

Globalisation and Media: Challenges For Journalists and Their Unions

IFJ/FES North-East Asia Workshop
Tower Hotel, Seoul Korea
April 2-4 1998



- ◆ International Federation of Journalists(IFJ)
- ◆ Friedrich Ebert Stiftung(FES)

IFJ/ FES North East Asia Workshop
Globalisation and Media: Challenges For
Journalists and Their Unions

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Thursday, April 2

- (morning) Registration
- 12.00 Welcome Lunch (*Arisoo*, Tower Hotel)
- 14.00 Opening Ceremony:
President, KFPU, President, JAK
Representative, IFJ, Representative, FES
- 14.40 Workshop Briefing and Introduction of Participants
Seh-Yong Lee, IFJ Regional Adviser
- 15.00 Asia in Crisis: Globalisation, Democracy and the
Rights of Media Workers
Address by Aidan White, IFJ General Secretary
- 15.50 Coffee
- 16.05 Special Presentation: The Market Crisis and
Restructuring of South Korea's Media
Prof. Jae-Kyoung Lee, Dept. of Mass Communication,
Ewha Woman's University
- 17.00 Discussion
- 17.30 Close
- 19.00 Reception(*Manbokrim*, Tower Hotel)

Friday, April 3

10.00 Theme 1: **Restructuring the Global Media Economy**
Christopher Warren, Senior Vice-President, IFJ

11.30 Coffee

11.45 Theme 2: **Rupert Murdoch and Asian Media**
Seh-Yong Lee, IFJ Asia Regional Adviser

Country Reports: Japan(JSkyB), Korea(Murdoch-DSM Joint Venture), Hong Kong(Star TV), News Corporation Relations with China

12.30 Lunch (*Jihwaja, Korean Restaurant*)

14.00 Theme 3: **Journalists' Work in the Information Society: How to Guarantee Quality of Information**
Introduction by *Aidan White*

16.30 Discussion

17.00 Close

19.00 Dinner Hosted by KFPU and JAK(*Shin Jung, Yoido*)

Saturday, April 4

10.00 **Strategies for Solidarity in the Face of Globalisation**
Christopher Warren, IFJ Senior Vice President
Representatives: *Shimbun Roren*
Discussion

11.00 **Final Statement and Concluding Remarks**
IFJ and FES Representatives

12.30 Closure and Farewell Luncheon (*San Chon, Insa-dong*)

행사개요

1. 회의주제
(영문) Asia in Crisis: Globalisation, Democracy and the Rights of Media Workers
(국문) 아시아 경제위기와 언론: 세계화, 민주주의 그리고 언론 노동자의 권익
2. 기간: 1998년 4월 2일(목) - 4월 4일(토)
3. 주최: 전국언론노동조합연맹
(KFPU : Korea Federation of Press Unions)
한국기자협회
(JAK : Journalists Association of Korea)
4. 주관: 국제언론인연맹(IFJ : International Federation of Journalists)
5. 후원: 독일 프리드리히 에버트재단 (FES : Friedrich Ebert Stiftung)
6. 장소: 타워호텔 프린스룸
7. 회의내용
 - ▲ 아시아의 경제위기와 언론: 세계화, 민주주의 그리고 언론 노동자의 권익 (IFJ 사무총장 에이단 화이트 기조발제)
 - ▲ 특별발제: 시장의 위기와 한국 언론의 구조조정 (이재경 이화여대 신방과 교수)
 - ▲ 제1주제 : 글로벌 매체경제의 구조재편
 - ▲ 제2주제 : 루퍼트 머독과 아시아의 미디어
 - ▲ 제3주제 : 정보화 사회와 언론 - 언론의 질적 수준을 어떻게 확보할 것인가
 - ▲ IFJ 향후 활동계획과 결의문 채택
8. 참석자
 - ▲ IFJ본부 (벨기에) : Aidan White 사무총장
 - ▲ 한국 : 언론노련 및기자협회 대표
 - ▲ 일본 : 신문노련
 - ▲ 홍콩 : 홍콩기자협회 대표
 - ▲ 대만 : 대만기자협회 대표
 - ▲ 호주 : Chris Warren 수석 부회장 (IFJ)
 - ▲ 프리드리히 에버트 재단 : 한국 사무소 대표 등

9. 회의 및 행사일정

4월2일 (목)

12:00 환영 오찬

14:00 개막식

14:40 참가단체 소개 및 경과보고

15:00 기조발제 (IFJ 사무총장)

▲ 아시아의 경제위기와 언론: 세계화, 민주주의 그리고 언론 노동자의 권익

16:05 특별발제 (이재경 이화여대 신방과 교수)

▲ 시장의 위기와 한국 언론의 구조조정

17:00 토론

17:30 회의 종료

19:00 리셉션(FES 주관)

4월3일 (금)

10:00 제1주제 : 글로벌 매체 경제의 구조 재편

11:45 제2주제 : 루퍼트 머독과 아시아 미디어

12:30 중식

14:00 제3주제 : 정보화 사회와 언론 - 언론의 질적 수준을 어떻게 확보할 것인가

16:30 토론

17:00 회의 종료

19:00 만찬 (주관 : 언론 / 기자협회)

4월4일 (토)

10:00 세계화 시대의 언론 노조 연대 전략

11:00 종합 정리 및 대회 성명서 채택

12:30 폐회 및 환송 오찬

※ 행사관련 문의

▲ 언론 : 739-7285/6

▲ 기자협회 : 734-9321/2

IFJ 개요

1. 창립년도 : 1952년

2. 대 표 : Jens Linde(덴마크) - 회장
Aidan White(영국) - 사무총장

3. 회 원 : 90개국 언론노조, 기자협회 등 언론단체에서 40여 만명이 가입하고 있는
세계 최대 현직 언론인 조직

4. 본 부 : 벨기에 브뤼셀

5. 한국과의 관계

▲ 기자 협회는 창립 직후 회원가입, 언론노련은 1989년 이래 교류협력을 시작하여 1990년
에 정회원으로 가입. 현재 언론노련은 1992년도 제 21차 IFJ총회(캐나다 몬트리얼 개최)
에서 아시아지역 집행위원사로 선출된 이래 역내 IFJ 회원사의 중심축으로 활동중임.

▲ IFJ는 1988년 이후 한국언론민주화운동에 적극 연대해 오고 있으며, 1990년 4월 KBS
노조의 방송민주화투쟁 당시 전세계 현직언론인을 대표하여 사태해결을 위한 제반 국제활
동 전개. 1991년에는 IFJ 한국언론상황 조사단이 파견되어 보고서를 작성한 바 있음.

▲ 이번 IFJ 세미나는 1993년 10월 국제언론 세미나(주제: 민주주의를 위한 언론운동),
1994년 9월 아시아지역회의(주제: 아시아 언론의 구조 재편)에 이어서 한국에서 세 번째로
열리는 행사임.

6. IFJ 최근 동향

▲ IFJ는 그동안 유럽 중심으로 활동을 전개함으로써 지역 한계성을 갖고 있었으나
1980년대 후반부터 라틴 아메리카, 아프리카, 아시아지역 등으로 활동 범위를 확대하고 있으
며 회원수도 1980년대 중반 15만명에서 현재 전세계 40여 만명의 현직 언론인을 대표하고
있음.

▲ IFJ의 아시아지역 활동은 한국, 일본 등 동북아시아, 아세안 국가의 동남아시아, 인도,
파키스탄 등 남아시아, 호주, 뉴질랜드의 오세아니아 지역으로 나뉘어져 전개되고 있으며,
1990년대 들어 정기적으로 지역별 세미나와 협의회가 개최되고 있음.

▲ IFJ는 3년마다 총회를 개최하며 올해 5월 브라질에서 제23차 총회를 개최할 예정임.

LIST OF PARTICIPANTS

ORGANIZATION	NAME	POSITION
IFJ	Aidan White	General Secretary
	Christopher Warren	Senior Vice President
	Seh-yong Lee	IFJ Regional Advisor, Asia
Shimbun Roren	Takayama Masayuki	Vice President/ Hokaido Newspaper.
	Shinto Kenichi	Deputy Director of Newspaper Institute Ashai Simbun
	Kamimura Jun	Deputy Director of Newspaper Institute Kyodo News Service
HKJA	Carol Pui-Yee Lai	Chairperson, Hong Kong Journalist Association
	Charles Goddard	Hong Kong Journalist Association
TJA	Cheryl Lai	Taiwan Journalist Association
KFPU	Hyung-mo Lee	President of KFPU
	Hak-lim Shin	Senior Vice President of KFPU
	Su-sung Oh	President of KBS Labor Union
	Wan-kee Lee	President of MBC Labor Union
	Seock-chun Sohn	President of Hankyoreh Labor Union
	Jong-hwan Lee	President, Dong-A Ilbo Union
	In-kyu Park	General Secretary of KFPU
	Ju-woong Eom	Director, Policy Planning of KFPU
JAK	Sung-boo Cho	President of JAK
	Young-jin Nam	Ex-President of JAK
	Seok-jae Kang	President of Korea Herald Labor Union
Secretariat	Eui-young Kang	Project Coordinator
	Ji-eun Sohn	Conference Coordinator
FES	Dr. Peter Mayer	Representative of Friedrich Ebert Stiftung, Korea
Guest/ Observer	Young-kil Kwon	President of People's Victory 21 Ex-President of KCTU
	Jae-kyoung Lee	Professor of Ewha Woman's University,
	Ju-eun Kim	Ex-President, JAK
	Chang-seop Lee	Acting Editor JAK Bulletin

INTERNATIONAL FEDERATION OF JOURNALISTS (IFJ)
FRIEDRICH EBERT FOUNDATION (FES)

Northeast Asia Regional Workshop
**Globalisation and Media: Challenges
For Journalists and Their Unions**

Seoul, April 2nd-4th 1998

Final Statement

This meeting of journalists unions from Australia, Hong Kong, Japan, Korea and Taiwan, held in Seoul from April 2nd to 4th 1998,

noting that savage cuts in salaries and jobs among journalists and media staff have followed the foreign currency and financial crisis in some countries of Asia, and, in particular,

deploring the pattern of mismanagement in Korea which has cost more than 3,000 journalists and media workers their jobs in the last four months,

further recognising that deregulation and liberalisation of the media market is putting unacceptable pressure on social, professional and employment rights of journalists and mediaworkers throughout the region,

believing that irresponsible management and investment strategies are creating chaotic conditions for the operation of media,

conscious of the negative impact on journalism as a public institution of current media policies, falling standards and media programming and coverage which focuses on low-quality spectacle and

insisting that a new approach is required in media to remove undue governmental influence, to create sound economic conditions and fair competition rules, to enhance public spirited journalism and to rebuild public confidence,

declares that

Economic, social and cultural development in Asia requires a commitment to democratic values, particularly public access to information and professional independence in the exercise of journalism.

Governments must not allow the globalising process to destroy national media or to stunt national cultural development

Governments in Asia should impose demands for transparency in management and management practices including in all dealings with the workforce

New laws are required to enforce rules of competition and fair trade which will ensure rationale economic oragnisation within the national media market including banning of predatory pricing and setting limits on market share of media enterprises

Companies affected by the economic crisis must take responsibility for malpractice and mismanagement and must not penalise or victimise the workforce as a result of their own inefficiency

Public funds should be allocated to the crisis of unemployment and social distress of media-workers affected by cuts

Accordingly, this meeting resolves:

THAT we call on the IFJ Congress meeting in Brazil in May 1998 to make a priority of campaigning around the impact of globalisation on media and cultural development.

THAT this campaign include informing journalists and media workers of the threat posed to independent media and cultural independence by the Multilateral Agreement on Investment and mobilising against it.

THAT the IFJ should actively promote solidarity among trade unions within the industry and with relevant sections of civil society in support of common demands to provide protection of social and cultural values and institutions in the process of globalisation

THAT the IFJ should sponsor and support independent trade unions of journalists and other media workers to organise, to defend and to advance the material conditions and job security of creative workers in the media.

THAT we further call on the IFJ to develop a programme of assistance and solidarity to strengthen the capacity of unions to organise within media. Such a package must include:

- analysis of current conditions and advice to unions in developing medium and long term plans to focus on organisation, including setting priorities for organisation and growth
- a training package to help develop organising skills among officers and activists
- development of training-of-trainers programs to further strengthen the work of officers and activists
- assistance in developing efficient union administration

THAT the IFJ urgently examine ways to fund this package including external sources, internal sources and direct bilateral links between unions.

Asia in Crisis: Globalisation, Democracy and the Rights of Media Workers

Aidan White

International Federation of Journalists

The IFJ is the largest single international movement of journalists fighting for press freedom and human rights and we have been engaged in this work for more than 70 years. But our members are now under attack on a global scale and with an intensity never before experienced in our history.

Unions at national level – and here in Asia in particular – see much of what they have achieved being undermined by financial and industrial decisions made to satisfy the needs of a growing global marketplace.

They are confronting an industry undergoing radical structural change in which new information services bring new industrial players on to the media scene. In the new information market media are subject to the imperatives of commercial exploitation rather than to the needs of good journalism and the democratic rights of citizens.

Journalism continues to be practised in poor employment conditions and journalists are subject to unprecedented levels of undue pressure from media employers, corrupt politicians and special interest groups.

But the impact in media is only dimension of the world-wide economic transformation that has accelerated over the past ten years.

One impact of global competition is that it brings new levels of corporate influence over developed nations and increased poverty in much of the developing world. The Human Development Report of the United Nations last year showed that the concentration of wealth and power is accelerating. More than 40 per cent of global trade is handled by 359 corporations and the wealth of 10 billionaires is worth 1.5 times the income of the 48 poorest countries of the world.¹

¹ Human Development Report, UN 1997

At the same time, the global economy is largely outside the orbit of democratic and industrial accountability and, when it fails, media-workers and journalists suffer just like other groups of workers. A few weeks ago, for instance, the IFJ joined with our colleagues here in Korea to protest over Hyundai's plans to close a leading daily newspaper as part of its cash-cutting response to the country's economic crisis.

The denial of workers' rights adds to the insecurity and uncertainty experienced by millions of citizens who remain oppressed by dictatorial and authoritarian regimes that deny fundamental rights including press freedom and other basic human rights.

The major change brought about through globalisation is the increased mobility of capital and the growth of unstable world-wide financial markets. When they break down they can have devastating consequences.

In Asia during 1997 crashing financial companies and large falls in exchange rates in a number of countries have led to a substantial increase in poverty and unemployment. The impact has been felt elsewhere, such as in Brazil and Russia, for instance, where growth has been damaged as internationally mobile capital has moved out of markets rumoured to be risky.

A consequence of the collapse of financial markets is that taxpayers in industrialised countries are being asked to fund a record bail out of international banks and wealthy elites of what were – until very recently – described as “tiger” and “miracle” economies.

The crisis in Asia is symptomatic of a process which, because it has no social dimension and has no strong framework for regulation, is fundamentally unstable, creating a major risk of financial speculation ruinous to the real economy and with the danger of a social and political backlash world-wide.

Because the state can no longer play the role it played previously, there are no adequate international institutions for the protection of individual freedoms, human rights or for the promotion of social justice – not to mention the preservation of peace.

These missing elements of international administration are keenly felt in the media and information sector.

The decisions by Rupert Murdoch the head of News Corporation to censor both his satellite channels (Star TV, 1995) and his book publishing companies (HarperCollins, 1998) by removing material critical of China in defence of his business interests is chilling evidence that global media enterprises may pose a significant threat to freedom of expression.

The Murdoch companies which are now planning engagement in Korea and Japan extend the reach of this company to all corners of the globe. The company's expansion is an indicator of the importance of the global media economy and the influence of powerful transnational enterprises in the field of information, communications and mass media. They are competing furiously for access to mass markets in Indonesia, India, China and all the major countries of the region.

These companies don't only make money. They make politics, too.

In the case of News Corporation, it exercises influence on policymaking on media and related issues – such as copyright policy – in the White House, in Downing Street in Brussels and in Canberra. But it takes its orders, when they are plainly given, from Beijing.

Traditional notions of pluralism, democracy and human rights are sacrificed when democratic politicians anxious to protect their public image for electoral purposes are confronted by cynical proprietors who abandon their obligations to the public interest for commercial gain. In this process democracy loses.

But workers are losing out too.

Workers in all industries have seen wages and conditions are depressed at both ends of the global economy – by labour market forces in the developed countries (through high unemployment or short-contract freelance and temporary labour practices) and by government edict or even brute force in the developing countries.

As a result, the trade union movement everywhere has been weakened. Globalisation has led to the diminishing capacity of action of trade unions and

the state and less effective collective bargaining and social dialogue.² Trade unions are losing members, and only in a minority of countries are the majority of workers organised. According to the ILO unions are adjusting to the challenge in four ways:

- By providing new services for members (including insurance, social benefits, legal advice services, training, communication programmes, etc.)
- By recruiting new groups of workers – in particular, freelance, workers in precarious jobs and informal sector workers
- By expanding trade union co-operation, through transnational campaigns seeking codes and standards on social, environmental and cultural issues
- By forging new alliances with consumer or grassroots organisations and looking for new industrial partners in pursuit of common interests.

