SOCIETY, STATE, AND ELECTRONIC MEDIA POLICY:

THE INTRODUCTION OF CABLE TO TAIWAN

DISSERTATION

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By

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# TABLE OF CONTENTS

ACKNOWLEDGMENTS ......................................................... ii
VITA ........................................................................ iii
LIST OF TABLES ............................................................... vii
LIST OF FIGURES ............................................................. viii

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Rationale for the Study</td>
<td>3</td>
</tr>
<tr>
<td>1.2 Defining the State</td>
<td>12</td>
</tr>
<tr>
<td>1.3 Research Method</td>
<td>15</td>
</tr>
<tr>
<td>1.4 Overview of Chapters</td>
<td>20</td>
</tr>
<tr>
<td>II. THEORIES AND LITERATURE</td>
<td>23</td>
</tr>
<tr>
<td>2.1 Policy-Making Approaches</td>
<td>23</td>
</tr>
<tr>
<td>2.1.1 Rational actor and state autonomy</td>
<td>24</td>
</tr>
<tr>
<td>2.1.2 The state autonomy in relation to development</td>
<td>28</td>
</tr>
<tr>
<td>2.2 Mass Media and Politics</td>
<td>32</td>
</tr>
<tr>
<td>2.2.1 Relationships between media and political institutions</td>
<td>33</td>
</tr>
<tr>
<td>2.2.2 Disintegrating the monopoly—deregulation and privatization</td>
<td>40</td>
</tr>
<tr>
<td>2.3 Language in the Context of Politics</td>
<td>44</td>
</tr>
<tr>
<td>2.3.1 Language, nationalism, and social identity</td>
<td>45</td>
</tr>
<tr>
<td>2.3.2 Language policy and planning</td>
<td>49</td>
</tr>
<tr>
<td>2.4 Broadband Communications</td>
<td>52</td>
</tr>
<tr>
<td>2.4.1 Concept of cable communication</td>
<td>52</td>
</tr>
<tr>
<td>2.4.2 Cable's impact on use of competing media</td>
<td>56</td>
</tr>
<tr>
<td>2.5 Summary</td>
<td>58</td>
</tr>
<tr>
<td>III. THE IDEOLOGY, STATE, AND REGULATIONS</td>
<td>62</td>
</tr>
<tr>
<td>3.1 The State and National Ideology</td>
<td>62</td>
</tr>
<tr>
<td>3.1.1 The KMT state</td>
<td>64</td>
</tr>
<tr>
<td>3.1.2 The national ideology and media philosophy: the thoughts of Sun Yat-sen, Chiang Kai-shek, and Chiang Ching-kuo</td>
<td>69</td>
</tr>
</tbody>
</table>
3.2 Broadcasting Environments Before and After 1949 ... 79
   3.2.1 Broadcasting in China—before 1949 ... 79
   3.2.2 Radio and television in Taiwan—after 1949 ... 82
3.3 Control and Regulations ... 94
   3.3.1 The evolving regulatory environments ... 95
   3.3.2 Regulations at issue ... 103
3.4 Summary ... 112

IV. CABLE TELEVISION IN TAIWAN: SOCIAL AND
    POLITICAL FACTORS ... 115
4.1 Society in Transition ... 115
   4.1.1 Economic development—rapid growth and
         structural change ... 117
   4.1.2 The rise of middle class ... 123
   4.1.3 From hard to soft authoritarianism ... 130
4.2 Cable Emergence ... 134
   4.2.1 Emergence of "little ear" and
       "channel 4" ... 135
   4.2.2 Cable TV System Working Group 1983-1985 ... 140
   4.2.3 Conclusions of the Working Group Report ... 149
4.3 Who Owns/Runs the Cable? ... 155
   4.3.1 No more monopoly ... 157
   4.3.2 Take-off of the cable project ... 162
4.4 Summary ... 173

V. CABLE TELEVISION IN TAIWAN: PROGRAMMING,
    INFRASTRUCTURE, AND MARKETPLACE ... 176
5.1 Programming Capability ... 176
   5.1.1 Filling air time ... 177
   5.1.2 What people watch ... 183
   5.1.3 How good is TV programming industry? ... 191
5.2 Technology Innovations ... 196
   5.2.1 The Odyssey of technology development ... 197
   5.2.2 The satellite pipe dream ... 203
   5.2.3 Information infrastructure ... 211
5.3 Advertising Growth ... 218
   5.3.1 Advertising Grows along with the economy ... 220
   5.3.2 Advertising selling and control ... 225
5.4 Summary ... 229

VI. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS ... 232
6.1 Summary ... 232
6.1.1 Forces that influence electronic media policy 233
6.1.2 Reasons for having cable systems 240
6.1.3 Supporting industries 248
5.2 Appraisal 251
6.3 Conclusions 253
6.4 Findings, Recommendations and suggestions 257
6.4.1 Major findings 257
6.4.2 Recommendations for electronic media 260
6.4.3 Suggestions for future researches 262

APPENDICES

A. Key Economic Indicators for Selected Nations 264
B. List of Interviewees 265
C. Interview Questions 268
D. Map of Taiwan 270
E. The Broadcast and Television Law 271
F. The Enforcement Rules and the Broadcasting and Television Law 284

LIST OF REFERENCES 300
# LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLES</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The forces behind privatization</td>
<td>43</td>
</tr>
<tr>
<td>2. Evolution of ownership of radio stations in Taiwan</td>
<td>84</td>
</tr>
<tr>
<td>3. Allocation of VHF TV channels in Taiwan</td>
<td>106</td>
</tr>
<tr>
<td>4. Selective indicators of Taiwan Economy</td>
<td>118</td>
</tr>
<tr>
<td>5. Indexes of Taiwan's labor productivity and earnings in manufacturing 1974-1987</td>
<td>126</td>
</tr>
<tr>
<td>6. Benchmark survey of cable TV market in Taipei and its environs, 1984</td>
<td>144</td>
</tr>
<tr>
<td>7. Advantages and potential problems concerning development of cable systems in Taiwan</td>
<td>150</td>
</tr>
<tr>
<td>8. Top ten foreign TV programs in Taiwan (1989)</td>
<td>178</td>
</tr>
<tr>
<td>9. Proportions of classified TV programs by nature of contents 1962-1989</td>
<td>184</td>
</tr>
<tr>
<td>10. Proportions of classified TV programs by languages</td>
<td>190</td>
</tr>
<tr>
<td>11. The Recovery of telecommunications construction in Taiwan</td>
<td>212</td>
</tr>
<tr>
<td>12. Telecommunications infrastructure in Taiwan</td>
<td>213</td>
</tr>
<tr>
<td>13. Key indicators of Taiwan's information industry</td>
<td>217</td>
</tr>
<tr>
<td>14. Breakdown of information industry products in Taiwan</td>
<td>219</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURES</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conceptual model of electronic media policy-making in the Republic of China (ROC)</td>
<td>9</td>
</tr>
<tr>
<td>2. World broadcasting ownership</td>
<td>35</td>
</tr>
<tr>
<td>3. Kuomintang (KMT) organizational chart</td>
<td>66</td>
</tr>
<tr>
<td>4. Constitutional government structure of ROC</td>
<td>68</td>
</tr>
<tr>
<td>5. Organizational structure of TTV</td>
<td>87</td>
</tr>
<tr>
<td>6. Capital structure of TTV</td>
<td>88</td>
</tr>
<tr>
<td>7. Capital structure of CTV</td>
<td>90</td>
</tr>
<tr>
<td>8. Capital structure of CTS</td>
<td>91</td>
</tr>
<tr>
<td>9. The ROC state's control over TV Networks</td>
<td>94</td>
</tr>
<tr>
<td>10. Interorganizational relations of the television industry in Taiwan</td>
<td>96</td>
</tr>
<tr>
<td>11. Organizational structure of the Government Information Office (GIO)</td>
<td>101</td>
</tr>
<tr>
<td>12. Flowchart for electronic media decision-making in Taiwan</td>
<td>104</td>
</tr>
<tr>
<td>13. Net domestic product by kind of activity</td>
<td>121</td>
</tr>
<tr>
<td>14. Organizational structure of the cable TV task force</td>
<td>169</td>
</tr>
<tr>
<td>15. Advertising volume vs. per capita income between 1961-1989</td>
<td>222</td>
</tr>
<tr>
<td>16. Major media shares of advertising volume in the Taiwan area between 1960-1989</td>
<td>222</td>
</tr>
<tr>
<td>17. Media shares of advertising volume in the Taiwan area in 1989</td>
<td>223</td>
</tr>
<tr>
<td>18. Broadcast television and cable system revenue sources in the United States</td>
<td>225</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

In 1988, the government of the Republic of China (ROC) decided to develop cable television and to allow private enterprises to provide cable services in Taiwan. This decision invoked a number of questions that prompted this research in which the factors that have culminated in the emergence of cable TV are analyzed.

The Republic of China (ROC) was founded by the Kuomintang (KMT) party in 1911 and has been dominated by the party ever since. Nonetheless, before 1949, having suffered from a series of wars against warlords, Japanese intruders, and the Communists, the KMT had not formed a clear-cut communication media policy.

In 1949, the KMT was defeated by the Communists and retreated into Taiwan which had been occupied by the Japanese for fifty years. Until the late 1970s, all mass media on the island had been monopolized by the KMT state, though operated in a commercial way. In 1962, television started out with one station, a second in 1969, and a third in 1971. For almost two decades thereafter, the three-station TV system has
remained essentially unchanged. Since the early 1980s, the KMT government has gradually loosened control over other mass media but not over radio and television. Motivated by socio-economic and political objectives, the KMT state shifted its policy and relaxed limits little by little. Taiwan has now reached the point where it is out of step with the rapidly changing domestic and international environment.

With the rapid accumulation of economic wealth, people want more TV channels to choose from, more options of times to watch TV, and more programs with useful knowledge in addition to pure entertainment. Furthermore, with political democratization, the opposition parties have asked for more opportunities to get their voices and images disseminated via the airwaves.

On a broader level, it is inevitable that TV will move forward in the directions of pluralism, diversity, and democracy that are now being explored by other sectors of society. If the state does not move in these directions, society will move forward on its own and eventually break the bonds of the existing broadcast system without creating a comprehensive and effective national structure in its place. The "Little Ears" and "Channel 4" are two prominent examples of this. However, owing to time-honored political ideology,
the KMT state appears not ready for compromise. As a result, cable TV has emerged as a stopgap measure.

As in other sectors of life in Taiwan, the pace and intensity of change in electronic media policy will not satisfy the firebrands. It matches the "revolution by evolution" characteristic of the KMT government's actions; the KMT claims this method avoids the dislocating effects and social convulsions of more drastic methods of reform, yet it does not stifle the changes which are inevitable in the modern world. This kind of interactive struggle over the pace of change between the KMT state and the rest of society is likely to continue.

1.1 Rationale for this Study

This study will describe and identify the inter-relationships between the factors that have culminated in the emergence of cable TV in Taiwan. The analysis emphasizes the ideology the KMT state imposes on communication media, the elements driving Taiwan society toward cable TV; the processes by which cable policy was made, and the industries (programming, telecommunication and advertising) supporting the emergence of cable TV. Due to the wide discrepancy between the technology developers, (the KMT state) and
technology assessors, (the public and the opposition), the issue discussed in the study, as Parker suggested (1973), is not the technology itself, but rather the institutions that capture or grow up around the new technology. Therefore, the following specific questions are explored in this dissertation:

1. To what extent does the KMT ideology influence the ROC state and its communication policy?

2. Why does the state promote cable television? Does this reflect any change in the state's overall electronic media policy?

3. At a time when the ruling KMT is losing its political dominance, when Taiwan confronts an economic bottleneck, and when the icebound relations between Taiwan and Chinese mainland are thawing—can the implementation of cable television influence broaden social issues such as privatizing ownership, liberalizing language-use, diversifying television programs, and accommodating foreign Direct Broadcast Satellite (DBS) systems?

During the last decade communication scholars and policy makers have increasingly turned their attention to the social consequences associated with information societies (e.g., Beniger 1986; Compaine 1984; Pool 1983; Salvaggio 1989a, 1989b; Williams 1988). Most of these studies have concluded
that minimizing the undesirable side effects of information technology is an important task for policy makers.

The problem with this view is that it is based on two false assumptions. The first false assumption is that social problems in the information era will occur as a result of information technology. The second false assumption follows from the first. If technology is the cause of the problems, a redirecting technological trends by information policy makers can solve the problems through a change in policy.

Both assumptions falsely view a complex situation simply as a matter of technology and public policy. It is argued here that no two countries are identical, but that the distinction of a particular society and the nature of the societal problems which that society can expect are largely determined by the characteristics of the state and its ideology.

However, a number of scholars suggest that the key mechanism in the process of solving societal problems is the marketplace (Noam 1985; Salvaggio 1984). James Buchanan (1986), as a leading theorist of this school, indicates that "to the extent that markets work, there is no need for the state. Markets allow persons to interact, one with another, in a regime that combines freedom and order, provided only that the state supply the protective legal umbrella."
In spite of the fact that belief in the effectiveness of market is in the ascendancy in the contemporary electronic media policy arena, the importance of the state in the process of politico-economy development has long been recognized. As Gandy (1988) points out, common descriptions of markets ignore the reality that some participants in the market have incentives and resources which allow them to influence how others understand their own interests, and the benefits they may derive from purchases or trades in the market. In this view, the state is more often than not led to intervene on behalf of those with greater resources, rather than on behalf of those with the greatest need. On this point, Davison et al. (1982) also indicate that "the structure of a system is dictated by politics and economics and, to a certain extent, shaped by geographical, linguistic, and cultural forces."

ROC, a wealthy developing country (see Appendix A), laden with Chinese traditional authoritarian political thought, has in recent years developed a growing belief that social reality should be emancipated from the dominant modes of thinking that have been supported by the established political and economic powers (Hsiao 1989). In response to this trend, the KMT state has altered in a number of public policies and instituted changes, such as privatizing state-
owned enterprises, liberalizing the financial system, enforcing environmental protection, justifying land expropriation, and lifting the ban on new newspapers. These measures reflect important changes in the state and its political ideology.

A decade ago, Taiwan's media system was relatively authoritarian (Siebert, Peterson, & Schramm 1956; Blumler & Gurevitch 1975; Devison, Boylan & Yu 1982). J. Bruce Jacobs, who studied Taiwan and its press since 1969, observed:

The foregoing analysis suggests that some of Taiwan's newspapers and reporters do maintain an independence which greatly enhances their values to the scholar. This should not imply, however, that Taiwan's political authorities do not exercise some controls over the press. Government statements denying the existence of censorship are technically correct; no censor must approve copy before it is printed. Yet the political authorities utilize two primary methods of control. First, ownership is restricted to "reliable" persons. Even the two legal opposition parties have not been able to obtain licenses to publish daily newspapers. (They do publish monthly magazines.) Secondly, when an event occurs which requires special handling, the Taiwan Garrison Command or the Nationalist Party Headquarters will call publishers and editors with suggestions on how the story should be treated.

To summarize, Taiwan's press does operate within certain constraints. It does not have the independence of the American or British presses. Yet Taiwan's press does possess more independence than is typical in most "developing" or communist countries (Jacobs 1976).

The situation described above does not exist today in the printed media (e.g. newspapers, magazines), but it still
permeates the electronic media. Over the years, policy researchers (Almond & Verba 1965; Anderson 1979; Deutsch 1970; Elazar 1984), have clearly indicated the significant influence of political culture on policy formation. Taiwan is a good example of this influence.

In order to probe the origins of factors which contributed to the establishment of cable TV in Taiwan, this dissertation will include a brief, macroscopic study which traces the history of Taiwan from the sixteenth century to the end of Japanese occupation in 1945. Then, the KMT's political culture, and regulations on electronic media will be discussed so that the whole media system can be viewed in its proper perspective. Much of this research is organized using conceptual model (Figure 1), which is adapted from Jerry Salvaggio's Public Utility Model (1983).

As mentioned above, no two societies will be the same, but the character of a particular society and the nature of the social problems affecting that society, are dependent on the interrelated nature of key variables. These variables include national ideology, social demands, the state, electronic media policy, technology, the marketplace and the information infrastructure. In Salvaggio's view, the way in which these variables are interrelated in a given society
can be represented in the form of a process model. In this study, these variables are utilized only as a framework to illustrate interactive forces that had affected decision making, particularly relating to cable TV development. This study looks into the forces that operate upon the seven variables. This study does not emphasize the social problems
part of the Salvaggio model because those problems are outside the scope of the telecommunication policy issues.

a) Policy-making may be viewed as the response of a political system to demands arising from its environment (Anderson 1979). Social demands (in the upper right-hand box of the conceptual model) are claims made by individuals and groups on the political system for action to satisfy their interests. In the conceptual model, social demands may interact with national ideology in influencing the actions of the state. They are generated indirectly as a response to social problems.

b) National ideologies (in the upper left-hand box of the model) are sets of logically related values and beliefs which present simplified pictures of the world and serve as guides to action for people (Anderson 1979). National ideology is the starting point in the process since political and economic ideologies and cultural, social and religious values largely determine how the other variables are interrelated (Sommerland 1975). It is influenced by the social demands.

c) State (in the central top box of the model) is an old term but it has a variety of meanings. In the next section, we will give it a particular operational definition. In this study, interest groups will not be involved, in that Taiwan
does not yet have a strong interest group representing the electronic media industry, moreover, Keynes admonished us that the popular notion of the importance of vested interests is usually exaggerated (Keynes 1936). Changes in the state are due to changes in ideology and to social demands.

d) Electronic media for this study primarily are limited to those regulated by the Radio and Television department of Government Information Office. In addition some aspects of the telephone are important for this discussion. Telephone is regulated by the Directorate General of Telecommunications (DGT). In most countries, electronic media policy has not been developed until the technology was in use, integrated into infrastructure, and profitable in the marketplace (Salvaggio 1983). After the technology was established, regulatory policies were imposed. Taiwan has a powerful state so the development order was reversed here. The media were not allowed to develop until the state policy structure in place. In the model the only function influencing media policy is the state.

e) The term technology is used here to refer to innovations in communication systems and services. What is significant in the conceptual model is that technology emerges largely as a result of electronic media policy rather
than as a consequence of the marketplace. Hence, there is no arrow connecting technology and marketplace.

f) The programming in the model indicates the people and institutions concerned with the creation, distribution, and use of cable TV programs. This dissertation concentrates on programming since cable TV has long been regarded as a "program gobbler". At this moment there is no way to assess how much the cable policy will affect the programming industry. But the potential impact of cable TV policy on programming capability will be examined.

g) Marketplace here largely means the advertising marketplace. Though cable TV systems in the U.S. rely very little (no more than 1 percent) upon advertising, Taiwan's cable TV, in its initial stage, expects to depend heavily on advertising for support.

1.2 Defining the State

In this dissertation, I adopted Evans, Rueschemeyer and Skocpol's (1985) definition of the state as

"a set of organizations invested with the authority to make binding decisions for people and organizations juridically located in a particular territory and to implement these decisions using, if necessary, force".
It is a continuous administrative, legal, bureaucratic, and coercive system that attempts "not only to structure relations between civil society and public authority in a policy but also to structure many crucial relationships within civil society as well" (Stepen 1978). It is thus more than what we mean by "government" --particular incumbents of organizations who exercise authority--as it includes the social context in which it operates.

In the eyes of Evans et al.'s, the state has four characteristics. First, the state may be an instrument of domination. The overall "pact of domination" is determined by the interrelations between the various parts of the state apparatus, on the one hand, and the most powerful classes, on the other. Second, the state may act as a corporate actor. Coherent state action will be a concern of state elites. To mobilize outside support for such an action, state elites may conflict even with dominant class interests. Third, the state itself may be an arena of social conflict. Each state is composed of various departments and many individuals. Despite their interest in unified action, state managers are likely to be divided on substantive goals; they may have different interests, uphold different ideologies, and represent different social forces. In addition, various social groups, both dominant and subordinate, will try to use the state as a
means of realizing their particular interests. Therefore, unless social domination is monolithic, state apparatuses in the real life of a society will inevitably become arenas of social conflict. And, finally, the state may act as the guardian of the universal interests of the society over which it has jurisdiction. The state's claim of pursuing the "common good" should not be simply dismissed as empty rhetoric; it actually constitutes a nearly universal role by which the state can obtain hegemonic acceptance, and attract commitments of different degrees from state managers as well as from outside groups (Pang 1988).

Moreover, in a society divided by classes, the state by its actions and policies inevitably serves the interests of particular classes. But the simplistic notion of the state as the instrument by which one class dominates another is not accepted here. While social groups may try to penetrate and control it, "the state properly conceived is no mere arena in which socioeconomic struggles are fought out." (Skocpol 1979). That is, the state, as a set of organizations, has its own interests beyond those of particular social forces and, in the first instance, looks after its own preservation. To the extent that it can preserve itself and implement policies that in the short run might harm the interests of particular social groups, even the most powerful ones, it enjoys
relative autonomy from constraints imposed by various domestic or foreign forces. In some cases, a tightly organized, well-disciplined political party representing a class or several classes (fractions) may create and dominate the state (Gold 1986).

1.3 Research Method

The aim of this dissertation is to describe the transformations in the political environment, economic development and social structure, focusing on those elements that result in changes of the state's policy on electronic media in Taiwan.

The study seeks to characterize the state's philosophical view on electronic media, to document the historical evolution of both the state and electronic media, and to discuss the reasons for and trends in policy change reflected by loosening control over the hardware and software of the electronic media. The relationship between the political, socio-economic, technological and cultural demands of the society are also analyzed. Personal interviews in Taiwan with scholars and those, who used to hold, and now are holding responsible positions in political parties, government agencies, and TV industry are used to either
supplement or confirm the information obtained from other resources.

The methodological approach of this dissertation will be both historical structural and voluntarist. Insofar as the historical-structural approach, Cardoso and Faletto, in their weighty work *Dependency and Development in Latin America* (1979), formulate a perspective of "historical structural" to offer what they call a "comprehensive analysis of development." They contend that social structures are the product of man's collective behavior. Thus, to understand social change, we should emphasize not only the structural conditioning of social life, but also the historical transformation of structures in terms of various human collective behaviors, such as political conflicts, social movements, and class struggles. By focusing on these elements, we can determine how cable TV emerges in Taiwan as a result of human interactivity, and how media policy can be transformed through social actions. Cardoso and Faletto do not predict necessary outcomes in their study; they analyze facts and suggest possible alternative lines of development. Parker (1973) also advocates that explicit statement of value premises is an intellectually honest way to approach policy research. He suggests that it may be necessary to spend as much time explicitly analyzing value positions as ensuring
that the impartiality of the empirical research cannot be faulted by people with differing value positions. This study follows this perspective.

As regards the voluntarist approach, we do not agree with the "nonvoluntarist, structural" perspective as Skocpol advocates in her work *States and Social Revolutions in France, Russia and China* (1979). We believe that human thought and action are the mediating link between structural conditions and social outcomes. To determine the role of the state in policy-making, we assert that while structural conditions may define the options available to state elites, the decision of what strategies or policies should be adopted in pursuit of development still rests with the state elites (Pang 1988). Therefore, when a rather autonomous state dominated its electronic media policy, the ideology of the state elites and their assessment of the developmental situation should never be overlooked.

1.3.2 *Data Sources*

The sources of data for this dissertation can be grouped under five categories: a) previous literature, b) official files, c) minutes, d) newspapers and magazines articles, and e) personal interviews.
Previous literature. Though there have been a few writings about ROC communication policy (Lai 1988; Lee 1978; Lee & Chu 1986), none of them was done from the perspective of the state, and its relation to the environmental transformation. For example, Lee's *Communication System Under the Three Principles of the People* (1978) is the first book to deal with ROC's communication policy. However, this book and his subsequent works have all been based on the political thought of Sun Yat-sen. Lai, Lee's advisee, follows the same path as his advisor. K. T. Li's writings (1988a; 1988b) provide abundant information about policy formulation and the KMT state's view toward national development. In addition, Roger Noll's research (1985) on U.S. regulatory behavior and Blumler & Gurevitch's articles (1975; 1977) on political communication offer us important concepts which help interpret reasons for policy-making and the media's relationship to the political institutions. Dutton et al.'s (1987) summary of the concept of a wired city also gives us a clear-cut of picture what the possibilities decision-makers, who advocate building cable need to consider.

Official files. This category of data consists of government documents, statistical data, files of regulation records, and study reports. We obtained the entire official file of the cable TV task force and a background file on
cable policy formation, which is quite useful in understanding the switch of the KMT state's electronic media policy. These files and statistics were obtained from the Government Information Office (GIO), Directorate-General of Budget, Accounting and Statistics (DGBAS), Council for Economic Planning and Development (CEPD), Ministry of Communications (MOC), Ministry of Economic Affairs (MOE), Taipei Advertising Association (TAA), and the Legislative Yuan.

Minutes. In analyzing the process of decision-making on developing cable TV, piles of minutes furnish precious information. Without these, this dissertation could hardly be possible. The minutes enable us to understand who has ever played what role in policy formation.

Newspapers and Magazines. The author gathered some data from newspapers such as, Central Daily News (the KMT's organ), the World Journal (the largest Chinese newspaper in the U.S., also affiliated with one of largest newspaper groups in Taiwan, United Daily News), Asian Wall Street Journal, and Free China Journal (the ROC government's organ). These papers give opinions and comments both from the state and the public about issues related to the topics of the study. In addition, five magazines, namely, Global View,
Sinorama, Free China Review, Asiaweek, and Far Eastern Economic Review, also provided reports useful for this study.

**Interviews.** Basically, the interview method used in this research is ancillary to supplement the written material which was available. Since most of interviewees still hold important posts in the government, or in a political party, it is unrealistic to expect them to provide much more information than other resources can supply is unrealistic (see Appendixes B and C for the lists of interviewees and interview questions). In fact, from December 1989 to February 1990, I visited the Radio and Television department of the Government Information Office (GIO) at least three times a week for a total of over 20 visits. Each time I spent 4-5 hours in the office, reading files or chatting with officials of the department. Through those informal conversations, I learned many facts about Taiwan's electronic media industry and the conflicts over how to regulate the industry.

1.4 Overview of Chapters

This introductory chapter is followed by an overview of theories and literature pertaining to issues important for the later chapters of the dissertation. Though the four topics examined in chapter II—regulatory behaviors, mass
media and politics, nationalism and language, and broadband communications--are not related to one another, each of them represents an important aspect of the thorny problems the regulatory bodies must deal with to establish in Taiwan.

Chapter III, in a quick historical survey of Taiwan's vicissitude, presents in part a background of existing social problems as well as demands. It delineates the ROC's national ideology in order to contrast a comparative view of broadcasting environments of mainland China and Taiwan, and portrays the relationship of electronic media to the KMT state.

The factors that led to the shift of government policies and regulations on electronic media and culminated in establishing cable TV systems are analyzed in chapter IV, which uses government study reports and first-hand minutes of supra-ministerial meetings, to provide indepth information of the way the cable policy was developed. Chapter V describes the present situation regarding Taiwan's programming, advertising and technology. Since an official cable law has yet to be enacted, it is not possible to test causal relations according to the conceptual model. The description, however, serves as a basis for evaluating whether the decision-making is appropriate.
Chapter VI summarizes this study and proposes a feasible way to iron out the wrinkles made by ideology and the state in the development of cable policy.
CHAPTER II
THEORIES AND LITERATURE

The prime objective of this study is the identification of forces affecting the KMT state's ideology and its recent change in policy for the electronic media. In order to properly interpret the complicated interaction of factors affecting the emergence of cable TV, a theoretical discussion is imperative. This chapter deals with concepts and theories about how regulatory bodies make policies; with the relationship between political organizations and mass media institutions; with the role of language is in the context of politics; and with the reasons people ask for broadband communications. Relevant previous studies are reviewed.

2.1 Policy-Making Approaches

According to Robert Horwitz (1989), the creation of any specific regulatory body is intimately correlated to the historical circumstances surrounding it, most important, the state of the industry and whether or not its internal market controls function to secure rational risk-taking, and whether
or not the social and economic consequences of industry actions ignite popular ferment. Horwitz maintains that although the operations of a regulatory agency are related to the mandate for its creation, basically they are determined by complexes of organizational behavior and institutional constraints. Due to historically changing relations within the industry, as well as changes within or without the agency itself, the dynamic of regulatory operation itself changes through time.

2.1.1 Rationale Actor and State Autonomy

Explanation of policy origination and outcome stem from two main sources: welfare economics and political theory (Horwitz 1989). Welfare economics refers to the belief in the capability of state intervention to secure both socially desirable economic redistribution and general economic efficiency. Traditional theories of policy (or regulation) usually focus on a concept of the "public interest" which is rooted in welfare economics (Mitnick 1980). This concept of the public interest legitimates limited state intervention in the marketplace, even though in theory the marketplace operates best without interference.

In the following, two approaches for policy outcomes are discussed. The theoretical perspectives of "national actor"
and "state autonomy" serve as a basis to consider how the ROC's cable policy is formed.

**The Rational Actor Approach**

One approach to studying the behavior of organizations is to adopt the metaphor of an organization as a rational actor having explicit objectives and choosing among alternative actions on the basis of their expected contributions to organizational goals (Allison 1971). Using the Cuban missile crisis as an illustration, Graham Allison proposes basic concepts of the models of rational action:

a) **Goals and objectives.** The goals and objectives of the rational agent are translated into a "payoff" or "utility" or "preference" function, which represents the "value" or "utility" of alternative sets of consequences. At the outset of the decision problem the agent has a payoff function which ranks all possible sets of consequences in terms of his values and objectives. Each bundle of consequences will contain a number of side effects.

b) **Alternatives.** The rational agent must choose among a set of alternatives displayed before him in a particular situation. The alternative courses of action may include more than a simple act, but the specification of a course of action must be sufficiently precise to differentiate it from other alternatives.

c) **Consequences.** To each alternative is attached a set of consequences or outcomes of choice that will ensue if that particular alternative is chosen. Variations are generated at this point by making different assumptions about the accuracy of the decision maker's knowledge of the consequences that follow from the choice of each alternative.
d) **Choice.** Rational choice consists simply of selecting that alternative whose consequences rank highest in the decision-maker's payoff function.

In short, this approach focuses on the influence the structure of the organization and the experiences of its members may have on organizational outcomes. It also focuses on the problems of managing the behavior of members of an organization so that their performance will be consistent with organizational objectives.

**State Autonomy Approach**

The state autonomy perspective contends that government can act, independent of the preferences and desires of interests in the society. From a state autonomy perspective it is possible for government preferences to dominate society rather than asserting that social preferences dominate government policy (Nordlinger 1981).

A crucial point necessary to accept a state autonomy explanation involves the origin of government preferences. This perspective says that it is possible for government officials to act in a fashion contrary to powerful interests (Wilson 1980). However, this does not imply that the government is constantly going against the preferences of society and the major interest groups.
One of the problems of this approach is to account for the authoritarian actions of a democratic state. To what extent can the democratic state act as an autonomous entity which translates its own policy preferences into authoritarian actions? Immanuel Kant equated individual autonomy with free will. The autonomy of any social entity refers to the correspondence between its preferences and actions. By this token, an autonomous state should translate its policy preferences into authoritarian actions; it is autonomous to the extent that public policy conforms to the public officials' resource-weighted preferences.

In real politics, Cal Clark (1989) contends that the statist approach, in contrast to the developmentalist and dependency paradigms, is much more an enumeration of factors that affect developmental outcomes than an integrated set of theoretical formulations about causal relations among economic, social, and political factors. Those spectacular growth records set in East Asia provided a major impetus for "bringing the state back in." (Evans, Rueschemeyer, and Skocpol 1985). All the successful East Asian countries (Japanese and the four "little dragons": Hongkong, Singapore, South Korea and Taiwan) were marked by strong states committed to developmentalist policies, and all shared a
Confucian culture that, among other things, included respect and veneration for political authorities.

Over the years, as a result of success in the economy, of which the KMT deserves great credit as an architect and supervisor, the statist approach to policy-making is quite prevalent in Taiwan. However, as John Havick (1983) states, a public policy has never been made through only one approach. In the cable case, we will find each of these two approaches offers a different perspectives on the origins of the regulatory agent position. As a whole, the KMT's decision to construct Taiwan's cable TV appears to be best explained by the concept of state autonomy.

2.1.2 State Autonomy in Relation to Development

In comparing European "early" and "late" developers, Alexander Gerschenkron (1962) argued that the state generally had to play a much stronger role in late-developing, as opposed to early-developing, countries. The "catch-up" nature of industrialization in the late developers required rapid massive accumulations of capital for infrastructure and "new" industries (i.e., information) that were simply beyond the capabilities of private entrepreneurs in poorer economies. More broadly, state ideological commitment and industrial
strategy appeared necessary to push backward economies toward industrialization.

This perspective can also be traced to a broader intellectual tradition of giving the state an independent role in historical theories about social change. Charles Tilly (1975) conceptualizes the state in modern history as being strongly affected by the evolution of capitalism and social class relations. However, he also views the rise of the centralized nation-state as having its own dynamics associated with war-making and the concomitant necessity of extracting resources from subject populations. Thus "state-building" is an important phenomenon in itself that is grounded in the political, social, and economic realities of individual nations; differences among states should lead to significant differences in policies and socioeconomic outcomes.

This approach is also reflected in several other historical and sociological theories that conceive the state as being both linked with the social structure and constituting a national institution with significant autonomy and variability. Barrington Moore (1966), for instance, traces differences in current political regimes to the historical development of class structure in their societies in what he calls the "social origins of dictatorship and
democracy." Theda Skocpol (1970) argues that the nature, especially the strength, of the state is a central determinant of the success of "social revolutions" that produce a dramatic transformation in social and political structures.

More directly connected to the subject of development, Ellen Trimberger (1978) analyzed "revolution from above" in which states dominated by military leaders and bureaucrats implemented broad-based industrialization programs. She attributed these industrialization projects to a combination of nationalism in specific peripheral societies and weaknesses in the global capitalist system, but she also reached the pessimistic conclusion that the results of these revolutions from above produced the limitations and distortions of what has been termed "dependent development" here. Thus these broader historical and sociological theories assume that domestic and, in some cases, international class relations provide a central explanation for social and economic change. However, they also view the state as an autonomous structure that can have a strong independent effect on economic and social outcomes.

Some scholars within both the dependency and developmentalist paradigms do believe that the state can assume an important role in promoting economic development.
As might be expected, though, these perspectives differ considerably on the fundamental question of what the state does or should do. Developmentalists believe that the state should essentially act to reinforce capitalism by providing investment in infrastructure and industry that is generally not forthcoming from the private sector and by using its powers to aid the rise of business classes as opposed to more traditional elites. Dependency advocates, in contrast, see the state's role as a nationalist response to the inequities of global capitalism. They also argue that even state-led capitalist development is inherently dependent and distorted.

Stephen Haggard (1986) provides an excellent example of the statist perspective in his essay on the positive role that the state in developing nations can assume in stimulating economic growth and transformations. He argues that state-guided developmental policies can (and have) been used to promote economic changes consistent with international comparative advantage, rather than to distort market forces in some politically desired direction, as is normally assumed to be the case by most developmentalists. This requires that the state be able to control and suppress interest groups from both "dominant" and "subordinate" classes that are seen as distorting development by,
respectively, advocates of dependency approach and advocates of "political institutionalization."

2.2 Mass Media and Politics

It generally is agreed that all political life implies some form of communication activity, and vice versa. As Pye (1963) has pointed out, there is a "peculiarly intimate relationship between the political process and the communication process". If politics is about power, the holder's possession of and readiness to exercise power must in some manner be conveyed to those expected to respond. If politics is about participation, it must consist of "the means by which the interests, desires and demands of the ordinary citizen are communicated to rulers" (Verba, Nie and Kim, 1971). If politics is about the legitimation of authority, then the values and procedural norms of regimes have to be symbolically expressed, and the acts of government have to be justified in broad popular terms.

By concentrating on the procedures and mechanisms evolved by political and media institutions to govern relationships between them, policy researchers are more often than not negligent of the fact that all political systems generate principles, derived from the tenets of their
political cultures, for regulating the political role of the mass media. This means that differing political philosophies produce differing systems of media control. In most cases, the stance a country's leadership takes toward its people gives a clue to the amount of control a nation would impose over its communication media.

2.2.1 Relationships Between Media and Political Institutions

Head & Sterling (1987) state that the world of broadcasting can be categorized into three basic orientations of political philosophy:

**Permissive Orientation.** Broadcasting in America furnishes the major example of a permissive system in which private interests are merely franchised to use a portion of the spectrum; and the profits belong to the licensee. But many countries disagree with the American permissiveness. They do not agree that popular acceptance represents the best that can be expected of broadcasting.

**Paternalist Orientation.** This aims at maintaining a balanced program diet, as a remedy to the permissive orientation, with neither too much cultural and informational content nor too much entertaining material for social and personal well-being. Paternalists feel obliged to ensure that
broadcasting will play a positive role in preserving their national cultures.

**Authoritarian Orientation.** Communist countries and many Third World countries take an authoritarian approach to broadcasting (Katz & Wedell 1977). The state itself finances and operates the broadcasting systems, along with other telecommunication services, harnessing them directly to implementation of government policies. Before Gorbachev ordered the lifting of the Communist party's monopoly on broadcasting media on July 15 of this year, (Los Angeles Times July 16, 1990), the Soviet Union was the archetype of this type of orientation. Data released by the United Nations Educational, Scientific, and Cultural Organization (UNESCO 1984) shows that governments own and operate by far the greatest percentage of the world's broadcasting systems (Figure 2).

