more than six hundred mobile film projection teams, which were designed to serve the peasants in rural areas. By the end of 1957, the number of rural film projection teams had increased to 5,057 and by 1978 the total number of rural teams had reached 70,000.[83] By 1985, the number of teams

---

[82] As a result of economic reform in the Chinese film industry, CFC is now no longer responsible for projection units or for the many cinema theatres it formerly controlled.

[83] The Research centre of China Film Distribution Institute, 'Lun zhongguo nongcun dianying shichang de kaifa' (Analysing the Exploitation of the Rural Film Market), in China's Film Year Book, (Beijing: China Film Press, 1988), p.12.8.

had reached their peak (150,000) with 95 per cent of rural areas seeing films. On average, everyone could see a film twenty times every year.[84] However, a survey also indicated that over 40,000 rural film projection teams ceased their activities during 1985.[85]

One point of view held by Richard Kraus is that 'to talk about Chinese art today is to talk about urban China, the locus for cultural production and consumption.'[86] Most Chinese artists are themselves typically city people, and they live in cities. 'This is where the jobs are, either in the network of state- and party-dominated cultural and educational organizations, or in opportunities to earn money through the new cultural marketplace, which spreads, weblike, over urban China'.[87] But it should not be overlooked that the bulk of China's population still live in rural areas.

It is extremely important for the film industry that it regain a significant share of the rural audience as the countryside remains the largest sector of the film market with the largest potential. Compelling statistics on declining audience numbers support the argument that the Chinese rural market is vital for the film industry and that film distribution and screening are failing their largest market. For example, according to China's Film Year Book 1986,

---

[84] Li Derun, 'Women de shenghuo haole, dianyingdui paole!' (Our Life is Better Now, Film Showing Team Has Disappeared), Renmin ribao (Peoples Daily), 7 May 1986, p.3.

[85] Ibid. See also Yang Ke (n.81 above), p. 11.3.

[86] Richard Kraus, 'Urban Culture and Identities', in Deborah S. Davis, Richard Kraus, Barry Naughton and Elizabeth J. Perry ed. Urban Spaces in Contemporary China (Cambridge: Syndicate of the University of Cambridge, 1995), p. 144.

[87] Ibid.

admissions in rural areas comprised 75 per cent of total admissions in China. When total admissions dropped by 2 billion from January to November in 1988 compared with the same period in 1987, 1.6 billion were from the countryside.[88] Moreover, compared with the previous year, total numbers of screenings in 1988 decreased by 2 million, all from rural areas.[89] From that period on, there has been a persistent media outcry that the film industry is in crisis, based mainly on four indices: number of admissions, number of screenings, distribution income and box office income, particularly the first two indices. While distribution income and box office income sometimes fluctuated in the past ten years because of pricing adjustments, the number of admissions and number of screenings have never increased, only decreased. As a result, reform of the film industry has particularly targeted reform of the support mechanisms of the industry. However, film distribution and screenings in rural areas remain out of step with the new situation.

<2> 'Now that peasants have money in hand, films have disappeared from sight'[90]

The economic reforms launched at the end of the 1970s initially led to significant progress in the countryside. In the past 18 years or so, tremendous economic changes have taken place in the countryside. The average net income of a family in the countryside

---

[88] Hu Jian, 'Zai zhengli zhengdun he shenhua gaigezhong zhengqu faxing fangying gongzuo dexin shengli' (To Strive for New Victory of Film Distribution and Exhibition in the Deepened Reform), in China's Film Year Book, (Beijing: China Film Press, 1989), p. 293.

[89] Ibid.

[90] Wan Wen, 'Nongmin shouli youleqian, cuntou dianying que bujian' (Now that Peasants Have Money in Hand, Films Have Disappeared from Sight), in Zhongguo wenhua bao (Chinese Culture Times), p. 2.

increased to RMB 784 *yuan* in 1992 from RMB 133 *yuan* in 1978. The average annual growth rate during that period was about 22 per cent.[91] According to standards set for the dressing-warmly-and-eating-properly criterion (*Wenbao zhi*) and the relatively-well-off criterion (*Xiaokang zhi*) in the 1992 Almanac of the Survey of Chinese Rural Dwellers, the living standards of Chinese peasants have been improving. The peasants' consumption pattern has also been transformed from self-reliance to consumption. Further information on the peasant family's expenditure indicates that the amount a peasant family spent on entertainment was less only than the amounts spent on food and housing, ranking in third position on an 8-item list and thus paralleling the expenditure pattern of urban counterparts in a similar survey.[92] However, many rural populations no longer have access to the cinema; as the title of a survey report on film in the countryside reads, 'Now That Peasants Have Money in Hand, Films Have Disappeared from Sight'.

To take the rural areas in Anhui province for example, there were 5,077 film projection teams in 1986 to render service to the peasants. In 1994, only 1,616 film projection teams were still registered and, of these, only 116 were still operating. There were 831 registered rural cinemas, but only seventy were still operational. Compared with 1986, activities had been reduced by 96 per cent.[93] In Dangtu county, one of the more prosperous regions in the province that enjoyed better economic development, only one out of the

---

[91] Liu Peiqiong, 'Renmin shouru yu xiaofei de fenxi' (Analysing People's Income and Expenditure), in Liu Peiqiong ed. Zhongguo jingji daqu shi (China's Economy Trends), (Hong Kong, 1995), pp. 302-305.

[92] Ibid, p. 305.

[93] Wan Wen, (n. 90 above).

thirteen registered film projection teams was still carrying on its screening activities in 1994. Among the twenty eight registered cinemas, only three were continuously working. The survey shows that peasants in this province saw an average of five films a year in 1991, declining to less than one in 1993.[94] This problem extended beyond Anhui province. In Heilongjiang province more than 4,000 film projection teams ceased operation in 1993.[95] In the Ankang region of Shanxi province, more than half of the rural population could not see films even once a year, because there were no longer any film projection teams in operation.

<3> Procedural Problems

A. Fees

The decline of the rural film market derives from problems inherited from the old command economy, coupled with new problems that have arisen from the present reforms. The new problems have inevitably aggravated the old ones. Under the command economy, film showing in rural areas was usually conducted in the form of 'wholesale booking' (*baochang*)[96], namely, a wholesale booking fee was paid collectively from the public welfare fund by a village government, into which individual peasants would contribute 30 to 50 cents annually as a 'film watching fee'. With the introduction of economic reforms, the rural collective economic system changed to a production responsibility system. As a result of this social transformation, public welfare funds were drastically reduced. To make the situation

---

[94] Ibid.

[95] Liu Wei, 'Nongcun dianying shichang yousi lu' (Reflections on Rural Film Market), Jingji ribao (Economy Daily), 12 June 1993, p. 8.

[96] Film showing in rural areas has a fixed price. *Baochang* means to pay this showing fee in full.

worse, due to a central government document -- "An Announcement on Resisting Unreasonable Charges to and Collection of Moneys from Peasants",[97] many local governments put the collection of film-watching fees on the list of 'unreasonable collections', thus increasing the difficulty of financing film showings. Directly related to this situation is the issue of the survival of film projection teams. Ever since the mid 1980s, most rural film projection teams have been in debt. Operatives employed in film projection teams cannot even receive wages to cover their basic daily needs. Cinemas in country areas are also in financial difficulties. For example, five out of six cinemas in Liuan county, Anhui province, could not pay their staff basic wages. The film-showing staff, who only have film showing as their 'sideline career' (*fuye*), all go out moonlighting for other employment. A distressing feature is that some town cinemas, built only a few years ago through painstaking efforts in fund-raising, have now been pulled down or sold. Some of them have been transformed into offices or warehouses for town enterprises, and some have been converted to residential use.[98]

B. Maladministration

The decline in rural film showing can be traced in part to the political dimensions of the film industry and in part to bad management of support structures in rural areas. On the one hand, the Chinese film industry is under the general control of central government, whose supervision ranges over political, economic and ideological aspects. On the other hand, the

---

[97] In 1985, the State Council issued the document -- 'Guanyu zhizhi xiang nongmin luanpaikuan luanshoufei de tongzhi' (An Announcement on Resisting Unreasonable Charges to and Collection of Moneys from Peasants).

[98] Wan Wen (n. 90 above), p. 2.

government's management of the film industry appears to be contradictory. For example, the Film Bureau is under the direction of the Ministry of Broadcasting, TV and Film, while film studios are under the auspices of the propaganda department of the local government.[99] It has therefore proved difficult to evolve a co-ordinated approach to the decline in rural film-going. In particular, it is common that agreement cannot be reached between film studios and distribution services. For example, a film studio complains to the film corporation about failure to screen its films, the film corporation puts the blame on the rural film projection teams. With the introduction of marketing principles, rural film support services have faced an ever deepening financial crisis. Moreover, since the majority of the tens of thousands of staff in rural film projection teams have the status of rural residents (*nongcun hukou*),[100] they lack security, and have too many worries. No pension is provided for those with rural resident status, and they are always the first to appear on redundancy lists. Consequently, these factors have greatly undermined these people's initiative. Of the former army of CFC rural film-showing teams, only a few are still left in state-run units; most of the surviving units now belong to the collective ownership of towns and villages, and some of them are contracted out or run by self-employed people. As a result, they all put their focus on 'profits' regardless of the nature of the ownership. Without profit there is no point for them in showing films. As income declines from film showing, the service to rural areas further declines and admissions then drop even lower.

---

[99] Lan Ning (n. 20 above), p.38.

[100] The Reaserch Centre of China Film Distribution Institute (n. 83 above), pp.12.8-12.11.

Other relevant factors have included competition from other forms of entertainment, such as the rise of video projecting units in the countryside and the lack of films dealing with the countryside or specially catering to peasants' tastes. These subjects will be discussed in the following section and further in chapter three.

<4> Characteristics of the Market

A. Dimension of Complexity

No doubt the large rural population constitutes a potentially huge market. However, the market is very complex in one dimension, though rather simple in another, depending on which angle one takes. Its complexity is first reflected in the above-mentioned bad management. Under the system of centralized state power, the countryside is the furthest from the 'emperor' in terms of a general relationship between local governments and the central government. When a policy is transmitted from the central government to the countryside, including the most remote grass-roots areas, through various levels in between, the efficacy of the policy is reduced. With some accumulative misunderstanding of the policy, or the inherited strategy of using 'a local counter-policy vs the central policy' [101], it is extremely difficult for a central government policy, such as the family planning policy or the above-mentioned policy of 'preventing unreasonable collection of fees', to be correctly and comprehensively implemented all the way down. So far as the management of the film industry is concerned, turmoil stemming from the different lines of authority governing the industry has existed for a long time. This unsatisfactory situation is exacerbated by mistakes made in the process of transmission and implementation of policies.

---

[101] A local counter-policy vs the central policy -- *Shangyou zhengce, xiayou duice.*

Secondly, its complex nature lies in the large gap in living standards between the peasants in rural areas and their urban counterparts, notwithstanding the recent general improvement in peasants' living standards. Some people suggest that, in order to adapt to the new economic conditions of the countryside, the previous welfare-style (low-fee) film-showing system should be changed so that peasants can, by purchasing tickets themselves at economic prices, again become part of the cinema audience and enjoy films once more. One problem is that, while people in some areas have roughly the same spending power as their urban counterparts, many are still struggling under the poverty line, especially those who live in remote and backward rural areas. How can a set of feasible policies be drawn up given this discrepancy?

B. Simplicity of Entertainment

The rural film market also bears a dimension of simplicity. First of all, rural cultural life and entertainment are very scarce compared with that of urban areas and television still does not dominate family entertainment in many rural areas. Film-going therefore remains a highly welcome activity. For example, half the population of Ningxia Autonomous Region live in a mountainous region, but would not mind carrying their daily necessities and food to walk along bumpy paths for over a dozen kilometres simply for an occasional film-show.[102] A survey conducted in Sichuan, Guizhou and Guangxi, indicates that peasants normally wish they could see a film five to eight times a month, at least sixty films a year, whereas urban

---

[102] Liu Wei, (n. 95 above), p. 8.

residents, using Shanghai, Beijing and Harbin as examples, only wish to see films three to four times a month.[103] Judging from this comparison, it is fair to say that peasants as a group are the most enthusiastic film audience. In Xihaigu district, a well-known backward mountainous region of Ningxia Autonomous Region, the peasants claim that the happiest event in a person's life is seeing a film twice a week.[104] The simplicity of the rural film market is also seen in the fact that peasants basically have the same taste in film all over China. They all indicate that going to the movies is a preferred way to pass time and enjoy themselves. 'There is nothing to do at night, and it is fun to watch a film'. Few of them are inclined to appreciate a film's artistry or one designed to enhance knowledge. Therefore, comedies, martial arts movies, operas or war films are the most popular. Some comedies have never lost their charm among peasant audiences, such as 'What is Eating You?' (*Manyi bumanyi*), 'Three Occasions for Laughter' (*San xiao*), and 'White-boned Demon' (*Sun Wukong sanda baigujing*).[105] In urban areas, made up of 200 million people, there are differing tastes towards film, and levels of appreciation are more complicated. Intellectuals have their own tastes, workers pursue their own interests, and officials demand films that satisfy their requirements.

Nevertheless, screening income from the rural areas in 1988 only made up 33 per cent of the total screening income, and income from film prints was only 28 per cent.[106] This has

---

[103] Zhang Boqing and Zhang Wei, Dianying guanzhongxue (Film Audience Theory), (Beijing: China Film Press, 1994), pp. 256-267.

[104] Ibid, p. 267.

[105] Ibid, pp. 255-256.

[106] The Reaserch Centre of China Film Distribution Institute (n. 83 above), p. 12.9.

led to questioning whether film production in China should cater to the tastes of the majority of the audience living in rural areas or should give top priority to the high-profit urban centres. The problem is that, though the rural film market is not the main source of profits in the film industry; it carries great weight in film industry policy because of its contribution to film industry statistics, and because of its potential importance in the future (compared with other countries, this is a rather special aspect). In other words, if the aggregate number of admissions in rural areas can be maintained at a solid rate, then there will be less foundation for the view that the Chinese film industry is in crisis. Like many other spheres of policy, including family planning, education, welfare etc, the countryside is looked on as a big burden. How to turn this burden into a major asset is an issue that the Chinese film industry must face.

5. Studying the Chinese Audience

After 1949, the central task of Chinese films was to transmit the Party's propaganda. Films laid emphasis mainly on political education and agitprop, making little effort to attract audiences, promote interest in films, understand tastes or cater to varieties of aesthetic appreciation. However, with economic and technological development, the cost of film-making has increased as shown in Chapter I, and the film industry is more and more dependent upon income from its audience. Film producers must now rely on high returns from the box office to recover their costs and service their capital investment. Understanding audiences' tastes and psychological demands is therefore necessary for all filmmakers.

However, market research has been a point of major weakness for the Chinese film industry. It was not until the beginning of the 1980s that the study of film audience was regarded as a branch of learning.[107] In September 1984, the First Chinese Film Annual Conference put the 'Study of Film Audience' on the agenda as a special topic for discussion, coinciding with the sharp slump in film audiences. It was only in September 1988 that the Beijing Film Institute, the only institution of higher learning for film, first offered a course of 'Film Audience Study'.[108]

<1> Differences between Urban and Rural Audiences

It is not uncommon for film audiences in any country to have varying interests in films because of differences in political, economic or cultural backgrounds. In China, however, such differences are very prominent. Influenced by traditional Chinese education and culture, the interest trends of Chinese audiences are complicated to a significant degree.

China's audiences differ from those of developed countries where the majority of movie-goers are found in cities. For example,[109] the urban population of the United States made up 64 per cent of the total population in the 1950s. By the 1980s the urban population had increased to 82.7 per cent; during the same period France's urban population increased from 55.4 per cent to 78.3 per cent, and Japan's from 35.4 per cent to 76.4 per cent. Unquestionably, the majority of cinemas in developed countries are in the cities. In 1983,

---

[107] Zhang Boqing and Zhang Wei (n. 103 above), pp.17-18.

[108] Ibid, p. 18.

[109] Ibid, pp. 253-254.

taking Japan as an example, there were 2,298 cinemas in the cities compared with 93 cinemas in the countryside. However, it was quite a different picture in China, where the rural population makes up 80 per cent of the total population and rural audiences make up 75 per cent of the total film audience nationwide. There were 30,000 cinemas and other film-showing units in cities and 150,000 film projection teams serving rural areas by 1985.

Secondly, there are variations in education levels. Primary education is still not universal in a great deal of the Chinese countryside and secondary education has even less coverage. The fourth national demographic survey indicated that 800 million people over fifteen, of whom the overwhelming majority were in rural areas, did not receive a middle school education. These differences between urban and rural audiences in terms of income and education have led to a large gap in film appreciation and taste. The urban audience demands better quality films; only films believed worthy of watching can attract an urban audience away from their television sets, videos, discos, or *karaoke* parlours and draw them to cinemas. Whereas, generally speaking, urban audience prefer films that reflect questions of ethics and morality, historical events, or films adapted from well-known novels, few rural people like such films.[110] For example, foreign films that are enthusiastically welcomed in cities normally attract small audiences in rural areas. In 1989, 1,787 prints of the ten most popular locally-made films were distributed in the countryside, while only 719 prints of the ten most popular foreign films were distributed in the countryside.[111]

---

[110] Ibid, pp. 263-266.

