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**SPEECH BY BG (NS) GEORGE YEO,
MINISTER FOR INFORMATION AND THE ARTS
AND MINISTER FOR HEALTH,
AT THE OPENING OF THE ASIAN NEWSPAPER PUBLISHERS CONVENTION
ON 4 DECEMBER 1995 AT 9.00 AM
AT SUNTEC CITY**

When I was at Business School in the mid 80s, a professor of French origin remarked that China's development path would be unique. China was too big and had too long a history to follow existing models of development. It would create its own. It was a far-sighted view. Like China, other big countries like India and Indonesia will also create their own models of development. They will not develop as we expect but may instead surprise us by their innovativeness and originality.

We live in an age of intellectual uncertainty. There is no clear path into the future - not for societies in the West, and not for societies in the East either. We are again at a point in history where practice leads theory. We may have to wait many decades before the theoretical confusion over the political, cultural and economic changes taking place in the world can be clearly explained within a coherent intellectual framework. This is a time of great intellectual ferment which has its reflections in political conflicts around the world.

The underlying cause of this ferment is the technological revolution in information processing, communications and transportation. Social structures of all kinds are being broken up. Jacques Attali describes the process as one of

demassification. In the post-industrial information age, bigness is no longer an advantage. What matters is flexibility and the ability to respond to changing threats and opportunities. We are moving from the age of dinosaurs to the age of mammals.

Demassification takes place at many levels. Big countries are under tremendous pressure to devolve and decentralise. The recent referendum on Quebec independence has not solved the problem for Canada. Either Canada becomes a looser confederation or Quebec will eventually secede. What is happening in Canada is a forerunner of what will happen on a larger scale in North America, Europe and Asia. Resentment against the centralisation of power in Washington, Moscow, Beijing, Brussels and New Delhi is building up. The ability of central governments to tax and control the flow of capital and technology is weakening by the day. With knowledge increasingly the basis of all wealth, borders will become even more porous. Governments which tries to fight the global market will be defeated by it.

Corporations too come under the same pressure to demassify. AT&T and IBM were dinosaurs which had to be re-constructed, either forcibly or voluntarily. Tightly organised Japanese corporations face similar pressures to loosen up. One reason why ethnic Chinese corporations have become relatively successful in recent years is because they are organised on a smaller scale, being family-centred, and so enjoy a greater flexibility to exploit new markets and political relationships. But their over-reliance on family members is also a major weakness.

More fundamentally, demassification is taking place at the level of human ideas. There are two tendencies which are simultaneously at work. Because technology has made us one world, universal ideas about environmental protection, nuclear non-proliferation and human rights have become part of a new global morality. They are ideas subscribed to in a broad way by middle classes and their children in different parts of the world. The

sharing of such ideas provides the basis for a common world civilization.

The second tendency is the fragmentation of political ideas. Socialism and democracy will have to be re-engineered. The socialism practised in the Soviet Union and the Fabian welfare state has been consigned to the rubbish heap of history. Far from promoting brotherhood and common effort, big socialism led to widespread abuse and cynicism. But the idea of socialism itself will never die because it expresses a deep ideal in the human heart. It will be re-expressed at a lower level and on a smaller scale, in communities where human beings feel and care for each other. Japanese society, for example, embodies a strong socialist instinct even though it is not called as such. Friends from China who come to Singapore tell me that Singapore is, in many ways, more socialist than China today.

Big democracy like big socialism is also following the way of dinosaurs. Both expressed the necessities of a different age. By big democracy, I am referring to democratic systems in big countries which concentrate political power in relatively small political elites who, in turn, use state power to impose commonality and re-distribute wealth. As government's power to tax and direct investment weakens, city-regions grow more assertive, sometimes rising in revolt like Quebec. As these city-regions reclaim their power, big democracy gives way to small democracy which was the democracy of Athens and still the ideal in Switzerland today. Further centralization in the European Union is unlikely. The principle of subsidiarity, of democratic decision-making at the lowest possible level, will become more important. In America, the balance of political power will shift back to the states.

As establishment ideas lose their dominance, political correctness in big countries will gradually dissolve away. When three GIs were alleged to have raped a young Okinawan girl

recently, many people wondered whether the GIs were white, black, brown or yellow. The newspapers provided no clue, television pictures gave no indication. In the end, one had to log into Internet to find out. Increasingly, Internet and the proliferation of small media will break up the cartel control of ideas by big newspapers and big TV stations. Major newspapers and TV networks in America, China and Russia no longer enjoy the same sway over their audiences.

The process of demassification is transforming all aspects of human society in a profound way. However, countries, corporations and ideas will not break up into isolated fragments. The same technology which breaks them up also enables the fragments to link up with each other. To use John Naisbitt's catchy phrase, the megatrend will be from nation-states to networks. In other words, fragments will still be linked together like neurons in the brain or cells in the body or websites in Internet, creating new and messier patterns of competition and cooperation. Governments themselves will facilitate such networking across national boundaries. It is a sign of the times that many heads of states nowadays bring along businessmen on their official travels abroad. It is better for governments to add value in this way than to subtract value by inefficiently performing functions which are better left to the private sector.