These trends are also visible among unions within the global media and communications industry which is one of the areas of major expansion in world trade.

It should be clear to all that urgent action is required by the trade union movement, particularly within the mass media, to defend employment and social conditions, to maintain respect for human rights and to promote social cohesion within the global market,

With the ICFTU and others, the IFJ works to promote a range of demands designed to counter the negative impact of globalisation. These include:

- international action to control speculation through the introduction of a global tax on short-term flows of capital with revenues used to fund poverty-reducing development programmes

² World Labour Report 1997-1998, ILO

- stronger international control of all financial markets with agreed rules for supervising banks and global standards for regulation of financial markets and full disclosure of government budgets to combat corruption
- international co-ordination of economic and monetary policies to ensure stable long-term growth and a review of the role of the World Bank and the IMF as demanded by the UN Summit for Social Development so that programmes of lending are based upon respect for human rights, increased employment and reduction of poverty not austerity and deregulation
- opposition to further deregulation such as that proposed through the Multi-lateral Agreement on Investment (MAI)³ in particular where this diminishes the ability to protect local culture and production capacity
- social dialogue with trade unions, employers and others to build national and international consensus for sustainable development strategies which are targeted on eliminating poverty, creating employment and sound economic policy based upon full respect for fundamental human rights
- actions to develop codes and standards to be applied in international trade agreements which will ensure respect for labour standards and, for media provide for free expression and journalistic independence.

These demands are vital to any radical strategy for reform, particularly when you note that of the 178 international codes of conduct on social and cultural rights which apply across different sectors of the world economy, not one involves transnational companies in the field of information, media or journalism,

The current crisis is serious enough to require further radical action. Given that current political structures cannot control global enterprises, democracy has to be inserted into the global economy.

This might be done

³ OECD 1998

by insisting that transnational enterprises are obliged to respect the Universal Declaration of Human Rights and the conventions and labour standards of the ILO;

by creating transnational structures for social dialogue which give union representatives rights to information, consultation and negotiation; and

by establishing a recognised charter of social and cultural rights which must feature in all cross-border trade agreements..

More than ever journalists world-wide and those of Asia in particular need strong trade unions to voice their fears and aspirations in an era of globalisation without a social conscience.

*Prepared for IFJ/FES meeting in Seoul, Korea
April 2-4 1998*

ENDS

The Market Crisis and Restructuring of South Korea's Media

by Jae-kyoung Lee
professor of journalism
Ewha Womans University
April, 1998

The Spring of 1998 is by far the cruelest season for both media institutions and newswriters in South Korea. More than three thousand media workers left their workplace by the end of March 1998. Of these, close to half were reporters and editors.

It is widely projected that a lot more workers are expected to lose their jobs in coming several months. As a matter of fact, a number of newspapers, regional TV stations and cable service providers are on the verge of bankruptcy. Those workers who escape the worst are to see their annual income cut by anywhere from 30 percent to 50 percent. In addition, media owners around the nation are introducing various belt-tightening measures including the widely detested contractual work-system.

This is undoubtedly the hardest ordeal Korean journalists have ever faced. The scale of reduction-in-force is expected to be far greater than what is known as the "massacre of journalists" in the Spring of 1980, when the military ousted some seven hundred journalists for not cooperating with their usurpation of power.

What is happening to South Korea's media industries? How should we characterize this unprecedented scale of restructuring of the Korean media market? What cause the current difficulties? Is this entirely a consequence of incompetent management? Or should this be understood as an inevitable process for the media industry to become a player in the ever expanding global economy? How would this vast industrial change eventually affect the practice and quality of journalism?

All of these are huge questions. It is not easy to find handy answers to them. What makes the situation worse is that the restructuring has only just begun, and it is all but impossible at the moment to have even an estimate of the magnitude of this transformation.

Therefore, the purpose of this paper is modest. It attempts, first of all, to document the difficulties of the Korean media and newswriters as they experience the nation's economic crisis. The paper then presents observations about some notable resultant changes in the practice of news-making, describing, for example, whether newsroom organizations have changed and if journalistic independence has weakened. The paper also will discuss some fundamental implications of these changes for Korean journalism and its future.

Media Workers in Tribulation

Workforce Trend in the 1980s and 1990s.

Since the forceful restructuring by the military in 1980, South Korea's media industry has shown continued substantial growth over the past 17 years (Table 1). The number of daily newspapers published around the country has tripled from 21 in 1981 to 61 in 1997. The size of the total media workforce has grown during the same period from around 16,000 to 42,000 people. Only exceptions were the two years, 1994 and 1997, when about 590 and 470 workers left the industry respectively.

Table 1. Trend of Media Employment Growth (1980-1997)
(As of April 1997)

media year	Newspaper	Broadcasting	News Agencies	Total	Change
80	10,210	7,065	1,428	18,703	
81	8,849	7,297	640	16,786	-1,917
84	9,881	8,712	653	19,256	+2,470
85	10,778	8,117	664	19,559	+303
86	10,898	8,602	675	20,175	+616
87	11,008	9,144	683	20,385	+210
88	11,652	10,210	666	22,528	+2,143
89	17,507	11,061	570	29,138	+6,610
90	18,714	11,944	619	31,277	+2,135
91	20,934	12,308	623	33,865	+2,588
92	22,661	12,981	650	36,292	+2,427
93	22,870	12,981	643	36,494	+202
94	21,883	13,384	638	35,905	-589
95	22,087	18,088	722	40,897	+4,992
96	22,453	19,622	764	42,839	+1,942
97	21,200	20,395	773	42,368	-471

(Source: Korean Newspaper and Broadcasting Annual, 1997)

Particularly notable in the above table was the five-year period during the late 1980s through early 1990s. The number of newspaper employees almost doubled during this time. South Korea's media industry saw an extraordinary expansion during this period thanks to the collapse of the repressive military government in the Summer of 1987 and the subsequent liberalization of the regulatory regime over the media industry.

The sizable increase in broadcast employment from 1994 had to do with the introduction of the nation-wide cable television services and the granting of permits to private terrestrial broadcasters in major regional centers. Following tables exhibit the breakdown of workforce by different media sectors as of April 1997.

Table 2. Newspapers and Their Workforce
(As of April 1997)

	National Dailies	Economic Dailies	Sports Dailies	English Dailies	Regional Dailies	Total
# of Newspapers	10	7	3	2	39	61
# of Employees	9,279	2,519	725	123	8,554	21,200

(Source: Korean Newspaper and Broadcasting Annual, 1997)

Table 3. News Agencies and Their Employees
(As of April 1997)

News Agencies	Employees
2	773

Table 4. Broadcast Companies and Employees
(As of April 1997)

# of Broadcasters	Terrestrial Broadcasters	Cable Broadcasters	Total
	69	81	150
# of Employees	14,355	6,040	20,395

Table 5. Total Figures
(As of April 1997)

# of Newspapers and Broadcasters	Employees
213	42,368

Recent Restructuration

All of a sudden, South Korea's media scene has drastically changed from the end of 1997. As what is known as the foreign currency crisis began to take its tolls, reducing the value of the Won, the Korean money, by almost half in the period of less than a month, and concomitantly raising virtually all expenses including prices of imported news prints, lease charges for printing presses as well as human resource expenditures, the nation's media managers had no other choice but to drop various forms of aggressive expansionist strategies of the past.

The reckless loan-based investment, which was the norm in the past, has turned into a life-threatening burden for most newspapers and broadcast firms. The severely reduced economic activities of the nation has naturally translated into a sharp decrease not only in the volume of advertisements but in unit ad prices for both print and electronic media. The apparent consequence is a substantial decrease, more than fifty percent in many cases, in advertizing revenues for most newspapers and broadcasters.

Now with the survival of companies at stake, media managers have begun to resort to extreme measures in an unprecedented scale. These previously unthinkable belt-tightening measures include: massive scale firing of employees across the board, unilateral adoption of mandatory leave of absence, transfer of professionals to administrative jobs, indefinite delay of salary and bonus payments as well as unconsented payment cuts and removal of various fringe benefits. What should be taken into consideration here is that this nation-wide process of media downsizing and restructuring has just begun. Therefore, it is impossible at this point in time to have an accurate estimate of the scale of this vast transformation of Korea's media industries.

Given the circumstances, what is presented in the following is only a fragment of what has happened and a speculation of what might be coming in the times ahead. At a moment when it is difficult to tell which newspapers will continue to publish six month from now, it would be safe to take the numbers recorded here only as tentative indicators of the difficult restructuring processes. It is almost certain that things will be much worse three months and six months from today. The figures presented

below, therefore, are expected to grow much larger.

Company Closure

No closure has been reported yet. One regional newspaper went into bankruptcy in Taegu area. According to the Korean Federation of Press Unions' (KFPU) survey, despite the bankruptcy announcement, this newspaper has not stopped publishing yet.

Reduction in Force

As mentioned earlier, downsizing of media companies has just begun. The figures compiled thus far are shown in the following Table 6. This statistics reflects actions taken by only 26 companies out of altogether 213 media firms.

Table 6. Reported Total Reduction in Force
(As of March 3, 1998)

National Dailies	874
Regional Dailies	708
Broadcasters	1,304
Total	2,886

(Source: Media Today, March 11, 1998. p. 1)

The surveyed twenty six companies have not completed their workforce downsizing yet. It is expected that many of these companies will further reduce positions depending on the development of financial situations. Notably missing from the table are numbers from two embattled Seoul-based newspapers; the Kyunghyang Shinmun and the Munhwa Ilbo. These two newspapers were owned by major conglomerates, Hanhwa and Hyundai respectively. The combined number of reduction in force from these two companies is expected to go beyond four hundred. In case these papers should decide to close, the number will easily exceed one thousand.

Table 7 is produced to provide the sense of downsizing scale for

individual newspapers.

Table 7. Scale of R. I. F. by Papers

	Newspapers	Fired/Total Employment	%
National Dailies	Chosun	128/1,028	12.4
	Dong-a	128/1,032	12.4
	Joongang	149/1,362	10.9
Regional Dailies	Joongbu	23/156	14.7
	Maeil	82/467	17.5
	Kwangju	24/349	6.8
	Moodung	43/316	13.6
	Pusan	85/588	14.4
	Kukje	107/433	24.7
	Taejon	20/310	6.4

(Source: KFPU Survey, as of March 20, 1998)

The column on the right margin represents respective percentage of reduced staff over the total employment. The average percentage is around 13.4. It means 13 out of one hundred media workers have lost their job during the past several months. In an extreme case, such as the Kukje Shinmun's, nearly one fourth of the paper's employees were cut. Contrastingly, Taejon Ilbo has fired only six percent of its workers.

Euphemistic expressions used in this process range from "honorary retirement," and "voluntary resignation," to "better-treated retirement." Although these names sound humanistic, in actuality, they are, with little difference, enforced as a designated retirement system. To facilitate reduction of workforce, media firms offer nominal amount of additional severance payment.

Mandatory Unpaid Leave of Absence

This is a noble notion in the Korean labor practice. Media workers

had an experience of massive scale reduction in force seventeen years ago. But introduction of leave of absence as a cost-saving measure is very new. Increasing number of newspapers are either adopting or considering variations of the leave of absence system.

The Joongang Ilbo has announced that its employees can take leave of absence from one to three months. The paper's proposal is to pay seventy percent of the basic salary during the time of leave of absence. The Joongang's case is relatively better. Other mostly regional newspapers ask their employees to take leave of absence without payment from six months to two years. In the Chonnam Ilbo's case, remaining reporters and editors agreed to donate 2.7 percent of their salaries every month to support living expenses of those journalists who have taken leave of absence. As of March 6, 1998, six newspapers have officially introduced the leave of absence system.

Salary Cuts

Those journalists who are lucky to maintain their positions are suffering from drastic income reduction. It appears there is no media company which does not consider salary cuts of any degree. Employees of about ten newspapers and broadcasting companies have voluntarily announced not to receive their year-end bonus payments in December 1997. The figures range from one hundred percent of the basic salary to 250 percent depending on companies. For example, senior workers at the Christian Broadcasting System, a Seoul-based radio broadcaster, decided not to receive up to 700 percent bonus payments for this year. This translates into roughly about 35 percent reduction in their annual income.

Thirteen media companies, one radio broadcaster and twelve newspapers, are listed by the KFPU as withholding varying amounts of bonus payments as well as fringe benefits for past several months. According to KFPU survey of March 20, 1998, six media companies have definitely announced concrete numbers for payment reduction for the year.

Table 8. Announced Payment Cut Figures

	Salary Cut(%)	Bonus(%)
Kyungnam Maeil	20	600
Kwangju Ilbo	19	700
Taejon Ilbo	30	
CBS		350
Hankuk Kyungje		500

Negotiations for salary reduction are, with no exception, initiated by the management. There is little room for the union to stage any significant protest against the actions of the management. The situation is so bad that in many companies, former union leaders are singled out for designated punishment by the management including forced resignation. Current unions can do little about this belligerent management action.

Major Changes in the Market

How does this structural crisis affect newspaper readers and broadcast audiences? What are significant changes notable in today's media market?

Reduction of News Pages

The most readily-felt change for the reader is the substantial decrease in news pages. Virtually all major national newspapers have reduced news pages from 40 to 32 pages on every regular day. This translates into roughly 20 percent cut of news space. Needless to say, the radical drop in advertisement is the principal cause of this change. Some newspapers have cut down the pages of their Sunday edition by half from 24 to 12. Major TV networks, such as KBS, MBC and SBS, have also reduced their broadcast hours. The eliminated two hours of day time programming represent about 10 percent of the total air time. Reduction in air time is accompanied by increased amount of rebroadcasting of old dramas and movies in many television stations.

Disappearance of Promotional Newspaper Copies

Major national dailies used to print substantial amount of

promotional copies in addition to the ones for regular subscribers. For instance, one large national daily, according to an estimate, cut down the number of printed copies from around two million and sixty hundred thousand to one million and fifty hundred thousand. This may be an extreme case. Other newspapers may have printed less promotional copies. But considering the heated level of competition over the morning newspaper market, it is reasonable to suppose that particularly national newspapers printed substantial size of excessive copies for free delivery. The double difficulties of the dropping ad revenues and the soaring print cost have forced the newspaper companies to discontinue this what is known as the 'bubble circulation.'

Change in Newsroom

Newsroom managers are introducing various low-budget options for their editorial organization and news gathering systems. A major change in newsroom organization is elimination of high level editorial positions. As a result, many positions at the levels of assistant managing editor, editor, and assistant editor have gone. What this means is integration of previously separated desks and teams geared for in-depth and specialized reporting.

Reducing the number of foreign correspondents is another significant budget-saving action adopted by most media companies. The Joongang Ilbo withdrew two correspondents from Europe based in London and Bonn, leaving the coverage of the entire European continent to a correspondent in Paris. The same newspaper reduced correspondents stationed in Washington D.C. from four to two. The paper is considering possibilities for further reduction. Similar measures were taken by most other media institutions, thereby seriously weakening the newsgathering capacities, particularly in the foreign news category.

Central Problems created by the Crisis

Perhaps the most immediate problem is the lowering quality of journalism. As presented above, the driving logic behind the current media restructuring is non other than expenditure-saving. The managers of media institutions would cut every corner for survival of the company. It seems the quality of news is the last consideration. The withdrawal of a number of foreign correspondents, selective firing of experienced journalists as well as rampant introduction of belt-tightening measures such as leave of absence, all support this interpretation of the situation.

Another problem is the almost complete subordination of the editorial independence to the capital. The employers position vis-a-vis editors and reporters has become far more dominant with the beginning of the current crisis. The management exercise virtually unchecked power in most major decisions regarding the media operation. The once balancing influence of the union has all but diminished as the crisis deepens. Journalists, whether union members or not, have been reduced to mere bread earners at the mercy of the employer. When this happens, it is difficult for journalism to remain as a public institution run by committed professionals.

Conclusion

The immediate cause of the current media crisis is the failure of the Korean economy which was triggered by the collapse of the financial system. Therefore, it is impossible to deny that the crisis of the media industry has to do with the increasingly globalizing tendencies of modern economic activities.

However, the main argument of this paper is that more fundamental problems ought to be found within the Korean newspaper and broadcasting industries. The advancement of foreign capital into the Korean media market is almost negligible. It is legally forbidden for a foreigner to own a dominating share of any media companies in this country. Under these circumstances blaming the global media capital is as if accusing the innocent of the crime which was never committed.

The current media crisis is undoubtedly a market-driven one. For example, there were, and still are, more supplies than demands in the newspaper market. Every knowledgeable person has known that Korean newspaper readers can not support 10 national dailies. This is why close to 50 percent out of 1,200 million total newspaper circulation has been distributed free as bubble copies. Yet newspaper owners have continued this practice for nearly 10 years. This is hardly a rational management. As a matter of fact, establishment of many newspapers were politically motivated rather than conceived as a business enterprise. The loss in the newspaper has been considered as investment for political gains and social influences. The national economic crisis has brought this management paradigm to an end.

Another management failure has to do with reckless competition for dominance. Most leading newspapers, without a careful study of the market, have ventured into expansion of news pages and printing facilities. These

expansion projects were largely funded by loans. the size of loans far exceeds annual sales volume for most leading national dailies.

