

Satellite TV in Asia

Forming a new ecology

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This paper examines the development of satellite television in the Asian countries and their policy change. It is found that many countries initially tended to forbid the reception of satellite television but, with the growth of satellite television, liberalization is on the way. In response to competition posed by satellite television, policy makers generally choose to deregulate their local television market in the hope that the quality of local television will improve through competition. The authors suggest that satellite television in Asia is likely to agglomerate the diverse markets into bigger cultural markets to gain the economy of scale. Satellite television will bring about a regional capitalist culture. Professional journalism modelled after the West may also grow. The general trend for Asia is towards further deregulation and greater openness.

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¹Data from Frank Small & Associates, courtesy of Star TV

²Gibbons, Maureen 'Crowded skies: continued on page 136

Since Star TV launched its satellite television service in October 1991, the Asian sky has become increasingly crowded. By early 1994 viewers in Asia already had the choice of over 40 channels of satellite television programmes if dish size was not a concern. Besides commercial services such as Star TV, HBO, CNN, ESPN and the Hong Kong-based TVBS launched through AsiaSat, Palapa and Intelsat satellites, theoretically Asian audiences can also access programmes transmitted through domestic satellites in the region, including the Japanese satellites BS-3B and Superbird C, Russia's Gorizont, Thailand's Thaicom-I, Australia's Aussat and China's Chinasat. The proliferation of satellite television in Asia is shown in Table 1.

Of all satellite television ventures in the region, the growth of Star TV, Asia's first commercial satellite television service, is no doubt the most noteworthy. Within two years of its inauguration, Star TV has reached a penetration rate of 11.1 million households in 12 nations.¹ The figure almost doubled in six months. Encouraged by Star TV's fast growth, more players are scrambling to enter the market. In just one year from June 1994, six more communication satellites are expected to be launched to service the region, with channel capacity at least double its 1994 level. Experts have predicted that with the current rate of expansion the Asian market for communication satellites may reach its saturation point in one or two years' time.² It is estimated that by the year 2000 there will be 900 satellite transponders serving the region.³

For the satellite television industry, the real competition has yet to begin. Of the six satellites to be launched during the coming year, at least four will be used for commercial satellite television services, including AsiaSat-2, Apstar-1, Apstar-2 and PanAmSat. With investors coming from the USA, China, Hong Kong, Thailand, Singapore, Macau and Taiwan, satellite television is not only threatening broadcast television, but may become a major competitor, rather than a partner, for cable television. The age of global television has arrived, whether one is prepared for it or not. The signs may be clear to investors and audiences, but not yet to many policy makers, as is reflected by

Table 1. Major satellite TV services in Asia in the 1990s.

Satellite	Major/whole ownership	Launch date	Satellite TV services
AsiaSat 1	Hong Kong	1990	Hong Kong: Star TV channels, Star movies China: China Central TV 4 (CCTV 4), Guizhou/Yunnan TV Others: BBC WSTV, Myanmar TV, Pakistan TV, Zee TV, Mongolia TV
AsiaSat 2	Hong Kong	1995	Set to include all current Star channels plus Star pay-TV, CCTV, TVBS and Deutsche Welle TV (DMTV)
Apstar 1	Hong Kong	1994	Hong Kong: Television Broadcast Satellite Service (TVBS), Asia TV 1 (ATV1), Chinese Television Network (CTN), China Entertainment Television Broadcast (CETB) Australia: Australian Broadcast Corporation (ABC) USA: CNNI, Discovery, ESPN Int, HBO Asia, Turner Broadcast System (TBS), Viacom Int, Time Warner Entertainment (TWE)
Apstar 2	Hong Kong	1995	Hong Kong: TVBS USA: National Broadcast Corporation (NBC), CNNI, Discovery, ESPN Int, HBO, Asia, TWE, Viacom, TBS
Palapa B2P	Indonesia	1990	Indonesia: AN-TEVE, RCTI, SCTV, TPI Singapore: Asia Business News (ABN) Malaysia: TV1, TV3 Philippines: ABS/CBN, GMA, KBP Thailand: CH11 Hong Kong: TVBS, ATV1 USA: CNNI, Discovery, ESPN Int, HBO Asia France: Canal France
Intelsat 1503	Intelsat	1994	Japan: Nihon TV, TV Asahi, TV Tokyo
1508		1981	Japan: Fuji TV, NHK, TBS, TV Tokyo
		1984	Australia: Network 9 Others: CNNI, Cspan, ESPN Int, DWTV, RFO France TV
PanAmSat	USA	1994	Philippines: ABS/CBN Others: ESPN Int, Turner, Viacom
BS-3B	Japan	1991	Japan: NHK1, NHK2, WOWOW
Superbird C	Japan	1991	Others: CNNI, Star Movies
Thaicom 1	Thailand	1993	Thailand: CH3, CH5, CH7, CH9, CH11
Thaicom 2		1994	Others: Cambodia TV, Laos TV, IBC Entertainment, IBC HBO, IBC Sports, IBC Thai Variety
Measat	Malaysia	1995	Malaysia: TV1, TV2, TV3, TV4
Koreasat	South Korea	1995	Korea: KBS, MBC

Sources: Survey Research Group *Satellite Guide to Asia* SRG, Hong Kong (1994); MLE Inc *World Satellite Update* Florida (1992); satellite news from various newspapers and magazines compiled by the author

restrictions upon reception of satellite television programmes currently in force in many Asian nations.

