

INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps.

Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.

**ProQuest Information and Learning
300 North Zeeb Road, Ann Arbor, MI 48106-1346 USA
800-521-0600**

UMI[®]

**COVERING GLOBALIZATION: A COMPARATIVE ANALYSIS
OF NEWS REPORTS ABOUT THE 1997 ASIAN ECONOMIC
CRISIS AND THE IMF BAILOUT**

SUNG TAE KIM

**Submitted to the faculty of the University Graduate School
in partial fulfillment of the requirements for the degree
Doctor of Philosophy in Mass Communications
in the School of Journalism,
Indiana University**

August, 2001

UMI Number: 3024258

**Copyright 2001 by
Kim, Sung Tae**

All rights reserved.

UMI[®]

UMI Microform 3024258

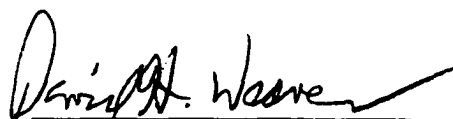
Copyright 2001 by Bell & Howell Information and Learning Company.

**All rights reserved. This microform edition is protected against
unauthorized copying under Title 17, United States Code.**

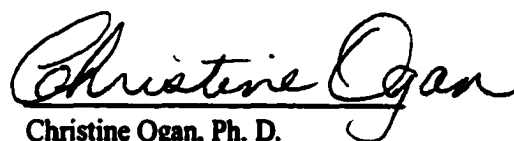
**Bell & Howell Information and Learning Company
300 North Zeeb Road
P.O. Box 1346
Ann Arbor, MI 48106-1346**

Accepted by the Graduate Faculty, Indiana University, in partial fulfillment of the requirements of the degree of Doctor of Philosophy.

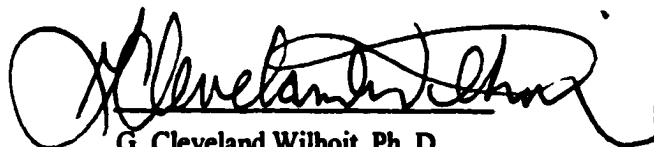
Doctoral
Committee



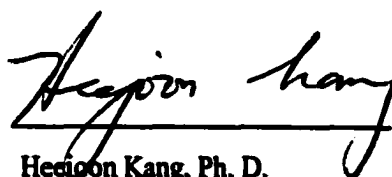
David H. Weaver, Ph. D. (Chair)



Christine Ogan, Ph. D.



G. Cleveland Wilhoit, Ph. D.



Heejeon Kang, Ph. D.

Date of Oral Examination: July 31, 2001

(C) 2001

SUNG TAE KIM

ALL RIGHTS RESERVED

DEDICATION

To Jiyoun and Joseph, with love.

ACKNOWLEDGEMENTS

Many people must be thanked for their support, help and encouragement in making this project possible. First of all, I would like to express my thanks to my dissertation committee members—Dr. David Weaver, Dr. Cleveland Wilhoit, Dr. Christine Ogan and Dr. Heejoon Kang. Especially my sincere thanks go to my adviser and intellectual mentor, Roy W. Howard Research Professor David Weaver, who not only inspired me to embark upon several research works during the last several years but also gave a crucial push to the completion of this project.

Also I am doubly grateful to Professor Cleve Wilhoit and my other colleagues in the School of Journalism at Indiana University, especially Professor Christine Ogan who gave me the first chance for this project at her seminar class J614 “Communication and National Development.” In my pursuit for an academic career in Indiana University, they have provided me with a wonderful cocoon in which I could grow up as a scholar in communication studies. My particular thanks go to Dr. Paul Voakes, Dr. David Nord, Dr. Dan Drew, and Dr. Shuhua Zhou. I cannot thank them enough.

I wish to thank the Graduate School of Indiana University provided a Research Grant during the summer of 1999 that allowed me to complete this project. Also I wish to thank to several students who participated in this project. Without their help, it would have been impossible to finish this project. In particular, Krista Eissfeldt gave me the first opportunity to initiate this topic and endless feedback I needed in order to get my first research idea down on paper.

My special thanks go to my parents, Sisoong Je and Mukeun Kim, and parents-in-law, Kyungjoo Sung and Minwoong Hyun, for their care of Joseph. My degree would not be completed without their endless support. Last, I'm sincerely indebted to my wife, Jiyoung, for all she has done for me. Her encouragement and support allowed me to finish this work. I dedicate this dissertation to her and our lovely son, Joseph.

ABSTRACT

SUNG TAE KIM

COVERING GLOBALIZATION: A COMPARATIVE ANALYSIS OF NEWS REPORTS ABOUT THE 1997 ASIAN ECONOMIC CRISIS AND THE IMF BAILOUT

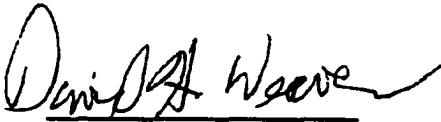
The mass media often act as agents of globalization. Although many studies have shown that international news reporting by the media is heavily influenced by particular views like a Cold War news frame, the discussion of media reporting has not gained much attention in the globalization debate.

This study is designed to collect some empirical data on the meaning construction of the 1997 Asian economic crisis and the IMF bailouts within the context of the newly emerged "globalization" paradigm. From the outset, this study is interested in two issues: to know how selected elite newspapers of the five countries as a whole (U.S., Indonesia, South Korea, Thailand and Malaysia) were covering this complex economic globalization issue; and to explain any similarities and differences among the five countries' coverage.

Based on a multi-national comparative study of major newspapers, news frames and sourcing patterns in the U.S. press were compared to those of the three IMF-supported Asian countries—Thailand, Indonesia and South Korea—as well as those of Malaysia, which refused to accept this assistance. The examination of major themes, story direction regarding the IMF programs, primary causes and solutions to the crisis, story context, and sourcing patterns of the news stories in the five countries helped not

only to assess described attributes of news reports about the Asian economic crisis and subsequent IMF bailouts, but also to detect a free-market supportive “globalization” news frame.

Overall, the findings support the conclusion that the press of the U.S. and the three IMF-supported Asian countries largely used free-market supportive news frames and news sources that were uncritical of the process of globalization. Although there were notable differences in the way each country covered the crisis, these can be partly attributed to differing journalistic environments rather than substantial differences in conceptualizing the “new world order.”


Dr. David H. Weaver


Dr. Christine Ogan


Dr. G. Cleveland Wilhoit



Dr. Heejoon Kang

TABLE OF CONTENTS

I. INTRODUCTION.....	1
A. Why Does the “Globalization” Paradigm Matter?	2
B. Purpose of the Study.....	5
C. Significance of the Study.....	7
D. Outline of the Study.....	8
Notes for Chapter I	11
II. THEORETICAL BACKGROUND: ECONOMIC GLOBALIZATION, NEO- LIBERALISM AND THE IMF	14
A. Conceptual Understanding of Economic Globalization and Neo-liberalism	14
B. Role of the IMF in the World Economy	18
C. The Case: The Asian Economic Crisis and IMF Bailout	25
1. Thailand.....	29
2. Indonesia.....	31
3. South Korea.....	33
4. Malaysia.....	35
D. Issues and Controversies over IMF Policies.....	36
Notes for Chapter II	46
III. UNDERSTANDING OF GLOBALIZATION NEWS	54
A. “Globalization” as the Media Agenda.....	54
B. Understanding of News Frames	63
1. Related Studies of Framing	63
2. Research Questions and Hypotheses for News Frame Analysis	68
C. Understanding of News Sourcing Patterns	71
1. Literature Review of News Source Studies	71
2. Research Questions and Hypotheses for News Source Analysis.....	75
Notes for Chapter II	78

IV. METHODOLOGY	83
A. Newspaper Selection	84
1. Thailand	84
2. Indonesia	86
3. South Korea	89
4. Malaysia	91
5. United States	92
B. Data Gathering and Analysis	93
1. Sample Data Collection	93
2. Coding Procedure	97
C. Analysis of News Frames	98
1. Operational Definitions of Major Categories	98
1) Major Themes	98
2) Direction of News Stories about the IMF Bailout Programs	99
3) Primary Causes and Solutions	100
4) Story Context	100
D. Analysis of News Sources	101
1. Operational Definitions of Major Categories	102
1) Affiliations of Major News Sources	102
2) Direction of News Sources about the IMF Bailout Programs	103
3) Organizational Job Status of News Sources	103
4) Channels of News Gathering	104
5) Identification and Gender of News Sources	104
E. Intercoder Reliability	105
Notes for Chapter IV	107
V. FINDINGS OF CONTENT ANALYSIS	113
A. Findings of News Frame Analysis	113
1. Major Themes	113
2. Favorability Levels of the IMF Programs	116
3. Primary Causes of the Crisis	121

4. Primary Solutions to the Crisis	123
5. Story Context	127
6. Dateline of Story	129
B. Findings of News Source Analysis	130
1. Source Affiliations	131
2. IMF Favorability Levels of News Sources	135
3. Source Gathering Channels	142
4. Organizational Job Status of Sources	145
5. Gender of Sources	147
C. Summary of Major Findings	148
Notes for Chapter V	150
VI. CONCLUSIONS AND DISCUSSION	152
A. Implications of Findings	152
B. Limitations and Suggestions for Further Research	160
Notes for Chapter VI	163
REFERENCES.....	165
SELECTED NEWSPAPER ARTICLES.....	186
APPENDIX.....	190
VITA.....	202

CHAPTER I

INTRODUCTION

For the press in the age of globalization, there is a need to sort out and make sense of the world. The concept of globalism has provided a new mandate for a different order of coverage of international affairs, especially economic connections (Freedom Forum Media Studies Center, 1993).¹

This is a multi-national comparative study of major newspaper reporting of the 1997 Asian economic crisis and subsequent economic interventions by the International Monetary Fund (hereafter, the IMF). The media construction of meaning (or framing) of international economic crises and the responses of multinational monetary organizations was examined in the context of the newly emerged “globalization” paradigm.

Although many studies have shown that international news reporting by mass media is heavily influenced by particular views like a Cold War news frame, the discussion of media reporting has not gained much attention in the globalization debate. Instead, there has been much research on the power of communications media, especially the technological or economic aspects, to act as a globalizing force on societies.

Indeed, the mass media often act as agents of globalization.² The highlights of sports events like the Olympic games or World Cup soccer games and political events like the collapse of the Berlin Wall or the Gulf War have been covered by the news media across countries. For instance, the coverage of the massacre on Tiananmen Square

in Beijing in 1989 has been considered a necessary, though not sufficient, condition for the emergence of a certain global values, such as international standards for human rights or even global identity (Barker, 1997). More recently, the reporting of anti-globalization demonstrations in Seattle and Washington D.C. in 2000 has also led to some discussion about the economic globalization process by multi-national organizations, such as WTO, the IMF or the World Bank.

A. Why Does the “Globalization” Paradigm Matter?

The paradigm of “globalization” has been widely discussed in the tradition of international communication.³ For instance, Anthony Giddens (1984, 1985) proposed that globalization is continuously shaped by developments of the world capitalist economic system, the nation-state system, the world military order and the global information system. Similarly, Kriener and Meckel (1996) characterized the process of globalization in the mass media as a complex phenomenon with different levels: technology and infrastructure, institutional, production, and content.⁴

Thus far, however, perhaps many debates have focused only technical or economical development or information flow across countries, especially the information gap between developed and developing countries. Beyond an examination of technological changes or economic benefits in the media, it seems that little research has been conducted on the content of media messages about globalization issues.

If this is the case, the next question should adhere why the paradigm of “globalization” matters, particularly in the reporting of international news. For a better understanding of globalization and the media, a brief review of the Cold War perspective in international communication is helpful.

After World War II, the mass media of most countries, particularly the United States and the Western alliance, adopted the idea of the Cold War in which the world is defined in a particular fashion, such as East against West, us versus them, and the world of socialism (including the Soviet Union, Eastern Europe and China) versus the democratic Western countries (Freedom Forum Media Studies Center, 1993).

Since then, it has been natural for the media to follow this perspective, especially in reporting international affairs. This bifurcated view of news coverage of the world has been applied to most international situations.

Indeed, the media have heavily relied on the Cold War as a frame in understanding and interpreting world events during the last several decades.⁵ In 1989, however, the collapse of the USSR snuffed out the Cold War. Regarding the transition of news paradigms in international communications, the Freedom Forum Media Studies Center (1993) observed:

The end of the Cold War has opened new horizons for the world media, but it has also confronted them with new challenges. One of the overarching issues for the media today is finding ways to make sense of a world in which change is the only constant. The old criteria for covering international affairs and many of the old standards of newsworthiness no longer apply in the post-Cold War world.⁶

What has stepped forward to fill the vacuum left by the disintegration of this frame? In the last decade, the world has witnessed the emergence of “a new world order” where, in the words of former Prime Minister Margaret Thatcher, “there is no alternative” to free market economics and neo-liberalism (Green, 1995). This new world order has come to be known as “globalization.”

Globalization has invaded our consciousness in many forms. We see it everywhere. Political scientists see it in the emergence of democratic governments throughout the world. Economists see it in terms of highly integrated global markets and increasing interdependence between previously autonomous domestic economies. Academics in cultural studies see it in the homogenization of culture -- where Hollywood sets the standard for “the good life.”

Mass media researchers see it in the technological innovations of communications media that have enabled people to penetrate and communicate with even the most remote corners of the world. With all of these changes in technological, political and economic structures in the last decade, how have the gatekeepers of society, the media themselves, interpreted globalization, especially economic globalization? What frames have emerged as the world has become more economically interdependent and globalized? Is globalization framed differently given the relative economic positions of countries? These questions provide the motivation behind this study.

