Asia and the international press: The political significance of expanding markets

Garry Rodan

To cite this article: Garry Rodan (1998) Asia and the international press: The political significance of expanding markets, Democratization, 5:2, 125-154, DOI: 10.1080/13510349808403562

To link to this article: https://doi.org/10.1080/13510349808403562

Published online: 26 Sep 2007.

Submit your article to this journal

Article views: 86

View related articles

Citing articles: 5 View citing articles
Asia and the International Press: 
The Political Significance of Expanding Markets

GARRY RODAN

The rapid capitalist industrialization of East and Southeast Asia is viewed by many as a force for greater political liberalization. Try as they may, it is argued, authoritarian leaders will be unable to contain the social and political forces unleashed by the very economic transformation they have championed. In particular, effective media censorship is regarded as an unavoidable casualty of development. In addition to social changes increasing the level and diversity of demand for news and information, there is also the difficulty of restricting the impact of new electronic technologies. Moreover, a free flow of information is depicted as a functional requirement, indeed imperative, of further market development.

However, this study of the international press and its reporting on Singapore, Malaysia and Hong Kong reveals that the expansion of markets in East and Southeast Asia is not an unqualified force for liberalization. Indeed, market expansion can be as much a force for self-censorship as a force for wider and more critical reporting. Conflict with authoritarian governments over reporting runs the risk for media organizations of being denied access to increased circulation and advertising revenue. It also runs the risk of expensive legal actions, a measure deployed with considerable effect by the authorities in Singapore. Neither consideration can be ignored by commercial media enterprises. Furthermore, the continued success and increasing sophistication of the Singapore economy has been reconciled with extensive political censorship of the media. This experience not only encourages other authoritarian regimes, but also calls into serious question the assumption that mature capitalist development in Asia necessarily requires a free press.

Introduction

The consolidation and extension of capitalist markets in developing countries is popularly viewed as a force for liberal social and political change. In particular, the contemporary version of modernization theory contends that diverse social groups and interests resulting from economic change exert pressures for liberalism or pluralism at the expense of authoritarian regimes. Failure to respond to these pressures threatens the

---

Thanks to Robert Roche for his research assistance in the preparation of this contribution and to Vicky Randall for constructive criticisms on an earlier draft of this work.
legitimacy of such regimes, not least because social and political change is both a consequence and necessary precondition for sustained and sophisticated market development on which the credibility of these regimes so heavily rests. This argument is complemented by the views of various liberal economists who emphasise the importance of a free flow of information to the future of market economies in Asia. As they see it, in a modern, industrialized economy, the volume and range of information essential to conduct business and make informed investment decisions defies tight official control. New technologies — such as fax machines, satellite television and the Internet — also greatly increase the difficulty of official censorship and limit the ability to obstruct views which challenge those of authoritarian regimes.

Yet the experience in East and Southeast Asia poses serious challenges for the association of capitalist market development with the emergence of liberal institutions in general and liberal media institutions in particular. Indeed, as will be demonstrated via an examination of the international press and electronic wire services, the dramatic expansion of circulation and advertising markets in the region has also been a force for extensive self-censorship as organizations attempt to safeguard increasingly important and profitable commercial footholds and avoid costly legal and other battles with authoritarian regimes. Moreover, the most rapidly expanding reporting involves electronic business information services. While the nature of this information is not completely unproblematic for authoritarian regimes, it is generally less contentious than the overtly political reporting in newspapers, which has aroused greatest consternation in the past.

The major focus here is on Singapore, with some consideration also of Malaysia and Hong Kong. There are good reasons for this emphasis. Singapore is the most advanced economy aside from Japan in the region, and thus the best test of the proposition that successful market development undermines authoritarian control over information. Singapore’s authoritarian leaders have also embarked on the most concerted attempt to institutionalize limits on international press reporting, their attempts serving as a model for other authoritarian leaders in the region. While the experiences and directions of the international press are not identical in the cases of Singapore, Malaysia and Hong Kong, it will be seen below that economic development has not been an unambiguous force for liberal information flows or political liberalism in any of these countries.

Expanding Markets in Asia

Newspaper circulation and market share of advertising is generally in decline in the established, industrialized countries of the world, most
notably in the United States and Europe. But in the developing and recently-industrialized countries in much of East and Southeast Asia the situation is very different. Emerging middle classes engaged in business and professional activities represent both larger English-educated audiences for international newspapers and targets for advertising companies through those newspapers. Daily newspaper circulation levels between 1991 and 1995 grew by as much as 15 per cent in Singapore and 24 per cent in Malaysia. The pattern among established Asia-oriented international press publications such as the *Far Eastern Economic Review* (FEER) the *Asian Wall Street Journal* (AWSJ) and *Asiaweek* mirrors this trend. Meanwhile, publications with a wider global spread of readers such as *The Economist, Time, Newsweek, Businessweek* and the *Financial Times* are also producing more copy on Asia and/or increasingly competing for circulation in Asia.

Circulation increases and the growing purchasing power of readers have meant substantially improved opportunities to attract advertising revenue in industrializing Asia. Singapore, for example, experienced a 47 per cent increase in newspaper advertising revenue between 1994 and 1995, while it jumped as much as 121 per cent in Malaysia. Advertising companies conceptualise the region in terms of bands of markets. Malaysia, Indonesia and Singapore, for instance, are seen as a single band making up a critical mass of English language readership and potential consumers for the same products. Losing circulation access to any one of these three markets thus has important implications for attempts to attract advertising. Table 1 below provides some indication of the extent to which different elements of the international press have been able to boost advertising revenue in the 1990s. While the increases vary, they are all significant.

Expanding press circulation and advertising revenue markets in Asia are increasingly developing alongside, or in conjunction with, other information services. In particular, electronic business information services have expanded dramatically in the region, under the aegis both of the established news agency wire services as well as some of the comparatively new, more specialist electronic media companies, such as American-owned Bloomberg Business News. Business information services are especially attuned to the needs of investors in financial, commodity and equity markets. Companies compete on the basis not just of the quality and reliability of information, but of the speed with which it can be delivered to assist investment decisions. While many stock markets have either slowed or are in decline in parts of Europe and North America, they have expanded rapidly in Asia in the last decade. Interest from international investors outside the region has combined with local demand from multinational companies already operating in Asia, and rising local business groups and institutional investors, to generate a substantial volume of media business.
TABLE 1
INTERNATIONAL BUSINESS PRESS IN ASIA: YEARLY ADVERTISING REVENUE
BY TITLE AT RATE CARD PRICES (US DOLLARS)

<table>
<thead>
<tr>
<th>Title</th>
<th>1992</th>
<th>1993</th>
<th>1994</th>
<th>1995</th>
<th>% increase 92/95</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asiaweek (weekly)</td>
<td>19,276,102</td>
<td>18,759,427</td>
<td>20,232,700</td>
<td>25,502,468</td>
<td>32</td>
</tr>
<tr>
<td>AWSJ (daily)</td>
<td>18,789,549</td>
<td>21,570,073</td>
<td>27,494,408</td>
<td>34,430,840</td>
<td>83</td>
</tr>
<tr>
<td>BusinessWeek (weekly)</td>
<td>10,240,819</td>
<td>8,713,427</td>
<td>10,646,400</td>
<td>14,494,511</td>
<td>42</td>
</tr>
<tr>
<td>Economist (weekly)</td>
<td>8,409,461</td>
<td>8,460,835</td>
<td>8,525,391</td>
<td>10,029,626</td>
<td>19</td>
</tr>
<tr>
<td>FEER (weekly)</td>
<td>11,613,657</td>
<td>13,598,119</td>
<td>17,857,530</td>
<td>21,782,204</td>
<td>88</td>
</tr>
<tr>
<td>IHT (daily)</td>
<td>12,932,188</td>
<td>14,663,602</td>
<td>18,359,831</td>
<td>18,427,855</td>
<td>42</td>
</tr>
<tr>
<td>Newsweek (weekly)</td>
<td>30,306,622</td>
<td>27,135,936</td>
<td>34,150,449</td>
<td>40,857,188</td>
<td>35</td>
</tr>
<tr>
<td>Time (weekly)</td>
<td>32,856,789</td>
<td>32,716,951</td>
<td>41,209,603</td>
<td>51,677,409</td>
<td>57</td>
</tr>
</tbody>
</table>

Source: SRG Research Services (Hong Kong).
Notes: Figures are for Asia, Pacific and Australasia.