But in some poor developing countries, people's lack of purchasing power means lower set penetration. Neither receiver license fees nor advertising can be counted on to support broadcasting. Out of necessity, the governments of these countries therefore usually own and operate their own broadcasting systems.
Of course, the three prototype regulatory systems mentioned above exist nowhere in pure form. Permissive systems impose some regulations, paternalism bows at times to popular demand, and even authoritarianism finds it expedient to conduct audience research to find out what people really want (Browne 1989; Hashim 1989; Kuhn 1985; Martin & Chaudhary 1983; McQuail & Siune 1985).

From another perspective, a framework consisting of three dimensions—degree of state control; degree of mass media partisanship; and degree of media-political integration (Blumler & Gurevitch 1975), is particularly helpful in analyzing the relationship of Taiwan's political institutions
to its media systems. In fact, by reference to the three dimensions, the political communication arrangement of the KMT state can be profiled clearly.

Degree of State Control

Even though many aspects of the phenomenon of state control over media organization are familiar, some difficulties still remain in (1) using a more objectively compiled set of indicators to manifest media subordination; (2) determining what specific forms of control most deserve inclusion in a measure of media subjection to the state; (3) avoiding the trap of conceptualizing freedom of communication in exclusively dichotomous terms.

Blumler & Gurevitch suggest that communication will assume a different role in those societies where (a) political organization is essentially monopolistic, (b) political truth is believed to inhere in the tenets of some authoritative doctrine as interpreted by a ruling party and (c) the mass media are primarily expected to uphold such a unitary conception of political truth, from those societies in which (a) diverse political organizations compete with each other for popular support, (b) the legitimating creed of the state transcends all existing political formations and
(c) the mass media are expected individually or in concert, to transmit a variety of political standpoints.

In addition, three areas where rights of intervention may exist and where the resulting degree of state control could be fairly readily measured as if at high, intermediate or low levels. They are: **control over the appointment of media personnel; control over the financing of media enterprises; and control over media content** (Blumler & Gurevitch 1975).

Control over appointment can be a powerful instrument of subordination by ensuring a stationing of politically reliable individuals inside the media instead of obliging rulers to depend on the impact of external pressures and sanctions on the behavior of communication staffs. Control over media finances, on the principle that the one who pays the piper calls the tune, may also be an influential vehicle of state subordination. Control over media content may be more important for its indirect repercussions on the work of professional communicators than for instances of its direct exercise. In Blumler & Gurevitch's thinking, content control is theoretically interesting primarily in its role as a sanction, capable through its background presence of influencing the behavior and attitudes of communicators in advance of, or while preparing, media output.
Degree of Mass Media Partisanship

Seymour-Ure (1974) and Hoyer et al. (1975) also furnished many penetrating insights into the relationship between press systems and party systems. However, the two investigators were mainly interested in the societal conditions that favor a closer or more remote party involvement in press structures. Seymour-Ure showed how features of political culture and party organization had given rise to different degrees of what he terms "press-party parallelism"; and Hoyer et al. carefully traced the impact of market conditions on the alignment of newspaper and party interest. As a whole, they treat the political attachments of the media in the manner of a dependent variable, responsive to prior historical circumstances, instead of treating them as an independent variable, capable of prompting measurable developments at other levels of communication and political systems.

In reality, determinants of media partisanship should include any organizational connections to political parties, the stability and intensity of editorial commitments and presence or absence of legal constraints on the rights of the media to back individual parties (Blumler & Gurevitch 1977). Altogether we obtain the highest degree of partisan involvement which occurs when the parties are directly
associated with the running of media enterprises via ownership, provision of financial subsidy or membership on management and editorial boards. Taiwan's CTV is typified as an instance of the highest degree of partisan involvement (refer to chapters III and IV in this dissertation). In some Scandinavian countries, high partisan involvement in the media can also be found (Browne 1985; Kuhn 1985).

Degree of Media-Political Elite Integration

The gravity of concern here is the degree of political affinity and social-cultural proximity that obtains between these two sets of structurally differentiated elites. Clearly in most political systems media organizations are to some degree structurally differentiated from political institutions. This structural gap may nevertheless be bridged in various ways. First, members of media elites may be recruited from or socialized into the same social and cultural backgrounds that characterize members of political elites and thus come to share similar interests and uphold similar values. Second, there may be an overlap of personnel. Many media elite members may either support particular parties and even undertake activity on their behalf or alternatively think of themselves as lukewarm adherents or as "independents." Finally, outside the specifically vocational
contexts where politicians and professional media people meet, members of media and political elites may engage in more or less informal interaction with each other, perhaps belonging to the same clubs, mixing in the same circles and generally seeing each other more or less often for diffuse social purposes.

2.2.2 Disintegrating the Monopoly -- Deregulation and Privatization

The concept of "monopoly" is derived from economics. In traditional market theory, monopolies are the undesirable results of competition between suppliers of goods or services. When a sector of the economy has been monopolized by market forces, it is no longer subject to consumers' control. When monopolized by political decisions, it may indirectly be maintained or abolished by the consumers, acting as voters (McQuail & Siune 1986).

Therefore, a distinction may be made between monopolies set by market forces and those set through a political process. A market-oriented monopoly undermines the very idea of the consumers' influence on the quality of the product. The basic logic of the broadcasting monopolies, on the other hand, lies in the consent of the established political
elites, which in turn are the representatives of the consumers, acting as voters.

Generally, the relationship between the broadcasting monopolies and their audiences depends on the relative importance of broadcasting politics in the general political debate and on the ability of the political process to represent the views of voters. If the electorate articulates demands concerning the monopoly's policy and these demands are widespread and intense, or if such demands are strong in some important parties, this will lead to pressure on the broadcasting institution from the audience. If, on the other hand, the political parties' aggregate interests tend to cut across audience attitudes or if media politics is of little importance, the audience will have limited influence on the decisions made by political elites in media politics (McQuail & Siune 1986).

In the past decade, the winds of deregulation and privatization have spread worldwide. The scarcity factor as a justification for regulation (or monopoly) is being challenged as never before. It is argued that, even though there is still a demand for more channels in densely populated areas, cable television makes available unlimited numbers of supplementary channels, converting scarcity into abundance (Head & Sterling 1987). The U.S. Federal
Communications Commission consequently began a policy of deregulating the communications industry in the early 1980s to accommodate new media forms and allow potentially unlimited expansion of the information market (Fowler 1984). According to Mark Fowler, there were two reasons for the deregulation; the first reason, based on the United States' policy of free market enterprise, was to encourage competition in the domestic market among communication enterprises; the second reason for deregulation was to allow consumers to make more informed choices by increasing the available options.

Many European countries and Japan, joined the privatization movement because of several major forces, or pressures. E. S. Savas (1987) summarizes the characteristics of these forces as shown in Table 1.

In addition to the above forces, the development of new electronic communication techniques also have played a major role in the disruption of the monopoly model. Even with these pressures McQuail & Siune (1986) argue that there must be widespread (at least in politically influential circles) dissatisfaction with the monopoly, either due to its programming policy or for more ideological reasons. But if only a very small number of channels are allotted to the
country, there is a very good chance that the monopoly will survive.

Table 1: The Forces Behind Privatization

<table>
<thead>
<tr>
<th>Force</th>
<th>Goal</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pragmatic</td>
<td>Better</td>
<td>Prudent privatization leads to more cost-effective public services.</td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>Ideological</td>
<td>Less</td>
<td>Government is too big, too powerful, too intrusive in people's lives and therefore is a danger to democracy. Government decisions are political, thus are inherently less trustworthy than free-market decisions.</td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>More</td>
<td>Government spending is a large part of the economy; more of it can and should be directed toward private firms. State-owned enterprises and assets can be put to better use by the private sector.</td>
</tr>
<tr>
<td></td>
<td>business</td>
<td></td>
</tr>
<tr>
<td>Populist</td>
<td>Better</td>
<td>People should have more choice in public services. They should be empowered to define and address common needs, and to establish a sense of community by relying more on family, neighborhood, church, and ethnic and voluntary associations and less on distant bureaucratic structures.</td>
</tr>
<tr>
<td></td>
<td>society</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from: E.S. Savas' Privatization: The Key to Better Government. (1987)
In most countries, the original broadcasting monopoly has been broken up in varying degrees and in varying ways and the process of demonopolization is continuing. But in some cases, it is confusing. For instance, the old 7-7-7 Rule, set by American Federal Communications Commission to prevent ownership concentration in broadcasting, was removed in 1984. A change of the 7-7-7 Rule was made allowing multiple owners to own up to twelve facilities in each category of radio station. It is "deregulation", but it is not necessarily "demonopolization."

Scholars suggest that the deregulation and privatization of telecommunications transmission involves a redistribution of resources away from the least advantaged towards the most advantaged. As a result, two trends are increasingly visible in the telecommunications market—increased integration of networks and the privatization of information (Hills 1986). It sounds as though the world will go back to where it started.

2.3 Language in the Context of Politics

It would be a mistake to assume that there is a single, uniform cultural matrix for any society. In other words, although there are codifications of languages formulated in
grammars and dictionaries, the standard language of a society is not internalized by all members to the same extent. Obviously, they all learn the same language, but linguistic variations come into play which go beyond those of dialect and diction and which are a reflection of socioeconomic conditions. Linguistic codes have come into existence which differentiate ethnic groups and social classes from one another and form the rest of society. The code of a group reflects the socioeconomic conditions of that group, while the environment, in turn, reinforces and validates the individual's language. Language, then, or more precisely the code a group shares, is context specific. The possibility of transcending the content of one's code is contingent upon accepting and learning other codes. Change from one code to another implies, therefore, not only a change of the language spoken but also a change of the socio-political context.

2.3.1 Language, Nationalism, and Social Identity

According to Katz and Wedell's investigation (1977), the most important use of radio in the promotion of national integration is its encouragement of the national language. Where there is a reasonable degree of sympathy in a country for a single, unifying language, this task is made easier.
By contrast, Das Gupta (1985) stresses that the context of language politics need not be confined to the issues of the unity of the nation or the state alone. Those who do so, he says, usually put a premium on the stability of the state or viability of the nation, rather than the properties of the groups contained in the units. In Das Gupta's view, there is an important connection between the demands of the language communities and the issues of social justice.

This is why the problems of language politics assume a different character when they are considered in the context of this linkage with distributive shares and strategies of shared development. Harrison (1960), in his thoughtful study *India: The Most Dangerous Decades*, showed that a host of political and power considerations have been superimposed on language nationalism, on concerns about the literary heritages of the many languages involved, and on simple needs for standard media of communication.

Undoubtedly language is a potentially divisive force for a nation if there is conflict over which language should be the official, dominant language. Nations ranging from Canada and Belgium, to India and South Africa have all experienced this problem. Even nations with a well established official languages such as the United States have experienced internal conflicts over the extent to which
minority languages are acceptable for education, voting, and so forth (Meadow 1980). Decision makers, when given a chance, prefer homogeneous linguistic Communities. communities governed through a language other than their own, potentially feel disenfranchised and ineffective, feelings not conducive to national unity (Beer & Jacob 1985; Tydeman & Kelm 1986).

Eastman (1985) says that the use of language facilitates the development of social identity. And social identity is a major tool individuals use to define themselves vis-a-vis the world in which they live, "the ordering of social environment in terms of groupings of persons in a manner which makes sense to the individual" (Tajfel 1978).

Several recent studies support Tajfel's social identity theory of language usage. Abrams and Hogg's (1987) research, for example, revealed that Tajfel's study of ingroup favoritism can be extended to evaluations of speaker's status, likely employment, and solidarity. Their study also indicated that, while ingroup favoritism correlates positively with social identity, language attitudes vary considerably depending on the degree of self-categorization (Turner 1987) salient to the speaker.

Political authorities ordinarily hold out the possibility of assimilation to nonmajority language speakers. Three models of what occurs when the threat of assimilation
appears have been offered by Migus (1975). First is the conformity model. Dominance by the majority group is maintained by pressure on the minority to conform to the majority's standards and norms. Second, there is the the melting pot approach. The combined characteristics of all ethnic groups are used as a standard and minority groups are encouraged to simply blend in by jumping into the pot.

The third model has gained most favor today. This calls for an integrated, yet multicultural society. Ethnic groups may retain certain defining characteristics while adjusting to the broader culture of which they are a part. Contemporarily, political systems are often marked by linguistic conflict or at least bifurcation, but this was not always the case. In agricultural and illiterate societies, such divisions had little significance, for groups tended to remain in isolation with little interaction. Democratization of politics, combined with industrialization, urbanization, and advances in transportation and communication changed this. Knowledge and competence in a specific language, or literacy, became vital to careers offering lucrative livelihoods and social status. In systems with a dominant language, majority language familiarity (Lieberson, 1970; Savard, 1975) became a currency of economic competition, and conflict over linguistic dominance expanded. Simultaneously,
increasing popular participation in political decision-making rendered political articulation more necessary than ever.

Because of the linkage between social class and language, linguistic conflicts tend to intensify with the extent of class differences. The issues at stake include economic and political access, and prestige within society. The only solution often is bilingualism.

2.3.2 Language Policy and Planning

Generally, governments see language planning as a way to foster attachment to and involvement in the national system. In fact, a language policy stands little chance of success without government sanction, unless it is a policy internal to a small group for a specific purpose.

Herbert C. Kelman (1971), a scholar of language planning and politics, has expressed the idea that language may be considered to be a "uniquely powerful instrument in unifying a diverse population and in involving individuals and subgroups in the national system".

In China, some of dialects are so far removed from each other that they could be considered different languages of the same family. As a matter of fact, often what determines what is a "language" as opposed to a "dialect" are factors having little to do with linguistics, such as political
boundaries (Chou 1975). The dialects of China can be generally classified into Mandarin, Hsiang (Hunan area), Kan (Kiangsi area), Hakka (mostly in Kwangtoung), Wu (Shanghai area), Min (Fukien-Taiwan area), and Yue (Cantonese) groups (Tseng 1985; The ROC Yearbook 1989). Despite the many dialects spoken in China, the same written language is used by Chinese people on both sides of the Taiwan Strait.

When the Chinese Nationalist Government regained the territory of Taiwan from Japan, the only language used in instruction, in business and in all publications was Japanese. The local populace had been forced to learn and use Japanese. School-age children learned Japanese in school and persons as old as 30 knew no Chinese. After the Nationalist Chinese government regained control, an attempt was made to encourage the people to speak the old dialects as a stepping stone to learning the standard language (guoyu). These dialects were the language of the original emigrants from Mainland China who had come from the South Min and Hakka dialect areas of southeastern China. The older citizens who still spoke these dialects at home served as teachers to youngsters; the home serving as a natural language teaching environment. In normal school (for training elementary level teachers) and in teachers' colleges, Guoyu (spoken Chinese) language courses were emphasized, and from 1949, the
Provincial Department of Education required all students to pass general examinations in both spoken and literary Chinese in order to graduate. All graduates of the teachers' colleges were required to use the standard spoken language for teaching as well.

The standardization of the spoken language was the main task of the language policy of this country. The result of the language policy has been, in short, to facilitate oral communication among peoples of different dialects and language areas. The language barrier among people was effectively reduced through the use of the standard language in broadcasting, public speaking, and school instruction. The implementation of the language policy not only facilitated mobility in general among the population, and encouraged friendships and marriages between peoples of different dialects, but also promoted mutual understanding among many different cultures, all of which reinforced national unity on economic, educational, and political levels.

In implementing the language policy, electronic media such as radio, and television have been considered by the KMT state as the most powerful tools available. However, in recent years, with the socio-political democratization being strengthened, an outcry for telecasting more multilingual TV programs has often been heard in Taiwan. The multiple
channels available on cable make it the best electronic medium to satisfy different language appetites.

2.4 Broadband Communications

In the last few years, there have been many studies and publications dealing with cable policies for countries, from North America to South East Asia, and from Scandinavia to the Balkans (Becker & Schoenbach 1989; Bens & Knoche 1987; Browne 1989; Bruce et al. 1986; 1988; Dutton et al. 1987; Kuhn 1985a; 1985b; McQuail & Siune 1986; Negrine 1985). Despite the variations in cable policies, the concepts for developing their cable systems, however, are quite similar.

2.4.1 Concept of Cable Communication

At the most general level, a country's decision to construct cable systems by governments or private organizations derives from two rationales: One is simply the result of the psychology of "keeping up with the Joneses"—we ought to have what our neighbors have; the other is from envisioning cable as way to build a more utopian society. During a time when there is much skepticism over the value of science and technology to society, people entertaining utopian thinking maintain an optimistic outlook on
communication technological progress. This is based primarily on a belief that advanced communications technology can provide the basis for more satisfying styles of urban living—politically, socially, economically and pragmatically (Goldmark 1972; Kalba 1975; Martin 1978; Meadows 1980).

Dutton, Blumler, and Kraemer (1987) point out that the concept of wired cities embodies five core principles: (1) communications is of increasing significance to society; (2) the new media have inherent proclivities toward more decentralized and democratic modes of communication; (3) electronic media should emulate and reinforce face-to-face patterns of communications; (4) communications should be viewed as an electronic highway; (5) long-range, rational-comprehensive planning should guide development.

Many of the driving forces behind the development of cable systems are common to the other electronic media. That is, proponents believe that communications and information technology, whether organized as a wired city or in some other form, will have increasing significance to the industries, businesses and households of modern, information-oriented societies. The economic significance of new communications technology is based in part on its use as a means for improving the efficiency of organizational and public communication. It also stems from the growing market
for communications equipment, software and services. The British Information Technology Advisory Panel (ITAP 1982) completed a report on 'Cable System' by heralding this approach in its first paragraph:

Modern cable system, based on coaxial cables or optical fibers, can provide many new telecommunication-based services to homes and businesses. The initial attraction for home subscribers could be the extra television entertainment channels. However, the main role of cable systems eventually will be the delivery of many information, financial and other services to the home and the joining of business and homes by high-capacity data links. (Cable System 1982)

At the time, the UK telecommunication industry was in a state of decline and over 5,000 jobs could have been lost shortly if that decline was not halted. ITAP pointed out that a large domestic market would be provided for cable equipment manufacturers, computer hardware and software companies, program and enhanced service providers and producers of office equipment and other information technology systems. The message that cable would have major industrial benefits and 'substantial' effects on employment was certainly very welcome to a government facing bad unemployment and an economic slump which seemed to be getting progressively worse.

Furthermore, the supporters of the cable system are optimistic because they believe that the problems confronting a more communications-centric society can be adequately
addressed. All societies are aware that the new media pose problems by virtue of the very opportunities they raise (Mesthene 1977). Most important, the advocates contend that some communication problems which took place as a result of channel scarcity will be resolved since the cable technologies are, as the late Ithiel de Sola Pool called them, "technologies of freedom" (Pool 1983). They argue that features of the new media promote greater freedom of expression and more democratic modes of communication. But in a country already having affluent communication channels, the aforesaid features may not be salient. Youichi Ito and Yutaka Oishi (1987), after reviewing the history of empirical research into the social implications of cable systems in Japan, suggest that no clear life enhancement was found from cable information services because the information provided was already available through other media.

The majority of people in Taiwan, even including government officials and legislators, do not know much about cable. What they think of as a multifunctional electronic medium is the so-called "Channel 4". But, for those DGT technicians, cable is a must to achieve their ISDN network. As Dutton et al put it, DGT considers cable as a electronic highway which will enhance communication, and increase social mobility. For KMT state decision-makers, cable is seen as a
positive development which would help move the national economy further forward and change the economic structure from being labor-intensive to hi-tech. On the other hand, some KMT state bureaucrats fear cable's decentralized and democratic functions may cause this medium to get out of control and provide a medium for promoting views which threaten the continuation of the KMT's political power.

2.4.2 Cable's Impact on the Use of Competing Media

In mass communication technology, few innovations have created as much interest among educators, researchers, investors, and minority audiences as broadband communication (Kaplan 1978). This interest is due to the capability of cable transmission systems to increase greatly the number and variety of entertainment and information services available in the home. In 1971, the U.S. Sloan Commission report on the social implications of cable television forecast a "television of abundance" in which specialized programming such as opera, college extension courses, political opinion, and city council meetings, as well as the mass appeal fare of broadcast television, would be available via the home receiver (Sloan Commission on Cable Communication 1971). In contrast to the wide variety of program types envisioned by the Commission and others, the services provided by most
cable systems currently operating in the U.S. top-100 broadcast markets consist of little more than a few additional channels of mass appeal broadcast television fare and nonbroadcast channels that duplicate the content of television, radio, and newspapers (Head & Sterling 1987; Smith 1985).

The literature is available on the effects of cable on pre-existing media habits is limited and sometimes inconsistent. For example, Jeffres (1978), in an early study of respondents interviewed before and after they received cable, found a real decrease in use of television after the introduction. The results may have been due to seasonal fluctuations in viewing. However such an explanation was not supported in the study conducted by Becker, Dunwoody & Rafaeli (1983) in Columbus, Ohio, Qube market, in which they found cable both replaced and supplemented pre-existing media habits, that is, subscription to cable was associated with increased time spent with television.

As early as 1980, Nielsen figures showed cable households using more television than noncable households (Cosner 1980). Agostino (1980), however, did not find evidence of cable's impact on time spent with public television, and Robinson and Jeffres (1978), as well as
Sparkes (1983), have found limited evidence of such an effect.

In separate research, Sparkes (1978) has demonstrated that repeat scheduling of programs which is common on cable, can lead to increased viewing of specific offerings, suggesting cable can alter usual television use habits by its scheduling flexibility.

Kaplan (1978), using viewer self-reports of change, found that independent television stations imported from outside the local area by cable compete with the local network television as well as with movie theaters. He also found that automated information channels on cable compete with radio news. Guback (1982) similarly found some evidence of cable's adverse effects on the movie industry. Dyer and Hill (1981) found limited evidence that cable subscribers watch less local television news than nonsubscribers, while Reagan (1982) found that cable subscribers actually spent equal or more time with network and local television news and the daily newspaper than nonsubscribers.

2.5 Summary

Communications is a relatively important sector from both the democratic and the statist perspectives for several
reason; because individual users derive so much economic well-being from these activities; because telecommunications is especially important to the development of other sectors of the economy; and because of the control role of communications in promoting noneconomic national objectives. Thus, from a pluralist perspective, this sector is more likely than others to be the focus of significant political attention from groups in addition to the suppliers of services.

To better understand Taiwan's specific political environment and traditions, two approaches to making policy were explored in this chapter. First the rational actor approach which portrays an organization as a rational actor having explicit objectives and choosing among alternative actions based on their expected contributions to organizational goals was considered briefly.

The statist view of national policy making focuses on the state as a decision-making entity that is separable analytically from its constituent parts. The state autonomy perspective maintains that government (or the state) can act, independent of the preferences and desires of interests in the society. This perspective was explored in more depth because of its apparent relevance for understanding cable policy in Taiwan.
Not only do communications shape political processes and institutions, but politics shape communications as well. The statist approach is so named because it suggests that the political system, its institutions and processes, shape the environment in which all communication takes place. Stated differently, political phenomena serve to constrain or promote communication.

Closer examination of Taiwan's electronic media environments shows an astonishing political relationship, by Blumler and Gurevitch's standard, between political institutions and electronic media companies. To improve the state monopoly over electronic media, privatizing cable is seen to be a necessary the first step to allow public participation in running the new information medium.

Throughout history, it has been a consistent practice to suppress national languages of the defeated, partially to prevent unity, and partially to underscore symbolic dominance. In Taiwan more and more local people have demanded the liberalization of language policy. Cable, because of its multiple channels and narrowcast character, is considered the best medium to serve the different dialect.

Finally, people are understandably skeptical of the most dramatic forecasts of the social implications of new computer and telecommunication technologies. In the case of Taiwan's
cable, people in different positions have different views. Some, like utopians, project a bright view in cable technology. Others, obvious dystopians, have deep concerns over the implications the cable brings.

The next chapter will explore the factors which affect Taiwan's electronic media policy by following the conceptual model worked out in chapter I. Meanwhile, the theories and concepts discussed in this chapter provide a basis to understand the forces influencing cable TV policy-making.
CHAPTER III
IDEOLOGY, STATE, AND REGULATION

Throughout recent years, a number of electronic media problems have plagued the KMT state. Some of them derive from changes in the macro-environment, but others are the result of historical incidents. This chapter provides a brief overview of Taiwan to identify the causes that have brought about today's controversies over electronic media and particularly the ROC's national ideology which has determined the nation's media policy over the last four decades. The KMT state's control and regulations on electronic media are also discussed with in the chapter.

3.1 The State and National Ideology

Before we discuss the KMT state and its ideology, which have influenced both this country's cable policy and all other policies, a brief introduction to Taiwan's geography and history is needed.

Taiwan itself is a large island located on the Tropic of Cancer (Appendix D). It is approximately 100 hundred miles
from the coast of Fukien Province in mainland China. The island is oval-shaped, approximately 250 miles long and 100 miles wide at its broadest point. Most of the island is covered by mountains. Consequently only about a quarter of the land, mostly on the western plain, is arable. Because of the topography, the bulk of Taiwan's current population of 20 million is concentrated in cities on the western plain. The largest cities are the capital, Taipei, in the north at 2.7 million; the major southern port of Kaohsiung, which is approximately half that size; and Taichung and Tainan, with populations of 725,000 and 663,000 respectively (YMS 1988).

In 1895 Japan forced China to cede Taiwan to it at the end of Sino-Japanese War. For the following fifty years, until 1945, when Taiwan was retroceded to China, the Japanese primarily viewed Taiwan in terms of its potential for contributing to the Japanese empire. After retrocession, the Taiwanese welcomed Republican troops as liberators, but this feeling got sour soon when suspicion arose among the two groups due to the fifty year separation. This distrust eventually sparked a spontaneous uprising—the so-called "228 Incident" (which broke out on February 28, 1947), and led to hundreds of deaths. Although Ch'en Yi, from the Chinese mainland, who then administered Taiwan, was quickly replaced afterward, the after effects of the incident are found even
today. Recently (May 22, 1990), the ROC President Lee Teng-hui, who happens to be the first Taiwan-born President, stated in his post-inauguration press conference, that many current disputes and controversies over public policies can virtually be traced back to the historical wound from the "228 Incident". Then, he assigned Chiu Chuan-huan, former governor of the Taiwan Provincial Government and now his advisor, to lead a special committee investigating the four-decade-old mishap in an attempt to relieve societal tension.

3.1.1 The KMT State

The fortunes of the KMT, or Nationalist party, in China followed a rapid parabola, rising from a small and impotent revolutionary group to the rulers of all China and then falling to a total loss in the civil war with the Chinese Communist party (CCP) in approximately half a century. The reasons for this evanescent quality of the KMT are somewhat obscure and remain highly controversial among detached historians, not to mention partisans of one or another of China's various political movements.

Through a perplexing civil war against the CCP, the KMT lost mainland China in the fall of 1949 and came to Taiwan with a million or so followers. In coming to Taiwan, the KMT brought along their formal national-level party and
government structures and superimposed these on the party and governmental structures of one province, the land mass of which was .37 percent of China's total, the population 1 percent (Jacobs 1971; Winckler 1981). Major governmental policy decisions have been generated or approved by relevant party organizations.

Although there were two minor legitimate parties playing very limited roles in political affairs, the party system of the ROC on Taiwan, before July 15, 1987, when the Emergency Decree was lifted, could be described as a one-party hegemony.

Figure 3 shows the structure of KMT. At the very top is the National Congress, with a Central Committee (flanked by the Central Advisory Committee) and its powerful Standing Committee that handles work when the Congress is not in session. Formally, the KMT is somewhat Leninist in structure and in its democratic-centralist principles of organization. Its rank and file are members of party cells that exist in schools, the military, enterprises, social organizations, and overseas Chinese communities. Their main function is to ensure that party policies are implemented and to resist challenges to KMT domination (Jacobs 1980). The chief of state is the president. Since 1948, with the enactment of Temporary Provisions Effective During the Period of Communist
The Secretariat, Seven Departments (Organizational, Mainland, Overseas, Cultural, Social, Youth, and Women's Affairs), Four Commissions (Finance, Party History, Evaluation and Discipline), and the Sun Yat-sen Institution on Policy Research and Development.
Rebellion, the president has been granted a wide range of emergency powers. There are five branches of the national government (Figure 4). Their functions are briefly described as following:

1. The Executive Yuan or Cabinet, with a range of ministries and commissions, which is appointed by the president and whose own president is the premier. All provincial governments and special municipalities administered directly by the central government come under this yuan's direct control, and it appoints their leaders.

2. The Legislative Yuan, elected by the people based on region and profession. It is responsible for legislation, approving the budget, interpellation of government officials, etc.

3. The Judicial Yuan, whose justices are appointed by the president.

4. The Examination Yuan for examinations for the civil service and professional licenses, whose members are appointed by the president.

5. The Control Yuan, the chief watchdog agency, whose members are elected by provincial and municipal councils.

At the time the electoral bodies were established, KMT dominance was overwhelming. After removal to Taiwan, the KMT suspended general elections until the regime returns to the
Adapted from Cal Clark's *Taiwan's Development*, p.120. (1989). Figure 4. Constitutional Government Structure of R.O.C.
mainland, so the party has maintained its dominance by freezing the membership of these organs. At the national level, the distinction between party and state, including their budgets, was blurred until the rise of an opposition movement in the 1970s. Nonetheless, the ruling KMT still keeps hold of majority of resources including the electronic media, the petrochemical industry and a host of state-owned enterprises. At present, the KMT has a current membership of approximately 2.5 million, 80 percent of whom are natives of Taiwan Province. In the last (1989) December's general election, the KMT obtained 60 percent of vote, as opposed to 30 percent for the biggest opposition "Democratic Progress Party" (China Times 12/1/1989).

3.1.2 The National Ideology and Media Philosophy -- The Thoughts of Sun Yat-sen, Chiang Kai-shek, and Chiang Ching-kuo

The national ideology of the ROC since its inception has been based on the Three Principles of the People, expounded by Dr. Sun Yat-sen in a series of lectures delivered in Canton in 1923. Like many Chinese thinkers of his day, Sun was ambivalent about the accomplishments of the West. He praised the progress arising from the great scientific and technological discoveries made in Europe and the United
States, discoveries that had expanded the productive powers of society. But Sun recognized that this new productive power had created new problems for society—the gap between the poor and the rich had widened. In Sun's opinion, the industrial age brought conflict and made income distribution more unequal. He hoped that China could avoid the things that beset the capitalist economies of the West.

Modern China was founded by Dr. Sun Yat-sen, also the founder of the KMT, in 1911. Ever since, the KMT party has played a vital role on both sides of Taiwan Straits. Therefore, a brief overview of Sun's political ideology would help interpret the basis for policy-making in Taiwan.

As the twentieth century began, neither peasant insurrections nor moderate reform appeared likely to succeed, although the Ch'ing dynasty was certainly tottering from internal decay. Another possibility was the overthrow of the dynasty by a revolutionary movement aimed at destroying the traditional Chinese polity and inaugurating a new system. Beginning in the late nineteenth century there was growing support for such a movement, especially among the intelligentsia, who were alienated by Western-imposed humiliations and the corruption and ineffectiveness of the traditional ruling order. The dominant figure in what was still a minuscule movement became Dr. Sun Yat-sen. Sun's
attempts to foment revolution proved largely ineffectual, but he provided a philosophy and ideology that helped to transform China.

The Three Principles of the People (or San Min Chu I), which Sun saw as the major goals for the revolutionary order, are the Principle of Nationalism, the Principle of Democracy, and the Principle of People's Livelihood. In nationalism, Sun emphasized that China needed to be strong and united in order to overcome its internal difficulties and exploitation by foreign powers. He believed that an emphasis on the ancient learning and values of Confucianism (as opposed to its perverted form practiced by the Ch'ing dynasty) coupled with modern science would produce a strong and independent China.

Sun's second principle focused on tutelary democracy. He believed that the new government must be responsive to the needs of the people, and proposed a democratic system based on a division of power among the three traditional branches of Western governments (the executive, legislative, and judiciary) plus two others derived from traditional Chinese practice (one to oversee the examinations for government officials and one to act as ombudsman by reviewing government actions). However, he also believed that a "tutelary period" would be needed when a modernizing and revolutionary party would educate the Chinese people in the ways of democracy
and develop a progressive bureaucracy. The KMT state continuously asserts that according to Sun's teaching, the present time for people of Taiwan is still at the period of tutelary. Naturally the mass media are considered as the best tool to carry out the tutelary mission.

The last of the People's Principles focused on "peoples' livelihood." Sun believed that a government could be justified or legitimatized only if it promoted and protected the well-being of its citizens. Therefore he advocated a leading role for the government in directing economic development and ensuring a minimum standard of living for the Chinese people. As a result, "equalization of land ownership" and the "restriction of monopolistic capital" become two pillars of his third principle. Sun had written that the state should own enterprises in key sectors related to national defense, natural monopolies, or where capital requirements were so stiff that no private entrepreneurs could afford the risk. This thought affects ROC's electronic media policy the most. In effect, state capitalism has been in force in Taiwan for the last forty years (Cheng 1989).
1. Sun Yat-sen's Thoughts on the Media

At turn of this century, then even the concept of mass communication had not come into being, Sun had grasped the essence of propaganda. He said that:

"The public seemingly are not powerful; but you must know that they will have more than ten times, even a hundred times as much strength as a gun, once they are informed... You may see propaganda as a special weapon: a stranger may become your comrade when he is talken to; a piece of land may become yours when people on that land are persuaded. But if you conquer by means of force, you are likely to be overthrown later" (Kuo-Fu-Ch'uan-Chi 1927).

Hence Sun deeply believed that without the help of the media (newspaper) the ideology of of the Three Principles of the People would hardly be spread. In citing the case of Taiping Rebellion (1851-1864) as an example, he attributed the failure to lack of people good at propaganda, although the Taiping group had very good start in fighting against the Ch'ing dynasty.

The founder of the KMT and the ROC also expressed that "the quickest way to a successful revolution is of the composition of 90 percent propaganda and 10 percent force." "Propaganda is as important as military affairs when it comes to revolution to which the KMT is committed." (Kuo-Fu-Ch'uan Chi 1927). Throughout his life, Sun repeatedly emphasized the importance and power of propaganda. Many scholars and researchers studying Sun
Yat-sen's thought view Sun's dedication to revolution as a propaganda-oriented endeavor (Kuo-Fu-Ch'uan-Chi 1927).

To actualize his propositions, Sun dispatched Cheng Hsiao-po, member of Hsin-chung Hui (the KMT's predecessor), to Hong Kong in 1899 to publish the first newspaper--the "China Daily". In the following years, hundreds of newspapers and magazines had been in operation both inside and outside China for publicizing the idea of revolution (Feng 1936). Sun developed cancer and died on March 12, 1925, leaving the deathbed words, "The revolution is unfinished. All my comrades must strive on." Sun Yat-sen became deified as the National Father of the Republic of China, and his ideology was canonized.

Thomas Lee, professor of journalism at the National Cheng-chi University, synthesizes Sun's thinking on the media [newspaper] into the following four points (Lee 1978):

i) The media should furnish ample information;

ii) The media is obligated to educate public;

iii) The media should serve political democracy;

iv) The media should be public-owned.

2). Chiang Kai-shek's Thinking on Media

After Sun Yat-sen died, Chiang Kai-shek succeeded as the leader of the KMT. In 1926, Chiang, then Commander-in-Chief
Generalissimo, led the army that he had built from Canton on a Northern Expedition to rid China of warlordism and imperialism and realized Sun's dream of a unified nation. Under Chiang's governance, people on mainland China had enjoyed a less-than-ten-year peaceful time (1928-1937) during which there was no civil war and no foreign intrusion. However, the country was not in a orderly state; occasional incidents caused by Japanese troops stationed in the foreign concession, or by Communists took place. On January 1, 1947, the Constitution of the ROC was promulgated by the National Assembly. In April 1948, not long before the Communist rebellion erupted and took over mainland China, Chiang was elected president of the Republic of China. Until April 5, 1975, when he died of pneumonia, Chiang had reigned over both the ROC and KMT for as long as nearly half a century.

Insofar as the media is concerned, Chiang shared Sun's idea. On March 23 1940, in a speech delivered to the first graduation class of journalism at the Central Cheng-chi College, (the predecessor of the National Cheng-chi University in Taiwan), Chiang pointed out four goals the press was supposed to strive for: 1. To inform the public; 2. to publicize the national policy; 3. to promote development; 4. to develop public sentiment (Chiang Kai-shek Anthology 1974).
In Chiang's view, the Chinese mainland was vast but media were concentrated in certain metropolitan areas. In order to help inlanders expand their knowledge, media were encouraged to move to the poor countryside. Moreover, "newspaper should switch its focus from political affairs to economy and production; from governmental agencies to farm village and factory..." By doing so, the media would not only narrow the gap between city dweller and country people but promote national development. He also demanded that media commentary should be based on the national interest; "all remarks carried by media should facilitate citizen to develop their self-esteem and independence." (Chiang Kai-shek Anthology 1974).

In a supplement to Sun's Three Principles of the People, Chiang specifically discussed radio and TV broadcasting (Chiang Kai-shek Anthology 1974). As a composite of literature, music, fine arts, and new technology, the broadcasting industry, Chiang advocated, should be state-run in the course of nation-building. His views toward these two electronic media can be seen from the following remarks:

"At a time when the public migrate toward metropolitan areas, when urban life becomes mass-oriented, broadcasting has a great influence on the mind of the public;...If radio is commercialized, its commerce-contaminated news report and advertising will compromise consumers' judgment, also encourage monopolistic capitalist; if radio becomes commercialized, the content of broadcasting
would be downgraded to cater to low-class favors, and disseminate degenerate music. This will be detrimental to the citizen's psychological health." (Chiang Kai-shek Anthology 1974).

