

CHECKED AGAINST DELIVERY

Speech by Patrick Daniel, 11th S R Nathan Fellow for the Study of Singapore

Launch of *Stewardship of the Singapore Media: Staying the Course*

16 May 2023

I must say good evening first to 3 people — Minister Josephine Teo; Janadas, IPS director; and also the Dean of Lee Kuan Yew School of Public Policy, Danny Quah.

I must thank the Minister for doing me the huge honour of launching this humble little book of mine, which is a compilation of the three IPS lectures I gave. Thank you, Minister, and thank you also for your speech.

I must next thank Janadas for inviting me to be the 11th S R Nathan Fellow. Thank you also, Janadas, for your welcome remarks.

Let me start by saying that I have long felt that the Singapore media is an interesting case study of stewardship, both good and bad. Although I used the word stewardship in my title, I didn't define it in my lectures as I really didn't want to get technical about definitions. I meant it simply as achieving the best future outcomes for all stakeholders. So you know, the layman understanding of stewardship.

For the media, this stewardship involves both the media companies and our regulator, the Ministry of Communications and Information, or MCI. And this stewardship, I feel, starts with our media laws. I thus began my first lecture with this topic, of media laws and the freedom of the press. I then covered the long history of the Singapore press, because this history explains best the genesis of our media laws, and how they came to the shape the way they are. Sometimes we forget our own history. You know, about communist insurgence, and all that kind of stuff, so I wanted to cover that. It also highlights the government's active role in the media landscape in the postcolonial period. Some call this intervention. I prefer to see it as stewardship, but again with good and not-so-good parts of that stewardship. But I wanted to describe it, and then people can consider whether that's good or whether that's not so good. I wanted to say that the intentions were always to get a better future outcome. And you can go right, or you can go wrong with it. And sometimes you have to make a U-turn.

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The history also showed one other thing: our media laws are vintage Lee Kuan Yew. Realist in their conception, purposeful in their application, brutal when necessary. Mr Lee knew first-hand the power of the media, which is often subtle and not always apparent. But he had a further insight: To regulate the media, you must regulate the owners of the media — where the real power resides — not so much the editors and journalists. We're just there to do our job. The regulation must cover the owner.

This is why the key part of our Newspaper and Printing Presses Act of 1974 are the restrictions on the ownership of newspapers. Now not surprisingly of course, only Singaporeans can own newspapers in Singapore, and there can be no foreign funding. Okay – [this is the] first part. But the killer provision is the one that for many years, no one person can own more than 5 per cent of a newspaper company's shares. This was later changed, and now they allow for a 12 per cent controller, including associates. But even with 12 per cent, put simply, in Singapore, there can't be a media baron the likes of Rupert Murdoch. No chance. Deliberately. That's the aim. So if you want to be a business baron, you got to go look for some other sector, like banking or property development. In the media, forget it. No tycoons and media barons.

I want to cite one episode that I remember just to elaborate this point. When Dr Tony Tan became chairman of Singapore Press Holdings in 2005, Alan Chan and I organised a trip for him to visit newspapers in London. Alan Chan was the CEO of SPH then. After visiting two papers — I shall not mention the names — but two papers that were making losses, we met one that was profitable. And Dr Tan commended the owner for running a profitable newspaper group, but then asked him, "Tell me something. Why do your rival papers continue to publish when they make losses year after year? And they're not small losses. 50 million pounds, 100 million pounds. Why do you continue publishing?" And this owner gave an answer that was incredibly candid. He said: "Oh, very simple. In this country, when you own a newspaper and you invite the Prime Minister to come for breakfast, *he comes*." To which, Dr Tan said, "Ah, I see."

Now, of course, not all media owners are in it for the power. But the fact is, some are, and some do wield their power. So the laws were crafted and only Mr Lee can think of this to make sure nobody owns more than 5 per cent. So 20 of you got to get together

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and own a newspaper, and 20 of you have to be tycoons. Otherwise, it's all controlled that way.

Another key feature of the 1974 Act is that the newspaper companies must issue 1 per cent of their shares as what they call, management shares, which have to be held by persons that the minister decides. [This is the] first part of it. And when it comes to the appointment of directors, these management shares have 200 times the voting power. So you do the math. 1 per cent times 200, versus 99 per cent times 1. So you know who trumps who, you know? You know who controls director appointments. Hold your horses. There's a full story here. The irony is — actually, small irony, by the way — is that the concept of these management shares actually was introduced in 1950, guess by whom? The directors of the Straits Times Press. The British directors of the Straits Times Press who wanted to list the company. So to make sure they remain in control they introduced management shares, so that they would be in control no matter who owns the other shares. And they gave themselves 300 times the voting power. So when the law was created, they said ah, that's quite clever. The only change they made was instead of giving it to the British, they gave it to the minister.