B. Purpose of the Study

To keep the scope manageable, this study has zeroed in on the economic aspects of globalization. In so doing, this study has chosen to examine the recent Asian economic crisis in 1997 and the IMF bailout, because the topic is timely and it directly addresses the phenomenon of globalization and its consequent problems.

Since the 1980s, there has been a sharp rise in capital flows from industrial or developed countries to developing or underdeveloped countries (Fisher, 1998; Mander & Glodsmith, 1996). These flows were associated with greatly increased interest by international asset holders in these emerging new market economies, and with a profound trend toward the globalization of financial markets (Eatwell, 1996; Pieper & Taylor, 1998). It is easily believed that these trends create the prospect of a more efficient worldwide allocation of savings and investment than was possible in the past. However, as the economic crises that struck Thailand, Indonesia and Korea during the latter half of 1997 have amply demonstrated, the creed of globalization also carries large risks.

If so, how do the media report this newly revived globalization controversy? This study begins with the assumption that the creation of the globalization paradigm in the news can be detected through the examination of news frames and news sources used by the media. Therefore, it is also understood that a systematic content analysis would provide much needed answers to questions such as: What types or categories of news

themes are carried by the world media, and with what degree of emphasis? To what extent do the media agree or disagree in their coverage of the IMF and its efforts toward economic globalization? Are there any differences in the news coverage patterns across countries and time periods? Did the media maintain a balance between positive and negative types of news in the reporting of the IMF programs during the Asian crisis? What proportion of the news is accounted for by which source? And so on.

In answering these general questions, various dimensions of news frames were analyzed, such as major theme, story context, causes and solutions of the crisis, and news sourcing patterns. More specifically, news frames and sources used in U.S. newspaper coverage of the Asian economic crisis and the IMF bailout were compared to those of three Asian countries that received assistance from the IMF— Thailand, Indonesia and South Korea—as well as those of Malaysia, which turned down the IMF bailout package.

In the absence of a counter-superpower, the United States has assumed leadership of the global economy. Economically, the United States has perpetuated the spread of globalization by influencing the policy of inter-governmental organizations like the International Monetary Fund.⁷ In addition, the purpose of including Malaysia was to look for possible differences in news coverage of countries directly involved with the IMF programs as compared to a country not so involved.

C. Significance of the Study

This study carries out two sets of analysis to tackle these issues related to media coverage of globalization. First of all, a comprehensive literature review of the 1997 Asian economic crisis and IMF responses was conducted as a baseline for the study. Next, in order to empirically address the above questions, this study conducted a multi-national analysis of major newspapers in five countries facing vastly different economic circumstances.

The approach of this study is both conceptual and empirical. On the one hand it tries to conceptualize the controversial issues of international organizations such as the International Monetary Fund and its role in the globalization process, which mainly supports free market systems and the neo-liberal paradigm (defined later). On the other hand it embarks on a multi-national comparison of news coverage about this globalization process carried out by the world media.

Until recently, the discussion of media reporting or news content has not attained a very prominent place in the globalization debate. Especially, in terms of research methods, many scholars have expressed their views on the media and globalization primarily on the basis of their intuitive and impressionistic understanding of the media.⁸ Regarding the lack of systematic or empirical studies in this area, Hafez (1999) explained:

This might be due to the fact that the phenomenon is itself very heterogeneous and much harder to grasp than the institutionalization of news media in the 'Third World.' It requires time-consuming quantitative and qualitative content analyses to generate empirical data, and complex theoretical concepts are needed to explain interactions between the mass media, politics and society. One might be justified in assuming that theory building about foreign reporting has stagnated since the debate about the New International Communication Order and has so far missed the turning point to the globalization debate.⁹

Obviously, considering the important role mass media play in disseminating globalization news to the public, empirical research about international news coverage of the globalization issue raises serious concerns about how the media construct the meaning of globalization. Moreover, given the paucity of systematic and empirical data on this topic, this study seems to be very timely and important in the field of international communication research in general, and research on globalization and media reporting in particular. Therefore, this study is expected to serve as an important step to better understanding the media's role in the current phenomenon of globalization.

D. Outline of the Study

This chapter has provided a general research context for the forthcoming analysis. Purposes of the study were described, and its significance was specified, as well as the outline of the study. More specifically, the first chapter introduces the changing circumstances of international news reporting, in particular from the "Cold War" to the

“Globalization” news frame. This chapter also mentions the significance of this multi-national comparative study, given the lack of systematic empirical research on media reporting of globalization issues.

The chapters that follow are an attempt to analyze the Asian economic crisis and the IMF responses in the context of economic globalization, as well as to explore the media’s reporting and its wider implications.

In Chapter 2, this study sets the stage by providing a comprehensive discussion of the IMF and its policy toward economic globalization. Also, this chapter argues that the IMF’s bailouts to the developing countries in crisis have been interwoven with a neo-liberalism approach to the world economy—the theoretical foundation of economic globalization and IMF policies.

In addition, drawing on theoretical framework on the economic globalization of the IMF, the second part of Chapter 2 provides the specific facts of the Asian economic crisis and subsequent IMF bailout. In doing so, some information is taken from a baseline I compiled of recent scholarly work on the Asian financial crisis and the IMF program. Divergence from the baseline helped us to detect news frames, which can often be difficult to perceive. Norris (1995) has likened frames to the “air around us.”¹⁰

Chapter 3 shifts the analysis to a historical review of international communication. The importance of the “globalization” paradigm is discussed. Also, this chapter lays the foundations for international news reporting of globalization issues by reviewing the literature on news frames and news sourcing patterns. Based on the review of related

literature, this chapter then proposes specific research questions and hypotheses for the study.

Chapter 4 on methodology concerns how the study is done. This chapter describes specific steps taken for collecting and analyzing data, as well as the review of the press in the selected Asian countries. This chapter includes specific information about newspaper selection, development of categories, operational definitions, coding procedures, inter-coder reliability and so on.

Chapter 5 reports major findings of news frame and news source analyses in the selected five countries' newspapers. The results of statistical tests for proposed hypotheses are also reported.

Lastly, the final chapter (Chapter 6) concludes the study by presenting summaries of major findings and by discussing the significance and implications of content-analysis findings in international communications. Finally, some limitations as well as future research directions in this topic are suggested.

Appendix 1 provides the specific information about the 20 selected newspapers for the study, such as publisher, circulation size and available website addresses. Appendix 2 contains the details of the content analysis coding scheme developed for this study, including a detailed explanation of coding categories. Appendix 3 provides an intercoder reliability coefficient matrix for news frame and news source analyses.

Notes for Chapter I

¹ The Freedom Forum Media Studies Center. (1993). The media and foreign policy in the post-cold war world. A briefing paper for a Wilton Park Conference, West Sussex, England, March 21-26, p. 6.

² For more information about this, see Boyd-Barrett, O., & Rantanen, T. (Ed.). (1998). The globalization of news. New York: Sage Publications; Ginneken, J. (1998). Understanding global news: A critical introduction. New York: Sage Publications; Hafez, K. (1999). International news coverage and the problems of media globalization. In search of a 'new global-local nexus.' Innovation: The European Journal of Social Science, 12(1), March, 47-62; Malek, A., & Kavoori, Anandam P. (Ed.). (2000). The global dynamics of news: Studies in international news coverage and news agendas. Stamford, Conn.: Ablex Publishing Corporation; Mander, J. (1996a). The dark side of globalization: What the media are missing. The Nation, 263(3), 9-14; Mohammadi, A. (Ed.). (1997). International communication and globalization: A critical introduction. New York: Sage Publications; Meyer, W. H. (1989). Global news flows: Dependency and neoimperialism. Comparative Political Studies, 22, 243-264; Tomlinson, J. (1999). Globalization and culture. Chicago, IL: University of Chicago Press.

³ See the related studies listed in Note 2. Some researchers have sought to theoretically or philosophically conceptualize communication and globalization (e.g. Curran & Park, 1999; Gaddis, 1991; Giddens, 1984, 1985; Tomlinson, 1994). Sometimes, a few attempts have been made to connect globalization and media content, mostly through individual experiences or observations (e.g. Greider, 2000; Hafez, 1999).

⁴ Cited from Hafez, K. (1999). International news coverage and the problems of media globalization. In search of a 'new global-local nexus.' Innovation: The European Journal of Social Science, 12(1), March, 47-62.

According to Kriner and Meckel (1996), "Technical and infrastructure level" concerns new technologies of digitalization, multimedia and network integration, which have allowed for rapid structural internationalization and globalization of communication. "Institutional level" deals with the merger of large media companies and trusts the mass media sector is currently undergoing a process of institutional internationalization. Horizontal as well as vertical processes of integration and concentration processes between companies of the same or different types can be observed.

"Production level" is characterized by diverging levels of internationalization. Private transnational networks like CNN, the 'flagship' of globalization theory, or state-funded initiatives like the French-German TV channel ARTE coexist with national broadcasters and the press. Although national (regional, local) programs can sometimes be received in other countries they are primarily made for their respective environments. "Content level" assumes that the degree of internationalization is at its lowest level where media content and coverage are concerned. It's said that media coverage is usually shaped by specific, often cultural conditions of production and consumption.

⁵ For example, regarding the Cold War paradigm in news reports, a report stated that "the world people encountered in newspapers and on television was a comfortable one, defined in terms of 'us' and 'them,' typically employing sports metaphors and with a definite sense of 'winners' and 'losers'" (The Freedom Forum Media Studies Center, 1993, p. 30).

⁶ The Freedom Forum Media Studies Center. (1993). The media and foreign policy in the post-cold war world. A briefing paper for a Wilton Park Conference, West Sussex, England, March 21-26, pp. 30-31.

⁷ According to Jeffrey Sachs (1998b), the IMF's power rests on three bases. Most importantly, "the IMF is the instrument by which the U.S. Treasury intervenes in developing countries. For example, when the United States took the initiative in bailing out Mexico in 1994 and Korea in 1997, it turned to the IMF as the institution that could provide the cover, the staff, and the bucks to do the job. Second, many developing countries genuinely welcome the chance to sign a 'contract' with the world community, represented by the IMF, in which good economic policies are rewarded with emergency loans. Third, and much more dangerous, IMF power also flows from the institution's carefully constructed images of infallibility. The IMF gets its way in the developing world because to disagree publicly with the IMF is viewed in the international community as rejecting financial rectitude itself" (pp. 17-18).

⁸ This suggestion also has been pointed out by many scholars, such as Hafez, Kai. (1999). International news coverage and the problems of media globalization: In search of a 'new global-local nexus.' Innovation: The European Journal of Social Sciences, 12(1), March, pp. 48-49; Mohammadi, A. (Ed.). (1997). International communication and globalization: A critical introduction. New York: Sage Publications.

⁹ Hafez, Kai. (1999). International news coverage and the problems of media globalization: In search of a 'new global-local nexus.' Innovation: The European Journal of Social Sciences, 12(1), March, pp. 48-49.

¹⁰ Norris, P. (1995). The restless searchlight: Network news framing of the post-cold war world. Political Communication, 12, p. 358.

CHAPTER II

THEORETICAL BACKGROUND: ECONOMIC GLOBALIZATION, NEO-LIBERALISM AND THE IMF

The danger of the rhetoric of globalization is that it reduces the scope of democratic political life to marginal adjustments in the management of market institutions. It thereby closes the political process to questions about the contribution made by market institutions to the satisfaction of human needs... [An effective opposition] must question this model and expose the desolation wrought on communities by policies that have no justification apart from the spurious claim that they are forced on us by an inexorable historical process. (Guardian, 1994)¹

A. Conceptual Understanding of Economic Globalization and Neo-liberalism

Although globalization is a process that has been going on for the last several decades, it has significantly accelerated since the demise of the Soviet Union in 1991. Since then there has been much debate over globalization. Particularly, the term “economic globalization,” as commonly used in the burgeoning literature on the recent reordering of the world economy, has been widely discussed.²

To begin with, based on a comprehensive review of related definitions, this study argues that economic globalization deals with the increased segmentation and volatility of market demand; the organizational decentralization of firms and the enhanced

flexibility of production; the strategic ascendance of finance capital and specialized services relative to manufacturing; the transfer of public resources to private hands; the proportional relocation of manufacturing activity from the United States and Western Europe to East Asia as well as poor geographic areas; and deterioration in the average pay, stability, and other conditions of employment.³

The primary assumption of economic globalization in which the IMF plays an important role is that unfettered free market competition leads to an efficient allocation of resources for the economy as a whole, as both producers and consumers act in their own self-interest — that is, neo-liberalism (Lubbers, 1999; Mussa & Savastano, 1999).

Historically, neo-liberalism was founded on the principles of *laissez faire* economic thinking formulated by 19th century political economists Adam Smith and David Ricardo (Harris & Seid, 2000; Klak, 1998). Adam Smith conceptualized this process as an “invisible hand” that distributes resources effectively (Smith, 1987). Neo-liberalism later became the accepted economic theory for the IMF under U.S. President Ronald Reagan and British Prime Minister Margaret Thatcher. Because both the United States and Great Britain hold key positions of power in the IMF, neo-liberalism became the theory from which all assistance programs were developed from the 1980s to the present (Bello & Rosenfeld, 1990; Eatwell, 1996; Mohammadi, 1997; Pieper & Taylor, 1998).

Neo-liberal policies have been implemented throughout the developing world, especially in countries in economic crisis. The IMF, along with recent developments in

the General Agreement on Tariffs and Trade (GATT) and the founding of the World Trade Organization (WTO), have had the cumulative effect of freeing up of the world market economy — that is, globalization. Therefore, neo-liberalism serves as the theoretical foundation of globalization (Green, 1995; Nazpary, 2001).