[111] Ibid, p. 271.

<2> Deceptive Appearance of Chinese Audiences' Aesthetic Taste

Study of aesthetic preferences of Chinese audiences may also yield some surprising results to film critics. Based on statistics such as box-office income, number of screenings and general education level of audiences, it is not difficult to see that Chinese audiences prefer films with intriguing plots, clear-cut characters and lucid description. Some artistic films with philosophical themes are not popular with rural or urban Chinese audiences, nor are films riddled with propaganda. However, artistic films have repeatedly won the 'One Hundred Flower Awards' (*Baihua jiang*), which is conducted annually by audience surveys nationwide. The result happens to be almost identical to the 'Golden Rooster Awards' (*Jinji jiang*), which surveys the opinions of film experts.[112] This outcome leads to a puzzling twofold conclusion that either the Chinese audience's taste is rather high or the Chinese critics' taste is similar to that of ordinary people.

One possible explanation is that in choosing films for the 'One Hundred Flower Award' the audience does not reflect its real preferences.[113] Because a questionnaire is attached to every voting paper, many respondents align themselves with film experts, in order to show they have good taste. Chinese people are also prone to adopt the philosophy of harmony; unanimous agreement means the acknowledgment and acceptance of each side.

---

[112] See China Film Year Book (Beijing: China Film Press, 1988,1989,1990,1991, 1992 and 1993).

[113] Li Baiming, 'Dianying baihuajiang jinjijiang zhengzai zouxiang moluo' (One Hundred Flower Awards and Golden Rooster Awards are on the Decline), Dianshi yu xiju (Television and Drama), Vol. 1 (1994), p. 10.

This is also one of the reasons why Chinese audiences like to find out what the experts are thinking before they cast their votes for the 'One Hundred Flower Awards'. On the other hand, it cannot be denied that traditional Chinese cultural values, such as 'culture as self-expression' or 'literature and art disseminate ethics'[114], exert a subtle influence not only on intellectuals but on ordinary people as well. The practice of 'education through recreation'[115] is widely accepted. This often means that a large proportion of Chinese audiences hope that they will be enlightened and educated while being entertained by a film. They are not satisfied with just pure entertainment. As Zheng Dongtian, a film director, points out "Chinese audiences have a craving for receiving education".[116] Since China's economic reforms commenced a process of unprecedented social transformation, Chinese audiences have been given opportunities to view various film 'temptations' from overseas, such as police-gangster and Hong Kong martial arts movies that they had previously never seen before. While being attracted to these new images, the traditional sense of aesthetics remains, consciously or unconsciously, rooted in the Chinese audience's mind.

In his famous essay 'Film's Gongs and Drums' (*Dianying de luogu*), the well-known film critic Zhong Dianfei stressed the relationship between films and audience. "The most important relationship is that between films and audience. Once this relationship is lost, we

---

[114] Culture as self-expression -- Shi yan zhi
The arts dissminate ethics -- Wen yi zai dao.

[115] Learning during recreation -- yu jiao yu le.

[116] Chinese audiences have a craving for receiving education -- Zhongguo guanzhong youzhong shoujiaoyu yu.

have lost everything."[117] Zhong Dianfei's theory had previously been repugnant to Party ideology under Mao; instead of succeeding in persuading people to give weight to the study of this relationship, he was kept out of the film world for more than twenty years. It is now abundantly clear that, in the face of China's huge population, its traditional cultural base, and the impact of foreign cultural influences in this new historical period, it is not only essential to study film audiences but imperative to apply this study to practice.

6. Challenges to the Cinema – Alternative Entertainment and Pirated Print

The challenges the film industry is facing are unprecedented. As one critic said, Chinese film is no longer the "Emperor's daughter who does not need to worry about her attractiveness to get the best groom" (huangdi nü buchou jia)[118] -- this means that, because of its preeminence in mass entertainment, Chinese film did not have to concern itself with its audience appeal. Filmgoing was the major entertainment in China and appealed strongly to Chinese audiences. That position has now radically changed.

In many developed countries, television has impinged on the film industry. Although there are many reasons for the reduced status of Chinese film as a mass cultural medium, the various alternative entertainment activities led by television are a deciding factor. However, the impact of television on the film industry is not simply a matter of the ever-increasing

---

[117] Zheng Jintao and Liu Xiaoqin, 'Dianying yu guanzhong' (Film and Its Audience), Yangzhou shiyuan xuebao (Yangzhou Teachers College Journal), Vol. 4 (1992), p. 60. See also Zhang Boqing and Zhang Wei (n. 103 above), pp. 17-18.

[118] Ibid.

popularity of television. We also need to take into account the different regulatory policies of the government for film and television. This has been very noticeable in the emergence of a black market in the area of film. These days, black markets have become so sophisticated that pirated copies of prints are available for sale even before films are released. These factors have resulted in a situation where the legitimate Chinese film industry is losing ground on all fronts.

<1> Impact of Television

An increasingly popular alternative to the cinema are movies on television. With economic opportunities and living standards increasing, a multitude of entertainment activities emerged in the 1980s, among which television has become a dominant factor. Apart from the fact that more and more ordinary people have a television set at home, video programs, cable TV and satellite TV programs are in evidence everywhere. Furthermore, TV stations and economic TV stations at county or district levels have mushroomed, making more channels available for more programs. In many urban areas, people are able to receive programs on more than ten channels, as mentioned in Chapter I.

In the past there had been little concern about the duplication of films on television and in the cinema. The cinema was seen as the dominant medium, with television as a junior partner. TV sets were scarce and were still mostly black-and-white in the late 1970s. But the spread of television and the trend towards colour sets have threatened the cinema's economic and cultural position since the 1980s. The challenge of TV is not just in its

immediacy, convenience and availability. By screening films, TV is competing with the basic functions of the cinema. Moreover, it has been doing so at the expense of the film industry. TV stations often did not pay the China Film Corporation (CFC) or the studios for the films that they transmitted. The station simply requested a print from the CFC and then either used a telecine or transferred it to a U-matic cassette. After prolonged discussions, the CFC ruled that, except for public holidays when one new film could be shown on television, TV stations should wait six months after cinema release before showing a film on television.[119] But this agreement is unlikely to last. The TV stations can quote strong public need, and the principle of TV as a democratic public service, to back their argument for showing films as soon as they become available. Furthermore, they have support from their viewers. China Central Television (CCTV) received 6000 letters in three months in support of their position.[120]

Furthermore, the film industry has suffered from an unfair policy, where it has been restricted in competing against television.[121] First, the policy is unfair in terms of the examination and approval system. The Film Bureau, under the Broadcasting, Film and Television Ministry, has the authority to examine films and approve their release. Without the permission of the Film Bureau, no film can be released. In fact, prior to submission to the Film Bureau, a film has to be sent first to the local propaganda department for scrutiny on completion of shooting. Some films even have to be examined and approved by the Broadcasting, Film and Television Ministry, the Central Propaganda Ministry and other

---

[119] John Howkins, (n. 7 above), p. 77.

[120] Ibid.

[121] Zhang Bangding, 'Dianying xianzhuang luandan' (The Situation of Film Industry), Dianying zuopin (Works of Film), Vol. 5 (1993), pp. 10-11. See also Lan Ning (n. 20 above), p. 38.

ministries or commissions of the central government. However, governments at all levels, ranging from the central government to even county administrations, have the authority to examine and approve the release of television and video programs. In reality, many of these programs are shown without approval from any government.

Secondly, only 150 feature films are allowed to be made annually. Including imported films from Hong Kong and Taiwan, some 200 films are released each year, whereas there are over 4,000 locally produced teleplays. With the legal or illegal influx of overseas TV programs from various sources, there are more than 10,000 programs available on TV every year.[122]

Finally, the film industry has had to hand over more than RMB 100 million *yuan* in annual taxes and profits derived from film making, distribution and screening to the government. For example, in Sichuan province apart from 5 per cent business tax for film screening, cinemas at district and municipal levels also have to pay 35 per cent income tax, whereas video parlours only have to pay some business tax.[123] The television industry is controlled by broadcasting and television stations, which are the enterprises feeding on 'imperial largesse' (*Huangliang*) from the government. These broadcasting and television stations not only enjoy abundant funds and tax exemption from governments at various levels, but also substantial incomes from advertising.

---

[122] Zhang Bangding, (n. 121 above), p. 10.

[123] Lan Ning (n. 20 above), p. 38.

In the autumn of 1994, 'The Shining Days' (*Yangguang canlan de rizi*), a debut film directed by Jiang Wen, won the 51st Venice International Award. While this film was still in the international limelight, Jiang Wen was obliged to re-shoot outdoor scenes, requiring further capital outlay, as the film failed its domestic examination. However, Jiang Wen maintained that as it was his first time as director, he had to overcome this difficulty to ensure that the film would be shown publicly in China.[124] The film examination and approval system is a very complicated procedure which is time-consuming and expensive. This not only gives the black market more time to pirate copies but, more importantly, limits the creative thinking of film makers to a considerable degree. Some film directors and producers are very frank in expressing their views that, although some ideas are worth filming, they dare not touch them due to the many difficulties that would ensue.[125]

<2> Impact of the Black Market

People in the Chinese film industry, particularly artists, have so far failed to understand the commercial characteristics of film either in their sentiments or in their deeds. In other words, they have been experiencing a great deal of pain in recognizing that film is a marketable commodity.[126] However, businessmen have already seized the opportunity for

---

[124] Wen Anzhong, 'Ganwen zhongguo dianying luzai hefang' (Dare to Ask Where is the Right Way for the Chinese Film Industry), Dianying pingjie (Cinema Review), Vol. 3 (1995), p. 4.

[125] Ibid.

[126] This will be disscussed later in Chapter III.

profiteering. The black market film business thrives in mainland China where it is operating in a semi-overt way.

Profits come mainly from pirating film prints or copying laser CDs. These pirated copies and smuggled film prints are sold at an extremely low price on the black market -- several *yuan* for one kilo. According to a report, since the autumn of 1992, instead of finding expensive video cameras, colour TV sets or cameras in smugglers' boats, the Chinese seaborne vice squad have been intercepting hundreds of film prints. Ever since 1993, smuggled films have been entering Chinese markets at a rate of 200 to 300 films per month. [127]

A. Pirated Films

China's national film industry is affected by black market activities on three fronts. First, with the abundance of black market films, video parlours have increased and their businesses are booming. Mushrooming in cities and towns, these video parlours have taken advantage of people's partiality to watching films and their failure to distinguish TV programs from cinema releases. In addition, these parlours often use similar advertising as cinemas to promote their video programs. They use big posters, even going so far as to advertise on local TV stations or radio stations. They use words like 'Laser Films', 'Computer Laser Films', 'Extremely Large Projected Screening' and so on; they also describe their programs in terms such as 'Gun-fighting Movies', 'Hong Kong *Kongfu* Movies' or even 'Hollywood Police

---

[127] Wen Anzhong (n. 124 above), p.4.

vs. Gangster Movies'.[128] Through these actions they blur the lines between pirated films and the legitimate cinema. To make matters worse, pirated copies are often bad quality reproductions, or contain trashy content; they tarnish the reputation of films and further alienate potential cinema patrons.

Secondly, these pirated prints and copies are openly sold to film distribution companies at various levels. The manager of a film distribution company in Shanghai reported that he received sales calls and letters in which sales-people all claimed flatly to sell their films at half the market price. They also emphasized that the manager could get a rather handsome commission if he purchased their goods.[129] As a result of such practices, a great number of cinemas in China switched to screening pirated prints instead of films released officially. In addition, some of the multi-function cinemas, namely those also equipped with videos parlours, cafes and *karaoke*, showed many more black market video tapes than officially released films. The dominance of video tapes is illustrated by the example of Neijiang Cinema, the first cinema in Sichuan Province to break the profit-making record and reach RMB 1 million *yuan*, whose ratio between cinema films and video and laser CD programs was 1 : 24, and the ratio of the number of screenings between cinema films and video and laser CD was 7 : 56.[130]

---

[128] Lan Ning (n. 20 above), pp. 37-38.

[129] Wen Anzhong (n. 124 above), p. 4.

[130] Lan Ning (n. 20 above), p. 38.

Thirdly, the fast sale of pirated films and their premature release also has a lot to do with bureaucratic red tape, namely; the long examination procedure and stringent film control policy that can hold up the release of any films. For example, though winning international awards and becoming world-wide hits, Zhang Yimou's 'Raise The Red Lantern' and 'Judou' were both prevented at first from being screened in China. However, long before the authorities lifted the ban on the films, their video tapes had been available on the streets of many cities. The black market gained the initial profit from the films' international success, and also took advantage of the psychology of the audience's rebellious joy in watching banned films, to made a lot of money. While 'Painting Spirit' (*Huahun)* was still struggling with multiple examination hurdles due to some nude scenes, it had already been seen nationwide on video tape.[131] While some concerned government departments retained, for '*neibu ziliao*' (internal reference only), copies of some films officially banned from public view, ordinary people had already seen them in video parlours. Even Jinshi Film company, a city-level company in Hunan Province, claimed that certain '*neibu ziliao*' films such as 'Royal Army' (*Hongtian huangjia jiang*) and 'A Step to Heaven' (*Zaijian jianghu*) had already been shown in Jinshi video parlours three years previously.[132]

B. Dealing with the Black Market

A more serious problem has been, first, that in terms of illegal copying and showing, it is difficult to find who are the law breakers and who are the genuine vendors; and secondly

---

[131] Zhang Bangding (n. 121 above), pp. 11-12. See also Lan Ning (n. 20 above), p. 38.

[132] Qu Xuanlin,'Weiji dianying qiye shengcun de jige wenti' (Some Problems Endanger the Film Industry), in 'Dianying jingji yu tizhi gaige bitan' (Writing Discussions on Film Industry Reform), Dangdai dianying (Contemporary Cinema), No. 6 (1992), pp. 47-48.

that even with hard evidence, there has been no clear legislation whereby offenders can be punished. For example, having discovered that pirated copies of 'Lion Kings Fighting for Power' (*Shiwang zhengba*) were made by Zhujiang Video and Audio Publishing Company(ZVAPC) in Foshan, Guangdong Province, the film distribution companies in Beijing and Shanghai brought a lawsuit against the company in Foshan. However, ZVAPC claimed that the copies of 'Lion Kings Fighting for Power' were not pirated, as the copyright was provided for them by Baoxiang Film Industry Company of Hong Kong, which had a power of attorney over the work. However, the Hong Kong film makers denied that they had authorised any film company to distribute this film, and claimed that they had never heard of Baoxiang Film Industry Company.[133] Even after a thorough investigation, it remained unclear who should be prosecuted. On the other hand, when Sichuan Provincial Film Corporation succeeded in suing a cinema in Chengdu for illegally showing 'Raise the Red Lantern' to the public, the guilty cinema was only fined RMB 500 *yuan*,[134] because there was no well-established law.

With the injection of foreign funds, Ermei Film Studio in Sichuan province had just completed filming the movie 'Chivalry on the Raging Sea' (*Nuhai xiadao*). Before the prints of the movie could be sold in mainland China, a video parlour outside the Studio had started to show pirated copies of the movie. Several days later, TV stations also showed this illegal print. As Ermei Film Studio could find no legal recourse, it had no alternative but to change

---

[133] Zhang Bangding (n. 121 above), p. 12.

[134] Ibid.

the name of the movie in order to sell prints and avoid more losses.[135] The lack of effective legal safeguards has, in reality, encouraged the rampant black market.

7. Summing Up

For the past 15 years, and particularly since the Government issued its first official directive on film industry reform in 1993, the Chinese film indutry has been struggling to cope with continual and massive changes. These include changes in its external environment unleashed by China's modernisation program and particularly its economic reforms. The formerly sheltered industry that once enjoyed the status of a public service to which all were entitled has now to come to terms with cut-throat competition from alternative forms of entertainment and inadequate protection for its intellectual property, even from criminal piracy. Industry-specific organisational changes have meant the loss of the major part of its traditional audience; this loss has been particularly severe in rural areas where film outlets, infrastructure and staff have often simply disappeared. Much of the enormous bureaucracy involved in film distribution has almost overnight been made redundant, and the replacement distribution system is still in a state of flux.

These organisational problems, though large in scale and severe in impact, are in principle capable of ultimate resolution, perhaps at some reduced level of economic activity,

---

[135] Lan Ning (n. 20 above), p. 38.

by market forces and the effective protection of copyright. More intractable are political and cultural issues that hold back experimentation and innovation in the cinema, inhibit independent talent and freelancing, and deter investment. Against this background, the film industry has been struggling to achieve a mode of operation that will produce profitable movies and ensure financial viability to the industry. Their main strategies are examined in the following chapter.

