

**“Hundreds of Flowers Blossoming” in the Internet Media Services  
in Hong Kong and Taiwan [Part II]  
“Internet Media Spearheading Press Freedom in Taiwan” \***

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## **Abstract**

The Internet media in Taiwan is also facing a situation akin to that in Hong Kong, reported in Part I of this report, which is that conventional media in Taiwan, confronted by economic pressure from the Chinese government, is exercising “self-restraint” and not reporting news critical of Beijing. It is also similar to Hong Kong in that new Internet media outlets, defiant of the pressure from Beijing, are emerging one after the other and that these outlets are struggling with financial constraints. The biggest difference between Taiwan and Hong Kong that I found during my visit in March 2015 was in their attitudes. In Hong Kong there was a sense of despair that soon or later the Chinese and Hong Kong governments will place a stronger control on the media. But Taiwan was filled with optimism that they will spearhead freedom of speech and press in Taiwan. Taiwan is not a part of the People’s Republic of China as Hong Kong is now and that difference in their relationships with the mainland seems to be a major factor in creating the disparity in their mentalities. In 2012, when the successive acquisitions of media firms by the pro-Beijing Want Want Group came to light, many citizens of Taiwan rose in strong protest and blocked the move. This experience seems to have also influenced the attitudes in Taiwan. In addition, Internet media played an important role in the 2014 “Sunflower Student Movement,” when students temporarily occupied Taiwan’s Legislative Yuan, or parliament, building.

Nevertheless, it is also a fact that Taiwan’s conventional media still holds a major influence on public opinion, and Beijing’s “penetration” of conventional media has not ceased. It is worth noting whether the vibrant Internet media in Taiwan and Hong Kong, although challenged in various degrees on the sustainability of their operations, can lead and move the somewhat reeling traditional media forward to improve the media environment in each area.

## **Introduction**

In Part I, I talked about the conventional media in Hong Kong, pressured economically and politically by the Chinese government and its obedient Hong Kong government to exercise “self-restraint” not to carry reports critical of Beijing, and also on Internet media, which have emerged in numbers in Hong Kong, defiant of the governments’ moves. In Part II, I will take up the situation in Taiwan, which is similar to Hong Kong in that traditional media there is also exercising “self-restraint,” faced with economic pressure from the Chinese government. But unlike Hong Kong, Taiwan is outside the control of the People’s Republic of China, which takes a dictatorial single-party political system run by the Communist Party, and has not been directly pressured by the Chinese government. Another difference is that Taiwan has realized direct election in 1996 to select its president, and the democratization of the country’s political system has been completed at least in form. This means that Taiwan has the backdrop needed to maintaining a more free media environment than Hong Kong. Reporters without Borders, an international media group, publishes the annual *World Press Freedom Index* since 2002, and in its 2015 edition, Hong Kong’s ranking in freedom of press has fallen to 70th from 18th in 2002, its highest ranking. But although Taiwan is ranked 51st in 2015,

which is lower than 32nd in 2007, it is ranked 3rd after New Zealand and Australia when looking just at countries in the Asia-Oceania region, ranking higher than Japan's 61st<sup>1)</sup>. In this report, I will introduce Internet media's role in Taiwan, where the media environment is different from that of Hong Kong, based on research conducted in March 2015. The context is as follows.

- I History and current situation of Taiwan media**
- II Recent “incidents” in Taiwan media**
- III Internet media “spearheading” change in conventional media**
- IV Assessment of Internet media by people involved**
- V Conclusion**

## **I History and current situation of Taiwan media**

After World War II, Chiang Kai-shek moved into Taiwan with his army and established an authoritarian government led by his Kuomintang of China (Chinese Nationalist Party), which controlled the country for a considerable period after that. Under one-party rule, freedom of speech and press was restricted and media businesses faithful to the government were the only ones allowed to operate in Taiwan. As for newspapers, an oligopoly of the market continued for quite some time by two papers controlled by the Kuomintang: the United Daily News founded in 1951 and China Times<sup>2)</sup> founded in 1950. With television broadcasting, Taiwan Television (TTV) started terrestrial broadcasting in 1962, China Television (CTV) in 1969, and Chinese Television System (CTS) in 1971. All three broadcasters are under the control of the Kuomintang, and commercial television broadcasting was dominated by these three for a long period of time.

The situation started to change in the latter half of the 1980s, when democratization of the country began. In 1988, the ban on issuing new newspapers was lifted. From the late 1980s, cable television stations rapidly expanded their services without formal licensing by the government. The authorities enacted a cable-television law in 1993 and officially recognized these cable television stations already in operation. As a result, diversification of media progressed and newspapers were divided into two groups: those that are close to the Kuomintang and those close to the opposition Democratic Progressive Party (DPP). Public opinion on politics was also bipolarized. As for television, the government allowed new licenses of satellite broadcasting through cable TV transmission, so as of June 2015, there are now more than 300 TV channels in Taiwan, including overseas channels. In order to grab a share of the market in a country where the population is only 23 million, TV stations are cutting costs to survive, and because of that, it is pointed out that the quality of the programs have deteriorated.

The basic structure and features of the Taiwan media are as shown in the following Chart 1.

**Chart 1 Basic structure of Taiwan media**

	Newspapers	Television
Close to the Kuomintang (ruling bloc)	China Times United Daily News	China Television Chung T'ien Television (CTi TV) TVBS Eastern Television (ETTV)
Close to the Democratic Progressive Party (opposition bloc)	Liberty Times	Formosa Television (FTV) Sanlih E-Television (SET)
Neutral	Apple Daily	Public Television Service (PTS) Era Television (Era)

- ① Many outlets are friendly to the ruling party, including those that have been in business for a long time like China Times, United Daily News and China Television, and newcomers such as Chung T'ien Television, TVBS and Eastern Television.
- ② Some are close to the Democratic Progressive Party, the leading opposition party. Liberty Times enjoys the largest circulation, and Formosa Television and Sanlih E-Television both enjoy top class viewing rates.
- ③ Few media businesses take a neutral stance to the government and Apple Daily, like the Liberty Times, is a leading newspaper in Taiwan. The average daily viewing rate of Public Television Service (PTS) is only about 0.13 percent and its influence on public opinion is limited.