This paper examines the policy changes that satellite television may bring to broadcast television in Asian nations. It begins with a review of broadcast laws and regulations in force in Asia, followed by an analysis of the way satellite television has come into conflict with these laws and regulations, and the reactions of individual governments to satellite television. Finally the paper looks into policy changes in the making, and the implications of satellite television in Asia.

Broadcast television regulations in Asia

In the past decade the Asian region has achieved remarkable success in economic development. While other parts of the world were suffering from a deep recession, many nations in the Pacific Basin scored significant, even double-digit growth in national GNP. As economic conditions improved and the threat of Communism reduced, the region is moving towards greater freedom and openness, economically, politically and socially.

As pointed out by Heuvel and Dennis, the burgeoning economies of the region have created rich media markets, and the quality and character of the media have also changed. The media have learned to cater for the specific needs of well-defined audience groups, and have taken on an expanded role in the government policy-making process.⁴ However, a close look at media regulations in Asian nations shows a

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issues in Asia-Pacific satellite development' Unpublished paper, International Centre for Communication, San Diego State University (1994)

³Groves, Don 'Oz report sez China's big business' *Variety* 11-17 April 1994, 58

⁴Heuvel, Jon Vanden and Dennis, Everette E *The Unfolding Lotus: East Asia's Changing Media* Report of the Freedom Forum Media Studies Centre, Columbia University, New York (1993)

picture rather inconsistent with the current trend of media development. Censorship is still widely practised, and the broadcasting industry is closely guarded.

After a survey of broadcast industry in Asia, Rubin concluded that '[i]n no country of the Asian mainland can television be considered an "independent" or "pluralistic" medium'. According to him, there are at least five patterns of media control in Asian nations. They include direct control through state monopoly of the media, control by licensing and self-censorship, emergency regulations and national security legislation, pressure on the press, and violence against journalists.⁵

In terms of laws and regulations, controls on broadcast television in Asia are especially visible in three areas: ownership, programme content and advertisements.⁶ In each of these areas satellite television from outside has become an offender, or a potential offender, beyond the reach of domestic law.

Ownership and licensing

With perhaps only the exceptions of Australia, New Zealand, Japan and the Philippines, almost every government on the Asian continent has established some degree of control over broadcast television through ownership and licensing. The most direct form of control comes through state monopoly of the media.

State monopoly of broadcast television is found in most of the Communist nations, including China, North Korea, Vietnam, Laos and Burma. In these nations all mass media are considered part of the government propaganda machine. It is only 'natural' for government to take complete control of the mass media, broadcast television included.⁷

Government monopoly of the broadcast television industry, however, is not the privilege of Communist nations. It is also seen in other nations in the region, including Singapore and India where a relatively free press is found, and until recently in South Korea, Indonesia and Malaysia.

In these nations broadcast television is typically owned and operated by the government, or by an agency set up by the government. In China, for example, the Ministry of Radio, Film and Television controls all electronic media, including film. And in Singapore a government-run broadcasting corporation, the Singapore Broadcasting Company (SBC), operates five radio stations and all three television channels. Under such a system private television networks are unheard of.

Less tightly controlled broadcast television systems are found in Taiwan, South Korea, Malaysia and Indonesia, where privately owned networks are allowed, but with the government or the ruling party controlling a majority of the shares. In Taiwan all three television networks are commercial in nature, but two have the government as their largest shareholder and one is in the hands of the ruling party. A similar situation is found in Malaysia and South Korea; although the government of both nations has recently granted licences to 'privately owned' broadcast television companies, the majority of their shares are held by either the government or the ruling party.

In addition to controls through ownership, Asian governments usually require a licence before anyone can send television signals over the air. More often than not, government holds the absolute power in granting, renewing and revoking a licence. In countries including

⁵Rubin, Barnett R 'New technologies breach the five barriers of media control' *Intermedia* 1993 21 (1) 22-28

⁶The discussion on controls over broadcast television in Asian nations is based on the laws and regulations of individual nations, courtesy of the Asian Mass Communication Research and Information Centre, Singapore.

⁷*Ibid*

Malaysia and Singapore, owning a television or radio receiver also requires a licence. In Singapore those who fail to comply will be fined, as stipulated in the Singapore Broadcasting Corporation Act.

Programming

Programme content. Although broadcast television networks are owned and operated by the government in many Asian nations, as a rule programme content is still subject to close scrutiny. In nations such as Indonesia, Taiwan and South Korea all television programmes are screened prior to airing.⁸

Even when prior censorship does not exist, programme content is heavily regulated for fear of negative social influences. Besides obscenity and violence, two widely criticized content elements in television programmes, there are numerous other sensitive topics, including religious beliefs, ethnic relations, national security, cultural and family values. Improper treatment of these topics may lead to fines, administrative penalties such as demotion of persons in charge, or even suspension of the broadcasting licence.

In Malaysia, for example, the Broadcasting Act of 1987 gives the Minister of Information power to remove any broadcasting material detrimental to 'Malaysia values'.⁹ In 1989 Radio Television Malaysia rebroadcast a US story about a massacre in East Timor by Indonesian troops. For fear that the report might damage relations between Malaysia and Indonesia, an apology was sent to Jakarta and the editor responsible for airing the story was transferred. The story, however, was accurate.