The current crisis also calls for careful reexamination of union philosophies and roles. Media unions have consistently strengthened their position since the end of the 1980s. However, the primary emphasis of the union activities has been on the welfare of their members. The expansionist strategy initiated by the management has guaranteed more jobs and better payment. Although union members have known that the expansion is based on loans, thus risky, they have rarely organized any effective protest against the management action.

What has gradually eroded in the process is the value that journalism is a public institution. Media owners and managers have strengthened their influence over the editorial process, systematically demanding business considerations in selecting, writing and placing of stories. The editorial independence and journalistic professionalism have significantly diminished as this trend has deepened. The current crisis is the culmination of these tendencies. No one seems to care much about the quality of journalism at the moment. Individual journalists are subject to enormous amount of pressure to conform to the dominant business paradigm of newsmaking. There seems to be little institutional arrangement that will protect the integrity of the individual journalist. This could turn into a more fundamental crisis of Korean journalism as a public institution in the future.

What Needs To Be Done

It is expected that the painful and chaotic situation will continue until a new market order emerges. Here are some thoughts about what the main actors involved in the crisis need to do to better the situation.

The Government

1. The government should give up the idea of influence-peddling of any nature into the media's editorial and programming decision-making.
2. The government should make and enforce rules relating the media market and behavior in such a way that the market functions rationally based on demand and supply principle, and fair trading is guaranteed.

2. The use of various types of media-related public funds under government influence should be rearranged so that they can contribute to easing the pain of forced resignation, and to strengthening competitiveness of media workers.

The Media Employers

1. Employers need to be honest with their workers about important management details. They should refrain from using the crisis as an opportunity to unjustly eliminate defiant workers .
2. Employers need to be more responsible in making important decisions. The reckless expansion and blind competition with bubble circulation ought to stop. Business decisions should be based on rational market assessment rather than on the desire for dominance.

Media Workers

1. Although it is a difficult time, media workers need to keep in mind that their work and future are meaningful when the media are maintained as a public institution, not simply a profit-making enterprise. Collective union efforts should be focused on enhancing this goal as opposed to maximizing myopic personal professional gains.

Media Crisis in South Korea and Restructuring

By Shin Hak-lim,
chairman of Hankook Ilbo Trade Union

1. Introduction : Too much opportunity costs for national economy

The gross national product (GNP) of South Korea is less than one 20th that of Japan. The gross domestic product of South Korea is equivalent to that of Osaka prefecture. Considering this and the scale of the economy, there are too many dailies (newspaper companies) in Korea. They have printed too many copies with bigger volumes than those in Japan until after the South Korean government asked for bailout loans from the International Monetary Fund (IMF) last November.

In Japan, few media companies publish more than 32-page papers a day, though the major dailies including Yomiuri-shimbun and Asahi-shimbun have much bigger circulations than major dailies in Korea. The population of Korea is about 44 million, about one third that of Japan.

In that respect, the social and economic basis for supporting such many newspapers in Korea was deemed volatile and fragile.

The mushrooming of newspapers since 1988, when the Summer Olympics was held in Seoul, inevitably resulted in unlimited competition among themselves for securing more readers and subscribers as well as advertisers.

Newspaper companies in Korea can be divided into three or four categories according to their ownerships.

First, the dailies including Chosun, Dong-A and Hankook are owned and managed by families and their associates.

Second, the dailies Joongang, Kyunghyang and Munhwa are affiliated with chaebol such as Samsung, Hanhwa and Hyundai, respectively.

Third, the Kookmin Ilbo and Segye Times are the two papers funded by big churches, Full Gospel Church and Unification Church, respectively. The daily Seoul Shimmun and Hankyoreh have a peculiar ownership.

Irrespective of their ownerships, most papers published in Seoul and other localities are now in serious financial trouble as a result of unlimited competition on the one hand and under the influence of the country's economic crisis on the other.

2. Causes of Media Crisis: Deep-rooted

When the late President Yun Bo-sun first heard from one of his aides that then Army Maj.-Gen. Park Chung-hee had staged a military coup on May 16, 1961, he was reported to have said to himself: What was bound to come finally did.

The crisis of South Korea's media industry has been anticipated for a couple of years. It was bound to come and finally did. The nosediving of the national economy, which is in dire need of big bailout loans from the IMF and Western countries, just advanced the crisis of South Korea's media in general and the newspaper companies in particular.

Media in Korea committed double 'sins'.

First, it has lived off the bubble management by chaebols or business conglomerates obviously in return for remaining silent on the deep-rooted collusion between business and politics. Major newspaper companies, including Chosun-Ilbo and Joongang-Ilbo, have been engaged in a life-and-death competition to publish as many copies as possible in recent years. A newsletter from a trade union of one of the so-called big four dailies published in Seoul boasted that its company publishes as many as 4 million copies a day. To my regret, the allegation by the newsletter was not true. However, the newsletter from the union failed to mention how many of them are dumped without being delivered to readers.

Other major dailies are not free from public criticisms for their unreasonable publishing of too many copies and other malpractices.

Even until after the Korean government called for relief loans from the IMF last November, hundreds of thousands of copies published by the major dailies were dumped or directly transferred to recycling agents without the plastic covers of newspaper bundles being broken. It was an open secret for employees in the media industry. The cost of the rolled raw paper needed to print 100,000 copies of a 40-page newspaper one year was estimated at over 5 billion won (approximately 6.2 million dollars) when the exchange rate for the won against the dollar was about 800 until the end of June last year. Their excessive printing in addition to the dumping of newspapers and the giving of 'freebies' such as electric fans in return for subscribing has been severely criticized by civilian organizations.

Hundreds of thousands of copies of some papers were delivered free to potential readers across the nation on the suggestion that they begin to pay the fees six months or a year later.

Nevertheless, managers of the newspaper companies did not have to count

the tremendous costs for rolled paper and transportation and delivery of printed copies because they could get enough advertisements from businesses to off-set snow-balling costs. Their 'printing,' not 'publishing' of far more copies than the number of actual readers or subscribers was only aimed at securing more advertisements and higher fees for advertisements.

As a result, advertising revenues of most major newspaper companies accounted for more than 65 percent of turnover. As long as the nation enjoyed an economic boom, newspaper companies managed to continue their 'quantity-competition,' that is, unlimited race for circulation, instead of bona fide quality competition.

In addition, most Seoul-based dailies had to spend tens of millions of dollars to import state-of-the-art presses and conveyor systems from Japan, Germany, Switzerland and other countries in the past several years to meet the rising demand for massive printing.

While such a circulation war continued, financial conditions of most newspapers went from bad to worse year after year, which inevitably led to the companies asking more loans from banks. Until quite recently, most banks gave big loans to the four major newspaper companies without taking any mortgages. In return, those newspaper companies hardly took issue with malpractices of those financial institutions which were criticized for serving as 'private banks' for big businesses.

The accumulated debt of 10 Seoul-based newspaper companies amounted to 2,599.6 billion won (about 1,856 million dollars at the current foreign currency rate) as of late December of 1996. In 1996 alone, the big four newspaper companies - Chosun, Dong-A, Joongang and Hankook - borrowed 652 billion won (roughly 460 million dollars) from banks and short-term financial institutions.

3. Media Restructuring and Massive Layoffs

Against the backdrop of the above-mentioned situation of the media in Korea, managers and owners are reluctant or unable to keep and protect the editorial independence from politics and business, a major supplier of advertisements.

They are consistently trying to firm up their control of reporters and editors so that they will not go too far in attacking political leaders, including the President, and business conglomerates.

This is made possible by the firm ownership of the media. Most publishers and media managers in Korea are 'unelected kings' in their firms. Nobody, except ruling elites and big businesses, can check them.

Even trade unions in the newspaper companies find it difficult to fight for the independence of editorialship from political and economic power as well as their owners and managers.

Now, most media companies are bent upon benchmarking and restructuring in order to survive the worsening situation.

Owners and managers are refusing to take proper action to improve the financial conditions of their companies, a prerequisite for their survival under the IMF-backed economic system. Their newspapers are calling for bold measures for reform in big businesses through their articles. Some news of chaebol owners donating private property to their ailing firms often made headlines of their papers. But the owners of media are doing nothing in helping their companies stand upright financially and editorially.

The greatest victims, instead, are reporters and employees in the media.

Since last November, as many as 3,000 reporters and employees in printing and broadcasting firms across the nation have been fired. A considerable number of those companies failed to meet the legal requirements for massive layoffs.

However, not so many fired reporters and employees in the media industry have gone so far to law to have their layoffs nullified.

To be frank with you, reporters and employees in the media industry failed to rally behind their umbrella organizations, Korean Federation of Press Unions (KFPU) which has some 16,000 members across the nation and Journalists Association of Korea (JAK), in their efforts to protect the editorial independence and their rights as workers.

Noteworthy is an information center which has just opened at the KFPU office at the Korea Press Center. It will serve as a head hunter for fired journalists and employees with the financial support from media-related organizations.

4. Conclusion:

Some media watchers say that now is the time for the faulty media in Korea and its owners to clean their tarnished image and pave the way for performing their due mission.

Ironically, however, the worse the financial condition of newspaper companies, the dimmer the prospects for journalists and employees to fight for press freedom.

The reason is that job security and promotion, one of the major interests for journalists in Korea, are at the mercy of owners and managers. That is another tragedy of media in Korea.

SPEECH NOTES FOR A SPEECH BY

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MEDIA, ENTERTAINMENT AND ARTS ALLIANCE
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INTERNATIONAL FEDERATION OF JOURNALISTS**

TO THE IFJ/FES NORTH-EAST ASIA WORKSHOP

**GLOBALISATION AND MEDIA: CHALLENGES FOR JOURNALISTS
AND THEIR UNIONS**

**SEOUL, REPUBLIC OF KOREA
APRIL 2, 1998**

This important gathering of journalists and media workers meets under a shadow.

That shadow is cast by the literally thousands of journalists and other media workers around the region who have lost -- or will lose -- their jobs and with it their professional pride and their livelihoods.

Of course, we should remember that just 12 months ago, the prospect of journalists discussing issues such as these, in circumstances such as these, would have seemed unthinkable.

The financial boosters were telling us that the Asian miracle coupled with the information revolution made working in the media a solid gold future and investment in media a licence to print money.

Of course, it is now not the financial boosters who pay the price for the fundamental errors that produced the crisis. Like thousands of other workers, it is people who work -- or worked in the media -- that have suffered for that misplaced enthusiasm that generated what can now be seen as a largely bubble economy.

To a certain extent, of course, the media industry is in the same boat as the rest of the Asian economies. Indeed, in any capitalist society, the fortunes of the private sector media are largely tied to the general economic ups and downs. A growing economy generates increased sales or subscriptions and increased ads and ad prices. A declining economy leads to less.

But what makes this crisis qualitatively different for the media to any normal boom or bust cycle is three significant factors.

First, if we are to be honest among ourselves, we in the media have significantly contributed to the mood of confidence and boosterism that obscured many of the underlying economic problems. While there were some honourable exceptions, in the boom years, too much of the media forgot that old journalistic failsafe: Nothing is ever as good as it appears.

While this was actively encouraged by media companies who were reaping the benefit of the so-called Asian miracle, at critical times we stopped being the watch dog on our societies.

But if we share some blame for this first contribution, the second contribution to the crisis lies solely at the feet of media managers themselves.

Many of the media companies now actively dumping media workers overboard in a bid to stay afloat actively contributed to the their -- and our -- own downfall.

This included:

- artificially inflating audience and readership, as here in Korea
- active corruption in fixing circulation figures, as in Hong Kong
- active participation in repression of independent voices, as in Indonesia

The third factor that makes this crisis different is, of course, the sheer scale of it.

No country has any recent history of the sort of job losses that have hit the Asian media.

The financial crisis in Asia has had enormous ramifications for media workers.

The International Monetary Fund emergency credit has, at a price averted the complete breakdown of economic and social systems in South Korea and Thailand. But the effect of the crisis on financial institutions, companies and media organisations that rely on them for advertising revenue has been mammoth. The subsequent effect on our media colleagues facing not only unemployment, but economic hardship caused by pay cuts and rising inflation is drastic.

The currency devaluations have led to imported paper costs almost doubling in some countries. The result, predictably, has been a cutback in the size of newspapers, in turn leading to company restructuring, staff cuts and salary decreases. Similarly, the broadcasting industry has led to company mergers with the same results for workers. Public broadcasting is facing cuts in government funding

A diminished media in Asia can only be bad. Without a diversity of media outlets, press freedom is likely to be compromised and vulnerable -- no matter what political structure exists.

In his paper yesterday, Professor Lee presented a very compelling empirical case study of the impact of globalisation on the media industry in Korea. His study with Mr Shin's is one of the best practical studies I have seen of the effect of the crisis.

Of course, as we know, the nature of the crisis of globalisation is that it is global in nature.

We can see a similar pattern in other countries, such as Thailand, the first regional country affected.

There, in a much smaller media pool 3,500 media workers have lost their jobs -- 1,500 of them were journalists, photographers and camera operators and 90 per cent were employed in the print media.

The situation is grim for journalists in Thailand as media outlets shut down or scale back operations. Ten newspapers, including dailies, economic papers and English-language papers have closed down in the print media and a further four or five are expected to shut later this year.

The collapse of the property and financial sectors, declining revenues and the rising cost of newsprint, paid in US dollars, are likely to ensure the industry remains depressed.

In the electronic media, the merger of the two main cable companies resulted in more job losses in the industry.

It seems that the redundant media workers are unlikely to find employment elsewhere in the industry. Many have already taken other jobs in service industries or agriculture. In an enterprising act of solidarity, the Reporters' Association of Thailand has assisted members to set up a market where former journalists can sell goods to the public.

In Indonesia, where the crisis is still far from stabilising, the social unrest it is generating has led to a renewed crackdown by the Soeharto government on forces of dissent and on the independent media.

Last month <March>, two journalists were arrested while trying to interview an anti-government leader and another journalist stringing for an Australian government-owned network was arrested while covering an anti-government demonstration. He was accused of taking part in the protest even though he was actually working. The three are still being detained in Jakarta.<c

The crisis is also starting to impact on Australia. Earlier this week, the Fairfax group, Australia's second largest publisher, revealed that it intended to cut editorial costs by \$A40million out of expenditure of \$A340 million.

While they have committed to do so without retrenching permanent staff, it will result in substantial job losses for contributors and casual staff.

In all this gloom, however, there is one ray of light to comfort us.

In many ways, this has not only be an economic crisis, it has also been a crisis of authoritarianism.

The proponents of the so-called Asian way have argued that combining liberal economics with authoritarian anti-democratic structures would provide stable long-term growth that bypasses the boom and bust cycles that have bedevilled developed western economies.

The crisis has exposed this model as a cover for endemic corruption that is now being rightly reviled as crony capitalism.

And it is those countries where there has been the prospect of some democratic renewal that have best been able to stabilise -- albeit at a considerable cost -- while authoritarian models continue to teeter on the brink.

I don't suggest that I necessary believe that Prime Minister Chuan in Thailand or President Kim here have all the answers to the crisis. But the process of democratic renewal and legitimacy has provided a circuit breaker in economic collapse that Indonesia, for example, has not been able to enjoy.

Of course, an analysis of the impact of globalisation is the easy part. The challenge facing us as trade unionists is what do we do about it.

At its heart, the central strategy we need is nothing new. To be blunt: we need to be organised.

Unity and solidarity of workers are as central now as they ever were.

This means, we have to do some good old-fashioned organising and agitation around the effects of the crisis. Because if the crisis demonstrates anything it should demonstrate these two things:

First, at the end of day people in the media can only rely on each other. Not our employers. Not our governments. And certainly not the IMF.

And second, that when journalists and other media workers organise into independent trade unions, they are incomparably better off than where they do not organise. That has been clearly demonstrated in the discussion yesterday about Korea -- people working in strongly unionised workplaces are generally doing better than people working in weakly organised workplaces.

This is not a solely national issue. We need to place greater emphasis on international unity and solidarity.

Our industry more than any other is an international industry.

The large media conglomerates don't operate in a single country and nor should we.

Meetings such as this are important steps.

But I believe we need to think more broadly than that.

We need to think about transnational works councils bringing together on a regular basis representatives from divisions of individual companies and running joint campaigns over specific issues.

Increasingly, our employers don't operate in single countries, so why should we? Why should we have less imagination than our employers?

Of course, saying all this is easy. I'm all too aware that actual on the ground organising is time consuming and difficult. I do not believe it is an easy answer. But I do believe it is the only answer.

To organise, we need issues to agitate around. This crisis presents us with an imperative to organise around three key issues.

The first is the task of managing the crisis itself. A free media cannot operate without employment security and decent wages and conditions. Here in Korea we can see practical examples of how individual labour unions are attempting to manage the crisis within their workplaces to minimise the impact on their members.

These are examples we can all learn from.

The second strategic question we need to confront is the question of ownership.

Media unions have long been concerned about concentration of ownership in the media and entertainment industries. And we were -- and are -- right to do so. Globalisation makes that more imperative.

Yet ownership of cultural industries is now among the most centralised in the world. And on-line services, satellite and other diffusion technologies make the attempts by governments to restrict foreign or corporate ownership difficult to enforce.