Under the guidance of a new guard of liberal thinkers, the IMF or the World Bank developed Structural Adjustment Programs (SAPs) that sought to alter the nature of the economies requiring assistance. Through the integration of the isolated domestic economy into the global market by exploiting their comparative advantages, it was believed that struggling nations would emerge from crisis and eventually find prosperity (Haase & Litan, 1998; Tanzer, 1995).

The IMF lends money to member nations in economic or financial trouble, such as Mexico in 1995 and more recently the Asian countries in 1997. Taking advantage of the huge indebtedness of these countries, the IMF has demanded extensive economic reforms toward radical liberalization or free-market systems (Bullard et al., 1998; Madrick, 1998).

Specifically, at the initial stage, governments that need an IMF bailout must sign a so-called “Letter of Intent” which lays out the details of the recovery plan. In return, the IMF commits itself to grant loans through several stages as economic recovery processes specified in the Letter are achieved satisfactorily.⁴ For example, in the case of the Asian crisis, the IMF demanded the reform of banking and industrial systems in Thailand, Indonesia and South Korea.

Since neo-liberal theory is the basis for all IMF programs, one of the first goals of any IMF program is to remove most distortions of the market economy. That means most government intervention must be eliminated from the economy. Most state-owned enterprises should be privatized, and most subsidies and price ceilings should be removed because it is believed that only when prices are allowed to fluctuate according to the laws of supply and demand can the optimum quantity be produced. Therefore, the IMF insists on “tight fiscal policy” and “high interest rates” (the two most important policies of the IMF) to stabilize the currency market. It is assumed that once macroeconomic stability has been achieved, overall prosperity should result from the functioning of the undistorted market economy (Knight, 1998; Lane et al., 1999; Mussa & Savastano, 1999).

According to proponents of globalization, the central assumption of economic globalization supporting free-market systems or free trade between countries is that the benefits of free markets are distributed widely throughout the population, in imperceptible ways that sometimes consumers cannot touch and feel (Eatwell, 1996; Lane et al., 1999; Lubbers, 1999; Mussa & Savastano, 1999).

However, globalization is also a process along other concurrent dimensions. For example, from a humanistic perspective, globalization entails both positive and negative consequences. It is both narrowing and widening the income gaps among and within nations, intensifying and diminishing political or economic domination, and homogenizing and pluralizing cultural identities (Ferguson, 1992; Ginneken, 1998; Mohammadi, 1997).

In this respect, many opponents of globalization suggest that the tide toward increasing globalization possibly would harm the interests of the great majority of people around the world.⁵ Considering that terms such as “uneven” and “limits” have increasingly appeared in the titles of academic works on globalization, I think that the discussion on economic globalization should reflect a critical stance on its process, as well as its benefits.⁶

For a better understanding of the IMF and economic globalization, the following parts of the chapter will focus on the IMF’s role in the world economy and then discuss issues and controversies regarding IMF policies.

B. Role of the IMF in the World Economy

The International Monetary Fund is an international organization recently consisting of 183 member countries, which was originally established to promote international monetary systems, to enhance economic growth and cooperation among nations, and to provide temporary financial assistance to countries under financial problems (Driscoll, 1997). According to the IMF’s Articles of Agreement (or Charter), its statutory purposes are:⁷

- To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.

- **To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.**
- **To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation.**
- **To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.**
- **To give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.**
- **In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.**

After the Great Depression in the 1930s that devastated the world economy, a number of nations, led by the United Kingdom and the United States, held several international conferences. The international community agreed to establish an innovative monetary system and an international organization to monitor it. Coincidentally, two original thinkers, Harry Dexter White in the United States and John M. Keynes in the United Kingdom, suggested such a system in the early 1940s. Finally, the IMF was created at the Bretton Woods (New Hampshire, USA) conference in 1944, where the financial ministers of 44 victorious countries in World War II gathered (Driscoll, 1997).

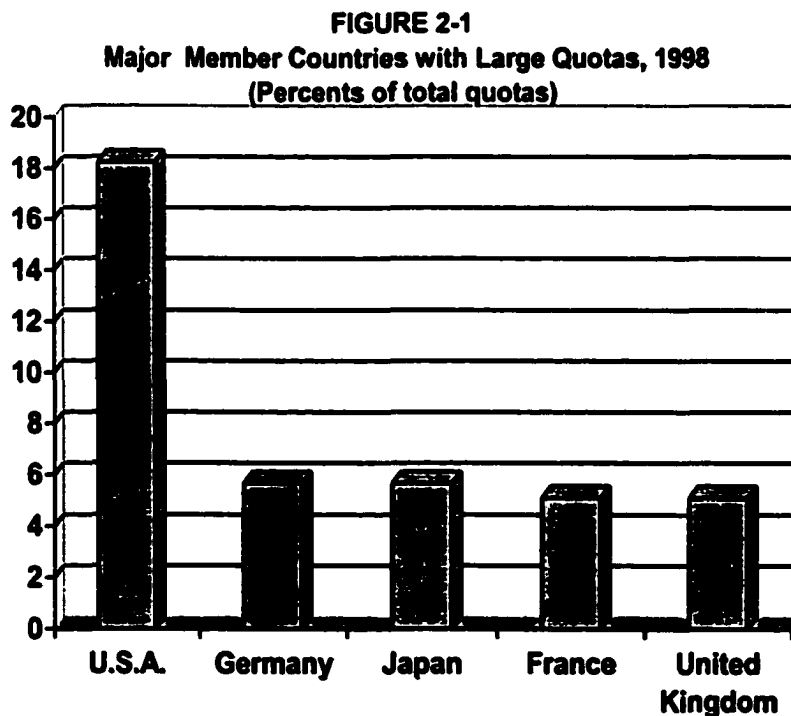
The IMF came into official existence on December 27, 1945, when 29 countries signed its Charter. It began operations in Washington D.C. in May 1946. Since then, during five decades, the initial purposes of the IMF have remained unchanged. However, as the environment of the world economy has changed, the IMF's operations involving surveillance, financial assistance, and technical assistance have evolved to meet the needs of a changing world economy. For instance, since 1973, the IMF policy of exchange rates has been changed from "fixed" exchange rates to "flexible" exchange rates.

The IMF's membership now numbers 183 countries (as of 1999). Membership is open to every country that conducts its own foreign policy and is willing to adhere to the IMF charter of rights and obligations. Today all major countries are members of the IMF. Member countries can leave the IMF whenever they wish. For example, Cuba, Czechoslovakia (now the Czech Republic and Slovak Republic), and Indonesia have done so in the past, although all except Cuba eventually rejoined the IMF.⁸

In order to better understand the role of the IMF in the world economy, it's important to know about the quota and voting systems in the IMF. On joining this institution, each member country contributes a certain sum of money called a quota subscription. According to the IMF, quotas serve various purposes. First, they form a pool of money that the IMF can draw from to lend to members in financial trouble. Second, they are the basis for determining how much the contributing member can borrow from the IMF or can receive from the IMF in periodic allocations. The more each member contributes, the more it can borrow in time of need. Third, they determine the

voting power of the member. The IMF itself, through an analysis of each country's wealth and economic power, sets the amount of the quota the member country will contribute.⁹

Quotas are reviewed every five years and can be raised or lowered according to the needs of the IMF and the economic prosperity of the member. In 1946, for example, the then 35 members of the IMF paid \$7.6 billion in total. In 1998, IMF members contributed \$193 billion. The United States, with the world's largest economy, contributes the most to the IMF, providing about 18% of total quotas (about \$35 billion). Following are Germany, Japan, France and the United Kingdom (see Figure 2-1).¹⁰



Source: IMF Publications, Washington, D.C.

The founding nations reasoned in 1944 that the IMF would function most efficiently and decisions would be made most responsibly by relating members' voting power directly to the amount of money they contribute to the IMF through their quotas. Those who contribute most to the IMF are therefore given the strongest voice in determining its policies.¹¹ Thus, the United States now has about 18% of the total votes. This is why the United States has the most powerful position in determining the IMF policies, including the recent IMF bailout of the Asian economic crisis.¹²

In terms of operation, over the years, the membership has assigned to the IMF a variety of duties appropriate to the changing needs of the times, and the IMF has adapted flexibly within its mandate in carrying out these duties. More specifically, the membership has charged the IMF with the responsibility of supervising a cooperative system for the orderly exchange of national currencies (what the IMF terms "surveillance" and "consultations") (Driscoll, 1997).

In addition to these supervising functions, the IMF lends money to member nations in economic or financial troubles so as to cooperate better within the system, for example Mexico in 1995 and more recently the Asian countries in 1997. As I mentioned, countries that receive the IMF money must sign a "Letter of Intent" detailing their recovery plan.¹³

Since the mid-1970s and the 1980s, when the IMF became increasingly involved with developing and/or underdeveloped countries, the IMF imposed a so-called

“Structural Adjustment Program” (SAP) on over 70 countries in economic crisis.¹⁴

Taking advantage of the huge indebtedness of these countries, the IMF demanded extensive economic reforms toward radical liberalization or free-market systems (Knight, 1998; Mussa & Savastano, 1999).

However, the turbulent decade, especially economically, of the 1990s has presented the IMF with the most demanding challenges in its history. These new challenges have stimulated interest in ensuring that the IMF’s mechanisms and operations fit the new world of integrated global markets, also called “globalization.”

According to the IMF report about its recent activities, starting early in the decade, the IMF mounted a massive campaign to help the countries of Central Europe, the Baltic countries, Russia, and the other countries of the former Soviet Union in the difficult shift from centrally planned to market economies. Much of the effort focused on providing expertise in establishing financial and economic structures, such as central banks, tax systems, currency convertibility, and tariff regimes essential for the functioning of a free-market system.¹⁵

The crisis in Mexico serves as an example of recent IMF activities. In the mid-1990s, a financial crisis erupted in Mexico that showed the vulnerability of members to sudden shifts in market sentiment, leading to large and unpredictable capital outflows. Mexico moved quickly to enact a strong program of policy adjustments and the IMF swiftly approved, on February 1, 1995, a then record financing package of \$17.8 billion for a member country.¹⁶

More recently, the outbreak of the Asian economic crisis resulted in a record loan of \$20.9 billion to Korea in December 1997 as part of a major international support financial package. Very large loans were also extended to Indonesia (\$11.2 billion in November 1997) and Thailand (\$4.0 billion in August 1997). And in July, 1998, serious economic and financial problems in Russia led to an \$11.2 billion IMF loan to augment a previous \$9.2 billion loan extended in March 1996.¹⁷

Recently, however, especially since the Asian economic crisis and Russia's moratorium announcement in August 1998, the IMF has been on the center stage of the globalization debate in the United States and throughout the world. This superpower international organization has been widely criticized because of its alleged one-size-fits-all policy. For better discussion of challenges the IMF face, we now turn to the specific information about origin and development of the Asian economic crisis and how the IMF responded.

C. The Case: The 1997 Asian Economic Crisis and IMF Bailout

The word most commonly used by economists to describe Southeast Asia's remarkable economic growth during the 1980s and early 1990s was "miracle." Japan, South Korea, Singapore, Hong Kong, Indonesia, Thailand, Malaysia and other Asian countries in the region enjoyed high rates of growth of nearly 8% a year, far higher than those in the U.S. and many other Western industrialized countries (Crafts, 1999). Economists have long marveled over the ability of these Asian countries to pick themselves up from dire poverty and become among the strongest economies in the world (Baig & Ostry, 1998; Corbett & Vines, 1998; Crafts, 1999).

However, soon after this rosy applauding of these Asian countries, it seemed that capital accumulation was jeopardized by failures in their financial systems. Before the crisis, Asia suffered from insufficient global demand that had accumulated over years of growth and enormous capital inflows from abroad. Insufficient demand had placed downward pressure on prices and profits, leading to deflation (Baig & Goldfajn, 1999; Corbett & Vines, 1998; Samsung Economic Research Institute, 1998; Singh, 1998). Along with these signs of the unraveling East Asian economy, investors became reluctant to invest more, and the Asian countries were expected to pay about a hundred billion dollars in outstanding loans. Unable to meet this heavy debt obligation, three Asian countries—Thailand, Indonesia and South Korea—turned to the IMF.

Before the crisis in 1997, the IMF and World Bank proudly pointed to the success of Asia as a model for other lesser developed countries. The “Asian tigers” were supposed to be the bright and shining examples of free-market globalization. For instance, in its 1993 report, *Poverty Reduction in East Asia: The Silent Revolution*, the World Bank attributed these Asian countries’ success to “sound macroeconomic management... improving the business-enabling framework, and liberalizing markets and prices” (Green, 1995, p. 179).

However, the Asian economic crisis in 1997 calls for a reconsideration of the “the miracle of East Asian Tigers.” Four years later, the IMF would highlight the absence of these very qualities as the primary cause of the Asian financial crisis. The World Bank presented a new report entitled *Rethinking Asia's Miracle* (McNally, 1998). What happened to the miracle? How is it that these Asian countries went from a “showcase” economy to the acceptance of the IMF bailout packages?

In many respects, Thailand, Indonesia and South Korea faced similar economic problems. They all suffered a loss of confidence, and their currencies were deeply depreciated. Moreover, in each country, weak financial systems, excessive foreign borrowing by the domestic private sector, and a lack of transparency about the ties between government, business, and banks contributed to the crisis and complicated efforts to defuse it (IMF Annual Report, 1998).