Sharp increases in the number of correspondents and editorial staff based in the region have been necessary to keep up with this demand.\(^7\)

Authoritarian governments in East and Southeast Asia have generally been less sensitive to the activities of traditional wire services and the more recent electronic business information services.\(^8\) Reports are brief, highly focused and much more matter of fact than customary news stories and opinion pieces in the printed media. Importantly, the shifting pattern of demand towards business information services is taking place alongside the development of media and business conglomerates with diverse interests across, and sometimes beyond, various forms of reporting and publication. This raises the possibility that such organizations may be increasingly forced to weigh up the commercial costs of pursuing too critical a line of political and social inquiry in traditional printed press reporting as its relative contribution to overall profits diminishes.
Singapore: Tightening the Screws on the International Press

Despite its size, Singapore represents a prize market for English-language publications in Asia, and its government has ambitious aims of establishing Singapore as a prime regional and global information hub. At the same time, Singapore authorities have embarked on the most deliberate action to bring international press reporting into line with domestic press practices. This strategy has produced results too: extensive self-censorship characterizes international press reporting on Singapore, yet the city-state is increasingly adopted as a reporting base for the region.

Although at no time after taking office in 1959 was the ruling People’s Action Party (PAP) under Lee Kuan Yew comfortable with criticism from the press, it was not until the early 1970s that attention turned to the international press. By this time, the Singapore government had comprehensively nullified the domestic press, and media in general, as a critical and independent force. A number of incidents involving the international press occurred in the early 1970s, but it was the Hong Kong-based FEER which became most deeply embroiled in ongoing friction with Singapore’s authorities. A meeting in Singapore between FEER editor Derek Davies and Lee Kuan Yew in 1976 failed to produce a lasting truce. Instead, despite a comparative lull in disputes through to the mid-1980s, an uneasy relationship continued. In 1985, Davies found himself yet again meeting with Prime Minister Lee who reiterated that his government would not tolerate foreign correspondents ‘meddling in Singapore politics’.

This heightened conflict in the 1980s was not unrelated to the December 1984 election result, which involved a 13 per cent drop in the government’s share of the vote. Subsequently, the government became even more sensitive to international press reporting – especially as it related to the analysis of the government’s treatment of political opponents. The FEER was soon joined by a number of other international publishers in dispute with the Singapore government. This included the owners of the FEER and AWSJ – Dow Jones & Co. – after the latter was fined S$6,000 by the Singapore High Court over an article concerning the treatment of lone opposition member of parliament (MP), Joshua Jeyaretnam. This marked a move away from simply exerting direct pressure on journalists and editors in favour of broader legal and financial penalties on the publisher and other parties to the production of a publication.

It was an approach which would soon be developed and refined, starting with amendments in 1986 to the Newspapers and Printing Presses Act (NPPA). Under these changes, the Minister of Communications and Information could restrict the local circulation of newspapers published outside Singapore considered ‘engaging in the domestic politics of
Singapore’. There was no definition of either ‘engaging in’ or ‘domestic politics’ provided in the 1986 amendment. This was instead left to the Minister’s discretion. The Act was further amended in January 1988 to allow the reproduction and sale of restricted, or ‘gazetted’, publications in Singapore, provided advertisements were deleted. This enabled the Singapore government to claim that it was not attempting to totally obstruct the passage of critical comment. Instead, it was insisting newspapers not be allowed to profit commercially from ‘engaging in the domestic politics of Singapore’. Before long most major international publications dealing with current affairs had been netted under the new legislation.

*Time* was the first victim of the amendments following its failure to print a letter from James Fu, the Press Secretary to the Prime Minister, in response to an article in the 15 October 1986 edition entitled ‘Silencing the Dissenters’. The article focused on the plight of Jeyaretnam. Circulation, which was then 18,000 copies per week, was reduced to 9,000 as of 19 October, to be further reduced to 2,000 as from 1 January 1987. *AWSJ* was next in line, with circulation limited to just 400 copies per day, down from 5,000, in the wake of an article on 9 February 1987, ‘Singapore Exchange Puzzles Financiers’. Again, the conflict was exacerbated by the disinclination of the newspaper to publish the Singapore government response. This was followed by circulation reductions for *Asiaweek*, down to 500 copies per week, for refusing to print un-edited letters on behalf of the Singapore government. Authorities were unhappy with an article published on 7 October 1987 which alleged mistreatment of some of the 22 Singaporeans held under the Internal Security Act (ISA). Before the year was out, the *FEER* had its circulation curtailed as well to 500 copies per week, following a 17 December article concerning the ISA detentions and lay Catholic Church workers caught up in the swoop.

With the exception of the *FEER* case, the government’s claim to a right of reply was a recurring theme in these disputes. This pattern would only be consolidated in the years ahead. In 1988, *AWSJ*’s Fred Zimmerman summarized the problem this posed for himself and other editors among the international press: ‘It is a fundamental condition of a free press that newspapers should be free to decide what they will print without fear or favour from any external source, and that it is the judgement of the editor and not the dictates of any government which should determine what appears in the newspaper.’

The late 1980s not only witnessed the expulsion of various foreign correspondents, and threats thereof, and visa denials to various journalists, but further legal actions, including a lengthy exchange of writs between Lee Kuan Yew and Dow Jones & Co. Dow Jones also unsuccessfully challenged the circulation restrictions imposed on the *AWSJ* through
Singapore’s Court of Appeal. Further amendments to the Newspaper and Printing Presses Act in 1990 tied foreign publications even closer to the jurisdiction of the local courts. An annual permit system was introduced for foreign publications which involved a hefty bond that could be drawn on to cover any legal liabilities that might be incurred. Furthermore, each publication was now required to appoint an agent in Singapore to receive legal notices — a safeguard against legal action failing to net the publisher along with other parties in a suit.

From Protest to Resignation

Not surprisingly, the hostile climate for the international press in Singapore forced a rethink within some publications. The FEER had decided in December 1987 to cease all circulation in Singapore rather than operate at the restricted circulation rate of 500 copies per week. As a result of the additional 1990 rules, the AWSJ also suspended its 400-copy circulation in Singapore. The AWSJ’s 16 October 1990 editorial explained: ‘What worries us is the purpose to which, five years experience warns us, these powers will be put. We have concluded that trying to meet the conditions being imposed by the government of Singapore would degrade the product we offer readers throughout the world.’ However, by this time there was already a discernible trend towards accommodation by much of the international press to the Singapore government’s rules. Time printed in full the Singapore government response to the October 1986 article two weeks after being gazetted and by the middle of 1987 circulation restrictions had been lifted. Asiaweek was also allowed to increase circulation to 5,000 per week from October 1988 after printing an unedited version of a letter from a Singapore official and the editor-in-chief gave an undertaking not to allow ‘personal views or value judgements’ of his correspondents to influence articles. Asiaweek was further rewarded in September 1990 when circulation limits were increased to 7,500. Into the 1990s, the Singapore government continued to dangle the carrot of incremental increases in circulation rates, and this proved an effective discipline.

After a short period, even the AWSJ had a change of heart. In search of a truce, in early 1991, Dow-Jones & Co. Vice-President, Karen Elliot House, wrote to Lee Kuan Yew offering to withdraw an appeal against an earlier judgement on the condition Lee withdrew his cross-appeal. Lee accepted the offer subject to Dow Jones & Co. paying his legal costs. A statement by Dow Jones President, Peter Kann, that he ‘never meant to defame Mr Lee in any way’ further smoothed relations. This was viewed less charitably in the New York Times, which reported with apparent disappointment that Dow Jones ‘threw in the towel’. But it paid
commercial dividends for the *AWSJ*, with a partial restoration of circulation – up to 2,500 copies per day – declared in September 1991. This was increased further in July 1992 to 3,500 copies and then to 5,000 copies in May 1993. A comment towards the end of 1992 by Minister for Information and the Arts, George Yeo, that the *AWSJ* had been 'fair and balanced in its reporting over the last two years' explained the relaxation. Singapore authorities were sufficiently satisfied that this trend had been sustained to permit an increase in circulation to 9,000 per day in July 1996.