We need to think about new ideas within the conglomerates by looking at strategies that provide some autonomous control for cultural workers over their areas of work and creativity.

For example, we need to think about how we apply the long-standing principles of journalistic independence to new structures.

In some cases this has involved moving to systems of editorial democracy that give journalists some say in editorial policy and editorial management.

This is not an academic issue. Right now those of us committed to independent cultural development in our own countries face a major threat through the proposed Multilateral Agreement on Investment.

We need to mobilise among our members and combine with other groups opposing the MAI to prevent it coming into force. The World Congress of the IFJ meeting in Brazil next month must make this an urgent priority for campaigns around the world.

The third critical issue is journalism ethics.

Professional ethics are important not only in themselves but also a means by which journalists assert the independence and integrity of our craft -- both against our employers and against governments and others who seek to restrict our work.

This is why many journalism unions develop and implement codes of professional ethics as a statement that journalists themselves will enforce standards and as an alternative to government regulation.

In an economic crisis, nothing is easier than letting standards slip, of allowing employers to get away with slashing standards in an attempt to make some quick cash.

Yet anyone with any sense of history knows that cutting standards and unethical journalism are a one way trip to disaster. Readers and viewers know when they are being shortchanged and they will stop buying or switch off.

In conclusion, there is much to make us angry in seeing our industry, our colleagues fall victim to a crisis not of our making.

But our task as unionists is to transform that anger into hope -- hope that by working collectively journalists and other media workers can make things much better than they are today. Better for us and better for the societies we serve.

NOTES ON HONG KONG'S MEDIA

For the IFJ/FES North-east Asia Workshop on:

Globalisation and the media: Challenges for Journalists and their unions

Prepared by: **The Hong Kong Journalists Association (HKJA)**

The structure of the media in Hong Kong

There are presently some 15 local daily newspapers and 18 weekly and monthly magazines in Hong Kong, a feature the government makes much of in its claims of an open and diversified media in the Special Administrative Region (SAR). In the electronic or broadcast media, there are five television stations, of which two are licenced free-to-air broadcasters (Television Broadcasts, TVB, and Asia Television, ATV), two are regional satellite broadcasters (Chinese Television Network, CTN, and StarTV, which is effectively owned and operated by Rupert Murdoch's News Corporation), and one a cable operator (Wharf Cable). There are currently three radio broadcasters, including the public service broadcaster, Radio Television Hong Kong (RTHK), which also produces limited television programming to fill airtime set aside by law on both TVB and ATV.

Over the past five to ten years the printed media has been undergoing significant structural changes. In the early 1990s there were five or so mass newspapers with daily circulations over 100,000, each of them financially solvent, if not healthy; the other 10 or more newspapers were in various states of health, some marginal, some supported financially by China, others niche newspapers specialising for example in finance. The market today, however, is dominated by just two mass newspapers, the *Apple Daily* and the *Oriental Daily News*, both with circulations approaching 400,000.

The catalyst and to some extent cause of this rapid structural change was the successful introduction of a well-financed newcomer, *Apple Daily*, and the subsequent price war between that newspaper and its chief rival the *Oriental Daily*. The price war drove many existing and less financially muscular mass circulation competitors into financial difficulties, some to the brink of financial ruin. The pro-Beijing *New Evening Post* closed down in September 1997 with the loss of more than 50 journalist jobs. The *Express Daily* shut its doors in March 1998 with the loss of some 200 jobs.

The impact of the Asian crisis

The causes of the difficulties facing the local printed media are attributable principally to this "internal" process of conglomeration within the local media industry. The Asian economic crisis has nevertheless exacerbated this process, pushing already weak papers into further financial difficulties. But the impact of the crisis has not been confined to the less robust newspapers. Even the profitable *Apple Daily* has felt the need to carry out cost-cutting exercises; in late 1997 and early 1998 some 200 editorial and other creative staff—about 20% of their workforce—were laid off in two waves of redundancy. Several other publications have been forced selectively to lay off staff, though in smaller numbers, in pre-emptive cost-cutting measures designed to help weather the crisis. The HKJA estimates that between 300 and 400 journalists have experienced redundancies and lay-offs over the past six months. While quite a number of these journalists appear to have found jobs in other publications, it has been particularly difficult for experienced, mid-senior level journalists to find their way back into the profession.

The implications of the handover to China

The handover of Hong Kong to China on July 1, 1997 was awaited with considerable anxiety among local journalists; in particular many felt this to be a watershed in their careers given the widespread fear that freedom of expression would be significantly eroded under the new sovereign (indeed quite a number left the profession in anticipation of this). While the first nine months of the transition has seen little or no direct intervention to suggest the worst fears of journalists may be coming true—on the surface things have appeared calm—there have nevertheless been several disturbing developments which bring into question the continuity of the right to freedom of expression and of the press.

The first of these concern doubts about the continuity of the rule of law, in particular: the passage of laws with retrospective effect; the freezing and subsequent amendment of several laws concerning public order and security passed before the handover; and questionable decisions not to prosecute the local branch of the New China News Agency, a body under the Chinese Communist Party, in a privacy case as well as a leading owner of a newspaper, herself also a pro-Beijing figure, in a fraud case.

Another area of concern is the change to the electoral system, which will result in elections in May 1998 which will almost certainly return a legislature less robust in defending freedoms than its 1995 equivalent.

We cite these cases simply to explain that there are real worries over legal and administrative developments in the Special Administrative Region and that these, if they prove founded, will be likely to have a serious effect on the continued enjoyment of freedom of expression as well as other crucial rights.

More specifically, there are areas directly related to freedom of expression itself which cause grave concern for the future of this critical right. Firstly, there is the pending enactment of laws on subversion and secession under the first "elected" legislature. Second, there have been ominous threats to the continued editorial independence of the public broadcaster, RTHK; China and pro-Beijing forces in the SAR have criticised RTHK for what they see as its biased coverage of the SAR and Beijing governments, and are of the view that, as a government-subsidised station, it should be mandated to reflect positively the policies and views of the SAR government. Third, a survey conducted by the HKJA among journalists has shown that a majority of respondents feel the SAR government to be less open than its predecessor.

News Corporation in Hong Kong

Rupert Murdoch's News Corp has had a chequered history in Hong Kong, with the company's moves into the local and regional print and broadcasting media attracting considerable concern. In part this concern has been directed at the issue of foreign ownership of local broadcasting, in part it has been directed at the undesirability of cross-media ownership between the print and electronic media, in part it has been a concern with the broader strategic imperatives of News Corp expanding into the larger China market, and how these overriding commercial considerations have had a self-censoring impact on programme content.

In June 1993, News Corp proposed to purchase 22% of Hong Kong's predominant television station, TVB. At the time, Mr Murdoch already owned the leading English-

language paper, the *South China Morning Post*, as well as the Chinese-language *Wah Kiu Yat Po*. His proposal immediately raised fears about cross-media ownership, and the need to protect the plurality and diversity of the media, and highlighted the fact that there was no law to prevent a person or company holding controlling interests in both print and electronic media. As it turned out the acquisition had to be aborted because of legislation limiting foreign ownership in local broadcasting concerns to a 10% interest (foreign ownership of up to 49% is in fact permitted in a local broadcaster, though to own more than 10% requires special dispensation from the Broadcasting Authority and the chief executive in council).

With this route closed, Mr Murdoch turned his attention to satellite broadcaster StarTV in a continued effort to acquire a broadcast property which had the potential to become a major player in the Chinese and Asian markets. In July 1993, News Corp paid Hutchvision Hong Kong, a company controlled by the wealthy Li family, US\$525m for a 63.6% stake in StarTV. In doing so, Mr Murdoch had exploited a loophole. Hutchvision's interests in StarTV had been split into two companies, Hutchvision Hong Kong, a locally registered company which owned the license to uplink broadcast signals to a satellite, and Hutchvision BVI, registered in the British Virgin Isles. It was this latter company which News Corp purchased and which itself had a standing agreement with Hutchvision Hong Kong for the exclusive supply of programming for uplinking. News Corp had effectively circumvented the difficulty that it could not itself, as a foreign operator, own the license (the government tolerated the arrangement as part of its policy of trying to encourage the development of Hong Kong as a regional broadcasting centre).

The deal nevertheless invited intense suspicion in Beijing. In addition to a Chinese-language entertainment channel, and sports and music channels, StarTV also carried BBC World Service Television (the BBC has long been vilified in Chinese leadership circles). But this would not be for long. In April 1994, to a considerable local outcry, StarTV dropped the BBC from its northern beam which covers China. Although the broadcaster insisted the move was for commercial reasons, Mr Murdoch himself was later to admit that the decision was taken in an effort to appease China and improve News Corp's chances of tapping the mainland market.

Following his acquisition of StarTV, Mr Murdoch subsequently sold most of his shares in the *South China Morning Post* to Kerry Media, a newspaper publishing group owned by Malaysian businessman Robert Kuok—a move Murdoch subsequently admitted was made to avoid potential conflicts (over editorial) with China. (Mr Kuok's purchase brought into focus once again the important unresolved issue of cross-media ownership—with his 34.9% stake in the SCMP and his 33% stake in TVB, Mr Kuok has controlling interests in both the print and broadcasting media. Following the purchase, the HKJA proposed, and the government in principal accepted, the need for restrictions on cross-media ownership, though these have yet to become legislation).

There have been rumours during the past week that News Corp has put in a bid, in partnership with CBS, to purchase 49% of the ailing ATV, Hong Kong's smaller terrestrial broadcaster. The rumours for the time being seem ill-conceived since it is unlikely, given past practice, that the authorities would give special permission for such a foreign venture to take up more than 10% of the voting shares in a local broadcaster. Present indications are that this would only be an option were all other rescue plans exhausted.

News Corporation and China

It is clear that one of Murdoch's principal ambitions in Asia is to secure a foothold for his businesses in the China market, and that Hong Kong is an important stepping stone for this strategy. The dropping of the BBC World Service in 1994 is an indication of how far Murdoch is prepared to go to realise this ambition. The recent censorship furore over the forthcoming book being written by Chris Patten, the last governor of Hong Kong, which is understood to contain criticisms of China, is another topical illustration. Murdoch himself seems unrepentantly open about his reasons for appeasing the mainland authorities.

The question of whether Murdoch will ever be allowed to play anything but a marginal role in China's developing media market remains very much open. It is certainly possible to read much into the recent exchange at a press conference between Wu Xiaoli, a journalist for the Hong Kong-based Chinese-language Phoenix TV (a channel owned 45% by Murdoch's StarTV) and China's newly elected premier, Zhu Rongji. In response to Ms Wu's somewhat unprofessional comment that "I'm a big fan of yours, Mr Premier", Mr Zhu made the off-the-cuff reply that he enjoyed watching Phoenix TV, a channel

effectively prohibited from being received in China. This exchange has been interpreted by Phoenix's rival, Hong Kong-based China Entertainment TV, as a signal that Phoenix may be permitted by the Chinese authorities to be received on the mainland.

Country Report

Cheryl Lai,
Taiwan Journalists Association

Star TV maintains a small branch office in Taiwan with the number of employment increased from 30 to 70-80 in recent years. Most of them belonged to the marketing department and the general manager is from Hong Kong who keeps a low-key style in Taiwan. The influence of Star TV in Taiwan is limited not only because of the low-key style but also because of the special, magnificent and complex environment of TV media in Taiwan.

There are just three wireless TV channels since the mass media had been controlled by the government, the ruling party (KMT) and the army during 1950's to 1970's under the material law. And now, there are four wireless TV channels and over 120 cable and satellite channels in Taiwan, Star TV is one of them.

The channels operators produce or buy the programmes to the cable system operators who own the cable audio and television transmission network and facilities to broadcast.

According to the survey, the audience like mostly the movie channels and news channels in Taiwan. Since the 'Cable Television Law' was just approved in July of 1993, the development of cable and satellite television is blooming now.

Most of the channel operators are well know businessmen and have good political connections. They also spent a lot of money to maintain a 24-hour news channel for more than just economic reason.

Besides the international news channels CNN and CTN (Chinese Television Network) which was once owned by the 'China Trust Group' in Taiwan, there are still 3 local news channels: Formosa TV, TVBS-N, and Set TV in Taiwan and updated the news every hour. The other TV channels also have their own news department to produce themselves news programmes.

Star TV did not have any news department in Taiwan and thus makes less influence. The second reason is the programmes of Star TV are not so localised and the audience did not like them. One of the programmes of Star TV was popularized in Taiwan called 'Sauna for the Famous Men' which interviewed the privacy of Taiwan's famous persons and now it is not so popular because the other channels interview the famous men's privacy too.

The official estimated there are 4.5 million cable TV subscribers in Taiwan and two groups- the 'China Trust' and the 'Rebar' occupied nearly 50% of the market. Two of the groups are also both of the channel and system operators. The channel operator like Star TV are forced to be controlled by the system operator or to develop the other 50% market share, which are controlled by some gangs.

On the Media Situation in Japan and Shimbun Roren's Policy

Takayama Masayuki
Vice Chairman
Shimbun Roren, Japan

1. The General Media Situation in Japan

The newspapers in Japan today face difficulties in two ways. The trust in newspapers is generally declining. That is partly because the media has come under severe criticism in recent years for its invasion of ordinary people's privacy and false reports, caused by commercialism and excessive competition for scoops. On the other hand, the prolonged recession in Japan, which is the worst after the Second World War, and the strong wave of deregulation is threatening the basis of the management of newspaper.

The Trust in Newspaper

In 1997, a murder case in Kobe frightened most Japanese people across the country. An elementary school girl was killed on the street at first, and two months later another elementary school boy was killed in almost unbelievable cruel manner. That excited editors and reporters to very unusual extent and they rushed to write a great amount of reports on suspicious figures around the case. Newspapers were full of stories on the strong "witnesses" to the case, and most reports assumed that the murderer was a man older than thirty. But police arrested fourteen-year-old boy, and that shocked the reporters. Last February, Shimbun Roren (Japan Federation of Newspaper Workers' Unions, 87 unions, 40,000 members) held the annual National Meeting on Newspaper Study. In the meeting, an editor confessed that 90% of his newspaper's reports on the case before the arrest of the boy were wrong. It has been also pointed out that the reporters' way of approaching the victims' families and the residents also disturbed them very much. Moreover, a photo of the suspect appeared in a weekly photo magazine, although it is banned by the law to publish any story and photo connected with identification of the arrested under the age of twenty. As a result, the trust in the media was affected in bad ways.

Compared to such photo magazines, major newspapers in Japan usually try to consider the protection of peoples' privacy. But last year, in another murder case in Tokyo, the victim, who was a woman working at the office of a well-known electric company, some newspapers as well as magazines wrote

much about her, private life. That met with a criticism, too.

To recover the trust in newspapers, on February in 1997, Shimbun Roren adopted its own ethical code called the Declaration of journalist's Goodwill. Last month, Shimbun Roren opened a hotline at its head office to listen to complaints on reporting.

Restructuring and Deregulation

The newspaper management in Japan stress their concern on recession and uncertainty of Japanese economy in the next years. The management is trying harder and harder to restrain the number of workers, and is proceeding restructuring of business.

Many companies are now seeking the change of traditional publishing system. Especially big newspapers are trying to introduce rapidly one-person-typesetting system. With that system, a writer must handle four jobs : writing, editing, proofreading and typesetting. It means workers in typesetting sections are losing their jobs, and editors and writers are getting far busier than before. Asahi Shimbun has already launched the ultimate system of reporter-typesetting in some places. The reporters has to manage all processes from news-gathering to operation of typesetting computer system.

The management is also seeking the decrease of personal expenses by separating printing sections and distributing sections as subsidiary firms from other sections like management, edition and advertisement. Generally, the wage of workers, who are employed independently by those subsidiaries, is about 70% of the main company workers' wage. In many cases, those workers are not affiliated with labour unions, so their rights are not protected. The management, seeking lower expenses, tends to employ more temporary workers and part-times. Most of them are not organised by unions, either. Under those circumstances, the number of labour unions' member is decreasing.

As newspaper workers are getting busier, the health problem is getting more serious. Among Shimbun Roren members, 54 workers died in 1997. During last two years, two journalists in their thirties died suddenly and shocked other journalists. They had been overworking definitely, and their families are now seeking compensation. The problem of techno-stress and mental health is also serious.

In Japan, the Antimonopoly Law prohibits manufacturers from setting retail prices for their products. But books, newspapers, magazines, music compact discs are treated as exceptions. The discount sales of those publications is banned. The ban has helped stabilize the management of publishers and protect copyright holders, then it has supported freedom of press, the pluralism of publication. It has helped cultural activities. But these years, deregulation of various aspects of business is under way as it is so in many other countries. The Fair Trade Commission, a governmental antimonopoly watchdog, released last January a report on the retail price maintenance system of publishing. The report said we should review the system with an eye to abolishing it in the future, although it admitted that the system helps publishers and copyright holders, and should not be scrapped immediately. Last month, the Commission also proposed to the newspaper industry that it should loosen the regulation on free gifts for promotion of newspapers' subscription. We are strongly worrying about those deregulation. If they come true, less affluent newspapers may disappear and many small papers can be controlled by big and rich newspapers.