As for Taiwan's relations with China, the Kuomintang places emphasis on economy and takes an appeasing, pro-Beijing stance. On the other hand, the Democratic Progressive Party values democracy and freedom and draws a demarcation line between China and Taiwan. Apple Daily takes a neutral stance against the two parties, but having democratic and free ideals is critical of Beijing.

## II Recent “incidents” in Taiwan media

Up to now, the two major issues facing conventional Taiwan media, for both newspapers and television, were the degraded quality of their contents, caused by over-competition, and the disproportionate emphasis on ideologies. Harsh competition was a problem mainly for television stations, and over-emphasis on ideology was an issue mainly for newspapers. And the PTS, which does not have these problems, suffered from a low viewer rate, as the programs were considered not entertaining or stimulating enough for the public. From 2008, Chinese influence grew and has created new issues. Typical examples of the issues follow.

### 1 Business expansion of the Want Want Group<sup>3)</sup>

The Want Want Group (旺旺集團) was originally a rice-cracker company led by its charismatic Chairman and CEO Tsai Eng-meng. The company has moved into the Chinese market from the 1990s, and currently does most of its business on the mainland. In November 2008, the Want Want Group bought management rights to the long-standing but financially-strapped China Times Group, and became a cross-media holdings group, owning

major newspapers and television stations: the China Times, Commercial Times, China Television and Chung T'ien Television. Since then, news taken up by these media outlets turned Beijing-friendly. This gravitation toward Beijing sparked strong concerns from non-governmental media-watch groups. But the Want Want Group did not flinch, and in October 2010, agreed to acquire the China Network Systems (CNS), the leading cable-television operator. Furthermore, in November 2012, it launched a takeover of Apple Daily, which had been expressing strong opposition against the expansion of the Want Want Group, by offering an exceptional price for the newspaper, and reached an agreement. The people of Taiwan became worried about the Want Want Group monopolizing the media industry which prompted frequent demonstrations by opposing students and journalists. In March 2013, Tsai Eng-meng, the owner of the Want Want Group, gave up the acquisition. He has also decided to sell CNS and has agreed on the basic terms.

## **2 Popular presenter at Sanlih E-Television's replaced<sup>4)</sup>**

A major cable television channel, Sanlih E-Television (三立電視) , is thought to take a close stance to the opposition Democratic Progressive Party. Its program *Talking Show* (大話新聞) was on air every night from 9 to 11 pm, Monday through Friday. And the program's presenter, Cheng Hung-yi (鄭弘儀) , was popular for the outspoken comments criticizing the Chinese Communist Party, like raising questions on the jailing of Nobel laureate Liu Xiaobo. But the program which had been aired for close to 10 years was abruptly ended at the end of May 2015. According to people working in the media, it is said that Sanlih E-Television had asked Cheng to ease his criticism of Beijing, as the TV station was planning to sell its TV programs overseas. But Cheng wouldn't listen, and in the end, he was removed from the program. Neither Sanlih E-Television nor Cheng has commented on this issue.

## **3 “Live broadcasting” of programs from China**

On April 4, 2013, two Taiwanese news broadcasters, Chung T'ien Television (CTi TV) and Eastern Television (ETTV), carried live on-site pictures (so they say) of the final round of a song contest program, *I'm a Singer* (我是歌手) produced by Hunan Television (HNTV) of China, which was aired for four and a half hours in their news programs. The main reason for the broadcast was that two Taiwanese were selected as finalists in the contest. In Taiwan, the law provides that programs from China must first be screened before airing. But the law was completely ignored by the two TV stations, which stirred criticism from the public. People in the opposition Democratic Progressive Party and others related to the party are concerned that in recent years, in addition to these moves, Chinese history dramas that depict the imperial court when the Qing Dynasty ruled China, like *Legend of Concubine Zhen Huan* (後宮甄嬛伝) , are imported to Taiwan and enjoying high viewing rates. They are afraid that China Central Television (CCTV) will eventually broadcast its news programs in Taiwan.

Of these three incidents, the first two are about Taiwanese television stations and newspapers accommodating China or holding themselves back from reporting anything negative about China for the sake of making money. But the third incident shows Taiwan media outlets easily broadcasting programs from China, a country with opposing political views. The nature of this incident is different from that of the other two. But it can be said that all three have spurred concerns about Taiwan people's "Chinalization."

### **III Internet media “spearheading” change in conventional media**

As conventional media lean toward China, it was Internet media that revealed the gravitation and called for alarm. In March 2012, Governor Su Shulin of Fujian Province in China (second in command to the Chinese Communist Party Secretary in the province) visited Taiwan. China Times of the Want Want Group carried an article calling to Taiwanese firms that Amoy City in Fujian Province is a promising investment target. Concerning this article, Newtalk (新頭殼), an Internet media outlet, obtained a document issued by the Amoy City government titled “Public Relations Plan for Fujian Provincial Governor’s visit to Taiwan” before the visit. After confirming that the article, written specifically as instructed in the obtained document, was carried in the China Times, Newtalk phoned and interviewed an Amoy government official. An official in charge of media relations told them that the government told China Times that “when the receipt of payment (for carrying the article) arrives, the government will transfer the payment to its bank account.” The words of the official were reported as a “scoop,” revealing that China Times was paid by the Amoy government for carrying the story. The Want Want Group denied that there was any transfer of money for the article, but Taiwan’s Ministry of Economic Affairs imposed a fine of 400,000 Taiwan dollars (about US\$13, 500) on China Times for violating the Cross-strait Relations Act<sup>6)</sup>.

Another major incident that brought attention to the activities of the Internet media is the “Sunflower Student Movement” that took place in March 2014. The movement was on the ratification of a service-trade agreement between Taiwan and China. The students were against the ratification because if service trade is liberalized many small-medium businesses, like barber shops, may be forced out of business with Chinese firms moving in.