The same course was charted by the *FEER*, which Dow Jones & Co. took full control of in 1987. This marked a shift from an independently-run operation out of Hong Kong to the adoption of an American corporate approach involving closer links between the business and reporting arms of the company. Under this arrangement, regional managers would be more accountable for profits. Lee Kuan Yew’s sparring partner, Derek Davies, was subsequently replaced in 1989 as editor by Philip Bowring, another previous combatant in the *FEER*'s clashes with Lee. However, Bowring was removed from that position in 1992 to make way for Gordon Crovitz. Crovitz, who had a legal and business background, was appointed as both editor and publisher. Suspicion that changes at the *FEER* were part of a deal between Dow Jones and the Singapore government were denied by George Yeo. Yet in 1994, authorities lifted the ceiling on the *FEER*'s weekly circulation to 2,000 copies and this was further raised to 4,000 in May 1995. During this time, *FEER* reporting on Singapore had been minimal.

That which did take place was uncharacteristically bland and unanalytical — a description which equally applied to the accounts in the *AWSJ* during the early 1990s. In 1997 the *FEER* was finally permitted by the Singapore government once again to station a full-time correspondent in the city-state.

The *International Herald Tribune (IHT)*, by contrast, had distributed in Singapore without serious problem for decades. Nevertheless, it recently became a victim of Singapore’s clamp on critical press reporting so that virtually all major international press organizations have now borne the brunt of official disapproval in one form or another. The *IHT*, jointly owned by the prestigious *New York Times/Washington Post* groups, had a daily circulation in Singapore of 4,000 at the time. However, it did not suffer circulation restrictions but hefty financial penalties as a result of defamation suits and contempt of court charges brought by Lee Kuan Yew and other senior government figures.

The first of these cases stemmed from an article by regular columnist Philip Bowring, formerly of the *FEER*, entitled ‘The Claims About Asian Values Don’t Usually Bear Scrutiny’ published on 2 August 1994. Lawyers for Lee Kuan Yew and his son and Deputy Prime Minister, Lee Hsien Loong, complained to the *IHT* about the suggestion of nepotism involved in
Lee junior’s political rise. Despite the *IHT*’s published apology, it did not meet the Lees’ satisfaction, nor that of Prime Minister Goh Chok Tong who also took offence at the piece. The upshot was a High Court order on the *IHT* to pay S$950,000 in total damages to the trio, a decision which was not contested by the *IHT*. From the outset, it appeared, the *IHT* placed a premium on not aggravating Singapore’s leaders.

Another article in 1994, published in the 7 October edition and entitled ‘The Smoke Over Parts of Asia Obscures Some Profound Concerns’, was reacted to with equal indignation. Written by American academic at the National University of Singapore, Christopher Lingle, this was a response to an earlier article in the *IHT* written by Singapore diplomat Kishore Mahbubani which favourably contrasted Asian political trends with those of Europe. Lingle’s observation that some authoritarian regimes in the region use ‘a compliant judiciary to bankrupt opposition politicians’ was interpreted by Lee Kuan Yew as an oblique reference to Singapore. Following a police visit that included the seizure of materials from Lingle’s office and home, the academic departed Singapore. In November, the Singapore government instigated legal action for contempt of court against Lingle, the *IHT* and associated parties. The *IHT* subsequently published in its 10 December edition what it referred to as a ‘clarification’, which stated that: ‘We apologise unreservedly to Lee Kuan Yew and the Singapore judiciary,’ pointing out that it was never the paper’s intention to imply Singapore had a compliant judiciary. Yet this was followed in December with civil suits by Lee Kuan Yew for libel damages against Lingle and the executives of the *IHT*.

*IHT* Asia editor, Michael Richardson, mounted his defence around the argument that he did not understand Lingle’s reference to refer to Singapore, but possibly the regimes in Burma, North Korea, China or Vietnam. The *IHT* defence did not draw on the fact that there were instances in other Southeast Asian countries of political persecution through the courts leading to the bankruptcy of oppositionists. However, it was the *IHT*’s apology and failure to contest the action on the basis that it was fair and reasonable comment which attracted most critical attention. This position was deplored by leading international jurist and human rights activist, Michael Kirby.29

Once again, the courts showed little mercy on the *IHT* for ‘coming quietly’. All defendants in the first case were found guilty of ‘contempt of court by way of scandalising the Singapore judiciary’, fined various amounts, and ordered to pay the government’s legal costs, totalling in excess of S$100,000.30 In a separate libel action brought by Lee Kuan Yew, a further S$100,000 damages was awarded.31 Yet in the face of these outcomes, the *IHT* announced that it would co-sponsor a world trade conference in April 1996.
with the Singapore government. The meeting was the precursor to the December 1996 World Trade Organization (WTO) Ministerial Conference in Singapore. *IHT’s* chief executive, Richard McClean, declared at the time that he was gratified at Singapore’s ‘demonstration of commitment’ to the newspaper adding that the *IHT* intended to print and operate in Singapore ‘for many more years to come’.

Business conferences involving high-level government officials and business people are also held by Dow Jones and are an important exercise for media organizations to consolidate and extend strategic contacts. They also symbolize the fundamentally commercial nature of the media enterprise.

In the *IHT* case, internal divisions publicly surfaced over the appropriate response to problems in Singapore. *IHT* President, Richard Simmons, appeared at odds with people responsible for the news and editorial content when he expressed the view that the paper could operate successfully in Singapore with judicious editing. *IHT* editor, John Vinocur, forthrightly dismissed this option: ‘To hell with it. We’ll not trim our sails for that crowd. If they don’t like it, they can lump it and we’ll pull out.’ Sidney Gruson of *The Washington Times*, a director emeritus of the *IHT*, also weighed in with the view that (with a few defence-related exceptions) nobody but the paper’s editors should be allowed to dictate the content of a newspaper. The likelihood is that such internal division is not peculiar to the *IHT*, but common to most media organizations contending with the same problem.

**Institutionalizing Self-censorship**

However harsh the penalties may be through legal actions against the international press, this is not the preferred mode of discipline by authorities in Singapore. Rather, the legislative framework is designed to promote self-censorship which avoids open confrontation. The nebulous legislative phrase ‘engaging in the domestic politics of Singapore’ appears designed to foster self-censorship as those seeking to avoid trouble interpret this cautiously. Periodic difficulties arise when the margins of tolerance are misjudged, or special sensitivities are aroused. In the recent *IHT* cases, probably the two most sensitive topics were involved; inferences of nepotism or executive influence over the judiciary are taken most seriously and personally by Lee Kuan Yew. Since the mid-1980s, it has become standard practice for most international publishers to treat copy on Singapore with special care, increasingly drawing on legal advice before publishing reports on sensitive matters. More often, editors and correspondents have learnt to limit or avoid overt criticism or scrutiny of Singapore’s political leaders or institutions.
Apart from the fear of expensive penalties via Singapore’s courts, there are other techniques meant to induce self-censorship. Employment passes are renewed on an annual basis, with an official policy of two to three years’ maximum stay. However, this maximum is waived selectively so that ‘well-behaved’ journalists do have a chance of staying longer. Correspondents are also made very aware at the outset of their stay that their reporting is being closely scrutinized and some energy goes into educating them about ‘no go zones’. The Media Division of the Ministry of Information and the Arts (MITA) has an extensive infrastructure keeping tabs on what is being written or broadcast and responding to reports it takes exception to. Letters and phone calls from the Press Secretary to the Prime Minister and Director of the Media Division of MITA – throughout most of the last decade, Chan Heng Wing – have been common. This communication may be couched in terms of the need to correct a matter of fact, but can quickly digress to broader ideological and philosophical critiques of a piece. It soon becomes clear to correspondents that there is a range of sensitivities to be very carefully navigated, or avoided altogether. These include questions about official corruption, the independence or otherwise of the judiciary and race relations. Even the tone of report can result in castigation.\textsuperscript{34} Whatever the complaint and however seemingly trivial the issue may be, the impression reporters are left with is that everything they write is examined in extremely fine detail.

What then is the impact of all this attention and pressure? Editors of international press organizations invariably contend that despite the difficulties there is no compromising in the reporting of news. But this claim does not hold up to scrutiny and self-censorship appears, if anything, to be consolidating rather than whittling away in Singapore. Brief examination of some recent stories illustrates the point.

The first of these concerns the coverage in 1996 of an incident involving the Senior Minister Lee Kuan Yew and his son, the Deputy Prime Minister Lee Hsien Loong, both of whom had received substantial discounts on expensive private condominium purchases from HPL Limited. The reporting of this by the major international press publications was conspicuously unanalytical and pieces on it were remarkably brief, given the importance of the story. The first report by the \textit{FEER}, for example, was not until 6 March, even though the filing of suits began in early January. The format of the report departed from its normal highlighting of the significance and implications of the event in the opening paragraph. Instead, it ran a straight news report in the style of a wire story which was only about 600 words long. A correspondent from another publication, and based in Singapore, admitted in interview that the HPL affair presented a major dilemma. While he knew he was dealing with a political scandal, he was not
sure how to handle it. He opted to report on it quite differently from if he had been outside Singapore: no consideration at all was given to the political morality of the discounts, only whether or not they were legal. This approach was almost universally adopted by the international press, rendering it virtually indistinguishable from the government-controlled domestic press.