That affects seriously the pluralism of press.

The Policy of Shimbun Roren

The first priority of Shimbun Roren is to protect workers' life and health. Our policy is to reject any restructuring plan leading to lower quality of news reporting and lower working conditions. We are trying to organize more workers and increase the member of unions. We are supporting the retail price maintenance and the control of the free gifts. We have grave concern on the future of newspapers. In the twenty-first century, it is probable that the influence of newspapers will be weakening because of the development of multi-media society. We are now preparing to publish a book entitled 'The day when newspapers disappear'. In that book, we depict a dark picture in the next century as warning. Because of deregulation, the scale of newspaper depends only on cheaper price and more gifts, and nobody cares about the quality of reports. There is no true journalism but interests in gossips and entertainment. Journalists are not aware they are just on the way to die...

2. Rupert Murdoch's Presence in Japan

Mr. Murdoch got shares of TV Asahi in 1997, but shortly he sold them to Asahi Shimbun. The News Corporation, an Australian company lead by Mr. Murdoch, has shares of a new satellite TV station(JSkyB), which is supposed to start broadcasting next year. The proportion of the News

Corporation's shares has decreased as other Japanese companies also decided to invest the TV station. It appears the presence of Mr. Murdoch has got smaller. But many newspapers are weak in terms of management. Once rich investors like him make their mind to get some newspaper companies in Japan, it will not be so hard. In case Mr. Murdoch controls the media, the trust in press can be lost moreover, which is exactly what we are afraid of. We think they need watch such movements very carefully.

Operating Companies of News Corp in Asia

STAR TV (STAR owns 100% except where noted)

- STAR Chinese Channel
- STAR Plus
- STAR Plus Japan
- STAR World
- STAR Movies North
- STAR Movies South
- STAR Movies Japan
- STAR Movies South East Asia North
- STAR MoChannel (V) Music Networks

Channel (V) Music Networks (50%)

VIVA Cinema (50%)

ESPN STAR Sports (50%)

- STAR Sports
- ESPN

Phoenix Satellite Television Company Ltd. (45%)

- Phoenix Chinese Channel

Tianjin Golden Mainland Development (60%)

IskyB

Asia Today Ltd. (50%)

- ZEE TV

Program Asia Trading Co. Pvt. Ltd (50%)

- ZEE Cinema
- EL TV

Siticable Network Pvt. Ltd (50%)

Indovision (45%)

Film Indonesia (50%)

JSkyB (approximately 25% owned by News Corporation)

Civilian Pressure Groups and Media Unions Oppose Rupert Murdoch's Advance into Korean Media Market - A Statement from the National Joint Committee for the Preservation of Korean Broadcast Culture

We watched in bafflement as President-elect Kim Dae-Jung and multimedia mogul Rupert Murdoch seemed to take their meeting on February 13 as an opportunity to establish the fact that foreign capital would be pumped into our domestic satellite broadcasting system.

Not only is broadcasting policy something that can shape the culture of a nation, but from a nation's industrial point of view, it is also a matter of top priority. In order to decide a country's broadcasting policy, it goes without saying that the concerns of the entire population should be taken into consideration. Of course the President-elect and a multimedia mogul hoping to launch his way into the domestic broadcasting market can meet to discuss whether or not Korea will accept foreign capital investment in that field, but it can only be looked upon as rash if a nation's entire broadcasting policy is decided by that one meeting.

We are now facing the most serious economic crisis ever, since June 25, 1950, when the Korean War broke out. In this situation, we must seriously question whether or not Dacom's business proposal to launch some 50-odd satellite channels all at once is something that will truly help us recover from this national crisis.

Regular broadcasting as well as cable TV alone are already experiencing some serious difficulties. The situation, already grim, will become even more so if we were to introduce satellite TV now into this very vital industry.

There is also the concern that if satellite broadcasting is hastily introduced, it could make dealing with the foreign currency crisis even harder. The production of broadcasting equipment domestically hasn't been put into effect and it will take an estimated one trillion won just to cover equipment costs for satellite broadcasting. This will cost approximately 67 times more than Murdoch's proposed investment in DSM which comes out to about 15 billion won. If this happens, then we will be facing an even more dour and serious foreign currency crisis.

That's not all. The nation's audio-visual industry has not yet had the chance to ripen. If 50 more satellite channels are introduced into the market all at once, where will they get all new programs to fill

all the empty air time?

The only answer to that would be to fill those channels with programs from Murdoch's own News Corp and other foreign production powerhouses. Our fledgling media and entertainment industry can in no possible way compete with the huge amount of capital and material resources that a handful of global media players have at their disposal. Already, 70 percent of the movies and 50 percent of all cartoons shown on cable TV channels are imported ones. If satellite TV gets thrown into this mix, then domestically produced programs will constitute no more than 10 percent of all programs aired. We will also have to pay in foreign currency to purchase these foreign programs.

If we let all these sensationalized and violent foreign programs into our bedrooms through our televisions, how will we be able to hold on to our inherent culture or raise our children properly?

Especially in the case of Dacom's proposed business partner, Rupert Murdoch, who is desperately trying to grope his way into the domestic market, this is definitely a concern. He has been heavily criticized for damaging the good name of the formerly well-reputed British newspaper, *The Times*, after he bought it in 1981. And in the States, he has gotten much heat from several interests groups which have expressed their unhappiness with his commercially-driven and sensational programming policies that are evidenced in his FOX Television Network.

Whether or not to enter into any kind of business dealing with such a person is not a decision to be made rashly. That kind of decision should be made only after our own national broadcasting policy has been firmly decided. We sincerely hope that this series of decisions will be firmly decided. We sincerely hope that this series of decisions will be made only after broadcasting laws have been democratically revised and the proposed independent broadcasting regulating authority has discussed all the issues thoroughly.

We urge that all decisions regarding the nation's culture, economy, and broadcasting industry be made only after careful and grave consideration.

March 20, 1998

Duly signed by 500 representatives from 46 civilian and media-related national organizations.

Business

<The Korea Times> THURSDAY, FEBRUARY 19, 1998

Dacom to Start Satellite Broadcast Next Yr

By Chae Hee-mook
Staff Reporter

Dacom Corp. plans to provide commercial digital satellite broadcasting service in September, 1999, after a six-month test service.

The international phone service provider expects to make a contract with multinational media conglomerate News Corp., headed by Rupert Murdoch, in mid-March to set up a consortium for the service.

"Dacom will take a 30 percent stake and News Corp. a 15 percent stake with the remaining 55 percent going to domestic companies, as envisioned by the projected new legislation on integrated broadcasting," said Ryu Seijoon, president of Dacom Satellite Mul-

timedia System (DSM), a wholly-owned subsidiary of Dacom, in charge of the project.

As a result, Dacom will invest 30 billion won and News Corp. 15 billion won or \$10 million in the 100 billion won project, Ryu said, adding that the paid-in capital will triple the equity capital to 300 billion won later.

Dacom is scheduled to launch a satellite, DacomSat, in October under a contract signed with Orion of the United States in October, 1996.

"Initially, the broadcasting service will have 50 channels," said Ryu, adding that the satellite has eight transponders producing 80 channels.

Ryu, former vice information minister, said, "We will be differentiated with existing terrestrial TVs and

CATVs, specializing in very specific areas for a niche market. We will operate fee-oriented rather than ad-oriented broadcasting in view of the current difficult economic environment and broadcast advertising market."

It's natural that the consortium will attract business conglomerates and newspaper companies if the new legislation on the integrated broadcasting law permits, Ryu said. The new legislation has been pending due to controversy over the participation of business groups and newspaper companies.

It is expected that business groups and newspaper companies will be allowed to take part in the broadcasting business as President-elect Kim Dae-jung asked Murdoch to invest in Korea's news media, including broadcasting

during their meeting last Friday. Murdoch, 67, of Australia, has owned multinational News Corp. whose turnover was some \$11.2 billion on its assets of \$40 billion worldwide in 1997.

News Corp. has run 130 newspapers, including *The Times* and *The Sunday Times*, with a combined total 60 million subscriptions, terrestrial broadcasting network FoxTV in the United States, movie producer "20th Century Fox" and world's largest multinational satellite broadcasting network.

Its satellite broadcasting stations are BskyB in Britain, StarTV in Asia and Sky in Latin America. It plans to set up AskyB in the United States, JskyB in Japan and IskyB in India this year to extend the satellite TV service.

News Corporation: A Challenge to Media Freedom and Democracy on the Information Superhighway

Prepared by Aidan White,
International Federation of Journalists

1. INTRODUCTION

Any commentary on News Corporation should begin with a health warning: do not become transfixed by the spectre of the company's Chairman and Chief Executive, Rupert Murdoch.

It is easy to become enmeshed in debate about his demon personality. Murdoch's detractors (usually sacked employees or managers or victimised competitors) are vocal and numerous, crossing ideological and cultural frontiers and many of them consumed with anger and bitterness. His supporters are equally passionate, if less vocal. He is the most highly rated proprietor by other media owners¹ and commands the loyalty of long-serving employees for whom his personal charm, energy and directness are highly motivating influences.

But reflections on Murdoch should not divert trades unionists from a critical examination of the corporate power and strategy of News Corporation and the implications, both for social rights and professional freedoms, of the company's alliance with MCI and British Telecom.

News Corporation brings to the table a truly global empire. It may not be the biggest, but in terms of geographical spread it is the media conglomerate best-placed to promote exploitation of the information superhighway and to accelerate convergence of information and entertainment media and telecommunications.

The News Corporation empire has been created by buying indigenous communications systems and linking them globally. It has involved the takeover of as many different media as possible.² This remarkably successful strategy has produced vast assets, covering 500-odd subsidiary companies, spread equally across magazines, newspapers, books, film and television. It includes mass

¹ *Paper Tigers*, by Nicholas Coleridge, pp 477-491

² Ben Bagdikian, *The Media Monopoly*, 4th edition

circulation magazines in the United States, control of two-thirds of metropolitan daily newspapers in Australia and one-third of national distribution in Great Britain. The company represents major players in the video cassettes, network television, satellite broadcasting, and film sectors.

The News Corporation strategy takes a great leap forward in its alliance with major telecommunications companies. Murdoch's vision of the future involving 'a global cornucopia of programming' comprising libraries of data, educational and entertainment, linked by fibre-optic cables to millions of homes and with the capacity for interactivity³ is now made possible through his link-up with carriers capable of world-wide distribution of the company's information resources.

Content services will be the major contributor to corporate profits on the superhighway and, therefore, News Corporation is the key player in the alliance with MCI and BT.

Set against this pivotal role in the commercial exploitation of the information society is the company's history of antagonism to organised labour and its ambiguous attitudes to media diversity and fundamental democratic freedoms. These pose a challenge to trades unionists and media professionals everywhere and require a response which addresses a broad range of threats, not just to workers' rights, but also to the fabric of democracy itself.

2. GLOBAL MEDIA POWER WITHOUT RESPONSIBILITY

'Advances in technology have proved an unambiguous threat to totalitarian regimes everywhere.'

-- Rupert Murdoch, London September 1993

The Chairman of News Corporation has declared that new technologies, and particularly satellite broadcasting, will outwit censorship and the enemies of democracy. However, it is News Corporation itself which has become the censor.

In 1995 the company removed BBC World Service Television from the company's Star Television broadcasts in Asia, to secure a satellite deal with China. The decision to remove the BBC and to censor news broadcasting from Chinese language channels on the satellite broadcasting service was done, the company admits, "to get accepted" by China's communist leaders.

³ Leonard Sussman, *Encounter*, Vol. 73, No. 4

This sacrifice of principle in favour of political and business interests is not new. The company has never hesitated to use its media to support politicians that will sustain its corporate interests. While they were heads of state, Margaret Thatcher in Britain and Ronald Reagan in the United States were favourites of the print and broadcasting subsidiaries of News Corporation.

As a result, the company has enjoyed special treatment by media regulatory bodies in both the United States, where multiple ownership rules were relaxed in 1985 opening the possibility for the company to launch the Fox television network, and in Great Britain, where the company's satellite channels were given special exemption from regulatory controls imposed on terrestrial broadcasters.

The power to promote politicians and policies useful to the company, whether in Beijing, Washington, London or Suva, has enhanced News Corporation's ability to acquire or extend the reach of its media empire. The ability to keep in touch with almost every voter on five continents gives the company unprecedented levels of political influence. When British Labour Party Leader Tony Blair flew to Australia in 1995 to address News Corporation Executives he was recognising a simple, but rarely acknowledged truth: that mass circulation news media, even those controlled outside national borders, are power brokers in the new world order.

News Corporation's political aim is to remove all obstacles to its monopolistic ambitions. The company has savaged the principle of public service media and all forms of regulation which provide cultural protection and which seek to create quality, diversity and pluralism in media.

Rupert Murdoch himself has reinterpreted the ideal of "liberty of the press" as "freedom and choice rather than regulation and scarcity"⁴. For News Corporation this has come to mean the domination of corporate interest over public interests and the establishment of monopoly power in the media market place. The company firmly rejects the traditional notion that news and information media are not just commodities, with a special place in democratic society. There is no recognition of the role of media in protecting culture, the rights of minorities, and providing a variety of opinions in the service of democracy.

The implications of this are not only serious for press freedom and well-established traditions of public service broadcasting, but it is a denial of international standards of freedom of expression. Although, traditional values of media and democracy are being abandoned, News Corporation and its partners claim a commitment to

⁴ *Freedom in Broadcasting, Mactaggart Lecture, Edinburgh Film Festival, 1989.*

"freedom of choice". However, the experience of consumers and competitors is that this commitment may not be as deep as the rhetoric might suggest.

3. MARKET DOMINATION AT ANY PRICE

News Corporation understands well, as do aspiring politicians, that market domination in the media field brings influence over the public's news, information, public ideas, popular culture, and political attitudes. But, just as important, market dominant firms make a higher percentage of profit out of every dollar than their competitors.⁵ News Corporation invests heavily in fighting for market share and undermining its competitors, particularly in the public sector.

The company has ruthlessly used its British newspaper outlets, for example, to promote its own BskyB satellite service in direct competition with the BBC. It has used its mass circulation newspaper titles to launch a campaign against public service broadcasting in Britain.

The company has also invested enormous resources to undermine the conditions for fair competition. Although it is Britain's leading national newspaper company it still engaged in a punitive price cutting war during 1995 which cost millions of pounds and brought competitors to the brink of extinction. It bought up, and closed, one of the middle-market national dailies, TODAY, and it invested millions in television advertising to force up the run-in costs of new competitors. At the same time it has itself turned down advertising from competitors to protect its privileged position.

The 1980s notion that opportunities existed for low-budget entrants into the news media market has been effectively destroyed by the News Corporation strategy.

Far from enhancing the conditions for "choice", News Corporation is a natural monopolist. The company's investment of millions in price wars, the undercutting of advertisers, and the use of its companies for self promotion, are policies not designed to enhance consumer choice but, simply and brutally, to eliminate competition. In some countries such tactics are illegal or regarded as unfair.

The syndicated use and recycling of materials within and outside the company network is another aspect of the News Corporation strategy in which consumers and creative staff suffer. The company has joined with other publishers and media organisations in a systematic assault on legal protection of authors' rights and performers' rights at national and international level.

⁵ *The Media Monopoly, Ben Bagdikian p.5*

The economic and moral rights of journalists, writers, performers, producers and creators are being undermined by the process of vertical integration of News Corporation's different media outlets leading to the massive exploitation of material produced, originally, for one medium. Deregulation of copyright law in the United Kingdom and the US (aided, abetted and funded in both cases of News Corporation and other multimedia companies) has opened the door to the syndication and recirculation of material on an unprecedented scale.

News Corporation is also seeking to claw back rights which creators have wrung from the courts over the course of a century by seeking new rules for digital technology which will give unreasonable power to copyright owners. One example is the introduction of rules which provide charging mechanisms so that anyone seeking information, entertainment or diversion on-line will be charged automatically. This removes a principle of scanning, or browsing before purchase, which has previously bolstered the notion of choice.

4. TRADE UNIONS UNDER A GLOBAL HAMMER

If citizenship, democracy and rights of consumers are low on the list of News Corporation concerns, trade union rights hardly figure at all. The company practices either profound hostility to any form of trade union organisation (United Kingdom) or supports a policy of mutual pragmatism in which established unions survive on the basis of traditional links (Australia) or resilience in the face of management provocation (United States).

A thorough examination of the company's anti-union perspectives was carried out by the IFJ in 1989 at a conference devoted to the company and its activities held in Sydney, Australia.⁶ The company's disregard for workers' rights is illustrated by industrial relations strategies based upon intimidation, victimisation of union officials, dismissals, appointments of non-union staff, and use of strikebreakers to try to chase the trade unions out of the company. This hostility resulted in the elimination of traditional trade union organisation in all areas of the company's UK operations following the Wapping dispute in London in the mid-1980s.

Unions in the United States and Great Britain in particular have experienced traumatic confrontation with the company. In Australia, the unions use judicial procedures and cross-ownership rules to maintain some degree of influence.

