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Dispute Threatens China Business Magazine

Caijing's Editor Battles Publisher for More Control of Revenue, Content as She Considers New Venture

By JASON DEAN And SKY CANAVES

BEIJING—Mass resignations by business executives at China's Caijing magazine are fueling doubt over the future of the country's most influential business publication and the efforts of its pioneering editor to reshape journalism in China.

The departures stem from disagreements between the Caijing staff, led by managing editor Hu Shuli, and the company that publishes it, SEEC, over issues ranging from business strategy to editorial freedom, according to Caijing employees and others familiar with the situation.

Ms. Hu is currently negotiating with SEEC for greater control over Caijing's future but could resign soon, likely prompting another wave of resignations, this time by the editorial staff, people close to her say.

The people say that if Ms. Hu leaves Caijing, her aim would be to start a new media venture with her Caijing editorial staff and the business team led by general manager Daphne Wu, who resigned before the Oct. 1 National Day holiday.

One person familiar with the situation described the negotiations with SEEC as "anything but smooth."

About two-thirds of the more than 100 business staff at Caijing, the title of which translates roughly as Finance and Economics, tendered their resignations shortly before the Oct. 1 holiday, the knowledgeable people say.

Ms. Hu declined to comment. SEEC officials couldn't be reached. The resignations were reported Monday by The South China Morning Post.

The Wall Street Journal has an agreement with Caijing to occasionally publish translated Caijing articles in the Journal's Asian edition and to let Journal articles be published in Caijing.

The tumult at Caijing comes at a time of commercial ferment in China's media industry and when the Internet is challenging the traditional approaches of established outlets.

The government has been promoting a more market-driven media sector in which publications compete for readers and viewers, while at the same time pumping money into large state-run companies and pushing them to expand.

The government maintains at-times stringent controls over publication of content that it considers politically unacceptable, and while it largely relies on self-censorship by publications, it has also in recent years forced the firing of journalists or the closure of publications that it deems to have gone to far.

Caijing is a rare example of envelope-pushing independence in that state-dominated sector.

Founded by Ms. Hu in 1998, it has gained attention at home and abroad for investigative reports and opinionated commentaries on social and economic matters that sometimes challenge official views.

Despite its edginess, the magazine also succeeds in getting interviews with senior government officials and state-sector executives, leading to the perception that it has at least some high-level backing for its reformist agenda.

The magazine's ability to dodge censors and continue its pathbreaking reportage is seen as a hopeful sign by advocates of freer media in China—even though few other publications have been willing or able to replicate its success.

Its formula has been successful at attracting advertisers, producing revenue growth for SEEC Media Group Ltd., the Hong Kong-listed arm of SEEC that manages Caijing's advertising.

SEEC, led by Wang Boming, the well-connected son of a former senior official, has a complicated and opaque structure but isn't directly controlled by the government, a rarity in China's state-dominated media industry.

Its ownership provided Caijing with some political cover from censors that few other publications enjoy in China.

Recently, tensions have emerged between Ms. Hu and SEEC over the sharing of advertising revenues and the nature of Caijing's content.

People close to Caijing say that Ms. Hu wishes to continue to offer a broad range of news that sometimes pushes the bounds of what is permissible in China's media environment, while SEEC prefers to focus more on financial data and steer clear of controversial issues.

A memo from SEEC to Caijing editors earlier this year pressing for that more-narrow purview helped fuel tensions, according to one staffer.

The disagreement was aggravated during deadly riots in July in China's Xinjiang region, of which Caijing editors were told to restrict their coverage because of the subject's political sensitivity, the person said.

On Sept. 28, amid rumors that top editors were leaving Caijing to start a rival publication, the magazine issued a statement denying any resignations and threatening to take legal action against anyone who published unverified information.

—Ian Johnson
contributed to this article.

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