

The Wire *China*

COVER STORY

The NBA's Jam

How long can the league maintain its juggling act of embracing progressive causes in the U.S. while turning a blind eye in China?

BY CHRISTOPHER BEAM — JULY 26, 2020



Illustration by Chris Koehler

On Friday, Oct. 4, 2019, the official Weibo account of the Los Angeles Lakers posted a message teasing the team's upcoming preseason games in Shanghai and Shenzhen, along with photos of the two cities' skylines. "Welcome to China, Old James!" one Weibo user responded, using an affectionate name for Lakers star LeBron James. Others scrounged for tickets, which, given the wild popularity of the NBA and one of its most beloved teams in China, were selling for as much as \$2,675.

That same day, Hong Kong's chief executive invoked emergency powers to ban face masks in public, an attempt to deter the pro-democracy protests that had roiled the city. (<https://www.nytimes.com/2020/06/09/world/asia/hong-kong-protests-one-year-later.html>) the previous five months. The move backfired, sparking a new wave of demonstrations.

In Tokyo, [Daryl Morey](https://www.nba.com/rockets/daryl-morey) (<https://www.nba.com/rockets/daryl-morey>), general manager of the Houston Rockets, logged onto Twitter. Morey had long followed civil rights issues, often retweeting the ACLU, and counted a number of Hong Kongers among his friends from his days at the MIT Sloan School of Management. At 11:41 a.m. Japan time — Friday evening in the U.S. — he posted an image on Twitter featuring the words, “Fight for Freedom, Stand With Hong Kong.”



Daryl Morey's tweet, now deleted

Morey deleted the tweet, but it was too late. By the end of the weekend, Chinese sponsors were [pulling out](https://www.reuters.com/article/us-china-basketball-nba/nba-stirs-u-s-hornets-nest-faces-china-backlash-over-hong-kong-tweet-idUSKCN1WL04T) (<https://www.reuters.com/article/us-china-basketball-nba/nba-stirs-u-s-hornets-nest-faces-china-backlash-over-hong-kong-tweet-idUSKCN1WL04T>) of deals with the Rockets, the Chinese Basketball Association (CBA) suspended “communication and cooperation” with the team, and both Chinese state television and the streaming giant Tencent had dropped broadcasts of its games.

League officials scrambled to control the damage. Rockets owner Tilman Fertitta [tweeted](https://twitter.com/TilmanJFertitta/status/1180330287957495809) (<https://twitter.com/TilmanJFertitta/status/1180330287957495809>) that the general manager “does NOT speak for the @HoustonRockets” and that “we are NOT a political organization.” The NBA issued a statement calling Morey’s tweet “regrettable” but stopped short of a rebuke. (Update: A league spokesperson emailed to clarify that the word “regrettable” was referring to “the offense caused to our friends and fans in China,” not the tweet itself.) The Chinese-language statement, however, went further, saying the league was “extremely disappointed” in Morey’s “inappropriate remarks” that “hurt the feelings of Chinese fans.”

Soon after, American politicians from both parties accused the NBA of caving to Chinese pressure. Rep. Alexandria Ocasio-Cortez and Sen. Ted Cruz issued a withering statement alleging that the league “sold out an American citizen.”

NBA commissioner Adam Silver took a mulligan, holding a press conference in which he explicitly defended “freedom of expression.” While this new stance mollified some of his American critics, it only inflamed the Chinese side. [CCTV](https://english.cctv.com) (<https://english.cctv.com>), China’s big state-run television network, pulled all NBA games from its broadcast schedule. Tencent cut off all preseason games, before reinstating a reduced schedule. And [all](#)

(<https://www.cnn.com/2019/10/09/business/nba-china-partners/index.html>) of the NBA's Chinese corporate partners, including travel website Trip.com and smartphone maker Vivo, halted business with the league. Silver later estimated that the NBA lost close to \$400 million in revenue.

Until Morey's tweet, the NBA had been enjoying ludicrous success in China. "It was really all guns blazing, firing on all cylinders," says [Mark Fischer](https://www.forbes.com/sites/russellflannery/2019/07/09/china-expat-entrepreneur-sports-is-still-full-of-promise-for-foreign-businesses/#883b3b8512b4) (<https://www.forbes.com/sites/russellflannery/2019/07/09/china-expat-entrepreneur-sports-is-still-full-of-promise-for-foreign-businesses/#883b3b8512b4>), former managing director of NBA China and now CCO of the East Asia Super League.

Read: basketball and the NBA aren't the only sport and league popular in China — and among Chinese investors. The Wire's Eli Binder surveys China's involvement in numerous international sports deals. (<https://www.thewirechina.com/2020/07/26/chinas-foray-into-international-sports/>).