**Photo: Sunflower Student Movement  
(courtesy of Asst. Prof. Lo Huei-wen (羅慧雯)、Shih Hsin Univ.)**

**Chart 2**

1 Journalism type			2 Social movement type		
1-1 All fields	1-2 Focus on editorial comments, International news	1-3 Investigative reporting supported by donations	2-1 All fields	2-2 Specialized fields	2-3 Digging up local news
☆Newtalk ☆Storm Media	☆The New Lens	☆weReport	☆Coolloud ☆Events in Focus	☆News & Market	☆Local Citizen Journalism

The ruling Kuomintang had become frustrated with discussions concerning this issue not moving ahead at the Legislative Yuan (parliament) and tried to unilaterally end the deliberations. The students, infuriated with the one-sided decision, occupied the Legislative Yuan building to protest. The Internet media actively reported the students' claims, which helped the students win strong public support. Three weeks from the start of the occupation, the students, backed by the people, won a concession from the chairman of the Legislative Yuan, who promised that a law stipulating that the Legislative Yuan will supervise the contents of the agreement will be enacted, and left the council building. The people were anxious of further "Chinalization" of Taiwan and Internet media responded to their worry much stronger than traditional media.

I have categorized eight of these energetic Internet media outlets in Taiwan, including those still in the planning stage, into two groups: journalism type and social movement type. Chart 2 shows the grouping. Their activities and features learnt through my interviews are introduced in the following sections.

## 1 Journalism type

### 1-1 All-fields type

- Newtalk Su Tzengping (蘇正平), Chairman



First, I am going to introduce Internet news outlets that cover all fields of news. One such outlet, Newtalk, began operations in 2009 and is comparatively a long-standing online news channel.

Su is a prominent figure in the media industry. He was the chief editor of Independent Evening News and head writer at Taiwan Daily. During the time the Democratic Progressive Party was the ruling party, he worked as the head of the government's Information Office and

later became the managing director of the Central News Agency. He was aware of the Chinese influence on Taiwan media from early on, and after discussing the matter with friends in the industry, decided to start Newtalk to use the Internet to improve the media environment in Taiwan. It has a staff of fourteen, including ten reporters. The outlet also hires six to seven part-timers and also has contributing reporters living in Britain, Germany, the United States and other countries.

They upload about 35 to 40 articles per day, but during the Sunflower Students Movement, 50 to 60 articles were posted. The website gets about 40,000 unique visitors per day, but also uploads its contents to Yahoo, MSN, HiNet and Facebook. So Su assumes the total number of accesses per day to be around 200,000. Many readers are thought to be between around 20 and 45 years old, relatively well educated, and are interested in social affairs. A major source of income is fees from advertisements carried on its website, and together with revenue from providing news to Yahoo and other news websites, they account for about 60 to 70 percent of its total income. Another source of income is the membership fee for a system called “Friends of Newtalk (新頭殼之友)”; by paying an annual membership fee of 1,000 Taiwan dollars (US\$30), the members are invited to events organized by Newtalk.

Su pointed out that the difference between conventional media and Newtalk is “the importance placed on reporting activities of citizens’ groups.” As an example, he talked about the “Dapu Incident” (大埔事件)<sup>7)</sup>. The incident took place in Miaoli Prefecture in western Taiwan, about 80 km away from Taipei City where most conventional media outlets are headquartered. Miaoli City, the capital of the prefecture, has no branches of media outlets in the city. At the time, information of the incident was seen only on blogs of individuals. But when Newtalk broke the news and posted it on Yahoo, Sanlih E-Television followed suit and the news suddenly became the focus of the nation. Newtalk is a very “serious-minded” news outlet which covers news mostly on political policies, human rights, groups to assist people with disadvantages, and civilian society, and is different from conventional media which focuses on better viewing rates and increasing their circulations.

When I asked Su the difference between conventional media and Internet media as a whole, he talked about the Sunflower Student Movement. He said online news outlets reported the movement much faster than traditional media, and also, compared with conventional media, which is inclined to protect “traditional public order,” the relatively progressive Internet media did not consider the occupation of the Legislative Yuan building as problematic. This attitude of Internet media worked favorably for the students. Su pointed out that conventional media generally treat this type of movements lightly, but began to actively report the Sunflower Student Movement after seeing online media taking the initiative.



**Photo: courtesy of Asst. Prof. Lo Huei-wen (羅慧雯) , Shih Hsin University**

Su stressed that although Newtalk is a “progressive” news outlet, its underlying policies are that they will cover news as a professional and not distort the facts. It will report news without hesitation even if the coverage adversely affects the students.

Some Internet media outlets broadcast commentaries rather than report the news because of limited funds. Though Newtalk is also starting to place importance on commentaries, Su reaffirmed the importance of covering a story, saying, “Reporters who know and understand what is actually happening at the site are indispensable for a news organization to have influence.”

A challenge for Internet media, according to Su, is to improve profitability. Newtalk now has a certain degree of influence as a media outlet and have attained one of its goals. But as a business, it needs to be profitable. Su also talked about “masked advertisements.” (置入性行銷)<sup>8)</sup> “Masked advertisements” are advertisements for political policies or products paid by corporations or government, that are carried without notifying the public that they are advertisements and are “reported” in programs as news reports. According to Su, most media outlets, except for Apple Daily and Newtalk, have taken part in this corrupt practice.

But if an Internet media outlet takes up a story, other media will have no choice but to do the same, and it will be difficult for the government or corporations to smother all media outlets. Su’s assessment was that Internet media is contributing to the betterment of the media environment in Taiwan.

- Storm Media (風傳媒)     David Chang (張果軍), Chairman



Storm Media is a new Internet media outlet which started in February 2014. The chairman, David Chang, was the chairman of Fubon Securities Co., Ltd. belonging to one of the most prominent conglomerates in Taiwan, the Fubon Group. Storm Media has head-hunted many talents from China Times, Apple Daily, Liberty Times, and other new outlets in a short time span. The move is considered as part of the Fubon Group’s strategy to move into the media industry. (But Chairman Chang explained that the investment he made was purely personal and had nothing to do with the Fubon Group.) On the day of my interview with Chairman Chang, Chief Opinion Editor Xia Zhen (夏珍) and Executive Editor Wu Dian Rong (吳典蓉) of Storm Media joined us. But the interview was mainly with Chairman Chang.

Chang did not have any experience in the media industry nor did he know much about the Internet. He gave the case of American Huffingtonpost<sup>9)</sup> as an example for his decision to move into the online media business. Young people today are reading less and less printed material, explained Chang, and said, “I thought Internet media has good prospects as an investment target.” Of course people are still trying to find the best business model of Internet media, even in the United States and China. It will be a big challenge to develop new income

sources in Taiwan which has a smaller market than those countries, said Chang.