A similar pattern is to be found in the coverage of legal actions taken by senior government ministers against political opponents in early 1997. A total of 21 defamation suits were taken out against two Workers' Party candidates in the January election by PAP leaders – Tang Liang Hong and Joshua Jeyaretnam. The allegedly defamatory remarks by Tang were in repudiation of claims by government ministers that he was a Chinese chauvinist and a threat to racial harmony. These claims, described by Tang as ‘lies’, were largely based on comments by Tang about the disproportionate representation of the English-educated and Christians within the government which were made well before he joined the Workers’ Party and ran as a candidate in the election. It appeared as though the government had baited Tang.

Although the suits began piling up in early January, the AWSJ’s first story on the topic did not come out until 11 March. It was simply taken from Associated Press News Service rather than compiled by its own Singapore correspondent and it was limited to a description of the High Court decision to throw out Tang’s defence for failing to comply with court orders to submit a list of his assets. This was followed up by an editorial on 12 March, which in itself amounted to an admission of the importance of the court actions. However, the most critical content involved direct quotes from an earlier editorial in The Straits Times and sections of a human rights report by the US State Department. The FEER’s first piece took the form again of a brief, straight wire service format story which appeared as late as 6 March. Asiaweek, by comparison, had published three separate stories and another three brief items on the topic in this time. These pieces were all, however, conspicuously restrained in their descriptions, let alone evaluations, of law as a form of political control in Singapore. In interview, one foreign correspondent who covers Singapore for a different publication volunteered the view that, on the coverage of the Tang/Jeyaretnam writs, ‘the international press has been cowered. No question’.

Similar cases are observable among the news agencies. The way they dealt with a press conference called by opposition political figure Chee Soon Juan in October 1996 provides one illustration. Chee called this to raise questions arising out of an Australian Special Broadcasting Service (SBS) television current affairs programme, ‘Dateline’, concerning investments in Burma of public money by the Singapore Government
Investment Corporation (GIC). The programme made connections between GIC investments and those of Burmese drug lords and drew attention to the apparent freedom of Stephen Law, who is denied access into the US because of suspected drug dealing, to move in and out of Singapore. By any measure the story was significant. However, although there were various news agency correspondents and bureau chiefs present at the press conference, only one person actually filed a story. According to that correspondent, though, it was a decision over which he agonized for fear of adverse reaction from authorities. It was a great relief when, after having filed the report, he watched the late news on the Television Corporation of Singapore (TCS) which had a report on the issue not dissimilar from his own.36

Importantly, while the major international press organizations may have adopted a decidedly restrained reporting approach in Singapore, they have at the same time continued to endorse the city-state as a reporting base for covering the Southeast Asian region – especially for business information services.37 The quality of infrastructure and efficient bureaucracy render it more attractive a base than neighbouring countries. Reuters news agency has even moved its entire Asian production desk and management personnel from Hong Kong to Singapore, a decision it has explained in terms of cost advantages. Amid questions about how such a trouble spot for the international press could be a viable editorial base, Reuters' Asia News editor, Rodney Pinder, explained that 'Singapore has given us certain guarantees that they will not interfere with our handling of news from other Asian countries'.38 Yet this is the same government which, shortly after Pinder’s statement and in August 1997, requested the Foreign Correspondents’ Association (FCA) in Singapore to abandon a forum it was organising involving Indonesia Democratic Party (PDI) leader, Megawati Sukarnoputi.39 The FCA promptly ceded to the request and rescinded its invitation to Megawati.40

Clearly, media organizations have been able to thrive commercially in Singapore by concentrating activities on less contentious areas. In some cases, though, this even includes direct co-operation with Singapore’s government. Dow Jones, for example, has a 29.5 per cent share in a joint venture project, which includes the Singapore government-owned Temasek Holdings group, providing Asia’s first business news satellite service – Asia Business News (ABN).41 ABN beams its 24-hour business, financial and economic news services throughout the region. In the lead-up to ABN’s services being provided in Singapore, programme managing editor Christopher Graves commented: ‘Instead of browbeating people to change their ways, we’ve decided to play ball.’42 Playing ball with the authorities is precisely what an assortment of international companies are also doing in Singapore to get a share of the markets for other satellite services beamed
from Singapore, as well as cable television targeting Singapore’s domestic audiences. These ‘infotainment’ companies have been especially responsive to overtures about the need to avoid critical social and political content, concentrating instead on sports, music, family-oriented soap operas and other safe material.43

We see in the Singapore case, then, that the expansion of business opportunities in the city-state has coincided with a moderating of critical reporting by the international press, rather than a loosening of effective controls. This is not just in response to the negative sanctions imposed on publications deemed to have ‘engaged in domestic politics’. It is also a measure of the seduction of Singapore as both a market in its own right and a reporting base for servicing other markets in the region.

**Malaysia: The Importance of Mahathir’s Comfort Zone**

The international press has had its difficulties in Malaysia too. In addition to periodic rebukes of the international press from Prime Minister Mahathir, correspondents have been expelled or barred from government press conferences, subscriptions to publications have been withdrawn by government ministries, advertising bans by government departments have been imposed on particular publications, and threats of publication bans have also been issued. As in Singapore, there are also certain sensitive topics – some of which are spelt out in law in Malaysia – and the government continues to pay close attention to if and how they are reported.

Nevertheless, by comparison with Singapore, surveillance of the activities of the international press is much less systematic and intense. Indeed, in some respects the margin for critical reporting has increased in the 1990s, a period when the market economy has grown and become more sophisticated. The Malaysian government’s Multimedia Super Corridor (MSC) plans – involving a 9-by-30 mile zone near Kuala Lumpur promoted as a regional base for the creation and distribution of multimedia products and services – have even led some observers to assert that the economic forces for comprehensive censorship relaxation are rapidly gathering momentum. One writer depicts Malaysia as a model of how policy makers ‘should embrace the role that multinational corporations may play in fostering democracy’.44

However, as will be shown below, this perspective ignores the critical importance of political factors, notably Mahathir’s more secure position within the ruling United Malay National Organization (UMNO), in shaping the environment for international press reporting and the limits of this apparent loosening up by the authorities. Ironically, it also downplays the difficulties the international and domestic press are facing from the business
sector as legal actions are increasingly employed against journalists. Finally, Malaysia too demonstrates that there are still striking cases where sections of the international press are prepared to make adjustments at the editorial level in an attempt to advance broader commercial interests.

Press reporting is legally circumscribed in various ways in Malaysia. Under the Sedition Act, for example, the special rights of Malays, language policy and privileges of the royalty must be respected. In the wake of the 1969 racial riots which resulted in 1,000 civilian deaths, any comment that can be interpreted as questioning or criticizing Malay privileges and associated policies has remained especially sensitive. The 1984 Official Secrets Act further impedes investigative or critical journalism through its requirement for journalists to prove that information contained in a story was not classified prior to the story’s publication. The same act severely blocks access to documentation of state-owned companies and departments. This poses special problems for attempts to expose government corruption. The Printing Presses and Publications Act of December 1987 also gives the Minister for Home Affairs the power to ban publications deemed contrary to Malaysian interests, national security or public morality. Following the Singapore example, the Act further requires publishers to apply for annual licences which can and have been refused. Importantly, alongside the legal ‘black zones’ which are spelt out in legislation (and not always strictly enforced, it should be noted), there are various other political sensitivities that journalists have come to understand and which guide self-censorship.

During the mid-to-late 1980s, life for both the international and domestic press in Malaysia was especially difficult. This was a direct reflection on the state of national politics at the time. Mahathir’s hold on power within UMNO was uncertain and he was not keen on the press adding to this problem. Major government policy blunders and financial scandals were also occurring and the press was writing forthrightly about them – especially the international press. The AWSJ, in particular, was devoting critical attention to these stories, so much so that in 1987 it was required to present its edition each day to the Special Branch before distribution. This resulted in lengthy delays in getting the publication onto the streets. In 1986, the Malaysian authorities also expelled AWSJ correspondent Raphael Pura following their dissatisfaction with a series of critical pieces. He was given short notice by the Minister to leave the country. However, following legal appeal, it was ruled that a visa amounted to a legal contract and that Pura had been denied due process to account for his actions before the Minister’s decision.