In other nations programme rules and regulations can cover rather specific details. For example, to protect the integrity of the Korean language, slang and foreign words are not allowed to appear in television broadcasts in Korea. And to ensure the electronic media's 'educational function', the Radio Code of the Kapisanan Ng Mga Brodkaster Sa Pilipinas in the Philippines specifically stipulates: 'Programmes that underscore any form of injustice or wrongdoing must be meted with the corresponding punishment for the guilty just as meritorious deeds must be rewarded.' Violations of this rule may lead to a fine of up to 10 000 pesos or licence suspension.

Imported programmes. As many nations in the region had experienced colonial rule before the second world war, concerns over cultural imperialism are also explicitly spelled out in the regulations on broadcast television. In both Taiwan and Korea, for example, a ceiling is imposed upon imported programmes shown on broadcast television: 30% for Taiwan and 20% for Korea. In both nations Japanese programmes have been banned from television.¹⁰

Advertising

As another important element of television broadcasting, advertising is not exempted from codes, rules and regulations. In Malaysia a Certificate of Accreditation is required before any advertising agency can act on behalf of a client. Like regular programmes, television advertisements are often screened prior to airing, or subject to removal if deemed inappropriate.

Each nation also has a set of codes concerning advertisements on broadcast television. In addition to shared concerns such as negative

⁸Beginning in February 1994 Taiwan's Government Information Office has relaxed its censorship of broadcast television programmes. Except for programmes on China, which are still screened before airing, programmes broadcast before 10 pm only need to submit scripts for screening, while for those broadcast after 10 pm no prior censorship is applied at all.

⁹Heuvel and Dennis *op cit* Ref 4, 152

¹⁰Taiwan lifted the ban on Japanese programmes on broadcast television in October 1993.

impacts on young viewers, portrayal of the goods and services advertised, and the use of testimonials, broadcast television companies in every nation have been issued with a list of unacceptable advertising contents. These range from betting and gambling in the Philippines, liquor and cigarettes in Taiwan, to medical products, including smoking cures, products for the treatment of alcoholism and clinics for the treatment of the scalp in Malaysia.

Satellite TV – beyond the reach of the law

Despite Asia's recent move towards greater freedom and openness, broadcast television is still vigorously regulated. With memories of religious and ethnic confrontations still fresh, decision makers in the region have adopted a cautious and defensive stance on media matters. As exemplified by the news report on the East Timor massacre, heads of governments have placed much greater emphasis on peace and harmony, which is at best delicate in the region, than on values such as freedom of information or freedom of speech.

However, to satellite television operators, whose primary interest is in making profit, none of the above-mentioned concerns matters, and few of the controlling measures can make a difference. With rapid technological development, satellite television no longer relies on large, cumbersome dishes for signal reception; it transcends national borders, evades government regulations, and makes its way into the living rooms of hundreds of thousands of viewers in the region.

To policy makers satellite television is undermining national sovereignty and cultural integrity,¹¹ and causing regulatory contradictions in several ways. As an uninvited guest, satellite television requires no permission prior to airing its programmes, therefore it does not need to comply with demands from any individual government in terms of ownership or licensing.

In order to attract audiences, both Star TV and TVBS have so far avoided airing programmes which may cause controversy on sensitive issues, but basically they are responsible for their own programming. When faced with unregulated programmes from outer space, preventive measures such as prior censorship, restrictions on programme and advertising content and a maximum percentage of imported programmes become meaningless. Advertisements for liquor, for example, are not allowed on terrestrial television in Taiwan, but Taiwanese audiences are still exposed to such messages because they are abundantly supplied over Star TV's channels.

As a result, within any given nation there emerge two sets of standards for television programmes: terrestrial television programme and advertising content that is heavily regulated, versus satellite television from outside the country that is entirely free from domestic controls. Recently politicians in India have accused international broadcasters of causing religious conflict in that country by providing candid coverage of the events which triggered the conflict.¹² There is very little, however, that the Indian government can do the next time it happens.

Satellite television is also gradually taking audiences away from broadcast television. With a large potential market for future growth, rich programme resources to choose from and a free hand in dealing with content matters, satellite television is able to offer much more attractive programmes than those from terrestrial television. According

¹¹Won, Woo-hyun 'The social and cultural impact of satellite broadcasting in Korea' *Media Asia* 1993 20 (1) 15–20; Howell, W J, Jr *World Broadcasting in the Age of the Satellite: Comparative Systems, Policies, and Issues in Mass Telecommunication* Ablex, Norwood, NJ (1992)

¹²Kushu, O P 'Satellite communications in Asia: an overview' *Media Asia* 1993 20 (1) 3–9

to a study by Wang, in Hong Kong, and to a lesser extent in Taiwan, the decline of broadcast television viewing rates during prime time hours has been consistent.¹³ Turning to other leisure activities, including watching satellite and cable television, is a reason for this decline.