In three decades, the NBA had gone from giving away broadcast rights for free to a \$1.5 billion streaming deal with Tencent. Revenues from its China business had risen from \$9.5 million in 2004 to an [estimated](https://www.usatoday.com/story/sports/nba/2019/10/09/nba-china-hong-kong-whats-at-stake/3912447002/) (<https://www.usatoday.com/story/sports/nba/2019/10/09/nba-china-hong-kong-whats-at-stake/3912447002/>) \$500 million ([about:blank](https://www.usatoday.com/story/sports/nba/2019/10/09/nba-china-hong-kong-whats-at-stake/3912447002/)) in 2019, possibly constituting as much as [one-tenth](https://sports.yahoo.com/nba-china-feud-could-hit-000050413.html) (<https://sports.yahoo.com/nba-china-feud-could-hit-000050413.html>) of the league's revenue. And despite the 2011 retirement of Yao Ming, [the first Chinese NBA superstar](https://www.wsj.com/articles/SB103523448330623311) (<https://www.wsj.com/articles/SB103523448330623311>), a new era of cross-national pollination had begun, with Alibaba co-founder Joe Tsai buying the Brooklyn Nets and stars like Dwyane Wade and Klay Thompson signing huge endorsement deals with Chinese brands.



Chinese sneaker brand Li-Ning created a line of shoes for Dwyane Wade.

Credit: [Li-Ning Way of Wade on Weibo \(https://m.weibo.cn/detail/4263133294284808\)](https://m.weibo.cn/detail/4263133294284808)

In September — a month before Tweetgate — the Associated Press ran a puff piece (<https://www.nba.com/article/2019/09/16/nba-popularity-china-ap>) speculating about the NBA's future in China: “Could there be an NBA team in China despite the travel that would be involved? Might there be two-way player contracts between the NBA and the CBA? What about the NBA constructing a team to play in China or the Chinese sending a team for a full season in the U.S.?”

After Morey's tweet, the answers were clear: no, no, and no.

Even as the league resumes games on July 30, after a four-month break due to the Covid-19 pandemic, the NBA's future in China is more uncertain than ever.

Under different circumstances, the story might have blown over. But fumbled messaging, an escalation-prone social media environment, and historically high Sino-U.S. tensions dragged the controversy out for months. “It was a perfect storm,” says Fischer. And yet the Morey incident and its fallout resulted from a collision of forces — the biggest sports boom in Chinese history, growing political outspokenness within the NBA, and increasing nationalism and sensitivity within the CCP — that were long-brewing and bound to clash eventually. What's remarkable may be that it took so long.

'A FEEDING FRENZY'

For more than a century, basketball in China has served as a proxy for the country's relationship with the outside world. In the 1890s, soon after James Naismith invented the sport in Springfield, Mass., American missionaries brought basketballs to China as part of an effort to establish branches of the YMCA, preaching a gospel of national strength through physical strength (and, of course, God).



China sent a basketball team to the Olympics in 1936.

Credit: Photo by ullstein bild via Getty Images

During the brutal yearlong retreat known as the Long March starting in 1934, the flagging Red Army found time to play games of pick-up basketball, and erected hoops at their eventual base of Yan'an. China declared basketball a national pastime in 1935 and sent a team to compete in the 1936 Olympics in Berlin. Once in power, Mao went on to ban sports he deemed colonialist, but made an exception for basketball, which he valued for its emphasis on teamwork.

While ping pong gets credit for reopening relations between China and the U.S. starting in 1971, when a team of American players toured the country at Mao's invitation, it was basketball that provided a lasting bridge, thanks largely to the efforts of then-NBA commissioner David Stern (<https://www.nba.com/article/2020/01/01/david-stern-passes-away-77>). In 1985, Stern organized a "friendship tour" for a delegation of Chinese players, who played a series of scrimmages against NBA teams including the Chicago Bulls and their new star Michael Jordan.

Sensing potential, Stern visited Beijing in 1990 toting tapes of NBA games, hoping to persuade CCTV to broadcast them. CCTV officials kept him waiting in the lobby for at least two hours. Stern ended up letting them broadcast NBA content for free, in exchange for a cut of what was then minimal ad revenue.

"There was no doubt it was the right time," says Bruce O'Neil (<https://www.usbausa.com/home>), who worked with Stern and now runs the United States Basketball Academy (<https://www.usbausa.com/home>) in Oregon, which trains Chinese players.

“He saw the interest was overwhelming.”

The NBA wasn't the only sports power trying to break into the China market. By the mid-'90s, Nike was manufacturing nearly a third of its shoes there and saw the country's emerging middle class as its next customer base. The company was so ubiquitous, sponsoring everything from local basketball tournaments to the CBA during its first season in 1995, that for some fans Nike became synonymous with the sport.

Terry Rhoads, who ran China marketing for Nike, remembers regional TV networks offering to broadcast Nike spots featuring Michael Jordan for free. “It was so prestigious that it helped their sales staff,” Rhoads says.

But to maximize its market in China, the NBA needed a home-grown star. When early prospect Wang Zhizhi fell short of expectations, the league turned to Yao Ming, the rare 7'6" center who could sink threes. After a multi-year battle to persuade Chinese government and CBA officials to release Yao — the Shanghai Sharks demanded that Yao pay them up to \$15 million over the course of his NBA career — the Rockets finally drafted him in 2002 as the number one pick.