"Television should be run as well to enrich the public's spiritual life, also as a handy instrument to help citizens forge their sound psychology. All television workers now are expected to shoulder the task of educating people, and revitalizing Chinese traditional culture. The content of TV programs should be aimed at the target of being the true, the good and the beautiful so that it can open audience's mind, expand national national virtue of kindness, moreover improve social morality." (Liu 1980).

3). Chiang Ching-kuo's Thinking on Media

Before assuming the office of the presidency in 1978, Chiang Ching-kuo had been through several important posts both in the KMT and government. On the party side, after the ROC central government was moved from Nanking to Taipei in 1949, Chiang served in the KMT as chairman of the Taiwan Provincial Committee, member of the Central Standing Committee, and eventually party chairman. In the government, he was director of the General Political Department of the Ministry of National Defense, minister of national defense, vice-premier, and premier.

In 1972, Chiang was appointed premier. Under his leadership, the government undertook the Ten Major Construction Projects. This is an excellent example showing how the state determines public policy. The success of the projects served to stimulate other undertakings and provided
a large number of employment opportunities, contributing to the achievement of ROC's world-acknowledged "economic miracle" (Gold 1986).

Chiang was elected as sixth president of the ROC in May 1978, and reelected in 1984. During his second term political and economic reforms were accelerated. The Emergency Decree was lifted and restrictions on foreign exchange relaxed. A series of major political and economic innovations followed, including the opening of new newspaper registration. Chiang, suffering many years from diabetes, died of cardiac and pulmonary failure on January 13, 1988. Unlike his father, Chiang Ching-kuo appeared amiable and accessible. Before coming ill, he traveled a lot around the island, meeting informally with people from all walks of life. So many times what Chiang said to a villager or fisherman in a casual talk turned out to be the next day's governmental policy. Chiang liked to express his ideas by telling a tale. As a result, deciphering the president's tales became a standard operational procedure for all levels of government officials. Indeed, many regulations on television industry were derived from Chiang's informal similes or metaphors.

On the whole, Chiang Ching-kuo's idea about mass media followed his father's. The former held that, when social conditions such as education and the economy were ripe,
political democracy could facilitate public participation (Lai 1988).

This is in line with the argument of Katz and Wedell (1977), who state that the broadcast media in developing countries were not originally conceived of as major instruments of development policy.

Chiang, in a pep talk to the officials of the Government Information Office, emphasized that "all mass media were major instruments of education. They should be regulated to serve the purpose of social education... More importantly media industry must observe their professional ethic rule when they comment on public policy." (Chiang Ching-kuo Analecta).

3.2 Broadcasting Environments Before and After 1949

3.2.1 Broadcasting in China—Before 1949

The first radio station in China was established in 1922 by an American businessman, P. Osborn, in Shanghai. This 50-watt-powered station had broadcast for three months and signed off due to poor transmission (Wu 1955). Before long, another 50-watt-powered radio station set up by an American trade company in the same city failed for lack of an audience. Nonetheless, a station created by another American
trade company, named Kai-Lo in Chinese, sent off radio signals from Shanghai for as long as five years (1924-1929). According to Chao Chun-haou (1940), the station started with a power capacity of 150 watts, then was boosted up to 250 watts. Contents of the broadcasting ranged from business news, opera, to religious etiquette. It also broadcast advertising of the trade company.

The first official Chinese-owned radio station was built on May 1 1927 by the Ministry of Communication in Tienchun, a port city to the southeast of Peiping (Beijing). The station, call letters COTN, thus became the first state-owned station in China. At the time, the Communication Ministry collected a one dollar license fee per audion (vacuum tube) receiver, and fifty cents for a crystal set (Ho 1988).

In the subsequent years, dozens of radio stations had been established in various provinces. On August 1 1928, the KMT established the Central Broadcasting Station (CBS) (the predecessor of the Broadcasting Corporation of China in Taiwan) in the capital, Nanking. In the meantime, the Central Radio Broadcasting Administration was set up as a governmental effort to construct a nation-wide network.

Before going further, the author must point out here that, when studying politics in Chinese mass media, it is hard to draw a distinct line between the party and the
government. Before the country was divided, the party (KMT) and the government were virtually the same thing. After 1949, the blurry situation stayed on both sides of the Taiwan Straits. However, since the mid-1980s, as political democracy has increased in Taiwan, "government-owned" does not mean "party-owned" any more. In mainland China, nothing has changed in this regard.

Prior to 1949, the broadcasting industry of the ROC had enjoyed a golden decade (1928-1937), that is, from the founding of the CBS to the breakout of Sino-Japanese war. During this ten-year period, new radio stations, both state-owned and privately-owned, had sprung up like mushrooms. Tseng (1966) summarized that

"Only in the Shanghai area more than forty radio stations had been established at pre-war time; but the total power capacity was no more than 7 kilowatts. Due to the fact of overcrowding and improper assignment of channels, mutual interference among stations was so severe that the voice over radio often lost fidelity."

Therefore, by 1936, the Ministry of Communications stopped licensing new stations in the Shanghai area. In total, the number of radio stations all over the nation during that ten years had reached 100 or so; the total power capacity was about 110 kilotwatts. Most of them were low-powered.

In 1937, Japanese troops invaded mainland China. In two years Manchuria and the coastal provinces were occupied. Most
of the radio stations in occupied areas, private as well as
government (party)-owned, stopped broadcasting. Some of them
were moved inland; some were demolished by their employees
lest they be used by Japanese troops. Under these adverse
circumstances, the CBS was moved to Chungking, the temporary
war-time capital. Some private radio stations in Japanese-
controlled areas, although still in the hands of Chinese,
were forced to do anti-Chinese broadcasting (Tseng 1966).

On August 14 1945, Japanese troops surrendered to the
Allied Forces. The Central Broadcasting Administration
immediately took over 39 Japanese-built stations with 72
transmitters (AM & SW). They had a total power capacity of
396 kilowatts. By September 1947, the ROC had 81 stations
throughout the mainland, excluding those operated by the
armed forces. It was the climax of the ROC's radio industry
before the Nationalist government was usurped by the
Communists in 1949.

3.2.2 Radio and Television in Taiwan—After 1949

When the Nationalist government moved to Taiwan, five
radio stations left by Japanese with 12 transmitters had been
in operation throughout the island. The total power capacity
was 127.9 kilowatts. By June 1988, there were 33 radio
broadcasting companies with 188 stations and 379 transmitters
in the Taiwan area, with an approximate total capacity of 11,300 kilowatts (ROC Yearbook 1988).

At present, the privately-owned stations constitute a large share of the total number of radio companies in Taiwan (Table 2); however, in terms of stations, the state-owned (government plus military) obviously outnumber privately-owned. It should be noted here that the number of stations in 1987, as compared with 1986, jumped by leaps and bounds despite the fact that no new player had joined this industry. Cheng (1988) deems this part of a government strategy of assigning available channels to current radio operators to prevent unfavorable applicants.

Oligopolistic Television Katz and Wedell (1977) had conducted a three-year research into the ways in which broadcasting institutions have been transplanted and have taken root in such developing countries as Algeria, Brazil, Indonesia, Nigeria, Peru, Singapore, and Thailand. In the study they found that the decision to introduce television in many countries more or less coincided with the beginnings of national socioeconomic planning. These findings also stand true for Taiwan.

As early as 1947, the Central Broadcasting Affairs Administration had a plan to build a television system in mainland China, but the project was never put into practice
Table 2. Radio Stations Ownership in Taiwan

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Privately owned</th>
<th>Government owned</th>
<th>Party (KMT) owned</th>
<th>Military owned</th>
<th>Sum</th>
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</thead>
<tbody>
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<td>25</td>
<td>13</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Companies</td>
<td>28</td>
<td>5</td>
<td>5</td>
<td>38</td>
<td></td>
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<tr>
<td>Stations</td>
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<td>5</td>
<td>33</td>
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</table>

Sources: The ROC Press Yearbooks (prior to 1970); The Government Information Office.

Note: Before 1970, the KMT’s Broadcasting Corporation of China was classified as "privately-owned."
because civil war took place all over China soon after. In 1952, Tseng Hsu-pai, then president of KMT-owned Central News Agency, returning from visiting the United States, made this proposal again. It was echoed by local newspapers and the Ministry of Education. However, the nation at the time was caught in a financial predicament and the proposal was aborted due to lack of capital.

Nevertheless, in coordination with the first phase of the economic plan implemented in Taiwan during 1950-1962, that is, import substitution, the proposition of establishing television system had been made from time to time (Ho 1988). Later, in 1959, Japan, after strong persuasion by Taiwan, agreed to organize an ad hoc television study group on a joint-effort basis and promised to invest in this new medium in the hope of promoting economic interchange. The Ministry of Communication at this juncture enacted three administrative laws to cope with the impending television era. They are: "The Regulations on Television and Radio Receiver Registration", "The Temporary Regulations on Television and Radio Station Installations", and "The Standard Rules for Black and White Television Technique."

Precisely speaking, television had its first demonstration run in Taiwan on May 16, 1957. Regular television programming was launched on February 14, 1962 by
the experimental National Educational Television (ETV), Taiwan's first television station. Currently, there are three television networks in the Taiwan area, namely, Taiwan Television Enterprise (TTV) (Figure 5), China Television Company (CTV), and Chinese Television Service (CTS).

TTV, with the help of the Japanese, formally went on the air on October 10, 1962. This enterprise was jointly funded by the provincial government, local private businesses, and four Japanese electronic companies (Fuji, Toshiba, Hitachi, and NEC). The initial capital of $750,000 was allocated as follows: 49 percent by the Taiwan Provincial Government; 40 percent by the Japanese partners; and the remaining 11 percent by domestic private investors. This proportion did not change until 1967 when domestic shares in TTV tripled to 31 percent, as a result of investment in the construction of network's relay stations, and Japanese ownership consequently came down to 20 percent (Figure 6).
Adapted from Ho's (1988) Broadcasting & Television

Figure 5. TTV Organizational Structure

Figure 6. Capital Structure of TTV

In the course of construction, the Japanese lent a big helping hand to TTV. As a result, the NTSC standards for television were introduced from Japan and adopted by Taiwan's television industry. In making their contribution, the NEC, Toshiba and Hitachi companies provided the telecasting facilities and 15,000 14-inch monochrome receivers; The Fuji Television company dispatched to Taiwan two technicians to guide TTV in operating machines, making programs, soliciting advertising, and maintaining equipment till 1963, when local engineers and technicians took over. In the meantime, through cooperation, Fuji company helped train TTV employees in their
Tokyo headquarters. Nevertheless, Japanese films have been banned in Taiwan's marketplace ever since the inception of television on grounds of cultural protection.

In reviewing Taiwan's television development history, the TTV is a unique case in that the other two subsequent television networks--CTV and CTS, were established entirely with domestic capital, and local professionals.

In 1968, six years after TTV began operations, CTV came into being largely as a result of lobbying by radio station operators. Most of the radio station operators had extended their on-air broadcasting to unpopular time slots in an effort to jam the Communist propaganda from across the strait in response to the KMT government's request. This effort had made those radio stations lose a fortune; in addition, the newly established TTV had siphoned off a great deal of advertising which otherwise would have gone to radio stations. The radio group, under the patronage of the biggest radio company in Taiwan--KMT-owned Broadcasting Corporation of China (BCC), sought to invest in a new television station. Without hesitation, the government granted permission and issued a broadcasting license. In this investment, KMT is a major organizer so its BCC holds 60.27 percent of CTV shares, the other private radio stations took the balance 39.73 percent (Figure 7). Due to the fact that the BCC is owned by

Figure 7. Capital Structure of CTV

the ruling KMT, the CTV has been criticized as a partisan medium.

CTS, the third television network in Taiwan, made its debut in 1971. As a matter of fact, CTS evolved from the National Educational Television (ETV), an experimental TV station funded and administered by the Ministry of Education since 1961.

In the ETV era, the station only had three low-powered transmitters, 100-watt, 1,000-watt and 2,000-watt respectively. Its programs were designed for both in-school and continuing education purposes. In the face of the encroachment of commercial television and the ever-increasing
cost of programming and administration, the Ministry of Education finally turned the ETV into a semi-commercial, but government-owned television system with a joint venture with the Ministry of Defense. After reorganization, the new CTS still broadcasts educational program on a fixed ratio basis, especially to the armed forces (Figure 8).

![Pie chart showing the capital structure of CTS]


Figure 8. Capital Structure of CTS

Aside from those three main television networks, the government (the Executive Yuan), in 1982, instructed the Government Information Office (GIO) to draw up a plan for the establishment of a public television (PTV) station in Taiwan.
A year later, the GIO presented its first and second draft plans for PTV. The second plan, advanced in May 1983, proposed promoting PTV with existing manpower and equipment rather than setting up an independent new station, that is, PTV offered programs that were broadcast separately on rented time along each of Taiwan's three networks. Then the GIO assigned the responsibility for implementing the PTV plan to its Department of Domestic Information Service. In this way, PTV has existed more as a sort of production company for quality programs, than as a true broadcast station.

In December 1986, PTV was incorporated into the Radio and TV Broadcasting Development Fund, and was renamed Chinese Public Television (CPTV). At present, its budget comes mainly from donations by radio and television operators, and appropriations from the Executive Yuan.

According to GIO's latest proposal, CPTV will own its own channel in three years and become an independent, non-profit public television station. In June of this (1990) year, a preparatory committee was set up, which is composed of 22 members from different areas of expertise representing the mass media, academia, culture and arts, science, education, economics and athletics. Among the government representatives are the Education Minister, Chairman of the Council for Cultural Planning and Development, and the
Director-General of the Government Information Office. Shaw, Director-General of the GIO and also board chairman of the Radio and TV Broadcasting Development Fund, said that having government officials onboard will help smooth out the preparation work (FCJ June 18, 1990).

One important point here is the KMT state involvement in Taiwan's television system (Figure 9). In addition to the capital investment in those three networks, the influence of the state also can be found in the appointment of high ranking executives to various posts in television companies. For example, at present, president of TTV, Wang Chia-hua is a former chief of staff to the late President Chiang Ching-kuo. Wang succeeded Shih Yung-kuei, who was deputy-director of KMT's Cultural Affairs Department before taking the post of TTV president, after the death of Chiang. For CTV and CTS, their presidents all the while have been designated by the KMT and the National Defense Ministry respectively. In particular, all key executive officers, including the board chairman and president, with CTS all come from the military; managers of the News Departments for the three networks happen to be former GIO's workers.
3.3 Control and Regulations

Governments all over the world regulate electronic media. The reason for regulation is simple: There is limited room available in the frequency spectrum shared by such services as radio, TV, short-wave, telephone communications, military communication, data transmission, and so forth.
According to the ROC Constitution, which was completed and promulgated in 1947, "Public utilities and other enterprises of a monopolistic nature shall, in principle, be under public operation. In cases permitted by law, they may be operated by private citizens." (Section 3, Article 144). Electronic media, without a doubt, are "enterprises of a monopolistic nature." As a consequence, radio and television in the ROC, if run by private citizens, cannot exist without being regulated (Figure 10).

However, due to being plagued by warfare ever since its founding, being defeated by the Chinese Communist Party in 1949, and still at war with the PRC at present, the government of the Republic of China has been seemingly unable to adopt a consistent policy or to establish acceptable regulations in regard to the electronic media over the years.

3.3.1 The Evolving Regulatory Environment

When the educational television station started broadcasting in Taiwan on February 14, 1962, there was no law to regulate television. Actually, through the years from 1962 to 1976, all television stations on the island were operated without proper regulation. Ironically, no one at the time questioned this anomaly. While the lagging enactment of law

Figure 10 Interorganizational Relations of the Television Industry in the Republic of China on Taiwan
did also happen in other countries, Taiwan's delay in law-making in radio and television, despite the facts mentioned above, should be attributed to two factors: 1) regulatory agencies lacked knowledge relevant to the new information media and 2) the government was involved so deeply in the industry--being the regulator as well as the body regulated.

In 1952, three years after the KMT government's relocation to Taiwan, an inter-ministerial committee on broadcasting affairs, chaired by the Minister of Education, was created in place of previous Central Broadcasting Affairs Administration. The main duty of this committee, composed of Ministry of Education (MOE), Ministry of Communication (MOC), Ministry of the Interior (MOI), Ministry of National Defense (MND) and the Government Information Office (GIO), included ratifying applications for installing broadcasting equipment, guiding, furnishing and reviewing broadcasting programming, evaluating and registering broadcasting station employees, and some other things (Ho 1988). In November 1958 the Ministry of Communication formed the Broadcasting Council to take over all regulatory power from the committee, which then was dissolved except for the task of reviewing the content of broadcasting which went to the Government Information Office.

Two years later, in 1961, the Broadcasting Council was dissolved and regulatory power was divided. The MOC was in
charge of overseeing broadcast installations while the GIO supervised the content of programming and station management. In the meantime, the Taiwan Garrison General Headquarters, empowered by Martial Law, set up a Broadcasting Security Conference responsible for monitoring radio programs, reviewing dialect radio programs and evaluating radio station performance. At the time some administrative regulations like Regulations Regarding Radio Station Installations and Management, "The Standard Rules for Radio Station Engineering Technique and Appliances" and Rules for Radio Broadcasting Programs had already been put into effect.

In January 1963, two years after the inauguration of TTV, the MOC hastily promulgated Rules Governing Broadcasting and Television Station Installations and Management, and Regulations on Television and Radio Receiver Registration. Before long, Guidance for Broadcasting and Television Programming was also completed by the GIO. These have been regarded as the cornerstones of the subsequent electronic media law.

However, it was not until the late 1960s that the KMT government decided to enact comprehensive laws regulating the broadcasting industry. In November 1967 the Cultural Affairs Bureau (CAB) was established under the Ministry of Education,
and supervisory power over broadcasting and television was once again shifted from the GIO to the new organization.

With the help of scholars and experts called upon to offer their ideas and suggestion, the CAB started in 1968 to draft the *Broadcasting and Television Law*. Immediately it ran into bitter opposition from operators of radio and television stations. Under heavy pressure, the drafting activity stopped but resumed in 1969. Several far-reaching principles regarding broadcasting time limits on certain types of programs were developed and later written into the GIO version of *Broadcasting and Television Law* (hereinafter referred to as 'the B and T Law', see Appendix E and F): (1) The time for newscasts shall not be less than 20 percent of the total broadcasting time, the same applies for educational programs; for the public service programs, 10 percent of the total time should be devoted to it; however, no more than 50 percent of the broadcasting time should be scheduled for entertainment programs. (2) The time allocated for broadcasting of advertisements shall not exceed 10 percent of the total broadcast time; advertisements per hour shall not be longer than 6 minutes; advertisements shall appear only before or after programs; unless a program is longer than half an hour, when advertisements may appear once within it;
the newscast or similar programs shall not be sponsored by advertisers.

Once again, interest groups successfully smothered the draft. In 1973, the CAB was abolished and the GIO took back the authority of regulating broadcasting media. The GIO soon came up with another draft. Through many negotiations and heated debate with interest groups, the B and T Law eventually went into effect on January 8 1976. This is the first act dealing with broadcasting and television legislated in the Republic of China, 13 years since the introduction of television.

This new law has three major features: First, the Ministry of Communication and the Government Information Office become the official regulatory agencies for radio and television broadcasting (Article 3) (Figure 11). Second, all television programs are classified into four categories: a) Newscast and publicity of government policies and orders; b) education and culture; c) public service; and d) entertainment. (Article 16). The duration of the a), b) and c) programs shall not be less than 45 per cent of the total weekly broadcasting time in broadcasting stations and 50 per cent of the total weekly television time for TV stations (Article 17); Third, the stations shall mainly use Mandarin in domestic broadcasts and shall decrease gradually the use
Figure 11 Organizational Structure of the Government Information Office, ROC
of dialects. The proportion between the Mandarin and the dialects shall be decided by the GIO according to actual requirements (Article 20).

In the ensuing years, several major administrative regulations have been passed as supplements to the B and T Law:

a) On June 25, 1976 the MOC promulgated the Rules Regulating Engineering Technique and Management for the Broadcasting and Television Station, The Standard Rules for FM Radio Broadcasting Station Engineering Technique and Appliances, and The Standard Rules for Over-the-Air Television Station Engineering Technique and Appliances. All previous decrees were rescinded.

b) On December 30, 1976 the GIO promulgated "The Enforcement Rules of the Broadcasting and Television Law"; on August 6, 1977, "Regulations Governing Operator and Employee of Broadcasting and Television Station"; on September 20, 1977, "Rules for Broadcasting and Television Programming"; on October 23 1978, "Rules Regulating the TV and Radio Program Supply Industry"; in addition, the GIO, in conjunction with the the MOC, decree "Regulations Governing TV Boosters, Converters, and Community Antenna Television Installations" on February 28, 1979; commercial broadcast on TV and radio has also been regulated.
On November 30 1983, the Legislative Yuan passed the "Ordinances for Broadcasting and Television Development Fund". Based on the decree a public television group was developed under GIO's supervision in 1984 to promote a full-fledged public television system in Taiwan.

3.3.2 Regulations at Issue

The ROC's policies on electronic media show wide swings. At times, the government deemed the media primarily as educational so the Ministry of Education was the regulator; on other occasions, the media was thought of as a powerful propaganda weapons and the Government Information Office was given authority. At other times, the electronic media were considered as normal electronic information devices, consequently the Ministry of Communications was held responsible to regulate them.

Chapter II of the dissertation outlines Gurevitch & Blumler's framework in which four dimensions are employed to portray a nation's media arrangement. By applying the four dimensions to Taiwan's electronic media environment, we note that an extraordinarily high political relationship exists between the media institutions and political entities in Taiwan. However, this close state-industry relationship does not mean there is no regulatory problem. Our concerns lie in
When the KMT is losing its power in the Legislative Yuan, the relationship between KMT's Commission of Policy Coordination and Legislative Yuan changes from one-way (decision) to two-way (coordination).


Figure 12 Operational Flowchart for Electronic Media Policy-Making in the Republic of China on Taiwan
the following three major topics: 1) frequency allocation, 2) installations control, and 3) restrictions on language and programs (Figure 12).

**Frequency Allocation.**

In Taiwan, the military has absolute priority in using frequencies. As a result, the authority of frequencies allocation is virtually under control of the Ministry of National Defense although the B and T Law stipulates that the broadcasting frequencies shall be controlled by the MOC in conjunction of the GIO (Article 4). For years, only half of the VHF band for TV broadcast service, ranging from 174 MHz to 216 MHz, has been assigned to the existing three networks (Table 3).

For the UHF band, so far only 4 channels, amounting to 24 MHz (584-608 MHz), have been allocated to the TV open university. With respect to AM and FM broadcast service, in which 207 channels can be used, however, 188 stations have been assigned; some are co-channel. Therefore, from the perspective of efficient spectrum management, which requires that channels have the minimum bandwidth needed to perform the essential functions of the service, Taiwan's planning work in assigning radio frequencies needs to be improved.
Table 3. VHF TV Channel Allocation in Taiwan

<table>
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<th>TV Channels in Taiwan</th>
<th>Allocated VHF Frequencies</th>
<th>TV Channels in USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (TTV)</td>
<td>174-180 MHz</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>180-186 MHz</td>
<td>8</td>
</tr>
<tr>
<td>3 (CTV)</td>
<td>186-192 MHz</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>192-198 MHz</td>
<td>10</td>
</tr>
<tr>
<td>5 (CTS)</td>
<td>198-204 MHz</td>
<td>11</td>
</tr>
<tr>
<td>6</td>
<td>204-210 MHz</td>
<td>12</td>
</tr>
<tr>
<td>7 (reserved)</td>
<td>210-216 MHz</td>
<td>13</td>
</tr>
</tbody>
</table>

Resource: Cable TV Group Report 1984

From the early 1980s on, the opposition lawmakers in the Legislative Yuan, have kept interpellating GIO director-generals about the issue of applications for new broadcast stations (Legislative Yuan Gazette 1980-1988). They question why new applicants for radio as well as TV broadcasting stations have always been refused on the grounds of channel unavailability. The opposition charges that the KMT government monopolizes the electronic media market and threatens to set up underground stations to fight against the KMT government. In November 1989, DPP candidates built mobile low-powered TV broadcast stations to launch election campaigns for the seats in the Legislative Yuan. This year, on February 28, DPP set up a CATV station in Taipei county, named Television Democracy (China Times 3/1/1990); on March
1, an underground AM station in the name of Radio Democracy began sending broadcast signals from Taipei county (China Times 3/2/1990). In the midst of strong protests, the military insists on taking hold of radio frequencies in the name of national security.

The GIO, facing a difficult choice, started to check on existing radio broadcast stations in the hopes of obtaining some usable channels by removing irresponsible stations. In the meantime, the GIO expects the proposed cable system to resolve this issue.

**Control of Installations**

In accordance with the B and T Law, new station applicants shall file for their installation permits with the Ministry of Communications through the Government Information Office (Article 10). The Telecommunication Act also stipulates that the authority of telecommunication supervision is within the jurisdiction of the Ministry of Communications. Yet, over the years, the Taiwan Garrison General Headquarters (TGH), vested with the power by the Decrees Regulating Telecommunication Equipment During the Period of National Mobilization, has been the actual regulator that issues franchises and places stipulations on how to operate, manufacture, and repair telecommunication equipment. That is to say, new station applicants must first
obtain permits for installing their broadcasting equipment from the TGH. The MOC and GIO as a result become nothing but "rubber-stamps" in this regard.

This unusual arrangement may be traced back to 1948, when during the war with Chinese Communists, the KMT government enacted *Temporary Provisions Effective During the Period of Communist Rebellion* superseding its Constitution. In subsequent years, under the temporary provisions, hundreds of laws and administrative regulations, including the one mentioned above, had been created to give the TGH the supreme authority.

As conservative as other military establishments are, the TGH adopts rather rigorous measures in regulating telecommunication. Nonetheless, the TGH often draws complaints from both the general public and other governmental agencies simply because of its lack of special knowledge, not its tough position.

For example, after Japan successfully launched the world's first DBS satellite, BS-2a into an orbit above the Pacific in 1984, Taiwan's residents may pick up the DBS signals via a Ku-band TVRO dish, given the nickname "little ear" by Taiwan's public. About four years ago, a rash of "little ear" took place all over Taiwan. Using the excuse of national security, the TGH banned the "little ear" while
people throughout the country, from academic circles to the electronic industry, suggested that the DBS was irresistible. By Taiwan's living standard, an installation cost of $700 is not unaffordable; besides, the technical knowledge required for installing a "little ear" is no more difficult than erecting a TV antenna. The rash spread quickly. Regrettably, the TGH did not change its position.

By the end of 1988, over 12,000 households throughout Taiwan had installed the "little ear" dish (Red Wood 1989). The TGH found no way to stop it and grudgingly agreed to lift the ban on Ku-band dishes. The C-band TVRO dish is still forbidden.

Restrictions on Language and Program

Carlton Hayes (1937) points out that the emergence of language as a political factor has occurred alongside the revolutionary growth of capitalism and the middle classes and with other developments accompanying the rise of nationalism. Indeed, when the decree concerning language limits was written into the B and T Law in the mid-1970s, Taiwan's per capita income was about $890 (DGBAS 1987). The people's desire to identify with the majority dialect, at the time was relatively weak. Over the years, with rapid accumulation of economic growth the people's demand for language equality has
become stronger and stronger. Nevertheless, this demand has been painted as political motivated.

In the strict sense, Taiwan does not have problem in communication because all Chinese have shared one script system for more than 2000 years. People, who can not use Mandarin verbally, constitute less than 8 percent of Taiwan's total population, and are generally in their late 60s or above. Most of them were educated before 1945 when the Japanese occupied the island. To facilitate things for local audiences who do not understand Mandarin, or Taiwanese dialect, all three television networks, since their inception, have telecasted subtitles on all of their broadcast programs, except for news reports.

As the years have gone by, the group of the "functional illiterates" has been notably reduced. It is likely that before very long Taiwan will completely eliminate language obstacles. At this juncture, the opposition kindled the issue of "Taiwan Independence" and took advantage of language discrepancy, an inherently political subject, to fight against the KMT government's unification policy. Directly influenced by this, limited use of dialect on broadcasting media turns out to be a sensitive topic closely tied to the hot issue in Taiwan—"Unification with or Independence of Mainland China?"
Seeing that the society is quickly transforming toward a more pluralistic one, the GIO expressed lately that the decree about language constraints for radio and television broadcasting programs needs to be amended (Central Daily News 5/19/1990).

Regarding program constraints, different ratio against the total broadcast time have been set for various program categories listed in Article 16. But the electronic media complain that no clear-cut borderlines are drawn among the four regulated categories. They contend that a program of education and culture can also be entertaining and vice versa. Similarly a program which publicizes government policies is aksi in the category of public service. So when the GIO gives a warning to a station for its over-broadcast of entertainment program, the dispute occurs.

Apparently, the B and T Law entails the GIO to take on the role of "benevolent paternalism" (Huang 1985). As required by law (Article 1), the GIO should screen out those elements supposedly corrupting the social customs, hurting the people's morality, and damaging the people's perception of the image of the government. Articles 27, 28, and 29 even give the GIO extensive power to oversee when and what the stations broadcast. Interesting enough, little complaint or objection about them has ever been heard from the industry.
Probably the close-knit relationship between the regulator and broadcaster prevents the conflict. In the past forty years, no record of license suspension or revocation has been found in the GIO's file.

In an effort to bring regulation of the TV industry more in line with new social and political realities, in May 1990 the GIO drafted a major amendment of the TV production code originally issued in 1983. Except for children's programming, which remains under fairly strict control, most other categories of programs were put under a far more liberal regimen. The changes reflect a feeling in the government that it is the time to loosen their grip on the media. Concurrently, policy-makers believe that market demand as represented by the desires of the TV audience can play a bigger role in determining the content of TV programs.

3.4 Summary

Some of Taiwan's current electronic media problems arise from its historical context. This chapter provides a brief historical background of Taiwan, the ROC's national ideology and the media thoughts of three national figures--Dr. Sun Yat-sen, Chiang Kai-shek, and Chiang Ching-kuo, who dominated
the ROC from its founding (1911) till 1988 when Chiang Ching-kuo died.

In summary, Sun and the two Chiangs shared the same thoughts toward the (electronic) media, that is, media are the best tools used to convince, educate, and unite the public. What is more, Sun's teachings suggest that mass media should be publicly-owned, or even state-owned, because electronic media is a natural monopoly, and also a key sector related to national security.

Before 1949, due to consecutive wars occurring all over mainland China, the electronic media industry could hardly be given a chance to develop, much less for government policy. After 1949, although organized in a different system—-the Communist puts the radio and television under a centralized and party-controlled framework, whereas the KMT disguises them as commercial businesses, both parties actually have absolute wielding power over the media.

Under the circumstance of being at war against the Chinese Communist, and under the pretext of national security, the electronic media system has been distorted in Taiwan. The role the media should play has never been definite for the KMT state so that there exists no clear-cut and consistent electronic media policy.
The next chapter discusses the reasons why there is a need for cable TV, and in what form cable TV is properly operated in Taiwan.
CHAPTER IV
CABLE TELEVISION IN TAIWAN:
SOCIAL AND POLITICAL FACTORS

The socio-political, cultural, and economic environment in Taiwan has influenced the KMT state decision to develop the cable TV system. This chapter describes and analyzes the transformation in the society of Taiwan in order to understand the drives behind the "push" for a new electronic medium and the interactions between government agencies in the course of policy-making. Finally, the recommendations proposed in the feasibility studies of cable TV system are also discussed.

4.1 Society in Transition

Rapid growth characterized by stability and equity is the major feature of economic development (Pryblya 1978) which brought Taiwan to the attention of many developing nations, and also caused Taiwan's change from an agricultural to an industrial society.
In 1986 Taiwan and Singapore were tied as the countries with the fastest growth in gross national product (GNP)—the criterion used by economists to determine economic success. Last year, Taiwan's per capita income was about US$7,509 (DGBAS June 1990). The economy distributes wealth in a balanced way that gives all major sectors in society an important stake in continued economic progress (Kuo 1981; 1983).

Taiwan's social stability is often credited with creating the necessary conditions for rapid economic development and with helping to avoid political disorder. While many observers admire Taiwan's social stability, others are less sanguine. They point to the role of the government's strong internal security apparatus in limiting social unrest. The closed political system, when combined with generally good economic conditions, conservative values, and traditionally strong family ties, have helped to guarantee the relative docility of the labor force, a major factor in the island's economic advancement.

While Taiwan's social stability and economic development are widely admired, its political system is much more controversial. Debate centers on the degree of "authoritarianism" in the one-party Nationalist rule. During 1987 the KMT government, under President Chiang Ching-kuo,
began a process of reform that involved ending the 38-year martial law rule, considering an over-haul of parliamentary bodies brought over from mainland China in the 1940s, and allowing the political opposition to organize and form a viable opposition party. The incentive to change has come from several sources. Most important of these were the rising demands of opposition politicians—backed by elements of the middle class and workers—for increased opportunity to participate in the political life of Taiwan.

4.1.1 Economic Development—Rapid Growth and Structural Change

In first several years after the relocation of the KMT government to Taipei, fear of Communist invasion plus inflation caused by budget deficits haunted the Nationalists. By 1952, inflation was tamed, the Communist invasion did not take place, and the rapid economic recovery started.

According to Kuo (1981), at the close of World War II, annual per capita income in Taiwan was about US$50. Such a low per capita income has increased rapidly to reach US$8,434 by 1990 (DGBAS June 1990). During this period, a world-wide oil crisis and inflation to an all-time low real growth rate of 1.12 percent in 1974. The year with the second lowest rate, 1982, of 3.9 percent was attributed to world economic recession and growing protectionism in the international
market. but in both cases recovery came quickly. On the whole, the average growth rate in the 1950s (8.2 percent), 1960s (9.1 percent), 1970s (10.2 percent), 1980s (7.8 percent) shows a steady increase over time, despite the fact that the population grew at the high rate of 3.5 percent

Table 4. Selective Indicators of Taiwan Economy

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Source: Taiwan Statistical Data Book, Taipei: CEPD, 1989

until the 1960s (and the figures dropped to less 2 percent in the 1980s; see Table 4). Due to the acceleration of growth in the later periods, real GNP doubled every seven years after 1963. As a result, real GNP in 1988 was twenty times the real GNP of 1952 (CEPD 1989); that is, the amount of goods and services produced in the year 1988 in Taiwan was twenty times greater than that produced in 1952. (In the corresponding period of time, the population in Taiwan has increased 2.4 times.)

Taiwan's rapid economic transformation reflects complex relationships between economic growth, income distribution, and productivity. In fact, the overall growth was accompanied by important changes in the structure of the economy. From 1952 to 1988, the share of primary (agriculture) industry in
net domestic product (NDP) dropped from 35.6 percent to 6.1 percent, and that of secondary (including manufacturing; construction; and electricity, gas & water) industry rose from 17.8 percent to 46.2 percent. During this course of change, however, the share of tertiary (including commerce; transport, storage & communication; government services; and finance, insurance & business services) industry remained around 47 percent. During the past 38 years, tertiary industry in Taiwan has grown at about the same rate as the NDP. The growth of secondary industry was much higher, while that of primary industry was much lower (CEPD 1989). In other words, the declining importance of agriculture was almost matched by the increasing weight of industry (Figure 13).

Despite the consecutive high economic growth rates, Taiwan like any other country also has problems in developing its economy. However, the effectiveness of the state's role in promoting economic modernization has played a crucial role in the solution of those economic problems. These administrative efforts have been numerous and varied, but they can be classified into three categories.

First, the government pursued policies to restructure economic incentives, particularly by the redistribution of property rights. Such policies included government-sponsored land reform in the early fifties and reform of the foreign-
exchange-rate control system in the late fifties (Lee 1988). Second, government policies shifted resources from low to high value-added products by inducing more competition, channeling the flow of economic activity in new ways, and facilitating the role of markets. For example, there were government efforts to encourage the development of new import-substitution industries like synthetic fibers in the fifties and to set up export-processing zones in the sixties.
Finally, the government inaugurated policies to achieve equilibrium within the economic system by offsetting certain kinds of scarcities. For example, there were policies in the seventies to develop infrastructure (the Ten Major Construction Projects), and monetary and fiscal policies in the early eighties helped counter the negative effects of the 1981-1982 recession. These and other examples of government initiative helped the private sector respond to market signals, upgrade the quality of human and physical resources, and prevent market failure (Kuo 1981; 1983).

The government remains strongly committed to using its power to facilitate economic growth through these types of policies. Although KMT and government officials recognize the great advantage of nurturing private enterprise and protecting private property. Neither the party nor the government will stand aside and let market forces decide all market outcomes. The state continually intervenes in the market through new legislation and policies aimed at providing stable growth and ensuring that the gap in income distribution between rich and poor sectors of society does not widen as growth takes place. The state also strives to minimize unemployment and maintain stable price levels, responding with the market adjustments that it perceives to be necessary to achieve these ends.
Whereas in other countries government intervention has run against the dictates of the market and, in many cases, has proven counterproductive to economic development, the ROC's government intervention has had a generally positive effect. This has been the case in large measure because the government has intervened only selectively. It has focused particularly on policies designed to encourage industry to enter greater value-added areas, or on policies designed to weed out technologically backward industries that can no longer compete in world markets. Moreover, when determining the strengths and weaknesses of particular enterprises and an appropriate government role in helping them, the government has tended to judge them on the basis of their international competitiveness rather than by other, more subjective standards (Lee 1988).

4.1.2 The Rise of Middle Class

Records shows that in the 1950s the ratio of income share of the top 20 percent to that of the bottom 20 percent was 20.5, very similar to that of other developing nations plagued by the inequality of wealth distribution. But by 1972 the ratio was down to 4.6, and it stayed at that level until 1988. This narrow gap among income groups puts Taiwan in the category of "low inequality" countries along with the United States, the United Kingdom, Canada, Japan, South Korea and
Spain. As a result, a large middle class has emerged which in turn contributes to Taiwan's social and political stability (DGBAS 1988).