Chapter III. Future Scenarios

The Chinese film industry, as a member of the '*Daguo fan*' system[136] -- a state-owned industry -- is often criticized for failing to understand market behaviour, and therefore running the risk of being eliminated by China's contemporary market forces. Academics and critics repeatedly emphasize that the size of audiences and the number of films released are evidently declining. However, the introduction of marketing techniques by the film industry has happened only in the past few years. Study of the film market must begin with audience consumption patterns, the aesthetic standards of audiences and their changing trends in taste. It should also include practical methods to guide and stimulate demand with the ultimate aim of expanding the market in general and fostering particular sectors. These issues had never been a matter of concern for the Chinese film industry in its first forty years after 1949. One reaction from the Chinese film industry has been to increase the number of so-called 'entertainment films' being made. They hope that intensification of the entertainment function of films rather than deepening their purely artistic flavour will draw larger audiences back into cinemas. And the recent increase in the number of entertainment films has also been influenced by the example of Hollywood and the Hong Kong film industry.

---

[136] *Daguo fan* system -- describes those state owned work units supported by the government.

1 Are Entertainment Films a Solution?

<1> Social Changes and so-called Entertainment Cinema

China is clearly undergoing extensive and profound changes. From the middle of the 1980s and with the continuous progress of economic reform, people's living standards and life-styles have undergone unprecedented transformations. Increasing commercialization has influenced people's outlooks on life, their values and traditions. Chinese people have largely shaken off the pressures inherited from the cruel political struggles under Mao; on the other hand, they are burdened with the economic pressures of the 'gold rush' (*taojin*) induced by Deng's economic reform policies. In the past, with everyone in more or less the same situation, nobody really felt poor. Now, with unequal distribution of income, many feel frustrated and deprived when comparing their lives with others. New pressures are not necessarily easier to shoulder than old ones. The open door policy of Deng has provided the Chinese people with an opportunity to get to know about developed countries. There is also the opportunity for Western cultural influence to penetrate China rapidly. Although competitiveness and work pressures are intensifying in Chinese society at large, a person's private leisure time and opportunities have greatly increased compared with Mao's era. Cultural life outside of work is also becoming more colourful and helps to relieve the pressures brought about by rapid economic and social change. Therefore, watching movies is no longer one of the chief cultural pursuits of city people who are inundated with many novelties and stimulating programs from which to choose. For example, prior to the middle

of the 1990s, *karaoke* and discos were new and very fashionable, but have now surrendered their privileged position to places such as sauna and massage parlours (both health-oriented and sex-oriented), fitness clubs, and travel. In the post-Mao era, while tired of politics, the Chinese also have lost their faith. They are only concerned with making money. As for films, they either contain too much indoctrination or are too high-brow to be enjoyed. Disregarding other competing forms of entertainment, it has become increasingly difficult for Chinese films to satisfy the needs of Chinese audiences, particularly compared with Hollywood or even with Hong Kong and Taiwanese films which came into China in great numbers.

Against this background, the so-called Chinese entertainment films emerged. During 1986 and 1987, academics and critics shifted their attention from artistic films to 'entertainment films'. The proceedings of a symposium on the arts under the title of 'Dialogues: Entertainment Films' (*duihua: yule yingpian*) were published in three successive issues of Contemporary Cinema, an academic journal on the cinema.[137] Participants in the dialogues included academics and critics as well as playwrights and film directors. The subjects under discussion included the aesthetic functions of entertainment films, the relationships between human games, human instinct and entertainment films; and directions for entertainment films. The discussions were unable to come up with a clear definition of entertainment film, but entertainment films subsequently became a hot topic for debate in film critique circles.

---

[137] See Dangdai dianying (Contemporary Cinema), No. 1-3 (1989).

Some people who are actively advocating entertaining films are of the view that entertainment is an important function of art, which should help the healthy mental development of people.[138] Through aesthetic entertainment, people are able to acquire spiritual freedom, and spiritual freedom, in their opinion, is essential, given the transitional nature of today's commercialized society, where people have come to worship money, where competition is cut-throat, and where social pressures are intensified. Film arts could create a perfect space for the imagination, to enable people to escape briefly from a highly stressful reality. In practical terms, however, film in China has been used as a tool of propaganda and political education for a long time. The CCP's policy for the arts is that they should serve politics and the people, and that politics should always be the first concern. Consequently, film is divided into industrial, agricultural or warfare subjects, in which characters and images are used to typify political viewpoints and tendencies. In terms of serving the people, instead of conveying aesthetic and entertainment messages to the audience, films are often full of strong political colour and indoctrination. Because of this strong inherited tradition, the propaganda and education function of the cinema has continued to exist explicitly or implicitly in many films made since the death of Mao.

Debates about promoting so-called entertainment films have also highlighted the fact that the overall transformation of Chinese cultural patterns and values has been correlative to adopting a new socialist market economy. This 'overall social transformation' refers to, on

---

[138] Mu Dai, 'Dangdai zhongguo dianying liupai de meixue shenshi' (The Artistic Basis of the Schools of Thought in Contemporary Chinese Cinema), Yishu guangjiao, (Art Field), Vol. 3 (1993), pp. 53-54. Also see, Li Yiming (n. 15 above), pp. 21-22.

one hand, a change from the management of cultural units (*wenhua danwei*), which had relied on government funds to operate for more than 40 years. During that time, a cultural unit only attached importance to the social results or benefits of its politically-oriented tasks while ignoring the business management of the unit. Whether or not the unit could make any profits or suffer any losses was not its concern, as it was financially supported by the government. These days a cultural unit not only has to fulfil its responsibilities in the ideological and cultural spheres, but also has to face economic reality. It has to understand and at the same time enter the cultural market-place and assume sole responsibility for profit and loss of its operations in the free commodity market. While film might be an artistic commodity and yield social benefits, it is expected to yield economic ones as well.

On the other hand, cultural units are involved in a transformation from a political monoculture featuring propaganda and indoctrination to a popular culture designed for aesthetic entertainment, in other words, from serious political culture or pure artistic culture to popular commercial culture. In fact, the transformation of the business management system of the Chinese cultural work units has now been basically completed in the course of the large-scale economic reforms. A great number of cultural units found themselves in difficulties in the new modality, in being thrown into, all of a sudden, a situation where they were no longer protected by the iron rice-bowl system. They were now responsible for profit and loss themselves, launched into the orbit of the economic reforms, fumbling for ways to salvage themselves. In the new situation where the commodity economy is taking off, new values are coming to the fore, and tradition is either regarded as a challenge to modernity or

utilized as 'fashion' in the vogue of 'back to the ancients', unprecedented changes, as mentioned previously, have taken place and are still in progress. By those standards, so-called entertainment films should be supported and encouraged as their appearance corresponds to the revolutionary changes in the larger environment.

Based upon the development of this situation, the editorial department of Contemporary Cinema held 'The Symposium on the Contemporary Chinese Entertainment Films' in December 1988. Chen Haosu, then deputy minister for Broadcasting, Film and Television, pointed out in his speech that the lack of entertainment in daily Chinese life was not a sign of a developed civilization, because entertainment was a need of civilization.[139] He advocated that artists should cultivate the value of entertaining people and make good-quality films that entertain. He also claimed that it was acceptable that audiences experienced sublimation and catharsis of their feeling through watching entertainment films. Chen Haosu's speech prompted many different views from film academics and critics. However, the Chinese film industry, academics and critics gradually reached a consensus, agreeing that whether the Chinese film culture could be enhanced, or whether it could be operated healthily, depended not only upon some artistic films winning international awards, but also upon the overall progress and improvement of the whole Chinese film industry.[140]

---

[139] Zhang Wei, 'Zhongguo dangdai yulepian yantaohui shuping' (Summarization of Symposium of Entertainment Film), Dangdai dianying (Contemporary Cinema), No. 1 (1989), p. 4.

[140] Li Yiming (n. 15 above), pp. 21-26.

<2> Chinese Entertainment Film -- An Ambiguous Concept

In the face of the above spectrum of changing social values, economic system, cultural pattern and political machinery, it seems to be a realistic and significant suggestion that the production of entertainment movies should be increased. In terms of entertainment and attracting audiences back into cinemas, film has, after all, its own special artistic qualities, which are very difficult to replace by other forms of art or entertainment.

What kind of film can be defined as an entertainment film? People have discussed this issue and attempted to provide some insights. Yet no consensus has been reached in terms of providing a clear definition of what is mean by an entertainment film. One view is that the subject matter should be used to categorize film type.[141] For example, murder, detective, *kongfu*, musical and comedy films should be classified as entertainment films, whereas those whose subject matters is (morally, ethically, socially or politically) serious, or educational or indoctrinating are all non-entertainment films. However, this view was not accepted by all in that a film sharing the same or similar subject matter could either be highly artistic or purely entertaining. Another view-point advocated that films could be categorized by judging their designed purposes.[142] Those films that emphasize personal temperament or experience, and do not set out principally to entertain or please their audience, could be regarded as artistic films; and those with sole intent to appeal to their audiences are entertainment films. This view was not accepted either, because it would be hardly conceivable that there were some

---

[141] Zhang Wei (n. 139 above), p. 5.

[142] Ibid.

films not made for an audience. Even though some new wave films failed to achieve box-office targets, it is beyond doubt that these films were made with some audience in mind. One article claimed that it would be better to term entertainment films as 'genre films', while other articles bestowed on these film the title of 'commercial films'.[143] It was even claimed that imposing a definition on entertainment films was grandiose but impractical.[144] Everyone aired their own views and no consensus could be reached. Of course, in the series of discussions one point was rather clear, namely that entertainment films were not artistic films. In other words, an entertainment film of this description is different from those new wave films made by Chinese Fifth Generation directors. Although these films are full of deep cultural connotations, riddled with philosophical ideas, rife with personal outlook, deep in historical roots, they are too obscure to be comprehended, and yet some have won unprecedented honour for China. In fact, entertainment films came into vogue as the film industry went into decline. Thus, a question arises here: has the emergence of entertainment film really brought new life to the Chinese film industry?

A 1992 Beijing Film Institute symposium on 'Producing Better Entertainment Films' provided useful data on entertainment films based on marketing surveys carried out between 1987 and 1991.[145] A significant feature of these (still in relation to the definition of entertainment film) was that, according to a survey on the categorization of entertainment

---

143 Ibid.

144 Li Yiming, (n. 15 above), p. 26.

145 Li Yiming, 'Yule pian, wenhua zhuanxing he shichang jingji de biran chanwu' (Entertainment Film, the Consequence of Changed Cultural Patterns and a Market Economy), in Dianying yishu (Film Art), Vol. 6 (1993), pp. 52-53.

films, three types of action films were seen as the main components of the entertainment film category: classic martial arts movies, police-gangster movies (set prior to 1949) and police story movies (*gongan gushi pian*) (set after 1949).(See table 2.)

Table 2

Entertainment Films 1987-1991			
	Martial Arts Film	Police - Gangster Film (pre-1949)	Police Story Film (Post-1949)
Year			
1987	5	5	13
1988	16	17	25
1989	17	26	19
1990	17	23	24
1991	13	11	23

Source: Li Yiming, 'Yule pian, wenhua zhuanxing he shichang jingji de biran chanwu' (Entertainment Film, the Consequence of a Changed Cultural Pattern and a Market Economy), *Dianying yishu* (Cinema Art), Vol. 6 (1993), p. 53.[146]

Survey results also showed the stages of development and impact of Chinese entertainment films up to that time, with the first wave of entertainment films from 1980 to 1983, 'The Mysterious Buddha Statue' (*Shenmi de dafo*), 'Wudang Mountain' (*Wudang shan*) and 'History of Martial Fighters' (*Wulin zhi*) being representative of this period.[147] Prior to this, Chinese audiences had previously had few opportunities to watch action movies, except for martial art movies imported from Hong Kong; these first China-made martial art films can thus be regarded as setting a precedent in Chinese film history, although the genre was still at an early stage. They reflected, though in a simplified manner, the traditional Chinese ideal of justice prevailing over evil. However, entertainment cinema contained much more gun-fighting and other violence than had previously been employed in Chinese films. Of course,

[146] These statistics do not include entertainment films outside the three types of action film: martial arts, police-gangster, police story.

[147] Li Yiming (n.15 above), pp. 23-26.

these films did not attract the interest of academics or critics as they lacked serious content and artistry.

1986 was the year in which a new wave of entertainment films emerged. It was also the year when box-office sales dropped drastically. Popular entertainment films of this period included 'Flying Gangster Ermei' (*Ermei feidao*), 'The Magic Whip' (*Shenbian*), 'Lonely Murderer' (*Gudude mousha zhe*), and 'Operation Twister' (*Jufeng xingdong*). At the end of 1986, the authorities launched an anti-bourgeois liberalization movement, which saw the introduction of tight restrictions on film subject matter. However, this phase did not last very long. In 1987 alone, entertainment films made up 20 per cent of the total national film production. [148] This can be seen as the third wave of entertainment movies.[149] Ever since 1987, the production ratio of entertainment films has remained at between 50 per cent and 60 per cent of the total. (See table 3.) Entertainment films have now established themselves as a significant component of the Chinese cinema.

Table 3

The Output of Chinese Entertainment Film 1987-1991			
	Total Output of Films	*Total Output of Entertainment Films*	*Per Centage*
Year			
1987	146	30	20%
1988	158.5	74	46%
1989	136	79	58%
1990	134	81	60%
1991	130	72	55%

Source: Li Yiming, 'Yule pian, wenhua zhuanxing he shichang jingji de biran chanwu' (Entertainment Film, the Consequence of a Changed Cultural Pattern and a Market Economy), *Dianying yishu* (Cinema Art), Vol. 6 (1993), p. 52.

---

148 Li Yiming (n.145 above), p. 52.

149 Li Yiming (n. 15 above), pp. 25-26.

Questions remain as to whether the category of Chinese entertainment films can be termed a success or failure, and whether it can achieve the potential claimed by its advocates. Even those who argue that entertainment film should now be accepted as a major part of the mainstream of Chinese cinema cannot sing its praises without serious reservations. A numbers of issues are still being debated and conclusions have yet to be reached. The main questions are discussed in the following pages.

First, to return to the definition of entertainment film, it is not obsessive or, as some theoretical articles claim, 'grandiose but impractical' to persist with the issues of definition. Entertainment film has been widely promoted as the best remedy for extricating the Chinese film industry from its difficulties. However, there has been no consensus about the meaning of entertainment film. As a result, people have conceptualized it in the simplest way, categorizing entertainment film merely as action movies of *kongfu*, murder or gangster genres. Even the market survey results which were presented as reference material to the symposium on 'Producing Better Entertainment Films', classified only three types of films as entertainment films. But defining entertainment film in such a restrictive way will have an adverse effect, for example, by preventing the development of entertainment film beyond its narrow, conventional boundaries.

<3> Attitudes towards Entertainment Film

When entertainment films were popular in the mid 1980s, but were at the same time failing to attract the interest of film academics and critics, the main purpose of producing them was to make money. Although still unable to completely free themselves from the complex of traditional Chinese values that despise commercial activities, film studios claimed that they had no alternative but to make some '*yaoqian buyaolian de dianying*' (films for making money regardless of whether they were shameless products losing face).[150] They hoped that by so doing they could make profits to improve the financially declining industry. So-called *yaoqian* means to make films purely for financial reasons, which completely runs counter to Chinese socialist artists' traditional cultural values and artistic ideals. And what they did was very distasteful to them, for by so doing they were '*buyaolian*' (shameless). Secondly, these films were action movies packed with violence, simple plots and shallow ideas, therefore they would undoubtedly be criticized in intellectual circles, which was also shameful for the studios. For example, 'The Mysterious Buddha Statue', shot in the early 1980s, was criticised for lacking content.[151] Furthermore, since these films were made on the basis of '*buyaolian*' and with no desire for critical esteem, there was no need to attach any importance to artistic skills and techniques. In terms of quality, any director would be good enough. As the economic situation of the Chinese film industry continued to worsen, more and more film-makers, including some first class directors, became involved in shooting these

---

[150] Shao Mujun, 'Zhongguo dangdai yule pian wenti boyi' (Discussion and Debate about China's Contemporary Entertainment Film), Dangdai dianying (Contemporary Cinema), No. 2 (1989), pp. 12-16.

[151] Ibid, p. 12. See also Chen Xiaoyun, 'Sanwei yiti: zhengzhi dianying, yishu dianying, shangye dianying' (Three Genre Films Should be an Integral Whole: Political Movie, Artistic Movie and Commercial Movie), Yishu baijia (Art Schools), Vol. 3 (1992), pp. 13-14.

'*buyaolian*' movies. A great number of them claimed that they 'were forced to prostitute themselves' (*bi liang wei chang*) in making entertainment films.[152] This is how Chinese film-makers think of entertainment film and the commercial nature of film. In other words, when entertainment films were still in the embryonic stage, they had already been stigmatized for life. It is not surprising then that they have been looked down upon and never had any chance of rehabilitating their reputation even when academics and critics expressed real interest in them. Moreover, academics and critics themselves failed to give a clear-cut definition of entertainment film. After all, those action movies, thrillers -- *yaoqian buyaolian* (shameless) films -- were all defined as entertainment films, which served to devalue all films classified under that name.

The film academics and critics realised that, driven by the waves of large-scale economic reforms, the transformation of Chinese culture was inevitable, and in the film industry, the strengthening of entertaining elements and reduction of ideological content was also unavoidable. However, why was entertainment film led down the wrong path? When film academics and critics attempted to stress the important status of entertainment film as being in the cinema mainstream, they pointed to the example of Hollywood in successfully combining arts with entertainment. (In fact, 'entertainment film' was only a term coined in China; although entertainment is a primary objective of Hollywood film-makers, Western film theory speaks only of 'genre film' or 'commercial movies' not of entertainment film.)[153] Not

---

[152] Bian Xia, Qin Tong, 'Yule yu zai dao' (Entertainment and Promoting Morality), Dangdai wentan (The Contemporary Literary Arena), Vol. 4 (1993), pp. 58-59.