Newspapers reflect the societies from which they spring forth. There is no such thing as unfiltered reporting. We buy newspapers and watch television precisely because we do not have the time to take in all the information around us. All of us suffer from information overload. Unread documents and magazines pile on our desks everyday giving us a guilty conscience. Newspapers and television stations add value by subtracting information that we do not want, and presenting what is left to us in an attractive and entertaining way. The process of subtracting, concentrating and packaging information invariably reflects the value norms and cultural assumptions of the society we live in, or segments of it.

Let me give an example. When the New York Times carried an article reported recently that the CIA had eavesdropped on Japanese Minister Hashimoto during the automobile trade talks, it was not something considered unusual in America. Since Vietnam, it is no longer the responsibility of American newspapers to help keep state secrets. No establishment of Japanese or Chinese newspaper would be party to such a revelation if their own intelligence agencies were involved. It would be considered betrayal. In Singapore, the newspaper would be prosecuted in court for divulging state secrets.

Like all other industries, the newspaper industry is also going through a revolution. The newspaper industry is being submerged into a larger and less structured multi-media industry. The electronic media will increasingly compete with the print media. Broadcasting will give way to narrowcasting. A new pattern of wholesale and retail business in world and local news is emerging. Getting into the wholesale business is becoming very expensive because wholesalers have to operate globally. Only those with very deep pockets can take on CNN, Dow Jones or the big wire services in the wholesale business. CTN, broadcasting in Chinese, avoids a head-on fight by moving into a different segment of the wholesale market.

The retail market, where most of the commercial revenue is, has much lower barriers to entry. In all countries, the retail market for news is local. Every city has its own quirks, its own tastes, its own sense of humour and its own taboos. In Thailand, you cannot show disrespect to the monarchy. In Malaysia, you must be mindful of what Islam disallows. The newspapers and television stations which succeed are those which are closest to local audiences and readers. International media like BBC and IHT will still cater directly to a sophisticated English-speaking cosmopolitan elite who are a tiny minority in any country. They will, however, be important wholesalers of international news to local newspapers and cable TV, particularly if they also supply news in local languages.

The growing number of players in the multi-media industry reflects the diversity of local communities and networks. Commercial viability remains the key to success. Rupert Murdoch's far-flung empire is successful because the different parts are able to localise themselves. In Britain, Murdoch owns both the London Times and the Sun. It may be politically convenient to blame the Sun for some of the ills that befall Britain today but the Sun is only catering to the proclivities of a large segment of British society. When the Chinese signaled their unhappiness with BBC World Vision, Murdoch took it off Star Television in East Asia. In Hongkong, as happened in Malaysia and Singapore after independence, media owners are already adjusting to a new political reality after 1997. To expect otherwise is naive. Journalists and cartoonists would like to be independent and portray what they wish, but in the end it is the economic reality which is fundamental. BBC's international marketing of Panorama's riveting interview with Princess Diana, recently telecast live on local stations around the world, is a remarkable example of a new commercialism at work.

We are entering an exciting period of human history and an age of intellectual uncertainty. Much of the drama will take place in Asia where half the world's population is set on a path of organic growth. However, this path will not be smooth. There will be conflicts of all kinds, maybe even wars and revolutions. There will be new prophets and false Dimitris. Mindless acts of terrorism will become more common as the knowledge to make bombs, poison gases and even nastier things becomes more widespread. The period that we are entering harks back to the period of the Greek city-states and the period of the Chinese warring states before the birth of Christ. Although the Greek city-states shared a common Hellenic Civilization, they experimented with a proliferation of political ideas and organisational forms, with Athens and Sparta at two ends of a wide spectrum. In the end, it was a Macedonian who conquered the western world. In China during the warring states, there was also a common Chinese civilization but a hundred schools of thoughts contended for a long time. In the end, it was the

Legalist Qin Dynasty which created the First Empire, only to be quickly replaced by a Confucianist Han Dynasty. In our own times, it will be many years before it is clear what the future holds in the next century. In the meantime, our Darwinian duty is to survive and to prosper, if we can.

To do that we have to organize ourselves in a flexible way, be alert to international competition, stay close to the changes taking place in local communities and network with others in the world. Human networks which straddle diverse markets and cultural areas are growing in importance. They enable their members to profit from knowledge arbitrage. For example, many ethnic Chinese and Indian businessmen have become rich by arbitraging differences in knowledge levels between the West and less developed economies in Asia. Today, much of the information flow within such networks is informal. Perhaps this is the way to keep valuable knowledge private and confidential. But there are opportunities for media entrepreneurs to meet the information needs of such networks in a more systematic way, the way Yazhou Zhoukan is doing for example. In Singapore, the Chinese Chamber of Commerce and Industry is starting a World Chinese Business Network on Internet. Only those who think globally but act locally will succeed.

For this reason, this first conference of Asian Newspaper Publishers is timely. No one has a monopoly of knowledge or wisdom. We do well to learn from each other's experiences while taking our own tentative steps forward into the future.

I wish you a good conference and a pleasant stay in Singapore.

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