From another perspective, the state-guided development strategies in some forty years have radically transformed Taiwan's post-land reform social structure. Through the promotion and expansion of the public and private sectors, the state development strategies have forcefully and successfully pushed the small landowners into the ranks of the urban industrial working class or the middle classes, which have emerged as the mainstay of this newly industrialized capitalist society. By 1980 only 18 percent of the island's employed population engaged in farming activities, and of them over 90 percent were actually part-time farmers. At the same time, the emerging working and middle classes have become more visible in their social and political impact. In the past four decades the workers as a group increased from less than 15 percent to more 40 percent of the total population, while the middle classes rose from about 20 percent to more than 30 percent. Within the middle class, the ranks of the new middle class (managers and professionals) have increased, while the size of the old middle class (small ship and property owners) has been stable. In the 1980s the new middle class and the old middle
class consisted of about 20 percent and 10 percent respectively, a ratio of 2:1.

According to Bell (1979), post-industrial societies are characterized by a "service economy". In fact, from those growth rates for Taiwan's primary, secondary, and tertiary industries over the last four decades, we will find that by the late 1970s it was becoming clear that an economic transition was the only way to continued growth. After an impressive productivity increase during the 1960s and 1970s, the gap between wages and productivity grew larger almost every year since 1973 (Table 5).

As a result, economic growth became stagnant and major export items such as textile products were no longer competitive in the world market.

With economic development directly related to political stability, and its ultimate chance for survival, Taiwan had no choice but to come up with a solution to the problem, and the Information Revolution provided the answer: knowledge- and capital-intensive industries to offset the rising labor cost, automation to enhance productivity, and a modern communications system to bring fast and accurate market information for international trade.
Table 5. Indexes of Labor Productivity and Earnings in Manufacturing

<table>
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<th>Year</th>
<th>Earnings</th>
<th>Productivity</th>
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<tr>
<td>1976</td>
<td>42.38</td>
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<td>1980</td>
<td>84.27</td>
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<tr>
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</tr>
<tr>
<td>1985</td>
<td>132.14</td>
<td>121.44</td>
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<tr>
<td>1987</td>
<td>159.52</td>
<td>147.96</td>
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</table>

Note: 1981 as a basis of calculation
Source: DGBAS 1988

In order to facilitate the transition to a service economy, the government has made a conscious move in promoting change. In the "Ten Year Economic Construction Plan of the Republic of China 1980-1989", it was clearly stated that the information industry is the "strategic industry" of the nation (ROC's Information Industry Yearbook 1989). Included in the policy statement are development of software and microcomputers, technical and management personnel training, encouragement of investment in the "strategic industry" and transfer of high technology from developed nations. One prominent project is the establishment of of the Hsin Chu Science-Based Industrial Park in 1980, which was designed to become the ROC 's Silicon Valley.
With its rapidly accumulated fortune Taiwan's society has been transformed drastically. Hsiao (1984) points out in an article entitled "Analyzing the Changes of Social Paradigms of Taiwan in the 1980s", that since the beginning of the 1980s, based on the available empirical survey findings, individuals in Taiwan society have constructed a collective consciousness in defining the autonomous quality of "the society" and sensed the existence of "social problems" in Taiwan. He observes that there has been an growing awareness of the dominant modes of thinking that have been governed by the established political and economic powers.

In the eyes of Hsiao, there are dialectical changes that have been manifested in the relative power relations among political, economic, and social forces in the post-war Taiwan era. In the period of 1947-1962 what he calls the "political forces in absolute command;" this period began at the outbreak of "228 Incident" and the KMT government established an unchallengeable absolute authoritarian state on the island. Hsiao (1989) described:

"All aspects of the public life were completely under the control of the party-military-state, political considerations then overruled any other economic and social possibilities. Economic rehabilitation and stability was given high priority not for any developmental reason but simply for the political survival of the regime."
From 1963 to 1978 came the period of "economic forces in relative lead"; The KMT state during this period incorporated economic growth into its priority agenda of ruling Taiwan. As a consequence, economic forces gradually emerged in the state-society relations. By the end of the 1970s, the previous separation of the political and economic forces had moved into a new arena where the two forces began to form coalitions and combined powers in accelerating capitalist development. Hsiao (1988a) also found that a new kind of "Taiwan consciousness" rose among intellectuals at this time. However, such social and cultural efforts to redefine the nature of Taiwan social reality were confined only to the intellectuals and not channeled to other social groups and economic classes. That is to say, the civil society had not yet been mobilized to directly challenge the power of the authoritarian state, although the political opposition appeared in an embryonic form at the time.

The period from 1979 up to the present is labeled the "social forces in mobilization edge" (Hsiao 1989). During this time, the consciousness of the society and the available resources have been mobilized to counter the state power. As of the end of 1988, there have been a total of 17 major social movements evoked by the mobilized civil society in Taiwan to make claims on the state (Hsiao 1988b). However,
many of them are politically motivated. As Hsiao (1989) points out, "the state is considered by all social movements to be the primary target and one unstated yet clear aim is not only to change the specific public policy or the functioning of the state apparatus but also to transform the power relations between the authoritarian state and the mobilized civil society."

Apart from Hsiao's analysis, Gerald A. McBeath (1986) conducted a survey about changing youth in Taiwan. His first study took place in 1974-1975, using as a sampling frame the official list of all classes of middle schools (grades 7 to 12) in Taiwan. A total of 3,044 students in 72 classes was studied. Then in May 1985 McBeath conducted another study as a follow-up. He found that contemporary Taiwan youth are different from their parents because of the different nature of socialization agencies and altered emphases within them, as well as because of the different temporal events to which they have been exposed. Now students are loosened from the bonds of the Chinese family system to a greater extent than earlier, and they are more susceptible to influences from peers, secondary youth associations, and media. In general, McBeath says, students in Taiwan are like their Western age-mates in becoming more tolerant of political differences and more cynical about political authorities the longer they sit
in the schoolhouse. But unlike Western youth, they develop a lower value of their own political competence and become pessimistic about the value of political competition.

4.1.3 From Hard to Soft Authoritarianism

In 1984, Edwin A. Winckler, a professor at Columbia University, wrote an article entitled "Institutionalization and Participation on Taiwan: From Hard to Soft Authoritarianism?", in which he indicated that "hard" authoritarianism on Taiwan has meant mainlander technocratic rule under a one-man dictatorship; whereas "soft" authoritarianism would imply joint mainlander-Taiwanese technocratic rule under collective party leadership. Six years later, Winckler's argument in the article may be found somewhat outdated, but the issue still stands.

In retrospect, 1977-1987 was a decade of accelerated democratic movement in Taiwan. The central thrust of democratic forces during this decade was toward making a legitimate opposition party. The progress of the democratic movement during this period was by no means a linear one. But in the end the movement resulted in a democratic breakthrough as significant as the one that South Korea has recently achieved. In 1986 the first credible opposition party (Democratic Progressive Party or DPP) in postwar Taiwan was
suddenly formed—in defiance of the existing law and repeated warnings. Instead of pursuing a political purge, the KMT government responded with a package of concessions, including lifting the martial law decree and the ban on new parties and new newspapers, a package that surprised even DPP members.

The KMT party-state has been monocentric and oriented toward personal leadership. Critics would say the legislature was a rubberstamp for the Cabinet—the Executive Yuan, the cabinet a rubberstamp for the KMT's Central Standing Committee (CSC), and the CSC the personal instrument of the President, who also presided over the party. Power flowed from the very top. The following discussion covers recent developments and issues with respect to the party, and party-government relations (CSC-Cabinet).

The Transitional KMT Party There is no question that the KMT has undergone major changes in composition and character since its earlier days in Taiwan. Professor Wu Wen-cheng (1988) of Taipei's Soochow University sees a gradual but decisive transformation. First, that the party has gradually changed from an exclusionary, elite cadre party into an inclusionary mass party. In 1968, KMT membership was 6.89 percent of the population while by 1983 it was 11.37 percent of the population (19.5 percent of the electorate). In 1968,
60 percent of the members were politicians, officials and military and 51 percent were mainlanders. By 1983, 70 percent were Taiwanese and were recruited from "all walks of life." Elected politicians made up a significant contingent. Second, the KMT is changing from a "corporate" entity that seeks to incorporate and control various groups to a "pluralistic" one that represents and aggregates diverse interests. Wu cites the KMT's lifting of the ban on strikes and plans to create a cabinet-level department of labor affairs as a response to labor rank-and-file within the party as one example of this. Third, in addition to local elections, the KMT began to hold "supplementary elections" for the Legislative Yuan, National Assembly and Control Yuan in 1968. In 1986, the DDP was formed and their share of the vote in last December's election was about 30 percent.

Party and government. Here we will confine our observations to the central apparatus. The KMT Central Standing Committee is the highest party organ (see Figure 3). It is the heart of the KMT's quasi-Leninist structure. The Cabinet sends all policy proposals to the CSC for review. Wu Wen-cheng traces the history of KMT-government relations as follows. On the mainland, the party's principle for party-government relations was "rule the state with the party." In

the 1950s and 1960s, it changed to "guide politics by the party." Since the KMT's 10th Congress in 1969, the principle has been "separation between party and the government." Since then, he says, "the party has gradually become a policy coordinator rather than a policy maker." He notes that in the CSC, the 14 members from the government sector plus the five from representative bodies have become the majority. While the three members from the party sector have become the minority. This contrasts with the 1950s and 1960s, when the CSC consisted mainly of "revolutionary party elite and generals who specialized in ideology, propaganda, and mobilization." Wu maintains that as a result of all this, "the institutionalization of a constitutional arrangement with a strong Executive Yuan responsible to the Legislative Yuan (i.e., not the CSC) has gradually taken shape."

Not everyone agrees with the portrayal of the CSC as merely a "coordinator." For example, the Asian Wall Street Journal in one article described that the members of the Cabinet were merely "rubberstamps." In another article, its correspondent reported that "All major government decisions are first made by the KMT's 31 member CSC, which meets on Wednesdays. On Thursdays, Premier Yu Kuo-hwa (now Hau Pei-tsun) and his cabinet hold their weekly meetings. People who
attend these meetings say the cabinet rubber-stamps decisions handed down by the KMT leaders." (AWSJ July 18, 25, 1988).

In short, as Meaney (1989) puts it, events to date in the ROC can be called liberalization but not, as yet, democratization, because they create necessary but not sufficient conditions for a transition from authoritarian rule to institutionalized democratic rule.

4.2 Cable Emergence

From the preceding discussion, we understand that Taiwan has undergone dramatic change in the past decade. What should be noted here is that the pace of change has been so fast that people on the island have had to reconsider their traditional activities and wonder where to go and what to do next. A number of scholars see this transformation largely as a consequence of quick economic growth (Huntington 1984; Meaney 1989; Nathan 1989). Some even laud the KMT state for its efficient efforts guiding the nation to an economic success (Clark 1989; Gold 1986; Kuo 1983). Regrettably, no one has ever cited those close-to-KMT state electronic media as a contributing force to Taiwan's achievement. On the contrary, they are bearing blame for the present societal disorder.
For years, the demand from Taiwanese people for a reform of electronic media policies, has often been accompanied with their request for political liberalization. Communication scholars, such as Youichi Ito (1990), assert that the emergence of new information media (or technology) is generally caused either by technology-push or by demand-pull factor. But in the cases of "Little Ear" and "Channel 4", it appears that both technology and needs work together, although sometimes one factor is overshadowed by the other.

4.2.1 Emergence of "Little Ear" and "Channel 4"

Disregarding the long-term prohibition on the registration of new newspapers, at a time before the lifting the ban, the opposition had published several weeklies in a week, each at a discrete date with different names in an attempt to avoid regulation, so that readers could read them like a daily newspaper. Similarly, discontent with the policy of an oligopolistic broadcasting industry, political dissidents set up low-power radio and television stations as a gesture of protest. Businessmen, in a manner of fishing in troubled waters, built outlawed systems for community antenna television (CATV) to furnish the public with information and entertainment which the extant television stations do not provide. This special communication "channel" is widely
referred to as "Channel 4", beyond the existing three television networks.

As Raymond Williams (1974) points out, causes of new media development are not confined to those of technique and economy. Other forces should be considered too. So far as the "Channel 4" is concerned, except for the political motivation mentioned in the preceding sections, socio-cultural factors also explain its occurrence.

Owing to the fact that Taiwan was occupied by Japanese for fifty years, many local residents over the age of sixty, who received Japanese education for 10 years or more, have fond memories of the past and are interested in watching Japanese films or TV programs. However, in Taiwan, films or TV programs produced in Japan or Communist countries have been strictly prohibited. Consequently, "Channel 4" players smuggled in Japanese videotapes in order to draw audiences. (Wang 1984). Those operators understand that although Japanese programming is banned, playing them over the wire will not be punished as seriously as playing films from Communist countries.

Using cable to improve TV reception, in fact, is allowed in Taiwan. In accordance with the 1979 Measures for the Installation of Boosters, Converters and Common Antennas, people, who want to set up a community antenna, must file
applications to the GIO. What differs from "Channel 4" is those legal CATV systems are set up only for retransmission of present TV station signals. As of 1983, Taiwan had had 60 of such CATV systems, with subscribers estimated about at 45,200 households (The Working Group Report 1985).

According to Georgette Wang's investigation, Taiwan's first illegal CATV system was established in 1979 in Keelung (Wang 1984), a harbor city 50 miles from Taipei. By modern cable standards it was very primitive—a headend which originates the programming; a distribution system which carries the headend's programming via coaxial cable to the various areas where subscribers are located; and a subscriber drop which carries the programming from the distribution system cable into the subscriber's location and wires it up into the receiving TV sets.

Since the technique and equipment required for "Channel 4" are easily obtained, and the subscription fee is acceptable to the public, shortly after the business surged across the island and became a broadcasting sub-network. According to the local newspaper Min Sheng Pao (10/7/1983), the largest system serves more than 10,000 subscribers whereas the smallest serves about 500 to 1,000 households. It is estimated, in 1983 there were about 300 "Channel 4" systems, at least half million household subscribers around
Taiwan (Wang 1984); by October of 1990, the number of the illegal medium system increased to 500, and around three quarters of a million households paid for receiving taped programs. (China Times 10/15/1990). The GIO does not confirm it nor produce figures to illustrate the existing situation because "it is an illegal business the government finds nowhere to get the number of operators." according to an interviewed GIO official.

The marketing of "Channel 4" follows a typical pattern: a "Channel 4" agent appears at the door of an apartment or home and offers the service to the resident for an installation fee of US$37 to US$74 and a monthly fee of half that amount. There are no surcharges for special TV programming. The "channel" offers several viewing choices, including continuous stock market reporting, 24-hour CNN news, Japanese serials with Chinese subtitles, and both R and X-rated movies. A study conducted in 1984 shows that Japanese programs account for more than 50 percent of all the programs provided by "Channel 4" (Wang 1984). Six years later, the ratio has not changed much. Some of these programs originate from the Japanese satellite which the "Channel 4" headend receives with a "Little Ear" antenna and transmits over its coaxial cable distribution system. Other programs such as the Japanese serials are brought to Taiwan on videotape and sent
out from the "channel" headend (Wu August 1990). In GIO's analysis, the audience of the "Channel 4" have the following features: Mostly they are a) of middle-lower classes residing on the frontier of urban areas; b) of middle-high school education; c) housewives, low-level civil servants, or laborer classes; and d) apartment dwellers (Wang 1984).

In the eyes of the ROC government, tax evasion committed by the illegal "Channel 4" is not a serious crime. What concerns the regulators is that those CATV systems are not under their control. From 1982 on, joined by the DGT, TGH, and police force, GIO has launched many sweeping crackdowns under the code of "Shun Fong" (in Chinese it means clairaudience). Over years, the "Channel 4" still stands everywhere and even thrives. News report suggests that the local police's close connection with the outlawed operators should be blamed for the failure of crackdown. (United Daily News 7/29/1983).

In recognition of this--restriction can no longer be a panacea, in 1982 the GIO organized an Ad hoc Committee for Future Development of Broadcasting and Television which gathered a group of seven experts in electronic media to discuss the further development of TV broadcasting in Taiwan. After four meetings in 1982, the group gave the GIO the following recommendations concerning cable TV:
*Cable TV, for a variety of reasons, was viewed as the best way to develop TV communications;

*It should therefore incorporate facilities for other communications needs, including the growing information industry;

*It should be operated by the private sector with the help of local government and be subject to central government regulation;

*Cable TV stations should be set up at the level of the provincially administered or centrally administered municipality, with no limit on the area covered by the cable service;

*Applications for a cable TV operator's license should have professional broadcasting experience (some panel members suggested that existing TV or radio stations be allowed to take up a certain percentage of the investment in a new stations); and

*Cable TV operators should be permitted to produce commercial films and charge fees for their use.

4.2.2 Cable TV System Working Group 1983-1985

No document reveals that the GIO had reported these recommendations to the Executive Yuan. But on June 9, 1983, Sun Yun-suan, then the premier of the Executive Yuan, instructed on the matter of cable television at a cabinet meeting that:

"Insofar as the television industry is concerned, the cable television is a new tendency. We need a detailed study as to whether we should have it in connection with the development of our information industry and keeping pace of gradual increase in information transmission. I lay this task to Minister Fei's charge. He is expected to convene a meeting with the Communications minister, Economic minister, and director-general of the GIO to work
out a proposal for approval..." (No. 1836 Cabinet Meeting Minutes).

In Sun's remark, an economic reason is seen as the primary concern for establishing Taiwan's cable TV system. In fact, from 1979 the ROC had suffered three consecutive years of economic setbacks. The KMT government was not certain at the time if large investments made in cable television could turn the economic tables. However, the rising anti-government activities on the island had forced the authorities to take measures in moderating this adverse wind. Therefore, in July 1983, the ministers of Economics and of Communications joined with the director-general of the GIO in agreement that cable TV would be the best communications vehicle to serve the public's expanding needs for information, education, and entertainment--and that it would also help to put the illegal cable channels out of business. Four official purposes for developing a cable system thus came out: 1) To improve reception in regions where reception remained poor, or to allow the reception of broadcast signals in areas not covered at all by existing transmitters; 2) to increase broadcast channels available to subscribers in order to enhance communication; 3) to accommodate the development of information and fiber optical industry; 4) to eliminate the illegal "Channel 4" systems.
On August 9, 1983, premier Sun ratified the formation of the Working Group on Cable TV Systems in a plan to ascertain whether cable television was economically feasible in Taiwan. Other aspects concerning legal problems, media competition, and socio-cultural impact were also embodied into this investigation. Members of the group included high ranking officials from Ministry of Communications, Ministry of Economic Affairs, Government Information Office, Industrial Technology Research Institute, Directorate General of Telecommunication, and the Institute for Information Industry. The vice minister of Communications, Chu Teng-kao was assigned as the group convener. Owing to lack of experience in cable systems, the U.S. based Warner Amex Cable Communication Inc., an early pioneer in two-way cable TV, was contracted by the Working Group as a technical consultant.

After a year and a half, in February 1985, a series of eighty reports had been produced, totaling about 3,000 pages. Nearly half of which were devoted to introductory work like comparing different cable policies in leading industrial countries and functions of various cable hardware systems. Despite this, two market survey reports on (1) residential subscriber service needs and (2) the service needs of organizations and companies in the city of Taipei and its suburbs shed light on how much Taiwan's urban area residents
need cable television (Table 6). Some important findings from these two studies are listed below:

1. In the development of cable systems, the entertainment function should be given top priority, then education and information services should follow.

2. A low subscription fee is not necessarily a favorable policy. Reasonable rates with desirable services will benefit cable systems most.

3. In the Taipei area, half of the inhabitants are tired of the boring programs from present TV systems and interested in the possibility of choice which CATV promises.

4. At the initial stage, around 35.4 percent of the total households in Taipei area would adopt cable systems and services. After full development, the highest penetration may reach 94.9 percent; on the part of organizations and companies in Taipei area, 53.26 percent of the subjects will get cable service at the initial stage and this figure will go up to 95.8 percent in the long run.

For these survey findings some inquiries arise. Firstly, that "low subscription rate is not necessarily a favorable policy" is not an empirical result. In question 14 of the questionnaire given to sampling Taipei residents, the Working Group asked, "If it is reasonable when it cost you $5.00-$7.50 for basic services [on two-way systems]." About 63
Table 6. Benchmark Survey of Cable TV Market in Taipei and Environ, 1984

<table>
<thead>
<tr>
<th>Answer to Survey Question</th>
<th>Percentage Giving Indicated Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have TV</td>
<td>99</td>
</tr>
<tr>
<td>Have Color TV</td>
<td>86</td>
</tr>
<tr>
<td>Good to excellent TV</td>
<td>87</td>
</tr>
<tr>
<td>reception</td>
<td></td>
</tr>
<tr>
<td>Average hrs./day family TV viewing:</td>
<td></td>
</tr>
<tr>
<td>over 5 hrs.</td>
<td>13</td>
</tr>
<tr>
<td>3-5 hrs.</td>
<td>39</td>
</tr>
<tr>
<td>1-3 hrs.</td>
<td>41</td>
</tr>
<tr>
<td>under 1 hr.</td>
<td>5</td>
</tr>
<tr>
<td>Programming preferences:</td>
<td></td>
</tr>
<tr>
<td>news &amp; comments</td>
<td>44</td>
</tr>
<tr>
<td>sitcoms</td>
<td>33</td>
</tr>
<tr>
<td>education</td>
<td>9</td>
</tr>
<tr>
<td>variety</td>
<td>8</td>
</tr>
<tr>
<td>sports</td>
<td>2</td>
</tr>
<tr>
<td>other</td>
<td>4</td>
</tr>
<tr>
<td>VCR ownership:</td>
<td></td>
</tr>
<tr>
<td>own recorder</td>
<td>31</td>
</tr>
<tr>
<td>play-back-only</td>
<td>2</td>
</tr>
<tr>
<td>plan to buy VCR</td>
<td>46</td>
</tr>
<tr>
<td>do not want VCR</td>
<td>20</td>
</tr>
<tr>
<td>Reasons for buying VCR:</td>
<td></td>
</tr>
<tr>
<td>tired of boring TV programs</td>
<td>46</td>
</tr>
<tr>
<td>keeping up with friends &amp; neighbors</td>
<td>10</td>
</tr>
<tr>
<td>pass the time</td>
<td>9</td>
</tr>
<tr>
<td>children want it</td>
<td>5</td>
</tr>
<tr>
<td>multiple reasons</td>
<td>10</td>
</tr>
<tr>
<td>other</td>
<td>16</td>
</tr>
<tr>
<td>no answer</td>
<td>4</td>
</tr>
<tr>
<td>Illegal Channel 4 heard of it:</td>
<td></td>
</tr>
<tr>
<td>from print media</td>
<td>61</td>
</tr>
<tr>
<td>from a friend</td>
<td>15</td>
</tr>
<tr>
<td>have seen it</td>
<td>11</td>
</tr>
<tr>
<td>never heard of it</td>
<td>12</td>
</tr>
</tbody>
</table>
Table 6 (Continued)

<table>
<thead>
<tr>
<th>Answer to Survey Question</th>
<th>Percentage Giving Indicated Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual family spending on videotapes and movies:</td>
<td></td>
</tr>
<tr>
<td>under NT$500</td>
<td>25</td>
</tr>
<tr>
<td>NT$500-1,000</td>
<td>25</td>
</tr>
<tr>
<td>NT$1,000-3,000</td>
<td>21</td>
</tr>
<tr>
<td>over NT$3,000</td>
<td>14</td>
</tr>
<tr>
<td>nothing</td>
<td>13</td>
</tr>
<tr>
<td>Level of interest in cable TV:</td>
<td></td>
</tr>
<tr>
<td>extremely interested</td>
<td>68</td>
</tr>
<tr>
<td>very interested</td>
<td>28</td>
</tr>
<tr>
<td>slightly interested</td>
<td>3</td>
</tr>
<tr>
<td>not interested</td>
<td>1</td>
</tr>
<tr>
<td>Most desired cable TV service:</td>
<td></td>
</tr>
<tr>
<td>entertainment</td>
<td>35</td>
</tr>
<tr>
<td>education</td>
<td>30</td>
</tr>
<tr>
<td>information</td>
<td>24</td>
</tr>
<tr>
<td>home security</td>
<td>6</td>
</tr>
<tr>
<td>other &amp; no answer</td>
<td>5</td>
</tr>
<tr>
<td>Level of interest in pay-per-view:</td>
<td></td>
</tr>
<tr>
<td>extremely interested</td>
<td>32</td>
</tr>
<tr>
<td>very interested</td>
<td>50</td>
</tr>
<tr>
<td>not very interested</td>
<td>13</td>
</tr>
<tr>
<td>not interested</td>
<td>3</td>
</tr>
<tr>
<td>Will you subscribe if cable TV is available three years hence?</td>
<td></td>
</tr>
<tr>
<td>yes, immediately</td>
<td>35</td>
</tr>
<tr>
<td>wait &amp; see</td>
<td>60</td>
</tr>
<tr>
<td>no &amp; no answer</td>
<td>5</td>
</tr>
</tbody>
</table>

Sources: Cable TV Market Survey of Residents of Taipei and Environ conducted in Spring 1984.

Note: 1. A total of 6,293 valid returns were received from 30,000 questionnaires mailed out to telephone subscribers selected from a computerized file of 900,000 persons in Taipei and Environ.
2. Some percentage figures do not total 100 because of rounding.

3. In 1984, ROC's per capita income was NT$111,657 (=US$2,818), average disposable income per household was NT$314,245 (=US$7,931); but for the Taipei area, the amount should be 1.4 times as much.

4. In the Taipei area, half of the inhabitants are tired of the boring programs in present TV systems and interested in the right of choice CATV promises.

5. At the initial stage, cable systems and services can be accepted by 35.4 percent of the households in Taipei area. Then after full development, the highest penetration may reach 94.9 percent; on the part of organizations and companies in Taipei area, 53.36 percent of the subjects will get cable service at the initial stage and this figure will go up to 95.8 percent in the long run.

percent of respondents replied in agreement. But, as understood, the cost of two-way basic services for every household is far greater than the price range listed on the questionnaire. Thus when audiences found out that the price range they think is reasonable for two-way cable services is actually for one-way basic services, the acceptance percentage will surely be much lower than that presented in the finding. What is more, most of Taipei's (as well as Taiwan) inhabitants do not really know what the pay-per-view television is like. So the percentage of interest respondents indicated should not be emphasized.
Regarding the degree of satisfaction with current TV network services received, there have been several confusing research findings. Thomas Lee (1979), who conducted an island-wide survey about satisfaction with TV programs in 1970 and 1978 respectively, found that dissatisfaction went up from 44.24 percent in 1970 to 59.73 in 1978. However, Hsu & Kuang (1983), who carried out a similar research in 1982, obtained different results. In Hsu & Kuang's study, respondents expressing satisfaction with TV programs constituted 66.2 percent while 21.8 percent replied that it was unsatisfactory.

Not surprisingly, these over-optimistic results gave rise to skepticism immediately after being published. Scholars threw doubt upon the generalization of the studies; government officials are suspicious of their credibility. The GIO even submitted a memo to the Executive Yuan, indicating errors made in the research.

On top of the results of the two market surveys, the Working Group presented a number of propositions, which are derived from the following assessment made by the Warner Amex Cable Communications Inc. on the viability and prospect for the planned cable TV system.
The Warner Amex Report

From a 9 month (3/1984-12/1984) field study, Warner Amex concluded that building a cable TV system in Taipei and its peripheral area is technically and economically feasible. But, the projected cable system must be built with coaxial cable if the construction work started during 1984-1985 (research time). This was because the cost of optical fiber was still relatively high. The consulting company implied that the cost of operation for the whole system would decrease substantially if the cable TV was designed as a part of a telecommunication system. This gave DGT an idea to promote a joint-venture years later--an optical fiber line shared by telephone and television.

Based on its experience in Columbus, Ohio, Warner Amex advised the ROC not to develop a two-way cable TV system, at least not in the near future; the same situatio for the Institutional Service Network. The American consultant emphasized that the envisioned cable TV system must not be designed as a fancy electronic monster, which furnishes services far more than the community needs, because it had proved wasteful and would not last long. Nevertheless, a good system should reserve space for future expansion, Warner Amex stressed.
On the question of how many channels the system was supposed to offer, in view of the fact that Taiwan's TV programming industry was unable to produce adequate films and TV programs for television, Warner Amex made a proposition that Taiwan's cable TV system should start with a few basic channels plus one or two pay-per-view channels. Most important, an experimental "pilot project", lasting at most three years, was necessary before the cable construction work began so that the chances of an error could be minimized. With regard to home security service, the Warner Amex pointed out that Taiwan's market was not yet ready for it regardless of heavy interest shown by many local businesses in the above-mentioned survey.

4.2.3 Conclusions of the Working Group Report

Drawing on the U.S. experience in cable development, the Working Group emphatically stressed that cable television could help boost the broadcasting and information industries. Besides, it maintained that since huge amounts of capital were to be poured into the construction of the cable system, scores of cable-related professions would also be benefited.

As to the impacts the cable system would have on Taiwanese society (Table 7), the Report, for one reason or another, avoided the unfavorable aspects and dwelled on the
appealing advantages. For example, the Report pointed out that the electronic industry, while improving its product quality as well as quantity to meet the demands of the cable system, would sharpen its competitive capability in international market. But it did not mention the fact that a group of transnational corporations (TNCs) such as ITT, AT&T, Corning, Sumitomo, and NEC were drawn into Taiwan and gradually cornered the local electronic market. In a similar

Table 7. Advantages and Potential Problems Concerning Development of the Cable System

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Problems Concerned</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Improve TV signal reception</td>
<td>a) Shortage of domestic-made programs</td>
</tr>
<tr>
<td>b) Increase broadcast channels</td>
<td>b) Difficult to control</td>
</tr>
<tr>
<td>c) Enhance optical fiber tech. &amp; information industry</td>
<td>c) Expensive investment</td>
</tr>
<tr>
<td>d) Accommodate long-term tele-communication development</td>
<td>d) Threats to present 3 TV networks &amp; other mass media</td>
</tr>
<tr>
<td>e) Eliminate illegal &quot;Channel 4&quot;</td>
<td>e) Possibledamage to cityscape</td>
</tr>
<tr>
<td>f) Increase working jobs &amp; help economic development</td>
<td></td>
</tr>
<tr>
<td>g) Lay foundation for DBS era</td>
<td></td>
</tr>
</tbody>
</table>

Source: Cable Systems Group Report, 1984
manner, the Report claimed that there would be as many as 2,926 jobs created for such professions as programming production, cable management, advertisement, information service, civil engineering & electrical engineering. Again, it did not count the number of jobs lost out of the establishment of the cable system. The most bizarre thing in the Report was, the Working Group stated that the importation of foreign TV programs or films would facilitate the elimination of the fear of "cultural imperialism."

In my personal view, there were a couple of reasons which contributed to the pro-cable emphasis of report:
1) there was no clear-cut media policy, especially for electronic media;
2) the imposition of the Martial Law and temporary war-time regulations caused many unpredictable things;
3) the report represented an attempt to conform to superior's wishes;
4) the report suffered from a lack of researchers versed in media economics, or/and media legal problems;
5) the project may have had poor research management.

In addition to the above factors, Dr. Tseng Fan-tung, then executive secretary of the ad hoc Working Group, may serve as a decisive factor influencing the trend of the study. Tseng, an electronic engineer in his own right, was
the virtual head of this cable research group whereas his superior, vice minister Chu, was the convener. Last December, the author was granted a three-hour interview with this zealous engineer, during which his view of cable TV development was offered. When asked to elaborate on the reasons for developing cable, Tseng said "My view has all been written into the report."

Before the Working Group formally completed its study, Kao Yu-shu, former Communications minister, initiator of the second ad hoc team for development of cable systems, submitted a report to the premier in the capacity of minister of state. (The Executive Yuan 16/11/1984). Kao, based on his visit to the U.S. and France, points out that France is a centralized nation, whose TV broadcasting system is analogous to that of Taiwan. However, the French government has not intended to develop cable television in that programs cable TV can provide are somewhat equal to what broadcasting TV does. France just does not want to make a duplicate investment. Instead, they pool all available resources to set up networks for transmitting information. Taiwan, Kao proposed, should consider the example of France for reference and reconsider the policy of cable systems.

In my observations, Kao was not the only person disagreeing with the cable TV plan. In fact, the staff of
GIO's Department of Broadcasting and Television Affairs have also been loath to support it. They argue that the present three TV networks have not been fully utilized and the weak capability in producing film and TV programs will eventually result in inundation of foreign programming on every cable channel. "This is not what we want," A GIO official claimed.

In August 1985, acting on the Executive Yuan's instruction, the GIO made a formal evaluation on the Report of the Cable Systems Working Group. Unexpectedly, this time the GIO's evaluation gave full play to the cable development work which was shortly called to a halt to await another feasibility study. The essence of the evaluation is digested as follows (Doc: <74> King Kwang 10686):

1) The acceptance percentage shown in the Report misleads; as discussed above, the suggested subscription fee ranges (basics $6.9; pay-per-view $11.9) were calculated on the basis of one-way services cost. But, the public got an incorrect impression that by paying the suggested price, they will enjoy two-way cable services.

2) The cost of program production is unreasonable; in the Group's estimation, every subscribing household will pay $1.00 monthly (included in $6.90) for sharing the cost of basic programming. In other words, the cost of one-hour program production for one-way basic channel will be somewhere around $300.00, if in accordance with the Working Group's formula (Household subscription fee - capital depreciation + operation cost + programming production cost). As compared with $8,000.00 for current one-hour TV program production cost, $300.00 is far less than needed to produce a good-quality program.
3) Culture protection should be emphasized; the Working Group proposed that existing laws on limiting foreign TV program be deregulated so that cable TV can get enough programs on the one hand, and the local-made programs are compelled to improve their quality on the other. In doing so, the Group suggested, there will be no need to fear "cultural invasion". The GIO counters that even the U.K. and Canada, who share lots of cultural background with the U.S., enact laws to protect themselves from importing American TV programs. In contrast, Taiwan should double their efforts on that.

4) Loosening restrictions on the content of TV program will do the society harm; in the Report, a proposition of slackening restriction on the content of TV programs has been made. The Working Group believes that relaxation could consolidate local-made programs and make them more competitive in confronting foreign programs. The GIO argues that keeping the society free from obscenity and violence is far more important than winning commercial competition.

5) The Report does not provide a systematic study on how to regulate and how to manage cable television; cable television is new to Taiwan; hence a new law is extremely required in order to deal with such questions as who owns/ runs cable? Who is the new medium’s regulator? How to proceed with the "pilot project"? and How to use foreign programs on cable? The Report uses most of its space in introducing different cable systems, cable hardware equipment and cable functions, but spent too little on cable-related regulation and management. The GIO suggests that before the cable law is enacted all the development work including the "pilot project" should stop.

On August 13, 1985, premier Yu Kuo-hwa, recommended by his secretary-general Wang Chang-ching, ordered that the Working Group on Cable Systems dissolve and the "pilot project" be postponed until the next feasibility study comes out.
4.3 Who Owns/Runs the Cable System?

Acting on an order by the premier, a task force has been organized on the feasibility study about the cable TV system. However, not every participant is satisfied with the results.

Since the cable has little to do with its administrative authority, the Economics Ministry would rather reserve its own opinion; the Ministry of Communications, trying to incorporate the cable TV system into its telecommunication system, has dominated the ad hoc working group and laid the study emphasis on hardware system equipment; the GIO, which is eager to get rid of the illegal "Channel 4", complains that the report does not produce appropriate measures or propositions as to how to deal with cable television; the Executive Yuan, ignorant in the new communication media, thought at first the cable TV system may benefit national economy, and then found that the system will not be as easily controlled as broadcasting TV under current system.

As a result, the Working Group on Cable TV System was dissolved and the scheduled "pilot project" tabled. The GIO, at the same time, was instructed to study who is (are) responsible for the construction of cable; how the cable TV system will be run. Being not interested in developing cable
TV, GIO people delayed the procedure purposely. Not until July 31, 1986, a year from receiving the instruction, did the GIO hold the first consulting meeting to gather ideas from academic circles. This was also the first public-hearing-type meeting focused on cable TV although relevant research works started three years earlier.

In the meeting, Dr. Chang King-yuh, then director-general of the Government Information Office, expressed his deep concern over the capability of the local programming supply industry, including TV stations and independent companies. He stated that (Cable Consulting Meeting 1986):

Today, people are not satisfied with TV programs because what present programming industry provides can not meet their requirements in quality and varieties. But, what if we have 20 more channels after the cable system is completed? Where can we get enough and good programs? Is it proper to accept foreign programs unconditionally? These are the reasons why the GIO has been scrupulous on the matter of developing cable TV.

Seemingly, the GIO is inclined to keep the status quo. Existing laws delegate to the GIO tremendous power in supervising the contents of TV programming, film production and all kinds of audio-visual discs. But when the society evolves from being a monopolistic into a pluralistic one, the GIO's authorized power has turned into a thorny burden. In Chang's view, the top priorities of developing Taiwan's cable system should be given in this order: 1) information
transmission; 2) education; 3) entertainment; and 4) community service. That is, GIO hopes that the ROC cable TV policy would take a course somewhat like that of West European countries, i.e., Germany, France.

4.3.1 No More Monopoly

Later in 1986, a group of three scholars (Chung, Su, & Chang 1987) were commissioned by the GIO to study the optimum way of operating the cable systems. Chung et al. worked out three cable operation models, of which they suggested at least one may best fit Taiwan: 1) state-owned and state-run the cable system; 2) privately-owned and privately-run, and 3) state-owned but privately-run. Here the "state" in 1) and 3) options, according to researchers, indicated government and a legal corporate body. In reference to West European nations' cable development, Chung et al. recommend that the "state-owned, privately-run" model be the one most suitable to Taiwan.