[153] Don Shiach, The Movie Book, (United Kingdom: Acropolis Books, 1992), pp. 198-199.

only did academics and critics fail to clearly define the concept of entertainment film, but they thereby allowed further currency to negative views that had already become commonplace in the film industry as a whole. After all, those action movies, thrillers - '*yaoqian buyaolian*' (shameless) films -- were all classified as entertainment films and these films were perceived to have nothing to do with serious dimensions of culture or art.

Even though academics and critics may acknowledge the significant position of entertainment film in contemporary Chinese cinema, they cannot bring themselves to consider it seriously. If we probe the academics' and critics' deep-seated attitudes, we will find that they typically belong to the Chinese intellectual tradition. Facing the cultural transformation of China driven by commercialization -- with culture becoming more commercialized and popular -- these critics, like the film industry artists, are filled with a sense of deprivation, crisis and utter helplessness. Traditionally, Chinese intellectuals have always lacked a positive attitude to commerce and to commercial aspects of art.[154] In view of the obvious commercial orientation of entertainment film productions, they ignored the opportunity to give entertainment film a clearer identity which would help its status and recognise that it had potential.

---

[154] Li Yiming (n.15 above), pp. 21-23.

<4> The Evil Reputation of Entertainment Films

The negative attitudes of film-makers, film academics and critics have, consciously or unconsciously, compounded an existing tendency to propel Chinese entertainment films into an inferior position. First, when creating and producing entertainment films, the film-makers have had no alternative but to feel strongly humiliated and artistically compromised in begging for money to produce such films. As a consequence, these sorts of movies were expected to meet only the most elementary aesthetic requirements. They were made mainly to stimulate the senses. Carefully-worked plots, in-depth conceptualization or depiction of characters were not thought necessary. Instead, large doses of bloody murders were poured into entertainment movies which were fraught with endless fighting and specious sexy episodes with the aim of attracting audience numbers. A tacit principle of entertainment films is that they march at an increasing tempo towards a crazy target of '*shade yige busheng, tuode yisi bugua*' (killing off everyone on the set and the complete disrobing of lovers).[155] Although they are seen as seeking to appeal only to the senses, it is more appropriate to say that they are bent only on crude appeal.[156]

---

[155] Shao Mujun (n.150 above), p. 11.

[156] My comments here on entertainment movies only represent my subjective views: if I watched a movie to the end, it meant that that movie was tolerable although I may have eventually felt cheated. Such movies include 'Operation Puma' (*Meizhoubao xingdong*) directed by the famous Zhang Yimou and the newly released 'Shanghai Triad' (*Yao a yao, yaodao waipo qiao*). Some movies are so awful, however, that I simply could not watch them to the end, such as 'Heart of Killer' (Ranqing nan zujishou), 'King Killer in Canton and Hong Kong' (Shenggang diyi shashou).

Second, Chinese entertainment film was born when the film industry's economic situation was severely depressed. Most film studios were in debt. Then, because entertainment films were made for money, they no longer needed to pursue artistic values. So another public belief is that entertainment films are cheap to make, short-term productions and they are quick to give a return on capital.[157]

Third, the inferior position of the genre is also due to poor scientific and technological standards in the Chinese film production industry. In an age when science and technology are developing at an astounding rate, the standard of special effects in world cinema today has brought about great vitality and new approaches to film-making. But, for the past few decades, the Chinese film industry has achieved little development in the scientific and technological techniques of film-making. The special effects divisions of some film studios have adapted their line of work and now mainly make advertisements, and some special effects technicians have left their jobs altogether to pursue other careers.[158] Consequently, Chinese entertainment films can only give a little attention to special effects. By contrast, it was reported that the Hong Kong movie 'New Dragon Inn' (*Xinlongmen kezhan*) and the US 'Terminator II' which took Chinese film audiences as well as film-makers by storm, are effective simply because of their eye-catching special effects.

---

[157] Li Yiming (n. 145 above), p. 62.

[158] Ibid, p. 58.

Entertainment movies of extremely poor quality are omnipresent on Chinese screens. While these films might be regarded as 'low in cost, short in production time and fast in return on capital ', it is more appropriate to say that they are 'low in cost, short in production time, low in quality and low in return on capital '. Market intelligence proves that many of these works which are made for the sake of money often end up at a loss. Taking 1992 as an example, of 120 movies produced nationally, forty lost money, and among the forty, twenty were entertainment films such as 'Poisonous Kiss' (*Du wen*) produced by Xi'an Film Studio. After more than RMB 1.2 million *yuan* was invested in this movie, it sustained a loss of over RMB 60,000 *yuan*. Xiaoxiang Film Studio's 'Revenge' (*Liehuo enyuan*) cost over RMB 1.35 million *yuan* and lost RMB half a million *yuan*.[159]

<5> Entertainment Films and Chinese Cultural Values

It is doubtful whether entertainment films do indeed meet the needs of Chinese audiences or form a mainstay of the Chinese cinema. Can they really play a positive role in raising the standard of the Chinese film industry as a whole? Entertainment films are, in reality, far removed from Chinese cultural traditions. Chinese culture, from its beginnings to the present day, is linked with a strong and tenacious awareness of 'interpreting morality' -- *wen yi zai dao*.[160] This concept does not necessarily refer to nation, policy or strategy. Instead, the concept of '*Wen yi zai dao*' means that literature should be employed to teach moral order, ethics, and social values, norms, etc. Therefore, the social and educational

---

159 'China's Film Year Book' (Beijing: China Film Press, 1993), pp. 224-229.

160 Bian Xia, Qin Tong (n. 152 above), pp. 57-59. Also, '*Wen yi zai dao*' -- origin from *Zhouzi tongshu*.

functions of literature should be overwhelmingly stressed before anything else. As the poet, Bo Jüyi of the Tang dynasty, maintained, " essays should be written to reflect current politics and poems should be composed on the principles of social morality and ethics",[161] and "essays should be created for rulers, mandarins and subjects, but not for the sake of literature itself".[162] Literary creation, like a mirror, should reflect society, politics and the waxing and waning of history. The consciousness that literature and art have a social responsibility not only has been integrated into Chinese cultural ideology, but has become an important part of the national cultural norm. Furthermore, the Chinese intellectuals' self-appointed role to take a profound responsibility for the country's moral education also determines that their way of thinking about art and literature goes beyond art or entertainment. Generations of Chinese intellectuals have always attached great importance to the social functions of literature and art; they have hoped to shoulder responsibility for their lofty mission to reform society through their work. Throughout the past 90 years, this philosophy has clearly left its imprint on the Chinese film history. Directed by Zheng Zhenqiu in 1933, with subject matter reflecting the gap between rich and poor, '*Zimei hua*' (Sister Flower) produced a tremendous social effect, while also breaking box-office records. In 1934, Cai Chushen directed the film 'Fishermen's Melody' (*Yuguang qu*), which directed its camera lens into a poor fishermen's family, reflecting the pain and misery endured by people in the lower strata of society. As a result, this film became the first Chinese film to win an international award -- the Honorary Moscow International Film Show Award. In 1947, Cai Chushen and Zheng Junli co-directed

---

161 See Bo Juyi's eassy *Yu yuan jiu shu*.

162 See Bo Juyi's *Xin yue fu xu*.

'The Spring River Flows East' (*Yijiang chunshui xiangdong liu*), which depicted an ordinary family's happiness and sorrow, separation and reunion, while also condensing the pain, anger and depression of the Chinese people during the eight-year War of Resisting Japanese Aggression. This film was praised as a national epic.[163] Before 1949, film-making in China attached great importance to commercial profits. However, this did not prevent films from being a mirror reflecting social and political history or being widely acclaimed by Chinese audiences and international judges. More recently, despite an out-and-out anti-traditional attitude expressed in new wave films such as 'Yellow Earth' (*Huangtu di*), 'Children King' (*Haizi wang*), 'Judou' (*Judou*), Chinese directors have continued to voice their profound concern for the fate of their nation. Like their predecessors, they use films as artistic tools with which to test history against reality for the purpose of drawing moral lessons, rebuilding national spirit, and reforming national characteristics.

China has always maintained that education should be conducted by means of entertainment, a view which is highly relevant to past and present functions of the Chinese cinema. Since the mid-1980s, the entertaining function of film has been widely invoked by persons seeking to justify the new developments in film-making and change entertainment film's 'second-class' image, derived from its conflict with traditional social philosophy. However, the gap has been too wide to bridge between the profit-making purpose and commercial aspects of entertainment films on the one hand and the values of the Chinese critics on the other. As a result of this irreconcilability, entertainment film does not rank as a

---

[163] Li Shaobai, Feng Bo (n. 6 above), p. 22.

'first-class citizen', despite its great growth in output. As a matter of fact, entertainment film is more likely to be classed by critics and film-makers as a 'third-class citizen'. The compelling fact is, for example, that films that created strong positive reactions in the Chinese film market in 1993 were 'Aunt Xiang' (*Xianghun nü*), 'Betray' (*Dasa ba*), and 'Stand Straight and Don't Lie Down' (*Zhanzhile bie paxia*). They not only broke box-office records, but were highly acclaimed by critics as well as audiences. These films are not generally perceived as entertainment movies, and moreover, the majority of entertainment films could not match them in film print sales.[164]

Some critiques in both Hong Kong and mainland China have maintained that the main reason why no artistically successful entertainment films were produced was that the social function of art was overemphasized by Chinese artists. In other words, entertainment film would have better prospects if Chinese artists could get rid of the fetters of '*Zai dao*' ideology.[165] But, how to achieve this? The ' *Zai dao*' ideology handed down for centuries has already been integrated into Chinese cultural norms. As a result of its integration, it has also become one of the characteristics of Chinese culture, just like the dancing and singing features of Indian films which have been derived from traditional art and national characteristics of India -- the country with the second largest film output. It is hardly conceivable that a culture can still be significant if it has lost its authentic national identity. Furthermore, '*Zai dao*' as ideology should not be mistaken for political indoctrination or

---

[164] Bian Xia, Qin Tong (n. 152 above), pp. 58-59.

[165] Chang Cheh, Huigu Hong Kong dianying 30 nian (Thirty Years of Hong Kong Cinema in Review), (Hong Kong: Joint Publishing Co., Ltd. 1989), pp. 202-204.

propaganda, such as that type of '*Zai dao*' the Chinese authorities have applied as their most effective tool of political propaganda since 1949. Indeed, '*Dao*' embodies vast, profound connotations. Through its events, characters, plots or scenes, a successful work is normally able to fulfil '*Zai dao*' without the conscious realization of its audience, and its artistic qualities will not only capture audiences' attention while they are watching, but continue to generate more feelings thereafter. The fact of the matter is that the inheritance and appreciation of '*Zai dao*' not only exist within the circle of Chinese intellectuals, but are expressed in the aesthetic requirements of large audiences, who hope that while providing entertainment, a film can give them enlightenment, information and inspiration as well. Certainly, as part of the huge film market of China, audiences differ in their backgrounds, and have different aesthetic appreciation and preferences. New wave films which are not generally accepted by ordinary audiences are still able to appeal to some viewers as they meet their aesthetic demands. On the other hand, artistic appeal begins at the elementary level whereas aesthetic appreciation is more sense-oriented and extends to the advanced level where it becomes more concept-oriented. In other words, even though intellectuals are commonly regarded as an audience appreciating higher-level aesthetics, this does not necessarily mean that they do not like to watch good-quality entertainment movies.

<6> Hollywood -- the Model for Chinese Entertainment Film

It has been emphasized time and again that it is by producing stimulating entertainment that Hollywood has been able to make huge profits and establish its 'superpower' status in the world film industry. It has also been emphasized that it is

impossible for artistic film to replace entertainment film as the mainstream of the film industry, judging by the course of both European and American film history.[166] Novel styles that appeared during the waves of European artistic film eventually transformed themselves into basic techniques that serve and strengthen the quality of popular films, such as atmospheric enhancement and modelling functions developed by French artistic films in the 1920s, the long shot and the smooth and natural lens change introduced by Italian films in the 1960s, and the non-technique editing created by French films at the end of the 1960s.[167] These foreign experiences provide evidence and confidence for the argument that entertainment films rather than artistic films could become the mainstay of China's film industry. However, the problem here is that Hollywood films have been created against a background of American history and culture, and produced within a market economy, an environment which is different from the Chinese system, both ideologically and economically. On the other hand, during Hollywood's one hundred years of film history, it has developed its own characteristics of the classical 'genre film'. Genres made commercial sense because the studios could sell an easily identifiable product to a mass audience accustomed to buying that product. Yet Hollywood's 'genre movies' are different from China's entertainment films.

A. Hollywood's Experience

The philosophy of Hollywood film-making is that movies should offer harmless entertainment.[168] Hollywood movies provide an alternative to everyday life, a momentary

---

166 Li Yiming (n. 15 above), p. 24. See also Bian Xia, Qin Tong, (n. 152 above), pp. 56-57.

167 Bian Xia, Qin Tong (n. 152 above), pp. 55-57.

168 Don Shiach,(n.147 above), pp. 7-30.

escape from problems and conflicts, a romantic or thrilling episode in a humdrum existence. Hollywood studios have been called "dream factories", they mass-produce fantasies. In his book, America in the Dark, David Thomson writes about 'Hollywood and the gift of unreality'.[169] He argues that Hollywood creates an alternative form of reality, a utopia that obeys different rules from the untidy real world. In contrast to the disappointments and complexity of everyday life, Hollywood always provides a happy ending, or at least a self-contained emotional experience. Its staple fare has been the 'feel good' movie that supplies laughter, hope or emotional satisfaction. Unlike Hollywood, the Chinese cultural norm emphasizes that literature and art should manifest the reality of everyday life, they should promote morality, ethics, belief, hopes and so on. Hollywood also purports to be a version of reality, and so there are bumpy rides along the way before the final uplifting chords of the score usher us out of the cinema to face real life again. And Hollywood films do frequently touch on social issues, moral conundrums or the misfortunes of life. So references to social conflict or signs of social contradictions are represented, however briefly or superficially, in many movies, even those with an obvious purpose to amuse and entertain, such as genre movies like the western, the musical, the gangster movie, the horror flick, the science fiction epic, the adventure film, the swashbuckler, the screwball comedy, the war picture and the epic. Hollywood film-makers, in fact, are always clearly aware that movies are (still) very big business and can be highly profitable; therefore, they make commercial judgments, based on long experience of the market, as to the appropriate mix of elements in their movies, including moral and social issues.

---

[169] David Thomson, America in the Dark (London: Hutchinson & Co. Ltd. 1978), especially pp. 125-128, pp. 157-159, pp. 226-228.

To reach its pre-eminent position, however, the American film industry experienced highs and lows during its hundred year history. By the end of the First World War the American film industry had effectively established itself as dominant, although in cinematic artistry, the film industries of the Soviet Union, Germany, France and Scandinavia sometimes outclassed Hollywood. However, to Hollywood's movie executives, films are pure business. Although Hollywood studios had the power to export their products globally, they had to satisfy American audiences first. Their own huge domestic market gave American film-makers an enormous advantage. Studios could make film after film secure in the knowledge that American box office revenues alone would produce substantial profits. 'Foreign revenues were the icing on the cake'.[170] Hollywood therefore made few concessions to foreign audiences. Nevertheless, exhibitors all over the world clamoured to show US films. US movie-makers fostered this domestic and international demand for their films by large-scale publicity, including publicity abroad.

The year 1946 is seen as the peak of audience attendance in USA: a national total of 90 million admissions per week. However, in 1948 the purchase of television sets in the United States began to climb. Anti-monopoly laws in the same year forced the studios to sell off their cinemas,[171] so that their exclusive hold on all aspects of the film business was now broken. In the decade after 1946, audience attendance dropped 50 per cent.[172] The

---

170 Don Shiach, (n. 147 above), p. 13.

171 Ibid, pp. 22-29.

172 Ibid, p. 22.

American film industry, in which the studios dominated film production, distribution and exhibition, was thus compelled by external forces to undergo basic structural changes.

The adjustment process saw the rise of independent film producers and other agents who brokered deals with the studios over distribution and finance. They would approach a studio with a package consisting of a screenplay, a major star or two, an executive producer and a director. In this situation, a few major stars had more power than ever before. For example, in the 1960s and 1970s Barbra Streisand, Robert Redford, Jane Fonda, Marlon Brando, Dustin Hoffman, Steve McQueen, Paul Newman and others wielded immense power; their participation could ensure the success of a package.[173] Meanwhile, Hollywood attempted to win back mass audiences with technical innovations, such as CinemaScope, Vista Vision, 3-D, Todd-AO and others. In the mid-1950s, audience figures showed some increase over the preceding years, but the technical innovations did not transform the cinema sufficiently and audience figures soon began to drop once again.[174] In the 1970s, television remained the cinema's strongest competitor, but now was joined by video, and the introduction of VCRs to almost every household gradually became an established alternative to movie-going. However, this time the movie industry capitalised on the new technology and turned it to their profit. For every customer who sees a movie in the cinema, twelve now see it on video. In addition, the spread of cable and satellite television has added an additional market for new and not-so-new films. Consequently, new productions are often made only for screening on video or television, including cable television, not in cinemas, and

---

[173] Ibid, pp. 22-29.