Yao's arrival changed everything for the league's China business. During his first season, the NBA opened its first office on the mainland, signed a ream of new TV contracts, and doubled the number of games broadcast in China. Thanks to support from Chinese fans, in his rookie year, Yao won the most votes for the All-Star team, beating out Shaq. “There was national pride,” recalls Ed Goren, a former CBS Sports producer and Fox Sports executive. “Every kid wanted to be like Yao Ming.”

Boosted by China's accession to the World Trade Organization in 2001, Yao opened the door for new revenue streams from Chinese companies, including the brewer Yanjing, which sponsored the Rockets, and sportswear brands like Peak, which endorsed the NBA and individual athletes. “It created a feeding frenzy,” says O'Neil. By 2008, the league was making \$75 million in annual revenue in China, according to [Jim Yardley](https://www.nytimes.com/by/jim-yardley). (<https://www.nytimes.com/by/jim-yardley>)'s book, *Brave Dragons: A Chinese Basketball Team, an American Coach, and Two Cultures Clashing* (<https://www.amazon.com/Brave-Dragons-Basketball-American-Cultures/dp/0307473368>).

Read: [The NBA is big business in China — this week, The Wire's graphics team looks at the NBA's Chinese subsidiary and the litany of business deals that have made it so valuable to the league.](https://www.thewirechina.com/2020/07/26/the-nba-is-big-business-in-china/) (<https://www.thewirechina.com/2020/07/26/the-nba-is-big-business-in-china/>).

To help manage the increasingly complex business, the NBA established a Chinese subsidiary, called [NBA China](https://www.businesswire.com/news/home/20080114006027/en/NBA-Forms-New-China-Entity) (<https://www.businesswire.com/news/home/20080114006027/en/NBA-Forms-New-China-Entity>), which allowed the league to operate more freely there, without the hassles of cross-border transactions. The subsidiary got buy-in from the Disney-owned [ESPN](http://www.espn.com) (<http://www.espn.com>), as well as some of China's biggest firms — including Bank of China Group Investment, [Legend Holdings](http://www.legendholdings.com.cn/History_en/index.aspx?nodeid=1044) (http://www.legendholdings.com.cn/History_en/index.aspx?nodeid=1044), and China Merchants Investments — whose initial investment of \$253 million gave the new company a

valuation of more than \$2 billion. In 2018, NBA deputy commissioner Mark Tatum told *Forbes* that NBA China was worth “well past \$4 billion (<https://www.forbes.com/sites/mikeozanian/2018/02/26/mark-tatum-talks-about-the-nbas-enormous-success-in-china/#2f8ffb09518b>).”

“Part of the reason” for establishing the subsidiary, says Fischer, “was to increase the NBA’s influence and connections in the corridors of Chinese government power.”

In building an outpost in China, the NBA was effectively going into business with the CCP, or Chinese Communist Party. Many of the league’s Chinese partners are state-owned or state-backed firms. For example, the state-backed telecom giant ZTE, which grew out of a Chinese military firm, sponsored three NBA teams (<http://global.nba.com/news/zte-becomes-smartphone-partner-of-the-cleveland-cavaliers/>) before it ran into trouble with the U.S. government over Iran sanctions violations. Chinese government leaders have backed NBA projects there, including a partnership with the Ministry of Education to promote basketball in primary schools. And China’s state-run TV networks are key to reaching the league’s consumers.



U.S. vs. China at the 2008 Olympics in Beijing.

Credit: kris krüg, Creative Commons (<https://creativecommons.org/licenses/by-sa/2.0/deed.en>)

When Beijing hosted the 2008 Olympics, the NBA helped stage the basketball events, bringing its own cheerleaders and mascots, and managed the arena where the games were held. The match-up between the U.S. and China teams, watched by an estimated 175 million people, was a victory lap for the league and a fulfillment of its global aspirations. (Kobe Bryant’s jersey was by then even more popular in China (<https://www.nytimes.com/2008/08/27/sports/olympics/27star.html>) than Yao’s.) It almost didn’t matter which team won: The NBA took home the gold.

‘WOKE CAPITAL’

The NBA discovered its own limits in China in 2006 when, during a media summit, Stern floated the idea of the NBA starting its own Chinese league. Government officials fumed that he hadn't bothered to consult them before going public. Whether he knew it or not, Stern was challenging not just the CBA, but the country's entire state-run sports system.

"That caused some preliminary damage," O'Neil says. "I told Dave at the time they were jumping in too quick." Rhoads also bemoaned the decision: "It showed how sometimes Western entities were bumbling their way into China, running before they learned how to walk."