So the regime that we have in Singapore is this: Ownership of media companies is strictly restricted. Ownership must be Singaporean, etcetera. And [for] your shares — you cannot be a tycoon. MCI has the ultimate vote of appointments of directors and the chairman. But it then leaves — and I can say this, because I've been in the business — it then leaves the running of the media company to the board and directors. And the editors and journalists — we are largely left to do our professional job. I know critics might disagree, but this regime is actually quite a smart way to regulate the media. And why is it a smart way? Because it gives journalists room for good, meaningful journalism. We just do our jobs. Once in a while, we have a little bit of a run-in here and there. But day-to-day, they just leave us alone to get our jobs done. It's actually sort of like having levers to pull only when *in extremis*. And the law is crafted that way.

Now, as an aside, it pains me today that many people — including some important people — seem happy to operate in this "post-truth" world where you can lie through your teeth and get away with it. I hope this does not infect the mainstream media

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because then the levers will come out. Accuracy must remain a key principle in media ethics.

It also pains me that, sometimes, in this hyper-polarised world, professional news organisations are written off by some critics as producers of fake news, while at the same time, unverified content from dubious sources are lapped up and shared virally, as if it's gospel truth. It just pains me.

And this is symptomatic of a larger problem, which is that massive amounts of disinformation and propaganda are being purveyed through social and digital platforms, often using algorithm-based targeting. So you're targeted. You read one story — you like it, you get more. Before you know it, the feed comes in. You're consuming it. And what happens is that it feeds and deepens the polarisation in so many societies. Now the rub is that these tech platforms are largely unregulated — sometimes every once in a while you get slapped on the wrist by regulators who try to play catch-up. But in most jurisdictions, the tech platforms are immune from any legal responsibility. You can't get to them. They say, no, I'm just a platform. No matter what rubbish goes through it, what libel runs through it, I'm just a platform, and that's the law.

This of course brings me back to the digital revolution and the massive disruption it has caused, which I covered in my lectures. Most legacy titles, including Straits Times, have embraced digital channels and have held on to their audiences. But the problem is, the advertising revenues that we have relied on to pay for our newsrooms have all been vacuumed up by the giant tech platforms. Literally. Whoosh. The whole thing has gone. And not just one paper. They've vacuumed up the entire industry's advertising revenue. So we're talking about \$100 billion a year. Gone. All gone to them. Now, sadly, the business side of the digital companies are even more unregulated than the content side. They can do whatever they like, and they do do whatever they like. Except once in a while, when they get caught. For instance, there's a shocking amount of digital advertising fraud in the entire eco-system, which I've used as a case study in one of my lectures. But unfortunately, effective global regulation in the digital advertising space or the business side is not anywhere near the horizon.

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So this then remains, as Minister Josephine Teo said, the sad backdrop to the formation of SPH Media Trust. In a nutshell, we have a well-regulated legacy media fighting against largely unregulated platforms run by tech giants. It is a battle that is so hard to win.

This was why MCI thought very hard about the likely future outcome and took the huge decision to work with SPH to spin off the media business, and recommend funding the SPH Media Trust to the tune of \$180 million a year, to support continuing investments that are needed. MCI was no doubt aided by its long experience funding Mediacorp, and seeing the positive results.

I know there are concerns about editorial independence, that he who pays the piper surely gets to call the tune. But MCI knows, as Minister Teo just said, that products that lack credibility are of no use to anyone and that has been our consistent line to Mr Lee Kuan Yew, to Mr Goh Chok Tong, to Prime Minister Lee Hsien Loong — we say, if we're not a credible news outlet, news product, you know — nobody will read us. So they understand that. That's been our standard line, as it were. And we believe it, and they believe it too. Thus far, the change to the funding model since last year has not impacted editorial integrity. At least as of now, and I hope it will continue this way.

So the challenge facing the SPH Media Trust — its board, its management, its staff — is to work hard to demonstrate that they are worthy of this funding. That they will produce credible content that are trusted, and to reach growing audiences.

So let me keep it short and end here. Thank you all so very much for taking the time to come. This is just my modest contribution to the field that I've devoted 35 years to. I was quite happy to do it. Did a lot of work, did a lot of research. And I hope you will find it moderately interesting. Thank you very much.