Storm Media has 44 employees, of which 25 are reporters, editors and cameramen, who are directly involved in the reporting. This means that the organization is now larger than Newtalk, which started much earlier. Entertainment news or gossips are not covered by Storm Media. It focuses on economic news, and like Newtalk, is a “serious-minded” news outlet. About 40 to 60 articles are written a day, and the number of accesses is about 100,000 to 150,000 per day. But during the Sunflower Student Movement occupation of the Yuan, the number spiked to about 1 million per day. It contributes news reports to Google, Yahoo, MSN and other portal sites so that more people will learn and recognize the name Storm Media. Advertisements on its website bring in 90 percent of the income.



**Photo: Executives of Storm Media**



**Photo: Inside Storm Media's office**

The readers are mostly between 25 and 35 years old and are very well-educated with 85 percent having a bachelor’s degree, 27 percent a master’s degree, and 16 percent a doctorate.

Politically Storm Media is “pro-progressive, pro-liberal.” But it positions itself between the pro-Chinese Kuomintang (indigo blue) and pro-Democratic Progressive Party (green) and takes a neutral stance. “We are neutral, but because we actively cover news on citizen’s movements, people outside our company think that we are pro-green,” explained Chang.

On the Sunflower Student Movement, which took place soon after Storm Media was established, Chang stressed their achievement, saying, “It was an incident that questioned and helped us prove our worth. On March 18 (the day students occupied the Legislative Yuan building), we were informed of the students’ move from a reporter at the site, at about 8:50 pm, and started our coverage right after, which enabled us to do a perfect coverage.” Storm Media’s commentaries are relatively supportive of the students’ movement, but as the company places importance on diversity, its coverage introduces various opinions from a wide range of people.

As for future challenges of Internet media, Chang pointed out that establishing a business model is the most important goal. But at the same time, he also said that readers like to “pick and choose,” and read only what they like, which is a problem that can’t be ignored. Talking about the media in Hong Kong, he pointed out that the media there are in a sense tools for political and social movements. “But the situation in Taiwan is different,” said Chang, stressing the strong journalism spirit that exists in the Taiwan media.

Now let’s take a look at the “all-fields type” Internet media outlets and the degree of influence it has on the entire media industry. This type of online media sort of competes on the same playing ground as conventional media. One such outlet is an online-news-site named *Yahoo! Kimo*, or *Yahoo* in Taiwan. I visited *Yahoo! Kimo*’s website on August 5, 2015, at

12:30 pm (Tokyo time) and checked the sources of the news carried. On the top page were five stories from CTnews (Chinatimes.com), an online news outlet of the China Times, two from udn.com, the online news site of United Daily News, one from HiNet hichannel of China Radio, and one from the Central News Agency. All the articles were from conventional media outlets. On the next page, “focus news,” there were three stories from CTnews, and two from udn.com, and from dedicated Internet news media, there were three stories: one from NOWnews<sup>10)</sup>, one from Taiwan People News<sup>11)</sup>, and one from Storm Media. On the “latest news” page, there were three stories from Formosa Television, two from Newtalk, two from NOWnews, and one from Central News Agency: that means four from Internet media outlets. As for articles in different news fields, for “political news” there were three from CTnews, two from NOWnews, and one from udn.com. For “financial news” there were three from CTnews, two from the Central News Agency, and one from cnYES.com, an online news outlet specializing in financial news. As for “social news,” CTnews provided three, udn.com, two, and television station TVBS, one. With “international news,” it was three for CTnews, one for HiNet hichannel, and one for each AFP, a French news media, and Central News Agency. Of the total 49 articles, dedicated Internet media outlets provided ten: NOWnews, five; Newtalk, two; and Storm Media, Taiwan People News, and cnYES each provided one. In other words, all-field media, except for cnYES, provided nine stories. Some online outlets of conventional media, like China Times and United Daily News, provide articles to portal sites, but others like Apple Daily, posts their articles only on their sites. But considering their financial resources and workforce, we can say that all-field type Internet media outlets are putting up a good fight.

## 1-2 Focus on editorial comments and international news

- The News Lens (關鍵評論網)  
Mario Yang (楊士範) , Founder and Editor in Chief



Because Internet media outlets lack funds and people compared with conventional media, they tend to carry more editorial comments on their pages. This feature was especially noticeable in Hong Kong, which I described in Part I of this report. There are some media outlets in Taiwan that adopt that style, and one such media, the News Lens in Taiwan, is drawing particular attention in the media industry, these days. The News Lens is an Internet media outlet founded in August 2013 by Mario Yang, who once worked for the digital contents section of Business Weekly, and two of his friends who were businessmen. Yang has always talked with these two friends that Taiwan has no Huffingtonpost. They knew that it would take a long time for someone working for a major operation like Business Weekly to go up the ladder and land a leading position in the company. So they drew up a business plan and started to actively collect money and people for the business from the beginning of 2013.

When the website started, it had access from about 100,000 unique visitors per month, but in two months, the number grew to one million per month, and as of August 2015, it has reached 4.5 million. But as of August, the outlet employs only 12 editorial staff members, including two stationed in Hong Kong. The reason why the operation is possible with only 12 staffers is that, unlike Newtalk and Storm Media, the News Lens does not send its own reporters on-site to cover stories. According to Yang, the News Lens looks at about 1,000 news stories provided by Apple Daily, Central News Agency and other major news outlets, and exclude news on entertainment, gossip, car accidents, and the like from them, selects about 10 to 15 stories based on the degree of importance, and does interviews to those related to the selected stories or writes commentaries on those stories. The outlet seems to be comparable to weekly or monthly magazines on politics or economy in Japan. As for the commentaries, compared with conventional media that ask prominent figures to contribute articles regularly, the News Lens works to unearth specialists of various fields, and has now some 400 contributors, including those who urged the new site that it should take them in as contributing writers, seeing that New Lens has become widely known (He did not tell me if they pay the contributors). In Taiwan, television stations and newspapers carry numerous gossips in the entertainment world called *bagua*, or fortune telling. It is commonly known that Taiwan people are not that much interested in international and other serious news. But the News Lens proved that this long-held belief is not true, and ushered in a new phase in the Taiwan media. In addition to the 30 articles per day, the News Lens is starting video contents, and has created a video titled *Ebola Hemorrhagic Fever* which describes the disease in three minutes and can be seen on smartphones. The video has enjoyed about 600,000 accesses, and received thankyou letters from elementary and junior high school teachers saying that it is a useful teaching tool. In addition, the News Lens also began a service that provides news to video screens installed in buses, on walls beside elevators, at convenience stores, and fast food shops, immediately after the News Lens was established. New Lens is expanding its reach every day.