Intolerance of trade unions and demands for staff loyalty to corporate ideals, irrespective of the need for freedom of expression and balanced presentation of

⁶ IFJ Information No. 37 1989, Hans Verploeg

news and information, is reflected also in its undue influence on the regional and international media scene.

In Europe during the early 1990s News Corporation initiated the creation of a new publishers group -- the European Publishers Council -- which has proved to be the one of the most militant, anti-trade union organisations in European affairs.

In 1991, the company sent a leading executive to intervene during the first-ever ILO industrial meeting of publishers and journalists in Geneva. The News Corporation spokesman attacked the very notion of freedom of association and other United Nations labour standards which had existed for more than 50 years. He challenged the idea of dialogue with the unions at international level, and wrecked progress towards a first ILO statement on workers' rights in media.

Like all other aspects of News Corporation's social, economic, and political strategy the company's attitude to trade unions is subject to a centralised and doctrinaire administration. National pragmatism in some areas cannot disguise the company's contempt for trade unionism and the aspirations of the organised workforce.

5. PROTECTION FOR DEMOCRACY AND HUMAN RIGHTS

The formation of the MCI/BT/News Corporation alliance provides a challenge to trades unions, but it also raises serious questions about freedom of expression and democracy.

Media in any society are among the most important democratic institutions. The courage and independence which they display are a barometer of the morale of society. To maintain independence media need structures which guarantee pluralism and an information space to which citizens have access and in which their voices are heard.

There is, therefore, a need for a trade union response which demands tough minimum safeguards in matters of ownership structure, scheduling, funding programme content and decision-making procedures.

But the debate about these demands must avoid the demonology of the evil media baron, an obsession which has little to do with maximising freedom and equality in media and communications.

We must also avoid the tendency to call for bureaucratic forms of regulation which can often be arbitrary and lead to censorship. Public intervention must be open, accountable and enabling. It should encourage mediaworkers -- journalists,

broadcasters, performers and all those involved in the production and transmission of news and entertainment information -- to counter undue corporate influence.

With this in mind, some basic conclusions should be considered:

- a) To protect freedom of the press and fundamental liberties it is necessary to publicly regulate privately-owned media and to restrict the scope of corporate control of public information resources;
- b) Such regulation will require the creation of politically accountable, international regulatory bodies, with the skills to deal with such matters as ownership, advertising tariffs, network access conditions, etc.
- c) Such bodies must be backed up by national initiatives which force large companies, like News Corporation, to submit to legislation which specifies programme quotas and restrictions upon advertising and cross media ownership. In effect, large corporations should be treated as common carriers with the responsibility to carry a variety of messages;
- d) Structures need to be established whereby forms of democratic decision-making, including consultation and negotiating rights for the workforce are created at both national and international level;
- e) Additionally, international standards and conventions which underpin notions of human rights and democracy must be reinforced in the global economic environment.

In media, where cultural issues are particularly important, institutions such as News Corporation should be held accountable for breaches of the Universal Declaration of Human Rights. This may mean the adoption of new international procedures whereby global conglomerates, as well as national governments, become signatories and guarantors of these rights with consequent responsibilities.

Given the unregulated world into which the News Corporation/MCI/BT alliance is moving, the need for an international trade union programme of action on these issues is vital. At the same time, debate at the level of the Organisation For Economic Co-operation and Development and the G7 dealing with matters of economic exploitation of new media must be expanded to take account of cultural and democratic values.

IFJ Introduction to the IFJ

Click for more information on:

- [IFJ Member Unions](#)
- [The IFJ Executive Committee](#)
- [Regional Offices](#)
- [Basic Documents \(English, French and Spanish\)](#)
- [Publications](#)
- [Send comments and queries to the IFJ Secretariat](#)

The International Federation of Journalists is the world's largest organisation of journalists. First established in 1926, it was relaunched in 1946 and again, in its present form, in 1952. Today the Federation represents more than 400,000 members in over 90 countries.

- **The IFJ** promotes co-ordinated international action to defend press freedom and social justice through the development of strong, free and independent trade unions of journalists.
- **The IFJ** does not subscribe to any given political viewpoint, but promotes human rights, democracy and pluralism.
- **The IFJ** is opposed to discrimination of all kinds - whether on grounds of sex, creed, colour or race - and condemns the use of media as propaganda to promote intolerance and social conflict.
- **The IFJ** believes in freedom of political and cultural expression and defends trade union and other basic human rights.
- **The IFJ** is recognised as the organisation which speaks for journalists at international level, notably within the United Nations system and within the international trade union movement.
- **The IFJ** supports journalists and their unions wherever they are subject to oppression and whenever they are fighting for their industrial and professional rights. It has established an International Safety Fund to provide humanitarian aid for journalists who are the victims of violence.
- **The IFJ** supports trade union solidarity internationally and works particularly closely with other international federations of unions representing trades related to journalism and the media industry.
- Basic policy is decided by the Congress which meets every three years and work is carried out by the Secretariat based in Brussels under the direction of a ruling 20-member Executive Committee.

For Further Information Contact:
*The General Secretary Rue Royale, 266 B-1210 BRUSSELS, Belgium Tel: (+32 2) 223 22 65 Fax: (+32 2) 219 29 76 or
e-mail: iff@pophost.eunet.be*

 [IFJ home page](#)

What is the IFJ?

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WHAT IS THE IFJ?

The **International Federation of Journalists (IFJ)** is the world's largest organisation of journalists, representing journalists in more than 90 countries.

The **IFJ** fights for the social and professional rights of journalists working in all sectors of the mass media and is recognised by the United Nations and the international trade union movement as the representative voice of journalists worldwide.

The Federation's headquarters are in Brussel (Belgium) and it has regional offices in Asia, Africa, Europe and Latin America.

TOP

WHAT ARE THE OBJECTIVES OF THE IFJ?

The **IFJ** was established :

- to defend freedom of the press and independent journalism;
- to encourage strong and independent trade union organisation for journalists;
- to promote the independent status of the profession of journalism;
- to promote solidarity among member unions;
- to collect and distribute relevant material from member unions, for instance relating to human rights, new technologies, conditions of employment and professional questions;
- to promote the professional training and further education of working journalists.

The **IFJ** has no political affiliations.

TOP

WHO ARE THE MEMBER ORGANISATIONS OF THE IFJ?

To become a member organisation of the **IFJ**, an organisation must be committed to the defence of press freedom and the professional rights of journalists.

To join the **IFJ** an organisation must be a trade union for journalists alone, which does not admit employers and which is open to journalists from throughout a national territory.

The **IFJ** does not admit individual journalists or special groups of journalists.

TOP

HOW IS THE IFJ RUN?

The highest decision-making body of the **IFJ** is the Congress, which meets every three years. Between Congresses the affairs of the **IFJ** are administered by the 21-member Executive Committee which meets twice a year.

The President with the three Vice-Presidents, Honorary Treasurer and General Secretary, constitutes an Administrative Committee which meets occasionally between meetings of the Executive Committee.

The General Secretary is the chief executive officer.

TOP

HOW ARE THE ACTIVITIES OF THE IFJ PAID FOR?

The financial independence of the **IFJ** is secured by the payment of fees by member organisations.

The **IFJ** also carries out a range of project activities, alone and in partnership with other professional organisations, which may be financed from outside sources. Sponsorship only takes place under conditions of complete independence.

The **IFJ** has an International Safety Fund, supported by donations from journalists and their unions worldwide, which provides humanitarian aid for journalists and mediaworkers in need.

TOP

THE INTERNATIONAL PRESS CARD AND DIRECTLINE

The International Press Card is issued to individual journalists who are members of an IFJ affiliated organisation. It is a professional accreditation known and respected all over the world.

The **IFJ**'s newsletter, Directline, is published in four languages and is distributed to member unions and more than 1,500 subscribers worldwide.

The IFJ publishes on a regular basis special reports on missions of inquiry, professional studies and specific issues including an annual report on journalists and mediaworkers killed while on assignment.

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REGIONAL ACTIVITY AND PROGRAMMES OF ACTION

The IFJ has a regional structure with offices in Brussels, Caracas, Algiers and Ljubljana to coordinate activities among journalists' organisations in the regions of the world. The IFJ regional organisations identify priorities for activity and help execute programmes of action in coordination with IFJ headquarters.

The IFJ programmes of activity include:

- human rights - a worldwide electronic network which monitors attacks on the media.
- campaigns to defend public service broadcasting, the rights of freelance journalists, social and professional rights in the elaboration of the information society, the "Media for Democracy" programme to support independent media in Africa, Eastern Europe, Latin America and the Middle East, carried out with the support of publishers, journalism educators and human rights organisations.
- In support of trade union rights the IFJ works with the international trade union movement and other media internationals to combat media concentration and to define strategies to promote better pay, working conditions and job security for journalists..

The IFJ has a number of key specialist groups, which develop campaigns and organise training activities on issues such as: Authors' Rights, Rights of Freelance Journalists, Public Service Broadcasting, Freedom of Information, Racism and Xenophobia.

[TOP](#)

REPRESENTATION IN INTERNATIONAL ORGANISATIONS

The IFJ works with agencies of the United Nations and has consultative status with UNESCO, the International Labour Organisation (ILO), the World Intellectual Property Organisation (WIPO) and the United Nations Centre for Human Rights. The IFJ also has regional organisations in Europe, Africa, Asia and Latin America.

The IFJ cooperates with a range of organisations in defence of human rights including the International Committee of the Red Cross and Amnesty International.

The IFJ represents journalists in the world trade union movement as one of 15 International Trade Secretariats (ITS) which are associated with the International Confederation of Free Trade Unions (ICFTU).

The IFJ promotes cooperation between workers in media and helped to set up the International Committee of Entertainment and Media Unions (ICEMU), which brings together journalists, performers, broadcast workers, printworkers and workers in telecommunications.

[TOP](#)

IFJ Information Society

Click for:

- [Introduction to the IFJ's work on the Information of Society](#)
- [Policy Statement of Media Trade Unions on the Information Society](#) (English, French, German, Spanish)

The IFJ has produced an extensive policy document - Access and Pluralism in the Information Society -- which welcomes the potential advantages of the information superhighway, including

- * increased economic activity
- * more work opportunities
- * community access to vastly improved public services
- * increased democracy and greater public participation in decision-making.

But the IFJ warns that the process needs to be opened up to greater involvement by citizens and the workforce. If it remains driven by technology and market imperatives, the future could see

- * undue influence by media conglomerates on political institutions
- * media dominated by commercialised programming of game-shows, sensationalist and violent tabloid television, advertising and shopping
- * increased concentration of power in rich, metropolitan society, isolation and a widening of the gap between rich and poor around the globe.
- * the exclusion of certain sections of society
- * even greater media concentration

The IFJ extensive policy programme argues for a more inclusive approach bringing citizens and all players into debate at national, regional and international level. The guiding principles must be:

- * freedom of access to the network;
- * freedom for public information providers to be on the network;
- * freedom for individual users to gain access.

The IFJ also calls for examination of the social impact of the information society and for a legal and regulatory framework to protect the social and employment rights of teleworkers.

International Committee of Entertainment and Media Unions

(Français, Español, Deutsch)

INFORMATION SOCIETY: POLICY STATEMENT OF MEDIA TRADE UNIONS

*International Federation of Actors (FIA)
International Federation of Journalists (IFJ)
International Federation of Musicians (FIM)
International Graphical Federation (IGF)
International Secretariat for Arts, Mass Media
and Entertainment Trade Unions, /International
Federation of Audiovisual Workers. (ISETU/FISTAV)
Postal, Telecommunications and Telegraph International (PTTI)*

June 1995

THE INFORMATION SOCIETY: POLICY STATEMENT OF THE INTERNATIONAL COMMITTEE OF ENTERTAINMENT AND MEDIA UNIONS (ICEMU)

1. Society is on the threshold of change. The information society, the embodiment of the "global village" predicted by Marshall McLuhan 30 years ago, will create a new economic order within which information will be the largest tradable commodity in the world.

2. The International Committee of Entertainment and Media Unions (ICEMU), representing a workforce of almost three million in the entertainment, media and telecommunications industry worldwide, believes that with the right approach new communications networks can

- o increase productivity and competitiveness of national economies;
- o stimulate economic growth and job creation in the global economy;
- o dramatically widen consumers choice of products and services;
- o provide education and training for people to acquire skills for the jobs market of the future;
- o strengthen democracy through rapid citizens' access to policymaking at local, national and regional level.

3. But the right choices will only be made if policy is framed to meet society's needs and

3. But the right choices will only be made if policy is framed to meet society's needs and not just those of the market. Relying on the free market alone will lead, inevitably, to:

o widespread job elimination and the creation of a new underclass of employees working in poor and unprotected conditions;

o even greater media concentration and undue influence by media and telecommunications conglomerates on cultural, political and public life;

o media dominated by sensationalist and tabloid television, game-shows advertising and shopping;

o the exclusion of certain sections of society, increased concentration of power in urban metropolitan society, further isolation of people in the regions and a widening gap between rich and poor around the globe.

ACCESS, PLURALISM AND UNIVERSAL SERVICE

4. Information is essential to democracy and its free distribution is necessary to ensure active citizenship. Therefore, the information society must be developed within a framework which ensures easy and free access to and communication of information. Access to information also ensures fair competition and a balanced economic environment while controlling access leads to abuse of economic and political power. In defence of media pluralism and fair competition, programme services and infrastructure services should be independent from each other.

Guaranteeing diversity of opinion, of ownership and of available media of information and communication is a key underlying principle supported by the trade unions.

5. ICEMU supports strongly the concept of universality in the provision of telecommunications networks and services. As the information sector of national economies expands and as the international economy becomes dependent on global networks, everyone must have easy and affordable access to broadband services to obtain employment, enjoy leisure, receive information and exercise citizenship.

6. A key feature of universal service is the continuation and expansion of public service broadcasting. Public service broadcasting is vital for pluralistic communications accessible to everyone. Professional criteria should be elaborated whereby the public service duties of media, irrespective of ownership, can be defined and strengthened.

7. ICEMU insists that national trade unions must take part in policy-making and consultation processes in the elaboration of the information society.

8. At international level ICEMU will play a full role in developing policies to meet the challenge of the information society. We are particularly conscious of the global implications of a new information infrastructure.

a) Telecommunications penetration and network development in different countries already reflects the massive inequalities of wealth and power in the international community. The advent of broadband networks must not widen these already huge divisions.

b) News and information sources are already dominated by northern media conglomerates and the voices of people of the south are rarely heard. This gulf in information resources must be bridged.

c) Culture and entertainment resources are swamped by an increasingly mono-cultural vision in a world of profound difference. This imbalance must be rectified.

9. In countries where network competition exists a variety of operators will be involved in the creation of the information superhighway. However, it is essential that all such operators provide full two-way broadband service. Anyone who owns a network capable of offering multi-channel services should only be offered a licence to sell services on certain "must-carry" conditions.

10. In addition, to guarantee media pluralism, strict ownership rules must apply to all providers of services. Within national boundaries undue control of the advertising market by one operator must be prohibited. Cross ownership rules should be devised which allow cross ownership but restrict its exploitation.

GOVERNMENT POLICY

11. Governments, we believe, have a vital role to play in the creation of the information society. They must:

o create the legislative and regulatory framework most likely to promote the building of the information superhighway ensuring at the same time fair competition and pluralism of services;

o ensure a new definition of universal service in the context of broadband networks. There must be specific obligation in terms of geography, price and quality of service and effective regulatory mechanisms for ensuring that these obligations are met;

o safeguard public service broadcasting accessible to all citizens;

o encourage, sponsor and fund demonstration projects and collaborative ventures and support with public funds community-based networks;

o use positively the state's purchasing power as a major consumer of information technology networks and services.

12. ICEMU believes the global implications of the information society require bold new international initiatives in the field of regulation and defence of societal interests. All the relevant agencies of the United Nations, including the ILO, WIPO, UNESCO, ITU, and

those concerned with development should prepare an integrated and strategic plan of action to:

a) ensure that people in the south have access to the technology which will enhance the quality of their lives and assist them in the process of economic and social development;

b) put in place such international regulation as is needed to guarantee access, pluralism and fair competition.

13. One key development in the information society is the threat that is posed to intellectual property rights. The long-established principles of authors', performers' and other creators' rights as defined in international standards and conventions must be adapted and expanded. In particular, systems for the global protection of intellectual property which accommodate the new technological possibilities must be created and enforced.

EMPLOYMENT

14. There is still little understanding of the impact on employment of the creation of the information society. It is essential to know which jobs may disappear, where jobs will be created and how best to adapt to change and to promote employment growth and rising living standards.

15. The social impact of the information society should be subject to critical examination. Priorities in law and collective bargaining must be established to:

a) provide a legal and regulatory framework to protect the social and employment rights of teleworkers and those working from remote locations attached to centralised production and business centres.

b) ensure that all employees -- part time, full time or atypical -- are entitled to receive the benefits of national, European and international social legislation;

c) provide for trades unions to represent the interests of all such employees, including those working from remote locations.

d) ensure that changes in training and the organisation of work are carried out by negotiation with the appropriate trade unions and that there is an integrated approach to the development of required training programmes.