The long-term effect of the loss of audiences is alarming policy makers and the local television industry. While cultural imperialism is a vague concept, declining viewing rates have significant implications for the survival of the industry. Thanks to the region's economic boom, there has been no report of a consistent decline in broadcast television advertising revenues. However, the loss of audiences will eventually translate into reduced advertising income, especially when satellite television can offer more competitive rates than those of broadcast television. Rates for prime-time spots in both Taiwan and China were several times more expensive than Star TV's.¹⁴ In India advertisers were reportedly flocking to Star TV, paying US\$4500 for a one-minute prime-time slot.¹⁵ To the government-owned channel Doordarshan this is an ominous sign indeed. The loss of regional and international advertisers' support threatens the survival of local broadcasters.

In the face of competition for viewers, even the non-profit-seeking public television is feeling the pressure. Its existence will no longer be justifiable when its audience size falls below a certain level.

It therefore comes as no surprise that policy makers in Asia should react rather unfavourably to the advent of satellite television. After a review of national responses to Star TV in Asia, Chan discovered four main types of policy measures:

- Virtual suppression. Under this policy, satellite television was banned for ideological, cultural and political reasons. Singapore and Malaysia were two examples.
- Regulated openness. This policy permitted direct reception of satellite television programmes, but the government maintained control over their redistribution over cable networks, SMATV or other media. Hong Kong and the Philippines belonged to this type.
- Illegal openness. Under this policy, reception of satellite television programmes was legal, but cable networks which redistributed satellite programmes were not. Nevertheless, the governments could not stop their growth. India was one example, and so was Taiwan until 1993.¹⁶
- Suppressive openness. China was an example where the reception of foreign satellite television programmes was forbidden, but orders were carried out rather ineffectively.¹⁷

China is an interesting case to note. China banned the use of satellite dishes as early as 1990. In the Methods Governing Satellite Television Receiving Equipment (1990) only hotels, foreign embassies and work units that require them by virtue of the nature of their work were allowed to install satellite dishes. But the control obviously failed, and in October 1993 the China State Council had to enact new Regulations Governing Satellite Television Receiving Equipment, reasserting the need for a licence to install satellite dishes. The 1993 regulations, however, make provision for individual ownership, but special reasons must be given. As of today the regulations do not seem to be strictly enforced. The proliferation of satellite dishes in China may have come to a point where any control becomes ineffective. It was reported that in early 1994 China had about 11 million households owning satellite

¹³Wang, Georgette 'Satellite television and the future of broadcast television in the Asia-Pacific' *Media Asia* 1993 20 (3) 140-148

¹⁴*Ibid* 146

¹⁵*Star* 26 August 1993 (Malaysian newspaper in English)

¹⁶In Taiwan the majority of illegal CATV networks were granted a temporary licence in 1993 which is valid until new, legal cable systems enter the market.

¹⁷Chan, Joseph M 'Satellite television and the infosphere: national responses and accessibility to STAR TV in Asia' Paper presented to the Ninth World Communication Forum organized by the Japan Society of Information and Communication Research, Tokyo, Japan, 19-20 November 1992

dishes.¹⁸ In a survey conducted in November 1993 it was found that already over 30 million households in China could receive the programmes of Star TV either through direct satellite reception or by cable relay.¹⁹ As a matter of fact, satellite television is making its way into the most remote corners of the Asian continent. The major difference government policy seems to be making is whether it comes in through the front door or the back door.

A similar situation is found in Indonesia, where satellite dishes of a certain strength are not allowed to be imported, but traders have lost no time in finding ways to sneak these dishes into the country.

Based on the above observations, it is clear that almost every Asian government has tried in one way or another to curb the growth of satellite television. However, it is also quite clear that keeping it out completely is becoming increasingly difficult, for technical and political reasons. In many countries the ban on satellite dishes or redistribution of satellite television programmes is no more than a paper tiger. Even in nations where the government has effectively banned receiving dishes, audiences have often managed to access programmes through illegal cable networks or rental outfits run by pirates.

In several Asian nations, policy changes to allow for a greater freedom of information flow have been called for, and governments are now faced with the decision whether to continue blocking satellite television or to completely change their regulatory framework to accommodate the new information environment ushered in by a new generation of media.

The policy change

After their initial policy responses to the advent of satellite television, continual development in Asian nations can be observed in two areas: there have been debates over, and changes in, government policies towards satellite television, and there is increasing deregulation of satellite television's major competitor, broadcast television.

Lifting the ban and restrictions on satellite television

To some policy makers, banning satellite television is the most convenient way to deal with the problems and challenges that it may bring to a society. In countries where per capita income is low and authoritarian rule firm, such a ban may continue to hold. But for those which are already on, or about to join, the international trade and communications networks, the situation is quite different, and Malaysia is a case in point.

In late 1992, approximately a year after Star TV launched its service, the Malaysian parliament added a clause to the telecommunications law authorizing the government to ban the use of any broadcasting or telecommunications equipment, satellite dish included, in the residence of private citizens.²⁰ Violators are subject to a fine of up to US\$200, which is ten times more than it used to be. The parliament also approved an act which requires a licence for the installation of satellite dishes by institutions.

According to the Minister of Information, Datuk Mohamed Rahmat, the action was designed to curb the growth of dishes, of which there were already a significant number in several areas in Malaysia. The decision, however, immediately faced criticism from the opposition

¹⁸*Ming Po* 6 April 1994 (in Chinese)

¹⁹*Hong Kong Economic Journal* 14 January 1994 (in Chinese)

²⁰Information on the debate over policy issues on banning or restricting the uses of satellite dishes in Malaysia are based on news reports published in major English and Chinese-language newspapers in the country.

party and an unfavourable public response. Six months after the promulgation of the new law, recommendations for lifting the ban were submitted to the cabinet by both the Ministry of Post and Telecommunications and the Ministry of Science, Technology and Environment. Reports to the cabinet acknowledged that exercising control over the use of satellite dishes is not in keeping with the overall informatization of the society, and the advent of mobile personal communication systems will make it impossible to enforce such controls.