Then in 1987 the Internal Security Act and Sedition Act were deployed in a crackdown known as ‘Operation Lallang’ which not only involved mass detentions but the closure of three major domestic newspapers for alleged
subversion, by reporting on racial aspects of political conflict between two
government parties. The crackdown on dissent encompassed intellectuals,
environmentalists, and other elements of an incipient civil society about
which the government felt nervous. These newspapers reopened in 1988
after changes in editorial management and a not coincidental dramatic
moderation in critical reporting. Another important related development
occurred in 1988 when Mahathir dismissed all senior judges after a series of
findings in preceding years went against the government. All three judges
who had earlier ruled in favour of Pura were removed. Hereafter, the
judiciary has shown little of the previous independence that frustrated the
government’s attempted political exercises through the law.

The situation became less dangerous for the press as Mahathir
consolidated his power within UMNO and the economy strengthened
through the 1990s. The legislative and judicial changes during the late
1980s also added comfort to the political leadership. With the domestic
press essentially tamed, periodic brushes between authorities and the
international press continue but these have not been as serious or as
systematic as in the past. The AWSJ is not only freed of the routine
presentation of copy to the Special Branch, it now uses Malaysia as one of
its printing bases in Asia. With aspirations to compete with Singapore as a
regional publishing centre, Malaysian authorities have taken a more
pragmatic view on how to deal with the international press. The government
has even indicated it may recall a law requiring foreign news agencies, such
as Reuters, Associated Press and UPI, to distribute news through the state
news agency, Bernama.

The theme to disputes that have occurred between authorities and the
international press in the 1990s has been the ‘Mahathir factor’: Prime
Minister Mahathir provides the cue that a particular article might warrant
some sort of punishment of a journalist or publication. This is usually taken
up by government departments and state-owned companies. An article
during 1993 by Kieran Cooke in the Financial Times, for example, made
mention of a minister having failed to return commemorative gold coins
received from the Standard Charter Bank. When Mahathir publicly
commented on his disapproval of the article and the damage it did
Malaysia’s reputation, this attitude quickly percolated through the public
sector. It resulted in an unofficial advertisement ban by state-owned
companies, which were among the most powerful and profitable in the
Malaysian economy, on the Financial Times. The IHT had a similar
experience following the publication of a supplement on Malaysia. The
cover page carried a picture of a Malaysian woman smoking which
Mahathir thought depicted Malaysians in a poor light. Following his
rhetorical question of ‘why should we advertise with such a publication?’,
government departments and state-owned companies ceased advertising with the *IHT* for a few years.

In a February 1996 case involving *Asiaweek*, the Home Ministry actually issued a directive that all ministries cease subscriptions to that magazine – which amounted to 138 subscriptions. Mahathir's annoyance with the publication was evident in reaction to a journalist's question on whether he would be carrying out a cabinet reshuffle – the subject of speculation by *Asiaweek*’s Roger Mitton in the 23 February edition. Mahathir commented: 'I am not saying whether a reshuffle is in store or otherwise. I will ask *Asiaweek* first'. According to Mitton, though, it was possible that an earlier piece he had written about the power play between Mahathir and Deputy Prime Minister Anwar Ibrahim may have been the principal source of irritation.

These cases of conflict between the international press and the Malaysian authorities are indicative of two patterns in the 1990s. First, it is clear that Mahathir's sensitivities are paramount in the determination of action against the international press for its reporting. The biggest risk for journalists appears to be that of personally offending Mahathir – especially if this occurs in the context of dealing with issues like corruption or racial politics. Second, the sort of retribution meted out to publications and journalists by the government is less severe than in Singapore and far less resources go into the surveillance and scrutiny of journalists and their articles.

The less intense and less systematic scrutiny of the press in Malaysia, when compared with Singapore, cannot solely be explained in terms of Mahathir's political security. After all, the PAP is probably the most politically secure of regimes in Asia. To some extent, the logistics of a city-state renders surveillance more effective than in a regionally diverse and more expansive territory. More than this, however, the PAP and its relationship to state and society differs from that of UMNO. The PAP is a more unified and coherent political force presiding over extensive and institutionalized corporatist structures. The political reach of the state is thus more comprehensive and the capacity to exert this unambiguously is more developed.

The importance of Mahathir’s, and indeed UMNO’s, sense of political security and its relationship to economic growth has significant implications for the future. It means that the margin for tolerance of critical reporting may prove highly conditional, a point that the financial crisis surfacing in 1997 and affecting Malaysia and other economies in the region appeared to indicate. It is noteworthy that both Prime Minister Mahathir and Deputy Prime Minister wasted little time in condemning the international press for coverage of this crisis. The former contended that: 'Quite a few people in the media and in control of big money seem to want to see South-East Asian
countries, and in particular Malaysia, stop trying to catch up with their superiors and to know their place'; while Anwar argued that the foreign media are especially sympathetic to the international corporate sector and thus unable to provide a balanced analysis of the crisis. Mahathir also depicted US-based currency speculator and international financier, George Soros, as a chief culprit in the collapse of Malaysia's currency. Interestingly, Soros not only dismissed Mahathir's remarks as 'using me as a scapegoat to cover up his own failure', but added that the Malaysian Prime Minister 'couldn't get away with it if he and his ideas were subjected to the discipline of independent media inside Malaysia'. Soros's open advocacy and support for free media to combat authoritarianism stands in sharp contrast with the general position of business taken in East and Southeast Asia in recent times, as will become clear below.

The sensitivity of authorities either to critical accounts of government economic policy or to negative projections about the Malaysian economy quickly generated a sense of caution in some professional quarters. Speculation about official retribution for acts of 'economic sabotage' translated into self-censorship among brokerage houses, many of whom kept the lid on some of their reports, published watered-down versions, and prevented their analysts from speaking to the media. The government also announced the establishment of a committee to screen all foreign media reports on the Internet about Malaysia, and called on the local media to refrain from negative writing that could be used by the foreign media to tarnish Malaysia's image. In addition to this, Information Minister, Mohamad Rahmat, warned American broadcaster CNN that continued negative reporting on Malaysia might result in the end of its access to the local market.

In conjunction with the reporting of problems with the Malaysian economy, dangerous levels of smoke covering much of Malaysia as a result of fires from neighbouring Indonesia elicited further expressions of concern about the international media. The Malaysian government issued a directive to academics banning them from making public statements on the smoke problem, for fear that comments about the environmental and health threat would adversely affect the tourist industry. This was followed by the use of the Internal Security Act (ISA) to detain ten people for religious activities considered by authorities to be detrimental to national security. These people were Muslims practising Syiah teachings, which a government spokesperson contended were against the Government, the monarchy system and the Constitution. Though this incident did not directly relate to the press, it could be interpreted as symptomatic of a rising concern by the government about the potential of its detractors to profit politically from the economic downturn.
Interestingly, if the degree of government anxiety about press reporting has generally been less acute in the 1990s compared with a decade earlier, this is not apparently the mood in the private sector. One of the most striking developments in recent years has been the increasing recourse to legal actions against journalists and publishers from the Malaysian private sector, as if inspired by the success of this technique by the Singapore government. Both local and foreign correspondents have been the subject of writs, including Raphael Pura of the AWSJ. In the most recent case, FEER correspondent, Murray Hiebert, was convicted of contempt of court and sentenced to three months' gaol, a decision he is appealing against. In handing down his decision in the Hiebert case, justice Low Hop Bing said that contemptuous attacks on the Malaysian judiciary by the media had gone on for far too long. The questioning of the independence of the judiciary, to which Justice Low was referring, has evolved since the changes to the judiciary by Mahathir in the late 1980s. Hiebert, incidentally, is the first foreign journalist to be sentenced to gaol for committing contempt in the normal course of his duties.

In broad terms, then, the climate for the international press has improved over the last decade, although the legislative and licensing conditions under which they operate have been tightened to promote self-censorship. However, business has become more sensitive to critical reporting and is apparently encouraged by the changed complexion of the judiciary in its prosecution of journalists. Yet it is not just business interests external to media organizations that appear to pose an increasing threat to investigative journalism in Malaysia. In this same period, through the activities of News Corporation, Malaysia provides a stark illustration of the way editorial matters can be compromised by wider internal commercial interests of large media conglomerates.