TABLE 2-1**Important Chronological Highlights in the Asian Economic Crisis and
IMF Bailout, 1997-1999**

Time	Chronological Development of the Asia Economic Crisis
1997 July	<ul style="list-style-type: none">• The collapse of the Thai currency (<i>baht</i>) starts the crisis rolling.• Thailand calls in the IMF.• Malaysia Prime Minister M. Mohamad launches bitter attack on billionaire hedge-fund manager George Soros. He later brands Soros a "moron."• The currencies of the Philippines, Malaysia and Indonesia weaken as well.
August	<ul style="list-style-type: none">• The IMF assembles a \$17.2 billion rescue package in Tokyo for Thailand.• Thailand central bank suspends 48 finance firms.• The Indonesia <i>rupiah</i> begins to come under severe pressure.
November	<ul style="list-style-type: none">• The IMF approves a total of \$42 billion for Indonesia.• South Korea faces an economic crisis on the scale of Southeast Asia's.• Japan's fourth-largest brokerage, Yamaichi Securities, announced it would shut down.• Asian Pacific Economic Cooperation (APEC) forum was held with a call for greater trade freedom and common front against the economic turmoil.• Thailand's government resigns.
December	<ul style="list-style-type: none">• South Korea's foreign-currency reserves were running dangerously low, and the country has \$20 billion in short-term debt due by the year's end.• The IMF approved a total of \$58.4 billion bailout for Korea, the biggest ever.
1998 January	<ul style="list-style-type: none">• Indonesia, Korea and Thailand agree to required economic reforms in exchange for continuing IMF and international support.• President Suharto of Indonesia and President-elect Dae-Jung Kim of South Korea announce campaigns to combat the system of crony capitalism in which most large conglomerates were controlled by family members.

May

- Indonesia faced massive riots, resulting in killing at least 1,200 people.
- President Suharto resigns after 32 years in power.
- The Thai *baht* and Korean won gradually recover as foreign investors' confidence slowly returns.
- U.S. President Clinton calls for more IMF money for Russia.

August

- Despite a fresh \$11.2 billion IMF package approved in July, the Russian government announced a 90-day moratorium on private-sector payments of foreign obligations.
- Foreign investors immediately sour not only on Russia, but also on Brazil.
- The economic contagion spreads from Russia to Brazil and other Latin American countries.
- Malaysia imposes currency control.
- A number of criticisms and debates surround the IMF's role and policies in the international monetary system.

October

- The Group of Seven (G7) endorses a U.S. plan to allow the IMF to lend to countries before they get into financial difficulties.
- The U.S. Congress accedes to the White House to provide additional \$18 billion for the IMF in return for minor reforms in the way the organization operates.

November

- The U.S. and IMF provide a total \$41.5 billion rescue package for Brazil, the ninth-largest economy in the world.
- The IMF reports that there were signs of recovery in Thailand and South Korea.

December

- The IMF raises its estimate for global 1998 growth from 2% to 2.2%, but it lowers its 1999 forecast.

1999-2001

The uncertainties of the global economy still persist in many countries.

Note: The chronology of the Asian economic crisis and the IMF bailout was summarized by the author, based on available information from several news sources, such as *New York Times*, *AP*, *Wall Street Journal*, *Reuters*, and the IMF annual reports.

The economic crisis started in Thailand with the *baht* coming under a series of increasingly serious attacks in May 1997. After the crisis erupted in Thailand, the contagion spread rapidly to other Asian economies, including Indonesia and South Korea that seemed vulnerable to an erosion of competitiveness (See Table 2-1). The following is a brief summary of developments in the four Asian countries in crisis —Thailand, Indonesia, South Korea and Malaysia —and the subsequent IMF responses during 1997 and 1999.

1. Thailand

After a decade of great economic success aided by strong macroeconomic policies, Thailand's economic situation deteriorated progressively in more recent years, and became increasingly vulnerable since 1993 (Chowdhury, 1999).¹⁸ In particular, from mid-1996, Thailand was confronted with a series of adverse developments, including a sharp slowdown in exports and GDP growth, growing difficulties in the property sector, a sharp fall in the stock market, and some weakening of its fiscal position (Baig & Glodfajn, 1999).

During the first half of 1997, the authorities took some measures to address the growing signs of fiscal deterioration, as well as to strengthen the financial and property sectors, but these proved insufficient to restore market confidence.¹⁹ Growth and investment continued to slow, support for financial companies accelerated progressively,

and there was evidence of growing financial debacle. In this environment, there followed a series of increasingly serious attacks on the *baht*.²⁰

The exchange rate was floated on July 2, 1997, following mounting speculative attacks and concerns about the reserve position. The accompanying policy package was inadequate and failed to bolster market confidence. Soon, the *baht* depreciated by 20% against the U.S. dollar during July 1997, while short-term interest rates were allowed to decline sharply after a temporary increase.²¹

On August 20, 1997, the IMF's Executive Board approved a three-year Stand-By Arrangement with Thailand, amounting to \$4 billion (505% of quota).²² Additional financing was pledged by the World Bank and the Asian Development Bank (\$2.7 billion), which also provided extensive technical assistance.²³ As of October 19, 1998, \$17.2 billion of the total financing package for Thailand had been disbursed from the IMF and other multilateral (World Bank and Asian Development Bank) and bilateral sources.

Recognizing that the economic and financial situation had become precarious, the authorities moved swiftly to put together a comprehensive economic reform package. The government pledged to cut spending, reorganize its financial sector and increase corporate transparency (conducting deals in an open and public manner) to better protect against corruption. In December 1997, for instance, the Thai government took steps to close 56 problematic nonbank financial firms.²⁴

In the subsequent months, nonetheless, the *baht* continued to depreciate as rollover of short-term debt declined and the crisis in Asia spread. While macroeconomic policies were on track and nominal interest rates were raised (albeit subject to considerable short-term fluctuations), market confidence was adversely affected by delays in the implementation of financial sector reforms, political uncertainty, and initial difficulties in communicating key aspects of the program (Chowdhury, 1999). By the time of the review under the emergency financing procedures (October 17, 1997), there were also signs that the slowdown of economic activity would be more pronounced than anticipated. A new government took office in mid-November 1997.

2. Indonesia

Prior to the crisis, Indonesia's economic growth and diversification was among the most successful of developing countries. Economic reforms, which began in the mid 1980s, and political and social stability had transformed Indonesia from a subsistence-level economy into an attractive and competitive arena for business and foreign investment (Crafts, 1999). Thus, the World Bank once stated that "Indonesia has achieved a remarkable economic development success over the past decade and is considered to be among the best performing East Asian economies."²⁵

In July 1997, however, soon after the floating of the Thai *baht*, pressure on the *rupiah* intensified. Although key macroeconomic indicators in Indonesia were stronger than those in Thailand (for example, the current account deficit had been modest, export

growth had been reasonably well maintained, and the fiscal balance had remained in surplus), Indonesia's short-term private sector external debt had been rising rapidly. Growing evidence of weaknesses in the financial sector raised doubts about the government's ability to defend the currency stability.²⁶

Following a widening of the intervention band on July 11, 1997, the *rupiah* was floated on August 14, 1997. The exchange rate depreciated sharply but recovered temporarily in response to a tightening of liquidity and measures to prevent a deterioration of the fiscal balance as economic activity began to slow. Exchange market pressures heightened again in late September as monetary conditions were eased in view of increasing strains in the financial sector. With the *rupiah* falling further against the U.S. dollar, the cumulative depreciation since early July (over 30%) became the largest in the region (Baig & Ostry, 1998).

Another problem created by the depreciation of the *rupiah* was that much of Indonesia's earlier growth had been funded by international loan.²⁷ This money was borrowed in dollars and repaid in *rupiah*'s. When the *rupiah* dropped in value, it made many of these loans far more expensive to service due to the *rupiah*'s lessened value.

On November 5, 1997, the IMF's Executive Board approved a three-year Stand-By Arrangement with Indonesia equivalent to \$10 billion (490% of quota).²⁸ Additional financing commitments included \$8 billion from the World Bank and the Asian Development Bank, which also provided extensive technical assistance. Additional pledges came from interested countries amounting to some \$18 billion as a second line of

defense.²⁹ The key objectives of the underlying adjustment program were to restore market confidence, bring about an orderly adjustment in the current account, limit the unavoidable decline in output growth, and contain the inflationary impact of exchange rate depreciation (Lane et al., 1999).

The main elements of the policy package included tight monetary policy, combined with, if necessary, exchange market intervention to stabilize the *rupiah*; measures to strengthen the underlying fiscal position to facilitate current account adjustment; a plan to strengthen the financial sector (including closure of nonviable institutions); and an initial set of structural reforms to enhance efficiency and transparency in the corporate sector.³⁰

The IMF coordinated a \$43 billion rescue package for Indonesia. The IMF reforms required Indonesia to eliminate subsidies and tax breaks to various monopolies, many of which were controlled by Suharto's friends and family. However, Indonesia's reform program, supported by an IMF Stand-By Arrangement, perhaps fell off track because of policy reversals, increasing macroeconomic turmoil, and financial system collapse in the context of severe civil unrest, which led to the resignation of President Suharto on May 21, 1998.³¹

3. South Korea

Prior to the crisis, with the world's 11th-largest economy, South Korea was one of the fastest growing economies in the world. Along with her neighbors, she was one of

the only countries identified as part of the Third World to climb out of the morass of poverty and gain the title “Newly Industrialized Country” (NIC). Annual economic growth in South Korea averaged about 7 percent per year (Crafts, 1999). In September 1996, South Korea joined the Organization for Economic Cooperation and Development (OECD). A report from the 1996 United Nations Conference on Trade and Development (UNCTAD) described South Korea as “the outstanding example of an ‘emerging donor’ with the potential for making a significant contribution to official development assistance.”³²

Perhaps South Korea best exemplifies the Asian model of closely combining government and business to build a fast-growing economy. Huge conglomerates or groups, known as *chaebols*, have dominated the country’s private sector.³³ The Korean government had pressured banks to provide low-cost loans to *chaebols* in order to promote their growth, and to bail out the conglomerates during times of financial difficulties.³⁴ Backed by the government, family-owned *chaebols* such as the Samsung Group, the Daewoo Group and the Hyundai Group have become some of the most successful corporations in the world.

However, South Korea became the third economy to falter after Thailand and Indonesia. In October 1997 foreign banks had about \$200 billion worth of investments and loans in South Korea.³⁵ It was estimated that non-performing loans to *chaebols* had escalated to over \$50 billion (Bullard et al., 1998). As investors became reluctant to

invest more, Korean business was expected to pay \$66 billion in outstanding loans.

Unable to meet this heavy debt obligation, South Korea turned to the IMF.

In return for a \$57 billion bailout package, South Korea agreed to implement a series of free-market reforms. The country had to loosen limits on foreign ownership of domestic companies, fully open its bond market to foreigners, introduce greater flexibility in its labor market, close insolvent financial institutions and eliminate government influence over banks' loaning decisions (Lane et al., 1999). As an example of this country's efforts to satisfy the IMF's conditionalities, South Korean President Dae-Jung Kim, who took office in February 1998, pledged to "diligently carry out the terms of the IMF" and to "thoroughly implement a free-market economy."³⁶

4. Malaysia

Like other Asian countries, Malaysia was also caught in a severe and prolonged regional financial crisis. Before the crisis, Malaysia had enjoyed an average 8% growth rate per year in the 1990s.³⁷ However, credit rules extended by banks and the efforts of the Malaysian government to attract foreign investment facilitated the grandiose expansion of the Malaysian economy and resulted in an overheated economy.

After the devaluation of the Thai *baht*, the *ringgit* came under speculative attacks due to fears that Malaysia would be next in line. On 14 July, 1997, the central bank of Malaysia drew heavily on its foreign reserves to prop up the falling *ringgit*.³⁸ Also, lack of transparency in corporate disclosure further cast doubts on the stability of the banking

system in Malaysia. For the banks, there was no clear provision for bad debts.

Speculation about the exposure of the banks, as well as rumors of bank runs and more corporate bankruptcies, further shook the confidence of Malaysia's investors whose injection of capital was much needed to turn the economy around.³⁹ By December 1997, the Malaysian currency, the *ringgit*, had lost 35% of its value and the country's stock market had declined more than 70% in dollar terms from the beginning of the year.⁴⁰

Despite the crisis, Prime Minister Mahathir bin Mohamad denounced currency speculators for the country's financial turmoil, and Malaysia vigorously resisted turning to the IMF for help. Its markets tumbled further after Prime Minister Mahathir Mohamad lashed out at foreign currency speculators and threatened to tighten market regulations. Thus, since the eruption of the crisis, Mahathir has been an outspoken international critic of currency speculators like George Soros and the policies of the IMF. At the same time, the Malaysian government has announced a series of austerity measures, including a cut in public spending, limits on further construction and banking reforms.⁴¹

D. Issues and Controversies over IMF Policy

How did the IMF respond to this crisis? Briefly speaking, along with forceful Structural Adjustment Programs (SAPs), the IMF approved about \$117.7 billion of IMF financial support for reform programs in these three countries (respectively, \$57 billion for Korea, \$43 billion for Indonesia, and \$17 billion for Thailand). However, the Asian

crisis and the IMF bailout have kindled a keen debate over the appropriateness of IMF responses and free-market economic policies.

Some have identified two major causes for the financial crisis in East Asia, neither of which has been recognized by the IMF—global “overcapacity” and “deflation” (McNally, 1998; Tabb, 1998). Both of these causes are the natural result of the free-market system. For example, many of Asian countries, especially the three IMF-supported nations, found success in a “growth-at-all-costs” strategy for development. However, the economy could not grow forever. Vast savings saturated the financial market so that all productive investment opportunities were funded. When surplus funds could not be invested productively, they were funneled into property and stock market speculation as well as into corrupt borrowing practices by Asian industry.⁴²

At the same time, prior to the crisis in 1997, Asia suffered from insufficient global demand for the capacity that has accumulated over years of growth and enormous capital inflows from abroad (Bullard et al., 1998; Tabb, 1998). Insufficient demand has placed downward pressure on prices and profits, leading to deflation.