[174] Ibid, p. 24.

are very often financed by cable companies such as Home Box Office in America, or by television channels such as Channel 4 in Britain.[175] The shape of America's movies and movie-making is now dominated by investment strategies and communications technology.

The American film industry has thus changed enormously in the last few decades, as most people now see movies in their own homes via videos and television rather than in cinema theatres. The Hollywood studio system has been transformed; new markets for different types of movies are being identified and catered for. Studios have also diversified in other directions and some have become major tourist attractions. The great old days of Hollywood, and for movies in general, may have gone forever -- cinema audience figures will never return to their 1946 peak. However, in some ways the magic of Hollywood movies lives on -- as witness the continuing attractions of the Academy Awards system. Its film industry has continued to be a very profitable business, and with its ancillary functions, is earning more money than ever before for film-makers, including directors and stars, as well as for its investors.

B. Entertainment Film -- An Inferior Copy of Hollywood?

It has only been in the last few years that Chinese films have become more accessible to a wider international audience. Meanwhile, the Chinese film industry has had an opportunity to understand about foreign cinemas other than that of the former Soviet Union. Now that the Chinese film industry must try to adapt itself to China's current economic

---

[175] Ibid, pp. 28-29.

reforms, it is imperative for it to understand the workings of the market place in relation to movies. Although political and bureaucratic controls mean that the film market in China is still far from free, the Chinese film industry still has significant lessons to learn from other countries' experience, including Hollywood's continued success and the Hong Kong film industry's adaptability and growth. They may learn that there is nothing wrong with increasing the entertainment value of Chinese film, reducing elements of propaganda and indoctrination, and moderating the uncritical acceptance of non-economic new wave movies. However, the trial of entertainment film was misled from the very beginning. In terms of film-making, it is more accurate to say that many entertainment films sought to copy Hollywood or Hong Kong models rather than absorbing their experience or understanding their merits. For example, the 1991 film 'Bloody Revenge' (*Xuezhan tianlong hao*) shows how a hero and a beautiful girl took revenge and wiped out a Mafia organization. The film featured a great deal of violence, gun-play and chase scenes. It is quite true that many Hollywood and even Hong Kong films have Mafia-related subjects. It is also true that Mafia operatives in Italy and the USA use brutal and chilling methods to control their illegal empires. However, as the Hollywood movie, 'The Godfather' showed, it is possible to create a first-rate and highly successful movie about the Mafia without overemphasizing violence or bloody scenes. 'The Godfather' won Academy Awards and the global box-office value of 'The Godfather' films (I, II & III) reached US $800 million. Likewise, the Hong Kong Mafia film 'A Better Tomorrow' (*Yingxiong bense*) (I, II & II) has also won both critical plaudits and commercial success. According to the critics, the film 'Bloody Revenge' copied Hollywood and Hong Kong movies in details like narration, picture design, setting and

camera lens movement.[176] However, the story is more violent, less interesting and the plot stereotyped. To make things worse, in terms of story development and the quality of film-making, the majority of Chinese entertainment films cannot even match 'Bloody Revenge'. It is not surprising then that critics constantly urge Chinese films to stop using Hollywood modes.

The low reputation of the entertainment film in China is often well-deserved, but this has been partly the result of a self-fulfilling public perception of the genre: because its commercial orientation is despised, entertainment films cannot obtain the finance or the talents and attention needed to create good-quality movies. Chinese film-makers have noted Hollywood's commercial success derived from entertaining its audiences, but because of narrow perceptions about the proper functions of the cinema and a traditional preoccupation with *'wenyi zaidao'* as an essential aspect of all artistic endeavour, they have not understood that an entertaining (and commercially successful) film can in its own way demand as much commitment of cinematic skills as a self-consciously artistic film or a film of high moral or social significance. Furthermore, when they abandon notions of *'wen yi zai dao'* and make a film for commercial purposes, they have yet to learn that the simple repetition of a genre film, though often economical in production costs, does not guarantee audience appeal or commercial success. Simply labelling a film as 'entertainment' does not ensure that audiences will feel entertained.

---

[176] Yin Hong, Chen Hang,(n. 77 above), p. 10.

Obviously, differences exist between Hollywood and China's film industry. However, Hollywood's experience has much of interest for Chinese film studios and regulatory authorities; for example, how Hollywood responds to the changing demands and tastes of its domestic audiences; how it has coped flexibly with challenges from other forms of entertainment; how the relatively free entry of new film-making talents and technology have enabled the US film industry to repeatedly renew itself; how the large studios have diversified and smaller entrepreneurs have entered the industry and identified niche markets. China's entertainment films are seen by some as an attempt to copy Hollywood's commercial success, but it is evident that many lessons remain to be learned.

2 Co-producer Films

With the film industry's transformation from a planned economy to a market economy, 'co-producer films' (*hepai yingpian*) provided another breath of fresh air in addition to entertainment films. The term 'co-producer films' refers to those films which are made with investment from overseas (mainly from Hong Kong, Taiwan and Japan) or from Chinese investors. The bottom line of co-producer films is to make money. Most Chinese film studios lack capital, and without an injection of funds by outside investors, find it difficult to operate. On the other hand, despite being described as co-productive film-making, it is, in most cases, people from Hong Kong, Taiwan and Japan who contribute capital, whereas the Chinese provide manpower, locations and equipment in order to win the right of distributing the films in China. According to a report, the total number of co-producer films was 56 in

1993. Since 1994, an average of about 30 co-producer films have been produced every year.[177]

What impact have co-producer films had on the Chinese film industry? Many people are of the view that by attracting overseas investments, the crisis-ridden Chinese film industry has been rejuvenated to a certain degree. Therefore, it cannot be denied that this measure has worked positively. Photographer Gu Changwei, who is a Fifth Generation film-maker, believes, on the whole, there are more conveniences and advantages with adequate injections of foreign capital:

> "You have better technical facilities. For instance, the shooting cycle and film developing and processing is guaranteed. You have more confidence. You need not worry about finance. It ensures that your efforts would not be wasted." [178]

Gu's works include 'Red Sorghum' and 'Farewell My Concubine' (*Bawang bie ji*). In terms of distribution and exhibition of co-productions released in China in 1993, 'Farewell, My Concubine' was unrivalled. Box-office income in Beijing alone reached RMB 3.6 million *yuan*, and print distribution income RMB 1.92 million *yuan*. After the profits were distributed, Beijing Film Studio (BFS) earned a net profit of RMB 900,000 *yuan*. This film earned the highest box office income in Beijing.[179] As a result of its 1993 success, BFS turned around its prolonged debt situation, and made a profit for the first time. Furthermore, the second and third best selling films in Beijing, listed according to their box office incomes,

---

[177] Chun Wen, 'Hepaipian: zhongguo dianying de yidao fengjing' (Co-production: a Scenery of Chinese Film), in Dianying yishu (Film Art), Vol. 6 (1997), pp. 72-73.

[178] See n. 29 above SBS reference.

[179] Ding Renren (n. 53 above).

were also co-producer films. 'Tang Bohu Selects Qiuxiang' (*Tangbo hudian qiuxiang*) had a return of RMB 1.72 million *yuan*, and 'The True Hero' (*Yingxiong bense*) earned RMB 920,000 *yuan*.[180] More importantly, co-productions also saved the huge army of employees of the Chinese film industry from lay-offs because of the shortage of domestic capital. The majority of film makers on the Chinese side in film co-productions were actually 'exported labourers', working for overseas investors. However, the fact of the matter is that because of co-productions, these employees earned much more than they could get from their salary when they worked at their own respective film studios. Moreover, it was useful for them to work with film makers from overseas as they had opportunities to learn about different creative means and artistic values.

However, overseas film-makers are so shrewd that they have already exploited the China market. With their commercial sense and artistic potential, they have harnessed China's vast and abundant filming locations and cheap labour, as well as incorporating those film artists who are the most influential, talented and creative in the Chinese film industry. For example, Zhang Yimou's 'Raise the Red Lantern' (*Dahong denglong gaogao gua*), 'Ju Dou' (*Judou*), and 'To Live' (*Huozhe*), Chen Kaige's 'Farewell My Concubine' (*Bawang bie ji*), Huang Jianxin's 'Stand Straight and Don't Lie Down' (*Zhanzhi le bie paxia*), Jiang Wen's 'In the Sun Shining Days' (*Yangguang canlan de rizi*), which were highly acclaimed both at home and overseas, were all co-productions. Overseas investors financed these co-productions normally by investing several times more -- sometimes over ten times more--than

---

[180] Ibid.

allowed for locally-made Chinese films. Films such as 'Farewell My Concubine' are being made by Beijing Film Studio, and financed by a Hong Kong company, at a cost of HKD 40 million dollars.[181] Overseas investors' economic power has provided Chinese film directors with opportunities to bring their talents into full play and to win international reputations. Furthermore, the capital return is generally much better than that of locally-made films. In 1993, the first three films in terms of box-office income in Beijing were all co-productions. In 1996, six of ten the best-selling films in China were co-production films.[182] By contrast, the box-office incomes of some local films could not even cover their costs. For example, co-producer films 'Peach-colored Twister' (*Taose xunfeng*) earned RMB 190,000 *yuan*, and 'Gambling King Stages A Comeback' (*Duwang chushan*) earned RMB 180,000 *yuan*. For local films 'Bloody Way out of Seizure' (*Junlie chongchu congwei*), earned only RMB 8,100 *yuan*.[183] In fact, local films are no match for co-productions not only in investment but also in quality.

In 1995, Chinese authorities allowed the release of ten imported, first-run movies. All ten movies had been top box-office successes in 1994- 95.[184] Chinese box-office receipts for the movies, which included 'True Lies', 'Speed', and 'The Fugitive', were shared with the

---

[181] Li Ding, 'Heidao xiang baidao fachu chuochuo biren de tiaozhan -- jiaodian zhongde hepai pian (Black vs. Red -- Focus on Co-productions), Dianying zuopin (Film Works), Vol. 5 (1994), pp. 63-65.

[182] The editors, '1996nian guochan yingpian piaofang shouru paihangbang [qianshiming]' (1996 Hit Parade of the Domestic Box-Office Films [top ten]), Vol. 3 (1997) 'Dianying yishu' (Film Art), pp. 4-5.

[183] Ding Renren (n. 53 above), p. 5.

[184] Xiao Shi, 'Wo na shenmuo fengxian gei ni?' (What I Can Contribute to You?), Zhongwai junshi yingshi (Chinese and Foreign Military Cinema), Vol. 1 (1996), p. 15.

studios that made them. Unlike the often second-rate foreign movies that were shown in China previously, these films allowed audiences to see quality movies and experience visual effects that could never be gained from TV or video tape. The 'film-shy' Chinese audience was immediately attracted back to cinemas again from TV and its long-drawn-out serials. 'True Lies' and 'Speed' have done particularly well, attracting millions of viewers to theatres even though each film had been widely pirated before it arrived. In no time box-office income ballooned. With each film released in its first round, the total box-office income reached eight digits (*yuan*), and the seating rate was almost 100%.[185] At the same time, however, locally-made films were largely ignored, with less than forty people for each screening on average. Local films reputed as 'huge' (investment) in the second half of 1995 included 'Red Cherry' (*Hongying tao*), 'Shanghai Triad' (*Yao a yao, yaodao waipuo qiao*), and 'In the Sun Shining Days' (*Yangguang canlan de rizi*), each of which was made with investments of more than RMB 20 million *yuan*. They successfully challenged the ten imported films and were highly recommended by the critics. In fact, these three so-called 'huge locally-made' films also came out of co-productions.[186]

With regard to co-producer films, one point of view is that overseas investors demand more control to ensure the film is commercially successful since they are taking a gamble on the Chinese film market and putting up funds. But director Huang Jianxin argued, "overseas investors do not think in terms of box-office sales. They aim for international TV networks to make a profit, but they do not bank on first-round box office revenue. This is a good

---

185 Ibid.

186 Ibid, pp. 15-16.

thing for mainland directors. Films are not so commercial. Some investments are also recouped from cultural exchange." However, Huang also stressed that "these films are promoted internationally as Taiwanese, Hong Kong or Japanese films. It does give us a little sour feeling when credit goes to others. We would rather finance them ourselves but we cannot afford them." Director Zhang Yimou indicated that none of the foreign bosses he has worked with made any demands. 'They only want me to make films I like because then I can do them better'.[187]

However, as far as the Chinese film industry is concerned, 'co-producer films' have only been a dose of aspirin that could lessen the pain but not solve many fundamental ills, of which some are historical, some current, some deriving from the conflict between tradition and modernity, and some born of politics and the political system. It is not as simple to reform the Chinese film industry as it is with factories. Even when co-productions are judged from the economic perspective, the Chinese side only earned a small slice of profit.

3 Imported Films

<1> A Mixed Blessing

Non-official statistics indicate that the Chinese film market income of 1995 increased by 10-15 per cent compared with 1994. This was largely because Chinese authorities allowed ten imported, first-run movies to be released.[188] Managing directors of some film

---

[187] See n. 29 above "China Dream Factory".

studios jointly made petitions, calling on the government not to allow 'powerful overseas (Hollywood) films' to occupy the Chinese market. Otherwise, they warned, the Chinese film industry would completely collapse. Of course, their concern was not groundless at all.

The American motion picture industry in its great old days had been essentially domestically based and oriented. Practically all of its revenue came from the United States. American films were sold abroad but the resulting revenue hardly compared to what the domestic market yielded. However, the situation was reversed and Hollywood became more dependent on foreign income after the mid-1960s. Already in 1965 it derived at least 55 per cent of its revenue from foreign markets.[189] Therefore some people are of the view that the 100-year history of movies is the history of competition and confrontation between Hollywood films on the one hand and films made by other countries on the other. It is no secret that the American culture represented by Coca Cola, McDonald fast food outlets and Hollywood movies has swept over so many countries and regions. In 1993, 88 out of 100 movies in the world which achieved the highest box-office revenue were American movies, and the first 26 movies were all American-made. The distribution income of Hollywood film from cinemas, video tapes and television both in the United States and overseas was US $15.8 billion, and as a result audio and video production became the second largest US

---

[188] Ni Zhen, 'Qidai yinmu huihuang de mingtian' (Expecting a Brilliant Tomorrow), Wenhui bao (Wenhui Daily), 17 January 1996, p. 1. See also n. 1 above, p. d1 & d4.

[189] Thomas Henry Guback, The Film Industry in Post-War Western Europe; The Role of Euro-American Interaction in the Shaping of Economic Structures and Operations (Michigan: University of Illinois, 1965), especially p. 2, pp. 15-19.

export industry next to the airplane industry.[190] The foreign market for American films has assumed such importance that just four countries of Western Europe -- the United Kingdom, Italy, France and Germany -- can yield almost half of the United States domestic gross for a film. By 1993 60 per cent of the French film market was taken over by US-made films, whereas French films occupied only 0.5 per cent of the American market. In the same year, US films occupied 86 per cent of the German film market. And 70 per cent of the Italian film market was taken over by US films in 1990.[191] On September 28, 1993, 4,400 film producers and directors from the six countries of Western Europe published a joint statement, demanding that the European Union (EU) request the General Agreement on Tariffs and Trade (GATT) limit the entry of American audio and video products, thus protecting the film industries of the European Union. The total value of American films and teleplays exported to the twelve countries of the EU was US $3.7 billion in 1993, whereas the EU only exported products worth US $0.3 billion to the United States, less than 1/12 of its counterpart.[192]

Will the Chinese film industry follow the EU's footsteps? It is possible that 'Hollywood executives are itching to get into China'.[193] In 1995, major Hollywood studios, such as Columbia Tri-Star, a unit of the Sony Corporation, and Warner Brothers, owned by

---

[190] Zhuang Yuxin, 'Dangdai zhongguo dalu dianying de jingji wenti' (The Economic Problems of Mainland Chinese Cinema), in Dianying yishu (Film Art), Vol. 3 (1996), pp. 20-21.

[191] Ibid.

[192] Wu Xihua, '93 Guoji yingtan redian zhuisu' (Review of Headlines in the International Film World in 1993), Dianying pingjie (Film Review), Vol. 5 (1994), pp.2-3. See also Zhang Yuxin, (n. 190 above).

[193] See n. 1 above, p. D1.