In 1994, the News Corporation-owned Sunday Times had been investigating alleged connections between British aid to Malaysia of £234 million to build the Pergau hydro-electric dam and a £13 billion contract to buy British arms. The paper made claims of high-level corruption involving the Malaysian government, infuriating Prime Minister Mahathir in the process. According to then Times editor Andrew Neil, the paper's owner, Rupert Murdoch, became uneasy about the potential threat this posed to the prospects of his Star TV satellite service being granted entry into Malaysia. As Neil put it: 'the whole episode had frightened Rupert: he wanted to placate Mahathir and send a signal to the rest of Asia that The Sunday Times was not a loose cannon that would soon be exposing business practices they would rather keep hidden. Murdoch and Mahathir came to an understanding.' No less important is Neil's claim that Murdoch had also come under direct pressure from a range of British business interests who
insisted action be taken to silence the editor. As it transpired, Neil was soon offered a lucrative television post with Murdoch's Fox TV in America.60

Hong Kong: Business Opposition to a Free Press

Hong Kong stands in sharp contrast with both Singapore and Malaysia as the place in industrializing Asia where both domestic and international press have thrived in recent decades and critical and investigative reporting has been the norm. Some 180 international media organizations have offices in Hong Kong and the city-state houses 59 daily newspapers and 675 periodicals.61 Hong Kong has served as the regional headquarters for nearly all major international press organizations as well as for electronic media organizations such as CNN (Cable News Network), CNBC (Cable News and Business Channel) and for publishers such as McGraw-Hill. However, with the reversion of Hong Kong to Chinese sovereignty, will Chinese authorities pragmatically resign themselves to a liberal press, seeing this as necessary to secure Hong Kong's continued commercial success?

While it is too early to know the full answer to this question, another scenario is shaping as more likely. Instead of business taking up the cudgels for the retention of a free press in Hong Kong out of commercial self-interest, thus far it has exerted a great deal of pressure on newspapers to reform themselves along lines more acceptable to China's authoritarian leadership. Indications from both Chinese officials and Hong Kong's new chief executive, Tung Chee Hwa, also suggest a new role is expected of the press. The full details of this are yet to be spelt out, but both parties are open admirers of the Singapore model which successfully reconciles market development with political censorship in the media. Moreover, a pattern of self-censorship is already discernible among Hong Kong's domestic press - both in the Chinese and English-language publications. It simply remains to be seen whether the international press follows suit and, if so, to what extent.

In anticipation of concerns about the future of freedom of expression after 1997, Article 27 of the Basic Law - the blueprint for Hong Kong's governance as a Special Administrative Region (SAR) of China - guarantees Hong Kong residents 'freedom of speech, of the press and of publication'. However, Article 23 also instructs the Provisional Legislature of the Hong Kong SAR government to adopt laws prohibiting 'treason, secession, sedition, subversion against the Central People's Government, or theft of state secrets'.62 Mild reforms by the Provisional Legislature to existing laws in these areas, with the intention of limiting the threat such laws posed for freedom of expression, have been rejected by Tung Chee Hwa. He has pledged his government to abolish them, and something
approximating the original treason and sedition laws seem to be in the offing.

Similarly, Xinhua (New China News Agency) vice-director, Zhang Jungsheng, contends on the one hand that press freedom will be increased after 1997, but states on the other hand that ‘because of the law, ethics and the social environment, a certain amount of discipline is necessary'. The director of China's Hong Kong and Macao Affairs Office, Lu Ping, has thrown some light on what this discipline involves in a series of interviews in May and June 1997. According to Lu, the media would ‘absolutely not’ be allowed to ‘advocate’ controversial political views such as favouring the independence of Hong Kong or Taiwan.

In any case, journalists in Hong Kong can compare their experiences with Chinese authorities in the lead-up to 1997 with protestations about press freedom after handover. These included: a blacklist of Hong Kong reporters compiled by Chinese authorities after the Tiananmen Square massacre; the banning of journalists from going to the mainland who work for Hong Kong's ‘irreverent’ Apple Daily; and the arrest in October 1993 and subsequent imprisonment of Hong Kong reporter Xi Yang of the Chinese-language newspaper Ming Pao. Xi was sentenced to 12 years in gaol for publishing ‘state secrets’, which simply involved the disclosure of bank interest rates.

The knowledge that Hong Kong's new political masters are less appreciative of critical journalism not only exercises reporters' minds. It has also been a matter of concern to business interests in Hong Kong, resulting in pressure on journalists to curb critical reporting. This has taken the form not only of withholding advertising from publications out of favour with Chinese authorities, but of editorial interference from proprietors. Most of Hong Kong's media are owned by corporations with substantial investments in mainland China. In many cases, media activities are not even the main interests of the corporations which own Hong Kong's press, which only increases the apparent reluctance to be associated with criticism of China's leaders or its policies.

The most conspicuous case of business distancing itself from critical publishers involves Jimmy Lai, owner of the tabloid Apple Daily – which had a circulation average of 317,332 in 1996 – and magazines Next and Eastweek. In an open letter in 1992 in Next to Li Peng, Lai referred to the Chinese premier as ‘a turtle's egg’ for his part in the Tiananmen Square massacre. Apple Daily has also earned a reputation in the Chinese leadership's eyes for political hostility. The labelling of Jiang Zemin as the world's ‘No. 2 enemy of press freedom’ by the New York-based Committee to Protect Journalists, for example, was front page news in May 1997. It was the only paper in Hong Kong to publish the last, and very unflattering,
known photo of Deng Xiaoping alive. Lai’s attempts publicly to list on the Hong Kong Stock Exchange his Next Media, the publishing group that owns Next and Eastweek, have twice failed. On the last occasion the underwriter, Sun Hung Kai International Ltd., withdrew its support just one week prior to the scheduled float. Yet, in terms of market capitalization, Next Media would be a mid-range company offering investors definite opportunities. The magnitude of self-censorship in Hong Kong is indicated in the results of a survey of 367 journalists by the University of Hong Kong’s Social Science Research Centre in 1994 and 1995. As many as 24 per cent of respondents admitted to frequently practising self-censorship and a further 64 per cent to occasionally doing so. A subsequent survey by the Centre also found that 50 per cent of respondents agreed that ‘Nowadays, most journalists hesitate to criticise the Chinese government’. The Hong Kong Journalists’ Association has also been detailing individual cases of reported self-censorship within media organizations in its annual reports over recent years, including the withdrawing of opinion columns and the withholding of various articles reporting negatively on China or Chinese officials. Probably the starkest collective case of self-censorship involved the media coverage of Tung Chee Hwa’s rise to the position of Hong Kong’s chief executive officer. As Willy Wo-Lap Lam, China editor of the South China Morning Post, observed: ‘Tung’s selection was covered by the media just as China would have wanted it – no investigation of his background, no scrutiny of the fact that it was not an “election”, as the press called it, but more an appointment’.

To draw out some of the factors behind, and processes involved in, the move towards widespread self censorship, let us look at two of Hong Kong’s major newspapers – one a Chinese and the other an English language daily. Following its launch in 1959, the Chinese daily, Ming Pao, earned itself a reputation for informed and critical accounts of Chinese politics, especially for its coverage of the military and developments in the Politburo. It attracted a loyal readership among Hong Kong’s Cantonese intellectuals and middle class and also became a valuable source for Western military and diplomatic analysts. Its coverage of the Tienanmen Square massacre greatly irritated the Chinese leadership. However, subsequent to ownership changes, Ming Pao has undergone editorial and cultural modifications which have led to a shift in content and style. The transformation can be traced to the purchase by businessman Yu Pun-Hoi of Ming Pao in 1993 from its founder Louis Cha, a renowned writer. When financial troubles led to Yu selling his shares, Tiong Hiew King gained control in 1995 and the transformation accelerated. Tiong is a Malaysian
Chinese with extensive timber interests in the region and an expanding media empire. He established *The National Daily* in Papua New Guinea where his company has considerable forestry operations. Oei Hong Leong, a Singaporean Chinese with close business connections in China, has also been a substantial shareholder in *Ming Pao*.72