In recent years, more and more people, not just political dissidents, have increased their demands to get access to the electronic media for either commercial or political purpose. The issue of electronic media ownership thus becomes rather critical. With intent to maintain the present broadcasting television system, the KMT decision-
makers plan to work out a brand new cable system, which not only meets people's demands but also keeps the state's interests from being hurt. Consequently, the first option—state-owned, state-run, is hardly possible for the present transforming society.

However, a privately-owned cable system is not acceptable for all. It has given rise to a series of heated debates due to the fact that the telecommunication system has been state-owned in this country. Advocates of private ownership claim that privatization has become a world-wide trend (Naisbitt & Aburdene 1990); moreover, the ROC's experiences in state-owned enterprises have never been cited as successful. In contrast, the advocates point out, cable industries in the U.S. and Canada are booming because they both have a privately-owned system. What is more, there are 14 big government-sponsored construction projects under way on the island proper, it is suggested that the private enterprises may help with their money and manpower to build the cable system.

People opposed to privately-owned cable argue that the state-owned enterprise policy has proved a positive factor in the development of Taiwan's economy. Even though Taiwan's social environment has changed, these opposed still believe that big projects such as constructing the cable system need
the involvement of the state. Because 1) privately-owned cables generally serve areas where they can make profit; 2) private cable usually charges high subscription fees to defray its cost of operation and the lower classes can not afford this. All these will result in expanding social disparity (Blake 1978; Garnham 1982; Mosco 1982). "This is not our policy to take side with the privileged," one GIO official said.

In reality, constructing a cable system is very costly. Very few private enterprises have the capability to lay cable line nationwide. For example, according to two investigative reports (Working Group 1985; Cable Task Force Report 1989), the West German government planned to invest nearly 20 billion Deutsche marks in laying cable before 1990. In 1988 only, the W. German government spent 1.5 billion Deutsche marks on cable television system, registering 7.5 percent of total cost of investment. As to the French government, during 1982-1986, it had spent about 25 billion French francs on cable construction. Before its ten-year long cable development plan expires in 1992, the French government is expected to have invested several billion more on the project.

Regardless of severe critics, which arose because Chung et al. failed to use local empirical evidence to shore up
their arguments, instead, they borrowed largely from the practical experiences of the Britain and West Germany, Chung et al. made suggestions: 1) Before making cable policy the regulatory body must truly understand what cable can do; 2) a state-owned, and privately-run system is the most appropriate way for Taiwan to have an information-oriented cable; 3) due to the fact that domestic environments for information-oriented cable are not fully ready, it is better to adopt a progressive measure in developing cable system; 4) prior to enactment of a long-term and comprehensive cable policy, a reserved area is needed for experimental purposes so as to locate any possible problems concerning cable legislation, technique, and social impacts. The pilot project requires 2-3 years; and last but not least, 5) in order to arrange the experimental area, a supra-ministerial level special group is needed.

On December 16, 1987, the GIO forwarded Chung et al.'s suggestions to the Executive Yuan. Three months later, in March 1988, secretary-general Wang sent a memo to Dr. Shaw Yu-ming, director-general of the GIO, asking for further analytical information about the cable television development plan. Wang felt grave concern over some burning problems such as:
a) Possession of a cable TV system is tantamount to owning many broadcasting television stations. Compelled by aggrandizing social demands, GIO is very likely to open the door before thorough preparations are made.

b) If private corporations are allowed to run cable TV what preventive measures can the GIO take to keep them from being tools of politics or obscenity?

c) What with drastic change in Taiwan's society, the state can no longer be as powerful as it used to be. Government-enacted laws governing cable TV will undoubtedly face a tough challenge in the Legislative Yuan.

d) What if Taiwan does not develop a cable TV system?

Wang's concern in fact is not groundless. When Chiang Ching-kuo died on January 13, 1988, the opposition believed it was a good opportunity to take over the KMT. A radical faction even proclaimed that Chiang's death was welcomed. Afterwards, a series of violent demonstrations took place all over the island. Wang was very worried that developing cable TV would fuel the flame of the anti-KMT opposition. The stout secretary-general asserts that only when GIO had a surefire plan that cable TV would be kept within the confines of existing electronic media, would the Executive Yuan approve the experimental area project.
In response to the Executive Yuan's inquiries, GIO suggested that cable TV can be delayed by implementing a 3-year-long "pilot project". So there was no immediate control crisis. In practice, GIO itself did not want to take full responsibility for regulating cable TV. "In a position of regulatory agency for communication media, it is inappropriate to let cable TV operate before the overall telecommunication policy is settled." But telecommunication policy is in the jurisdiction of the Ministry of Communications.

Having been pressed to deregulate mass media, GIO hoped to stall the cable TV plan to see if anything which could reverse the trend happened. On the one hand GIO asked the Executive Yuan to approve Chung et al.'s proposition of forming a joint task force. On the other hand, secretary-general Wang insisted that the cable TV should be under control in the future otherwise there would be no joint group, and no cable TV for the future. The cable plan was thus stuck until Wang stepped down in June of 1988 because of a political scandal.

4.3.2 Take-Off of the Cable Project

In September, the cable pilot project was rekindled by Kao Yu-shu, who once advised the former premier not to
promote cable television. In a personal interview, Kao said to me, "Times have changed. Cable system is for information as highway system for vehicles. If we are worried about car accidents, should we block the highway to avoid them?" From September 24, 1988 to April 15, 1989, Kao had summoned nine rounds of meetings attended by high-ranking officials from 9 cabinet ministries (Ministry of Communications, Government Information Office, Council for Cultural Planning & Development, National Science Council, Ministry of Economic Affairs, Ministry of Justice, Ministry of Education, Council of Economic Planning and Development, and Ministry of the Interior). CEOs of three TV stations were also present. During almost seven months, those participants had considered whether the government should license cable TV operators according to administrative jurisdictions (such as city, county, and township), by concentrations of population, or by households. The qualifications of applicants for cable TV licenses were also discussed.

Insofar as the formation of the ROC's cable policy, the nine rounds of meetings indeed played a crucial role. To eliminate disagreements, Kao particularly brought heads of the MOC, GIO, National Security Bureau (NSB), and KMT's Cultural Affairs Department face to face and eventually obtained consent to develop cable but on conditions, set by
NSB, that all cable hardware system must be constructed and laid by the DGT, and the "pilot projects" should be adopted after passage of the cable law. Moreover, the cable TV system in experimental areas should be operated by the state for trial purposes (4/3/1989). GIO, though unwillingly, did nothing but resign itself to the resolution.

According to the minutes of the ninth round of the coordinative meeting (4/15/1989):

1) The purposes of construction of cable TV system are primarily twofold: a) to expedite the process of modernizing Taiwan's telecommunication facilities so as to achieve the goal of wiring Taiwan with ISDN by the year 2000; b) to improve information transmission and help develop the information industry.

2) The ROC's cable TV system should be incorporated into national telecommunication networks which will be replaced with fiber-optic cable. The new fiber-optic cable system is the property of the state (DGT). As regards the planned cable TV system, DGT will be responsible for construction of the segment from headend buildings to trunk lines (both ends included), whereas the drop lines and the beyond should be installed by individuals and private enterprises who lease (or get franchises) from DGT.
3) Cable TV programming will come from: a) existing three TV stations; b) DBS programs from the U.S. and Japan, but only DGT can directly receive the DBS signals which then are distributed to various leased cable companies; c) videocassette taped programs (both foreign- and domestic-made).

4) Densely-populated areas will be given top priority for the cable TV system. However, a principle of one-area-one-company will be carried out. As to the question of what is the optimum way to run cable TV—"state-run," "privately-run" or joint venture, no consensus has been reached. The meeting leaves it to the legislators to decide. But foreign companies are not allowed to be cable operators.

5) Like other electronic media under the state's control, cable TV programs will be regulated by GIO, and the MOC will govern cable hardware equipment.

On May 23, 1989, premier Yu Kuo-hwa confirmed the resolutions made at the meeting of April 15. Further Yu instructed that "at the initial stage cable system will be run by the state or the state-private joint venture on a trial basis. If either one proved fit for the nation, it would be promoted nationally. As to the detailed measures the GIO and DGT should work out a concrete proposal together for
approval." Up to this point, the cable project was settling into shape. What is left is how to carry it out.

In retrospect, GIO was the first to come up with the idea of developing cable TV in a hope to get rid of the illegal "Channel 4"; and more important, to ease tension caused by people's demand for the right of access to radiowaves. But at the time very few people really understood what cable (TV) was, much less if it was feasible in Taiwan. When GIO regulators found that an advanced cable TV system would bring them more troubles than the current "channel 4", such as a shortage of locally-made programming, enacting new laws for cable, and the surging amount of programs which need to be screened, they thus changed their minds and said "at least not now".

At this juncture, DGT, which was undertaking the first phase of a 10-year telecommunication innovation plan starting 1981, took the opportunity to propose the cable TV development plan in an attempt to solicit private investment and help reduce the cost of construction and future maintenance. The GIO dislikes DGT's attempt to fish in troubled waters. As soon as the Cable TV Working Group published its investigation report and strongly recommended that Taiwan needed the cable TV system, GIO dismissed the views as technical determinism. Surprisingly, some local
academics who used to be critical of GIO, stand on the side of the agency this time (Chung et al. 1988).

Nevertheless, enticed by cable's diversity, publicized by DGT and the programming industry, the general public has become more and more interested in cable TV, even though they have no idea how much they will eventually pay for the cable service. In my personal view, perhaps adding a new "pure" private TV station into the present electronic media market could be an efficient resolution. But, is it possible to "squeeze" out an airwave spectrum for new TV station? "Not in your life." I was told. In fact, Shaw Yu-ming, GIO's director-general, has officially ruled out the possibility of adding a new TV station. On April 9, when interpellated at the Legislative Yuan, Shaw said,

"In terms of liberalizing TV channels, we have three alternatives: a) CPTV will be on the air in three years; b) the cable TV will be legalized in two years; c) when DGT's satellite telecommunication plan is competed, four channels will be available for TV broadcast." (Central Daily News 4/11/1990).

Apparently, in the matter of controlling electronic media, the KMT state seems to be caught in a predicament--trying to be more open in response to social changes, but ingrained with the KMT's political thought which keeps the pace of reform rather slow. These conflicting complexes have also influenced public policies in recent years.
In February of this year (1990), not long after the KMT's heavy loss in the general election, the Executive Yuan approved the cable system implementation proposal in which the resolutions of April 15 meeting were all included. Besides executing the plan, a new task force (Figure 14) has been appointed. Officials and technicians from both the GIO and the DGT are assigned into four subgroups of the task force. The cable TV implementation plan calls for all cable TV planning to be finished in 1991, and detailed legislation on cable TV is also to be issued in final form in 1991. Officials expect that in 1992 a cable TV system with ten to twenty stations and as many channels will be put into operation (Central Daily News 4/11/1990).

A recent study conducted by the United Daily News Groups' Opinion Research Center on May 5-6, 1990 (World Journal 5/16/1990), made an island-wide telephone survey about the cable TV market and obtained 1,143 valid responses, equally divided between men and women. The main results were as follows:

*40 percent were willing to pay for cable TV;

*28 percent said they would await future developments before deciding whether they would be willing to pay for cable TV;
* GIO takes charge
** DGT takes charge

Source: Cable TV Implementation Proposal. Taipei, 1990

Note: Though GIO & DGT each takes charge of a section, personnel are cross-assigned into the four groups when in need.

Figure 14. Structural Chart of the Cable TV Task Force

*21 percent were unwilling to subscribe to cable TV; *60 percent had no idea what monthly fee would be acceptable;

*37 percent were willing to pay up to US$37 per month for cable TV;

*Over 51 percent said cable TV must be a lot more varied and open to new things than the existing commercial TV stations;

*47 percent said cable TV should transmit adult movies;

*36 percent did not want cable TV to carry adult movies.
Media industry experts say that the cable TV industry would not be able to make a profit if subscribers were only willing to pay US$37 per month. Even in the 1985 studies of the economics of the industry, it was indicated that a monthly fee of US$55 represented the cable TV industry's break-even point under the circumstances envisioned at the time. Today, however, it is felt that the industry can carry a deficit operation for a couple of years in the expectation that subscription revenues will increase once cable TV proves its value. When this happens, more people will subscribe, and they will be willing to pay more than the fee indicated in the survey.

As the Opinion Center's recent survey indicates, 60 percent of the public had no idea of what monthly subscriber fee would be appropriate because they had very limited knowledge of the value of cable TV. Once people know more about cable TV, a major portion of the 28 percent with the wait-and-see attitude may well be interested in subscribing. Furthermore, market analysts think that cable TV can cut into the lucrative videotape market and siphon off some of the large amounts of money spent to buy or rent videotapes of movies and other viewing fare (Wu 1990).

After release of the survey, I wrote to Kuo Yun, a section chief in GIO's Department of Broadcasting and
Television, asking if it would affect the work of task force. According to the latest information (World Journal 7/7/1990), in the initial draft of the cable law, there is no particular clause pertinent to the subscription fee. But newspapers, radio stations and the major television stations will be blocked from offering cable services.

The provision, stated in Article 11 of the draft law, is intended to nurture steady growth in Taiwan's fledgling cable industry by allowing only businesses that are of a similar nature to compete. But this stipulation has already sparked much debate. The biggest complaint comes from the three major television networks. The drafting committee maintains that competition will not be even if the heavyweights are allowed in (World Journal 8/8/1990).

Another provision, one found in Article 3, has also triggered controversy, that is, the nation's cable network will be built by the DGT and owned by the state. Channels would then be rented out by the government to qualified businesses. Doing so, the drafting committee says, is expected to better guarantee that the network can meet operational expenses (FCJ 9/3/1990).

Those, in opposition, however, have claimed that the cable stations themselves would be responsible enough to meet the network's financial needs. To work out all the wrangling
over words, the Government Information Office has scheduled a series of public hearings. The draft law is due to be submitted to the Executive Yuan early next year (1991).

Containing 56 articles, the draft law sets forth numerous guidelines for cable operations. It examines programming, station management, advertising, copyright protection and penalties for violations. Among the many provisions, foreign investment in Taiwan's cable industry cannot exceed 20 percent. Also, only one cable station will be allowed in each franchise area. GIO said that over the next one and one-half years before the cable market is opened, Taiwan will be divided into franchise zones based on population and income (FCJ 9/3/1990).

In addition, the draft allows for cable subscriber programs to be broadcast without commercial interruptions, while free [basic] cable programming will have commercials every one-half hour.

As regards program control, the regulatory body will not review all programs and there will be no limit to the number of foreign films that can be shown. No doubt this is the consequence of local programming capability. Members of the drafting group consider that if a limit like one for broadcasting TV was imposed on cable, most cable operators would find extreme difficulty in management. However, adult
films of a sexual content will be banned, according to the draft law.

4.4 **Summary**

At the close of World War II, per capita income in Taiwan was about US$50. The figure has increased quickly and reached US$8,430 by the end of 1989. The rapid economic transformation reflects complex relationships among economic growth, income distribution, and productivity. In fact, the overall growth was accompanied by important changes in the structure of the economy: the declining importance of agriculture was almost matched by the increasing weight of industry. At the same time, the emerging working and middle classes have become more visible in their social and political impact.

When the public gets wealthy, fulfilling their demands is the next thing for them to do. Harboring years of dissatisfaction with the state's monopoly of electronic media and the lower quality of TV programs, in 1979, the first illegal CATV system, referred to as "Channel 4", was set up in Keelung. Around 45,200 households have become subscribers of the underground CATV services by the year 1984. Before long, KU-Band TVRO dishes, nicknamed "Little Ear", have also
sprung up in Taiwan's urban areas to receive DBS programs from a Japanese satellite. At the time both are banned for the reasons of state.

In the hope of ridding the country of the illegal "Channel 4", the GIO initiated a cable TV plan. But shortly thereafter the regulatory agency backed off believing that cable TV would bring more troubles than they expected. In the mean time, the DGT plans to wire the island, however, preferably under the name of the cable TV system, for telecommunication modernization purposes. As a result, a bureaucratic tug-war broke out between government agencies.

Eventually, the dispute was settled. Before putting cable TV on the market by 1993, a cable TV task force is going to conduct an experimental project in a couple of designated areas. Though the cable TV controversy has been settled, problems of ownership, programming logistics, and control are yet to be resolved. The political opposition do not feel satisfied with the opportunity they were given to operate cable TV and insist that all over-the-air broadcasting systems be liberalized. They proclaim that they will fight for the target to the end.

Chapter V is concerned with the discussion of programming capability, advertising market and cable-related
technology, which will determine the success of this cable policy.
CHAPTER V

CABLE TELEVISION IN TAIWAN:

PROPOSED INFRASTRUCTURE AND PROJECTED MARKETPLACE

Given that the ROC government is determined to establish cable TV systems, an important question arises, to what extent can this electronic medium be self supporting? To clarify the question, this chapter sets out to analyze the TV programs the audience of Taiwan has received over the last twenty years and then assesses the local Taiwanese programming industry. Since the proposed cable TV system is integrated into the DGT's telecommunication modernization plan, an investigation of present communication technology and services is important; in addition, Taiwan's advertising volume in recent years has grown by leaps and bounds and it is expected to play a decisive role in the development of cable TV, thus this chapter also considers the potential of Taiwan's advertising market.

5.1 Programming Capability

In Taiwan, the distribution of television programming and the allocation of time and resources for each type of
program involves a complicated process in which several elements such as mercantilism, political power, technology and regulatory practices.

5.1.1 **Filling Air Time**

In the late 1960s, a squad of scruffy American soldiers was enthusiastically welcomed once a week to homes and street-side noodle stands throughout Taiwan. People converged on the lucky homes and shops that had one of the island's relatively few black-and-white TV sets in order to watch "Combat," the action series set in northern Europe during World War II. Though the series has long disappeared from the screen, "Combat" still remains high on the list of all-time favorite TV shows in Taiwan and illustrated the kind of successful draw that foreign programs have enjoyed (Yeung 1990).

In fact, when TTV became the island's first television station in 1962, it relied heavily on imported programs during its first decade. Before CTV was established as the second station in 1969, approximately 50 percent of TTV's programs were imported, most of them, about 99 percent, from the U.S. (CTV 1981). This figure, however, did not include some educational and scientific films provided by the U.S. Information Agency (USIA) (Kuo 1972). According to data
provided by TTV, the competition from the domestic market helped bring imports down to 32.9 percent by 1970 and they fell further to 15 percent after 1977 (Ho 1981). In the past ten years, Hong Kong-produced TV programs, primarily drama series and variety shows, have been enthusiastically welcomed by the Taiwan television audience (Wen 1987).

Table 8 The Top Ten Foreign Programs for 1989

<table>
<thead>
<tr>
<th>Rank</th>
<th>Program</th>
<th>Station</th>
<th>Rating %</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>MacGyver (U.S.)</td>
<td>TTV</td>
<td>36.4</td>
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<tr>
<td>2</td>
<td>Sledgehammer (U.S.)</td>
<td>TTV</td>
<td>29.2</td>
</tr>
<tr>
<td>3</td>
<td>Manimal (U.S.)</td>
<td>TTV</td>
<td>27.5</td>
</tr>
<tr>
<td>4</td>
<td>Knight Rider (U.S.)</td>
<td>CTV</td>
<td>25.5</td>
</tr>
<tr>
<td>5</td>
<td>Who's the Boss? (U.S.)</td>
<td>CTS</td>
<td>24.5</td>
</tr>
<tr>
<td>6</td>
<td>The Cosby Show (U.S.)</td>
<td>CTS</td>
<td>23.0</td>
</tr>
<tr>
<td>7</td>
<td>My Secret Identity (Canada)</td>
<td>TTV</td>
<td>22.7</td>
</tr>
<tr>
<td>8</td>
<td>Alf (U.S.)</td>
<td>TTV</td>
<td>22.2</td>
</tr>
<tr>
<td>9</td>
<td>Tour of Duty (U.S.)</td>
<td>CTV</td>
<td>21.8</td>
</tr>
<tr>
<td>10</td>
<td>Growing Pains (U.S.)</td>
<td>CTS</td>
<td>18.2</td>
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Over the years, all sorts of foreign programs, from action dramas and mysteries to sitcoms and science fiction, have attracted loyal fans. For example, the three gorgeous detectives in "Charlie's Angels," who were noted more for sex appeal than investigative skills, caused as much excitement in Taipei as they did in Chicago. And audiences in Taiwan are
just as familiar with American classics such as "I Love Lucy," "Mission Impossible," "FBI," and "Star Trek," and with old hits such as "Six-Million-Dollar Man," "Bionic Woman," "Love Boat," and "Three's Company." Since 1986, the majority of the American films have been dubbed in Mandarin, but some aired later in the evening are broadcast in English with Chinese subtitles (Table 8).

Like in many other developing countries, there were background factors which help explain the reasons why the American-made programs played an important part in the early phase of Taiwan's television broadcasting. Primarily, in World War II, the ROC fought with the U.S. against Japan in mainland China, and since then till mid-1960s the ROC had been a recipient of American aid, so people in Taiwan generally considered the U.S. as an allied country and felt less concern about telecasting and watching American programs in quantity. What is more, all three TV companies, confined to limited equipment, creativity, and technical expertise, depended on foreign films to fill air time. Finally, there was no law or administrative regulation at the time imposing quotas on imported programs.

Since the cost of using foreign (American) TV programs was usually lower than that of originating programming, the action of reducing the number of imported American programs
did not take place automatically. First, the KMT authorities, recognizing the cultural and social implications of the television medium, imposed a quota on imported programs in 1972 which specified that TV networks (station) telecasted foreign programs for no more than 40 percent of its total broadcasting programs (TTV 1982). The 1976 Broadcasting and Television Law further restricted imported programs to no more than 30 percent. This conscious cultural policy along with GIO-imposed preview procedures affected the number of imported programs.

Second, imported programs were no longer cost-effective and profitable for the networks because American suppliers increased rental fees in the 1970s on the one hand and the government of the ROC levied a tax on imported programs for the first time in 1974 (TTV 1982).

Third, after 1970, benefiting from video tape technology, the network's production capability was enhanced, making American films less important as a means of filling the programming gap.

Fourth, thanks to Taiwan's economic boom and equal distribution of income, the people of the countryside--farmers and factory workers--became the target consumers in the eyes of advertisers, and since the advertisers perceived that these categories of audiences preferred local song
programs and variety shows to foreign programs, it was natural that advertisers supported local shows (Fang 1978; Wen 1987).

Finally, the lobby of the TV performers, scriptwriters, production companies, and television employees, who saw imported programs as a threat to their job opportunities or interests also played a part in the reduction of imported American programs (Hwang 1984).

Unexpectedly, the decrease in imported American programs evoked a series of complaints and protests, mainly from intelligentsia, who were unhappy with the transformation. The local English newspaper, China News (January 10, 1975), commented in its editorial:

"The trend is down, not up, and it is likely to continue in accordance with the demands of advertisers. Weekday English-language programs in prime evening time now start no earlier than 9:15 and overlap. For a part of the 9:15-11 time slot there are 3 U.S.-made programs on at the same time. However, the present tendency to push all the imported programs into a late time slot is not in the public interest. People are entitled to a better choice than that among three song programs or 3 dramatic serials. Maybe it is true that the people of the countryside do not care for foreign shows. But the networks should remember that the despised "intellectuals" of the cities do enjoy such programming, and that these are the viewers who do most of the buying."
Three TV networks did not respond to this commentary. China News published a similar editorial on the matter again on January 28, 1975:

"As these columns have warned, the imported shows are fighting a losing battle for the evening hours. Until recently, 2 or 3 hours were devoted to English-language programs between 8 and 11 each evening. Out of the total of 9 hours (3 for each network), only 1 and half an hour go to imports. The stations have crowded their foreign programs into the 9:30-11 time slot. This is intended to please advertisers; there is nothing chauvinistic about it. If the English-language programs were spaced out at 8, 9, and 10--one hour to each station--there would be something for everybody. But that's not the way it's going to be unless the chorus of demand gets a lot louder."


In spite of the decrease in imported TV programs, a tendency to imitate has been found in locally-produced TV programs. Many critics pointed out that large numbers of American and Japanese television formats, stories, plots, and visual styles were transplanted to the varied programs of Taiwan's television. TV commercials also have such a problem (Hwang 1984; Mindich 1990; Scholarly Journalism 1973; Wang 1982).
5.1.2 **What People Watch**

The 1976 Broadcasting and Television Law stipulates that Taiwan's television programs are categorized into four groups:

1) Newscasts and publicity of government policies and orders (hereinafter referred to as newscasts).
2) Education and culture.
3) Public service.
4) Entertainment.

Table 9 displays historical statistics summarizing the four categories of programs telecast by three TV networks in 27 years (1962-1989). The Number in each cell indicates the minutes for each type of program shown in a week. CTV and CTS were established in 1968 and 1971 respectively, therefore, data for the time period 1962-1975 displayed only TTV's broadcasting record. Owing to availability of data, TV programs are analyzed in five-year segments mainly from 1976 to 1987. From Table 9, we obtained the following information:

1) Over the years, among four categories of TV programs, "entertainment" has been telecasted the most, followed by "education and culture" and "newscast", with "public service" the least.

2) In comparing each station's individual category of broadcast time, it is interesting to find that the KMT-owned CTV is the most entertainment-oriented. Probably CTV wants to
### Table 9  TV Program Week-Time Classified by the Nature of Content

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<tbody>
<tr>
<td>1962-1975</td>
<td>519</td>
<td>559</td>
<td>518</td>
<td>1,728</td>
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<tr>
<td></td>
<td>(15.6)</td>
<td>(16.8)</td>
<td>(15.6)</td>
<td>(52.0)</td>
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<tr>
<td>T 1976-1980</td>
<td>695</td>
<td>705</td>
<td>372</td>
<td>1,632</td>
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<tr>
<td></td>
<td>(20.4)</td>
<td>(20.7)</td>
<td>(10.9)</td>
<td>(47.9)</td>
</tr>
<tr>
<td>T 1981-1985</td>
<td>834</td>
<td>940</td>
<td>416</td>
<td>1,509</td>
</tr>
<tr>
<td></td>
<td>(22.5)</td>
<td>(25.4)</td>
<td>(11.3)</td>
<td>(40.8)</td>
</tr>
<tr>
<td>V 1986-1989</td>
<td>1,333</td>
<td>1,443</td>
<td>524</td>
<td>2,050</td>
</tr>
<tr>
<td></td>
<td>(24.9)</td>
<td>(26.9)</td>
<td>(9.7)</td>
<td>(38.3)</td>
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<tr>
<td>C 1976-1980</td>
<td>660</td>
<td>700</td>
<td>415</td>
<td>1,539</td>
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<tr>
<td></td>
<td>(19.6)</td>
<td>(20.8)</td>
<td>(12.3)</td>
<td>(47.3)</td>
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<tr>
<td>T 1981-1985</td>
<td>805</td>
<td>787</td>
<td>383</td>
<td>1,675</td>
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<td></td>
<td>(22.1)</td>
<td>(21.6)</td>
<td>(10.5)</td>
<td>(45.2)</td>
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<tr>
<td>V 1986-1989</td>
<td>1,130</td>
<td>1,166</td>
<td>607</td>
<td>2,489</td>
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<td></td>
<td>(20.9)</td>
<td>(21.9)</td>
<td>(11.2)</td>
<td>(46.1)</td>
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<tr>
<td>C 1976-1980</td>
<td>724</td>
<td>738</td>
<td>365</td>
<td>1,734</td>
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<td></td>
<td>(20.4)</td>
<td>(20.7)</td>
<td>(10.3)</td>
<td>(48.7)</td>
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<tr>
<td>T 1981-1985</td>
<td>774</td>
<td>822</td>
<td>395</td>
<td>1,786</td>
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<td></td>
<td>(20.5)</td>
<td>(21.8)</td>
<td>(10.5)</td>
<td>(47.3)</td>
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<tr>
<td>S 1986-1989</td>
<td>1,570</td>
<td>2,053</td>
<td>783</td>
<td>2,455</td>
</tr>
<tr>
<td></td>
<td>(22.8)</td>
<td>(29.9)</td>
<td>(11.4)</td>
<td>(35.7)</td>
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Note: The percentage of broadcasting time is shown in parentheses.
dilute its partisan color by means of broadcasting more entertaining programs than the other two stations. However, doing so has not brought CTV more revenue. In the last four years, CTV has been the least profitable TV station in Taiwan (ATT 1986-1989).

3) As a whole, several trends have developed: (a) All three networks have increased the amount of "newscast" programs. (b) Since 1981 all three TV stations have kept "public service" programs at 10-11 percent of total broadcasting time. (c) Both TTV and CTS have immensely increased the number of educational program.

While changes in regulatory policy are giving producers greater flexibility, so far there have not been any major changes in programming in the last three years. The three stations currently broadcast around 15 hours per day, and the categories of shows have remained constant (Mindich 1990). Let us take a quick review of what the three TV networks telecast.

The "entertainment" category, which mostly consists of "variety shows", is taken quite literally. Some shows have a mind-boggling mixed format, borrowing from game shows, amateur hours, travelogues, nature clips, and topped with educationally uplifting cultural demonstrations—all accomplished in one hour.
The popular song variety show has long been one of the most popular with local audiences. The format rarely varies. It includes a mixture of small talk and humorous dialogue between the male and female hosts, interspersed with performances by individual singers backed by choreographed dancing. In line with the Chinese preference for a "hot and noisy" atmosphere, performers are often surrounded by gyrating pompom girls, heavy blasts of atmosphere from fog machines, other stars waiting to perform, and even part of the audience sitting on bleachers.

Also included in the variety show category are game shows, many of which are takeoffs on Japanese or American programs. They range from question-and-answer formats to obstacle courses.

In the "newscast" category, TTV and CTV broadcast two or more hours of morning news, and all three stations have noontime and evening news programs. While the focus has been predominantly on local news, the scope is finally beginning to expand. CTS's "News Magazine" and TTV's "Hotline" take in-depth looks at important news stories both at home and abroad. And panel programs such as CTS's "News Meeting," which features audience participation, and CTV's "Talking About the Nation" bring in local experts to discuss current national and international issues.
Sports coverage is limited, especially when compared with American programming. The most common sports programs are sporting events featuring players from Taiwan competing in regional matches, and play-off games in the U.S. and Europe. Team sports have yet to draw much financial and audience support, making the local sports scene rather dull. In a major policy breakthrough, TTV will broadcast the Asian Olympics live from Peking in September 1990.

All three commercial stations broadcast half an hour per day of public television programming supplied by Taiwan's Chinese Public Television (CPTV) organization. An additional half hour of CPTV programming is rotated between the three stations every seven months. This will continue until Taiwan's public TV has its own broadcasting station.

By far the most popular and profitable programs are the daily or weekly Mandarin serial dramas. Even though heart-wrenching plots are standard fare, they differ from American TV soaps in that they sometimes draw on popular literature, historical events, and adaptations of martial art novels.

The TV weeklies also differ from U.S. productions in that they usually feature a continuing drama rather than a self-contained story featuring the same characters. Each station airs three or four serial dramas per day, one of them in the Min (Taiwanese) dialect. Both Min (Taiwanese) and
Mandarin programs have subtitles in Chinese script, making the programs understandable to any reader of Chinese as well as people with hearing disabilities.

It has been a long-standing programming policy for all three stations to broadcast a Mandarin dialect serial drama during the 8:00-9:00 p.m. time slot on weekdays. As one TV executive explained, "When viewers like a certain serial drama, they usually tune in to the program every night during the six to eight weeks the show runs. When we tried airing a different program each night, we found that people weren't tuning in as consistently as with the continuing serial."

Of course, if a show bombs, this policy means the station risks huge viewer defections. But the potential rewards are substantial. If a station hits on a winning show, it can command top advertising rates. Moreover, it is common practice for a station to request that advertisers on popular prime-time shows also purchase two or three additional spots in less desirable time slots, effectively multiplying the station's ad revenue. Competition for prime-time ratings is fierce, but the stations usually work out an agreement beforehand so that they will not air the same type of serial drama in the same time slot (Mindich 1990).

In addition to the division of programs by the decrees of Broadcasting and Television Law, we may distinguish TV
programs by their origin, that is, whether they are imported or locally-produced. Using statistics from a series of television almanacs, which were published by ROC National Association of Television, we acquire some important information about languages used in television programs (see Table 10).

It is apparent that in the years between 1976 and 1985 all three stations had increased Mandarin programs by about 8 percent of total broadcasting time, which happened to be the proportion of time that foreign language programs being cut down for. As to Min-language programs, there had been about the same amount, around 11 percent. Critics, the majority of them are natives of Taiwan, repeatedly charge that the KMT government intentionally suppresses local dialect programs (Cheng 1987; Hsu 1989). Obviously this accusation did not make the KMT state change its TV-language policy. On the contrary, with more and more anti-government (accurately speaking, anti-KMT) movement occurring in recent years, Min-language programs have been decreased to 7.16 percent (TTV:1989), or even less (CTS: 5.49 percent: 1989).
<table>
<thead>
<tr>
<th>Time Period</th>
<th>Languages (minutes)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mandarin (minutes)</td>
<td>Min (Taiwanese)</td>
<td>English (minutes)</td>
</tr>
<tr>
<td>T 1962-1975</td>
<td>2,225 min. (60.5)</td>
<td>462 min. (12.5)</td>
<td>987 min. (26.8)</td>
</tr>
<tr>
<td>T 1976-1980</td>
<td>2,590 min. (74.6)</td>
<td>385 min. (11.1)</td>
<td>500 min. (14.4)</td>
</tr>
<tr>
<td>V 1981-1985</td>
<td>3,062 min. (82.7)</td>
<td>372 min. (11.1)</td>
<td>257 min. (6.9)</td>
</tr>
<tr>
<td>V 1986-1989</td>
<td>5,044 min. (87.6)</td>
<td>490 min. (8.5)</td>
<td>223 min. (3.8)</td>
</tr>
<tr>
<td>C 1976-1980</td>
<td>2,436 min. (71.1)</td>
<td>457 min. (12.3)</td>
<td>570 min. (16.6)</td>
</tr>
<tr>
<td>T 1981-1985</td>
<td>2,903 min. (79.2)</td>
<td>403 min. (11.1)</td>
<td>359 min. (9.6)</td>
</tr>
<tr>
<td>V 1986-1989</td>
<td>4,587 min. (85.1)</td>
<td>408 min. (7.5)</td>
<td>391 min. (7.2)</td>
</tr>
<tr>
<td>C 1976-1980</td>
<td>2,589 min. (72.7)</td>
<td>410 min. (11.5)</td>
<td>565 min. (15.8)</td>
</tr>
<tr>
<td>T 1981-1985</td>
<td>3,064 min. (81.2)</td>
<td>379 min. (10.2)</td>
<td>333 min. (8.6)</td>
</tr>
<tr>
<td>S 1986-1989</td>
<td>5,624 min. (81.9)</td>
<td>437 min. (6.3)</td>
<td>801 min. (11.6)</td>
</tr>
</tbody>
</table>


Note: 1) The percentage of broadcasting time is shown in parentheses.

2) Statistics for 1986 and 1987 is not available.
5.1.3 How Good Is the Programming Industry?

Unlike the U.S., Taiwan's existing three TV networks do not have affiliated stations. Therefore, all TTV, CTV, and CTS are not "networks" in any way by U.S. standards. In practice, all program signals are sent off from the Taipei headquarters, which is located in the north of the island, and the people on the southern tip of Taiwan, about 250 miles away from Taipei, can receive pictures through relay stations installed to boost TV signals which weaken over a long distance. Because of tight control over the radio spectrum, Taiwan does not have so-called "independent" stations. As a consequence, the TV programming distribution system in Taiwan is much simpler than the U.S. Over the years, locally-made TV programming generally originates from either TV stations themselves or independent production companies (in Taiwan, these are called outside production houses).

According to the Broadcasting and Television Law (Article 19), 70 percent of all programs are to be locally produced, but the actual percentage is greater than 90 percent. Currently, with the exception of the news and certain special programs such as live sports broadcasts or concerts, almost all of the programs are put together by outside production houses contracted by the TV stations (Mindich 1990). There are now several hundred of them
competing for contracts to make TV programs and commercials (many of them are also taking wedding videos on the weekends to help meet their overhead expenses) (Chung et al. 1988).

There are two main ways in which the stations contract with a production house. The production house either finds advertisers for its program and the station gets a percentage of the advertising revenue, or the TV station sells its advertising time and pays the production company for creating the program. In either case, the TV station gets the lion's share of the money (Lieu 1986; Wang 1986).

If the production house sells the advertising, the station takes between 50 and 60 percent of the revenues. There is some risk in this for the production house because they must guarantee the station a minimum amount for a given time slot. If advertising revenue fails to reach that amount, the production house must make up the difference or else the program will be canceled. No matter what happens, the cards are stacked in favor of the TV station (Cheng 1988).

But, how good are those outside production houses in terms of making programs? Are they capable of producing enough programs to support planned cable television systems? According to GIO's record, as of 1987 there were more than 800 companies in this line. The question was, no one knew how
strong or how weak their capability was when it came to supplying programs to cable television.

Chung et al. (1985), financed by the Broadcasting Fund, made a comprehensive survey of the electronic media program production industry (excluding the motion picture industry for cinema) in the Taiwan area. Their primary objectives were 1) to locate operators' facilities and equipment; 2) to observe the programming business situation; 3) to ascertain the industry's impending problems; and most importantly 4) to assess their potential production capability.