**Photo: The News Lens' office**

The majority of News Lens' income come from banners and sponsor advertisements, but the young company is still in the process of building and the business is still in the red, says Yang. His next priority is to develop news programs for stories from countries in Southeast Asia, like Myanmar, Thailand, Cambodia and Singapore. Most conventional media outlets have not placed much importance on stories from these countries, but these articles have consistently been supported by sophisticated readers who are interested in the area. The News Lens' articles centers on political and economic affairs and it will be interesting to see if the news outlet can further transform the image of Taiwan media.

Yang claims that financial pressure from conglomerates that advertise on the media is

stronger for the Taiwan media than political pressure from the government. But he said that even articles on labor movements, not often carried by conventional media, are taken up by online news outlets like Cooloud and Events in Focus (introduced later), and therefore, Yang does not see a strengthening of media control in Taiwan in the future.

### 1-3 Investigative reporting funded by contributions

- weReport Hu Yuan hui (胡元輝) , Convener of the executive committee



The online media outlet, weReport, funds contributing journalists to carry out investigative reporting. The name comes from its slogan, “You support, we report.” weReport does not have an office. The outlet operates by screening plans for investigative reporting that journalists bring in, posting plans which have passed the screening on its website, and asking the public to donate funds to the suggested investigative reporting plans of their choice. In other words, weReport acts as a bridge between journalist and the public. This type of crowd sourcing is more advanced in the United States, and well-known platforms are Kickstarter<sup>12)</sup> and Indiegogo<sup>13)</sup>, but Spot.us, which collect contributions to conduct investigative reporting, has already shut down its business in 2015, indicating the difficulties facing this type of operations. weReport started operations at the end of 2011, and according to Hu's research, it is the first one of its kind in Asia. Up to now, weReport has collected some 3 million Taiwan dollars (about US\$97,000), and over 60 “deep investigative reporting” have been carried out. He gave the following examples.

#### i Nantou Prefecture high-technology development district project

Many houses collapsed in Tiong Hing Sin Tshun village in Nantou Prefecture, at the heart of Taiwan, when a major earthquake struck the area in 1999, and its population which was 24,000 at its peak decreased to 16,000. In 2007, a year before the presidential election in Taiwan, a candidate, Ma Yingjeou, of the Kuomintang -- who was later elected -- proposed a new regional revitalization plan when he was campaigning in the counties. For Tiong Hing Sin Tshun village, he proposed building a high-technology development district like the electronics industry cluster zone in Hsinchu City in northern Taiwan. But when it was discovered that compensation money needed for the expropriation of land grew to an enormous 5.8 billion Taiwan dollars (about US\$190,000,000) and that other high-technology development districts were suffering, not attracting enough firms, and criticism for Ma's plan suddenly exploded. The news was reported in weReport , from between 2011 and 2012, by Wu Zhong jie(吳中傑) and Jian Yong da(簡永達). Funded through crowd sourcing, they went to the site to investigate on the issues facing the project and reported on the problems.

## ii The truth of a “Nutritional Lunch” at elementary and junior high schools

In Taiwan, school lunch at elementary and junior high schools is called a “Nutritional Lunch.” But it was discovered that most of the lunch meals were made of processed foods or foodstuff that were tainted with agricultural chemicals; school lunch was far from a nutritious meal. The investigative report was carried out by Wang wen hao (汪文豪) of the Internet media outlet News and Market, and funded by 26 citizens who contributed some 110,000 Taiwan dollars (US\$3,500) through weReport. The report covered stories on many schools, introducing stories in Tainan City in southern Taiwan where the schools promote eating locally. The report won the 2012 Consumer-Benefit Journalism Award (消費者權益報道賞)<sup>14)</sup>.

According to Hu, opening expenses totaled 1.8 million Taiwan dollars (about US\$57,000), of which 1.7 million Taiwan dollars (about US\$52,000) was provided by Prof. Chao Chen (Caroline) Lin(林照真) of the National Taiwan University. Prof. Lin had lost her daughter in an automobile accident, and contributed the money she had set aside for her daughter’s education. Currently, the secretariat of weReport consists of five executive committee members who are all experts in journalism research: Asst. Prof. Hu Yuan hui of the National Chung Cheng University, Prof. Lo Shih-hung (羅世宏), also of the National Chung Cheng University, and Prof. Lin Lih-yun (林麗雲) of the Graduate Institute of Journalism at the National Taiwan University. People working for major news organizations are not eligible to apply for project assistance, but project applications from small-scale online news media and citizen reporters<sup>15)</sup> are accepted. Its doors are also open to applications from overseas. Zhou Shu guang (周曙光) is a well-known citizen reporter in mainland China, and his project to investigate unreasonable marriage fees demanded on Taiwanese and Chinese couples by a Chinese local government was accepted for investigative reporting.

When screening the projects, they are judged on the process of reporting, such as how and where they plan to do the research and reporting, and basically not rejected for their contents. Once accepted, the project’s purpose and the amount of funding needed are posted on the website. A little more than 50 percent of the projects collect the full amount requested, and the number would be about 90 percent if those that collect more than half of the requested amount are included. It is not required for projects to start if it cannot get the required amount, but in most cases reporters start investigations even if 100% of the required amount is not collected.

Hu pointed out the issues of media environment in Taiwan as a reason for starting this type of a platform. He explained that with fierce competition between media outlets, speed has become the priority and there is not much deep, investigative reporting. weReport takes up nuclear power plants, Taiwan-China relations, jobs for young people, housing and various other issues; a story on the nuclear accident “Chernobyl 29 years later” was reported by going to the site of the disaster to do research on the accident. From a different viewpoint, we can say that weReport feels it necessary to report these issues because other broadcasters and newspapers are not that much interested in the issues.