Tiong has aspirations of taking the paper into the enormous mainland market, but access is of course conditional on political acceptability to Chinese authorities. Accordingly, under Tiong, strategic appointments have been designed to broaden the paper’s appeal to the mainland, including the hiring of a Taiwanese editor who has presided over a diminished coverage of politics. New editor, Kao, has also brought on board a senior opinion writer from Shanghai who was employed there in a Chinese government propaganda department. When important political issues about the mainland are covered nowadays, not only is reporting uncritical, but the stories get little prominence. When Chinese authorities were preparing to release dissident Wang Dan, for example, this was relegated to latter pages and given only brief account. In keeping with the practice on the mainland, *Ming Pao* now also refers to Taiwan as ‘Taiwan Province’. This direction by the paper appears to have earned the appreciation of Chinese authorities, however. *Ming Pao* journalist Xi Yang was released from prison in February 1997, some nine years ahead of the full sentence.73

This is not to suggest that *Ming Pao* is uniformly comprised of sycophantic journalists. However, as the newspaper’s deputy editor in chief for finance, Ivan Tong, laments: ‘What worries us is not whether reporters themselves will be courageous, but whether their news organizations which are now all looking for market share in China itself will support us when we are courageous’.74

Hong Kong’s leading English-language daily, *The South China Morning Post (SCMP)*, has also undergone ownership change in the 1990s. Rupert Murdoch divested himself of the *SCMP* between 1993 and 1996 to concentrate on his Star (satellite) Television interests. The subsequent owner, Malaysian-based, overseas Chinese business tycoon Robert Kuok, is estimated to be the second largest of all foreign investors in China. Kuok is also an advisor to the Chinese government on Hong Kong affairs. In Kuok’s time, the *SCMP* has been uncharitably labelled by Britain’s *The Independent* and the *Index on Censorship* as the ‘Pro-China Morning Post’. Criticisms of a turnaround may be exaggerated in the *SCMP*’s case, however, since it has always been an establishment paper; but the establishment itself is changing in Hong Kong. There have nevertheless been a number of important developments since Kuok bought the paper and they could lay the basis for more substantive self-censorship or political influence over time.
Questions were first seriously raised about self-censorship in the SCMP in 1995, when the satirical strip by cartoonist Larry Feign, ‘The World of Lily Wong’, which had been running for 12 years, was discontinued immediately following a series about Hong Kong’s citizens on death row providing kidneys for illegal organ transplants in China. The explanation from the paper’s editor was that Feign had been caught up in a ten per cent staff cutback. The cartoonist saw it differently: ‘It’s bullshit that the editor wanted to cut costs by cutting out his most popular feature.’ Feign pointed to the influence of Robert Kuok, whom he described as ‘a friend of Li Peng’. The Independent subsequently contracted Feign for the 100 days before handover and syndicated his work world-wide. There were no takers from Hong Kong.

One SCMP development which has aroused a great deal of concern is Kuok’s appointment of a new editorial adviser, Feng Xiling. At the time of appointment, Feng was a member of the People’s Political Consultative Committee, one of the most senior organs of the Chinese government. Feng has also served on the Chinese national propaganda committee. The exact purpose of Feng’s appointment is guarded by the SCMP, editor Jonathan Fenby maintaining SCMP would be surrendering commercial advantage to reveal such. The fear among journalists and others is that this portends a shift towards the Chinese system whereby cadres offer editors political advice.

It is not just a few multi-millionaires who happen to own Hong Kong newspapers who are concerned about the impact of critical press reporting on their interests, however strategically significant this may be. The business community on the whole has been at pains to demonstrate its preparedness to co-operate with new political masters in Beijing. This has taken various forms in the lead-up to and following handover. It includes public denunciations of Governor Patten and his reform agenda, such as through the advertisements of local tycoon James Tien, chairman of the Hong Kong Chamber of Commerce. Rather than a constructive contribution to debate in Hong Kong, these are often merely gestures to the mainland elite. It also includes the extensive attempts by the old establishment companies such as Jardine and Swire, and other Western corporations, to secure mainland business partners as a safeguard against an uncertain future.

If it is the case that global financial players and international businesses require a free press as a defence against corruption and political interference in the market, which is in prospect as Hong Kong becomes more fully integrated into the mainland economy, this has not resulted in strong advocacy of a free press by business. Instead, the only organized public stance taken on the press issue by business has been that of Advance Hong
Kong. Led by Ted Thomas, a public relations and market consultant, and comprising a range of tourist and property-related interests, the campaign condemned the international press in particular for writing negatively about the implications of Hong Kong’s reversion to Chinese rule.

Nevertheless, the immediate commitment to Hong Kong from the international press does not seem to have wavered. Since 1995, both *Time* and *Bloomberg Business News*, for example, have established editorial functions in Hong Kong and virtually all existing publishers have retained editorial headquarters there.\(^{78}\) One exception is the monthly *The Nineties*, which moved to Taiwan for the stated reason of avoiding anticipated political interference.\(^{79}\) Meanwhile, there are precedents from other sections of international media adopting a commercial strategy from Hong Kong of editorially appeasing Chinese authorities. This is what Rupert Murdoch did in withdrawing BBC World Service from Star TV’s satellite service. News Corporation has subsequently secured a $20 million deal to build four TV studios in Tianjin and has also been given approval to supply hotels in China with Star’s pay-movie channel.\(^{80}\)

It could be argued that other international news organizations have a more dedicated commitment to the provision and analysis of news, so that Murdoch’s approach will prove unrepresentative. However, the strength of that commitment is yet to be fully tested. The taming of the domestic press is obviously the first priority of the Chinese authorities, as it was for the PAP in Singapore. Whether the same organizations that have accommodated authoritarian rule in Singapore behave differently if similar pressures are applied in Hong Kong remains to be seen. If that sort of pressure is applied, on current indications it certainly would not appear that the business community in Hong Kong will rally to the defence of a free press.

**Conclusion**

The full implications of economic development for the international press in Singapore, Malaysia and Hong Kong – let alone industrialising East and Southeast Asia more generally – are still far from clear. However, the above account does suggest that the prevailing association of market development with liberalised media is far too simplistic. Such a functionalist and deterministic understanding of the relationship between economic and political development is not borne out by the brief case studies here. Instead, we have seen that the growth of markets can be as much an inducement for constrained reporting as it can for more critical and wide-ranging coverage and information to assist business investment decisions and associated institutional development. In particular, the experience of the international
press in Singapore has shown that media organizations have their commercial susceptibilities, so deftly exploited by Lee Kuan Yew in effecting a moderation of critical reporting in that city-state. That experience provides practical inspiration for other authoritarians also seeking to marry advanced market economies with extensive political controls.

The success of Lee Kuan Yew and his government in combining media control with increasing market sophistication invites consideration of precisely what sort of information and analysis is important to the investment needs of business. Is this limited to data about market prices? Can this be separated from questions of politics and power? At the very least, this study has established the urgency of a research agenda examining such questions. This study has also shown that, if a free and investigative press is a functional requirement of a sophisticated market economy, it does not necessarily follow that the private sector is a source of support or advocacy for it. On the contrary, in Malaysia the private sector poses an increasing threat to a stronger and more critical press through its mounting legal actions against journalists. Similarly, in Hong Kong, where a strong and independent press has been in operation for decades, that legacy is under threat with the resumption of Chinese rule and accompanying attacks from the private sector.

The political significance of expanding media and other markets in East and Southeast Asia is certainly much more complex and problematic than has hitherto been recognized. However, this discussion not only cautions against blind liberal optimism about the international press, it also rejects portrayals of the international press’s difficulties with authoritarian regimes as a ‘values conflict’ between ‘East’ and ‘West’. Such a depiction obscures both the dynamics and the nature of conflict involved. Asia’s changing position in the global political economy is generating commercial and political alliances across so-called ‘East’ and ‘West’. Not only have external pressures been applied to media organizations from international and domestic-based investors hoping to secure access to growing markets, their sentiments are not infrequently echoed by politicians and others from liberal democratic societies. The further growth of markets in Asia is thus likely to reveal something about the strength of liberal democratic values outside as well as inside industrializing Asia.
NOTES


4. The regional figure for the Far Eastern Economic Review (FEER), for example, has risen from 65,612 in 1987 to 81,443 in 1995, despite being effectively shut out of the Singapore market for much of this time. Circulation for Asiaweek has jumped from around 80,000 in 1990 to 100,000 by 1995. The AWSJ figure has risen from 35,865 in 1987 to 50,356 in 1995. The AWSJ also reported dramatic circulation growth for the second half of 1995 of 83 per cent for Thailand, 44 per cent for China, 18 per cent for Korea and 12 per cent for Indonesia compared with the same period for 1994. This compares with a global average rate of increase of nine per cent for the AWSJ. See Janine Stein, ‘Asian Media Discover Big Distribution Gains; TV, Print Media Stay Healthy; Local partners Key to Future Roll-Outs’, Crane Communications Inc. Advertising Age, 12 Feb. 1996, p.112.