As an editorial in the January/February 1998 issue of the Multinational Monitor asserted, the IMF “diagnosed the essential Asian problem not as too much globalization, but too little. And they prescribed the most vicious version of globalization—structural adjustment.”⁴³ Insufficient aggregate demand seemed to be the primary cause of the Great Depression and may be the demise of neo-liberal free-market policies in the 1990s:

Deflation in the 1990s is uncharted territory. In the 1930s, it destroyed income and jobs, eviscerated savings, and kept the world poor from 1929 until the Second World War. Yet in this decade, deflation has led to high growth and rising real wages as high-tech companies cut costs, raise productivity, and increase unit sales to compensate for falling prices. The big question is whether this can work for the entire global economy.⁴⁴

The initial, and most controversial, decision was to raise interest rates. Michel Camdessus, managing director of the IMF, defended the decision: “If you want to increase confidence and have capital come back to the country, you need attractive interest rates” (see Madrick, 1998). However, high interest rates encourage consumers to save, which is not needed in these Asian countries, particularly South Korea, where approximately 30 percent of GNP is already saved. Higher rates of saving mean decreasing levels of consumption, which further contributes to the deflationary spiral. As economist John Maynard Keynes pointed out, high rates of saving are good in boom times and bad in slack times (Bullard et al., 1998).

Higher interest rates have also prompted the widespread failure of small business. The situation has been exacerbated by financial institutions that have not allowed interest rates to keep pace with the market.⁴⁵ Bullard et al. (1998) argue that increasing interest rates make for a rapidly contracting economy through a “surprisingly simple chain reaction: money is in short supply, credit is expensive, companies can’t afford credit, companies collapse, people lose their jobs, consumer demand declines, and so on” (p. 510).

The decision to raise interest rates was also accompanied by a host of IMF conditionalities that demanded an overhaul of the Asian countries' economy. Markets were to be liberalized and made more transparent. Such restructuring may stabilize the macroeconomic indicators of an economy, but it has been widely acknowledged, even by the IMF and World Bank, that structural adjustment programs lack a human face. Thus, many critics argue that developing countries should not push, or be pushed, into total liberalization before they have installed adequate regulatory institutions.⁴⁶ Social safety nets—aid for the poor and unemployed—are essential.

Restructuring the internal economy has meant massive layoffs to make firms more efficient. However, the costs of reform have not been meted out equally on the entire population. Austerity has been unduly harsh on the wrong people. The poor have been forced to pay for the speculative lending practices of international financiers and corrupt practices of industry (Weisbrot, 1998a). The overriding logic of these measures sometimes has been described as “mean-spirited globalization.”⁴⁷

The IMF programs, agreed to by the Asian countries as a condition for receiving the money needed to pay off debts to foreign banks, forced interest rates up in an effort to re-attract foreign capital. They envision the Asian countries exporting their way out of economic distress. They therefore do not worry about depressed wages and workers thrown out of their jobs—indeed, in this view, lower wages make exports more competitive.⁴⁸

As the markets of Asian countries are opened up to foreign investors, globalization is perpetuated and globalopolitans benefit. William Tabb (1998) argues that

the requirement of rescue plans to open the economy of debtor-nation markets and to sell valuable companies has a redistributive effect—international investors are able to increase their capital holdings. Further, he points out that in negotiating with the United States and the IMF, the Asian governments granted foreign investors control over their banks and companies after amending labor laws and absorbing much of companies' huge outstanding debt.

In a report on the Asian financial crisis written by IMF staff economists, the IMF acknowledged that it made some mistakes in its rescues of the Asian countries in crisis – Thailand, Indonesia and Korea, in 1997 and 1998 — notably in understanding the severity of those countries' recessions.⁴⁹ The IMF largely dismissed criticism that it made the crisis worse by insisting that the Thai, Indonesian and Korean governments adopt painful economic policies such as high interest rates.⁵⁰

Similarly, the World Bank's chief economist Joseph E. Stiglitz has suggested that the fund committed a key error by imposing high interest rates on countries that were already headed for recession.⁵¹ Also, in the report on global economic prospects, the Bank even criticized the U.S. Treasury and the IMF for imposing overly harsh economic measures on nations in crisis in 1997.⁵²

According to the World Bank, the U.S. Treasury and the IMF erred by imposing high interest rates when the crisis broke. The idea was to defend local currencies, but the effect was to bankrupt banks and companies that might otherwise have survived. The IMF would point out that in South Korea and Thailand, the two most committed

adherents of its recovery plan, interest rates have descended and currencies have regained value. But corporate sectors remain in a deep slump, perhaps deeper than was necessary (Singh, 1998).

However, proponents of neo-liberalism still argue that such sacrifices must be made in the short-term for long-term economic stability (Lane et al., 1999; Mussa & Savastano, 1999). Milton Friedman, the American economist responsible for reviving *laissez faire* thinking, argues that such countries need to “take the bitter medicine” of structural adjustment if they ever hope to climb out of their financial morass (Klak, 1998). The following remark by Michel Camdessus, Managing Director of the IMF, clearly shows how the IMF approaches global economic problems like the Asian crisis.

The IMF is charged with safeguarding the stability of the international monetary system. Thus, a central role for the IMF in resolving the Asian financial crisis was clear, and has been reaffirmed by the international community in various multilateral fora. The IMF's priority was also clear: to help restore confidence to the economy affected by the crisis.⁵³

The IMF programs have been immensely successful in perpetuating globalization. By following neo-liberal policies, the IMF has facilitated globalization by clearing the way for international financiers — that small elite of “half-beings, half-flows” that Manuel Castells has dubbed globapolitans (Castells, 1997, p. 69). The primary concern of the IMF is how well a recipient country's economy can function as a part of the global economy. Will international creditors be repaid in a timely fashion? Is the economy open to foreign investment and the importation of foreign goods?

Thus, in many cases, including the Asian economic crisis, IMF programs have been implemented because payments cannot be made to international creditors. The question then becomes who is getting bailed out? The people of a country whose economy is in trouble or the globalists? When irresponsible loans are made, international creditors can depend on the IMF to provide the funds necessary for timely loan repayment.

Nations on the brink of default are forced to accept a bailout package rife with conditionalities, meaning that for all intents and purposes, control over economic policy is surrendered to the IMF. In this way, it is the interests of globalists that have set the standard for success of IMF programs.

In addition to the high interest rate policy of the IMF, according to critics, the removal of government subsidies and price ceilings also increases the price of consumer goods, so that even food staples often are too expensive for the average consumer. At the same time, currency is devalued so that it can clear at the world market exchange rate. While this is good for foreign investors, it only intensifies the problems of consumers, whose wages are now worth less as prices are increasing. Moreover, the move to make the government more efficient leads to increased unemployment. In the end, austerity programs destabilize the economic security of the majority of the population (Mander, 1996a; Sachs, 1998a; Tabb, 1998).

Heavily criticizing the appropriate one-size-fits-all policy of the IMF, especially regarding to its responses to the Asian crisis, Jeffrey Sachs even said that “a careful examination of the actual record shows that the IMF, loyal to financial orthodoxy and mindful of creditors to the neglect of debtor countries, often pours oil on the flames.” (Sachs, 1998a, p. 16). Similarly, Martin Feldstein (1998) noted:

The IMF is now acting in Southeast Asia and Korea in much the same way that it did in Eastern Europe and the former Soviet Union: insisting on fundamental changes in economic and institutional structures as a condition for receiving IMF funds. It is doing so even though the situations of the Asian countries are very different from that of the former Soviet Union and Eastern Europe. In addition, the IMF is applying its traditional mix of fiscal policies (higher taxes, less government spending) and credit tightening (implying higher interest rates) that were successful in Latin America. To assess the appropriateness of these policies, it is necessary to understand what is happening in Asia.⁵⁴

Many developing nations have been under IMF structural adjustment programs for upwards of twenty years. Have their economies stabilized? Has the much anticipated trickle-down effect occurred? Martin (1993, p. 34) described the IMF policies to the developing countries in crisis as follows: “a war being waged against the poor. Debt is enabling the rich to obtain from the poor what they might formerly have gained through the war. Since 1982, the world’s poor have paid the rich some \$450 billion over and above what they have received in aid, loans, etc.”⁵⁵

Also, according to a report recently released by the Heritage Foundation, of the 90 developing countries that have accepted IMF programs in the last 30 years, 48 are no

better off while 32 are actually poorer.⁵⁶ Yet the IMF continues to implement the same type of programs. Why would they continue when success has been noticeably lacking?

The answer is that “success” is relative depending on whom one is asking. By IMF standards, the program is a success when the macroeconomic indicators of a recipient nation are stable and/or improved. Such indicators include currency stability, stock market performance, profit margins and trade balance. Stability in these areas directly affects the climate for domestic business and foreign investment.

The IMF does not measure the success of its programs by the quality of life or economic security of the population in the recipient country. Levels of income distribution and unemployment are not indicators used by the IMF. Indeed, in most countries throughout the world, especially in developing countries, income inequality is on the rise, meaning that there is a widening gap between the rich and the poor. The stock market may be performing marvelously, but the economic security of the majority is on the decline.

Thus, it is valuable to hear alternative voices to the neo-liberal definition of economic development, especially in terms of human aspects. It’s widely agreed that Structural Adjustment Programs haven’t been helpful to the people of debtor-nations. Many critics argue that such IMF policies have only led to prosperity for the few (e.g., Feldstein, 1998; Kapur, 1998; Madrick, 1998; Sachs, 1998a, 1998b).

For instance, Brazilian economist Marcos Arruda (1996) proposed “people-centered adjustment” which, in principle, “subordinates the equilibrium of macroeconomic indicators to macrosocial as well as ethical goals.”⁵⁷

According to many critics of economic globalization, an individual’s access to education, healthcare, income-earning activities and so on is a better indication of the level of development of a given country than its simple macroeconomic performance (Nazpary, 2001; Riskin, 2001). Austerity programs have imposed increased economic hardship on the people of IMF aided countries. In most cases, social indicators of development, such as infant mortality rates and enrollment in primary school, have shown that the level of human development has declined under structural adjustment programs (Chossudovsky, 1998; Weisbrot, 1998a).

Having examined the rudiments of neo-liberal theory and having outlined the events leading to the economic crises in several Asian countries, we can now turn to a literature review of how news events are depicted in the media.

Notes for Chapter II

¹ "The danger of the rhetoric of globalization..." Guardian, January 4, 1994, p. 18. Cited from Scott, A. (Ed.). (1997). The limits of globalization: Cases and arguments. New York: Routledge, p. 1.

² See, for example, Nazpary, J. (2001). Poverty, chaos and globalization: Neoliberal reform and Kazakhstan. London: Pluto Press; Riskin, C. (2001). Indquality and poverty in China in the age of globalization. New York: Oxford University Press; Tanzer, M. (1995). Globalizing the economy: The influence of the International Monetary Fund and the World Bank. Monthly Review: An Independent Socialist Magazine, 47(4), September, 1-14.

³ For the review of economic globalization, the following books or papers were consulted: Coulter, D. (1998). Globalization and the IMF. Vital Speeches of the Day, 64(13), April 15, 401-403; Crafts, N. (1999). East Asia growth before and after the crisis. IMF Staff Papers (139-164), 46(2), June. Washington D.C.: International Monetary Fund; Haque, U. N., & Khan, M. S. (1998). Do IMF-supported programs work? A survey of the cross-country empirical evidence. IMF Working Paper 98/169, December. Washington: International Monetary Fund; Knight, M. (1998). Developing countries and the globalization of financial markets. IMF Working Paper 98/105, July. Washington D.C.: International Monetary Fund; Lane, T., Ghosh, A., Hamann, J., Phillips, S., Schulze-Ghattas, M., & Tsikata, T. (1999). IMF-supported programs in Indonesia, Korea, and Thailand: A preliminary assessment. IMF Occasional Paper, 178. Washington D.C.: International Monetary Fund; Lubbers, R. F. M. (1999). The globalization of economy and society. Available at (<http://www.globalize.org/globview.html>) [December 15, 2000]; Madrick, J. (1998). The IMF approach. World Policy Journal, Fall, 39-42; Mussa, M., &

Savastano, M. (1999). The IMF approach to economic stabilization. IMF Working Paper 99/104, July. Washington D.C.: International Monetary Fund; Pieper, U., & Taylor, L. (1998). The revival of the liberal creed: The IMF, the World Bank, and inequality in a globalized economy. CEPA Working Paper No. 4, October. New York: Center for Economic Policy Analysis; Tanzer, M. (1995). Globalizing the economy: The influence of the International Monetary Fund and the World Bank. Monthly Review: An Independent Socialist Magazine, 47(4), September, 1-14.

⁴ For more information, see the IMF Web site (<http://www.imf.org>).

⁵ See, for example, Chossudovsky, M. (1998). The globalization of poverty: Impacts of IMF and World Bank reforms. Sydney, Australia: Pluto Press; Green, D. (1999). The failings of the international financial architecture. NACLA Report on the Americas, 33(1), July/August, 31-36; Haass, R. N., & Litan, R. E. (1998). Globalization and its discontents. Foreign Affairs, 77(3), 2-6; Higgott, R. (1998). The Asian economic crisis: A study in the politics of resentment. New Political Economy, 3(3), November, 333-357; Hills, J. (1996). The silent war: Debt and Africa. In G. Gerbner, H. Mowlana, & H. I. Schiller, Invisible crisis (pp. 229-248). Westview Press; Kapur, D. (1998). The IMF: A cure or a curse. Foreign Policy, 111, Summer, 114-129; Korten, D. C. (1996). The limits of the earth. The Nation, July 15/22, 18; Mander, J., & Goldsmith, E. (Ed.). (1996c). The case against the global economy and for a turn toward the local. San Francisco: Sierra Club Books; Sachs, J. D. (1998b). Fixing the IMF remedy. The Banker, February, 16-18; Tabb, W. K. (1998). The East Asian financial crisis. Monthly Review: An Independent Socialist Magazine, 50(2), 24-38.