From July 1986 to June 1987, this survey had been conducted in personal interviews. With a roster offered by the GIO, the researchers approached those registered programming producers one by one. Unexpectedly, of 831 production houses, as many as 410 could not be reached. That is to say, nearly half of the listed companies were out of business. Why so? The researchers did not give a direct answer, but the findings suggest a good interpretation.

From the survey results, we observe Taiwan's TV program production industry in three perspectives: 1) General situation. 2) Manpower quality. 3) production type.

**General situation** Of production houses which were interviewed, about 50 percent have no more than 7 employees; only one tenth own a studio which averages no more than 3,200
square feet in area; most program-makers, around 60 percent of the total, do their business in one place, with no affiliated companies. All of the above data have been confirmed by Huang Yi-kung, a veteran TV programming director.

During the interview, many operators expressed deep worry that the prevailing internecine warfare, competition to offer lower prices, would destroy the industry. Though being small, most production houses do not care if they are qualified to make a big program. Subcontracting is very common in this business. This may explain in part why so many registered TV programming producers have vanished.

Manpower quality Though most owners of production houses were college graduates (80 percent), the persons who took charge of day-to-day business were not. Furthermore, about half of full-time employees had received less than twelve years of education. In the researchers' opinion, education is the base of the culture industry. Therefore, a low level of employee' education would heavily influence the quality of TV programming.

From the perspective of the personnel structure, technicians always outnumbered designers in most production houses. It means that TV programming producers in Taiwan
think more of technique than of content when they make a TV program.

Generally, when a company is small in terms of the number of employees, its business focus must better be placed on a particular item, for example, scene design. Because it would help in finding its business "niche." But Taiwan's production houses, among which the overwhelmingly majority are small, never do things this way. For the purpose of making profit, they make every effort to be involved in programming, the bigger the better.

Production Type

According to Chung et al.'s survey, the output of TV programming production throughout 1986 was 1,350. In other words, three out of four production houses made less than 5 programs in whole of 1987. This survey does not indicate what the average length of a program is. But it points out that cultural programs are obviously inferior to entertainment programs in quality and in quantity as well.

Except for cable channels, public television (CPTV) will also be in the market in a near future. Abrupt increase in TV channels requires a tremendous amount of programming--double, even triple the volume of the present programming output. You can imagine how elated those production houses are. However,
Lin Teng-fei, former vice president of CTS, now president of the KMT-owned Central Motion Picture Corporation, expresses his suspicion lately as to whether local production companies, including three TV stations, have the capability to support cable television systems (Central Daily News 9/17/90). Lin has been involved in the TV programming and motion picture business for nearly twenty years and is one of few people who really know Taiwan's programming market. He is not so optimistic as are some technical determinists and programming producers. Lin says that difficulty in channel allocation and the shortage of programming will hamper Taiwan's cable television development.

5.2 Technology Innovations

Information Technology, or telecommunication technology, used to be considered as separate from mass communication. Although the telephone, telegraph and telex also facilitate communication among people, they lack the unique characteristics of the mass media, the capability of conveying messages to an almost unlimited audience. However, things are changing. With the advent of information technology, telecommunication and mass communication seem to be converging to form a new system. Therefore, this section, in addition to a descriptive analysis on Taiwan's
technological development, will also include a discussion of the development of satellite communication, which will ultimately influence Taiwan's future cable communication.

5.2.1 The Odyssey of the Development of Technology

As discussed in chapter III, Taiwan was considered as a source of produce by the Japanese when they occupied the island in 1895-1945. In order to ship goods back to Japan, a basic island-wide infrastructure of communications, power, roads etc. was once established. But, in the last years of the Pacific War, American bombing virtually wiped out Taiwan's infrastructure and small, modern industrial sector (Ranis 1979). After retrocession, the economy of the warworn island, compounded by political upheaval, rampant inflation and unemployment, got even worse. In 1949, Taiwan's GNP was only about US$50 (Kuo 1981).

Thanks to the KMT state's success in land reform and American aid in early 1950s, before long Taiwan's gross production reached its prewar peak (Clark 1989; Gold 1986). Nonetheless, the above-mentioned two measures could not solve the primary constraint facing Taiwan's economy. Therefore, the government adopted an import substitution policy throughout 1950s, which was done by building a high tariff wall to shelter domestic producers from import competition.
Undoubtedly the policy offered indigenous industries a favorable environment to develop products for domestic market. By the end of 1950s, Taiwan's GNP growth rapidly climbed up to 7 percent and has been maintained at an even higher rate thereafter.

Despite the dynamic productivity spurred by the import substitution policy, shortly thereafter, bottleneck in output manifested itself because of the limited domestic market. The KMT state henceforth gradually switched its policy from import substitution to an aggressive export orientation (or substitution) in an effort to avert the adverse situation. From early 1960s on, Taiwan has kept on this course and all industries have re-structured themselves to accommodate the new frontiers. According to K. T. Li, one of the leading architects of ROC economic and industrial policy, the export orientation phase brings greater quality and efficiency consciousness into the industrial sector, because when no longer selling only in the protected domestic markets, producers must be competitive internationally in both quality and price (Li 1988).

Over the years, the success of the KMT state's economic strategy has been directly reflected in the ROC's economic growth and trade statistics. More important, it has brought about a major change in the production structure. Back in
early 1960s, agriculture was Taiwan's principle economic force and it constituted more than 50 percent of the national workforce and supplied products of no less than 30 percent of the total economic value (refer to Figure 14). By the 1980s, the agricultural population has declined to 18 percent in proportion to the total workforce and its gross production accounts for less than 10 percent of the GNP. By contrast, the industrial development in the same period of time has appeared quite conspicuous. In 1989, Taiwan's industrial production amounted to 46.2 percent of the net domestic product whereas it averaged 21.8 percent in 1950s (DGBAS 1989).

The KMT state in fact has long recognized the salience of technological progress for industrial development (Arnold 1988). In the 1950s and 1960s economic growth was due primarily to labor intensive industries and the export of processed goods, very little scientific research and development was actually carried out except in the field of agriculture where improved varieties of crops and animals were quite successfully developed.

Taiwan first laid the foundation for a formal institutional framework for science and technology (S&T) development with the promulgation of the "Guidelines for the long-Range Development of Science" in January 1959 and the
the following month. Almost eight years later, in 1967, Taiwan's S&T development became firmly institutionalized with the establishment of the National Science Council (NSC), whose tasks are guidance, coordination, and evaluation of R&D activities carried out by a variety of public and private research institutes; it is also charged with S&T-related manpower policies, i.e., the training of scientists, engineers, and technicians (ROC Yearbook 1989).

Since the ROC government was derecognized by Japan, the United States, and various other Western governments respectively in 1970s, which had been its major sources for S&T, the role and significance of the NSC increased considerably, and it became responsible for maintaining international scientific and technological cooperation and exchanges with equivalent organizations in these countries, through semi-official channels.

After the mid-1970s the NSC expanded its focus of support to include the "upgrading of Taiwan's industrial structure" among its many responsibilities. As just one example, the NSC played a leading role in the conception and establishment in 1980 of the science-based Industrial Park in Hsin-chu, a new type of industrial zone geared to upgrade
Taiwan's electronic sector (Arnold 1988; Clark 1989; Li 1988).

On the other hand, the changing international political and economic environment of Taiwan in the early 1970s highlighted the risks and problems associated with acquiring technology abroad. The KMT state bureaucrats came to realize that if Taiwan were to survive economically in a severely constrained environment, more control over its high level of foreign technology and industrial dependence would become imperative. Against the backdrop of these situational factors, developmental bureaucrats in the Ministry of Economic Affairs in 1973 established the Industrial Technology Research Institute (ITRI) for two major purposes: first, to conduct applied industrial research, and second, to provide technical services to industry in an attempt to spur the development of indigenous industrial technology. Charged with the promotion of public and private R&D as well as coordination of defense-related research, ITRI quickly established itself as Taiwan's leading institution for research and development.

Regardless of the establishment of the Industrial Park and ITRI for developing indigenous technology, it appears that the acquisition of foreign technology still represented an effective policy choice by the government bureaucrats. In
fact, it could be argued that Taiwan, based on its extensive use of multinational corporations as sources for industrial technology, successfully integrated foreign technology transfer into its strategic attempt to advance indigenous S&T capabilities. Recently, a ROC government and business consortium bought the US's Wyse Technology Inc. and this is the latest case as a result of the policy (Arnold 1988; Li 1988; Vincenti 1990).

In summary, in Taiwan, the development of industrial technology was initially spurred by a combination of factors: foreign aid (until 1965) and an influx of foreign investment and technology transfers. Ever since it became an active and integral part of the world economy, Taiwan has pursued a strategy of technological-industrial dependence, that is, Taiwan has deliberately relied on the importation of foreign technology to advance economic and industrial development.

Since the early 1970s, the KMT state's policy for S&T development has been more focused, and it currently is governed by a two-pronged strategy. On the one hand, it seeks to enhance the national economic capacity and defense capabilities through development of indigenous industrial and commercial technology, and on the other it continues to rely on multinational corporations as a source for technology. In the latter effort, the ROC government economic bureaucracy
has aggressively propagated a relatively liberal investment policy and has invited foreign corporations to become established in Taiwan. Presumably, this policy choice of continued technological and industrial dependence leaves Taiwan extremely vulnerable and exposed to the influence exerted by multinational corporations and foreign governments (Arnold 1988). Failure in the self-launched satellite project is just one example.

5.2.2 The Satellite Pipe Dream

Ever since Japan launched its first DBS satellite BS-2a in 1984, nations in the region, including the ROC, have been concerned about the impact of the Japanese DBS programs on their societies (Wang & Chung 1988).

In Taiwan, the Japanese have already established a strong TV presence. The two NHK channels transmitted by the Japanese satellite can currently be received by a KU-band satellite dish. Though NHK does not get any revenue from this operation, the programs on the two NHK channels are listed daily in the English-language China News and in several of Taipei's Chinese dailies, so that even people who do not have NHK reception capability are exposed to information about its offerings.
Besides the KU-band TVRO antenna, people in Taiwan now can also receive as many as 20 DBS programs through C-band TVRO dish (Wang 1988). They are the following:

1. Through INTELSAT 4A F3 above Pacific ocean
   a) U.S. Arms Forces' AFRTS
   b) France-leased channel
   c) JIS (New York) TV network
   d) CBS/ABC
   e) NETWORK-10 (Australia-Los Angels)

2. Programs through Japanese CS-2B

3. Through USSR STATSIONAR, three Russian programs can be received.

4. Through Indonesian PALAPA-A & PALAPA-B
   a) Jakarta TV station
   b) Thailand TV station (channel 7)
   c) Philippine TV station
   d) Malaysian RTM-1.

5. Through People's Republic of China's geostationary satellite, three PRC's TV signals can be received.

6. Through INTELSAT F5 & INTELSAT F7 above Indian Ocean
   a) Malaysian RTM-2
   b) USIA's World Net station

In addition to receiving DBS programs, at present, Taiwan's primary uses of satellites are for meteorology and telecommunications, such as long-distance telephone calls, facsimile transmissions, and television feed-ins for the three TV networks. Private companies, such as the United newspaper chain, have also used satellites to set up their own telecommunication networks, and Evergreen Marine
Corporation has applied for a frequency to monitor its worldwide network of ships and provide them with emergency assistance. These operations are all relayed through the International Telecommunication Development Corporation (ITDC), which was erected by the DGT in the early 1970s after the ROC withdrew from the ITU and the INTELSAT following the United Nation's resolution that the People's Republic of China take the seat of the Republic of China in the UN starting October 1971.

Over the years, with COMSAT's assistance the ITDC has never ceased its international satellite communication operations and services. However, in order to secure long-term utilization of satellite communication, having a communication satellite has always been the ROC's top priority in telecommunication policy. In view of the fact that Taiwan does not have the technical experience to manufacture satellites, the DGT came forward with a three-tier (short-, middle-, and long-term) satellite telecommunication plan in 1988 with the intent of owning a satellite, and also to diminish the impacts caused by the foreign DBS signals (DGT 1988).

According to DGT's plan, the goal in the short-term project is to set up a domestic satellite communication network in the hope of fostering the public's desire to make
use of this information technology, what is more, to obtain a so-called "right of airwave landing" by practically utilizing the satellite. In doing so, the DGT believes, a foundation will be laid for next two stages of the plan. To achieve the goal, leasing transponders of INTELSAT V is a vital part of the project which covers the period of 1988-1993. The INTELSAT has agreed to rent out transponders to the ROC and a ground station has been in operation since last July.

As for the middle-term project (1991-2001), the DGT intends to invest, to the extent of 30 percent of the total shares, in any satellite company which has been authorized by the International Telecommunication Union (ITU) to place a stationary orbit satellite into a designated space slot above the equator. Now a PACSTAR project is on the table for negotiation. DGT's objective at this stage is to win a chance of getting involved in a company's management. During this ten-year term, the DGT also plans to lease 40 transponders, including C-band, Ku-band, L-band, and X-strap for TV broadcast, navigation, meteorological remote sensing, image transmissions and etc.

In the long run, the DGT requires its own satellite for ISDN. This is the target of DGT's long-term project starting from 1995 to 2004. An American consultant company, TeleSky,
is helping the ROC get a geostationary orbit and the right to use the satellite from the ITU. In DGT's estimation, Taiwan by that time still will not have adequate technology to make its own satellite. Therefore to buy an appropriate communication satellite and commission another country to launch it for Taiwan is the core of the long-term project.

For some reason, at the same time the NSC also drew up a proposal for satellite development which purports to launch a scientific research satellite over next three to five years and to develop a small, 200-lb satellite that will orbit at an altitude of 200 to 300 kilometers at a cost of about US$400 million. Because of the time and expense involved, and because a small satellite is limited in its applications, the proposal has become the subject of some controversy.

Those who oppose the idea say that Taiwan, with its small area, has a low frequency of satellite utilization, and since its needs for channels can be adequately handled by international satellite organizations, why should it spend so much money on developing satellites of its own? Georgette Wang, professor of Journalism at the National Chengchi University, asserts that considered purely from the standpoint of its telecommunications requirements, Taiwan does not need to spend such a large sum on developing its own satellite (Liu 1989).
But, from the viewpoint of Teng Ch'i-fu, vice chairman of NSC, the value of commercial applications is certainly one factor to consider but that technological development is a goal of its own. Chao Chi-chang, professor of aeronautics and astronautics at National Cheng Kung University, further points out that the ITU has designated four synchronic orbits for the PRC so that if Taiwan wants to launch a satellite it had better utilize the "first come first served" rule. "Other countries know about this and won't want to run the risk of offending Communist China by launching a satellite for us," Dr. Chao says, so this is another reason for Taiwan to look cut for themselves. Chao is one of initiators of the NSC's version of satellite plan.

Despite the NSC's explanation that "scientific detection" is the sole goal of its satellite project, speculations on its military objective have spread. It is because the technology used in launching the satellite can easily be transferred to ballistic missile development. Based on an assessment report completed in 1989 by the Advisory Office on Technique (AOT), which is subordinate to the Economic Ministry (MOE 1989), the ROC may acquire the necessary technology to build a middle- to long-range missile launching system when the NSC's five-year satellite plan is accomplished. However, when it comes to more sophisticated
space technology, such as a geostationary orbit satellite, the AOT does not feel as optimistic as the NSC.

AOT's assessment further points out that Taiwan currently even cannot produce independently a whole set of TVRO antenna (about 20 percent of parts are imported); and the non-military manpower directly involved with space industry is very limited (about 1,500). So deficiencies in satellite-related technology and professional manpower constitute hurdles on the way toward a self-launched satellite. To conclude this report, the AOT takes a very dim view of the NSC's proposal. So do many experts (United Daily News 1/15, 16/1990).

In midst of the dispute over whether the ROC should launch its own satellite, mainland China expresses much interest in cooperation with Taiwan on this project. The PRC says that special terms would be offered if Taiwan agrees to let the former launch its satellite. The KMT state quickly turned down this offer on political grounds as usual. However, since April 7 of this year, when RPC's Long March III rocket boosted into outer space AsiaSat I which allows anyone in the communication satellite's northern or southern footprint to set up a dish between 2.5 m and 3 m wide and watch DBS programs including PRC's (Scott 1990), the pressure to develop satellite communication imposed upon KMT state has
become greater and more acute. This can be seen in a statement made by the GIO's head, Shaw Yu-ming, at the Legislative Yuan earlier this year that as soon as the DGT's middle-term satellite telecommunication plan is completed by 1993, there will be four transponders available for broadcasting TV programs (Central Daily News 4/11/1990).

The NSC's proposal, though fully supported by former premier Lee Huan, has encountered serious setbacks in the last several months. At first, when the ROC government proclaimed last autumn that it would send a satellite up into the orbit in five years, this self-launch-labeled satellite plan immediately caused great concern to the U.S. government, which does not like to see proliferation of any technology relevant to ballistic missiles or nuclear weapons. So when the NSC came to the U.S. for technical assistance early this year the outcome was already known (Central Daily News 9/16/1990; World Journal 10/12/1990).

Domestically, the tide of opposition to the plan has never lessened. Hundreds of professors and experts signed petitions supporting cancellation of the costly project. Lately, the final decision has been made by the new premier that satellite research work will continue but without a self-launch. The premier says that the self-launched
satellite plan for the time being is "impractical" (Central Daily News 12, 13/10/1990).

While the NSC's plan has stalled, the DGT's middle-term satellite communication plan is proceeding as slated. In October (1990), the ITDC signed a letter of intent with the Pacific Satellite Incorporation (PSI) for a joint venture in running a telecommunication satellite over Pacific Ocean. The PSI was approached by Papua New Guinea on behalf of the ROC because Papua New Guinea has been authorized to use an orbital slot above Pacific region (World Journal 10/20/1990).

5.2.3 Information Infrastructure

As far as the information infrastructure is concerned, Taiwan has made good progress in the past forty years. Telecommunication Records (1971) show that when World War II ended there were 22,323 local telephone lines, and only 13 in every ten thousand of the population were telephone subscribers (Table 11). Along with rapid economic development many changes have taken place in these numbers. As of the end of 1989, there were an average 94.38 telephones per 100 households, that is, reaching 36 of every 100 persons as compared with 11.1 in 1978 (DGBAS 1990; ROC Yearbook 1989).

Telecommunication has been given a high priority by the KMT state on the national development agenda. In fact, it has
been seen as a vital element in an economic context. From the 1950s on, the state has invested from 0.9 to 1.2 percent of its GNP in telecommunication (Chung et al. 1989). Table 12 presents an inventory of the telecommunications and the mass media infrastructure as it stands in 1987-1989, which can be used to examine the total range of availability of telecommunication services.

Table 11  The Recovery of Telecommunication Construction

<table>
<thead>
<tr>
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<th>1943 Pre-War</th>
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<td>177</td>
<td>196</td>
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<td>0</td>
<td>0</td>
<td>4</td>
<td>circuits</td>
</tr>
<tr>
<td>Telegraph</td>
<td>0</td>
<td>0</td>
<td>22</td>
<td>circuits</td>
</tr>
<tr>
<td>Local Telephone</td>
<td></td>
<td></td>
<td></td>
<td>lines</td>
</tr>
<tr>
<td>Switching</td>
<td>35,595</td>
<td>22,323</td>
<td>39,363</td>
<td></td>
</tr>
<tr>
<td>Automation</td>
<td>34.1%</td>
<td>14.5%</td>
<td>39.0%</td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>26,616</td>
<td>9,044</td>
<td>24,609</td>
<td>Subscribers</td>
</tr>
<tr>
<td>Population million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.80</td>
<td>6.60</td>
<td>7.90</td>
<td></td>
</tr>
</tbody>
</table>


Though having claimed an average growth rates of about 24 percent during the period 1967-1981, telecommunication is
predicted to grow average 6 percent for the years toward 2000 (Chen 1985). The ROC at present has 6,631,956 local telephone lines, up from 1,322,273 lines in 1978 (DGT 1988). Nine percent of the total telephone lines has been digitalized. It is expected that by the year of 2000 75 percent of the total switched will go digital.

Table 12 Telecommunications Infrastructure in Taiwan

<table>
<thead>
<tr>
<th>Types of Services</th>
<th>Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephones</td>
<td>6,631,956 local telephone line. 9% digital; 146,244 toll switching lines, 59.6% digital telephone density 36 (1988)</td>
</tr>
<tr>
<td>Fiber optic</td>
<td>1,050 core miles (1986 figure)</td>
</tr>
<tr>
<td>PABX</td>
<td>2,278 (1987 figure)</td>
</tr>
<tr>
<td>Leased data circuits</td>
<td>9,443</td>
</tr>
<tr>
<td>Data communication</td>
<td>CIRNET, PACNET, Dial up service, Public information processing, Universal Data Bank Access...</td>
</tr>
</tbody>
</table>

Sources: ROC Yearbook 1989; Statistical Yearbook of ROC. DGBAS, 1988

Partly because of advancing trends—convergencce of telecommunications, computers, and communication, and partly because of the need for another niche in the changing
information market, the telecommunication authorities have come to the understanding that "the effort for the period of next 15 years will be to simply add more circuits or lines into the telecommunication network" (Chen 1985). Instead networks will be augmented to increase their sufficiency. Optical fiber systems are to be introduced. As of 1986 1,050 core miles were completed, with another 1,000 miles under construction. With the completion of a six-year digitalization plan for 1985-1990, 88 percent of toll circuits, 81 percent of toll switches, and 31 percent of local exchanges will be digital. At the same time, new value-added services are expected to become the mainstream in the telecommunications business.

Data communication services, which cater to the public's needs for information, were initiated with the introduction of leased circuit services in 1971. With an average growth rate of 31.2 percent at the beginning to 59 percent there were 9443 lines in use in 1988. The circuit switch networks (CIRNET) went into operation in 1982, followed by services such as dial up data communications, public information processing, packet switching services, Chinese teletex service, Chinese videotex service, public message handling service (Mao and Tseng 1988; Chung et al. 1989).
Special network services combining services, leased lines, CIRNET, FACNET, are also offered under the supervision of the Data Communication Institute (DCI). They were initially aimed at three groups of users--a motor vehicle and driver information service, a banking system, and a world trading center system (Crawford 1986).

Special mention needs to be made of the Chinese Videotext Service (CVS). After a two-year trial, the CVS began operation in 1987. As of August 1988, it offered 165 thousand frames covering topics ranging from government regulations, stock market analysis, foreign exchange rates, consumer information, medical information, and so on. There were 2,282 subscribers in 1988, half of them being organizations.

As mentioned in the preceding section, Taiwan, with the help of COMSAT, has access to the outside world via its three satellite communication earth station antennas and four high-capacity submarine coaxial cable systems. Since 1978 the international subscriber dialing service (ISD) was made available, which constitutes 92.9 percent of the international calls in 1988. In addition, the international network offered 46 international data circuits; most of the subscribers are local branches of foreign companies. Subscribers to international services can also gain access to
data bands in 10 different countries. The PACNET users can, through international satellite hook-ups, use services such as DATAPAC, TELENET, TYMNEX, AUTONET, and UNINET.

Despite the promise of the "new" telecommunications services, the prospect of their development remains unclear. These more information-oriented services are still at a very primitive stage, suffering from comparison with the traditional carrier establishment. Their revenue accounted for a mere 1.56 percent of the 1988 total revenue for telecommunications (DGT 1988). The number of subscribers is small. The 1988 inventory to a certain extent also highlights the discontinuity between the old and the new.

Those near kin of video technology such as video tape-recorders are popular in Taiwan. A 1987 estimate recorded 37 sets per 100 household (DGBAS, 1988). However, more information-oriented media such as videotext fared less well. The Chinese videotex system under the supervision of DCI grew at a rather sluggish pace. As of June 1988, there were 2,282 subscribers. According to a report on the usage pattern of videotext, users seem to have a rather limited perception of the system. Of all the four services offered, data retrieval, electronic mail, transaction service, group communication, telesoftware, usage has been mainly concentrated on data retrieval, which in turn is confined to business-oriented
data (Hsu, Kuang, and Wang 1988). The Chinese in Taiwan have yet to demonstrate their enthusiasm for information services.

With respect to development in the area of information industry, Table 13. highlights the increasingly important role of the industry in the ROC. Between 1985 and 1989, Taiwan's

Table 13   Key Indicators of Taiwan's Information Industry

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Product Value</strong></td>
<td>1,260</td>
<td>2,134</td>
<td>3,839</td>
<td>5,171</td>
<td>6,705</td>
</tr>
<tr>
<td>(US$ million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Share of GNP (%)</strong></td>
<td>0.8</td>
<td>1.2</td>
<td>1.9</td>
<td>2.2</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Ranking in Domestic</strong></td>
<td>n.a.</td>
<td>23</td>
<td>18</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td><strong>Industrial Output</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Export Value</strong></td>
<td>1,220</td>
<td>2,063</td>
<td>3,701</td>
<td>4,999</td>
<td>6,418</td>
</tr>
<tr>
<td>(US$ million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Export Ranking</strong></td>
<td>3</td>
<td>11</td>
<td>7</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td><strong>World Ranking in</strong></td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Output Value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Share of World</strong></td>
<td>1.0</td>
<td>1.5</td>
<td>2.4</td>
<td>3.1</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Market (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Manpower</strong></td>
<td>30</td>
<td>38</td>
<td>50</td>
<td>66</td>
<td>80</td>
</tr>
<tr>
<td>(thousand)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>190</td>
<td>214</td>
<td>248</td>
<td>266</td>
<td>300</td>
</tr>
<tr>
<td>(US$ million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

n.a.: not available

information industry grew 432 percent. Last year, the total value of this industry product accounted for 2.7 of the GNP, ranked as the tenth among domestic major industries. In terms of output value, Taiwan is already the world's sixth largest manufacturer of information industry products, and it is quickly moving within range of fifth-ranked France (III 1989).

However, we would caution against a too rosy-colored reading of the above data. Further analysis clearly indicates that Taiwan's information industry is no more than that of a manufacturer of information peripheral equipment and parts (Table 14.); software products score nearly zero. The statistics show that almost all the hearts of PCs made in Taiwan have imported integrated circuit. (Chung et al. 1989). This is because Taiwan's information industry, like other industries in the country, is composed of small or medium-size companies, which are unable to risk investing too much money in research (Vincenti 1990).

5.3 Advertising Growth

All telecommunication entities are dependent upon money in order to operate. Most of these entities depend on
Table 14  Breakdown of Information Industry Products Taiwan, ROC (1988-1989)

<table>
<thead>
<tr>
<th></th>
<th>1988</th>
<th>1989</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Output Value</td>
<td>Export Value</td>
<td>Output Value</td>
</tr>
<tr>
<td>Micro PC</td>
<td>1,259</td>
<td>1,154</td>
<td>1,852</td>
</tr>
<tr>
<td>Disk Unit</td>
<td>116</td>
<td>111</td>
<td>162</td>
</tr>
<tr>
<td>Printer</td>
<td>38</td>
<td>43</td>
<td>48</td>
</tr>
<tr>
<td>Terminal</td>
<td>508</td>
<td>505</td>
<td>605</td>
</tr>
<tr>
<td>Monitor</td>
<td>1,092</td>
<td>1,089</td>
<td>1,332</td>
</tr>
<tr>
<td>Peripheral Device Parts</td>
<td>88</td>
<td>81</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td>2,034</td>
<td>2,016</td>
<td>2,603</td>
</tr>
<tr>
<td>Total</td>
<td>5,171</td>
<td>4,999</td>
<td>6,705</td>
</tr>
</tbody>
</table>

Value: US$ m.


Advertising as their primary source of income. This has been true since the very early days of radio, and although advertising practices have changed over the years, they have not diminished in importance. Simply stated, radio and television stations and networks obtain money from advertisers and use it to produce and transmit programs. The intent is for programs to be watched by as large an audience as possible so that the ads, in turn, reach as large an audience as possible. This section presents a description of Taiwan's advertising market, which includes the evolution of
advertising volume, media shares of the advertising market and business practices within TV stations.

5.3.1 Advertising Grows Along With the Economy

In 1960 a host of like-minded people, some of them working for the media, others teaching at college, organized a study panel to keep track of Taiwan's commercial activities—advertising (Yen 1987). From then on the panel released advertising-related statistics annually and the year of 1960 has thus been considered as genesis of Taiwan's advertising industry although Eastern Advertising, Ltd., the first advertising agent in Taiwan, was established in 1959. Today, the panel's annual report is widely received and seen more accurate and objective as compared to the one released by Taipei Advertising Association (TAA).

Generally speaking, measuring advertising volume is an efficient method to size up a nation's economic performance. But it is not always the case for Taiwan. For example, in 1974, Taiwan's advertising volume went up as high as 25.2 percent from the previous year despite the fact that per capita GNP, affected by world-wide crisis, decreased by -0.7 percent during the same period. In another case, in 1985, Taiwan's advertising market, without conspicuous cause, for
the first time lost volume (-3.34 percent) while the per capita GNP had a 3.7 percent increment from 1984 (DGBAS 1989; Yen 1987).

Nevertheless, as a whole, Taiwan's advertising market still goes in the same direction as the national economy, especially in the case of per capita income. In 1960 Taiwan's total advertising volume amounted to US$ 4.13 million and per capita income was earmarked around US$ 130. Thirty years later (1989), Taiwan's per capita income climbed up to US$ 7,509, and its total advertising expenditure also rose to US$ 1.83 billion (Figure 15). Regardless of of currency depreciation, in three decades Taiwan's advertising market has grown an average of 22 percent every year and there was a 7.03 percent annual increase for per capita income.

Over the years, Taiwan's newspapers have retained the lead as the principal medium for total advertising volume, followed by TV, radio, and magazines (Figure 16). This order did not change until 1985 when radio and magazines switched places. Last years (1989), media shares of Taiwan's advertising market are shown in Figure 17.

What should be noted here is the variation of TV's share of the advertising market. In the years between 1962 and 1968, TTV, then the only TV station in Taiwan, enjoyed the
Figure 15 Advertising Volume vs. Per Capita Income
Taiwan, 1961-1989

Figure 16 Major Media Shares of Advertising Volume
Taiwan, 1961-1989

Figure 17 1989 Media Shares of Advertising Volume Taiwan

share of total advertising volume from 0.5 percent (1962) to 16.2 percent (1968). After CTV took part in the industry, TV's share of advertising market swiftly jumped to 29.4 percent (1970). Ever since the share ratio has not varied much, even with the addition of the third station, CTS, to electronic media circles in 1971. It may suggest that more and more of Taiwan's advertisers have understood how to manage their advertising budgets--to set a fixed ratio for each medium. With regard to the newspaper medium, we can tell a similar story.

In the pre-TV era, Taiwan's newspapers took up more than 60 percent of the advertising market. After the introduction of TTV, the newspapers' share slipped all the way down to 40
percent. In the years between 1970-1973, this share further dropped to 35 percent because another two TV stations were established during this period of time. Advertisers seemingly had no idea of how to deal with this new frontier. What they could do then was just to shift partial budgets arranged for the other media (newspaper, radio, and magazine) onto the new TV stations. This kind of "rob-Peter-to-pay-Paul" measure is not good in terms of business management. Until the mid-1970s, fixed shares for major media in advertising markets became more manifest.

This thus explains why there was no sudden surge of advertising volume for newspapers in the last two years. On January 1 of 1988 the ROC government lifted the ban on registration of new newspapers, which had been imposed for 28 years. In two years the number of newspapers has abruptly increased from 30 to 285 (as of April of 1990). However, the newspapers share of total advertising volume has not changed at all.

Therefore, with the same reasoning, when cable TV players formally plunge into the Taiwan electronic media market about two years from now, advertisers at first would very likely cut off money for other media advertising instead of increasing their total advertising budget. Eventually, they would allocate a definite proportion of their budget to
the cable industry. However, if the U.S. experience is similar to Taiwan's, we shall not too worry about whether there is enough advertising for the cable. After all, advertising makes up less one percent of U.S. cable total revenues (Figure 18).

![Pie charts showing revenue sources for television and cable](image)

**Source:** Head & Sterling, 1987.

**Figure 18** Broadcast Television and Cable System Revenue Sources

5.3.2 Advertising Selling and Control

Physical geography and restrictive policy exempt Taiwan's TV stations (excluding radio stations) from making more than one set of rules to deal with "national" and "local" broadcasting respectively. All messages telecasted through the three TV stations are nationwide, or island-wide.
As a result, when it comes to selling TV advertising in Taiwan, there are no such things as "national sale" or "local sale".

Television stations in Taiwan sell advertising on particular programs rather than for particular times, so that an advertisement bought for 9:00 p.m. Tuesday during program A might cost more than an advertising bought at 9:00 p.m. Wednesday during program B. Even time slots at Class A would cost more than ones at Class AA, if programs of the former class are more popular than those of the latter class. So their rate cards list programs rather than times.

What is more, a rule set by TV companies that all TV commercials must be produced and processed by advertising agencies which have signed contracts with TV stations (Ho 1988), makes agencies a sole bridge between stations and advertisers rather than station representatives (non-existent in Taiwan) or TV sales staffs, who are hired to be responsible for public relations but are paid by salary plus advertising commissions (Ho 1988). The interesting thing is that very few advertising agencies own studios so the majority of agencies must sign a subcontract with a programming house (discussed in the preceding section), asking the subcontractors to produce the advertising.
Taiwan’s TV stations are all closed corporations. They do not trade their shares in the stock market, nor do they issue public statements of profit and loss. Without balance sheets, evaluation of their management is difficult work. An earlier news report disclosed that in rough estimation, that TTV earned more than US$ 80 million profits in 1989, registering about 42 percent of its advertising revenue; CTS had equal amount of balance, accounting for nearly 44 percent of its time selling income; CTV, though gaining less surplus as compared to the other two stations, had the most profits—constituting over 50 percent of its advertising revenue. Needless to say, TV is a lucrative business in Taiwan, which may also be the reason why the political opposition unceasingly ask the KMT state to share the airwaves.

With regard to radio time selling practices, they vary from one station to another. The Broadcasting and Television Law allows only private commercial radio (TV) stations to broadcast advertising (Article 30). State-run radios must be authorized if they want to sell time. Within privately-owned stations, mostly local and small, the disc jockeys are also salespeople who will write and produce the commercials for the merchant (advertiser). Big radio networks like BCC, sell
advertising in much the same way as TV stations do—through advertising agencies.

Making new laws for Taiwan's proposed cable TV systems is still in the blueprint stage. The pattern by which cable TV will be operated has yet to be decided. If the incoming cable system is leased out by the individual channel, selling advertising time would be carried out as the current three TV stations do. If the system is rented out to an entity (company, organization, or person) as a whole, the situation would become very complex. Judging from the huge profits made by Taiwan's TV stations in the last two decades, we do not have any base to predict that cable TV will attract no advertising once it is in operation in Taiwan.

At present, broadcast advertising is regulated by the following ordinances: (1) Broadcasting and Television Law (Articles 30 thru 35); (2) Enforcement Rules of the Broadcasting and Television Law (Articles 30 thru 32); (3) Standards for Television Advertising Production; (4) Standards for Radio Advertising Production; and (5) Review Standards for Radio and Television Advertisements. The former three are being overhauled in order to meet the demands from broadcasting stations, advertising agencies, and, of course, the opposition.
Summary

Limited equipment, creativity, and technical expertise at first prevented all three TV companies from producing more than news and educational programs. In the 1960s, approximately 50 percent of TTV's programs were imported, mostly from the U.S. Afterwards, the competition and regulations have brought imports down to average below 10 percent in the late 1980s.

Presently, programs in the entertainment category take up the most broadcasting time while public services involve the least. In terms of languages used in TV programs, English programs have decreased greatly as a result of the curtailment of imported films; Min (Taiwaness) programs have also been reduced because of the enforcement of regulations, despite protests from the opposition. Therefore, nearly 85 percent of the TV programs are telecasted in Mandarin, according to the latest data.

Taiwan's TV programs are produced mostly by 400 plus small-capital production houses, in which nine out of ten do not own their own studio. Keen competition, poor equipment, and lack of capital make this industry one which has a high turnover and bankruptcy rate. At present, all three TV stations need 1560 programs every year to fill their broadcasting time. When cable TV formally enters the market
in two years the demand for programs may become several times
as much as the current amount. This is a monumental hurdle
for developing cable TV.

Basically, the required technology for the construction
of cable systems is no problem for the ROC. It can be
introduced into Taiwan through a joint venture with, or
acquisition of foreign companies. That is the conventional
way, also the KMT-state policy, in developing Taiwan's hi-
tech. But, in the long run, this policy makes Taiwan
vulnerable to intervention by international forces. The
recent failure of the self-launch satellite project is an
example of this.

Another communication satellite project proposed by the
DGT is making good progress. Under this plan, by the year of
1994 there will be four transponders available to cable
players for transmitting TV signals. However, the political
opposition is discontented with it. Of late, the Democratic
Progress Party (DPP) stands with the operators of illegal
"channel 4" to ask the KMT state to immediately legalize the
underground CATV and to re-allocate the radio spectrum.

Most mass media are dependent upon advertising as their
primary source of income. Based on U.S. experience, cable TV
may be exceptional in that its need for advertising money is
less than one percent of its total revenue. The ROC has not
decided the pattern of operation for the forthcoming cable TV systems. Nonetheless, experts predict that the cable systems would require a certain level of advertising money during initial stages because the public is not sure if it is worth spending money on receiving the programs.

Throughout the years, television has steadily increased its advertising income. The profits made by three TV stations suggest that incoming cable TV will have little problem in selling its advertising time. Of course, this is based on the hypothesis that Taiwan's economy keeps growing as it has been in the last forty years.
CHAPTER VI
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary

For a long period of time, the mass media in Taiwan have been firmly under the KMT state’s control. From the mid-1980s, the state’s grip on media somehow has begun to loosen. But, this glasnost policy has not incorporated the electronic media which have often been in the limelight of social conflicts, particularly in the political struggles between the ruling KMT and the opposition party (DPP), which accuses the KMT of monopolizing the radio frequencies. In 1988 when the decision was made by the Government to develop cable systems and to allow private enterprises to provide cable services, it invoked a number of questions that prompted this research.