Time Warner Inc., opened permanent offices in Beijing.[194] Even though, in a way, Hollywood executives face the same question that exporters in other industries have faced over the last fifteen years since China began doing business with the West: Does one invest early and position oneself for the day when real moneymaking opportunities arrive? Or does one wait outside until that day comes, and only then move in? Hollywood studios seem to favour getting in now, regardless of uncertainties. In October 1995, executives from almost every major Hollywood studio attended the Shanghai International Film Festival to look for the seemingly limitless possibilities in the theatrical release of American movies. 'Five billion movie tickets are expected to be sold in China this year, about four times the number sold in America'.[195] In fact, as they said, showing movies in China is only the first step in a wider cooperation that may lead to potentially more lucrative business in building theatre complexes, selling movie-related merchandise, opening movie-related theme parks and co-producing movies for the American and Chinese markets. 'China's film industry looks like an untapped gold mine, overdue for an invasion by Hollywood producers'.[196]

<2> Hong Kong __ Successful Defence Against Hollywood

When Hollywood films were taking over international film markets, Hong Kong was one of the few places which could successfully protect its own local film industry. Ever since 1975, income from local films has surpassed that of imported films, even those that have

---

194 See n. 1 above, p. D2.

195 See n. 1 above, p. D1.

196 Ibid.

come from Hollywood.[197] For example, of the twenty-two most successful films in 1984, twenty were produced in Hong Kong. The Hollywood hit of that year, 'Raiders of the Lost Ark', which was also the year's best-selling foreign film in Hong Kong, occupied only sixth place on the overall popularity chart.[198] The period from 1981 to 1991 was claimed as the golden era of Hong Kong films. During that period local films not only kept audiences entertained, but dominated cinema in Taiwan and Southeast Asia. Even in Japan and South Korea, Hong Kong films were successful. As a result, Hong Kong became the world's third largest film production centre.[199] Since 1993 Hong Kong films have declined at the box-office in terms of the number made as well as their total export value. However, information from a semi-official agency, the Hong Kong Trade Development Bureau, indicates that the total value of Hong Kong-made films and videos was still around HK $1 billion in 1994.[200] Another new phenomenon was the entry of Hong Kong films into the American market. In 1996, Jackie Chan's 'Foreign Area' arrived in the United States, and was shown in more than 1,600 cinemas, gaining box-office income of US $41 million. The famous Hong Kong director, John Woo made 'Broken Arrow' (*Duanjian*) for US $40 million, and its box-office income reached more than US $65 million.[201] At the same time, because the Hong Kong film industry began to utilise facilities in China, its costs of film-making were greatly reduced. At present, the average daily cost of making a film in Hong Kong is HK $4 - 5 million.

---

197 Jenny Kwok Wah Loh, 'A Cutural Interpretation of the Popular Cinema of China and Hong Kong', in Chris Berry ed. Perspectives on Chinese Cinema, (London: British Film Institute, 1993), p. 170.

198 Film Biweekly (Hong Kong), 153 (3 Jan 1985), p. 22.

199 Edward Wong, 'Hong Kong, Motion Picture Industry', in Los Angeles Times, June 15 1997.

200 'Xianggang dianying fuhuo le' (Hong Kong Film Has Revived), in Oz weekly (Sydney: Chinese Times ,1997), No. 109 (1997), pp. 5-6.

However, HK $2 million would be sufficient in China.[202] As a result, the risk to investors was also greatly reduced, though at the cost of some freedom of expression.[203] The Hong Kong film industry remains an important industry in Hong Kong. Its success has caused a chain reaction, driving forward the development of industries such as film developing, distribution and renting, stage design and entertainment services.

A. Reasons for the Thriving Film Industry of Hong Kong

There are many reasons for Hong Kong's thriving film industry. The seventies began a period of rapid expansion and sustained economic development in Hong Kong. Its economy fully recovered from negative impacts of China's internal turmoil, and it steadily transformed itself into a fully-fledged trade and financial centre. This economic growth laid a solid foundation for its film industry development. Moreover, the very complexity of Hong Kong's cultural and political position helped the Hong Kong film industry create a wealth of colourful local films. The complex position of Hong Kong also made its film professionals more open-minded, energetic and open to the merits of films made by various other countries.

With regard to Hong Kong's genre films, martial arts films should be mentioned first. Martial arts films can be seen as "Hong Kong cinema's flesh and blood" of the seventies.[204]

---

201 Ibid, p. 6.

202 Ibid, p. 7.

203 Edward Wong, (n. 199 above).

204 Sek Kei, 'The Wandering Spook -- A Decade of Horror Films in Hong Kong Cinema', The 13th Hong Kong International Film Festival (1989), p. 10.

In the 1980s, martial arts movies began to change into another type of action movie -- the hero film, which was no longer restricted to rural backgrounds and settings embellished with traditional Chinese *kungfu*. Instead, stories are set in modern environments with special effects deriving from a combination of gun-fighting and swift body movements characteristic of traditional Chinese martial arts.[205] Hero films can also be sub-divided into two. One is police - gangsters, the other type is Mafia movies, which often reflect a conflict between concepts of 'justice' and 'evil' co-existing within Mafia society, thus creating heroes in the Mafia. One interpretation of hero films is that they are a condemnation of wealth.[206] Wealth is the main reason for moral degeneration and crime. A strong sense of moral crisis and a refusal to compromise by any party are features of these films, as is moral ambiguity in that enemies and friends cannot be clearly distinguished, and can change at any time. Hero films stress the heroism of brotherhood. Director John Woo once explained his ideas about a hero film he wanted to make:

> "It is not a gangster movie. It is a film about chivalry, about honour, but set in the modern world. I want to teach the new generation: 'What is friendship? What is brotherhood? What we have lost? What we have to get back....'".[207]

However, Hong Kong filmmakers do recognise Hong Kong's cultural ambience, and their films are basically aimed at the local audience, reflecting a close cultural relationship between

---

[205] Cai Hongsheng, 'Xianggang dianying 80 nian' (Eighty Years of Hong Kong Cinema), in China Film Year Book (Beijing: China Film Press, 1995), pp. 109-112. Also see Bey Logan, Hong Kong Action Cinema (New York: The Overlook Press, 1996), pp. 66-71 and pp. 115-139.

[206] Chiao Hsiungping, 'The Distinct Taiwanese and Hong Kong Cinemas', in Chris Berry ed. Perspectives on Chinese Cinema, (London: British Film Institute, 1991), pp. 161-162.

[207] See Bey Logan (n.205 above), p. 116.

Hong Kong and its people. In fact, martial arts movies which have adhered to traditional Chinese *kungfu* characteristics seasoned with heroic plots, still hold strong ground in the Hong Kong of the 1990s. For example, the martial arts movie, 'Wong Feihung' was one of the ten top movies made in Hong Kong in 1991.[208] Moreover, as a result of constant innovation and development, Hong Kong martial arts movies have merged into a wider genre of action film, of which Hong Kong productions are the most numerous and profitable.

Ghost movies became a staple Hong Kong's output in the 1980s as yet another very popular film genre.[209] Most ghost films produced in Hong Kong since 1979 have an urban setting whereas traditional or rural settings are now rarely seen. This phenomenon distinguishes Hong Kong cinema in the last decade from its predecessors.[210] Initially, the ghost movies of the Hong Kong cinema were extremely negative about the notions of fate and spiritual existence. These films considered spirits evil and harmful to human beings. As time went on, however, the attitude of confrontation was exchanged for one of curiosity. A host of questions arose. Perhaps there are things in this world that one can't beat to death. Besides, what is human and what nonhuman? Are humans necessarily good, ghosts necessarily bad? Sek Kei's argument regarding ghost movies is that, in an ambiguous manner, the ghost films of the Hong Kong cinema actually reflect Hong Kong people's quest for identity.[211] Even in the days before the issue of 1997 arose, Hong Kong had long carried

---

[208] Cai Hongsheng (n. 205 above), pp. 105-112.

[209] Sek Kei (n. 204 above), pp. 13-16.

[210] Ibid.

[211] Sek Kei (n. 204 above), p. 10.

the embarrassing identity of being half Chinese, half Western. The Chinese are used to refer to themselves as '*ren*' (human) while Westerners are called '*gweilos*' (devils). This is but another interesting aspect of the human/ghost relationship. When the question of 1997 became more urgent, it was no wonder that some of its citizens become students of spiritualism, displaying keen interest in the past, and the hereafter.[212] However, ghost movies are very appealing to the audience in Hong Kong. Hero films, ghost films and comedies have so far netted the highest earnings for Hong Kong's film industry in terms of box-office records. Every year, among the ten most popular movies, these films often account for eight or nine.[213]

Hong Kong's comedy movies should also be mentioned here. Comedy is commonly known as 'laugh-making movie' (*go ciu pin*).[214] The emergence of comedy movies has changed the box-office pattern in Hong Kong, where people used to be attracted by images of larger-than-life heroes such as Chow Yun-Fat, who appeared handsome, talented, and different from ordinary people. Now some nobodies with erratic behaviour appear in what are called 'nonsense-talking' comedies, which have also dominated Hong Kong screens since the mid-1980s.[215] Nobodies, together with their 'nonsense-talking' (*mo ni tau*) behaviour, appeal very much to Hong Kong citizens of the middle or lower middle class, because they

---

[212] Ibid.

[213] Yu Muyun, '1991 Xianggang dianying huigu' (1991' Hong Kong Film Review), in China's Film Year Book (Beijing: China Film Press, 1991), pp. 377-378.

[214] Bey Logan (n. 205 above), p. 141.

[215] Ibid. See also Cai Hongsheng (n. 205 above), pp. 109-110.

feel that these nonentities are more real than larger-than-life heroes, and simply make them feel at home. "Where comedy almost always fails to make an impact at the Oscars, it sweeps the Hong Kong film awards."[216] As a consequence, a new generation of popular movie stars has appeared, represented by Steven Chow as the Hong Kong comedy king. In the 1990s, comedy movies which describe super gamblers, 'The Gambling Saint' (*Dusheng*) starring Steven Chow for example, surpassed 'The Gambling King' (*Duwang*) starring Chow Yun Fat at the box-office, reaching HK 41.32 million and thus breaking all box-office records.[217]

Some media critics are of the view that the majority of Hong Kong audiences watch movies these days for entertainment, for thrills or simply as a way to release emotions and relax social stress.[218] Consistent with the historical and colonial background of Hong Kong, the movies feature a high degree of commercialism. Compared with mainland audiences, people in Hong Kong attach far more importance to entertainment than intellectual and artistic values. The elements found in the world of the spirits as manifested by ghost movies - exciting and blood-dripping scenes in action movies, the light-hearted and humorous nature of comedy films, the novelty and mystery - all conspire to cast an intriguing spell on the audience. On the other hand, socially realistic movies and historical films do not belong to the mainstream Hong Kong cinema and are few in number. However, movies such as 'Plunging into the Raging Sea' (*Touben nuhai*), directed by Ann Hui, 'Prison Fire' (*Jianyu*

---

[216] Bey Logan (n. 205 above), p. 141.

[217] Lian Sheng, 'Xianggang weihe fengxing dupian' (Why Gambling Films Became Popular in Hong Kong), in China's Film Year Book (Beijing: China Film Press, 1992), p. 429.

[218] Cai Hongsheng (n. 205 above), pp. 111-112.

fengyun), directed by Ringo Lam, and 'Refugee' (*Longmin*), directed by Chang Zi Leung, which focus on subjects such as illegal boat people, life in prison and refugee camps have made a significant impact and received widespread media coverage and acclaim.

Another important factor contributing to the success of Hong Kong movies is that the film industry has at its command a series of comprehensive film making facilities and distribution systems. With the support of its prosperous economic base, the Hong Kong film system has undergone a change similar to that of Hollywood when it transformed itself from the old to the new system. Propelled by Raymond Chow's Golden Harvest Entertainment Company in the early 1970s, the monopoly system, which was exercised by large factory-like film studios to control the production and distribution of movies, has gradually been supplemented by a system of independent producers. With the support of certain big production companies, independent producers (most of them directors) have established subsidiary companies. Both sides conduct their business and share the profits according to agreements.[219]

Since the 1950s, watching movies has been a major pastime of Hong Kong people. However, from the 1950s to the middle of the 1960s, foreign movies, particularly Hollywood movies, were the mainstay of the Hong Kong film market. A significant turning-point in the Hong Kong film industry came around 1967, when audiences started to decline. In the following decade, the number of movie-goers fell sharply, totalling 53 million in 1975, a

[219] Cai Hongsheng (n.205 above), pp. 111-112.

decrease of nearly 40% against the peak audience numbers of the 1960s.[220] The period from the mid- 1960s to the mid-1970s saw a gradual recovery in the Hong Kong film industry from its low ebb. During its low ebb, Hong Kong movies gradually parted company with those of the earlier period when movies were characterized by long-winded Cantonese song and dance and old-fashioned dramatic romances, moving towards new types of martial arts, ghost and comedy films. From 1976 onwards, Hong Kong cinema rid itself of its down-market image and gradually yet steadily moved upwards. After 1977, movies made in Hong Kong were undisputedly dominant at Hong Kong box-office and Hollywood films were no match in this respect.[221] Another point which deserves attention is that, faced with the growing challenge of television and video, the Hong Kong film industry adopted an exchange policy in order to improve the relationship between the two industries. As a result, despite rapid development since the 1960s, the impact of TV and video on the Hong Kong film industry has not been unduly adverse.[222]

B. What China can learn from Hong Kong and Hollywood

Study of the development of the Hong Kong film industry has many features relevant to the current situation and future prospects of the film industry in China. For example, how did Hong Kong maintain and improve its position in the face of competition from Hollywood movies? How can the Chinese national film industry similarly survive the distribution of

---

[220] Luo Ka, '10 nian lai Xianggang dianying shichang zhuangkuang yu chaoliu zoushi' (Hong Kong's Film Market Condition Trends in the Last Ten Years), in China's Film Year Book (Beijing: China Film Press, 1989), pp. 461-462. Origin: 'Dianying Xinshang' (Movie Appreciation), Taiwan, No. 32, 1988.

[221] Ibid, pp. 461-464.

[222] Cai Hongsheng (n. 205, above), p. 111; and Yu Muyun (n. 213 above), p. 460.

imported films, including first-run foreign films from Hollywood? At an interview, Zhang Yimou said that the answer depended solely on the standard of current Chinese movie-making. He added that "many of our movies do not reach the standard both in terms of quality of equipment or creative personnel. There is an old saying in China that iron has to be hot enough before being struck.".[223] That is to say, one must first be strong enough on one's own, then one can stand up to the competition.

Can the Chinese film industry develop its domestic market for popular films to encompass a range of genre films that will attract a greater number and wider cross-section of Chinese viewers? This paper has described the profitability of genre films made in Hollywood and Hong Kong and how the vigorous Hong Kong cinema can more than hold its own against foreign imports, even against Hollywood best-sellers. In China however, because of cultural traditions, film academics and critics often display prejudice against genre films, citing them as examples of commercialism corrupting art. Chinese film-makers, on the other hand, have already specialized in one type of genre film in the form of martial arts/action movies, hoping to emulate the box-office success of Hollywood and Hong Kong popular movies. These 'entertainment films' have so far failed to gain either critical esteem or profitability and may have deepened the hostility of academics and critics towards genre films in general. This paper contends that this situation is largely because the Chinese film world has failed to understand the nature of genre films and the tastes of their own domestic audiences.

---

[223] See n. 29 above "China Dream Factory". 'Datie haixu zishen re' (iron has to be hot of itself before being struck).

The successful Hollywood genre film reflects a long process of evolution, developed over a century of film history, that has produced a variety of cultural modes whose wide appeal is proved by their popularity with audiences from different countries and with different cultural backgrounds. Though genre films are made to a basic formula, their individual components must seem fresh and attractive to audiences if they are to succeed. Their simplicity of form does not rule out cinematic excellence; for example, a fine Hollywood western is fully capable of winning an Oscar. Genre films must also constantly readjust and adapt themselves to meet changing tastes; Hong Kong's experience has amply demonstrated the importance of creating genres to suit the local market and compete with foreign imports. One cannot assume that genre formulas that have earned huge profits in other countries will necessarily be suitable for the Chinese film industry or successful with Chinese audiences. This is especially the case if film-makers produce a cheap and sub-standard product like the typical entertainment film, and fail to monitor audience preferences.

A Beijing survey, using wood-processing workers as a sample population, has demonstrated the need to create and develop a variety of popular film styles to cater to domestic tastes. The survey showed that blue-collar workers make up the bulk of urban cinema audiences and that they share a common view that they often cannot see Chinese-made movies they like while those they dislike are shown everywhere.[224] It is not that they

[224] Liu Jie, 'Zhigong xiangkan de kanbu dao, buxiang kande daochu yan' (What Workers Want to See They Cannot See, Those Movies They Dislike Are Shown Everywhere), Gongren ribao (Worker' Daily), 17 January 1997, p. 1.

do not like watching movies, but movies which appeal to their tastes are very limited. As a result of the scarcity, they hardly go to movies, if at all. The movies they dislike include, first, those modelled on foreign or Hong Kong movies in a simplistic manner such as 'Fugitives' (*Taofan*), 'Arrest Warrant about to be Issued' (*Jijiang fachu de daibu ling*), and 'Women of Revenge' (*Fuchou nüliang*), to mention only a few examples; secondly, martial arts movies and 'comedies' which are generally devoid of humour; and then rehashed movies - movies with an absence of plot. Among the movies of the workers' preference, on the other hand, are biographies, those with plots closer to reality that mirror true life and reflect true emotions, and directed by well-known directors and acted by famous actors, and also comedies which are able to bring joy to people rather than those that display superficial and insincere emotions. Attractive movies also include award-winning or controversial films, those with national flavours such as 'Ashma' (*A shima*), 'Visitor to Ice Mountain' (*Bingshan shang de laike*), and 'Five Golden Flowers' (*Wuduo jinhua*) etc., which were produced before the Cultural Revolution.[225]

This survey represents only a sample of Chinese audiences' opinions. There are likely to be many variations. However, it is important for the Chinese film industry to recognise what is of cultural significance to its audiences and potential audiences, and to create and develop a variety of genre movies to satisfy audiences' needs. From this survey, it is not difficult to see some differences between the tastes of the Chinese audience and the tastes of people in the United States and Hong Kong. Fundamentally, Chinese movie-goers prefer realistic works in the Chinese movies rather than 'dreams' produced by 'dream factories'.