In December 1993 the Malaysian government reiterated its determination to crack down on satellite dishes. In response the opposition party organized a signature-gathering campaign, requesting the government to legalize the use of satellite dishes. Until early 1994 the threats of government action remained verbal, and the number of illegal dishes was estimated to have exceeded 20 000 in the state of Sarawak alone. In June 1994 the Information Minister announced that the Malaysian Broadcasting Act (1988) would be amended and the ban on satellite dishes would be reconsidered.²¹ The relaxation of restrictions on satellite reception is seen as an attempt to fully utilize Malaysia's own East Asia satellite (Measat), which is to be launched in 1995.

It remains to be seen whether other nations which have so far banned satellite television will legalize the dishes. But nations which have for a long time imposed restrictions on the reception of satellite television have already begun to make changes. Japan, for example, is about to revise its Radio Law, Broadcast Law and the Telecommunications Business Law to allow for commercial use of intercepted satellite signals, eg redistribution by cable networks.²² Hong Kong lifted its ban on satellite reception in 1990. No licence is needed for Television Receive Only (TVRO), and any private individual or company can install their own dishes. A licence is required only by companies installing Satellite Master Antenna Television (SMATV). These companies need to abide by the technical and safety standards set by the government.

The debate on banning or restricting the reception of satellite television is clearly alive in nations which have tried to bar its entry into their territory, and the pressure to 'liberalize' satellite television is showing no sign of lessening.

Deregulating the broadcast television industry

For those nations which have permitted limited reception of satellite television, more problems await solution. To enhance the quality of broadcast television programmes and their ability to compete with satellite television, the governments of several Asian nations have decided to open the market for terrestrial television, thus breaking the decades-long state monopoly over the industry.

In 1988 Indonesian President Suharto for the first time granted a licence to a privately owned special television station, Rajawali Citra Televisi Indonesia (RCTI). In 1989 South Korea gained its first 100% private broadcaster, Seoul Broadcasting Corporation (SBC), although it was controlled by a government-selected consortium of private companies.²³ In 1994 Taiwan's Government Information Office announced the 'discovery'²⁴ of a fourth broadcast television channel, and also for the first time openly invited applications from interested parties. In Malaysia the government announced a plan to launch three 24-hour cable channels featuring CNN and BBC news and Star TV's

²¹Latif, Baharudin 'Satellite dish ban reconsidered' *Variety* 13–19 June 1994, 47

²²Shimizu, Shinichi 'How transborder TV will alter national cultures and national broadcasting: a Japanese perspective' *Intermedia* 1993 21 (6) 32–35

²³Heuvel and Dennis *op cit* Ref 4, 123, 17, 19

²⁴Over the years the Taiwan government had claimed that there were no more channels available for additional TV networks.

sports channel in 1994. And in India the government-owned channel Doordashan offered five new channels to independent producers as Star TV started its Hindi channel.²⁵ In addition, as mentioned earlier, several nations in the region, including Malaysia, Thailand, Korea, Taiwan and the Kingdom of Tonga, have established their own satellite programmes.

It is difficult to determine whether these measures have been taken primarily because the governments have come to realize that it is no longer possible to 'cordon off one's country from the outside world', as Heuvel and Dennis observed.²⁶ In Taiwan, for example, the opposition party fought against the government monopoly of the electronic media long before Star TV came into the picture. But there is little doubt that satellite television has carried great weight in government policy considerations on opening up the market for broadcast television. To many policy makers, private broadcasters may be more difficult to manage compared with state-owned networks, but they are clearly a better choice than satellite television, which is totally out of their hands. The same philosophy is reflected in many governments' preference for cable over satellite television.

A second area of change urgently called for involves the regulations on television programme and advertising content. As mentioned earlier, a double standard has emerged as government can only effectively control terrestrial television, but not satellite television from outside. Under these circumstances, terrestrial broadcasters must not only compete with relatively slight resources in a small market, but they also have a hand tied behind their back. To protect their interests, some broadcasters have actually turned to their competitor for a solution. Local producers in Taiwan, for example, discovered that they could evade government regulations but still reach their target audiences and more – by uplinking their programmes via satellite from a foreign country.

Although satellite television is still beyond their reach, decision makers have begun to realize that they can no longer afford to ignore the problem. In the early 1990s Taiwan's Government Information Office (GIO) began consultations with academics and private industries regarding satellite television. These efforts were largely fruitless as it was at the time difficult to establish communication with China and Japan, the two major satellite owners in the neighbourhood.

As the problem worsened after Star TV launched its service, the GIO has had to try again. In 1993 it contracted a group of scholars to conduct a thorough study of the issues raised by satellite television, including copyright, cultural imperialism and the free flows of information, violence and obscenity, etc. Also included on the agenda are possible ways of cooperating with satellite television operators and international organizations in solving the problems. The final report will serve as a basis for drafting a satellite television law regulating the use of satellites by broadcasters. The first draft of the law is expected to be completed by the end of 1994; meanwhile the Ministry of Communications has decided to lift restrictions on the installation of satellite Earth stations and renting or buying satellite transponders for point-to-point transmission.