David Stern, former NBA commissioner

Credit: Photograph by Kevin Maloney/Fortune Brainstorm Tech, Creative Commons

(<https://creativecommons.org/licenses/by/2.0/deed.en>)

For decades, China has required foreign companies to avoid crossing a set of red lines, most notably the "three Ts" of Tibet, Taiwan and Tiananmen Square. Support for the Free Tibet movement in the 1990s got the actor Richard Gere blacklisted, while Apple removed images of the Dalai Lama (<https://www.nytimes.com/1998/04/17/world/apple-removes-the-dalai-lama-from-its-ads-in-hong-kong.html>) from its "Think Different" ad campaign in Asia.

As an NBA employee working out of Hong Kong, Fischer got an early glimpse of political sensitivities in 1999 when an American bomb hit the Chinese embassy in Belgrade. The government blacked out NBA broadcasts on the mainland for nearly a month. "We had to do some fence-mending," Fischer says.

Stern himself agonized over the league's relationship with China. In a 2006 interview (<https://vault.si.com/vault/2006/11/06/the-world-according-to-david-stern>) with *Sports Illustrated*, he reflected on the cost of operating in an authoritarian country. "Believe me, the China situation bothers me," Stern said. "But at the end of the day I have a responsibility to my owners to make money. I can never forget that, no matter what my personal feelings might be."



The People's Daily tweeted this photo, which also circulated on Weibo, of a Versace shirt with Hong Kong identified as a country.

Credit: People's Daily on Twitter

https://twitter.com/PDChina/status/1160532393784217600?ref_src=twsrc%5Etfw

Since then, restrictions on political speech have only tightened. After Xi Jinping took over as president in 2013, the government cracked down on dissent, jailing lawyers and activists, ejecting foreign journalists, and detaining an estimated 1 million Uyghurs (<https://qz.com/1599393/how-researchers-estimate-1-million-uyghurs-are-detained-in-xinjiang/>) in “reeducation” camps. Umbrage is set on a hair trigger, forcing companies like Christian Dior to apologize for displaying (<https://www.reuters.com/article/us-china-dior-politics-idUSKBN1WW096>) a map of China that did not include Taiwan, Versace for a t-shirt design implying (<https://www.washingtonpost.com/world/2019/08/12/givenchy-versace-big-brands-are-apologizing-china/>) that Hong Kong is a country, and Tiffany & Co. for releasing (<https://hongkongfp.com/2019/10/08/tiffany-removes-advert-hong-kong-controversy/>) an ad featuring a gesture similar to one used by Hong Kong protesters. Hollywood films have scrubbed references to China perceived as negative, while tech companies like LinkedIn have censored (<https://blogs.wsj.com/chinarealtime/2014/06/04/linkedin-said-it-would-censor-in-china-now-it-is-and-some-users-are-unhappy/>) their content in exchange for market access. In 2019, an economist at UBS was suspended (<https://www.bbc.com/news/business-49898296>) for using the term “Chinese pig” to refer to pigs in China.

Some companies have taken stands. In 2010, Google shut down (<https://www.wired.com/2010/01/google-china-engagement/>) its Chinese search engine, citing censorship. (It continued to operate its lucrative ad business (<https://adage.com/article/digital/google-s-china-woes-ad-sales-growing/296424>) there.) Recently, after the Chinese legislature passed a new national security law for Hong Kong, Facebook, Google and Twitter all said they were “pausing (<https://www.theverge.com/2020/7/6/21314900/google-facebook-twitter-hong-kong-government-data-china>)” cooperation with Hong Kong police’s requests for user information. But most companies have steered clear of sensitive issues altogether.

Believe me, the China situation bothers me. But at the end of the day I have a responsibility to my owners to make money. I can never forget that, no matter what my personal feelings might be.

— *David Stern, former NBA commissioner*

At the same time, the NBA has grown more overtly political. In the '80s and '90s, players hesitated to speak out on social issues, an attitude encapsulated by Michael Jordan's quip that "Republicans buy shoes, too." (In the recent ESPN documentary series *The Last Dance*, Jordan claims he said it "[in jest \(https://www.vulture.com/2020/05/did-michael-jordan-say-republicans-buy-sneakers-too-yes.html\)](https://www.vulture.com/2020/05/did-michael-jordan-say-republicans-buy-sneakers-too-yes.html)." The rare player who did take a political stance — Mahmoud Abdul-Rauf [refusing to stand \(https://theundefeated.com/features/abdul-rauf-doesnt-regret-sitting-out-national-anthem/\)](https://theundefeated.com/features/abdul-rauf-doesnt-regret-sitting-out-national-anthem/) for the national anthem; Craig Hodges delivering a [critical letter \(https://www.wbur.org/onlygame/2017/05/12/craig-hodges-nba-activism\)](https://www.wbur.org/onlygame/2017/05/12/craig-hodges-nba-activism) to President George H.W. Bush — got frozen out. In his book *The Heritage*, ESPN journalist Howard Bryant dubs this period the "greenwashing" era of American sports, when athletes cared more about making money than speaking out in ways that might put their careers at risk.



LeBron James, then playing for the Cleveland Cavaliers, wears an "I Can't Breathe" shirt during warmups before a game against the Brooklyn Nets at the Barclays Center on December 8, 2014 in New York

City.