5. This has involved the introduction of dedicated Asian or international editions in some cases, and a general bolstering of the number of correspondents based in the region.


7. In the case of Dow Jones News Service, as recently as 1993, for example, there were only 40 reporters and editors, and 11 bureaux in the Asia-Pacific region. However, by early 1997 this had expanded to 158 staff and 21 bureaux. Bloomberg's total Asian reporting staff comprised of just five editors in the one bureau in Tokyo in 1991, and a few stringers. By early 1997, staff levels escalated to 104 reporters and editors in 16 bureaux in Asia. Reuters has opened 14 new bureaux in Asia and the editorial staff in the region has risen from 282 in 1990 to 401 in 1997.

8. Reuters, for example, has operated in Singapore for decades with just a couple of minor skirmishes with the sensitive Singapore authorities.


10. Of the first publications to be subjected to pressure was Newsweek. In 1971, various executives and staff of Newsweek were imprisoned following a front page photograph of Mao Zedong which Lee seemed to consider unhelpful for his designs to firm up political support amongst Singapore’s ethnic Chinese community. See John A. Lent, ‘Lee Kuan Yew and the Singapore Media: Protecting the People’, Index on Censorship, Vol.4, No.3 (1975), pp.7–16. Three years later, another freelance journalist, Pang Cheng Lian, writing this time for Newsweek, was convicted of contempt of court for an article alleging that Singapore courts were not independent but biased in the government’s favour.

11. In 1971, the government charged that FEER freelance journalist Anthony Polski, in assisting Amnesty International compile a report on the treatment of political prisoners in Singapore, was acting outside his duties as a journalist (see ‘Singapore Expels American Newsman’, New York Times, 4 June 1971, p.3). Thereafter there were periodic clashes between FEER editor Derek Davies and Lee Kuan Yew and incidents involving journalists Ho Kwon Ping and Arun Senkuttuvan revolving around similar government concerns.

12. One significant incident in this period was the government’s refusal to renew the work permit of Patrick Smith of the FEER as a result of an article in 1982 about the use of the ISA against political opponents.

13. The action was taken by Lee Kuan Yew who contended that the article implied executive control over the judiciary. The AWSJ, charged with criminal contempt, pleaded guilty.

Bad News Bear? Lawasia (1987), pp.35–6. Criticism about this from Singapore Law Society President Francis Seow was not tolerated by the government. It earned the Law Society and Seow a stern rebuke and a reminder that organizations in Singapore not registered specifically for political activities are required to abstain from political comment.

15. ‘Gazetting’ refers to the publication in the government Gazette, by order of the Minister, of a declaration that a newspaper has engaged in the domestic politics of Singapore. Any, or all, sales or distribution in Singapore of a ‘gazetted’ newspaper can be curtailed.

16. The amendment did not stipulate that reproduction required the publisher’s permission.

17. Arising out of this article, Lee Kuan Yew commenced legal action in January 1988 against the journalist, editor, publisher and printer responsible, seeking damages for libel. In Nov. 1989, the Singapore High Court awarded Lee Kuan Yew S$230,000 in damages.


19. Quoted in Dow Jones & Co., p.16.

20. Those affected by these actions included John Berthelsen and Raphael Pura of AWSJ, Rodney Tasker, Nigel Holloway, N. Balakrishnan, Carl Goldstein and Jonathan Freidland of FEER, and AP-Dow Jones correspondents Matthew Geiger and Simon Elegant.

21. Lee sued for libel as a result of the 7 Oct. article in the FEER, and was awarded a judgement in 1989. Dow Jones then appealed and Lee, in turn, cross appealed. The President of Dow Jones, Peter Kann, subsequently issued a statement which contended the judgement was unwarranted. Lee interpreted this as an accusation that the Prime Minister had exerted improper influence over the trial judge. He thus filed three more libel suits against Dow Jones in Malaysian and Singaporean courts.

22. This action only resulted in confirmation that the Minister for Communication and Information has the full power to restrict the circulation of any foreign publication the Minister considers to have interfered with Singapore’s domestic politics.

23. This provision arose, according to the government, as a consequence of difficulties experienced in serving writs on the AWSJ over a contempt of court action and a defamation suit.


25. Another such case involved The Economist, which in 1988 had closed its Singapore office, even though it continued to occasionally report on the city-state. An article in June 1993 about the prosecution of five people under the Official Secrets Act aroused a protest from the Singapore government, unhappy with what it regarded as a ‘mocking tone’ to the account. Although a letter by the Singapore High Commissioner to London was published shortly afterwards, the editing out of one sentence precipitated further protests from Singapore authorities. The Economist subsequently published the original sentence in full, but it failed to publish another letter by the High Commissioner in response to one published by J.B. Jeyaretnam. This resulted in gazetting and circulation restrictions of 3,500 copies per week in August and the requirement of a US$125,000 bond as well as the appointment of a local representative to accept documents in the event of any future legal actions. The Economist published the letter in the next edition and in January of the subsequent year it was de-gazetted and circulation limits were lifted.


28. From Sept. 1989, there had been no correspondent based in Singapore following the denial of a visa for the FEER’s N. Balakrishnan.


30. Lingle was fined S$10,000, Richardson S$5,000, publisher and IHT chief executive Richard McLean S$2,500, and the local distributor and the printer S$1,500 each. Legal costs totalled S$83,876.
34. These observations are based on interviews with reporters conducted in late 1996. At the request of correspondents, the anonymity of interviewees has been maintained throughout this study. In many cases this includes anonymity of organizations. Concern that comments and information supplied in interview could lead to difficulties with authorities was the primary reason for these requests.
35. This interview took place in Kuala Lumpur on 20 Feb. 1997.
36. Based on interview in Dec. 1996.
37. Bloomberg, for example, has increased its Singapore-based reporters from one to six between 1991 and 1996.
38. Dateline: Hong Kong (http://www.geocities.com/Athens/Forum/2365/pind.html)
39. The government’s opposition to the Megawati visit was first conveyed in a private meeting between the FCA President and a senior official of the Ministry of Information and the Arts. The position was subsequently confirmed in an official meeting with the FCA committee. The committee was given an indication at that meeting that, should the FCA persist with the invitation, the event might not take place.
40. ‘Forum with Indonesian Opposition Leader Cancelled at Singapore Request’, Agence France Presse (3 Sept. 1997).
43. Prominent international television networks including the US entertainment and video loan giant Home Box Office, the music channel MTV, sports network ESPN and multimedia Walt Disney are now operating from Singapore.
51. Through the Soros Foundation and Open Society Institute, both established by Soros, hundreds of millions of dollars are spent annually in over two dozen countries — mainly in Eastern Europe, on philanthropic projects, of which most relate to information and media freedom. For an introduction to Soros’s philosophy on business and how this relates to information flows, see George Soros (with Byron Wein and Krisztina Koenen), Soros on Soros (New York: John Wiley, 1995).

57. Hiebert’s bail was 250,000 ringgit.


60. The Malaysians launched its MeaSat satellite in 1996, which will carry government-approved television, which Murdoch hopes will include Star TV. Only satellite dishes attuned to MeaSat will be permitted in Malaysia. See William Atkins, ‘Satellite TV Transforming Broadcasting’, *Nieman Reports*, Vol.1, No.3 (1996), p.57.


65. Xi Yang was released early in Feb. 1997.

66. Although many local companies have shied away from this mass publication for advertising purposes, Hong Kong Telecom, international investment banks and travel agents have contributed to *Apple Daily’s* HK$670 million advertising revenue in 1996.


68. *Dateline: Hong Kong* (http://www.geocities.com/Athens/Forum/2365/pind.html)


70. As quoted in John Shidlovsky, ‘Hong Kong: As Deadline Nears, Self-Censorship Begins’, *IPI Report*, First Quarter 1997, p.8. Conspicuously absent from discussion was the fact that Tung’s shipping company had been bailed out of financial trouble in the 1980s through a US$120 million loan from China.


73. Kahn, p.6.


76. Jonathan Fenby, ‘For Britons and Americans, the Hong Kong Storyline is Simple: The Place is Going to Go Down the Tube After 1 July’, *The Observer* (20 April 1997), p.30.