Hu and other members of the weReport executive committee had been actively participating in an NGO called “The Campaign for Media Reform.” But in hindsight, the members realized they were working only to enrich the contents of the Public Television Service and were not interested that much in not-for-profit media outlets. They felt that something should be done. Hu believes that although Internet media outlets are small in size, their activities stimulate reform in conventional media, and their influence is in fact large. But one issue facing Internet media is that they depend much of their funds on contributions from individuals. Online media do not generally charge for viewing, and budget constraints are holding back its growth.

## 2 Social movement type

### 2-1 All-fields type

- Coolloud (苦勞網) Wang Hao Zhong (王顥中), Journalist



According to Wang Hao Zhong, Coolloud began not as a media outlet but as the archives on social movements on labor issues at the Shih Hsin University, known for its journalism studies. So, at the start, the members were researchers. Its first report as an Internet news media was posted in 1998. The story was on a strike by drivers at a bus company called United Bus Co., Ltd. (UBUS). At the time, they already used cell phones to report on-site. Over time, Coolloud extended the range of subjects taken up to the environment, women's rights, anti-nuclear power plants, and so on. Wang said, currently, labor issues take up one-third of the total number of articles carried.

Coolloud has five staff members, including four reporters. Up to 2012, the members worked as volunteers with no pay, but recently, it has started paying salaries for their work. But the company is enduring an unending shortage of funds. Its source of income is contributions in small amounts, mainly from people who participate or are empathetic to social movements. To answer to their good will, its financial report is made public on its website. Wang told me that income for December 2014 was 288,644 Taiwan dollars (about US\$9,000) and expenditure 333,449 Taiwan dollars (about US\$10,600), and the balance sheet was a little in the red. Although salaries take up four-fifth of the expenditure, the payment to employees is less than other media companies. But Wang thinks that "social movement type media" requires specialized knowledge and so the reporters need to be professionals and not volunteers.

The number of articles depends on the day, and some days there will be only one article but on other days there may be three to four featured articles carried. The number of accesses is on average about one to two thousand a day. The number is comparatively small for an Internet media service, and to increase the number, Coolloud provides articles to Apple Daily's online site and Facebook.

Wang explained people were not that much interested in social movements until 2011. Recently, many media outlets report on social movements, but only superficially when there are demonstrations, and they do not dig deep into the issues. Coolloud is known for investigative reporting, but because the number of accesses is limited, it will benefit social movements if reporters leave Coolloud and go to work for major media, said Wang. And recently, when reporting on the incident concerning the expropriation of land, conventional media came to Coolloud for information on the background of the issue.

- Events in Focus (焦点事件) Sun Qiong Li (孫窮理) Founder



Sun Qiong Li worked at Coolloud for 18 years before he founded Events in Focus, an Internet media outlet, in January 2015, by himself. It posts several articles per month. He has no office and so the interview was done at a café. Sun argued that Coolloud is basically a volunteer organization, so there was freedom but the direction was not what he was hoping for. Social movements, he argues, inherently become organizations over time, but the prerequisite for “social-movement-type media” is to function as a media and for that a journalist must not become a member of a social movement organization. In other words, Coolloud was too social movement oriented and he wanted to focus his activities on being a media outlet.

But in fact, many of what Sun takes up are social issues such as nuclear power plants, TPP (Trans-Pacific Partnership trade deal), and on people working as highway toll collectors losing their jobs. Sun considers that “social-movement-type media,” fully functioning as a news media will eventually benefit social movements.

Like other small Internet media outlets, securing operating funds is the main issue for Events in Focus. When news stories on a media outlet are mostly social issues, advertisements are hard to get. But Sun sees it like this: if media outlets carry advertisements, then the neutrality of the outlet may be affected. So the basic source of income should be contributions. If enough funds are collected Sun will hire more reporters, and from his experience at Coolloud, he says, “Producing good news articles will bring in contributions.” He stressed he will make every effort to cover interesting news stories.

## 2-2 Specialized fields

- News & Market (上下遊) Feng Xiao Fei (馮小非), Co-founder



News & Market is an Internet media service specializing in news on agriculture and food safety. Feng, and current chief editor Wang Wen Hao (汪文豪), who has been reporting

agricultural news for some 20 years and is known for his many scoop stories, co-founded News and Market in 2011. The operation currently has ten staff members. A feature of News & Market is that in addition to the news section, it has a section for selling farm products on its site. Each section has five staff members. The business model is as follows.

◎News section

- An annual membership fee of 300 Taiwan dollars (about US\$10) is collected. (But non-members can also visit the website.)

-A non-profit organization bears the salary of one reporter. (But on the condition that the organization will not intervene in what is reported.)

-A wealthy individual bears the salary of one reporter.

◎Sales section

-Sells organic produce and other items like jam and banana from small-scale farms and acts as a platform that connects farmers and consumers.

-Earns enough to fund operations of the news section.

The reporters write about one article a day, and try to write, once a month, one investigative story, rich in content. The articles are highly specialized so accesses by unique visitors are about ten to fifteen thousand per day. But when the article is on a major story, the accesses could amount to several hundred thousand. Eighty percent of the accesses are via Facebook. It seems that most small-medium sized Internet media outlets largely depend on major SNS and portals for accesses.

Feng complained that conventional media will report on food safety but not on agricultural issues. For example, there is a press room at the Council of Agriculture in the Executive Yuan, but reporters working for conventional media do not go outside that room to cover a story. It seems conventional media outlets are focused on news in Taipei and that inclination is adversely affecting news reporting. In March, when I interviewed Feng, Taiwan was suffering from a water shortage, and the government had prohibited the planting of rice in some areas. Feng told me that conventional media, especially television stations, do not have reporters specializing in agriculture and showed little interest in the issue.

News & Market now accepts articles from citizen reporters and farmers, and has people who have studied agriculture in Japan become contract reporters, so that it can broaden the range of reporting. But Feng understands that News & Market's influence on the public is limited and hopes to train reporters specializing in agriculture and send them to work in major conventional media outlets.