Credit: Al Bello/Getty Images

That's changed in the last decade. In 2012, after George Zimmerman killed Trayvon Martin, LeBron James and his teammates on the Miami Heat posed for a photo wearing the kind of hoodie worn by Martin. In 2014, early in his tenure, Adam Silver banned (<https://www.theatlantic.com/culture/archive/2014/04/watch-nba-commissioner-adam-silver-announce-punishment-for-los-angeles-clippers-owner-donald-sterling/361392/>). Los Angeles Clippers owner Donald Sterling from the league after TMZ released an audio recording of Sterling making racist comments. In the wake of Eric Garner's death at the hands of NYPD officers a few months later, a handful of players including James wore t-shirts that said, "I Can't Breathe." In 2016, four of the league's top players — James, Dwyane Wade, Chris Paul and Carmelo Anthony — gave a group speech at the ESPY Awards in which they called on their fellow athletes to promote social change. Invoking Muhammad Ali, James said, "We all have to do better."

For the NBA, in which three-quarters of athletes are Black, advocating for racial justice makes sense, according to Michael Posner, a professor of ethics at the NYU Stern School of Business. "That's not core to the business in the technical sense, but it is central to who the league is," he says.

Since taking over as NBA commissioner, Silver has embraced a wider range of progressive causes. In 2016, he relocated (<https://theundefeated.com/features/nba-exploring-other-cities-to-hold-2017-all-star-game/>) the All-Star Game from Charlotte in protest of North Carolina's "bathroom bill," which limited anti-discrimination protections. The next year he danced (<https://www.tmz.com/2017/06/26/nba-commish-adam-silver-gay-pride-parade-float/>) atop a float at the New York City Pride Parade. In 2019, the NBA signed onto a UN declaration (https://unfccc.int/sites/default/files/resource/Sports_for_Climate_Action_Declaration_and_Framework.pdf) to combat climate change.

Trump's election only ratcheted up the political talk, as coaches like Steve Kerr and Gregg Popovich have openly denounced the president, while every championship team since 2016 has refused to visit the White House. The league's audience, which skews younger and more diverse than, say, the NFL, has largely embraced the leftward move. (The NBA's ratings are down (<https://www.dailymail.co.uk/news/article-7849129/NBAs-TV-ratings-conundrum-Fewer-fans-tuning-despite-RISING-ticket-merchandise-sales.html>), but revenues grew (<https://www.statista.com/statistics/193467/total-league-revenue-of-the-nba-since-2005/#:~:text=NBA%20league%20revenue%20%2D%20additional%20information,figure%20from%20the%20year-on-year%20through%202019>.) Sponsors, too, appear increasingly comfortable with players speaking out, as indicated by Nike endorsing Colin Kaepernick in 2018. During the recent Black Lives Matter protests, more notable has been any company that has *not* issued a statement of solidarity.

"You see a lot of corporations wading into the fray," says Jennifer S. Fan, a professor at University of Washington School of Law and author of a paper (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3556120) on "woke capital." Fan says that in the past, most companies focused on maximizing profits — the idea known as "shareholder primacy theory," which was propagated by Milton Friedman and embraced by Stern — but

they're increasingly adopting "stakeholder theory," which takes into account social issues that may impact or resonate with employees, customers, and the communities in which these businesses operate.

The question is who counts as a stakeholder and, when their interests or desires conflict, whom does the company value most?

'HYPOCRISY, PLAIN AND SIMPLE'

Even as athletes and league officials have become more vocal stateside, they've been careful not to do or say anything that would upset the Chinese government. During the FIBA Basketball World Cup hosted by China last fall, players for Team USA were briefed on issues of Chinese sovereignty, [ESPN reported](https://www.espn.com/nba/story/_/id/27852687/inside-lebron-james-adam-silver-make-break-moments-china) (https://www.espn.com/nba/story/_/id/27852687/inside-lebron-james-adam-silver-make-break-moments-china). In some cases, athletes have even courted the party, like the time Dwyane Wade [released a shoe](https://www.espn.com/nba/story/_/id/10781332/miami-heat-dwyane-wade-new-face-chinese-sneaker-company-li-ning-espn-magazine) (https://www.espn.com/nba/story/_/id/10781332/miami-heat-dwyane-wade-new-face-chinese-sneaker-company-li-ning-espn-magazine) that featured a Communist star and was named after CCP hero Lei Feng.

This juggling act — embracing progressive causes in the U.S. while turning a blind eye in China — was working until the Morey tweet highlighted the contradictions. In the months since, the NBA's awkward position has become cultural shorthand for moneyed hypocrisy. In a recent episode of the Hulu series *Ramy*, a sheikh tells the title character that he struggles to balance his duties as a father and as a religious leader. "I get that," says Ramy. "It's like when LeBron had to be nice to China. You know, like, he's usually really politically active, but he couldn't say anything 'cause of *Space Jam*."