---

[225] Ibid.

4. Summing Up

The Chinese film industry has been struggling to attract audiences, please its domestic critics and satisfy its regulatory authorities. The American experience has demonstrated that strong domestic demand is essential for a flourishing film industry; if film-makers can rely on the strong support of local audiences, they will have the incentive to make the necessary investments in up-grading human and technical resources, and the confidence to risk the development of new styles of movie. Even though the Hong Kong film industry is presently subdued, it has clearly demonstrated that, by understanding the tastes of its domestic audience, it could not only achieve profitability but successfully withstand foreign competition.

China has a huge domestic market and a population that has shown, time and again, that cinema can still be a highly attractive form of entertainment. Yet its experience to date, particularly in producing entertainment films, has shown it is still incapable of making films that cater adequately to that market.

Co-production films have provided the film industry with essential capital at a time when the withdrawal of state funding has left it in sometimes desperate financial circumstances. Co-production films now make up a large part of the Chinese film output and have achieved international success. But co-production films are in a highly ambiguous

position, with much uncertainty as to their target audience. They sometimes lack attractiveness to home audiences. Because of restrictions, bans and arbitrary demands by the Chinese bureaucracy, together with claims of cultural imperialism by Chinese critics, producers sometimes write-off the local market and make their films specifically for overseas audiences. This is not the way to build a viable domestic market and industry.

Meanwhile, the continued success of imported films, even though they have not been designed for Chinese audiences, show that locally produced films are seriously lacking in qualities that Chinese audiences want to see.

Conclusion

Conclusion

In a recent (1997) overview of the 'Chinese Cinemas (1896-1996)' [226] , Sheldon Hsiao-peng Lu writes, "National [Chinese] cinema suffers from a decline in funding and audience and is in a deep crisis". Similar judgments about the Chinese film industry have been made repeatedly since the mid-1980s in newspapers and academic journals, and many industry personnel, film critics and academics accept without dispute that a crisis situation exists. A great deal of evidence (described in the first chapter) has been quoted to support this view, and certainly many people associated with the film industry, including the distribution and exhibition sectors, have suffered severe dislocation as established industry structures struggle to adjust to the effects of market forces. However, the conclusion that the Chinese film industry is plunged into a deep crisis that seriously threatens its well-being or even its existence seems too simplistic and ignores the history of the industry since 1949 and its previous low level of achievement.

The Chinese cinema, in artistic and technical terms, is now more advanced than ever before. After 1949, film was perceived and used primarily as a tool for political education and propaganda; its acting, directing and scripting were crude, its filming techniques and equipment were primitive. From the mid-1980s, however, Chinese film-makers began to

---

[226] Sheldon Hsiao-peng Lu, 'Historical Introduction: Chinese Cinemas (1896-1996) and Transnational Film Studies', in Sheldon Hsiao-peng Lu ed. Transnational Chinese Cinemas : Identity, Nationhood, Gender (Honolulu: University of Hawai'i Press, 1997), p. 9.

demonstrate a capacity to make high quality productions; they started to win unprecedented attention from foreign audiences and awards from international critics. In comparison with its past situation, the Chinese cinema today is far more advanced in professional and artistic skills and achievement than ever before.

How can one say that the film industry is now in a critical situation when it never previously flourished? In over one hundred film and academic reviews sighted, the writers never indicated when the Chinese film industry enjoyed a golden age, in spite of the fact that the threat of crisis (*weiji*) was mentioned in virtually every article. If one cannot identify a previous high point for the industry, how can one say that it has descended into crisis?

Claims that the film industry is in a dire crisis focus mainly on recent financial and commercial problems, such as the continuous decline in box-office receipts, the shortage of funds for film making, the pressures exerted on film studios by the need to achieve a profit, and financial uncertainties generally. Before Deng Xiaoping's economic reforms, film-making was assured of government funding to the extent deemed necessary for it to perform its propaganda functions. Government support also extended to a heavily subsidised exhibition system that brought films regularly to the remotest corners of the country, often at little or no cost to audiences. The loss of that exhibition system has been partly responsible (but only partly) for the steep decline in audience numbers, especially in rural areas. Do these changes represent a critical deterioration in the financial situation of the film industry?

China's economic reforms have caused organisational disruption to many state enterprises that are now exposed to market forces. Elements of the film industry are among those sectors that have undergone severe dislocation. But withdrawal of state support from the film industry has had more drastic consequences than for many other state enterprises. The film industry, which must now become commercially viable, was, after 1949, more of a public service than an industry. Its commercial dimensions were neglected because it did not have to cover the true economic costs of its operations. Magazines, journals and other media only discussed movies in terms of how art should serve politics and serve the workers, peasants and soldiers. Before 1984, the official China's Film Year Book never published performance statistics such as costs of production, number of admissions, box-office earnings, or the number of prints sold. Because it was insulated by government subsidies, the film industry's financial problems were much fewer under the planned economy of the Mao era. However, that in itself does not prove the existence formerly of a flourishing film industry. It is difficult to compare the health of the current system with the one it replaced when they are so qualitatively different. But in quantitative terms, the most prolific period in the history of the film industry has been since 1980 with an average annual output of 132 feature films. This level of output has been maintained or exceeded since the film industry reform of 1993.[227]

The Chinese cinema has suffered a huge drop in the number of admissions since the 29 billion movie-going audience of 1979. Many film outlets in rural and urban areas have closed down. These developments have often been cited as evidence of a crisis in the current

[227] Li Xingfa (n. 9 above), p. 34.

Chinese film industry. However, it should also be noted that the previous high admission figures were artificially inflated by subsidised exhibition costs and by community pressures that encouraged attendance. Nor did high admission figures in the late 1970s reflect a higher volume or standard of film production in those years since the movies being shown were largely old movies made before the Cultural Revolution which had been banned during the Cultural Revolution. So the decline in audience numbers does not, by itself, reflect a deteriorating industry .

Nevertheless, the loss of audience is a serious problem for the industry since it affects its profitability. Since 1993, although economic reform has taken hold in the film industry, various economic indicators in relation to the industry have failed to pick up; instead, they have shown a continuous fall. This has been associated with a number of external factors, including increased prosperity and competing forms of modern entertainment. The conclusion might seem to be that movies do not attract Chinese audiences any more. But in 1995, an influx of imported films quickly drew people back to the cinema with an admission rate for the first screenings reaching 100%. Although the cinema can no longer rely on the sizeable audiences it once enjoyed, its potential drawing-power remains strong; one of the challenges facing China's film industry is to increase its audiences.

It therefore seems that the Chinese film industry should not be described as being in crisis if this is taken to mean that there has been a serious deterioration in its ability to function or that its survival is under threat. Rather than being in crisis, perhaps the film

industry is more accurately described as being in a transition period, as Wu Mengchen, president of the China Film Import and Export Corporation, has said. In this time of changing cultural patterns, the solution to current problems cannot be found in a return to a non-existent golden age of Chinese cinema, but in the film industry transforming itself to produce films that are attractive in quality and variety, especially to its domestic market.

The Chinese film industry is in a transitional situation because it is still adjusting to the impact of market economics and changing consumption patterns. It cannot be denied that the film industry faces many problems and challenges caused by both internal and external factors (film studios' financial difficulties, competing forms of entertainment, imported films, etc). There are widespread negative perceptions of the industry. The media claim that there are too many sub-standard Chinese films and too few films of good quality. Some peasants complain that not enough movies are made for rural people. And the wood-processing workers of Beijing claim that they rarely see movies they like while those they dislike are shown everywhere. Film-makers complain that they cannot produce the movies they want and those they have no interest in have to be filmed. Scripts that have been ready to shoot for a long time cannot be filmed due to lack of finance; those that do get filmed often have difficulty passing the censors and those that pass censorship have usually been pirated long before their official release. And some critics and aspiring directors complain that it is now impossible to get funds to make the kind of high-art reflective movie that appeared in the late 1980s. This catalogue of complaints is daunting but perhaps not surprising in a situation

where new performance standards have been imposed on the industry but old public expectations of service remain current.

The Chinese film industry has no alternative but to adjust to China's new economic rules, and this is forcing it into short-term expedients that, while understandable in a transitional period, may prejudice or at least delay it from achieving its potential. One expedient has been the production of low-budget, low-quality entertainment films that have alienated many cinema-goers. Yet the experience of the Hollywood and Hong Kong film industries has shown that a strong domestic market should be fostered as an essential first priority for a flourishing film industry. China has yet to achieve such a market that can compete successfully against foreign films. According to a U.S.-based critic, "The film market [in China] is flooded by cheaply produced films of sex and violence and second-rate and third-rate films imported from Taiwan, Hong Kong and the West that offer the Chinese audience an exotic flavour, an imaginary wish-fulfillment. To the detriment of China's national cinema, the general public seems to have a predilection for foreign films."[228]

The importation of investment capital via co-production films has been valuable during this period of change for the Chinese film industry in diversifying funding sources, employing Chinese cinematic talents in lean times and in improving technical facilities. Moreover, it has mainly been co-produced films that have won for China its international

---

[228] Sheldon Hsiao-peng Lu, 'National Cinema, Cultural Critique, Transnational Capital: The Films of Zhang Yimou', in Sheldon Hsiao-peng Lu ed. Transnational Chinese Cinemas : Identity, Nationhood, Gender (Honolulu: University of Hawai'i Press, 1997), p. 131.

awards and the attention of foreign audiences. About one quarter of the films now being produced in China are co-productions. While much of this activity is doubtless invaluable to the operations of the domestic film industry and market, it has some artificial features. Some co-produced films, including some award-winning films, have not been popular at home, and some are accused by critics of deliberately misrepresenting the "real" China to cater for the West's taste for exotic orientalism.[229] Others, because of anticipated censorship difficulties, will never be shown in China but are intended by their producers only for foreign markets. Although director Zhang Yimou denies that he has ever been pressured by his foreign bosses about cinematic issues, it is hard to believe that this does not occur in some other cases, given the large numbers of co-productions and the amount of foreign capital invested. Accordingly, the current plethora of co-productions and the industry's heavy reliance on external interests could delay the time when China will have a vigorous, indigenous cinema.

A number of other factors are holding back the development of the Chinese cinema, but it is not clear whether these are transitional or long-term. China's post-Mao government retreated on many cultural and ideological fronts and did create some space between the state and the film industry. Since the economic reforms of 1993, the film industry is supposed to be operating in a free market, but the result has been nothing like an independent and autonomous film industry. For example, the 'main melody' principle still plays a very important, if more indirect, role in promoting state socialist ideologies through the cinema.

---

[229] Ibid, p.128.

While many Chinese film-makers suffer from funding shortages and cannot produce the movies of their choice, there seems to be no problem in making main melody films which the government can provide, indirectly or indirectly, with funds and other forms of help. For example, the 1997 main melody film 'The Days after Lei Feng Left Us'(*Likai Leifeng de rizi*) achieved great box-office success in Beijing. However, as pointed out in an article,[230] this followed the issue of a circular notice about the film to Beijing schools from an education bureau CCP propaganda unit; within two days of the circular, collective cinema bookings had been made for 20,000 students. Altogether, 85.5% of Beijing box-office receipts for 'Lei Feng' were from collective sales to work units or schools. With regard to the high-profile 1997 film 'The Opium War' (*Yapian zhanzheng*), director Xie Jin claimed that the total cost of about 100 million *yuan* was derived entirely from non-government investors; however, he also said that both the former premier of Sichuan province and the Shanghai CCP committee gave him great help in raising those funds.[231]

The unevenness of funding sources naturally retards the development of a self-sustaining film industry that can afford to experiment with new ideas and establish genres that are popular with Chinese audiences. But even more disruptive to this process is the tight official supervision that is still exercised over film making in China. Deng Xiaoping's economic reform measures were obviously modelled on capitalist free market principles. It is

---

[230] Sun Jiansan, 'Guanyu *likai leifeng de rizi* de diaocha yu sikao' (Survey and Thinking about Film The Days after Lei Feng Left Us), in Dianying yishu (Film Art), Vol. 4 (1997), p. 78.

[231] Li Erwei, 'Xie Jin tan *yapian zhanzheng*' (Xie Jin Talking about Film Opium War), in Dianying yishu (Film Art), Vol. 5 (1997), p. 20 & p. 22.

still difficult, however, to predict whether or not the unprecedented trial of 'walking the socialist road wearing capitalist shoes' will find a successful path amid failures, as Deng recognised in his famous remark 'crossing the stream by feeling for the stones'. The state urgently needs to push the film industry to complete its transition from a planned and regulated system to a free market system. On the other hand, the structure and administrative rules of the industry make it difficult to open it up to competition. Despite the efforts of a few young film-makers such as Zhang Yuan, the director of 'Beijing Bastards'*(Beijing zaahong)*, there is little scope, under present arrangements, for film-makers with fresh talent and ideas to enter the market and set up in competition with, or sub-contract to, the established studios, or to freelance the production of films for niche markets that the studios now fail to cater to. Some commentators suggest that a thorough reform be launched to transform the present large factory-style production of films into production by smaller, more functional companies. This is basically similar to the operation of independent film producers practising in Hollywood or Hong Kong and would mean, in effect, that the Chinese film industry would need to move to a kind of private ownership. At present, this seems an unlikely development, given the industry's heritage of control by China's state socialist regime.

In fact, China's rulers have never relaxed their strict ideological control over the film industry: the right to decide whether a film can eventually be released to the public remains with government authorities who can interfere with its content and production in a number of material ways. From all accounts, the authorities exercise their powers in an arbitrary and

punitive fashion. Currently, there is a lack of public information about the extent and effects of censorship, but it is known to affect producers' decisions on the release of co-productions on the domestic market: the authorities are more lenient with the censorship of screenplays if the movies are not to be released within China.[232] If it becomes clear that censorship is a seriously dysfunctional feature of the film market, will it possibly be relaxed to some extent? The profitability of films has become a criterion in passing judgments on contemporary Chinese movies since the mid-1980s and critics nowadays place a lot more emphasis on the ten best-selling Chinese films than on films that win international awards. It would be a novel and ironic development if censorship were relaxed not for reasons of cultural freedom but because it interfered unduly with the market.

While the Chinese film industry remains in its present transitional mode, it seems swamped by its problems and unable to take full advantage of its potentially huge domestic market to establish a popular, domestic cinema that can compete successfully with other forms of entertainment. Meanwhile, co-productions and foreign films fill the vacuum left by the struggling local industry and threaten to distort the tastes of Chinese movie-goers and film-makers. The uncertainties affecting the industry relate in large part to the extent and effects of economic reforms. Can the film industry in China eventually turn itself into a fully privatised enterprise, just like other commercially-oriented industries? As a product that commands high commercial values, should a movie be treated as a commodity that demands

---

[232] Hsien Chen Chang, 'The Small Freedom of the Market: Chinese Cinema During the Period of Reform', in Jochen Noth, Wolfger Pohlmann, Kai Reschke ed. China Avant-Garde: Counter-Currents in Art and Culture (Oxford, New York: Oxford University Press, 1994), p. 62.

to be conceived, produced and marketed in much the same way as other commodities? As a carrier of national cultural values, should the studio system receive at least safety-net protection from the state in terms of financing? What degree of policy control should the state exercise over the cinema? Is it realistic to expect a relaxation of censorship at the same time as Chinese film-makers are experimenting with the possibilities of a free market? An independent cinema can be uncomfortable for authoritarian governments. These remain sensitive and controversial issues.

China's shift from a planned to a market economy is forcing changes in the values and visions of Chinese film-making. Many problems remain to be solved before the Chinese film industry can emerge from this transitional phase and realise its full potential.

Bibliography

Barmé, Geremie. 'The Chinese Velvet Prison: Culture in the "New Age,"1976-89', in Issues & Studies, August 1989, pp. 55-79.

Berry, Chris. ed. Perspectives on Chinese Cinema, (London: British Film Institute, 1993).

Bian, Xia and Qin, Tong. 'Yule yu zai dao' (Entertainment and Promoting Morality), Dangdai wentan (The Contemporary Literary Arena), Vol. 4 (1993), pp. 55-59.

Browne, Nick; Pickowicz, Paul G.; Sobchack, Vivian and Yau, Esther ed. New Chinese Cinema--Forms, Identities, Politics (Cambridge: Cambridge University Press, 1994).

Cai, Hongsheng. 'Xianggang dianying 80 nian' (Eighty Years of Hong Kong Cinema), in China's Film Year Book (Beijing: China Film Press, 1995), pp. 105-112.

Chang, Cheh. Huigu Hong Kong dianying 30 nian (Thirty Years of Hong Kong Cinema in Review), (Hong Kong: Joint Publishing Co. Ltd., 1989).