16. ICEMU is acutely aware that broadband networks will facilitate the transfer of work between countries. International trading and investment arrangements should be linked to respect for international standards of human rights, employment and working conditions. Policies to encourage social dumping and the exploitation of low-cost labour must be fought.

17. This process of change affects us all. Modern digital networks do not distinguish

between telephone calls, newspaper articles, information services, musical works, television pictures or films and videos. The advent of multimedia will further dissolve traditional boundaries between different industries and further blur dividing lines between different occupations.

The members of ICEMU recognise this process and welcome the potential opportunities which the information society provides for everyone.

The trade unions in the sector need to co-operate closely in order to be able to organise the new workforce created by technological change and restructuring. Accordingly, all members of ICEMU pledge to work together towards achieving the aims and objectives of this document.

Geneva, June 8 1995

Committee of Concerned Journalists

Reports/Studies

The Clinton Crisis
and the Press:
A Second Look

The Clinton Story:
A Crisis for the Press?
A Study

A Study: Changing
Definitions of News

What does diversity mean?

Can journalists be impartial?

What is journalism?

Forums

An Agenda:
Washington and the
Future of Political Reporting
March 27

Links

- A Statement of Concern
- More about the Committee
- Join the Committee
- More about the forums
- Read electronic newsletter
- Send us your thoughts
- Go to Nieman Foundation
- Go to PEJ home

The Committee of Concerned Journalists is a consortium of reporters, editors, producers, publishers, owners and academics worried about the future of the profession.

The group believes this is a critical moment in American journalism. Revolutionary changes in technology, in economic equations, in our relationship with the public, threaten the core principles that define journalism's role in democratic society.

Faced with splintering audiences and information overload, companies at once diversifying and merging and confronted by unimaginable complexity, we have begun to doubt ourselves and the meaning of our profession.

To secure journalism's future, the group believes that journalists from all media, geography, rank and generation must be clear about what sets our profession apart from other endeavors. To accomplish this, the group wants to create a national conversation among journalists about principles.

The conversation has three goals: To clarify and renew journalists' faith in the core principles and function of journalism. To create a better understanding of those principles by the public. To engage and inform ownership and management of these principles and their financial as well as social value.

First, the group issued a statement of concern, articulating the need for such a process for self examination, and creating a network of concerned professionals nationwide.

Then it set out to initiate a discussion about principles through many means. These include nearly a dozen public forums nationwide that examine key questions of principles, how and why we may not always be living up to those principles and looking at which traditions of journalism may no longer be relevant to contemporary society.

The conversation will also include in-depth interviews with journalism leaders, a web-site and discussion group about principles and ethics, a major survey of journalists about core values, a variety of empirical studies about press performance, teaching videos, and more. Committee members have come forward with ideas for various papers to present at the forums and a documentary. The group will listen carefully for common ground, and then prepare a written report that identifies shared principles.

The effort was convened by the Nieman Foundation and the Project for Excellence in Journalism in June 1997 in Boston. The Committee is a diverse group, from David Halberstam, the New York author, to Mark Trahan the Navajo newspaper editor from Idaho; from Lucy Himstedt Riley, a news director in Montgomery, Ala., to Vanessa Williams of the Washington Post and the President of the National Association of Black Journalists.

The group has no hidden or pre-set agenda. It is not interested in placing owners at odds with reporters, journalism with business print with TV or the internet. Its members are simply united in the belief that journalism is a unique form of communication. It is a mission, a service. We must clarify what that means--and remind ourselves why we were called to it in the first place--or it will cease to mean anything.

Please read more about the effort or join the Committee through the links on the left.

[A Statement of Concern](#) [More about the Committee](#) [Join the Committee](#) [More about the forums](#) [Read our electronic newsletter](#) [Send us your thoughts](#) [Return to PEJ home](#)

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A Statement of Concern

The Statement of Concern was drafted in the summer of 1997 by two dozen leading journalists. It has been signed by scores of others who in doing so joined the Committee of Concerned Journalists. The Committee is open to all journalists. The statement is the basis on which the series of nationwide public forums have been built. The statement of concern reads as follows:

Click below to:

- [Learn about the Committee](#)
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This is a critical moment for journalism in America. While the craft in many respects has never been better--consider the supply of information or the skill of reporters--there is a paradox to our communications age. Revolutionary changes in technology, in our economic structure and in our relationship with the public, are pulling journalism from its traditional moorings.

As audiences fragment and our companies diversify, there is a growing debate within news organizations about our responsibilities as businesses and our responsibilities as journalists. Many journalists feel a sense of lost purpose. There is even doubt about the meaning of news, doubt evident when serious journalistic organizations drift toward opinion, infotainment and sensation out of balance with news.

Journalists share responsibility for the uncertainty. Our values and professional standards are often vaguely expressed and inconsistently honored. We have been slow to change habits in the presentation of news that may have lost their relevance. Change is necessary.

Yet as we change we assert some core principles of journalism are enduring. They are those that make journalism a public service central to self government. They define our profession not as the act of communicating but as a set of responsibilities. Journalism can entertain, amuse and lift our spirits, but news organizations also must cover the matters vital to the well being of our increasingly diverse communities and foster the debate upon which democracy depends. The First Amendment implies obligation as well as freedom.

For much of our history, we believed we could let our work enunciate these principles and our owners and managers articulate these responsibilities. Today, too often, the principles in our work are hard to discern or lost in the din, and our leaders feel constrained.

Now we believe journalists must speak for themselves. We call on our colleagues to join as a community of professionals to clarify the purpose and principles that distinguish our profession from other forms of communication.

Since the change we face is fundamental, it requires a response of the same magnitude. We need a focused examination of the demands on journalism of the 21st Century.

We propose to summon journalists to a period of national reflection. First, we ask our colleagues young and old to sign this declaration of concern. We believe the consortium of journalists who share a commitment to common principles is so broad and so significant that it will constitute a powerful movement toward renewal.

Next we will convene a set of public forums around the country over the next several months to hear the concerns of journalists as well as other interested individuals. The forums should reiterate two simple messages: that journalists of all generations are concerned about the direction of the profession; and that they want to clarify their purpose and principles. We do not presume to enumerate those principles here, but to have them be articulated through the forums. These sessions will include the public. We will publish an interim report after each one. At their conclusion, the group will release a final report that will attempt to define the enduring purpose of journalism, along with its principles, responsibilities and aspirations.

We see this as a beginning, a catalyst forging new ideas and a renewed spirit of conviction. We plan to carry the dialogue forward with a web site, videotapes of the forums and through other means. We do not intend to propose a set of solutions: this is an attempt to clarify our common ground. Nor is our motive to develop a detailed code of conduct: if journalism is a set of aims, how we fulfill them should change with changing times and be left to each news organization to decide. But if journalism is to survive, it falls to individual journalists, especially in each new generation, to articulate what it stands for.

[Click here to sign the statement and join the committee.](#)

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Convergence and Journalism

*I'm All For Progress.
It's Change I don't like
--- Mark Twain*

1. Although rapid changes in information and communications technology will radically alter the way traditional media work, within journalism there is a general state of unreadiness when it comes to media convergence. Ignorance and uncertainty threaten to handicap the capacity of unions to gain the potential benefits of a multi-media environment – higher economic performance, more employment, enhanced standards of journalism and dramatically improved levels of pluralism.
2. This paper briefly highlights some of the examines the policy challenges facing IFJ unions in the convergence discussion in particular dealing with regulation of media, the changing nature of journalistic work and relations with other media unions. The issue of trade union rights is also dealt with in the paper on *Globalisation*.
3. Convergence should herald a golden age of growth, employment and equity in journalism, but that will not happen unless the converged industry provides sound employment opportunities and socially-protected jobs. A programme of policy backed up by legislation and regulation at national and international level will be vital if everyone – consumers and journalists alike are to receive the rewards of growth, employment and equity.
4. The IFJ policy *Access and Pluralism* adopted by the Congress in Santander was updated during the current Congress period. A special meeting to discuss these issues was held in Montreal in 1996. A copy of the declaration of the meeting is attached. The Executive Committee has submitted to the ILO, UNESCO and a range of international bodies demands for:
 - the right of journalists to work in socially-protected and professional conditions;
 - the freedom of information and right of access to networks for public information providers to be on the network;
 - guarantees of pluralism, diversity and quality in information sources.
5. Convergence can strengthen media and improve the social and professional conditions in which journalists work, but for the advantages to be achieved policymakers must recognise that the media product is not just like any other

product. Free media play a pivotal social and cultural role in underpinning democratic values and public policy must reflect democratic and cultural imperatives as well as creating conditions for the economic exploitation of new markets.

6. A balanced approach to regulation of convergence is required – respecting citizens’ rights to quality and reliable information sources while creating legal, social and economic conditions which will eliminate the dangers posed by a market-driven policy programme. The dangers in a market-only framework for regulation include:
 - increased concentration of power in rich, metropolitan society and further isolation of people in the regions and a widening of the gap between rich and poor (see *Globalisation* paper);
 - a loss of privacy for all and the exclusion of certain disadvantaged sections of society;
 - greater media concentration;
 - undue influence by media on political institutions and public opinion and services dominated by commercialised programming.
7. However we address the digital future, it is vital for the starting point to be that our objective remains to promote access to the widest range of opinions and voices for the great majority of citizens. For people to exercise democratic rights it is necessary for a sufficient range of information and comment to be available. Otherwise the notion of choice is meaningless. The IFJ demands, therefore, affordable and universal access in the home to the basic digital services.
8. At the same time, there is a need to ensure that there is fair access to viewers for all broadcasters and that no single company is allowed to restrict access to viewers. Control of encryption technology and subscriber management systems should not be used to create “gateway” monopolies.
9. Vigilant regulation is required to prevent the growth of media monopolies. The special dangers of allowing over-powerful media players to emerge remains strong and governments cannot withdraw behind general competition laws.
10. The media industry world-wide is the scene of massive mergers and take-overs which are creating global media corporations richer than many medium sized countries. They have enormous power. These new companies, particularly in the field of multimedia, create a new concentration of industrial power. A new regime of national and international effective anti-trust rules is needed to limit concentration of ownership of media resources to safeguard pluralism.
11. The IFJ has also continued to press for public service funding of public information space in the converged media environment. In a world where the electronic media is increasingly dominated by international channels and producers, it is vital to continue with national public service radio and television systems. The continuation of broadcast and production of programmes of high quality with regard to ethics, responsibility, journalistic versatility and quality must be maintained.
12. The problem of content control – whether it is a matter of journalistic ethics or the types of services on offer to the public – is one of the thorniest problems facing journalism in the age of Internet. Journalists and other media professionals strongly oppose attempts to monitor and regulate their work by outsiders – particularly by legislators or others with a vested interest in media performance.
13. A legitimate worry concerns on-line pornography, racism and extremist political propaganda. One of the problems about the virtual world is that control of content is much more difficult than before. But many governments are looking for new technical mechanisms to ensure that existing standards of regulation concerning content and quality of information apply in the new digital environment. Whether or not this is feasible in the on-line world remains an open question. The IFJ believes that freedom of choice and freedom of expression requires flexible and non-intrusive systems of content monitoring.
14. The urge to collect information is strong within both the public and private sectors whether for reasons of law enforcement or for commercial exploitation. Media organisations, too, for reasons of legitimate journalistic inquiry, justifiably seek access to personal information. Journalists cannot function unless they can gather information freely. There is a need for rules to permit journalists to gather data without interference. This must be assured as privacy protection is developed in information collection and retention systems.
15. The IFJ also recognises that journalists themselves – well-trained, aware of their ethical responsibilities, and confident in their forms of employment – will play a crucial role in helping to develop new information services. Existing media contain a wealth of talent in journalism, entertainment and broadcasting which can ensure pluralistic, high quality, and professional programming and news and information services on a scale far greater than currently available.
16. However, the importance of the contribution of journalists and other creators is not always fully appreciated, even within traditional media. In the chaos of media restructuring and the drive for market prominence little emphasis has been placed on the importance of quality journalism. There is less investment in professional training and more and more journalists work in insecure jobs as a consequence of

cost-cutting. Traditional rights – such as intellectual property protection and author's rights – are being seized by voracious employers.

17. The development of new on-line services means significant change in the media labour market. There are new qualifications standards required for journalists to maintain existing jobs and the future holds out the prospect of many new jobs – in preparing CD-Rom materials, Internet services and on-line reporting, for instance. Many journalists are already pioneers of the “teleworking” age.
18. Journalists are being joined by thousands of others in the information processing business. There is much competition to distribute information on-line. New forms of work are emerging for on-line editing and data collection. Many of these new workers are doing journalistic work, but often they are not identified as journalists and they often work in companies which lack appreciation of notions of journalistic standards and ethics. Journalism traditionally has been seen to have cultural responsibilities to society, but many new multi-media companies see information only as a commodity.
19. On these points there needs to be a dialogue between social partners on acceptable rules to govern the conditions of convergence and the resulting changes in conditions of employment. But who will be the collective bargaining partner on the employers' side in this new industry? The new framework for employer-employee relations is not clear.
20. A pressing issue for all IFJ unions is the organisation and representation of the new generation of employees in journalism, many of them working in difficult and uncertain conditions. Many media organisations now rely heavily on a part-time or casual workforce. Media companies find it cheaper to contract work out to freelance journalists. Very often these journalists receive few social benefits. It is an insecure environment which diminishes the scope for forthright, independent journalism.
21. Teleworking reduces the costs of office space, insurance, and other structural overheads. Many of these costs are passed on to employees who have to set aside space in their apartment or house, sometimes having to pay the extra insurance that is required. The technology involved in teleworking also enables employers to check when people are working and their level of performance. As a result, teleworkers may have to undertake intense workloads. In other words, the discipline of the office remains but without the benefits of social interaction.
22. If traditional standards of journalism and the public interest role of media is to survive in the converged media and information environment industry-wide

agreements on rules and standards of training for journalists will be required for gathering and disseminating information electronically.

23. New media services which fail to meet the challenge of training in journalism not only pose a serious threat to media standards they undermine public confidence in information sources.
24. Journalists are required to be multi-skilled – able to turn their hands to word-processing, sound recording, camera-work (moving and still pictures) and presentation to camera or microphone as required. Many of these functions are now compressed into one activity as a result of digitisation. The business of creativity is being marginalised in the drive to create all-round capacities which suit the converged media environment.
25. Training focused only on technical needs at enterprise level or that which considers journalism as an adjunct to the academic reflections of mass communication theory will not provide the national infrastructure needed to equip people for journalism of the future.
26. Through the International Committee of Entertainment and Media Unions, the IFJ has sought to promote co-operation and joint actions to raise awareness on the impact of change within the industry and to encourage joint actions around common concerns.
27. Activities such as the joint technology officer post funded by the IFJ and the Communications International and the formation of the Global Media Monitoring Project (see Report of the General Secretary) are indicative of the growing realisation that a common strategy among international unions representing media-workers is essential to the task of confronting the transnational media enterprises.
28. The elaboration of policy on convergence at an international level – through the OECD, the ILO or the World Trade Organisation – also requires a combination of effort on the part of all unions. The debate at the ILO concerning contract labour is an issue of particular concern in 1998.
29. The IFJ supports collaboration and joint activities at an international level and believes national unions should work together to strengthen solidarity within the industry.
30. Joint actions with other unions in the area of training, bargaining and employment rights are vital, but matters related to the professional and ethical work of journalism requires the presence of well-organised and representative journalists' unions within the newly-emerging industrial sector now under construction.

31. The nature of journalism as the source of reliable and professional information remains a vital component of the democratic process, whatever the mode of dissemination.

32. For the IFJ, the keys to success lie in a policy programme of six elements:

- to identify and eliminate all obstacles to the development of new information technologies and to free existing media from direct or indirect pressure
- to protect the public interest in plurality by setting standards for fair, reasonable and non-discriminatory access for all broadcasters and information service providers to distribution systems,
- to provide a framework to protect the social and employment rights of all journalists and teleworkers, including freelancers,
- to maintain protection for authors' rights regarding recirculation of information,
- to apply strict ownership rules to all providers of services, whether by satellite, cable or terrestrial transmission,
- to identify journalistic work and to organise effectively all journalists working in on-line and electronic media.

33. Finally, while the IFJ is convinced that journalists must collaborate with other unions to protect the long-term interests of all media workers, at the same time we must promote dialogue and co-operation with other social partners. Media professionals – whether journalists, editors, broadcasters or publishers – have a vested interest in the provision of quality information services. Structures for dialogue and, where appropriate, a joint approach on matters of regulation need to be put in place.