Demonstrators watch as a LeBron James jersey burns during a rally in support of the NBA and Houston Rockets general manager Daryl Morey at the Southorn Playground in Hong Kong, Tuesday,

Oct. 15, 2019.

Credit: AP Photo/Mark Schiefelbein

Speaking with a reporter in Los Angeles 10 days after the tweet, James had called Morey “misinformed or not really educated on the situation.” He later clarified on Twitter that he’d been referring to the effect of Morey’s tweet, not the content about standing with Hong Kong.

Still, in response, Hong Kong protesters burned Lakers jerseys with the name of the star who spent years cultivating an image as someone who speaks truth to power. “LeBron James stands for money,” a protester told the Associated Press. Republican Sen. Josh Hawley echoed this line of argument in a recent [letter](https://twitter.com/HawleyMO/status/1281581052188938241/photo/1) (<https://twitter.com/HawleyMO/status/1281581052188938241/photo/1>) he wrote to Adam Silver criticizing the league for taking on certain social justice causes and not others.

But some prominent voices have defended James and the NBA. Berkeley professor and iconic civil rights activist Dr. Harry Edwards [argued](https://www.theguardian.com/sport/2019/oct/16/lebron-james-china-hong-kong-comments-nba) (<https://www.theguardian.com/sport/2019/oct/16/lebron-james-china-hong-kong-comments-nba>) that James shouldn’t have to shoulder the burden of speaking out on every issue and accused critics of political opportunism.

“I think a lot of it is rooted in anti-Blackness,” says [Howard Bryant](https://espnpressroom.com/us/bios/howard_bryant/) (https://espnpressroom.com/us/bios/howard_bryant/), the author and ESPN journalist, referring to the criticism of James. “You’re never simply allowed to focus on your issue.”

Others have stressed that the NBA remains first and foremost a business. “At the end of the day, Milton Friedman was right,” says [Craig Allen](https://www.uschina.org/craig-allen) (<https://www.uschina.org/craig-allen>), president of the US-China Business Council. “Corporations exist mostly to create profit for their shareholders. ... They’re not going to right every wrong in the world.”

With Rep. Ocasio-Cortez and Sen. Hawley aligned on one side of the debate, and Harry Edwards and American business interests on the other, the Morey fallout shows how China often scrambles the usual American political math. But critics on the left and right contend that supporting a pro-democracy movement in an authoritarian country should be a no-brainer, especially for a supposedly progressive league and an athlete who [quotes](https://twitter.com/KingJames/status/952902403422150657?s=20) (<https://twitter.com/KingJames/status/952902403422150657?s=20>) Martin Luther King, Jr.’s assertion that “Injustice anywhere is a threat to justice everywhere.”

“It’s hypocrisy, plain and simple,” says [Michael Santoro](http://www.michaelasantoro.com) (<http://www.michaelasantoro.com>), a professor of management and entrepreneurship at Santa Clara University who has written books on business ethics in China. “Sometimes you have to take a stand because it’s the right thing to do.”

ON THE REBOUND?

By spring, the fallout over Morey’s tweet had mostly subsided, and the NBA seemed hopeful it could resuscitate its China business. “We retain a strong relationship with our fans,” Silver said pointedly when asked in February about the league’s relationship with China. The coronavirus, despite wreaking havoc on the league overall — it suspended games mid-March — saved it from the uncomfortable questions of when CCTV would resume broadcasts and

whether fans and activists would keep holding up “Free Hong Kong” signs (<https://www.washingtonpost.com/sports/2019/10/09/free-hong-kong-signs-chants-get-fans-kicked-out-nba-game-philadelphia/>) during games.

On May 12, the league announced the appointment of a new CEO for NBA China, a young executive named Michael Ma (<https://careers.nba.com/executive/michael-ma/>). Ma had worked for the NBA for 13 years, including as Silver’s special assistant on China affairs. His father, Ma Guoli, helped found the sports channel CCTV5 back in the ’90s and ran TV production for the Beijing Olympics. Ma is also the first mainlander to hold the job, a symbolic changing of the guard that some believe could help appease the Chinese government.

Timeline: Basketball in China



1930s
The Red Army plays games of pick-up basketball, and erects hoops at their eventual base of Yan’an

Aug. 24, 1979
The NBA’s Washington Bullets (now Wizards) is the first professional sports team invited to China



Credit: Facebook video screenshot
(<https://www.facebook.com/watch/?v=181794499843291>)



June 26, 2002
Yao Ming is drafted by the Houston Rockets

Credit: Keith Allison, Creative Commons
(<https://creativecommons.org/licenses/by-sa/3.0/deed.en>)

Oct. 14 and 17, 2004
The first NBA preseason exhibition games in China are held (http://archive.nba.com/allstar2004/china_games/040214.html) in Shanghai and Beijing



Credit: Kenneth Lu, Creative Commons
(<https://creativecommons.org/licenses/by/2.0/>)

Jan. 2008
The NBA China company is created, in a deal with ESPN and four Chinese investors

NBA Forms New China Entity
 -- Five Prominent Global Companies Invest for 11% of NBA China --
 January 14, 2016 11:51 AM Eastern Standard Time
 NEW YORK—(BUSINESS WIRE)—The National Basketball Association today announced the formation of NBA China, a new entity that will oversee all of the league's operations in Greater China.
 "The opportunity for basketball and the NBA in China is simply extraordinary."
 Tweet This
 Five strategic partners will invest \$253 million to acquire 11% of the company to preferred ownership. The investment includes six of the world's most successful and powerful...