The spillover issues from satellite television have prompted some people to think that what is needed now is a uniform code of rules, regulations and ethics covering all aspects of the air waves.²⁷ To

²⁵Star 26 August 1993 (Malaysian newspaper in English)

²⁶Heuvel and Dennis *op cit* Ref 4

²⁷Bhatia, Brajesh 'Multi-channel television delivery opportunities in the South Asia region: prospects, concerns and apprehension' *Media Asia* 1993 20 (1) 10–14

accomplish this task and fully explore the potential of satellite television, international organizations are urged to provide a forum for discussion, so that policy makers and media practitioners can have a chance to work closely together.

Implications of deregulation of satellite television

Loss of national sovereignty, but not cultural sovereignty

From the above analysis one can see that the advent of satellite television has woken up many Asian governments to the reality of competition. The initial efforts of many nations to ban the reception of satellite television have been futile, and many of them have been forced to relax their restrictions on satellite reception. The Asian nations have come to realize that if they do not improve their terrestrial television service, satellite television from outside will grab the advertising and subscription money from the local market. Many fear that the onslaught of satellite television from outside will weaken the cultural sovereignty of the receiving country. Nevertheless, if we examine the issue of cultural sovereignty more closely, we may find that this fear has been exaggerated.

Television programmes can be grouped into two major categories: entertainment and information. Many studies have shown that people do not always watch foreign programmes. Antola and Rogers found that Latin American television usually scheduled US programmes for off-peak hours. During prime time most of the programmes, especially serial dramas, were locally produced or produced by other Latin American countries.²⁸ In other words, people like to consume programmes that reflect their own culture. This is true in Asia too. Goonasekera found that audiences in Indonesia, Sri Lanka and Taiwan liked to watch local programmes more than foreign ones. This is particularly the case for rural audiences.²⁹ Katz, Liebes and Iwao found that the popular US television drama *Dallas* was not successful in Japan.³⁰

Cultural sovereignty refers to the right to determine one's cultural preferences. This right resides with the people rather than the government. One cannot say that simply because the government does not have the right to select programmes for the people, then people's cultural preference will be shaped and distorted by foreign programming. This is not only paternalistic, but also implies a 'bullet theory' of communication which is blind to people's selectivity. If satellite programmes challenge government control, we can say that this impairs the country's national sovereignty, which refers to the right of a nation to make its own decisions. When we talk about erosion of cultural sovereignty or autonomy, we must have evidence that shows the masses will change their cultural consumption patterns as a result of the influx of satellite programmes, and that after they have consumed foreign programmes their values and norms will be distorted. Without deleterious effects, one can hardly justify criticism of the influence of foreign television.

Admittedly, for some weak economies the indigenous cultural industry may be adversely affected by cheap programmes from the West, especially the USA. As the USA has a large internal market, its cultural products enjoy great economies of scale. This not only enables investors to bear high costs of production, but also enables them to sell their products at prices far lower than the cost of producing similar program-

²⁸Antola, Livia and Rogers, Everet M 'Television flow in Latin America' *Communication Research* April 1984 11 183-202

²⁹Goonasekera, Anura 'The influence of television on cultural values: with special reference to Third World countries' *Media Asia* 1987 14 (1) 7-12

³⁰Katz, Elihu, Liebes, Tramar and Iwao, Sumiko 'Neither here nor there: why *Dallas* failed in Japan' *Communication* 1991 12 99-110

mes in overseas countries. As a result, programmes from the West can be of better quality and may stifle the indigenous cultural industry.

However, in Asia more evidence is needed to substantiate the thesis of cultural imperialism. More studies are needed to demonstrate the 'stifling' effect of Western or US programmes on the local cultural industry. In a case study of Hong Kong, Lee found that the decline of the indigenous cultural industry is a result of many factors. Foreign influence is just one of these factors; it is not even a dominating one.³¹ The evidence of satellite or foreign television's deleterious effect on Asian countries' cultural autonomy is lacking. Asian cultures may not be so weak that they will be 'shot down' when Western cultural products are 'fired' at them.

As regards information, from the experience of shortwave radio broadcasting we know that informational programmes are popular or influential only when the receiving countries cannot provide better alternatives. In the case of newscasts, for instance, people in closed societies are more likely to listen to foreign broadcasts than people in open societies. In open societies people seldom need to seek additional information from foreign broadcasts unless their home service is poor or no better than foreign alternatives. The informational content of satellite television does pose a threat to societies which limit people's access to information. If the information received from outside is accurate, timely and adequate, the government should not want to ban it unless it has something to hide from its people. Certainly, foreign broadcasting has its own angles and interpretations of what is happening around the world, and these interpretations may be different from those of local commentators. Nevertheless, if the country does have a different angle and interpretation of a given event, it can articulate its own version and let people judge. To ban information from abroad is not the best way to improve the quality of information service at home. It is an authoritarian and outdated approach to tell people what they should or should not know. Cultural autonomy is easily used as a pretext for censorship over foreign materials for dictatorial purposes.