1. To what extent does the KMT political doctrine influence the state and its communication policy?

2. Why was cable television favored instead of setting up new TV stations by reallocating radio bands? Does the

232
promotion of cable TV mean there has been any significant shift in electronic media policy?

3. Will the decision by the KMT state to construct cable TV solve issues such as privatizing ownership, liberalizing language-use, diversifying TV programs, and accommodating foreign DBS?

6.1.1 Forces That Influence Electronic Media Policy

In exploring answers to the above questions, three main elements are under study according to the analytical framework evolved from Salvaggio's Public Utility Model (see Figure 1). They are: ideology, the state, and social changes (or demands).

1. Conventional ideology

The premise that ideology guides the formation of policy raises these questions: What are these ideologies? How are they formed and changed? Ideology is used in this research synonymously with political doctrine. Even though it helps to have professional communication knowledge when selecting electronic media policies, policymakers are invariably guided (or at least they believe they are) by political doctrine. That is, they seek policies that are felt to be consistent with their ideology. Thus, policy-neutral conditions determine the type of problems confronted, while ideology
(vested ideas) both determines the process of selecting the policies and limits the possible outcomes.

The record of ideology formation in Taiwan takes on two somewhat conflicting characteristics. The first is the continued invocation of the teachings of Sun Yat-sen, the founding father of the Republic of China, and the second is the concentration on immediate problems and the search for pragmatic solutions.

Sun's Three Principles emphasize nationalism, democracy, and economic development. However, he taught that democracy would develop in stages because the people were not yet trained or ready to accept their responsibilities as citizen-participants. Therefore, there would be a military stage and a period of political tutelage before full democracy. Sun stressed that to accomplish revolutionary goals newspapers (the only mass medium at the time) were the best instrument to educate and persuade the people (see section 3.1.3). His thinking on journalism provided the ideological foundations of the KMT media policy and its teachings and has been widely propagated in Taiwan since 1945. Chiang Kai-shek and his son, Chiang Ching-kuo firmly embraced Sun's teachings.

Sun also advocated a leading role for the government in directing economic development and ensuring a minimum standard of living for the Chinese people. He wrote that the
state should own enterprises in key sectors related to national defense, natural monopolies, or where capital requirements were so stiff that no private entrepreneurs could afford the risk. This thought has affected the ROC's electronic media policy the most. The decision that the government will construct and own the hardware of the incoming cable TV system fully mirrors this traditional ideology.

2. State power

The ROC constitution established five branches (yuan) of government (see Figure 4), rather than the three in Western systems. In addition to the executive, legislative, and judicial branches, there are examination and control branches. Adding the latter two branches reflects the importance given to recruitment and the need to keep a check on the bureaucracy to ensure its competence and honesty as in the traditional Chinese political system.

The chief of state is the president. Since 1948, with the enactment of Temporary Provisions Effective During the Period of Communist Rebellion, the president has been granted a wide range of emergency powers to deal with threats to national security as well as a financial or economic crisis. Based on this authority, the executive branch of government
pushed through the Legislative Yuan "emergency decrees"--a euphemism for martial law--which remained in effect until July 1987. Martial law gave the military and the intelligence agencies a special political role and curtailed freedom of the press, though these restrictions were mostly lifted or weakened in the 1970s and early 1980s. At present, the Temporary Provisions are still valid.

In addition to national government, the ruling KMT also have equal power in making policy. In fact, the organization of the KMT closely parallels that of the government at all levels, with key government and party posts often held by a single individual (see Figure 3). Like its counterpart on the mainland, the Chinese Communist Party (CCP), the KMT is modeled on Lenin's Bolshevik Party and is responsible for determining policy. Although there were two minor legitimate parties playing very limited roles in political affairs, the party system of the ROC on Taiwan, before July 15, 1987, when the Emergency Decree was lifted, could be described as a one-party hegemony.

What should be noted here is that the military, in addition to the administrative branches and party, has also been a vital part in regulating and controlling the electronic media. The Temporary Provisions have empowered the Taiwan Garrison Headquarters (TGH) to supervise and monitor
all kinds of telecommunications for reasons of State. Even though it is the policing of the electronic media, not law-initiating power that the TGH has been authorized to do, this military organization has seldom been left out of consultation when the GIO, or the DGT, plan to introduce a law regarding the electronic media (refer to Figure 12). In the case of cable development, the National Security Bureau (NSB), a semi-military agency, as well as KMT's Cultural Affairs Department have been deeply involved in making the decision with the administrative branches (see section 4.3.1).

Therefore, administrative branches (GIO and MOC), political party (KMT), and military establishments (NSB and TGH) have formed a triumvirate, so to speak, in determining Taiwan's electronic media policy. No specific interest group in this regard has emerged.

3. Societal changes

Economically. During the 1950s, Taiwan's economy grew at a healthy rate of 8.2 percent annually; expansion in the 1960s averaged 9.1 percent yearly. Though hit by the oil crisis in the early 1970s, this small island quickly adjusted and turned slow growth back into high growth after a two-year hiatus. In 1987 and 1988 Taiwan's gross national product increased by 11.9 percent and 7.3 percent respectively (see
section 4.1.1). This rapid economic transformation was accompanied by important changes in the structure of Taiwan's economy. During the past 38 years, tertiary industry in Taiwan has grown at about the same rate as the national domestic product (NDP). The growth of secondary industry was much higher, while that of primary industry was much lower. As a whole, the declining importance of agriculture was almost matched by the increasing weight of the industry (see Figure 13).

Economic growth and change in economic structure reflect two things which no doubt have great impact on electronic media development in Taiwan: 1) People's purchasing power is enhanced; this means that consumers with more disposable income become more likely to try innovations such as cable TV. 2) The society becomes more industrialized; people in a more industrialized society will be more capable of accommodating new information technology like yjr cable system.

Socially. Due to its state-guided development strategies, Taiwan has achieved economic success and been listed number one in the category of "low inequality" countries. The key lesson of these changes for the people of Taiwan is that the majority of the middle class, old and new, have come from lower-class groups and have benefited from the
upward social mobility which occurred in the postwar period. However, there are potentially negative consequences of these changes. In particular, the rise of the middle classes gives rise to growing expectation.

Findings of an empirical survey reveal that individuals in Taiwan's society have constructed a collective consciousness in defining the autonomous quality of "the society" and sensed the existence of "social problems". Another study on Taiwan's changing youth points out that contemporary students are loosened from the bonds of the Chinese family system to a greater extent than earlier, and they are more susceptible to influences from peers, secondary youth associations, and media. This transformation means that people in Taiwan have changed from being passive recipients to active demanders. They demand more choices in TV programs, and more opportunities to get access to information.

**Politically.** Since the early 1980s, democratization has accelerated on the island. The central thrust of the democratic forces was the formation of the opposition party in 1986. Instead of pursuing a political purge, the KMT government responded with a package of concessions: lifting the martial law decree and the ban on new parties and new newspapers.
The KMT's behavior indicates that the nation-building party has transformed itself from being an authoritarian party into a pragmatic one and it has done so in response to socio-economic development and the changing demands of the electorate. By giving its consent to construction of cable TV system, the KMT has once more showed the world that it is willing to compete with newcomers in electronic media circles in which the party has been one of the biggest interested parties.

In association with the KMT's transformation, the political system in Taiwan has been gradually democratized (expanded participation) and liberalized (increased competition) and the one-party system has come to the threshold of a democratic and competitive party system (see section 4.3.3).

6.1.2 Reasons For Having the Cable System

In addition to the above three major elements—ideology, the state, and social changes, which provide a macro-analytic framework illustrating how the electronic media policy is influenced, a micro-scopic analysis of the case of the cable emergence of cable in Taiwan offers concrete data about the ROC government agencies' regulatory behaviors and the
political relationships between electronic media institutions and the KMT state.

But when it comes to the question of why Taiwan wants to set up cable TV system at this time, there are several causes which can be categorized into two groups. One category is that of remote causes, namely, frequency control, installation control, language control, and the monopoly of electronic media, which have come into being even before TV was introduced in Taiwan. The other category is made up of immediate causes including 1) getting rid of the illegal "Channel 4"; 2) sharing the cost of the telecommunication network; 3) satisfying the opposition's demand.

**Indirect reasons**

1) **Frequency control.** In Taiwan, the military has the final word on the matter of assigning frequencies although the law decrees that the broadcasting frequencies shall be controlled by the Ministry of Communications in conjunction with the Government Information Office. For years, only half of the VHF band for TV broadcast service has been assigned (see Table 3); 19 AM and FM channels are still available to new radio stations. The military holds the lion's share of the rest. Despite this fact, the government has repeatedly announced that all radio frequencies have been occupied and
that there is no room left for new broadcasting stations, neither radio nor TV. This announcement has angered people, particularly the political opposition who have vehemently demanded a fair allocation of the electromagnetic spectrum.

2) **Installation control.** Vested with the power by the *Decrees Regulating Telecommunication Equipments During the Period of National Mobilization*, the Taiwan Garrison Headquarters (TGH) is the real regulator issuing franchises and placing stipulations on how to operate, manufacture, and repair telecommunication appliances. Like most military establishments, the TGH is conservative and adopts rather rigorous measures in regulating telecommunication. Even today, high-powered radio receivers, which can receive short wave broadcasts, and TV sets equipped with UHF channel tuners are not allowed to be produced, or imported. In the recent case of the "Little Ear", however, the TGH found that they could not execute the decrees as efficiently as before. Not only did those who had installed the KU-Band antenna ignore the warning of punishment, even those who had not bitterly criticized the ban as obsolete. The TGH did nothing but give an eventual green light to the owners of small dishes (see section 4.2.1).

3) **Language control.** When the ROC regained the territory of Taiwan from Japan, the only language used in instruction,
in business and in all publications was Japanese. School-age children learned Japanese in school and persons as old as 30 knew no Chinese (see section 2.3.2). In view of this, having a uniform language thus became the KMT government's top priority. In addition to the ban on Japanese films and TV programs, Taiwanese (Fukienese) dialect has also been discouraged from being used in the electronic media (see Appendix E., Article 20) as well as in school. After more than forty years, the standardization of the spoken language policy has proved quite successful, but some local people view this language restriction with repugnance and regard it as cultural suppression. Affected by the tide of liberalization, the KMT state feels constrained to make adjustment in its policy about the language used by electronic media. Cable TV, featuring the speciality of narrowcast, is an ideal medium for the KMT state to resolve policy dilemmas.

4) Monopoly of electronic media Deeply affected by Sun's teachings that the mass media is a powerful political weapon, and after suffering from the long wars against warlords, the Japanese intruders and the Communists, the KMT state has deemed media control as indispensable, particularly the electronic media.
By implementing a frequency freeze and strict control over electronic installations, the number of electronic media has been maintained at a manageable level. At present, the KMT state (government and party) possesses the majority of stockshares in the three TV stations (70 percent or more), while the remaining shares are in the hands of a few entrepreneurs who are close to the state, except for twenty percent of TTV capital kept by three major Japanese electronic companies.

With regard to the radio stations, 137 out of 192 stations (not companies) belong to either the government or the KMT. The other 55 stations are owned by 20 private companies, who are also the proteges of the state. If any private radio company is for sale, the transaction must be approved by the KMT state (i.e., KMT, TGH, and GIO). If the attempted buyer is not accepted by the state, the latter in most of cases becomes the buyer.

Immediate causes

1) To get rid of the illegal "Channel 4" Even though people have been disgusted with the monopolistic electronic media system and the restrictive media policy, before 1980 the economic situation in Taiwan did not allow them to have more choices beyond the existing three TV stations. Besides,
the political atmosphere at the time was so rigid that people did not want to walk on the edge of law and offend the authority.

Upon entering the 1980s, with continuing economic growth, per capita income quickly accumulated and people's purchasing power increased. More important, the political environment has switched toward being more democratized. People have therefore begun to express their opinions and demands without hesitation. The so-called "Channel 4", referring to illegal basic CATV systems set up to transmit video cassette recorded programs to subscribers for a monthly fee, emerged as a result of the politico-economic transformation. According to the latest unofficial estimates from "Channel 4" operators, there are three quarters of a million household subscribers to this illegal electronic medium all over Taiwan (see section 4.2).

GIO, the lawful regulator, was the first to propose the cable TV system in the hope of eliminating "Channel 4" (see section 4.2.1). After serious thought, the GIO changed its mind and wanted to postpone its cable proposal in that i) the superior level has security concern; the former secretary-general of the Executive Yuan worried over whether the GIO could control this new electronic medium (see section 4.3.1). ii) The local programming industry is too weak to
support the cable TV system; the former GIO's director-general publicly expressed his doubt that the local TV programming industry could supply enough and good programs when cable TV systems are in operation (see section 4.3). iii) Legal cable TV would bring more troubles to the regulator than the illegal "Channel 4"; when cable TV systems begin to work, the GIO must hire more people to preview programs and to monitor every cable channel (see section 4.3.2).

Before long, however, due to i) the resignation of the secretary-general (on another account); ii) the DGT's hardsell for cable TV; iii) the GIO could not find any other way to eliminate "Channel 4", the proposal to have cable TV has been retained.

2) To share the cost of the telecommunication network

Over the years, telecommunication has been given high priority by the ROC government on the national development agenda. To be more precise, it has been considered as an integral part of Taiwan's economic infrastructure. In 1981, the DGT initiated a 10-year modernization project calling for an estimated investment of NT$65.25 billion (US$2.5 billion) with the construction of an Integrated Services Digital Network (ISDN) to facilitate the digitization process for the metropolitan areas of Taipei, Taichung, and Kaohsiung slated
for completion by the year 2000 (see sections 4.2.2 and 4.2.3). However, the DGT understands that the return on investment in the ISDN is at risk if the subscriber population to the system is small.

Therefore, as soon as the GIO's intention of developing the cable TV system was revealed, the DGT tried hard to get it integrated into the ISDN project to help decrease the cost of construction and increase the subscriber population in the future.

3) To satisfy the opposition's demands The political opposition has kept asking the KMT state to allocate radio frequencies to them for broadcasting. This kind of oral request in recent years has turned into action, especially during the period of an election campaign, in which the opposition set up scores of underground low-powered radio and TV stations around Taiwan to do political broadcasting. Every time the illegal broadcasting lasts for a couple of days, and it is then cut off by the GIO's crackdown. To cope with this unprecedented protest, building a cable TV system and allowing private entities (including the opposition) to provide services has several advantages for the KMT state: i) The area messages can reach through cable channels is regional, moreover, the services should be paid for by subscribers, so the impact the cable has on the public will
not be as much as what over-the-air TV can bring about; ii) the initial administrative decision that cable hardware system should be state-owned allows the KMT state to physically control all of the cable system; iii) there is no need, at least for a period of time, to part with radio frequencies; iv) demands for more TV programs in dialect can be met without hurting the national language policy too much.

6.1.3 Supporting Industries

According to an announcement made by the GIO's head, by the time the cable systems are ready in 1994 in Taiwan's several metropolitan areas, there also will be four transponders for DBS purposes available through a satellite (see section 4.3.2), which is jointly owned by the ROC and the U.S. based Pacific Satellite Inc. (PSI), over Papua New Guinea. Many people question: 1) How capable is the local programming industry? 2) How will the cable system be constructed, by Taiwan itself or by transnational corporations? 3) How can Taiwan purchase a satellite? 4) Can Taiwan's advertising market support the cable system?

Programming industry

In the 1960s, about 50 percent of the TV programs were imported due to limited equipment, and lack of technical
expertise. Since the Broadcasting and Television Law was enforced in the mid '70s, the import ratio has been reduced. In the last few years, imported TV programs have constituted no more than 10 percent of the total TV programs (see section 5.1).

Despite an increase in locally-made TV programs, the quality of those products has generally been rated flat and poor.

Presently, most of Taiwan's TV programs are produced by 400 plus small production houses, among which nine out of 10 do not own a studio. In addition, more than half of the full-time employees for those production houses have a high school education or less. Most of these companies have the primary goal of earning profits. The practice of the local programming industry is--we do not care what type of programs we make, just hire us to make something. Even though unqualified to do the task, the production houses often sign subcontracts with other companies to do the work, while retaining commissions for themselves.

The Technology base for cable
For many years, Taiwan has been a principle original equipment manufacturer (OEM) of electronic parts for many famous worldwide electronic companies, such as Philips,
Zenith, RCA, Motorola, IBM, ...etc. (see section 5.2.3). As a whole, there is no problem in the country building a basic cable system. Even if advanced technology is required for the two-way cable system, it can be introduced into the island through joint ventures with, or acquisition of foreign companies. This is the usual method of the majority of Taiwan's companies and it is also the essence of the KMT state's hi-tech policy. However, this policy has made Taiwan vulnerable to the intervention of foreign powers.

With regard to satellite communication, there were two projects worked out in the 1980s by National Science Council (NSC) and DGT respectively. Taiwan has decided to shelve the NSC's self-launch satellite plan because the necessary technology for the launching can not be obtained from overseas, whereas the DGT's three-tier project has made good progress (see 5.2.2). It is expected that by the year 1994 Taiwan can get four transponders from a joint satellite project, PACSTAR, with PSI, and Papua New Guinea.

**Advertising market**

As a whole, advertising in Taiwan follows the same direction as the nation's economy. During the years between 1960 and 1990, Taiwan's advertising market has grown 320 fold while the gross national product has increased nearly 200
fold (see Figure 15). Advertising apparently grew much faster than the economy.

In terms of the major media shares of advertising volume, newspapers have retained the lead as the principal medium over the last three decades, followed by TV. Magazines, since 1985, have taken the place of radio which had been in the third place for more than 20 years (see Figure 16).

Like the U.S. commercial television stations, advertisement is the primary revenue for Taiwan's three TV stations. In the last three years, television had secured about 30 percent of the total advertising market of which TTV had enjoyed the largest share, but CTV had earned the biggest profit (see section 5.3.2). It signifies that there is no economic problem at all to have one more conventional TV station (over-the-air) join the electronic media market.

6.2 Appraisal

6.2.1 Strengths of the study

1. This is the first systematic research on Taiwan's electronic media development from perspectives such as societal transformation, the process of decision-making, and political ecology. A different perspective of analysis
provides abundant information as to why, and how Taiwan's electronic media are as they are.

2. Reference data used in the study, like important special meeting minutes, government documents, files and government-sponsored study reports, are all first-hand sources. By drawing upon difficult-to-obtain information, subjective or speculative judgement, which usually occurs in policy research, has been reduced to the minimum in this study.

3. As far as studying Taiwan's electronic media policy is concerned, the author's previous working experience serves as a great resource. Having been with GIO for more than eight years, during which two years in working as the director-general's executive assistant, the author has gained substantial knowledge and experience in the making of Taiwan's media policy. Undoubtedly the author's experience in this aspect, which has evolved into the core of this study, is hardly replaced by any other data.

6.2.2 Weaknesses of the study

1. Confined to limited time (50 days) arranged for collecting research data, the study lacks a large-scale survey on public opinion toward TV programs, public television, cable TV, cable services, and DBS broadcasting. Without these, an
accurate evaluation on the policy decision to construct the
cable system is not possible.

2. Except for the 13 interviewees who have, to a certain
degree, been involved in the cable project, other
stakeholders like program producers, radio operators,
advertising agents, videocassette businessmen, and cable-
related product manufacturers were not contacted directly.
Their view need to be included in order to get a complete
picture on the ROC's electronic media policy.

3. Due to the fact that English is not the author's mother
tongue, and because many of the primary materials are in
Mandarin, the description and analysis in this study may
appear a little awkward. Also, the author sometimes found
it very difficult to express his own ideas precisely in
English in this dissertation.

6.3 Conclusions

In Chapter II, we reviewed four major approaches for
analyzing to regulatory behaviors. There it was noted that
each approach has distinctive features: i) The Rational Actor
approach emphasizes explicit objectives and choosing among
alternative actions on the basis of their expected
contributions to organizational goals; ii) the State Autonomy
approach contends that government can act, independent of the preferences and desires of the interests of society.

On the surface, it seems that the KMT state prefers the State Autonomy approach for the decision to construct cable. The state officials who worked on the police have no special knowledge of Taiwan's real societal interests. From their point of view, it is the state’s preferences which dominate society rather than social preferences dominating the state policy.

But from the viewpoint of the DGT, the cable decision is best seen as following the Rational Actor approach. The DGT has clear-cut goals and objectives in carrying out its telecommunication modernization project; they choose cable TV as a supporting alternative to their ISDN systems. The DGT designers fully realize that ISDN will not be as successful without cable. So they will urge that cable TV is a must and should be constructed as soon as possible.

Nonetheless, from the perspective of the GIO, the DGT's behavior is somewhat self-centered, though hardly characterized as one of capture-cartel. The GIO, considering the weak software infrastructure, and lack of adequate regulations in Taiwan, can not agree that it is appropriate to construct cable TV systems at this time. Therefore, from the perspective of the GIO, the decision on cable
construction reflects an irrational approach, rather than a rational one.

Despite multiple regulatory activities appearing concurrently in making cable policy, over the years, the KMT state has played an instrumental role in the electronic media policy, although the policy per se has been considered implicit by many scholars. In retrospect, two factors dominated the thinking of policy-makers in most decisions on electronic media issues, which may account for the fact that the implicit policy remained functional for almost three decades.

First, communication had traditionally been perceived as an institution with powerful political influence although the mass media in practice, especially TV, as many have lamented, smack of strong commercialism. The KMT state thus feels strongly that it should play a leading role in directing the media, and the electronic media particularly should be under its control.

Another decisive factor in the electronic media policy since the government moved to Taiwan in the wake of the Communist takeover of the Chinese mainland in 1949 is national security. The authorities may have harbored concerns toward the unchecked flow of information and their impact on societal stability. One case in point is where the Ministry
of Defense plays an key role in the decision making process and also has a substantial share of the electromagnatic spectrum.

However, a chronological review of Taiwan's societal development shows that the dormant forces of change have been gaining strength in the last decade. The state would surely have sensed this transformation. In addition, with animosity between Taiwan and Chinese mainland running lower, some defensive measures which have hampered electronic media development have accordingly been dismantled. As a result, the above-mentioned two factors appear not to be so overshadowing as they used to be.

But, to say that Taiwan's electronic media policy changes are caused by changes in ideology is both incorrect (or, at least, an oversimplification) and harmful. To attribute the cause of a policy change entirely to ideology only begs the question of what caused the change in ideological position.

It appears that the evolution of ideology, policies, and societal conditions (incorporating social, political, and economic factors) go hand in hand. Indeed, particularly in historical perspective, policy is more likely to be a handmaid of the other two than in the driver's seat. This is not to say that policy is unimportant, only that the more
important issues are the social environment in which the policy is made and the limits ideology places on policies considered acceptable to deal with that environment.

To conclude, the administrative decision to set up cable TV has no doubt sent out a signal that the KMT state's attitude on the electronic media is moving toward more pluralism, diversity, and democracy, although the pace and intensity of change leave much to be desired. Currently the new cable law is on the task force's drawing board, and the Broadcasting and Television Law is under revision by GIO, both going to the Executive Yuan Council for approval (see Figure 12). People in charge of the task of law-draft and law-amendment have reached an initial consensus that present limit on dialect program will be lifted from all electronic media; no restriction of foreign programs for cable, including DBS programs; most important, cable will be open to private entities.

6.4 Findings, Recommendations and Suggestions

6.4.1 Major findings

In addition to the finding mentioned at the beginning of this chapter, that the description of regulation approach used
in the cable case depends upon the position of observer, other significant findings are:

1. In general, the ROC's broadcasting, as Head and Sterling portrayed, is paternalist-oriented (see section 2.2.1). To maintain a balanced program diet, the KMT state enacted a law allowing neither too much commercial nor too much entertaining material for the viewers' social and personal well-being.

2. Blumler and Gurevitch suggest three areas where rights of intervention may exist and where the resulting degree of state control could be fairly readily measured. They are: control over the appointment of media personnel; control over the financing of media enterprises; and control over media content. In the case of Taiwan's electronic media, particularly in TV, it was found that these three areas of control are all exercised at quite high levels (see sections 2.2; 3.2; and 3.3; chapter IV).

3. Blumler and Gurevitch also said that communication will assume a different role in societies where 1) political organization is essentially monopolistic, 2) political truth is believed to inhere in the tenets of some authoritative doctrine as interpreted by a ruling party. In Taiwan, communication traditionally has been considered as an institution of powerful political influence. The society
on the island essentially is politically-monopolistic and for most of time in the past four decades, political truth is believed to inhere in the tenets of the Three Principles of the People as interpreted by the ruling KMT (see section 2.2.1; chapter III).

4. According to Katz and Wedell, the most important use of radio in the promotion of national integration is its encouragement of the national language. Das Gupta also stresses that those who confine the context of language politics to the issues of the unity of the nation or the state alone usually put a premium on the stability of the state or the viability of the nation, rather than the properties of the groups contained in the units. In the 1950s and early 1960s, Taiwan indeed used radio to promote the standardization of spoken language in an effort to strengthen national integration. From the 1970s up to the present, the policy of restricting dialect language used in TV programs and radio also follows this train of thought (see sections 2.3; 3.3; and 5.1).

5. In this study, we found the major reasons Taiwan has decided to construct cable system are 1) to get rid of the illegal "Channel 4"; 2) to provide additional revenues to support the cost of the telecommunication network; 3) to satisfy the political opposition's demands for media
access. Generally, these reasons are, to a certain degree, in agreement with Dutton et al.'s concept of wired cities, in which they point out: 1) Communication is of increasing significance to society; 2) the cable systems have inherent characteristics which favor more decentralized and democratic modes of communication; 3) cable should be viewed as an electronic highway; 4) long-range, rational-comprehensive planning should guide development (see section 2.4.1; chapter IV).

6.4.2 Recommendations for electronic media policies

1. Issues concerning Taiwan's electronic media mostly originate in the frequency freeze policy, of which the military has been the one pulling the strings. It is not only unlawful but unfair, because the military in fact does not need so many frequencies. To get things back to normal, the right of frequency allocation must be put in the hands of the Ministry of Communications; frequencies for current usage should be reevaluated and reallocated in a publicly recognized way.

2. The racking experience of economic failure which eventually led to the loss of Chinese mainland has entailed the KMT state to give economic development the first priority on the national agenda. Today, the ROC is
ranked as a high-income nation by World Bank standards. New information technologies and policies affecting the local electronic media should not be propagated merely in the pursuit of the government's economic and industrial policies but should also seriously consider the social and cultural implications for the population.

3. As mentioned above, factors of faith in the media's powerful influence and of national security have dominated the nation's electronic media policy for a long period of time. The policy of previewing TV programs comes as a result of the two factors. With changing times, the media may still be powerful and national security as important as before, but some practices have to be adjusted. The policy regarding the preview of TV programs by the GIO should be abolished. Instead, an independent panel to oversee broadcasting content, including the censorship of programming contents should be established. In doing so, at least 20 percent of the manpower at the GIO's Department of Radio and Television Affairs could be saved.

4. In Taiwan, monopolizing the TV medium is not only a communication issue but a big political problem. With Public Television on the air soon, government's guidance of the TV programs and TV stations' management should be
over. TV stockshares owned by the government should be sold to private entities.

6.3.2 *Suggestions for future research*

In response to the weaknesses of this study, several suggestions are made for future researchers to help better their studies of Taiwan's electronic media policy.

Except for historical structural and voluntarist approaches, policy research could be conducted by using a sweeping survey, to compare and contrast the interests in both government agencies and the public. Studies could be narrowed down to particular aspects such as intra-organizational decision-making, topic issues (dialect programs, partisan TV, ...etc.) or functional/structural analysis on a particular regulatory agency.

When a society becomes more pluralistic and democratic, policy-makers are obliged to inform people of envisioned policies or any changes in regulations. The research approach could be something like a policy campaign--how to get people to endorse the envisioned policies or the changes in regulations. And the research target could focus on specific groups of stakeholders--program producers, radio operators, videocassette businessmen; or it could be based on socio-economic status, geographical location, educational levels, or religious/cultural background.
The studies could also employ a legal approach to evaluate the appropriateness of judicial precedents. In Taiwan, this kind of approach has been rarely used since the Constitution has been largely frozen for over forty years and the Temporary Provisions limit people's rights to a few limited areas. However, president Lee Teng-hui announced in his inaugural address earlier this year (1990) that in a year or two he intends to end the Period of Mobilization for Suppression of the Communist Rebellion which fostered the Temporary Provisions to the Constitution. By then it could provide a tremendous room for future policy research using this approach.

In conclusion, it is inappropriate to say that the changes in Taiwan's electronic media policy are entirely due to one of the three elements: ideology, state, and the society; rather we would attribute the policy transformation to composite changes consisting of the three major factors. In addition, despite the decision by the administrative branches to set up cable systems, the root of problems in the electronic media--monopoly of the radio spectrum, has not been eradicated. For the time being, the most important action which needs to be done at the earliest possible time, is to end the Period of Mobilization because it has been the springhead for all the abnormalities in the society.
APPENDIX A

KEY ECONOMIC INDICATERS FOR SELECTED NATIONS

<table>
<thead>
<tr>
<th>Nations</th>
<th>Pop.(m)</th>
<th>GNP</th>
<th>GDP</th>
<th>Exports (12 mo.)</th>
<th>Foreign debt</th>
<th>Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>19.8</td>
<td>&lt;$150</td>
<td>0%</td>
<td>$0.7b.</td>
<td>* $1.5b.</td>
<td>9.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>16.9</td>
<td>$16,050</td>
<td>3.5%</td>
<td>$32.8b.</td>
<td>$77.2b.</td>
<td>7.6%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>109.6</td>
<td>$175</td>
<td>2.0%</td>
<td>$1.1b.</td>
<td>$10.1b.</td>
<td>12.0%</td>
</tr>
<tr>
<td>Bhutan</td>
<td>1.4</td>
<td>$160</td>
<td>2.6%</td>
<td>$0.01b.</td>
<td>N.A. * 4.0%</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>149.2</td>
<td>$2,000</td>
<td>-0.3%</td>
<td>$33.8b.</td>
<td>$110b.</td>
<td>934%</td>
</tr>
<tr>
<td>Brunei</td>
<td>0.2</td>
<td>$17,000</td>
<td>4.5%</td>
<td>$2.3b.</td>
<td># 0 2.3%</td>
<td></td>
</tr>
<tr>
<td>Burma</td>
<td>40.3</td>
<td>* $200</td>
<td>0%</td>
<td>* $0.2b.</td>
<td>6.0b. * 30%</td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>7.9</td>
<td>&lt;$130</td>
<td>0%</td>
<td>$0.1b.</td>
<td>* $0.6b.</td>
<td>10%</td>
</tr>
<tr>
<td>Canada</td>
<td>26.3</td>
<td>$20,195</td>
<td>2.6%</td>
<td>*118.1b.</td>
<td>$149b.</td>
<td>5.0%</td>
</tr>
<tr>
<td>China(PRC)</td>
<td>1,110.3</td>
<td>$355</td>
<td>5.0%</td>
<td>$40.1b.</td>
<td>$44b. * 21.4%</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>53.9</td>
<td>$760</td>
<td>2.2%</td>
<td>$3.1b.</td>
<td>$38.4b.</td>
<td>15.2%</td>
</tr>
<tr>
<td>Fiji</td>
<td>0.7</td>
<td>$1,862</td>
<td>-0.4%</td>
<td>* $0.3b.</td>
<td>$0.4b.</td>
<td>11.9%</td>
</tr>
<tr>
<td>Hongkong</td>
<td>5.8</td>
<td>$10,950</td>
<td>3.0%</td>
<td>$72.9b.</td>
<td># 0 10.1%</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>821.1</td>
<td>$320</td>
<td>5.5%</td>
<td>$14.0b.</td>
<td>$60.6b.</td>
<td>9.1%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>178.8</td>
<td>$520</td>
<td>6.2%</td>
<td>$16.6b.</td>
<td>$50b.</td>
<td>7.1%</td>
</tr>
<tr>
<td>Japan</td>
<td>123.9</td>
<td>$22,879</td>
<td>4.8%</td>
<td>$300b.</td>
<td># 0 2.1%</td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>25.3</td>
<td>$336</td>
<td>4.8%</td>
<td>$0.9b.</td>
<td>$4.8b.</td>
<td>5.0%</td>
</tr>
<tr>
<td>Laos</td>
<td>4.5</td>
<td>$135</td>
<td>4.5%</td>
<td>* $0.1b.</td>
<td>* $0.7b.</td>
<td>65%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>17.6</td>
<td>$2,028</td>
<td>7.7%</td>
<td>$24.4b.</td>
<td>$16.4b.</td>
<td>4.0%</td>
</tr>
<tr>
<td>Mexico</td>
<td>85.4</td>
<td>$1,860</td>
<td>1.1%</td>
<td>$21.0b.</td>
<td>$107.4b.</td>
<td>70.5%</td>
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<tr>
<td>Nepal</td>
<td>19.0</td>
<td>$170</td>
<td>7.1%</td>
<td>$0.2b.</td>
<td>$1.1b.</td>
<td>10.9%</td>
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<td>New Zealand</td>
<td>3.3</td>
<td>$11,389</td>
<td>1.5%</td>
<td>$8.8b.</td>
<td>$22.2b.</td>
<td>7.2%</td>
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<td>Nigeria</td>
<td>110.3</td>
<td>$640</td>
<td>4.0%</td>
<td>$7.7b.</td>
<td>$33b.</td>
<td>53%</td>
</tr>
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<td>Pakistan</td>
<td>110.3</td>
<td>$365</td>
<td>5.1%</td>
<td>$4.4b.</td>
<td>$18.0b.</td>
<td>6.1%</td>
</tr>
<tr>
<td>Peru</td>
<td>22.0</td>
<td>$1,470</td>
<td>1.6%</td>
<td>$2.7b.</td>
<td>$19.0b. 1,722%</td>
<td></td>
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<tr>
<td>Philippines</td>
<td>60.8</td>
<td>$727</td>
<td>5.6%</td>
<td>$7.9b.</td>
<td>$27.2b.</td>
<td>10.0%</td>
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<tr>
<td>Saudi Arab.</td>
<td>14.9</td>
<td>$6,950</td>
<td>8.5%</td>
<td>$23.1b.</td>
<td>$16.7b.</td>
<td>0.8%</td>
</tr>
<tr>
<td>Singapore</td>
<td>2.7</td>
<td>$10,521</td>
<td>9.0%</td>
<td>43.8b.</td>
<td># 0 3.2%</td>
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<td>South Korea</td>
<td>42.3</td>
<td>$4,830</td>
<td>6.6%</td>
<td>62.0b.</td>
<td>$29.5b.</td>
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<td>Sri Lanka</td>
<td>16.9</td>
<td>$420</td>
<td>2.6%</td>
<td>$1.4b.</td>
<td>$5.2b.</td>
<td>13.7%</td>
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<tr>
<td>Taiwan(ROC)</td>
<td>20.0</td>
<td>$7,571</td>
<td>7.2%</td>
<td>$65.6b.</td>
<td># 0 4.5%</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>56.2</td>
<td>$1,194</td>
<td>9.7%</td>
<td>$20.2b.</td>
<td>$15.5b.</td>
<td>6.0%</td>
</tr>
<tr>
<td>Turkey</td>
<td>54.2</td>
<td>$1,210</td>
<td>8.0%</td>
<td>$11.8b.</td>
<td>$38.1b.</td>
<td>87.5%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>65.3</td>
<td>* $130</td>
<td>3.5%</td>
<td>* $0.7b.</td>
<td>* $10.0b.</td>
<td>N.A.</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>249.8</td>
<td>$20,920</td>
<td>2.7%</td>
<td>$330b.</td>
<td>$533b.</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

1. Population is as of Dec. 1989; in GNP column indicates per capital; in GDP shows growth rate.
2. Figures marked * are less reliable due to a lack of recent or trustworthy data. N.A. not available. # i.e. net creditor.