Aug. 10, 2008
The U.S. vs. China men's basketball match at the 2008 Beijing Olympics is watched by 170 million people
 (<https://www.nytimes.com/2008/08/22/sports/olympics/22cay.html>)
 in China



Credit: White House photo by Eric Draper



Credit: Press release
 (<https://www.prnasia.com/story/154266-1.shtml>)

June 2016
Jiang Lizhang buys a 5 percent stake in the Minnesota Timberwolves

July 21, 2016
The NBA pulls All-Star Game out of Charlotte, North Carolina, in protest of transgender bathroom bill

The NBA issued the following statement today regarding the 2017 NBA All-Star Game



Credit: Twitter screenshot



Credit: Studio Incendio, Creative Commons
 (<https://creativecommons.org/licenses/by/2.0/>)

June 2019
Widespread protests erupt over Hong Kong extradition bill

July 28, 2019
Tencent renews streaming deal with the NBA for \$1.5 billion



Credit: Cody Glenn/RISE/Sportsfile, Creative Commons
 (<https://creativecommons.org/licenses/by/2.0/>)

Aug. 16, 2019
Joe Tsai, executive vice chairman of Alibaba, buys control of the Brooklyn Nets

Oct. 4, 2019
Daryl Morey, general manager of the Houston Rockets, tweets and subsequently deletes “Stand with Hong Kong”



Credit: YouTube screenshot (<https://www.youtube.com/watch?v=Mrw2nryJeFc>).



Credit: Twitter screenshot

Oct. 8, 2019
Adam Silver gives a press conference, defending Morey’s right to free speech

But Chinese officials do not appear to be budging. The day before the Ma announcement, CCTV issued a statement (<https://s.weibo.com/weibo/%25E5%25B0%25B1%25E8%25BF%2591%25E6%2597%25A5%25E6%259C%258D%258C%258A%258B%258C%258D%258E%258F%2590%2591%2592%2593%2594%2595%2596%2597%2598%2599%25A0%25A1%25A2%25A3%25A4%25A5%25A6%25A7%25A8%25A9%25AA%25AB%25AC%25AD%25AE%25AF%25B0%25B1%25B2%25B3%25B4%25B5%25B6%25B7%25B8%25B9%25BA%25BB%25BC%25BD%25BE%25BF%25C0%25C1%25C2%25C3%25C4%25C5%25C6%25C7%25C8%25C9%25CA%25CB%25CC%25CD%25CE%25CF%25D0%25D1%25D2%25D3%25D4%25D5%25D6%25D7%25D8%25D9%25DA%25DB%25DC%25DD%25DE%25DF%25E0%25E1%25E2%25E3%25E4%25E5%25E6%25E7%25E8%25E9%25EA%25EB%25EC%25ED%25EE%25EF%25F0%25F1%25F2%25F3%25F4%25F5%25F6%25F7%25F8%25F9%25FA%25FB%25FC%25FD%25FE%25FF>) denying rumors that it would resume broadcasting NBA games. The network and the league have had “no contact or communication,” the statement said. “On questions of China’s sovereignty, CCTV’s attitude is strict, clear, and consistent.” A couple days later, the nationalist, state-run *Global Times* posted (<https://www.globaltimes.cn/content/1188160.shtml>) an article with the headline, “Naming native Chinese as NBA China boss ‘not enough’ to win mainland market back.”

Yao Ming, who now serves as chairman of the CBA, has been conspicuously silent. During the October crisis, Silver announced plans to meet with Yao in Shanghai, but the meeting never happened, according to two people who asked not to be identified. (An NBA spokesperson declined to comment, but pointed to a report (<https://www.nytimes.com/2020/02/14/sports/nba-china-hong-kong-protests.html>) that Yao and Silver spoke at Stern’s memorial in January.) “When Yao Ming can’t fix it himself, you know it’s a big problem,” said O’Neil.

In recent weeks, NBA China has been laying off employees, according to multiple sources. “It’s a very difficult time,” says O’Neil.

How the league recovers in China, if at all, remains unclear. Li Shuangfu, a former NBA reporter for Sina and co-founder of Lanxiong Sports, doesn’t think it can in the near future. While many young Chinese used to worship the U.S., he says, these days “lots of them say, ‘If you disrespect our country, we can give up your games easily.’” The power balance is shifting.”

When Yao Ming can’t fix it himself, you know it’s a big problem.