### 2-3 Digging up local news

- Local Citizen Journalism (地方公民新聞) Zhuang Feng Jia (莊豐嘉), Founder



Zhuang Feng Jia was an assistant chief editor at the Central News Agency. In 2008,

after the Kuomintang recaptured control of the government from the Democratic Progressive Party, a spokesperson for Ma Ying-jeou's campaign was hired as the executive vice president of the Central News Agency. The new vice president ordered that "stories negative to President Ma or the Legislative Yuan" must not be reported. To defy this order, Zhuang left<sup>16)</sup> the news agency and participated in founding Newtalk, the internet news media outlet He worked there until the beginning of 2015 as the chief editor. When I talked to Zhuang in March, he told me that he is planning to start a new online publication, Local Citizen Journalism (地方公民新聞).

Zhuang plans to train some 1,000 reporters, mostly young people, and have them go to various places in the country to cover stories. He plans to hold the first training session in the city of Taichung in central Taiwan from April. In the backdrop of his ideas, as mentioned before, is that because headquarters of news services are mostly located in Taipei, news from other areas in the country, except those for sensational incidents or accidents, are hardly reported. Of course the Public Television Service's online platform, Peopo, is supposed to remedy these issues, but according to Zhuang, there is a big discrepancy between good and bad stories at Peopo, and many of its stories are not fit to be a topic of discussion for the public. As for some 8,000 citizen reporters who contribute to Peopo, many do not have a balanced view of a story which is essential for journalism, and Zhuang does not think highly of them. That is why he came up with the idea of giving full training to citizens so that they will be able post proper articles. If an article attracts advertisers, the income from the advertiser will be shared with the reporters. The issue is how he can come up with the funds to start the training, but Zhuang is going around NGOs and companies to ask for donations.

Local governments support these activities because reporting local news, they expect, will help develop local industries and thus vitalize the areas. In the future, he hopes to have citizen reporters from different areas, such as Pingtung and Tainan, to jointly do a report on, for example, food safety and compile a nationwide report of the issue.

Zhuang told me later that, as of August 2015, training sessions for some 100 citizen reporters were held at five locations: Taichung, Tainan, Taoyuan, New Taipei City, Taitung, and that he has launched a site called Chuan lou kou (串樓口), or connecting locals, in October -- the pronunciation of characters 樓口(lou kou) is close to the English word "local," and 串 (Chuan), meaning "connecting."

#### **IV Assessment of Internet media by people involved**

- Chen Shei-Saint (陳學聖) , Legislator (member of parliament), Kuomintang



I interviewed a politician and a person in the media industry about the situation of the media in Taiwan. The first person I asked is a member of the ruling Kuomintang (Chinese

Nationalist Party). Some people in the party consider Internet media as a nuisance because in many cases they are relatively critical of politicians and have social-movement-like characteristics. But Chen who once was a reporter for China Times and is a liberal member of the Kuomintang considers the growth of Internet media positively. He talked of the Sunflower Student Movement and said that Taiwan is a rare case where Internet media was able to successfully influence politics. For example, it would cost several million Taiwan dollars for a TV station to send a broadcast van to cover a story. But using the Internet would allow reporters to cover stories and send images with their mobile phones, cheaply. Chen considers Internet media will work to “end the monopoly of conventional media” and “promote freedom and transparency of information” and rates it highly. But at the same time, members of the Kuomintang believe that Internet media caused the party’s crushing defeat in the local elections of 2014. And Chen expressed his sense of crisis that party members are not aware of the problems facing their own party.

On the future of Internet media, he said, “Anyone can participate, but there’s no assurance that all can survive.” He warned against being too optimistic, and said, “That’s because Internet media cannot inherently become a major news outlet.” He added that they will each take on separate roles: small-medium sized Internet media outlets will dig deep into a story and conventional media will collect, analyze, and organize the information dug up by the Internet media.

- Kuan Bi-ling (管碧玲) , Legislator, Democratic Progressive Party



Kuan Bi-ling is a specialist on public policy. After teaching at university, she worked as the chief of public relations and head of the cultural bureau for the Kaohsiung City government. She is a member of the Democratic Progressive Party, and from 2005, has been serving as legislator. Kuan’s assessment is that conventional media which are keeping quiet, pressured by China, will be forced to follow suit seeing online news outlets reporting “scoop” news, and this will help improve the media environment and promote freedom and democracy in Taiwan. She especially thinks highly of Cooloud and News & Market, as “they have the ability to dig deep into a story and report them.” This type of reporting, she says, is contributing greatly in democratizing decision-making by bringing transparency to what it means to disclose, be impartial, and fair in principle and policies. But on the other hand, Kuan points out that Internet tend to cater to the masses and react oversensitively to posts, and called for caution.

Kuan states that conventional media still has strong influence and pointed out two issues. First is the influence of China. While you can talk about stories on China online, they are not discussed much on TV. Conventional media may criticize a policy of President Ma Ying-jeou, but not of China. The second issue is that talk shows on television take up only

political issues and cultural, social and international problems are left on the backburner. In order for the media environment in Taiwan to really improve, revamping conventional media is needed, said Kuan.

- People in the media Zhuang Feng Jia (莊豐嘉)

Zhuang Feng Jia has worked both at a major conventional media and an Internet media outlet. So I asked him to assess online media objectively. According to Zhuang Internet media in Taiwan has developed considerably in these past few years and has diversified. In addition to Newtalk and Storm Media, which report political and social movements and public issues, numerous outlets have popped up like TechNews (科技新報) and YoWuReport (有物報告) for science and technology, News & Market for food safety, Watchout (沃草)<sup>17)</sup> for live news broadcasts, and g0v (零時政府)<sup>18)</sup> reporting social movements. Most of these new outlets are critical of the government, and during the Sunflower Student Movement, Watchout, g0v and other outlets all stood with the students and reported their idea. On the other hand, as Zhuang says, it is difficult to operate an online news outlet by charging fees, and they depend on advertisement income to operate. They are all having trouble making ends meet. As for conventional media outlets moving into Internet media, Apple Daily enjoys some 10 million accesses followed by Liberty Times (libertytimes.com) and United Daily News (udnnews.com).

Zhuang claims the success of social movements has prevented the deterioration of media environment in Taiwan and Internet media played a vital role to that effect.