⁶ For example, Castells, M. (1997). The other face of the earth: Social movements against the new global order. In M. Castells (Ed.), The power of identity (pp. 68-83). Malden, Mass: Blackwell; Chossudovsky, M. (1998). The globalization of poverty:

Impacts of IMF and World Bank reforms. Sydney, Australia: Pluto Press; Harris, R., & Seid, M. (Eds.). (2000). Critical perspectives on globalization and neoliberalism in the developing countries. Boston, Mass.: Brill; Mander, J., & Goldsmith, E. (Ed.). (1996). The case against the global economy and for a turn toward the local. San Francisco: Sierra Club Books; McNally, D. (1998). Globalization on trial: Crisis and class struggle in East Asia. Monthly Review: An Independent Socialist Magazine, 50(4), 1-13; Meszaros, I. (1998). The uncontrollability of globalizing capital. Monthly Review: An Independent Socialist Magazine, 49(9), 27-37.

⁷ For more information, see the IMF Web site (<http://www.imf.org>).

⁸ See, "The IMF at a glance," available at the IMF Web site (<http://www.imf.org/external/np/exr/facts/glance.htm>) [May 1, 2000].

⁹ See, "What is the International Monetary Fund" located in the IMF Web site (<http://www.imf.org/external/pubs/ft/exrp/what.htm>) [December 12, 2000].

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ For more information about the IMF recent activities, see the IMF annual reports (1998 and 1999).

¹⁶ International Monetary Fund. (1996). The 1995 IMF annual reports. IMF Publications.

¹⁷ International Monetary Fund. (2000). The 1999 IMF annual reports. IMF Publications.

¹⁸ More specifically, the problems Thailand economy was facing reflected in a persistent and widening account deficit, which peaked at 8% of GDP in 1996; an associated high external debt burden (50% of GDP), of which some 40% in short-term; and serious weakness in the financial system (Chowdhury, 1999).

¹⁹ “Structural reforms essential to strategy” (editorial). Bangkok Post, August 22, 1997.

²⁰ *Ibid.*

²¹ *Ibid.*

²² International Monetary Fund. (1998). The 1997 IMF annual reports. IMF Publications.

²³ International Monetary Fund. (1999). The 1998 IMF annual reports. IMF Publications.

²⁴ See, for more information, Chowdhury, A. (1999). Villain of the Asian crisis: Thailand or the IMF? ASEAN Economic Bulletin, 16(2), 166-174; Bullard, N., et al. (1998). Taming the tigers: The IMF and the Asian crisis. Third World Quarterly, 19(3), 505-555.

²⁵ World Bank. (1997, September). World Bank Country Brief. Cited from Bullard et al. (1998). Taming the tigers: The IMF and the Asian Crisis. Third World Quarterly, 19(3), 505-555. Available at (<http://www.epnet.com/cgi-bin/epwda...cs=10/reccount=138/startrec=1/ft=1>) [October 6, 1998].

²⁶ International Monetary Fund. (1998). The 1997 IMF annual reports. IMF Publications.

²⁷ *Ibid.*

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ See, "The IMF's responses to the Asian crisis," available at (<http://www.imf.org/External/np/exr/facts/asia.HTM>) [January 17, 1999].

³¹ At the early stage of the IMF bailout, former President Suharto had been sharply criticized for his reluctance to carry out the austerity measures mandated by the IMF.

³² "South Korea leaves developing world," Inter Press Service (30 September, 1997). Cited from Bullard et al. (1998). Taming the tigers: The IMF and the Asian crisis. Third World Quarterly, 19(3), 505-555. Available at (<http://www.epnet.com/cgi-bin/epwda...cs=10/reccount=138/startrec=1/ft=1>) [October 6, 1998].

³³ *Chaebol* is a Korean term used to describe a highly centralized conglomeration of several companies, usually controlled by one family.

³⁴ See, "Issues and controversies: Asia's economic crisis," Available at (<http://www.facts.com/icof/i00063.htm>) [April 20, 2000].

³⁵ International Monetary Fund. (1998). The 1997 IMF annual reports. IMF Publications.

³⁶ See, "Issues and controversies: Asia's economic crisis," Available at (<http://www.facts.com/icof/i00063.htm>) [April 20, 2000].

³⁷ International Monetary Fund. (1998). The 1997 IMF annual reports. IMF Publications.

³⁸ See, "Issues and controversies: Asia's economic crisis," Available at (<http://www.facts.com/icof/i00063.htm>) [April 20, 2000].

³⁹ *Ibid.*

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² For example, *Chaebol* in Korea is a highly centralized conglomeration of several companies, usually controlled by one family. Similarly, much of Indonesian industry had been controlled or maintained by former President Suharto's friends or family members.

⁴³ "Lessons from the Asian meltdown" (editorial). Multinational Monitor, January/February, 1998, p. 5.

⁴⁴ "The overcapacity bomb," Business Week, October 13, 1997, p. 138.

⁴⁵ See, for example, Uchitelle, L. (1999, January 31). A pox on the high-rates “Cure.” New York Times, p. sec. 3, 4.

⁴⁶ See, for example, Lal, R. (1999). IMF, capital and us: The economics of imperialism. Available at (<http://www.igc.org/trac/feature/india/globalization/sanskriti.html>) [December 12, 2000]; Sachs, J. (1998a). The IMF and the Asian flu. The American Prospect, 37, March/April, 16-21; Weisbrot, M. (1998a). Globalization for whom? Cornell International Law Journal, 31(3), available at (<http://preamble.org/Globalization.html>) [December 2, 2000]; Weisbrot, M. (1998b). IMF cure: Worse than the disease? Available at (<http://www.tradewatch.org/IMF/imfweisbrot.htm>) [July 15, 1999].

⁴⁷ “Lessons from the Asian meltdown” (editorial). (1998). Multinational Monitor, January/February, p. 5.

⁴⁸ *Ibid.*

⁴⁹ Also, see Blustein, Paul. (1999, January 20). IMF concedes errors in Asia but denies aggravating crisis. Washington Post, p. F03.

⁵⁰ IMF Staff. (2000). Globalization: Threat or opportunity? IMF Publications. Available at (<http://www.imf.org/external/np/exr/ib/2000/041200.htm>) [January 13, 2001]. This report provides, in much greater detail than previous IMF statements, the fund’s reply to critics who have attacked various aspects of its prescriptions for the Asian countries stricken by sudden loss of investor confidence. The report conceded in unusually candid terms that the fund was “far off the mark” in its initial assessment of how badly the Asian economies would be affected by the crisis – one result being that, in Thailand in

particular, the IMF prescribed a stringent policy for cutting the budget deficit that proved too harsh and later had to be eased.

⁵¹ See, for example, Blustein, Paul. (1999, January 20). IMF concedes errors in Asia but denies aggravating crisis. Washington Post, p. F03.

⁵² Blustein, Paul. (1998, December 3). World Bank turns up criticism of the IMF. Washington Post, p. E01.

⁵³ Cited from the IMF New Release (1999, January 17). The IMF's response to the Asian crisis. Available at (<http://www.imf.org/External/np/exr/facts/asia.HTM>) [January 17, 1999].

⁵⁴ Feldstein, Martin. (1998). Refocusing on the IMF. Foreign Affairs, 77(2), March/April, 20-33.

⁵⁵ Martin, M. (1993). In the public interest? Privatization and public sector reform. London: Zed Books.

⁵⁶ Cited from Samsung Economic Research Institute. (1998). Six months after the IMF bailout: A review of social and economic changes in Korea. Available at (<http://www.seri-samsung.org/english/seri/list.html>) [October 13, 1998].

⁵⁷ Green, D. (1996). Silent revolution: The rise of market economics in Latin America. London: Cassell, p. 194.

CHAPTER III

UNDERSTANDING OF GLOBALIZATION NEWS

Economic globalization involves arguably the most fundamental readership and centralization of the planet's political and economic arrangements since the Industrial Revolution. Yet the profound implication of these changes have barely been exposed to serious public scrutiny or debate. Despite the scale of the global reordering, neither our elected officials nor our educational institutions nor the mass media have made a credible effort to describe what is being formulated, to explain its root philosophies [or to explore the multidimensionality of its effects] (Jerry Mander, 1996b).¹

A. “Globalization” as the Media Agenda

It's said that news does not merely reflect reality through a straightforward presentation of facts. News is socially constructed, thus, news may be viewed as a cultural artifact determined by the way a society is organized.² Additionally, news is influenced by external and internal cultural factors. In this vein, many say that there are interpretative frameworks (or paradigms) and cultural perspectives within which news is conceived and presented by newspeople.

Globalization is new in label, but not new in conceptual nature in the field of communication. The rhetoric of globalization is similar in many ways to the rhetoric surrounding the paradigm of “modernizations” (Tomlinson, 1994). Thus, for a better understanding of “globalization” as a new international communication paradigm, we must first review the historical development of debates or paradigms in international

communications, including modernization and dependency. As Hefez (1999) argues, like modernization and dependency in former international communication scholarly debates, the phenomena of globalization must be conceptualized on multiple perspectives or levels of theory building.

This study assumes that the perspective (or ideology) of globalization cannot be transferred without taking into account the perspectives of the leading United States economy and other developed countries at the same time. In this respect, the discussion of globalization seems to be in a similar line of a relatively old but still very appropriate debate between modernization and dependency paradigms in international communications.

In a more optimistic view, after World War II, international communication was viewed as a means toward achieving greater international cooperation and as an instrument of modernization and national building. The main assumption of “modernization” theory is that the adoption of a Western system is a necessary precondition for development. The so called “backward” societies of developing or underdeveloped countries can achieve development by substituting modern systems for traditional ones (Lerner, 1964). From this perspective, the media were understood as an effective instrument for diffusion of Western values to developing countries, because of their ability to disseminate modern values on a broad scale.

In his influential book, *Passing of Traditional Society*, Daniel Lerner (1964) examined the psychic mobility of Third World people (Egypt, Iran, Jordan, Lebanon,

Syria and Turkey). He concluded that a modern society was participatory and the mass media could serve as “an index and agent of social change” and could multiply mobility and participation.

Similarly, Wilbur Schramm (1964) argued that the mass media could facilitate national development in four important ways: they could break up traditional values that were inimical to the process of development; they could help disseminate an integrated and autonomous sense of national identity; they could impart technical skills of the people; and they could help spread and raise the level of education. Later, based on their diffusion model, Rogers and Shoemaker (1971) were also concerned with the role of mass media in society. William Hachten (1992) summarizes this:

The development concept is an amorphous and curious mixture of ideas, rhetoric, influences, and grievances....Perhaps of greater importance are the influences of Western social scientists who have posited a major role for mass communication in the process of nation building in newly independent countries. American academics such as Wilbur Schramm, Daniel Lerner, and others—all libertarians at heart—have argued that the communication process is central to the achievement of national integration and economic development. In so doing, they may have unintentionally provided a rationale for autocratic press controls.³

When looking at the approaches of multi-national development organizations for globalization (e.g., IMF), in many ways the development paradigm, and the diffusion model in particular, continues to be adopted as the most important communication perspective (Riskin, 2001).

However, many dependency scholars criticized the modernization approach for its neglect of the external forces working in the formation of underdevelopment. According to dependency theorists, the most important hindrances to development are not the shortage of capital or management, as the modernization theorists contend, but must be sought in the present international system. As many dependency theorists contend, underdevelopment is not an original state but a negative consequence of capitalist expansion⁴ The neo-liberal globalization paradigm supported by the IMF had a significant influence on the rise of theoretical and practical concerns about the global economic system among developing countries (Nazpary, 2001; Raskin, 2001).

Therefore, in terms of the dependency perspective, several factors have contributed enormous pressures on the developing countries, including the reception of the IMF money, strong demand for structural adjustment toward a free-market global economy and the sheer cost of societal reforms.

For example, Frank (1966, 1969) argued that the capitalist system has created backwardness in the Latin American countries since the 16th century. On the ideological role of mass media in maintaining existing power structure, Murdock and Golding (1977) argued that underdevelopment was not caused by internal obstacles, as modernization theorists presumed, but by external factors, such as the international division of labor, unequal exchange, unequal development and so on.

Herbert Schiller (1970) also argued that the period since World War II has been characterized by the growing dominance of Western developed countries, especially the

United States, in the international arena.⁵ According to him, this new global dominance is possible by two key factors: economic strength, stemming primarily from the activities of U.S.-based transnational corporations; and communication know-how, which has played a crucial role in the development and control of new global systems.

Immanuel Wallerstein (1974) developed a theoretical framework to understand the historical changes involved in the rise of the world capitalist system. According to him, the modern capitalist world system was based on an international division of labor that determined relationships between different regions as well as the types of labor conditions within each region. Wallerstein proposes four different categories (core, semi-periphery, periphery and external) into which all regions of the world can be placed. The categories describe each region's relative position within the world economy as well as certain internal political and economic characteristics.

Wallerstein (1974) also argues that the capitalist world economy is a dynamic system which changes over time. However, certain basic features remain in place. Perhaps most important is that when one examines the dynamics of this system, the core regions of the United States and Western Europe clearly benefited the most from this arrangement. Through extremely high profits gained from the "free-trade" market system, the core enriched itself at the expense of the peripheral economies. Overall, Wallerstein sees the development of the capitalist world economy as detrimental to a large proportion of the world's population.