— Bruce O’Neil, who runs the United States Basketball Academy in Oregon

Wang Bo, a former CBA player who helps coach the Zhejiang Lions, says he's "not comfortable" watching Rockets games anymore. When the season resumes, he says, "I might watch another team's games."

When asked about the league's future there, the NBA provided *The Wire* with a statement from spokesperson Mike Bass: "The NBA has a four-decade history in China, and even in challenging times we remain committed to the hundreds of millions of fans there who love basketball as much as fans in the U.S. We continue to believe that sports can be a unifying force that promotes cultural exchange and understanding, which are more important than ever in these unprecedented times."

Few of the people I reached out to wanted to talk on the record about what the NBA should do, citing lingering sensitivities. But those who did saw three possible paths forward: Make amends, take a stand, or wait it out.

"They've got to figure out some way to apologize to China," says Bob Hill, former head coach of the Indiana Pacers and San Antonio Spurs, who has spent time in China coaching CBA teams. "If you're going to invest in countries that are Communist, then you need to understand their way of life," including limits on speech.

Rhoads points to a [similar sports controversy](https://www.theguardian.com/football/2019/dec/21/mesut-ozil-playmaker-who-spoke-out-arsenal) (<https://www.theguardian.com/football/2019/dec/21/mesut-ozil-playmaker-who-spoke-out-arsenal>) in December as an example of how the NBA could have responded. After the Arsenal star Mesut Özil criticized China's oppression of Uighurs, the team immediately distanced itself, issuing a statement that "Arsenal always adheres to the principle of keeping out of politics." China canceled a broadcast of one Arsenal game, but soon lifted the blackout. "Cooler heads prevailed," Rhoads says.

Given that conflicts will likely persist, some observers say American businesses should toughen up. "I see this as an opportunity to stand up and bond together to establish parameters and red lines," says David Shambaugh, a professor at George Washington University's Elliott School of International Affairs and director of its China Policy Program. "Isn't [combating] censorship a part of Corporate Social Responsibility? It ought to be."

Santoro points to the Sullivan Principles, a corporate code of conduct adopted by foreign businesses operating in South Africa during apartheid, as a useful guide. In short, he says, "if you stay, you've got to speak out about human rights abuses." This would be not only "the right thing to do," Santoro argues, but also good for business, since "the push to recognize civil and political rights is deeply related to the push to recognize property rights."

But both human rights scholars and business leaders alike argue that the government should be leading the way. "Businesses are meant to follow what governments do," says Anita Ramasastry, a professor at the University of Washington School of Law who studies human rights. It's the state's job to impose sanctions or take hard lines. "Absent that," she said, "you're always going to find differing views about whether constructive engagement is a better tool than to exit completely."

In recent days, Trump administration officials have explicitly encouraged American businesses to challenge the Chinese Communist Party. In a speech, Attorney General William P. Barr lambasted “corporate appeasement” in China. “Our ask,” Secretary of State Mike Pompeo said in a Q&A, “is if you claim that you care about human rights or social justice or these things ... then you ought to be consistent. And you can’t be consistent if you’re operating there in China without talking about ... the oppression that’s taking place.”

Realistically, though, the NBA doesn’t wield enough clout to call out the CCP and still survive in China. Many Chinese fans agree with the government’s decision to punish the league, and those who don’t agree understand that national pride takes precedence, according to Fischer. The NBA still has a huge fan base there, Fischer says, but “they don’t have as much leverage as someone outside China might think.”

But the most likely path forward — and the league’s approach so far — is “pretty simple,” says Li Shuangfu: “Wait and see.”

Meanwhile, even on lockdown, the NBA is scrambling to maintain its juggling act. In July, ESPN reported that the league had approved 29 [social justice slogans](https://www.espn.com/nba/story/_/id/29405787/source-nba-union-agree-list-social-messages-put-jerseys) (https://www.espn.com/nba/story/_/id/29405787/source-nba-union-agree-list-social-messages-put-jerseys) that players could wear on their jerseys when the season starts up again this week, including “Black Lives Matter,” “Power to the People,” and “Speak Up.”

When a [journalist](https://dailycaller.com/2020/07/13/nba-store-shop-online-jersey-customize-free-hongkong-fckpolice-china-twitter/) (<https://dailycaller.com/2020/07/13/nba-store-shop-online-jersey-customize-free-hongkong-fckpolice-china-twitter/>) then tried to order a customized “FreeHongKong” jersey on the online NBA store, he encountered an error message and was told by a customer service rep to choose a different slogan. After outrage and social media pushback, the jersey suddenly became available. A few days later, citing “violent, hateful and abusive messages,” the league shut down the website’s custom jersey function altogether.

Jonathan Landreth contributed reporting from New York.



Christopher Beam is a writer based in Los Angeles. Previously, he worked as a correspondent in Beijing for six years. His work has appeared in *The New Republic*, *Bloomberg Businessweek*, the *New York Times Magazine*, *GQ*, *The New Yorker*, and *Slate*.