APPENDIX B

Chang, King-yuh

is president of the National Chengchi University. He served as Director-General of the Government Information Office in 1984-1987. Before then, he was director of the Institute of International Relations at National Chengchi University. Chang received Ph.D. in international politics at Columbia University.
Date for interview: Dec. 22, 1989

Chang, Ping

has been with the Radio & Television Department for more than ten years. Now he is senior specialist, and widely regarded as expert in terms of Taiwan's television industry. Chang got MA in journalism at Texas Tech. University.
Date for interview: Jan. 9, 1990

Chen, Wen-hsien

is deputy director of the Office of Science & Technology Advisors, MOC. He is the convener for the planning section of cable TV task force. Chen earned a doctoral degree in electric engineering at Stanford University.
Date for interview: Jan. 19, 1990

Chu, James C.

is director of the Cultural Affairs Department, KMT. Dr. Chu had taught at California State University at Chico for nearly twenty years. He earned a Ph.D. in communication at Southern Illinois University; before then, he worked for the Government Information Office.
Date for interview: Jan. 9, 1990

Chu, Kao-cheng

is a legislator-DPP at the Legislative Yuan. As a popular member of the opposition party--Democratic Progressive Party (DPP), Chu advocates that broadcasting
system be nationalized. He received a doctoral degree in law at Munich University, Germany.
Time for interview: Jan. 24, 1990

Chung, Wei-wen

is associate professor at the Graduate School of Journalism, National Chengchi University. He earned his Ph.D. in communication from Stanford University. Chung was commissioned by the Government Information Office to study the feasibility for developing a cable system in Taiwan.
Date for interview: Dec. 14, 1989

Kao, Henry Yu-shu

is Senior Advisor to the President of the ROC. In 1972-1976 he was appointed as Minister of Communications. When serving as state minister with the Executive Yuan, Kao at first was opposed to establishing cable TV system, afterwards changed his mind.
Date for interview: Dec. 27, 1990

Kwang, Sunshine

took present post as news manager of China Television Company (CTV) in April 1989 after she resigned as director of the Department of Radio & Television Affairs, GIO. Before joining the GIO, she taught at the National Chengchi University. Kwang got a doctoral degree in communication at Southern Illinois University at Carbondale.
Date for interview: Jan. 8, 1990

Liao, Cheng-hao

is Deputy Director-General of the GIO. He has been assigned by the premier of the Executive Yuan as chief coordinator for the cable TV special group. He has received complete law education at National Taiwan University, and experienced various important government posts related to legal affairs.
Time for interview: Jan. 22, 1990

Lin, Yu-siанг
is a legislator-KMT. He suggest that Taiwan's cable system should be privately-owned. Lin earned a MA in international relations from Florida State University.
Time for interview: Jan. 5, 1990

Shaw, Yu-ming

is incumbent Director-General of the GIO. He got his doctoral degree in history at University of Chicago. Shaw had taught at University of Notre Dame, Indiana, for nearly ten years.
Time for interview: Jan. 22, 1990

Tseng, Fan-tung

is Deputy Managing Director of Telecommunications Training Institute, MOC. He served as Executive Secretary of the Ad-hoc Working Group of the Executive Yuan to perform the technical feasibility and economic viability studies for the development of cable television systems and services in Taiwan. Tseng received MS in communications engineering from the George Washington University, and doctoral degree in electric engineering from the National Taiwan University.
Time for interview: Dec. 15, 1989

Wang, Shou-lai

is deputy director of the Department of Radio & Television, GIO. He assumed the post in June of 1989. Before that time, he had been working at International Information Services Department for more than ten years. Wang received MA in public policy at Georgetown University.
Time for interview: Feb. 7, 1990
APPENDIX C

1. Why is it in Taiwan only 7 channels in VHF band, instead of 13 in other countries, are designated for TV broadcasting?

2. In terms of providing diversity of programs, setting a new TV station is a cheaper, quicker and feasible way, why does the government not to do it?

3. Why was it in 1986 the task of promoting cable system was stopped?

4. Many people (including scholars) said that the emergence of underground CATV (so-called the "fourth Channel") and recent rush of installations of TVRO small dish "Little Ear") has reflected audience's dissatisfaction toward low quality of TV programs. What is your opinion?

5. In your personal opinion, how should CATV play its role in Taiwan? and hoe about public television?

6. Do you think that the establishment of cable system is an optimal option for the regulatory bodies to eliminate the "Fourth Channel" and detract people's interest from "Little Ear"?

7. The Directorate-General of Telecommunication (DGT) is going to be privatized in next five years; does it mean that there will be private telephone companies and cable systems in this country?

8. Is there any problems which will affect the task of cable construction?

9. Will the government in the near future allow other enterprising individuals or organizations to build new television station?

10. As far as the electronic media are concerned, does the government have any long-term plan beyond the cable television?

11. If the opposition ask for re-allocation of radio frequencies, what will you do?
12. Do you know who will have, or already show, interest in running cable TV? Do you think it is appropriate to allow present TV stations entering cable TV industry?

13. Has the government ever revoked any licenses of radio stations or TV stations because they failed to conform to the tenets of the Broadcast and Television Law?

14. According to the Broadcasting and Television Law, there is a fixed proportion for TV stations to broadcast foreign programs; will this apply to the future cable TV?
APPENDIX D

MAP OF TAIWAN
APPENDIX E

BROADCASTING AND TELEVISION LAW

(Promulgated by the President on January 8, 1976 In case of any discrepancy between this translation and the Chinese version, the Chinese version governs.
Amendment of Article 2, Article 3, Article 4, Article 33, Article 42, Article 43 and Article 44, and supplement of Article 14-1, Article 29-1, Article 45-1 and Article 45-2 of the Broadcasting & television Law, Promulgated on June 7, 1982)

Chapter I. GENERAL PROVISIONS

Article 1.

This law is enacted to administer and assist radio broadcasting and television enterprises to achieve the purposes of making known national policies and government orders, reporting news, making commentaries, promoting social education, developing Chinese culture, providing decent recreation and enhancing public welfare.

Article 2.

The terms used in this law are defined as follows:
(1) Broadcasting means transmission of sound through radio or wire for direct public listening.
(2) Television means transmission of image and sound through radio or wire for direct public viewing and listening.
(3) Broadcasting and television stations are those authorized according to law (hereinafter referred to as stations).
(4) Broadcasting and television enterprises are the enterprises which operate broadcasting and television stations.
(5) Frequencies indicate the frequencies used by radio broadcasting and television stations for radio wave transmission.
(6) Call signs mean the letters and numbers used by stations as identifications.
(7) Power means the strength of radio wave transmitted by the stations, to be indicated by voltage multiplying electric current.
(8) Programs mean systematic broadcasting of sound and/or images with a theme that are transmitted by the stations, excluding advertisements.

(9) Advertisements mean the part of broadcasting, television, or video-tape contents used by stations for promoting the sale of merchandise, ideas or services.

(10) Videotapes mean the programmed tapes put on television sets or other similar devices by means of video recorders.

(11) Broadcasting television program enterprises include those enterprises that operate, plan, produce, publish or are commissioned to broadcast television programs advertisements and videotapes.

Article 3.

The regulatory agency of broadcasting and television enterprises as well as broadcasting television program supply enterprises, is the Government Information Office of the Executive Yuan (hereinafter referred to as GIO).

Examination and approval of the principal facilities of the stations and their engineering technique, control of radio waves, use and change of frequencies, call signs and power, and the issuance and change of licenses for the stations shall be in the jurisdiction of the Ministry of Communications.

The principal facilities referred to in the immediate preceding paragraph shall be decided by the Ministry of Communications.

Article 4.

The frequencies used by broadcasting and television enterprises shall be owned by the state and shall be controlled by the Ministry of Communications in conjunction with GIO.

The frequencies shall not be leased, loaned or transferred.

Article 5.

The stations established by governmental agencies are public stations, while those established by companies limited by shares and foundations are private stations. They may be jointly managed if necessary.
Article 6.

The methods of transmission, frequencies and call signs used by military stations shall be decided by the Ministry of National Defense in conjunction with the Ministry of Communications.

The law shall apply mutatis mutandis to the administration of the program of military stations.

Article 7.

In case of a natural disaster or emergency, the regulatory agency may demand the stations to suspend transmission, broadcast specified programs or take other necessary measures in the interest of public security and well-being.

Chapter II. ESTABLISHMENT OF STATIONS

Article 8.

The distribution of stations shall be made as balanced and widespread as possible, in accordance with frequencies allocated; their numbers and localities shall be decided by the GIO in conjunction with Ministry of Communications.

Article 9.

Appropriate frequencies shall be reserved for the use of air school and international broadcasting designed to propagate national policy and enhance cultural levels. Such frequencies shall be decided by the GIO in conjunction with the Ministry of Communications.

Article 10.

Applications for installation of stations shall be filed with the Ministry of Communications through the GIO for issuance of permits. Upon completion of installations, application shall be filed with Ministry for inspection and issuance of station licenses and with the GIO for issuance of broadcasting or television licenses. This also shall apply to the establishment of sub-station and relaying stations.
Article 11.

Measures for the installation of boosters, converters and common antennas shall be formulated by the GIO in conjunction with the Ministry of Communications.

Article 12.

A broadcasting or television license shall be valid for two years. Upon expiration, application shall be made for its renewal.

Article 13.

The organization of broadcasting and television enterprises and the qualifications of their responsible personnel shall meet the requirements of the GIO stipulations.

Article 14.

The broadcasting and television enterprises shall have the approval of the GIO for suspension of operations, transfer of stocks, changes of names or appointment of their irresponsible personnel.

In case a suspension of operations is for more than three months, the frequencies allocated shall be withdrawn by the Ministry of Communications, provided that such suspension is not caused by force majeure.

Article 14-1.

(1) Part of the surplus gained from broadcasting and television enterprises shall be set aside as a fund to help improve the standards of radio and television programming, and to develop a public television station. Ways and criteria of collection, and management and use of the fund, shall be regulated by law.

Article 15.

The standards of facilities of the stations and the qualifications of engineering personnel of the broadcasting and television enterprises shall meet the requirements of the stipulations of the Ministry of Communications.
Chapter III. PROGRAM CONTROL

Article 16.

Broadcasting and television programs are classified into the following categories:
(1) Newscast and publicity of government policies and orders.
(2) Education and cultures.
(3) Public service.
(4) Entertainment.

Article 17.

The time of the (1), (2) and (3) programs of the foregoing Article shall not be less than 45 per cent of the total weekly broadcasting time in broadcasting stations and 50 per cent of the total weekly television time in TV stations.
Entertainment programs shall be aimed at promoting Chinese culture as well as ethics, democracy and science and shall be educational.
The standards of contents and the distribution of time of these programs shall be stipulated by the GIO.

Article 18.

The distribution of programs for specialized stations and those with special missions shall be made by the GIO in conjunction with other government agencies concerned.

Article 19.

Self-produced programs shall not be less than 70 per cent of all broadcasting and television programs.
Foreign-language programs shall be presented with Chinese subtitles or with Mandarin narration. If necessary, GIO may ask to dub the programs in Chinese.

Article 20.

The stations shall mainly use Mandarin in domestic broadcasts and shall decrease gradually the use of dialects. The proportion between the Mandarin and the dialects shall be decided by the GIO according to actual requirements.
Article 21.

No contents of broadcasting and television programs shall be allowed to:
(1) Be detrimental to national interests to national dignity.
(2) Contravene the national policy of anti-Communism and mainland recovery and the Government's laws and regulations.
(3) Instigate people to commit crimes or disobey laws and orders.
(4) Be detrimental to the mental and physical health of children.
(5) Impair public order and customs.
(6) Spread rumors and heresies and mislead the people.

Article 22.

No program shall be allowed to comment to legal actions under investigation or trial, on judicial personnel handling the cases or the parties involved. No program shall report the debate of law suits whose publicity is prohibited.

Article 23.

The stations shall make corrections of errors in the same program or at the same time of the original program within seven days upon receipt of requests from the interested parties, and the correction must be made within 15 days from the day of broadcast. Otherwise, the stations shall reply in writing informing the complainants of their justifications of the reports in question.

If the mistaken reports have caused damages to the rights and interests of the parties concerned, the stations, their responsible officials and employees concerned shall be liable civilly or criminally.

Article 24.

If broadcasting and television commentaries involve other people or agencies or organizations and are detrimental to their rights and interests, the stations concerned shall not refuse any request from the parties mentioned for an equal chance of defense.
Article 25.

All programs other than news shall be subject to review by the GIO. The procedure of such review shall be established by the GIO.

Article 26.

The GIO may designate all public and private stations to make joint or separate broadcasting of such programs as news and publicity of governmental orders and policies.

Article 27.

The stations shall submit to the GIO beforehand the timetables of programs for knowledge. This shall apply to changes of programs.

Article 28.

The import or export of any kind of broadcasting and television programs shall be authorized by the GIO.

Article 29.

Broadcasting of any foreign program through the relaying facilities of international telecommunications or relaying of domestic programs for foreign use shall be authorized by the GIO.

Article 29-1.

The establishment of broadcasting television program supply enterprises shall have the approval of the GIO. Article 21, Article 25, Article 28 and Article 34 shall be applied to the program contents and related management matters of the enterprises.

Chapter IV. ADVERTISING CONTROL

Article 30.

Private commercial stations may broadcast advertising. Such broadcasting by all other stations shall be authorized by the GIO.
Article 31.

The time allotted for broadcasting of advertisements shall not exceed 15 per cent of the total broadcast time. The broadcasting methods and contents of such programs as news and publicity of governmental orders shall not be provided by the contracted firms. Advertisements shall appear only before or after programs; unless a program is longer than half an hour, when advertisements may appear once or twice within it. The broadcasting methods for advertising and the number of advertisements broadcast during each time segment shall be decided by the GIO.

Article 32.

Article 21 shall apply to the broadcasting of advertisements.

Article 33.

The advertisements broadcast shall be clearly separated from the programs. The contents of advertisements shall be reviewed by the GIO. Upon approval, the contents, the voices, and pictures of advertisement shall not be changed. Upon change of circumstances, advertisements previously approved shall be returned to the GIO for a review. The standards for review of advertising contents shall be established by the GIO.

Article 34.

If the advertisements involve medicines, foods, cosmetics, medical facilities, medical skills and medical undertaking, they shall be presented to responsible health agencies for approval and certification.

Article 35.

The responsible persons or other staff members shall not entrust the whole or any part of the facilities of the stations to advertisers for direct use.
Chapter V. REWARDS AND ASSISTANCE

Article 36.

Broadcasting and television enterprises shall be rewarded for:
(1) Great achievements in propagating, national policy or promoting Chinese culture.
(2) Achievements in maintaining national or social security.
(3) Significant contributions to cultural interflow in handling international relaying of programs.
(4) Remarkable achievements in promoting social education or public service.
(5) Participating in national or international contests and thereby obtaining trophies or honors.
(6) Remarkable achievements in operating broadcasting and television for remote, poor or special areas.
(7) Significant contributions to the broadcasting and television sciences or investigations in broadcasting and television techniques.

The above-mentioned stipulations shall apply to responsible persons and staff members of broadcasting and television enterprises and to program supplying enterprises.

Article 37.

The rewards, if not otherwise awarded under other laws, shall be made by the GIO in accordance with Article 36 by issuing medal, citations or cash.

Article 38.

The agencies concerned shall give convenience to the stations in their gathering of news and information related to their operations.

Article 39.

The state-run communications agencies shall give priority, if necessary, to demands by the stations for transmission of news or radio signals.

Article 40.

Local authorities may be requested to restrict constructions in the areas surrounding the antennas of transmitters of stations if this is in the interest of the country. The spheres shall be delineated by the GIO in
conjunction with the Ministry of the Interior and the Ministry of Communications and shall be approved by the Executive Yuan.

Chapter VI. PENALTIES

Article 41.

Following penalties may be meted out by GIO to broadcasting and television enterprises which violate this law according to their offenses:
(1) Warning.
(2) Fine.
(3) Suspension of broadcasting or telecasting.
(4) Withdrawal of license.

Article 42.

Broadcasting and television enterprises shall be warned for:
(1) Violation of Article 13 through 15, Article 17, Article 19, Article 20 or Article 31.
(2) Violation of the first clause of Article 23, Article 24, Article 25 or the first clause of Article 33.

Article 43.

For committing the following acts, television enterprises shall be fined no less than 5,000 yuan and no more than 200,000 yuan; and broadcasting enterprises shall be fined no less than 3,000 yuan and no more than 30,000 yuan.
(1) No correction is made after warning, or offense of Article 42 is repeated within a year.
(2) Broadcasting of program or advertisements violates any one of the clauses from (3) to (6), inclusive, in Article 21.
(3) Violation of article 22, Article 27, Article 28, Article 29 or Article 34.
(4) Gross violation of the first clause of Article 33.

Broadcasting and television enterprises penalized for broadcasting programs or advertisements against the above regulations shall be subject to suspension of broadcasting said programs or advertisements.

Article 44.

Broadcasting and television enterprises committing any of the following offenses shall be fined no less than 30,000
yuan and no more than 400,000 yuan. They may also be subject to suspension of their licenses for no less than three days and no more than three months.

(1) Violation of any clause of Article 42 and 43 after being punished twice within one year.

(2) Broadcasting of programs or advertisement which commit or instigate others to commit the crimes of interference with public functions, obstructing balloting, impairing public order, blaspheming sacrificial ceremonies and undermining social decency. Punishments shall be made after verdicts have been established.

(3) Broadcasting of programs or advertisements which violate (1) and (2) of Article 21.

(4) Broadcasting of programs or advertisements which seriously violate anyone of (3) through (6) of Article 21.

(5) Broadcasting of advertisements in violation of Article 30.

(6) Violation of Article 35.

Article 45.

Broadcasting and television enterprises which commit the following shall have their licenses suspended:

(1) Broadcasting of programs or advertisements which commit or instigate others to commit the crimes of sedition, treason or the crimes listed in the Statutes for Penalties Against Rebellion. The suspension of licenses shall be effected after verdicts have been established.

(2) Broadcasting of programs or advertisements which seriously violate (1) or (2) of Article 21.

(3) Violation of the (2) of Article 4.

(4) Violation of stipulations made by responsible authorities in accordance with Article 6 or Article 26.

(5) Broadcasting of programs or advertisements during the period of suspended operation enforced by the GIO.

(6) Violation of this law within the period of one year during which the broadcasting or television enterprise had its operations suspended twice.

In case of violation of (1) of this Article, the GIO may suspend the operations of the offending enterprise with the Executive Yuan approval, pending the establishment of a verdict.

Article 45-1.

(1) Illegal installation of stations, relaying stations, or other broadcast systems shall be fined no less than 30,000 yuan and on more than 400,000 yuan. the equipment shall be confiscated.
Equipment of illegally installed boosters, converters and common antennas shall be confiscated.
Local police may be asked to assist in enforcing the above two confiscation penalties.

Article 45-2.

(2) Those operating, planning, producing, publishing or being commissioned to broadcast television programs, advertisements and videotapes, in violation of the first clause of Article 29, shall be fined no less than 3,000 yuan and no more than 30,000 yuan. Programs shall be confiscated.

Article 46.

Whenever a broadcasting or television license is withdrawn, the station license shall be withdrawn by the Ministry of Communications.

Article 47.

In case of default in paying fine, the case shall be referred to a law court for compulsory execution.

Article 48.

In case of disobedience of suspension of operations or withdrawal of license, local police shall be asked to assist in enforcement.

Article 49.

Article 42 or Article 43 shall apply in cases of violation of this Law or stipulations made in accordance with this law by responsible personnel and staff members of broadcasting and television enterprises and program supply enterprises.

If the persons are involved in criminal liability; the related laws shall govern.

Article 50.

The Enforcement Rules of this Law, the Rules Regulating Enterprises Supplying Broadcasting and Television Programs and the Rules Regulating Responsible Personnel and Staff members of Broadcasting and Television Enterprises shall be ordained by the GIO.

The Rules of Regulating Engineering Personnel of Broadcasting and Television Enterprises ad the standards of
facilities of the stations shall be established by the Ministry of Communications.

Article 51.

This Law shall become effective on the day of its promulgations.
APPENDIX F

THE ENFORCEMENT RULES OF THE BROADCASTING AND TELEVISION LAW

Approved on December 24, 1976, by an Executive Yuan letter, (65) wen 10933, and released by a Government Information Office decree, (65) mao po 12954.

Approved on November 2, 1979, by an Executive Yuan letter, (68) wen 10967, and released by a Government Information Office decree, (68) yu kuang 13957.


Approved on April 30, 1988, by an Executive Yuan letter, (77) wen 10868, and released on May 9, 1988, by a Government Information Office decree, ming kuang 06670.

Chapter 1. GENERAL PROVISIONS

Article 1.

These rules are formulated in accordance with the provisions of paragraph one of Article 50 of the Broadcasting & Television Law (hereinafter referred to as this law).

Chapter 2. ESTABLISHMENT OF STATIONS

Article 2.

The following procedures shall be observed in the application for the establishment of radio and television broadcasting stations.

1. Public stations

The agency that desires to establish a station shall file an application with the Government Information Office of the Executive Yuan (hereinafter referred to as the GIO) for approval. Upon approval, the responsible personnel of the prospective station shall file an application with the Ministry of Communications through the GIO for an installation license.
2. Private stations

(1) Application for approval of establishment--The sponsor of the station shall file an application with the GIO with an organic charter of the station attached.

(2) Establishment of a radio or television broadcasting enterprise--The sponsor shall complete the incorporation limited or corporation registration within three months of approval as prescribed by law.

(3) Application for an installation license--The incorporation limited or the corporation shall file an application with the Ministry of Communications through the GIO for issuing an installation license.

If specially approved, a cable television broadcasting may be installed for broadcasting video-taped programs, to meet the special educational and cultural needs or to publicize government policies and orders.

For installation and management of the above-mentioned broadcasting system the provisions for the installation of television stations is applicable mutatis mutandis, but the capital and the broadcasting hours shall be prescribed separately by the concerned government organization.

Article 3.

The application for establishment of a station stated in the foregoing Article shall provide the following items:

(1) Name, educational background and career of the head of the agency of the public station and its address in the case of a public station; names, educational backgrounds, careers and addresses of the sponsor and responsible personnel in the case of a private station.

(2) Name and the abbreviated name of the station.

(3) Classification, nature and purpose of the station.

(4) Location and map of the area covered by the electric waves.

(5) Organic chart of the station.

(6) Funds of the installation, source of the funds or the capital.
(7) Prospectus of programs and engineering projects.

The application for an installation license stated in the foregoing Article should provide the following items:

(1) Name and abbreviated name of the station.

(2) Classification, nature and purposes of the station.

(3) Full address, floor space and plane map of the station's buildings.

(4) Power wattage and make of the transmitter, its installation locality and circuit diagram and the estimated area covered by its electric waves.

(5) Broadcasting studio, video (or audio) tape recording studio and re-transmitting facilities and locations.

(6) A namelist of the responsible personnel and important staff members, including their educational backgrounds and careers.

(7) Operational plan for the future.

Article 4.

The application prescribed in Article 10 and 14 of this Law shall be examined by the GIO in conjunction with the Ministry of Communications. The GIO shall notify the applicant to make corrections and/or supplementary statements if these were required by laws and regulations.

If the applicant fails to make the corrections and/or supplementary statements within one month from the date of GIO notification, the application is invalid. If a new application is made, the prescribed procedures shall be observed.

Article 5.

A station, the establishment of which is applied for, shall have a capital of:

(1) No less than NT$100 million for a television enterprise.
(2) No less than NT$30 million for a FM radio broadcasting enterprise, and no less than NT$3 million for an AM radio broadcasting station.

In the application for the establishment of a public station, the amount of capital approved and the file number of the official letter of approval shall be provided.

Article 6.

An application for the renewal of a radio broadcasting license or a television broadcasting license shall be filed with the GIO in accordance with the provisions of Article 12 before the date of expiration of the license. If the application were not filed, the station shall stop its broadcasting after this license expires.

Article 7.

When an application for the renewal of a radio or television broadcasting license is filed in accordance with the provisions of Article 12, it shall be accompanied with an operational plan for the next two years, a chart of the station's organic system, a namelist of its head and the responsible personnel of its various departments and the area covered by its electric waves. In the case of a private radio or television broadcasting enterprise organized as an incorporation limited, the application shall be accompanied by a photostatic copy of its license, a photostatic copy of its registration certificate as a profit-making business, a roster of its shareholders and a list of its board directors and supervisors. If it were a corporation, the application shall be accompanied by a photostatic copy of its registration as a foundation, a photostatic copy of the certificate of business registration, and a roster of its board directors and supervisors.

In the case of following conditions that can be corrected, the applicant shall be notified no make the corrections within the prescribed period before a new license is issued; no license shall be renewed if the corrections were impossible or not made within the prescribed period.

(1) The station is operated in a manner inconsistent with its original purpose set forth in the application.

(2) The organization of the station does no conform to the provisions of Article 10.
(3) The responsible official does not live up to the stipulations of the rules governing the responsible personnel and staff of the radio and television broadcasting stations.

(4) The transmitter(s) or antenna(s) is relocated without approval.

(5) Facilities and techniques of the station do not agree with the stipulations.

(6) Personnel of the radio or television broadcasting enterprise involve the security of radio or television broadcasting.

(7) The financial status of the radio or television broadcasting station is unsound and requires improvement according to law.

(8) The law enacted in accordance with paragraph One of Article 14 of this Law is violated.

A temporary license shall be issued for the period of correction but is shall not be valid for more than three months.

Article 8.

In the case of loss and damage of a radio or television broadcasting license, an advertisement shall be put in a newspaper immediately to annul the license and an application shall be filed for a new one. In the case of a change of contents, a new license shall be issued upon approval of the changed contents.

The valid period of the replacement license or a new license shall be the same as that of the lost or damaged one.

Article 9.

The applicant shall pay license fees no matter whether the license is first issued, renewed or whether it is to replace a damaged or lost one.

Article 10.

The organization of a broadcasting or television enterprise prescribed in Article 13 of this Law shall be as follows:
(1) The broadcasting enterprise shall have program, engineering and management departments. News, education, business and professional broadcasting and other departments shall be added in keeping with the character of the enterprise. The size of its staff shall be determined by the enterprise itself.

(2) A television enterprise shall have news, program, engineering and management departments, education, business and other departments shall be established in accordance with the character of the enterprise. The size of its staff shall be determined by the enterprise itself.

Article 11.

Each radio and television broadcasting enterprise shall submit the following documents to the GIO two months before the end of a year:

(1) An annual program report.

(2) A list of broadcasting facilities.

(3) A detailed roster of the boards of directors and supervisors, employees and staff in the case of a private radio or television broadcasting station.

(4) An annual financial report in the case of a private radio or television broadcasting station.

Article 12.

The application for the transfer of stocks by a radio or television broadcasting station shall not impair the enterprise's normal development.

The application shall be sent to the GIO for approval together with the new shareholder's basic personal information and the transcripts of domicile approved if the new shareholder has nay of the following conditions:

(1) Not a nationality of the Republic of China.

(2) Being convicted of committing or instigating other to commit offenses against the Internal Security of the State or offenses against the External Security of the State, or having violated the Statute for the Punishment of Offenses of Sedition or the Statute for the Punishment of Communist
Spies during the Period of Suppressing the Communist Rebellion.

(3) Being declared as incompetent for managing his property and the declaration has not been rescinded.

(4) Being deprived of civil rights, which have not been restored.

(5) Suffering from mental illness.

(6) Without domestic residence.

(7) Having been a responsible official or a staff of a radio or television broadcasting enterprise and during the term of office having caused cancellation of the license of the radio or television broadcasting enterprise in accordance with Article 45 of this Law.

(8) Committing crimes through working for broadcasting television & mass media. Convicted with punishment more than term sentence.

Chapter 3. PROGRAM CONTROL

Article 13.

The news programs referred to in paragraph one of Article 16 of this Law include news reports, analyses and live telecast or live radio broadcast; the publicity of government policies and orders refers to introduction to government measures and achievements.

The contents of the afore-mentioned programs shall be objective, fair, correct, complete and shall not be in the nature of advertising.

Article 14.

The education and culture programs referred to in paragraph two of Article 16 shall be aimed at furthering the Chinese culture, promoting social education, supplementing school education, and developing children's intelligence and ability. The standards are as follows:

(1) To increase the citizens' knowledge in keeping with the need of society.
(2) To expound scientific technology and various vocational skills.

(3) To introduce life refinement, public morality, physical culture, hygiene and ethical education.

(4) To augment one's knowledge of history and geography, expound traditional culture, and inspire national spirit and consciousness.

(5) To introduce or comment on literature, music, fine art, dramas and dancing to enable better appreciation.

(6) To offer air-school and supplementary education programs.

Article 15.

The public service programs referred to in paragraph three of Article 16 of this Law are the weather reports, time reports, urgent announcements, public safety and other related social service items. The standards are as follows:

(1) The broadcast, in principle, shall be made free of charge, and when a major problem related to public interest is referred to, a satisfactory reply shall be made.

(2) During the broadcasting, a weather report and a time report shall be made at least once every four hours. In the case of a television broadcasting, a time report must be made on the hour. All such reports must be based on information supplied by competent agencies.

(3) In case of natural calamities and emergencies, reports shall be inserted from time to time and measures for meeting with the crisis shall be included.

Article 16.

The entertainment programs mentioned in paragraph four of Article 16 refer to programs not included in paragraphs one to three, including singing, music, dramas, novels, stories, jokes, riddle solution, dancing, acrobatic performance, vaudeville and other entertainment programs.
Article 17.

In addition to observing the provisions of Article 21, radio and television broadcasting programs shall be made in keeping with the principles prescribed by the GIO.

Article 18.

The percentages of time allocation in radio and television broadcasting stated in paragraph three of Article 17 of this Law are prescribed as follows:

(1) Newscasts and programs relating to government policies and orders: No less than 15 percent of the weekly total broadcasting time for a radio broadcasting station and no less than 20 percent of the weekly total time for a television broadcasting station.

(2) Education and culture programs: No less than 20 percent of the weekly total broadcasting time for both radio and television broadcasting stations.

(3) Public service programs: No less than 10 percent of the weekly total broadcasting time for both radio and television broadcasting stations.

(4) Entertainment programs: No more than 55 percent of the weekly total broadcasting time for a television station.

Additional broadcasting time required in the execution of a government assignment shall not be subject to the restrictions set forth in the foregoing paragraphs.

Article 19.

The percentages of domestic broadcasts using Mandarin shall be no less than 55 percent in the case of an AM radio broadcasting station and no less than 70 percent in the case of a FM radio broadcasting station or a television broadcasting station. The use of dialects shall be reduced gradually and the percentage shall be reviewed and regulated by the GIO in accordance with practical consideration.

Article 20.

A professional station or a station with a specific mission shall devote at least 60 percent of its total broadcasting
time to the broadcast of professional and specific programs. The time allocated to other programs and the proportion between the use of Mandarin and dialects shall be regulated by the stations themselves and reported with their detailed justifications and the duration of implementation to the GIO approval.

Article 21.

Except for newscasts, the programs and scripts that are required to be examined by the GIO in compliance with Article 25 of this Law shall be submitted to the GIO for examining in accordance with the following procedures:

(1) An application form together with the sound tape, video tape or film concerned shall be submitted within seven days before broadcasting. No broadcasting or screening shall be made before a certificate of GIO authorization has been granted.

(2) An application form together with the script of a drama program and/or skits inserted in other programs shall be submitted beforehand for review. No broadcasting or screening shall be made without GIO approval.

In case of disagreement with the GIO decision, the concerned station may file a written application within 14 days after receiving the notice requesting for another review, after which period the application will not be accepted. If necessary, scholars and experts may be invited to participate in the second review.

For programs not requiring GIO examining, the stations shall be responsible for reviewing them before broadcasting. The sound tape, video tape, file, manuscript and other materials related to the program shall be kept for 15 days for reference.

Article 22.

A station shall submit the timetable of this programs to the GIO for approval ten days before broadcasting. Upon approval, the timetable shall not be changed except under the following conditions:

(1) The changed timetable of programs is submitted for approval two days before broadcasting.
(2) A last-minute change is warranted for a special reason and an inserted announcement or immediate explanation of the change is made.

In case of a change of timetable necessitated by paragraph two, reasons for the change and contents of the changed program shall be reported to the GIO for reference within 24 hours after broadcasting.

Article 23.

Procedures for importing foreign radio and/or television programs by a station shall be as follows:

(1) Application for a certificate of delivery from the GIO shall be made with Bill of Lading, and custom clearance shall be completed with the GIO certificate.

(2) An imported program shall be coupled with a broadcasting authorization certificate and it shall not be broadcast until a broadcasting certificate is obtained. If the program were in the form of a film or a video tape, the applicant shall pay the examining fees.

(3) If broadcasting of the imported program were prohibited, it shall be returned to the sender immediately.

Article 24.

Procedures for exporting a radio or television broadcasting program shall be as follows:

(1) An application form shall be filled out and filed with the GIO for an export certificate. If the program were a film or video tape, the applicant shall pay the examining fee.

(2) The applicant shall complete custom clearance with an export certificate.

(3) When an imported foreign program is to be sent abroad, an export certificate is required.

Article 25.

With GIO approval, radio and television program supplier is entitled to submit scripts and programs to the GIO for examining and to import and export radio and television programs. In such case, the provisions of paragraphs one and
two of Article 21, Article 23 and Article 24 of this Law are applicable mutatis mutandis.

Article 26.

Procedures for applying for the use of international telecommunication facilities for relaying radio or television broadcasting programs in accordance with Article 29 of this Law shall be as follow:

(1) An application shall filed with the GIO.

(2) With a GIO certificate, the applicant may file an application with the International Telecommunication Administration of the Ministry of Communications for lease of a channel.

(3) An application shall be filed with the GIO for examining all domestic programs which are to be relayed abroad, except for newscasts, which shall be dealt with in accordance with other relevant rules. If the program to be relayed were a film or a video tape, the applicant shall pay the examining fee.

If a foreign program were to be relayed to the Republic of China, the station concerned is required to make an audio or video recording for examining, when necessary, before it is broadcast.

Article 27.

If a foreign performer is invited to take part in a domestic television program, the station shall act in accordance with the regulations concerned, report in details on the contents of the performance and submit a biographical sketch and a photo of the performer to the GIO for approval.

Article 28.

A broadcasting station shall keep a daily log containing such entries as the titles of all programs, languages used, names of the anchor persons, producing units and a brief description of the contents of the programs and advertisements.

The form of the log may be determined by the station itself, but the log shall be kept for two years for reference.
Article 29.

A radio broadcasting station shall announce the name of the station, call letters and frequency at the start, the end and during a change of program. A brief announcement of the station's name shall be made once every half hour, depending on circumstances, to facilitate identification.

Television and the radio stations with special missions are to operate with reference to the foregoing provisions.

Chapter 4. CONTROL OF ADVERTISEMENTS

Article 30.

The broadcasting methods for advertising and the number of advertisements allotted for each given time shall be as follows:

(1) One or two advertisements may be included in a 30 minutes program; no more than three shall be included in a 45 minutes program; no more than four shall be included in a 60 minutes program. During a live broadcast, the advertising shall be inserted at an appropriate time. No advertising shall be included in a newscast.

(2) The total time of advertising broadcasts made before, after and during a program shall not be more than five minutes for a program of 30 minutes. The time of advertising shall not total more than nine minutes in a two-part program of 60 minutes.

A station using additional broadcasting time for performing government assignment may increase its advertising time upon GIO approval.

Article 31.

For those advertisements which must be examined, an application, together with the advertising film, sound tape, video tape, picture cards, slides and examining fee, shall be filed with the GIO by the station or the producer of the advertising. No advertising shall be broadcast without a GIO certificate. The GIO shall keep a copy of the approved advertising for reference.

The above-mentioned certificate shall be valid for one year but if otherwise prescribed and if the contents of the
advertising deal with specific products, the validity of the certificate may be shortened. Upon expiration, the validity of the certificate may be extended upon application.

For those advertisements that are not required to be examined, the station shall be responsible for reviewing them before broadcasting. The audio tape, video tape and the concerned scripts shall be kept for 15 days for reference.

The producer of advertisement mentioned in paragraph one refers to a member of the association of advertising agents or a member of the association of audio-visual material producers.

Article 32.

The voice volume for advertising shall not exceed the normal voice volume employed for the program.

Chapter 5. VIDEO-TAPE CONTROL

Article 33.

The GIO may authorize the provincial (municipal) and county (city) government to control and regulate the designated items of video-tape programs.

Article 34.

The video-tape programs mentioned in paragraph ten of Article 2 of this Law include video discs and other forms of products that may be shown on a television screen through electronic scanning. But computer programs are not included.

Article 35.

Before a video-tape program is distributed or screened, the radio and television program service shall fill out an application form and submit it along with the video-tape program, to the GIO for examination. For video-tape programs that are not self-produced explanatory documentation of certification of distribution rights shall also be submitted at the same time for examination. After examination and approval of the video-tape program a certificate will be issued by the GIO.

If the name of a radio and television program service is changed, application to the GIO shall be made within seven
(7) days of the name change for a new certificate, as referred to in the preceding. When personnel changes are made involving a responsible person in an individually financed or partnership organization, the same procedure shall be followed.

Video-tape programs supplied solely for the use of schools or social education institutions shall be sent to the Ministry of Education for examination. Their distribution shall be conducted in accordance with the previous two paragraphs.

Article 36.

For video-tape programs that have been examined and approved, the name of the program; serial number: extent of rights conferred for use of the tape; the name, address, and name of the responsible person of the radio and television service; and the registration permit number, along with the viewer suitability rating of the original motion picture version, shall be indicated on the outside of the cassette, the case, and on the tape (or film) itself for the reference of the GIO.

A copy of the video-tape program referred to in the preceding paragraph shall be made and submitted to the GIO for its reference.

Article 37.

The contents of a video-tape program shall not have any contingency relating to Article 21 of this Law. If it were a film, this screening shall not be prohibited. Nor shall its approved items be changed.

Article 38.

If a video-tape program contains advertising, it shall be examined according to regulation. If approved, a copy shall be sent to the GIO for its reference.

If television advertising approved by the GIO for broadcast is included in a video-tape program, the advertising is exempt from examination in accordance with the provisions of the preceding paragraph so long as the broadcasting certificate of the given advertising is valid, but if the GIO recalls the advertising for re-examination and decides to prohibit its broadcasting, the advertising shall be deleted from the tape.
Article 39.

If only one audio-visual machine is used for broadcasting a video-tape program, the broadcasting shall be conducted in accordance with the extent of rights conferred for use of the tape.

Those engaged in operating video-tape program screening establishments shall act in accordance with the Enforcement Rules of the Broadcasting and Television Law as applicable.

Article 40.

The import or export of video-tape programs has to be approved. But if the contents violate the regulation of Article 37, the tape program will be confiscated.

Chapter 6. SUPPLEMENTARY RULES

Article 41.

violations of these rules shall be dealt with in accordance with the related provisions of this Law and the nature of the offense.

Article 42.

The term of confiscating the program as mentioned in Article 45-2 of this Law refers to the confiscation of the tape or disc on which a radio or television program, advertising or a program is recorded.

Article 43.

The certificate and examining fees to be paid in accordance with these rules shall be determined by the GIO.

Article 44.

The revenue collected in accordance with these rules shall be applied in accordance with budgetary procedures.

Article 45.

These rules shall be effective from the day of their promulgation.
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