Later, critical scholars from the cultural and critical studies paradigm, such as Beltran and de Cardona (1979), Murdock and Golding (1977), and Escobar (1995), also critiqued the development model and called for an examination of the ideology within development strategies. They demand a paradigm shift from the holistic, formalistic, ethnocentric framework to a grassroots, participatory, and multiple-level framework that takes into account various forms of knowledge, ideas and struggles of power. Arturo Escobar (1995) criticized the lack of intellectual critiques of the development paradigm. He then argued that we should question why the dominant paradigm has resisted critique, and that we need to move away from studying development from only the Western point of view.⁶

More recently, Robert McChesney et al. (1998) said that mass media are a metaphor for escalating superpower intrusion into the politics and culture of world societies. The book, *Capitalism and the Information Age*, exposes the dark side of new communications and currently popular words like “globalization.” According to them, news media content is largely designed to resign citizens to the conservative status quo. Also they warns that globalization, especially economic globalization, has a distinctly undemocratic edge as it effectively forces national governments to comply with the needs of the world capitalist system in which the inequality between countries exists.

Some say that the result of the IMF bailout to developing countries in economic crisis could be an invasion which threatens to destroy local economic systems and the valuable heritage of less developed countries (Chossudovsky, 1998; Riskin, 2001). That

is the reason why many opponents of globalization contend that the modern capitalist system has created backwardness in less-developed countries, and that underdevelopment is not an original state but a negative consequence of capitalist expansion.

If now we apply the points of critical scholars on the development paradigm to the recent globalization perspective, we can say that our attention needs to move away from the “rosy” globalization paradigm. Instead, we need to understand the multiplicity of development experiences in the global economic system. If so, how can we (at least ordinary audience) make a sense of “globalization” issues? Perhaps “pictures in our heads” rely largely on media coverage, as Walter Lippmann (1922) suggested a long time ago.

Through the case of the 1997 Asian economic crisis and IMF’s subsequent responses, we experience that the development of multi-national organizations like the IMF and World Bank and their neo-liberal policies have played an important role in the globalization process of international economic systems (see Ch. 2). At the same time, we witness that the term “globalization,” economic globalization in particular, has frequently appeared in the news media. If so, how did the term “globalization” become a media agenda? Also how has the news media reported (or interpreted) this “most widely used—and misused—keyword”?⁷

The term “globalization” has appeared widely in the media during the 1990s. Through several international events in the last decade, such as the collapse of Soviet Union in 1991, the Rio Forum on Global Warming in 1992, the debate on the North

American Free Trade Agreement (NAFTA), the establishment of the World Trade Organization (WTO) in 1995, and the 1997 Asian economic crisis, the discussion of globalization has become one of the most prominent topics in the media.⁸ As Germain (2000) says, “there are few terms in current use which can claim such a dominant hold over our imagination.”⁹ More recently, the news coverage of demonstrations in Seattle and Washington D.C. in 2000 against the World Trade Organization (WTO) has kindled another phase of debates on the performance of the media in “globalization.”

To date, there have been several periodic attempts to investigate the media coverage of “globalization.” Although their studies are not empirical, the observations of well-known critics of globalization like Jerry Mander and Jeffrey Sachs are helpful in thinking about how the media cover the activities of the IMF and World Bank in developing countries. Mander (1996a, 1996b) and Sachs (1998b) argued that the media have largely misunderstood the major problems of globalization because they have failed to recognize the root causes of globalization itself. According to them, the media rarely report the connection between specific crises and the larger process of globalization, especially in terms of globalization and its accompanying problems.

The occasional descriptions or predictions about the global economy that are found in the media usually come from the leading advocates and beneficiaries of this new order: corporate leaders, their allies in high levels of government and a newly powerful centralized global trade bureaucracy. The visions they offer us are unfailingly positive, even utopian: Globalization will be a panacea for all our ills (Mander, 1996b, p. 3).

The IMF's mask of infallibility bides a record of mediocrity punctuated by some truly costly blunders. Of course, these blunders almost never come to public light. When an internal IMF review criticized the IMF's role in Mexico in 1993 and 1994, it was quickly hushed up and never made public. In most cases, critical reviews are never put to paper. When anything goes wrong in an IMF-country program, it is easy enough to blame the government of that country for failing to abide by the (secret) words of wisdom of IMF staff (Sachs, 1998b, p. 19).

Among journalists, in his editor's note of *MediaNomics*, titled "IMF: Immune from Media Fire," Timothy Lamer (1998, p. 4) similarly observed the problem of globalization news coverage.

In most of the reporting recently on the economic troubles worldwide, something has been missing, namely any hint that there are economists who believe the International Monetary Fund (IMF) has made matters in Asia and Russia worse. Most stories simply ignore the role the IMF has played in the problems overseas, but even when stories acknowledge criticism, it isn't the criticism coming from conservatives.¹⁰

More recently, based on their content analysis of U.S. and South Korean news coverage of the IMF activities in the Asian economic crisis, Kim and Eissfeldt (1999) found that the media have been largely accepting of the neo-liberal reasoning supported by the United States and the IMF. Furthermore, they found that struggling economies must take their bitter medicine of austerity in order to become prosperous in an unregulated market economy. Instead, as Mander and Lamer observed, the discussion of negative aspects of globalization--unemployment, poverty, inequality--

and inappropriateness of the IMF policies in Asia tended to be eclipsed from the media coverage.

In sum, a literature review of globalization news coverage suggests that while the topic of globalization has gained a very prominent position in the media, the portrait of it has not necessarily attained a “globalized” view. Instead, its coverage has been heavily influenced by a “particularized” view with which the media have been more likely to embrace the utopian vision of globalization. The dark side of globalization seems to be largely ignored by the media.

Given the lack of empirical and systematic approaches for the above speculations, the empirical part of this study attempts to analyze news frames and sourcing patterns of the story. In doing so, I hope to answer the question of how the media interpret (or frame) “globalization” by generating empirical data to make sense of the complex globalization phenomenon. For a better understanding of this process, a literature review and discussion about news frames and sourcing patterns will be provided next.

B. Understanding of News Frames

1. Related Studies of Framing

In a contemporary society, our world views are heavily based on the images and information carried by the media. News, some argue, does not merely reflect reality through a straightforward portrayal of facts. There are interpretative frameworks and

cultural perspectives in which news is made by the media. Thus, news may be viewed as a cultural artifact determined by its social system and influenced by political, cultural and other social factors. Some say news is “socially constructed.”¹¹

There are no facts which speak for themselves. They are made to say certain things by certain people and certain instruments. Observations about reality are determined by the way in which the observation is organized; reports about those observations are determined by the way in which these reports are organized. They inevitably imply pre-selection and pre-interpretation, for instance, in the choice of words, images, sequences, a logic, etc.¹²

The media often reproduce certain processes of “patterning,” “normalization,” “dichotomization” of good and bad (Herman & Chomski, 1988), and so on. In this vein, it’s reasonably argued that this mediated process by the mass media inevitably leads to a selection or emphasis of certain aspects of reality.

Researchers from a variety of social science disciplines, especially those from the field of communications, have defined the concept of “framing” or “frames.” According to Gitlin (1980), “media frames are persistent patterns of cognition, interpretation, and presentation, of selection, emphasis and exclusion, by which symbol-handlers routinely organize discourse”(p. 7). Furthermore, he points out that media frames are continuous and persistent, so the established frame tends to determine how the issue is presented as news. Tuchman (1978) also defines a frame as “the principles of organization which govern events and our subjective involvement in them” (p. 192).

More specifically, Entman (1993) argues that framing offers a way to describe the power of a communication text and works “to select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation for the items described” (p. 52).

Gamson (1988), who introduced the concept of the “package” in relation to media and public opinion, provides a similar explanation of framing. He argues that if one is interested in the public conception of social events, the packages in media discourse become very important because they are central to framing issues for the attentive public. According to Gamson and Modigliani (1989), “A package has an internal structure. At its core is a central organizing idea, or frame, for making sense of relevant events, suggesting what is at issue” (p. 3).

Along with many conceptual approaches to framing analysis, there has been a growing body of empirical evidence that the media frame news, particularly concerning news coverage of international affairs. Rachlin (1988) has argued that the meaning of world events can be understood through the lens of a country’s national interests and political or cultural ideology rather than by the factual circumstances surrounding the event itself. In this respect, a growing number of research studies have strongly supported the assertion that media frames reflect a certain ideological bias.¹³

In particular, the interdependence of international news coverage and foreign policy remains an important topic in the international communication research. As one of

the first major empirical studies dedicated to the relationship between the American press and foreign policy, Cohen (1963) found that the competing political interests of the policy-makers, who seek privacy and support, and of the press, which seeks full public disclosure of information, lead to discontinuity and superficiality in reporting. Then he proposed a common ground for the reporters in their “analytic” function as surveyors of foreign developments. Regarding a dilemma of journalists in international crisis reporting, John Pollock (1981) noted:

The recommendation poses a special dilemma for journalists reporting on foreign affairs. One of their major functions is the transmission of information on foreign societies and governments. They are supposed to convey a representative picture of different groups and predominant values in those societies. At the same time, foreign correspondents are expected to perform similar tasks for their own society, illuminating their own country’s values and goals by reporting on the activities of others in a framework comprehensible to home-country readers.¹⁴

Using a discourse analytic theory of news reporting, van Dijk (1988) focused on the international news reporting of the 1987 assassination of Lebanon’s President-elect Bashir Gemayel. Based on a content analysis of hundreds of news reports that appeared in about a hundred countries, he questioned whether newspapers from different countries, produced in different political and ideological contexts, would provide equally variable types of description of such a world event. He found that globally shared journalistic practices and news values, such as a close relationship between media and government, led to a nearly standardized description of events in all the countries’ news reports. He

also contends that they are unlikely to quickly alter the entrenched and ideologically driven system of news reporting.

Working from numerous in-depth interviews with current and former foreign policy-makers from the State Department, National Security Council and Congress, O’Heffernan (1991) examined the influence of media reporting on the perceptions and decisions of foreign policy insiders. Based on three case studies involving Middle East politics from 1977 to 1988, he argues that the media have increased their influence in foreign policy since the 1960s by creating a paradigm of the world that foreign policy leaders, other governments and even terrorists use as a map for their maneuvers.

Similarly, Nacos (1990) presented a precise and comprehensive content analysis of news reports and editorials of the New York Times, Washington Post and Chicago Tribune during three international events: The Cuban Missile Crisis of 1962 and the American invasions of the Dominican Republic in 1965 and of Grenada in 1983. Her findings suggested that, despite White House perceptions to the contrary, the press was in no way hypercritical of the president in any of these cases.

Berry (1990) also provided a highly detailed analysis of the New York Times’ coverage of five American foreign policy failures, beginning with the Bay of Pigs and concluding with 1983 intervention in Lebanon. He argued that the press is neither a partisan player in the establishment of foreign policy, nor a passive tool for government manipulation of opinion. Rather, the press is an objective reporter of the story at hand, though biased by certain ethnocentric tendencies. Working from a system he devised that

scores the consistency of the coverage with a presidential administration's official position, Berry (1990) found that the press tends to be uncritical of any given administration until its foreign policy action proves unsuccessful, at which point the press accurately reports the failure.

2. Research Questions and Hypotheses for News Frame Analysis

Next, in questioning how we can trace frames in news stories, many argue that a multidimensional approach is needed to detect the complexities of news frames (Entman, 1993; Gamson & Modigliani, 1989; Ghanem, 1996; McCombs et al., 1997).

Hendrickson (1995) pointed out that "characterizing all media content, or even one story on a particular topic or issue with any one frame overlooks a great deal of complexity and subtlety"(p. 3). For example, media frames have been conceptualized in many different ways: thematic or episodic frame (Iyengar, 1991); abstract or concrete news coverage (Yagade & Dozier, 1990); cognitive or affective dimensions (McCombs, 1992); problem definition, attributed causes, moral judgments, and proposed remedies (Entman, 1993); and causes and solutions of an issue (Ghanem, 1996; Maher, 1995; Rucinski, 1992).

Based on the review of previous studies and the examination of news coverage for our study, we assume that the news frames of globalization in the case of the Asian economic crisis can be detected by examining the following four dimensions: major themes of each news story; story context; informative (primary causes and solutions to the crisis) and affective dimensions (tone of news coverage); and news sourcing patterns

(which will be discussed later). Therefore, in order to provide more empirical findings of media's reporting on globalization issues, this study attempts to answer the following research questions and hypotheses:

RQ1: How do the newspapers of the U.S. and Asian countries frame or interpret the Asian economic crisis and the IMF bailout in the context of globalization?

RQ2: What types of news themes are emphasized in the stories? Are there any similarities or differences between countries?

RQ3: Do news reports maintain a balance between the positive and the negative influences of the IMF programs in the Asian countries?

RQ4: What kinds of story contexts, such as global or domestic perspectives, were used in the story? Are there any differences between the U.S. and Asian countries?

RQ5: In terms of datelines of the stories, are there any differences between countries?

In addition to these general research questions, several hypotheses were proposed based on the findings of previous related studies about news coverage of international

events. Hypothetical reasoning was also based on the assumption that the press of the U.S. and the three IMF-supported Asian countries—Thailand, Indonesia and South Korea — would be more likely to report positive news regarding the IMF bailout for the crisis. This study also expects that newspapers of Malaysia, which turned down the IMF's programs would diverge from news coverage of the other countries directly involved with the IMF program.

H1: Considering the level of involvement with the IMF programs, the press of the U.S. and the three IMF-supported countries will be more likely to report news stories supporting (positive) the IMF, especially as compared with Malaysia.