Chang, Won Ho. Mass Media in China -- The History and the Future, (Ames: Iowa State University Press, 1989).

Chapman, Rosemary and Hewitt, Nicholas ed. Popular Culture and Mass Communication in Twentieth-Century France, (New York: The Edwin Mellen Press, 1992).

Chen, Xiaoyun. 'Sanwei yiti: zhengzhi dianying, yishu dianying, shangye dianying' (Three genre films should be an integral whole: political movie, artistic movie and commercial movie), Yishu baijia (Art Schools), Vol. 3 (1992), pp. 13-14.

Chow, Rey. Primitive Passions, Visuality , Sexuality, Ethnography and Contemporary Chinese Cinema, (New York: Columbia University Press, 1995).

Chu, David S.K. ed. Sociology and Society in Contemporary China 1979-1983, (Berkeley: M.E. Sharpe Inc. Publisher, 1984).

Chun, Wen. 'Hepaipian: zhongguo dianying de yidao fengjing' (Co-production: a Scenary of Chinese Film), Dianying yishu (Film Art), Vol. 6 (1997), pp. 72-75.

Clark, Paul. Chinese Cinema -- Culture and Politics since 1949, (Cambridge University Press , 1987).

Davis, Deborah S; Kraus, Richard; Naughton, Barry and Perry, Elizabeth J. ed. Urban Spaces in Contemporary China, (New York: Woodrow Wilson Center Press and Cambridge University Press, 1995).

Ding, Renren. 'Zhongguo dianying mozhe shitou guohe' (The Chinese Film Industry is Crossing the Stream by Feeling for the Stones), in Beijing ribao (Beijing Daily), 26 January 1994, p5.

Ding, Renren. 'Zhongguo dianying jianwei shijie chengren' (Chinese Films Have Become More Easily Accessible to International Audiences), in Beijing ribao (Beijing Daily), 31 December 1992, p. 5.

Dissanayake, Wimal ed. Cinema and Cultural Identity -- Reflections on Films from Japan, India and China, (New York: University Press of America, 1988).

Ehrlich, Linda C. and Desser, David ed. Cinematic Landscapes -- Observations on the Visual Arts and Cinema of China and Japan, (Austin: The University of Texas Press, 1994).

Elder, R. Bruce. Image and Identity -- Reflections on Canadian Film and Culture, (Ontario: Wilfrid Laurier University Press, 1989).

Gao, Jun; Zhang, Shuyi. '96 Guochan dianying shichang yingjia shushui' (Who are the winners of 1996 in home-made film market), in Dianying yishu (Film Art), Vol. 3 (1997), pp. 14-16.

Guback, Thomas Henry. The Film Industry in Post-War Western Europe; The Role of Euro-American Interaction in the Shaping Of Economic Structures and Operations, (Michigan: University Microfilms International, 1980).

Guldin, Greg and Southall, Aidan ed. Urban Anthropology in China, (New York: E.J. Brill, 1993).

Haraszti, Miklos. The Velvet Prison-- Artists Under State Socialism, (London: I.B. Tauris & Co Ltd, 1988).

Hen, Mingmo. Shehui xue gailun (Sociology), (Beijing: Zhongyang guangbo dianshi daxue, 1995), pp. 254-259.

Howkins, John ed. Mass Communication in China, (London & New York: Longman Inc., 1982).

Huang, Jianxin. 'Shenghuo jueding le wode dianying' (Life Makes My Films), in Dangdai dianying (Contemporary Cinema), April (1997), pp. 81-83.

Hu, Jian. 'Zai zhengli zhengdun he shenhua gaigezhong zhengqu faxing fangying gongzuo dexin shengli' (To Strive for New Victory of Film Distribution and Exhibition in the Deepened Reform), in China's Film Year Book, (Beijing: China Film Press, 1989), pp. 292-294.

Hu, Jian. 'Dianying faxing fangying' (Film Distribution and Exhibition), in China's Film Year Book (Beijing: China Film Press, 1990), pp. 341-345.

Hu, Jian. '1991 Dianying faxing fangying gongzuo huigu' (Chinese Film in 1993: Distribution and Exhibition), in China's Film Year Book, (Beijing: China Film Press, 1991), pp. 239-245.

Jia, Leilei. 'Huang Jianxin chengshi dianying duanxiang' (On Huang Jianxin's City Films), in Dangdai dianying (Contemporary Cinema), April (1997), pp. 78-80.

Lan, Ning. 'Dianying faxing fangying shichang ruhe yingjie mingtian' (How Chinese Film Distribution and Exhibition Move Towards the Future), in Liaowang (Vision), Vol. 7/8 (1994), pp. 37-39.

Leyda, Jay. Dian ying --- An Account of Films and the Film Audience in China, (London: The MIT Press, 1972).

Lian, Sheng. 'Xianggang weihe fengxing dupian' (Why Gambling Films Became Popular in Hong Kong), in China's Film Year Book (Beijing: China Film Press, 1992), p. 429.

Li, Baiming. 'Dianying baihuajiang jinjijiang zhengzai zouxiang moluo' (One Hundred Flower Awards and Golden Rooster Awards are on the Decline), Dianshi yu xiju (Television and Drama), Vol. 1 (1994), pp. 8-10.

Li, Derun. 'Women de shenghuo haole, dianyingdui paole!' (Our Life is Better Now, Film Showing Team Has Disappeared), Renmin ribao (People Daily), 7 May 1986, p. 3.

Li, Ding. 'Heidao xiang baidao fachu chuochuo biren de tiaozhan -- jiaodian zhongde hepai pian (Black vs. Red -- Focus on Co-productions), Dianying zuopin (Cinema Works), Vol. 5 (1994), pp. 63-65.

Li Erwei, 'Xie Jin tan *yapian zhanzheng*' (Xie Jin Talking about Film Opium War), in Dianying yishu (Film Art), Vol. 5 (1997), pp. 20-24.

Li, Shaobai and Feng, Bo. 'Zouxiang shichang' (Enter the Market), in Dianying yishu (Film Art), Vol. 1 (1995), pp. 17-24.

Li, Xingfa.'Dui dianying shichang zhixiao xingwei de sikao' (Consideration on the Way of Direct Supply in the Film Market), in Dangdai dianying (Contemporary Cinema), Vol. 3, May (1996), pp. 4-7.

Li, Xingfa. 'Ruhekan zhongguopian zai guowai huojiang' (How to View Chinese Films Winning International Prizes), in Dangdai dianying (Contemporary Cinema), April (1997), pp. 33-37.

Li, Yiming. 'Yule pian, wenhua zhuanxing he shichang jingji de biran chanwu' (Entertainment Film, the Consequence of Changed Cultural Pattern and a Market Economy), in Dianying yishu (Film Art), Vol. 5 (1993), pp. 21-26.

Li, Yiming. 'Yule pian, wenhua zhuanxing he shichang jingji de biran chanwu' (Entertainment Film, the Consequence of Changed Cultural Pattern and a Market Economy), in Dianying yishu (Film Art), Vol. 6 (1993), pp. 52-63.

Li, Yiming. 'Cong diwudai dao diliudai: 90niandai qianqi zhongguo dalu dianying de yanbian' (From the Fifth Generation to the Sixth Generation: the Evolution of the Film by Mainland China in Early 1990s), in Dianying yishu (Film Art), Vol. 1 (1998), pp. 15-22.

Lin, Baohua. 'Shehui zhuyi guaitai nan e gushi chaofeng' (Socialist ill-formed foetus cannot stop share market disaster), in Zheng Ming (Cheng Ming), No. 231, 1/1997, pp.42-43.

Liu, Jie. 'Zhigong xiangkan de kanbu dao, buxiang kande daochu yan' (What workers want to see they cannot see, those movies they dislike are shown everywhere), Gongren ribao (Workers' Daily), 17 January 1997, p. 1.

Liu, Peiqiong ed. Zhongguo jingji daqu shi (China's Economic Trends), (Hong Kong, 1995).

Liu, Wei. 'Nongcun dianying shichang yousi lu' (Reflections on Rural Film Market), Jingji ribao (Economics Daily), 12 June 1993, p. 8.

Logan, Bey. Hong Kong Action Cinema, (New York: The Overlook Press, 1995).

Lowenthal, Richard. Social Change and Cultural Crisis, (New York: Columbia University Press, 1984).

Lu, Sheldon Hsiaopeng. 'Transnational Chinese Cinemas: Identity, Nationhood, Gender' (Honolulu: University of Hawai'i Press, 1997).

Luo, Ka. '10 nian lai Xianggang dianying shichang zhuangkuang yu chaoliu zoushi' (Hong Kong Film Market Condition and Trends in the Last Ten Years), in China's Film Year Book (1988); pp. 461-465. Origin: 'Dianying Xinshang' (Movie Appreciation), Taiwan, No. 32, 1988.

Ma, Laurence J.C. and Hanten, Edward W. ed. Urban Development in Modern China, (Colorado: Westview Press, 1981).

Martin, John W. The Golden Age of French Cinema 1929-1939, (Boston: Twayne Publishers, 1983).

Medved, Michael. Hollywood vs. America, (New York: HarperCollins Publishers/Zondervan, 1993).

Moran, Albert ed. Film Policy -- International, National and Regional Perspectives, (London: Routledge, 1996).

Mu, Dai. 'Dangdai zhongguo dianying liupai de meixue shenshi' (The Artistic Basis of the Schools of Thought in Contemporary Chinese Cinema), Yishu guangjiao, (Art Field), Vol. 3 (1993), pp. 53-54.

Ni, Zhen. 'Qidai yinmu huihuang de mingtian' (Expecting a Brilliant Tomorrow), Wenhui bao (Wenhui Daily), 17 January 1996, p. 1.

Noth, Jochen; Pohlmann, Wolfger; and Reschke, Kai ed 'China Avant-Garde: Counter-Currents in Art and Culture' (Oxford New York: Oxford University Press, 1994).

Pan, Yan. 'Zhongguo dianying: zai huobao biaoxiang de beihou' (Something Behind the Prosperity of Chinese Film), in Liaowang (Vision), Vol. 51 (1995), pp. 12-16.

Peary, Danny. Alternative Oscars -- Angry with the Academy's Choices? (London: Simon & Schuster Ltd, 1993).

Postiglione, Gerard A. and Lee, Wing Ou ed. Social Change and Educational Development -- Mainland China, Taiwan and Hong Kong, (Hong Kong: Centre of Asian Studies, The University of Hong Kong, 1995).

Qi, Yue. 'Fangtan dianying gaige' (Open Discussion of Film Reform), in Dianying yishu (Cinema Art), Vol. 5 (1993), pp. 17-18.

Qu, Xuanlin. 'Dianying jingji yu tizhi gaige bitan' (Discussion on Film Industry Reform), Dangdai dianying (Contemporary Cinema), Vol. 6 (1992), pp. 47-48.

Ren, Yin; Dai, Jinhua and Zhang, Yiwu. 'Zhongguo dianying de kundun' (The difficulties of Chinese film), Guangming ribao (Guangming Daily), 26 January 1994, p. 5.

Semsel, George Stephen ed. Chinese Film -- The State of the Art in the People's Republic, (New York: Praeger Publisher, 1987).

Semsel, George Stephen, Xia, Hong and Hou, Jian-ping ed. Chinese Film Theory -- A Guide to The New Era, (New York: Praeger Publisher, 1990).

Shao, Mujun. 'Zhongguo dangdai yule pian wenti boyi' (Discussion and Debate about China's Contemporary Entertainment Film), Dangdai dianying (Contemporary Cinema), Vol. 2 (1989), pp. 11-13.

Shiach, Don. The Movie Book -- An Illustrated History of the Cinema, (Leicestershire: Acropolis Books, 1992).

Shindler, Colin. Hollywood in Crisis -- Cinema and American Society 1929-1939, (London: Routledge, 1996).

Shu, Ke. 'Dinying de shichang yu shichang de dianying' (Film Market and Film in Market), in Dianying pingjie (Film Review), Vol. 7 (1993), pp. 6-7.

Si, Cun. 'Yi zhongguo guanzhong de xuyao wei diyi xuyao' (Giving First Place to the Need of Chinese Audience), in Dangdai dianying (Contemporary Cinema), April (1997), pp. 19-21.

Sun Jiansan, 'Guanyu *likai leifeng de rizi* de diaocha yu sikao' (Survey and Thinking about Film The Days without Lei Feng), in Dianying yishu (Film Art), Vol. 4 (1997), pp. 77-82.

Tang, Junshan. 'Yule pianyu dianying de huapuo' (Entertainment Film and Film Industry Decline), in Dianying wenxue (Film Literature), Vol. 1 (1991), pp. 77-78.

The 13th Hong Kong International Film Festival -- Phantoms of the Hong Kong Cinema, (Presented by the Urban Council, 1989).

The Reaserch Center of China Film Distribution Institute, 'Lun zhongguo nongcun dianying shichang de kaifa' (Analysing the Exploitation of the Rural Film Market), in China's Film Year Book, (Beijing: China Film Press, 1988), pp.12.8-12.11.

Thompson, Kristin. Exporting Entertainment -- America in the World Film Market 1907-34, (London: British Film Institute, 1985).

Thomson, David. America in the Dark -- Hollywood and the Gift of Unreality, (London: Hutchinson & Co. Ltd, 1978).

Wang, Xingdong. '*Likai Lei Feng de rizi* bianju de yidian sikao' (The Days after Lei Feng Left Us: Some Thoughs of Screenwriter), in Dangdai dianying (Contemporary Cinema), April (1997), pp. 22-25.

Wan, Wen. 'Nongmin shouli youleqian, cuntou dianying que bujian' (Now That Peasants Have Money in Hand, Films Have Disappeared from Sight), in Zhongguo wenhua bao (Chinese Culture Times), p. 2.

Wen, Anzhong. 'Ganwen zhongguo dianying luzai hefang' (Dare to Ask Where is the Right Way for the Chinese Film Industry), Dianying pingjie (Cinema Review), Vol. 3 (1995), pp. 4 - 5.

White, Gordon. 'Prospects for Civil Society in China: A Case Study of Xiaoshan City', in The Australian Journal of Chinese Affairs, No.29, January 1993.

Wierzbicka, Anna. Cross-Cultural Pragmatics -- The Semantics of Human Interaction, (Berlin: Mouton de Gruyter, 1991).

Wu, Xihua. '93 Guoji yingtan redian zhuisu' (Review of Headlines in the International Film World in 1993), Dianying pingjie (Film Review), Vol. 5 (1994), pp.2-3.

Wu, Zhonghua. 'Dianying tizhi gaige fangan chutai' (Reform Policy for the Chinese Film Industry is Issued), Tianjin ribao (Tianjin Daily), 14 January 1993, p. 3.

Xiao, Shi. 'Wo na shenmuo fengxian gei ni ?' (What Can I Contribute to You?), Zhongwai junshi yingshi (Chinese and Foreign Military Cinema),Vol. 1 (1996), pp. 14 -16.

Yang, Ke. '1985 Dianying faxing fangying gongzuo huigu' (Chinese Film in the year 1985: Distribution and Exhibition), in China's Film Year Book, (Beijing: China Film Press, 1986), pp.11.1-11.5.

Yin, Hong and Chen, Hang. 'Jinru 90 niandai de Zhongguo dianying' (Chinese Film in the 1990s), Dangdai dianying (Contemporary Cinema), Vol. 1 (1993), pp. 6-12.

Yin, Hong. 'Zai xuanhua he saodong zhong zouxiang duoyuan hua' (Transfer into multiform in reform period), Tianjin shehui kexüe (Tianjin Social Sciences), Vol. 3 (1995), pp. 69-71.

Yin, Hong. 'Diwudai yu xinshengdai, dianying shidai de jiaocha yu guodu' (The Fifth Generation and the New Generation Intersection and Transition), in Dianying yishu (Film Art), Vol. 1 (1998), pp. 23-26.

Yu, Muyun. '1991 Xianggang dianying huigu' (1991 Hong Kong Film Review), in China's Film Year Book (Beijing: China Film Press, 1991), pp. 377-378.

Yu, Muyun. 'Xianggang dianying' (Hong Kong Cinema), in China's Film Year Book (Beijing: China Film Press, 1989), pp. 447-461. Origin: 'Shijie dianying' (World Film), Taiwan, No. 243, 12/1988.

Yu, Zhonglian. 'Xianggang dianying' (Hong Kong New Wave Film Review), in China's Film Year Book (Beijing: China Film Press, 1992), pp. 425-428. Origin: 'Dangdai dianying' (Contemporary Cinema), Vol. 4 (1992).

Zha, Jianying. China Pop, (New York: The New Press, 1995).

Zhang, Bangding. 'Dianying xianzhuang luandan' (The Situation of the Film Industry), Dianying zuopin (Cinema Works), Vol. 5 (1993), pp. 10-13.

Zhang, Boqing and Zhang, Wei. Dianying guanzhongxue (Film Audience Theory), (Beijing: China Film Press, 1994).

Zhang, Wei. ' Tansuo piande daoyan jizhi yu guanzhong' (New Wave Film's Director and his Audience), in Dangdai dianying (Contemporary Cinema), Vol. 1 (1993), pp. 41-49.