Although people may receive foreign programmes made to standards more lenient than those of the receiving country, it is their choice whether to watch such programmes. If they know the varying standards and still choose to watch satellite programmes, why should the government be bothered? Moreover, satellite television companies usually have to abide by the regulations of the place where the uplink is made. For instance, Star TV has to abide by the television regulations of Hong Kong, which are similar to those of terrestrial television. There are guidelines prohibiting excessive use of violence and sex in programmes. In addition, the Star licence stipulates that the station 'shall take all reasonable steps to ensure the acceptability of the service in recipient countries'. In other words, the receiving country can lodge a complaint with the Hong Kong government if they find a programme broadcast by Star objectionable.

Segmentation of cultural markets

Satellite television is mainly a profit-seeking operation. Murdoch's Star TV has been restructured to meet different market needs. It has not only increased the quality of programmes on the Chinese channels, but also brought out India Zee TV in December 1993 and planned to start up Star India which would provide up to 25 channels for the

³¹Lee, Paul S N 'The absorption and indigenization of foreign media cultures: a study on a cultural meeting point of the East and West - Hong Kong' *Asian Journal of Communication* 1991 1 (2) 52-72

subcontinent.³² In order to please China, Murdoch dropped the BBC News from Star in April 1994 and replaced it with an encrypted movie channel. According to a study done by Ascent Communications Advisors, in the period 1992–98 international revenue from television programmes will grow by 24% a year in the Pacific region, outpacing the 16% growth enjoyed by business and 3% by telephony.³³ Commercial television will be the dominant mode of satellite television.

In a culturally diverse region, satellite operators have to segment the markets in a way which can generate profits to justify their investment. Past experience shows that international satellite broadcasters will not succeed simply by selling programmes originally produced for consumption in Western markets. Asian television stations such as those in Indonesia and Malaysia paid as little as US\$1500 an hour for US series, and showed them in fringe hours. Even in Japan, which is more Westernized, Hollywood companies earned only \$88 million from selling movies and series to free-to-air television in 1992.³⁴ Under keen competition, satellite operators will need to segment the diverse Asian region into several distinct markets big enough to reap profits.

The most viable way to segment the Asian audience is to agglomerate existing markets sharing the same cultures into a big cultural market. On the basis of cultural affinity, four markets are likely to emerge. The first is the Confucian cultural market which comprises China, Taiwan, Hong Kong, South Korea, North Korea, Japan, Singapore and Malaysia. This market is the most lucrative as these countries' living standards are the highest in Asia. Although China's living standard is still low, its potential cannot be ignored. In 1993 China had a total advertising expenditure of US\$1.2 billion, and its growth rate in 1994 is projected to be 50%.³⁵ The Chinese channel on Star and TVBS's superchannel are already targeting this Confucian market. The second cultural market will be the Hindi market. India has a population of 900 million, one-third of whom speak Hindi. It is estimated that at least 40 million Indians are middle class and affluent.³⁶ Star TV also aims at this market now.

The third major market will be the Islamic cultural market, which comprises Indonesia, Pakistan, Bangladesh and Malaysia. This market has a population of about 500 million which is distinctively different from other cultural markets in Asia. Although the people are poor, the middle class is growing in size. Malaysia alone in 1993 had an advertising revenue of US\$185 million for television.³⁷ Programming for this market, however, needs to be mindful of the local moral standards, which are more conservative than those of the West. The fourth cultural market is the English market, which comprises mainly Australia and New Zealand. To some extent the Philippines and the elites of Asia can be the target audience here too. But the initial failure of Star to reach the Asian elites might indicate that these potential audiences do not share common values and cultural tastes although they can speak and listen to English. This English market is therefore at a developing stage. In view of the inadequate information flow in most Asian nations and the increasing need to monitor the external environment, operators in this market do better to emphasize information rather than entertainment. The BBC World News channel, Cable News Network (CNN) and Asia Business News (ABN) are targeting this market. If other markets, however, can provide sufficient high-quality information, the English market will lose its niche.

³² *Television* July 1994, 665

³³ *Broadcasting and Cable* 12 July 1993, 54

³⁴ Groves, Don 'Asian TV sales: still uphill for US firms' *Variety* 14–20 February 1994, 35–36

³⁵ *Media* 27 May 1994, 16

³⁶ Groves *op cit* Ref 34

³⁷ *Media* 27 May 1994, 16

Formation of Asian capitalist culture

Due to economies of scale, satellite television will not only agglomerate different small markets into larger ones, but will also create broad consumer markets for advertisers and subscribers. The implication is that satellite television will make the region's majority culture more distinct. People will be more aware of their cultural affinity with and difference from people in other countries. When people know each other more, interaction tends to arise. Satellite television in Asia will have the effect of increasing people's interaction within and across different cultures. Through increasing interaction and the push of satellite television for capitalist consumption, a capitalist culture will be formed in Asia. The most ardent pushers of the capitalist culture will be the operators in the English market, but the operators in other markets are no less enthusiastic. After all, the majority of satellite operators are in business to sell and gain profits.