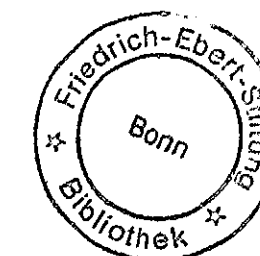
Part Three: Ethics of Journalism, Human Rights and Media Engagement in Society

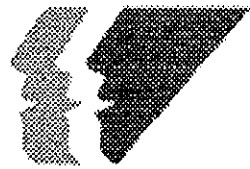
1. Perhaps the greatest challenge facing journalists today is the need to restore confidence in the original mission of public-spirited journalism – to provide accurate, reliable and quality information on matters of public interest and to monitor fairly the exercise of political power. Today in many parts of the world, the mission of journalism is being replaced by a new culture of conformity, brought about concentration of media ownership and the driving down of standards through commercial exploitation of information.
2. Journalism which reflects the social and cultural value of information in democracy as distinct from its purely economic importance is being undermined in many parts of the developed world. The competitive nature of the media market has led to intolerable pressure being placed upon the ethical fabric of journalism. The question of ethics is not an academic exercise. It concerns the exercise of journalism in pursuit of three principal objectives:
 - *to seek after truth;*
 - *to be independent of all interest groups;*
 - *to minimise damage.*
3. There is not and never has been an ethic of journalism which insists that journalists must seek profit or attach any commercial obligation to their work. However, the management and administration of modern media has seen the enforcement of commercial imperatives to the detriment of public-spirited journalism. As a result, less money is allocated to training in the general principles of journalism and greater investment is made in initiatives to strengthen corporate structures for commercial exploitation of information through media cross-ownership, horizontal and vertical integration of media resources and expansion of activities on a transnational basis.
4. The quality of the role and responsibility of journalists to society at large is now a matter of open and public debate in most parts of the world. Journalists themselves are deeply worried about the declining public confidence and low morale. A survey carried out by the European Federation of Journalists in 1996, among IFJ member organisations in central and eastern Europe, found that although all organisations care deeply about jobs and working conditions, an emphatic majority placed the ethical responsibility and the status of journalists at the top of their priorities.

5. In the United States, the decline of journalism has been well documented by distinguished writers and reporters who strongly criticise the fall in standards into a shallow and cynical culture of media sensationalism and bias. One observer claims that media have, in fact, become an obstacle to the exercise of active citizenship in American democracy¹. Another has charted how concentration of ownership has destroyed the core of quality regional newspaper publishing.²
6. In western Europe the assault on media which followed the death of Diana Princess of Wales in July 1997 had much less to do with the facts of the incident, but reflected growing public anxiety over intrusive journalism and declining media standards. Systems of media self-regulation in media have been challenged in a number of countries.
7. In almost all countries of the developed world the notion of public service obligations in media has come under sustained pressure from the private sector. There are increasingly demands for an end to public funding of broadcasting stations which have been established to guarantee pluralism and diversity in media. At the same time, governments have applied pressure on public broadcasters so that they are forced to compete in a battle with independent competitors for mass audience and market share. As a result, public broadcasting in some countries has become indistinguishable from private sector programming. In the process, the notion of public broadcasting freely available to all and accountable to democratic structures has been diluted.
8. The mission of journalism remains surprisingly strong in developing countries where social and economic problems continue to provide major obstacles to democratic process. National and regional objectives for social and economic improvement are often underpinned by an extensive network of programmes provided by the agencies of the United Nations and other agencies of external support. These groups often provide a professional infrastructure often supportive to local journalists. The market may be much less evident in its influence, although the problems of direct political interference may be much greater.
9. During the current Congress period, the IFJ has embarked on a number of awareness-raising activities designed to strengthen the link between journalism and the promotion of human rights and to counter the decline of public-spirited journalism in the face of corporate influence. The objective of this work has been to reinforce the importance of ethical journalism and to underscore the pivotal role that free media play in democratic society.
10. The work has centred on two specific areas: racism and xenophobia and the rights of the child.
11. The IFJ established the International Media Working Group Against Racism and Xenophobia and has embarked upon a number of ground-breaking initiatives including the establishment of an international prize for tolerance in journalism; preparation of training material for journalists on these issues; the signing of a joint agreement with European publishers and broadcasters and the organisation of the major international conference in Bilbao in May 1997. (See *Bilbao Declaration* – Appendix 1, *IFJ ENPA Statement* – Appendix 2)
12. In 1996 the IFJ, on the invitation of UNICEF prepared an extensive report on Media and the Rights of the Child for the World Conference on Commercial Sexual Exploitation of Children (Stockholm) and prepared a second report for the World Child Labour Conference in 1997 (Oslo). Both these reports contain recommendations for good practice among journalists. In December 1997 the IFJ and UNICEF commenced an extensive project to promote awareness among journalists around the world on these issues. (See documentation for pre-Congress meeting on *Media and Rights of the Child*.)
13. The IFJ Executive Committee has supported this work because it provides an important link between journalism and society by highlighting the value of quality journalism in the promotion and defence of human rights. The activities have also led to improvements in relations between media employers and journalists.
14. In July 1997 the European Newspaper Publishers Association and the IFJ issued a historic joint declaration on the need for high standards of ethical conduct in journalism and in support of the principle of self-regulation. At the same time the World Association of Newspapers (formerly FIEJ) has agreed that joint actions are possible with the IFJ on awareness-raising in this area. (See *Joint Declaration* – Appendix 3)
15. By extending the defence and promotion of human rights beyond the specific rights of journalists and media – the traditional human rights programme of the IFJ and the *Media For Democracy* work – the IFJ has contributed to wider recognition of how media engagement with society, through professional and ethical journalism, is fundamental to democracy.

¹ James Fallows. *Breaking the News*, Pantheon Books

² Richard McCord. *The Chain Gang*. University of Missouri Press.





Korean Confederation of Trade Unions

December 15, 1997

IMF Crisis:

Korean Economy and Trade Union Movement on Test

An Opportunity for Fundamental Reform?

The Korean government, following the conclusion of the negotiations for the IMF bailout package, has begun a concerted effort to mobilise public support. Its actions so far, however, have not given any confidence, neither to the domestic social actors nor to the international society, that it realises the gravity and magnitude of the current crisis.

What is more worrying to ordinary people is that the government has not yet demonstrated that it has the leadership capacity, resilience, and openness to win the genuine consensus necessary for the creation and mobilisation of a concerted common effort. [This is not helped by the fact that this government has only two more months of its term left, and that there would be a new president-elect on December 18, 1997.] A series of ad hoc policy measures and the repetition of worn out attitudes and behaviour patterns towards the major social actors have added to the general concern. The current government efforts to organise and mobilise social consensus can, at best, be described as a "propaganda" and campaign, no different from the habitual ceremonial gestures.

What is required to overcome the current crisis, in view of the enormity of the impact, is a genuine effort, on the one hand, to identify the root causes of the problem and the location of responsibility, and on the other, to empower the respective social partners to shoulder the necessary burden of rebuilding on the basis of a clear shared vision and understanding of what we are building towards.

Efforts Towards Social Contract

The government, like all other sectors in society, is under considerable pressure to build some kind of social consensus to overcome the current crisis. However, it is trapped by its own history which shows that it has no prior experience of or philosophical commitment to a genuine social process. This reflects the fact that it has never made a serious endeavour to cleanse or free itself of the legacies and habits of past authoritarian tradition and modes of practice. All its initiatives towards building 'social consensus' or democratic process, either did not get started [as in the case of Tripartite Employment Security Council it had agreed to establish July this year] or were abandoned in mid course, as demonstrated by its handling of the labour law revision.

The extraordinary crisis prompted the government, on December 1, 1997, to send out an invitation to a number of organisations to participate in a government-initiated "Emergency Economic Measures Promotion Committee".

Its first meeting was held on December 3. The Committee -- headed by the Prime Minister -- is composed of government representatives, employer organisations, of trade union national centres, economic specialists, and representatives of wide range of civil organisations.

The government is represented by the ministers of thirteen ministries, including Finance and Economy, Foreign Affairs, Home Affairs, Education, Agriculture, Trade and Industry, Communication and Information, Labour, Construction and Transportation. Employers are represented by heads of 5 employer organisations, including the Federation of Korean Industries and Korea Employers Federation.

Labour is represented by leaders of the two national trade union centres, KCTU and FKTU.

Added to the 'traditional' tripartite composition are a number of other social and specialised organisations: 6 civil

Added to the 'traditional' tripartite composition are a number of other social and specialised organisations: 6 civil society organisation -- including YWCA, Citizens Coalition for Economic Justice, Korean Federation of Environmental Movement -- two religious bodies, and two pro-business economic research centres. The Committee is, finally, bolstered by two pro-government or government-created organisations in Korean Federation of Teachers Associations and the Central Council of Saemaul Movement.

The composition of the Committee itself was sufficient to size up what the government wanted and what it thought of social consensus.

At the first meeting of the Committee, the government representatives reported on the plans of action and policy measures being prepared by each of the ministries. For example, the Ministry of Government reported that it would start work on a plan to restructure the government, while the Ministry of Education proposed some ideas to discourage students from going abroad to study. The Ministry of Finance and Economy reported on various measures taken or need to be taken to implement on the agreement with the IMF. The Ministry of Trade and Industry reported on major actions to be taken in areas of industry policy and energy issues. It also reported on the need to introduce a new law permitting manpower agencies to operate. The Ministry of Labour submitted a report on its plans to stabilise employment.

The first meeting revealed, yet again, that government was not, in any way prepared to commit itself to a genuine process of social consensus. This was borne out by the fact that its only objective in convening the Committee was to use the Committee participants to ghost-write a 'declaration of determination' for common effort.

Despite misgivings and mistrust about government intentions, trade union movement representatives and some leaders of civil organisations deemed important to maintain the framework of the Committee as a stepping stone towards a consolidated effort for social consensus. As a result of the criticism and arguments put forward by the popular sector representatives, the Committee decided to work towards producing an "agreement for measures to overcome the economic crisis".

Committee decided to set up a drafting committee, and invite each participants to submit draft proposals for an 'agreement'.

The Drafting Sub-Committee is composed of 15 persons with representatives from the government (3 ministers), business (3 organisations: FKI, KEF, and Korean Association of Small-to-Medium Enterprises, religious organisations (2), labour (KCTU and FKTU), civil organisations (Korea Council of Civil Organisations, Korean Consumers Association, and Korean Federation of Environmental Movement, and a research organisation (1). Attorney Lee Se-Joong, the representative of the Korean Federation of Environmental Movement was appointed as the Chairperson of the sub-committee.

The Drafting Committee met for the first time on December 10, 1997. Representatives of trade unions and civil organisations insisted that any document to be produced by the Committee had to be some thing more than a simple and ceremonial declaration. Rather, it should point out and recommend concrete measures to be taken. Furthermore, it should not be a window dressing for government initiatives, but reflect the agreement of the various social sectors. It was agreed that all participating organisations should submit draft proposals by December 13, 1997, and meet for the second time on December 16, 1997 to examine each proposal.

On December 13, 1997, the Committee met for a second plenary session. At the meeting KCTU representative criticised the government plan to introduce a law permitting manpower agencies to operate. KCTU also criticised the Ministry of Labour for its ad hoc forecasts for unemployment which failed to reflect the depth of the current crisis and its impact. The KCTU representative also called for more systematic and urgent plans to provide relief for mass unemployment. Furthermore, KCTU called on the government to adopt a clear policy commitment to disband the current Ministry of Finance and Economy.

KCTU Proposal for Social Agreement

The KCTU draft proposal for 'agreement' recognises the need for a genuine tripartite social contract in order to overcome the current crisis. However, it opposes the government attempt to use the Committee to zoom in on the issues of 'employment' and 'wage' which can serve, on the one hand, as an 'indulgence' for the chaebols, and on the other a vice to squeeze workers, transferring on them all the burden of crisis. KCTU believes that a genuine and energising and empowering social consensus can only be achieved through a thorough debate and agreement on the root causes of the current crisis and the basic measures for a fundamental reform of the core aspect of the economic and social structure. Such a society-wide debate and consensus can, then, set the background to a real tripartite body which has the mandate to deal with all and any necessary industrial relations issues.

issues.

The KCTU proposal for agreement is composed of four parts with a total of 14 points. The first part identifies the policy measures needed to implement the IMF conditions and also addresses some issues which require renegotiation within the broad context of implementation.

It calls for a nullification/renegotiation of two provisions in the IMF agreement [as made public in the IMF press release] on labour market measures. They are the agreements on relaxing the restrictions on dismissal in cases of mergers and acquisition and corporate restructuring, and the measures to allow "temporary employment agencies" [manpower agencies] to operate.

Another area which needs to be re-opened for further negotiation to minimise the impact and cost of restructuration is the schedule for liberalisation of capital market and trade. This is necessary to alleviate the fear and concern that the Korean economy may unfairly -- without given a chance to survive -- fall prey -- or exposed unprepared -- to the machination of the indiscriminate capital market. The KCTU proposal reflects the need for the Korean economy to survive and recover to meet the cut-throat challenges of international competition and globalisation.

KCTU proposes a number of policy implementation measures in the areas of restructuration of the financial market, fiscal policy, and inflation to meet the goals set by the IMF conditionality. It calls for the establishment of a 'bridge bank' which can take over all the assets and debts of insolvent financial institutions to guarantee withdrawals by ordinary depositors until the liquidation process is complete.

In order to meet the fiscal goal, the government should address the disproportionate military spending in order to maintain a balanced expenditure, especially for social welfare. It, therefore, calls for a freeze on weapons import and the Korean government's contribution to the maintenance of U.S. forces in Korea. Furthermore, it calls for the collection of rent on the land used by the U.S. forces in Korea to be included as the government revenue.

KCTU proposes as a means to maintain the inflation below 5% as envisaged by the IMF package to raise direct taxes, such as, capital gains tax, in order to avoid the inflationary pressures inherent in increases in indirect taxation.

In the second part, KCTU outlines various measures -- building on the IMF prescription -- for the fundamental reform of the chaebol system. In the third part, KCTU provides detailed measures for employment security and wage stabilisation, including proposals for the enactment of a special law for employment security and a programme for employment creation through reduction of working hours.

In the fourth part, KCTU calls for the establishment of a permanent tripartite body which is mandated to produce binding social contract to overcome the crisis until Korea graduates from the IMF stand-by credit. The "Tripartite Commission for Economic Crisis Management and Employment Security", to be composed of equal participation from the three sides, is to be entrusted to produce its first agreement for 'employment security and wage stabilisation' by January or February next year. It will be mandated to produce effective and detailed agreements as needed to overcome the crisis.

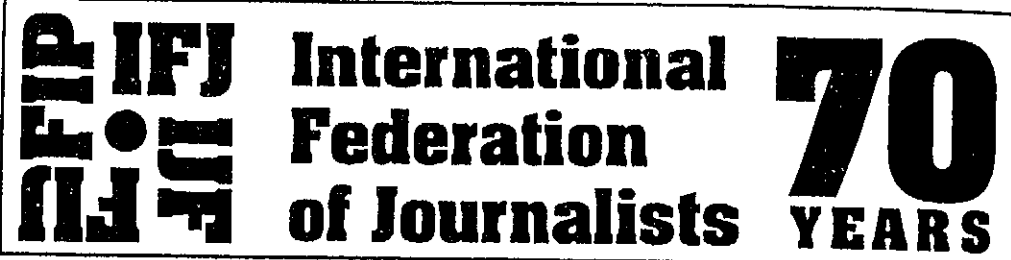
Whither Korean Trade Union Movement?

Korean Confederation of Trade Unions have repeatedly called for a fundamental reform of the economic structure dominated by chaebol system. It had warned that the chaebol system is strangling the healthy development of the Korean economy by a liability problem of dinosaur proportions. It pointed out that the debt-ridden chaebol groups are driving the entire financial market to the brink of insolvency. KCTU has struggled to end the family domination of the chaebol system which was gangrened with inefficiency, lack of transparency, and corruption.

KCTU criticisms and demands -- whether we like the idea or not -- have now been vindicated by the IMF prescriptions. But Korean people are not misled to believe that the IMF prescriptions -- whether on the matters of corporate governance or fiscal measures -- are designed to achieve the vision the workers and the trade union movement have been struggling for. The IMF just has different sets of vision and agenda. Therefore, although some of the IMF prescriptions for the reform of chaebol system may be similar to the demands the trade union movement has put forward, KCTU does not believe that the IMF policy enforcement can bring about the needed fundamental reform. That responsibility, KCTU is certain, lies with the Korean workers and their struggle.

A genuine effort to overcome the current crisis and for progress lies in achieving a substantial social contract which locates responsibility, presents the blueprint for the surgery necessary to carve out the cancerous and

infected parts, and thus empowers the workers and ordinary people to share the burdens of the crisis and reform through participation, **KCTU**



The IFJ: 1926-1996

*70 Years Working For Journalists
Around the World*

The International Federation of Journalists is the world's largest organisation of journalists, representing more than 450,000 reporters, editors, photojournalists and broadcasters in 93 countries.

The IFJ believes there can be no press freedom if journalists exist in conditions of corruption, poverty or fear.

The IFJ was set up in 1926 to defend the social and professional rights of journalists and was launched in its modern form in 1952. The IFJ issues an International Press Card and provides aid for journalists in need.

The IFJ campaigns for press freedom, for decent working conditions and for an end to exploitation, whether by media owners or by those who practice the politics of censorship and violence.

The IFJ programme of activities promotes solidarity among journalists, strengthens professionalism and supports editorial independence from proprietors, advertisers, governments or pressure groups.

The IFJ also sponsors programmes to create journalists' trade unions which are independent of media owners and the state.

**THERE CAN BE NO PRESS FREEDOM IF
JOURNALISTS EXIST IN CONDITIONS
OF CORRUPTION, POVERTY OR FEAR**