## V Conclusion

Most Internet media outlets started only two or three years ago and are very young. But through my research and interviews I have come to understand their *philosophy* and characteristics, to an extent. But whether their operations will grow smoothly in the future is difficult to predict. In June 2015, it was revealed that the founder of Watchout had misappropriated public funds of 2 million Taiwan dollars (US\$63,000) for private uses. It is a fact that this incident greatly damaged people's confidence in Internet media. But it is also true that Internet media in Taiwan acts to absorb young people's dissatisfaction toward the current government system and conventional media, and its role in the Sunflower Student Movement in 2014 was remarkable.

The biggest difference between the Internet media of Taiwan and Hong Kong I felt during my research in March 2015 is the mood of people in the media. They are essentially same in that they are both suffering financially, but I felt a sense of despair in Hong Kong that soon or later the governments of China and Hong Kong will strengthen their grip on the media. Compared with that, Taiwan had a positive attitude that they are the ones that will lead freedom of speech and press forward. Hong Kong is already a *part* of the People's Republic of China, whereas Taiwan is not, and this difference seems to have created this gap between the two areas. The citizens in Taiwan initiated a major movement against the successive acquisitions of major news outlets in Taiwan by the Want Want Group in 2012. And the people's success in stopping the acquisitions also seems to have influenced the mood in Taiwan. Unlike Hong Kong that has witnessed incidents indicating the governments' pressure on media, ever since the failure of the Want Want Group to buyout media outlets, such incidents have not occurred in Taiwan. The strong will of the people to stop "Chinalization" were seen in the student movements that had occurred in Taiwan and Hong Kong in 2014. Compared with Taiwan, who succeeded winning many of its demands, students in Hong Kong were forcefully removed from the streets where they were protesting without winning any of

their demands from the government, revealing a large disparity in social freedom, including freedom of press, in the two areas.

But as Legislator Kuan of the Democratic Progressive Party warns, while conventional media still has a strong influence on public opinion, it is still a fact that China's penetration of media in Taiwan has not ended.

Internet media in both Taiwan and Hong Kong are vibrant, and although they are bound to face financial issues which will threaten their existence to some extent, we should give much attention to see if they can lead the somewhat reserved conventional media and improve the media environment in both areas.

Notes:

- 1) For detail visit <http://re.rsf.org/>
- 2) China Times has no connection with the communist government of mainland China both financially or in management. Taiwan still has firms such as China Television that crowns its cooperative name with China, as Chiang Kai-shek's government called Taiwan the "Republic of China" based on its official position that it is the government that represents all of China.
- 3) For detail on Want Want Group's expanding into the media industry, refer to articles by Ken-ichi Yamada: "What it Takes for 'Diversity of Opinions' and 'Impartial Reporting' to Survive and Thrive," Sept. 2009; "Growing 'Consideration' for China among the Media in Taiwan and Hong Kong (Part 1)", May 2013, the NHK Monthly Report on Broadcast Research
- 4) For detail refer to "Growing 'Consideration' for China among the Media in Taiwan and Hong Kong (Part 1)," Ken-ichi Yamada, May 2013, the NHK Monthly Report on Broadcast Research
- 5) For detail refer to "Taiwan Media Swaying in its Relations with China," June 2013, Newspaper Research
- 6) According to law, when carrying advertisements that promote sales of goods and labor from mainland China, it is necessary to apply for permission to the authorities concerned, beforehand.
- 7) A farmland expropriation that was carried out in Miaoli **Prefecture** in northeast Taiwan from 2010 to 2014. The local government destroyed the paddies ignoring the demands of the opposing farmers, which intensified opposition movements by the farmers and citizens groups, resulting in two suicides. The parties reached a settlement by securing relocation sites for the farmers.
- 8) For detail refer to "Taiwanese Media Rocked by 'Placement Marketing'-Commercials Disguising as News: a Malady that 'Deludes' Readers and Viewers," Ken-ichi Yamada, July 2011, the NHK Monthly Report on Broadcast Research
- 9) A liberal online newspaper in the United States, established in 2005. It takes up politics, media business, entertainment and a variety of other subjects, and is known for commentary blogs contributed by various columnists. It has expanded its operation overseas and runs sites for Japanese, British, and French audiences.
- 10) In 2008, NOWnews Ltd., bought ETtoday.com from Eastern Television, a major media group, and rename it to NOWnews.com when launching the online media service. It is the first media outlet in Taiwan which sends out news exclusively online. It posts more than 400 stories per day, and provides stories to major news sites like Yahoo! Kimo, MSN, HiNet.
- 11) Nobel laureate Lee Yuan Tseh and film director Wu Nien Jen were the central figures in establishing this Internet media, widely regarded as pro-Taiwan independence.
- 12) A platform started in 2009. Collects contributions to carry out projects in various fields like films, music, journalism, video games, science and technology. It is said that it has already collected a total of some 1.5 billion dollars to carry out over 200,000 projects. The donors usually enjoy preferential treatment from people carrying out the project.
- 13) Started as a crowd-funding platform in 2008 to carry out projects. Some 9 million visit the site from around the world.
- 14) Refer to 公衆委製新聞的時代來臨(Public Commission's the News of the Era), by chief editor

Yuan Hui Hu, 2012, 優質新聞發展協會(Quality News Development Association).

- 15) Taiwan's Public Television has incorporated citizen journalists in their operation, called "PeoPo" since 2007. In this system the general public can register their name and ID at the station to post news and video. For detail refer to "Public Broadcasters' Internet Service in the World: Part V, Taiwan's Group of Public Broadcasters and Hong Kong's RTHK," Ken-ichi Yamada, February 2009, NHK Monthly Report on Broadcast Research.
- 16) For detail refer to "Taiwanese Public Broadcasters Swayed by the New Administration's 'Pressure,'" Ken-ichi Yamada, April 2009, NHK Monthly Report on Broadcast Research.
- 17) An Internet media established by physician Wei Liu Lin aiming to "supervise the government's management as an independent platform." The purpose it to check the actions of legislators and high government officials. It often broadcasts deliberations at the Yuan. During the 2014 mayoral election in Taipei, a debate by three candidates was carried over the Internet and was received well by the public.
- 18) A platform aiming to maintain transparency of government's information and data and to protect freedom of speech and press. The national budget and other relevant information are given in a way that is easy for the general public to understand to strength monitoring of government actions.