The main characteristics of capitalist culture are consumerism, fast food and consumer choice. People are encouraged to consume as much as they can, not only the commodities advertised on television, but the television programmes themselves. The culture exhibited on television is one of quick sensations such as violent action, pop songs, sex and situation comedies. The capitalist culture is so produced that the sensation lasts only for a short while and one will need to consume it again soon to maintain the sensation. The capitalist culture, however, will not replace the indigenous culture. No one would say that Japan today does not have its own culture although the Japanese share the capitalist culture. What the capitalist culture may do is to superimpose itself upon the indigenous one to lure people into consuming. On the other hand, the idea of consumer sovereignty in capitalist culture may have a long-term effect on people's thinking. When circumstances allow, people will some day translate their demand for choice from the economic arena to the social and political arena. This long-term effect, however, can hardly be accused of being 'negative'.

Meanwhile, satellite television may cultivate international professionalism in journalism. As governments cannot ban incoming satellite television effectively, the information flow from outside will impair the authoritarian control of news and information by the state. Unless the country can provide factual and timely information for its people, Asian audiences will seek better information from outside. The consequence is that all countries will have to abide by at least two major tenets of Western journalism – accuracy and timeliness. Although Asian journalists can have their own interpretations of a particular event, as the Western journalists do, they must provide basic facts crucial to the understanding of a news event. Any factual errors or deliberate omission of facts will hurt the journalists' credibility. The real threat to national sovereignty probably comes from the formation of such a universal standard in news reporting, rather than from the invasion of entertainment.

Regional confrontation versus cooperation

As a result of the spillover of entertainment and information across borders, conflicts tend to rise among different nations. In the area of news and information, the conflict will be an ideological one. Some nations will protest against the flow of inaccurate news about themselves from outside, while others will insist on the free flow and accuracy of

their information. In the area of entertainment, outcries against cultural imperialism will be heard, but the more practical issues are the scramble for international advertising and the trade balance for audiovisual programmes. Some places are going to be major exporters of media culture in the expanded Asian market, while others will complain about the outflow of foreign exchange and unbalanced cultural influence due to satellite television. In the era of satellite television, the imposition of quotas on the importation of television programmes is rendered ineffective by the free flow of foreign programmes through the sky.

As a result, the Asian nations will have to meet more frequently to discuss the issues related to satellite broadcasting. For example, in April 1994 Asia-Pacific Telecommunication (APT), an agency under the International Telecommunication Union, held a meeting in Japan to discuss the necessity of reaching a common programme standard in the region. The meeting concluded that there was a need to devise such a standard. All countries should follow the principle of 'free flow of information' while respecting the 'sovereignty of the signal receiving country'. This conclusion sounds like a spillover from the 'balanced flow versus free flow of information' debate in the United Nations years ago. The participants also agreed that minors should be protected, the cultures, values and religions of different countries should be respected, news reporting should be balanced, diversity of opinions should be maintained, etc.

The meeting indicates that the Asian nations already felt the need to get together to talk about the inroads of satellite television. But a common programme standard for Asia will not be likely to come about in a short time given the diverse backgrounds of the region. For instance, Australia indicated at the meeting that even if the APT devised a common programme standard for the region, the Australian Broadcast Corporation might not subscribe to it as the Australian government does not have the power to interfere with the Corporation.³⁸ Nevertheless, in non-political areas such as sex and violence some consensus will probably be reached after further discussion. When financial interests are involved, however, agreement will not be easily reached. For example, the ban on cigarette advertising in some places may hurt the financial position of local television stations, at least for a while, and the advertisers' pressure and influence in different countries are not to be ignored either.

Conclusion

After decades of debate on cultural imperialism, the citizens of the world have finally come to realize that, whether it is greeted with open arms or hostility, the age of global television is here.

In Europe, where cross-border satellite television started earlier, public broadcasting lost its monopoly in the late 1980s. The member nations of the European Community were faced with the 'liquidation of their sovereignty', as described by Conor Cruise O'Brien, when the EC Directive on Cross Frontier Broadcasting (1989) required member states to ensure freedom of (satellite television) reception and not to restrict retransmissions on their territory of any EC broadcasts which meet certain minimum conditions.³⁹

Coming from a much more diverse historical, political and economic background, the nations of Asia are expected to take much longer to

³⁸Executive Yuan, Internal Report on the Seminar on *The Need for a Consensus in Making a Programme Standard for International Video Communication* Government document issued by the Executive Yuan of the Republic of China (1994) (in Chinese)

³⁹Servaes, Jan 'Beyond "Europe 1992": communication and cultural identity in small nation states' *Telematics and Informatics* 1993 10 (4) 321-343

arrive where European nations are today, if they do so at all. Before forming a regional capitalist culture, Asia will probably be segmented into four major cultural markets, namely Confucian, Hindi, Islamic and English. Despite resistance to satellite television in some countries, the trend towards further deregulation and greater openness is not in doubt. What can be learned from the European experience is that at the end of deregulation there will be a free flow of information which is not necessarily balanced. It is unrealistic to try to stop the spread of information technology. But this does not mean that cultural integrity and cultural identity should no longer be an issue; more evidence, however, of the deleterious effects of satellite television on indigenous culture is needed to substantiate the thesis of cultural imperialism.

The fact that both Star TV and TVBS have entered into partnerships with local broadcasters means that satellite television does not necessarily bring a cultural invasion. With proper arrangements, it can facilitate the growth of the television industry in individual nations. Perhaps what the policy makers should occupy themselves with is not ways to put satellite television under control, but how to upgrade the quality of locally produced programmes so that they can ride on the technological tide instead of being overrun by it.