H2: Considering that the criticism of the IMF has increased over time and the U.S. government's position on the IMF policy has changed, especially after the Russian government's moratorium announcement in August 1998, the press of all five countries will be more likely to report negative news stories about the IMF during the second year (August 1998-July 1999) than the first year of the time period (August 1997-July 1998).

H3: In the reporting of causes of the Asian economic crisis, news reports of the U.S. and the three IMF-supported countries will be more likely to focus on internal problems of Asian countries as the IMF prescribed, especially as compared with Malaysia.

H4: In the reporting of solutions to the crisis, news reports of the U.S. and the three IMF-supported countries will be more likely to focus on structural reforms of Asian countries as the IMF demanded, especially as compared with Malaysia.

C. Understanding of News Sourcing Patterns

1. Literature Review of News Source Studies

It is said that news reports are based on a selective articulation of certain voices about a given topic. Attributes of news stories are to some extent influenced not only by journalists, but by their sources. In other words, in the news making process, just as journalists play a key role, so do their sources. Thus, the question of who are the sources for news, particularly in political and international news, has long been studied. Leon Sigal (1986) once noted:

News is not what happens, but what someone says has happened or will happen. Reporters are seldom in a position to witness events firsthand. They have to rely on the accounts of others...Reporters tend to draw on the observations of others to describe these occurrences...Readers, whether they are attentive citizens or interested officials, tend to lose sight of the fact that news is not reality, but a sampling of sources' portrayals of reality, mediated by news organizations. To coordinate the activities of their staffs with a modicum of efficiency, newspapers can do little more than establish some standard operating procedures for sampling potential sources. Whatever procedure they adopt unavoidably biases their selection of content.¹⁵

This study assumes that no analysis of news media content is complete without a close look at the sources of that content. News reports are based on a selective articulation of certain voices about a given topic. Attributes of news stories are to some extent influenced not only by journalists, but by their sources. Bernard Cohen (1963), in his influential book, *The Press and Foreign Policy*, noted that “a major information-provider, sources, may be a major agenda-setter for the media’s agenda, and certain media have the power to set some of the public agenda. The two processes are inextricably linked” (p. 87).

As Newhagen and Nass (1989) pointed out, however, the concept of “source” has been surrounded by considerable ambiguity in communication research. More specifically, previous studies have focused on not only conceptualizing news sources in terms of media channels and technologies,¹⁶ but also in terms of the structural distribution of news sources (e.g., source affiliation) and a certain bias or propensity of sources.¹⁷

Who becomes a source for news? In discerning news sources journalists rely on for the interpretation of international affairs, many scholars argue that journalists tend to slant their coverage to reflect the range of ideology, opinion, or foreign policy of the government. Most often government and elite sources dominate news coverage.

Based on an analysis of the New York Times and the Washington Post over a 20-year time period, Sigal (1973) found that about 60% of the news stories came through routine channels, such as press conferences, official proceedings and press releases. More than three-fourths of all news sources were government officials. Gans (1979)

noted that sometimes news sources can potentially include anyone, but “their recruitment and their access to journalists reflect the hierarchies of nation and society” (p. 119).

Similarly Whitney et al. (1989, pp. 161-162) also wrote that “who makes news is not ‘equitably’ distributed in terms of location of individuals in social structure... but largely those in the centers of power.”

Since Sigal’s study (1973), a number of previous studies concerning source selection in news media have consistently found that journalists heavily rely on “government,” “official” and “affiliated” sources.¹⁸ Some suggest that the media are increasingly pressed to use government or official voices and documents to gain legitimacy and political alignments.¹⁹

Later, Brown et al. (1987) also examined the nature and extent of diversity of news sources and news channels. Based on a content analysis of during 1979 and 1980 of front-page news stories appearing in the New York Times, Washington Post and four North Carolina newspapers (Charlotte Observer, Asheville Citizen, Fayetteville Observer, and Raleigh News and Observer), they argued that despite the changing journalistic environment in the 1980s toward news industry conglomeration and the decline of competition which may possibly result in influencing source access and diversity, elite news sources were still the most dominant in both national and state newspapers. They concluded that continued heavy reliance on governmental and other elite news sources “necessarily limit the diversity of information available to the public” (Brown et al., 1987, p. 54).

Through a study of the New York Times coverage of U.S. funding of the Nicaraguan Contras, Bennett (1990) also found that government officials were cited most often and were regarded as a privileged source in the news. He argued that even criticisms are kept “within the bounds of institutional debate” (Bennett, 1990, p. 121). He referred to this as an “indexing” norm, and concluded that it is useful in accounting for how journalistic routines are constructed and how journalists justify their products.

According to Bennett, this means that journalists tend to narrow the range of news sources to “legitimate” voices expressed by important government officials (Bennett, 1990). Bennett stated: “Mass media news professionals, from the boardroom to the beat, tend to ‘index’ the range of voices and viewpoints in both news and editorials according to the range of views expressed in mainstream government debate about a given topic” (1990, pp. 106-107).

Thus, it has long been argued that the routine procedures of news gathering allow journalists to rely more on “official” sources than any other. Regarding the relationship between reporters and sources, many researchers suggest that the use of credible sources is “so integral to good journalism that a truly newsworthy statement of fact is rarely if ever published if it is not properly attributed to a legitimate source” (Sundar, 1998, p. 56).

Gans (1980) has termed news organizations’ heavy use of governmental sources a “mutual access between elite news media and elite news sources” (p. 116). Mark Fishman (1982) also contends that the principle of bureaucratic affinity can satisfy “the input needs of a news bureaucracy.”²⁰ According to him, government news sources

easily organize their public relations activities to satisfy the structural requirements of news production. Likewise, journalists also need news sources that are easily accessible, and this is what government sources offer. Daniel Hallin (1986) explains this symbiotic interaction between journalists and government sources in similar terms: “The government is organized to provide a timely flow of information, geared to the demands of daily journalism; it is extremely efficient for news organizations to locate their personnel at the channels provided by the government” (p. 71).

In addition to journalists’ heavy reliance on government sources, there are many studies concerning journalists’ use of experts as their sources. Based on a content analysis of news sources in Ohio newspaper medical coverage, Stempel and Culbertson (1984) confirmed the lack of news source diversity. They found that physicians, the elites of the health sector, were the most prominent sources used in medical news coverage.

2. Research Questions and Hypotheses for Source Analysis

Based on the review of previous empirical studies and the examination of news stories for this study, this study expects that the structural use of news sources as a framing device for the media can be examined by looking at the following dimensions: source affiliations, specific identities of major sources, directions of sources (positive-negative), organizational job status of news sources, channels of source gathering (routine, informal or enterprise), and gender of sources. This study seeks to shed light on the following general research questions:

RQ1: In the news coverage of the Asian economic crisis and the IMF bailout, who sets the economic globalization agenda? In other words, who are the major sources?

RQ2: How did the press of the U.S. and the Asian countries use news sources to frame “globalization,” given the relative economic positions of the countries? Are there any similarities or differences in news sourcing patterns between countries?

In addition to these general research questions, five hypotheses were advanced, based on the previous findings of the literature concerning media’s sourcing patterns (e.g. Bennett, 1990; Brown et al., 1987; Sigal, 1973). As mentioned earlier, this study expects that the press of the U.S. and the three IMF-supported countries would be more likely report news stories supporting the IMF programs, whereas news reports of Malaysia would be more likely to take a negative or critical position regarding the IMF.

H1: In terms of source affiliations, all five countries’ news reports will be more likely to include government officials and economic experts, such as IMF representatives and economic analysts, as their news sources rather than news sources from other kinds of organizations.

H2: Considering the level of involvement with the IMF programs, news reports of the U.S. and the three IMF-supported countries will be more likely to use news sources supporting the IMF, as compared with Malaysia.

H3: Considering that the criticism of the IMF has increased over time and the U.S. government's position on the IMF policy has changed, especially after the Russian government's moratorium announcement in August 1998, all five countries' news reports will be more likely to use negative news sources during the second year (August 1998-July 1999) than the first year of the studied time period (August 1997-July 1998).

H4: All five countries' news reports will have more sources originating through routine channels than through informal or enterprise channels.

H5: All five countries' news reports will be more likely to include elite news sources such as executives, decision-makers and spokespersons than people identifiable as either unaffiliated individuals or workers.

Notes for Chapter III

¹ Mander, J. (1996b). Facing the rising tide. In J. Mander & E. Goldsmith (Ed.), The case against the global economy and for a turn toward the local (pp. 3-19). San Francisco: Sierra Club Books, p. 3.

² See, Herman, E. S., & Chomsky, N. (1988). Manufacturing consent: The political economy of the mass media. New York: Pantheon Books; Shoemaker, P. J., & Reese, Stephen D. (1996). Mediating the Message. Longman Publishers.

³ Hachten, W. A. (1992). The world news prism: Changing media of international communication. Ames: Iowa State University Press, p. 34.

⁴ See, for example, Boyd-Barrett, O. (1977). Media imperialism: Toward an international framework for the analysis of media systems. In J. Curran, M. Curevitch, & J. Woollacott (Ed.), Mass communication and society (pp. 116-135). Beverly Hills, CA: Sage; Frank, A. G. (1969). Latin America: Undevelopment or revolution. New York: Monthly Review Press; Golding, P. (1974). Media role in national development: A critique of a theoretical orthodoxy. Journal of Communication, 24(3), 39-53; Tomlinson, J. (1991). Cultural imperialism: A critical introduction. London: Pinter.

⁵ According to him, as the traditional colonial empires of the nineteenth century- the British, French, Dutch, Spanish and Portuguese empires- declined in significance, they were replaced by a new emergent American empire.

⁶ Similarly, according to Fejes (1983), a society was considered developed if it had Western economic and political institutions, attitudes to technological innovations, and psychic and social mobility. The development models did not take into account the fact that development cannot be gauged just by industrialization or by GNP figures. In fact, besides the small benefits, these models of development resulted in such problems as overcrowding in cities, population explosion, and environmental pollution.

⁷ Beck, U. (2000). What is globalization? Cambridge: Polity Press, p. 19.

⁸ For example, a search in the Lexis-Nexis database found that newspaper articles on globalization has increased from 544 stories in 1998 to 729 in 1999 and to 710 in the first eight months of 2000 (Mwesige, 2000).

⁹ Germain, R. D. (Ed.). (2000). Globalization and its critics. New York: St. Martin's Press, p. xiii.

¹⁰ Cited from Lamer, T. (1998). IMF: Immune from media fire. MediaNomics, September, 4.

¹¹ See, for example, Herman, E. S., & Chomsky, N. (1988). Manufacturing consent: The political economy of the mass media. New York: Pantheon Books; Shoemaker P. J., & Reese, Stephen D. (1996). Mediating the message. Longman Publishers.

¹² Ginneken, J. (1998). Understanding global news: A critical introduction. New York: Sage Publications, p. 15.

¹³ See, for example, Bennett, W. L. (1990). Toward a theory of press-state relations in the United States. Journal of Communication, 40(2), 103-125; Chang, T. K. (1989).

Access to the news and U.S. foreign policy: The case of China, 1950-1984. Newspaper Research Journal, 10, Fall, 33-44; Chang, T. K. (1988). The news and U.S.-China policy: Symbols in newspapers and documents. Journalism Quarterly, 65(2), 320-327; Dickson, S. H. (1992). Press and U.S. policy toward Nicaragua, 1983-1987: A study of the *New York Times* and *Washington Post*. Journalism Quarterly, 69(3), 562-571; Entman, R. M. (1991). Framing U.S. coverage of international news: Contrasts in narratives of the KAL and Iran Air incidents. Journal of Communication, 41(4), Autumn, 6-27; Hanson, E. C. (1995). Framing the world news: The *Times* of India in changing times. Political Communication, 12, 371-393; Kim, Sung Tae. (2000). Making a difference: U.S. press coverage of the Kwangju and Tiananmen pro-democracy movements. Journalism & Mass Communication Quarterly, 77(1), Spring, 22-36; Lee, C. C., & Yang, J. (1995). Foreign news and national interests: Comparing U.S. and Japanese coverage of a Chinese student movement. Gazette, 56, 1-18; McCoy, T. (1992). The *New York Times* coverage of El Salvador. Newspaper Research Journal, 13(3), Summer, 67-84; Paletz, D., & Entman, R. (1981). Media power politics. New York: Free Press; Yu, Y. C., & Riffe, D. (1989). Chiang and Mao in U.S. news magazines. Journalism Quarterly, 66(4), 913-919.

¹⁴ Pollock, John Crothers. (1981). The politics of crisis reporting: Learning to be a foreign correspondent. New York: Praeger Publishers, p. 4.

¹⁵ Sigal, Leon V. (1986). Sources make the news. In R. K. Manoff, & M. Schudson (Ed.), Reading the news (pp. 9-37). New York: Pantheon Books, p. 15 & 28.

¹⁶ See, for example, Carter, R. F., & Greenberg, B. S. (1965). Newspaper or television: Which do you believe? Journalism Quarterly, 42(1), Winter, 29-34; Johnson, T. J., & Kaye, Barbara K. (1998). Cruising is believing? Comparing Internet and traditional sources on media credibility measures. Journalism & Mass Communication Quarterly,

75(2), Summer, 325-340; Sundar, S. S. (1998). Effect of source attribution on perception of online news stories. Journalism & Mass Communication Quarterly, 75(1), Spring, 55-68.

¹⁷ See, for example, Berkowitz, D. (1987). TV news sources and news channels: A study in agenda-building. Journalism Quarterly, 64, Summer/Autumn, 508-513; Brown, J. D., Bybee, C. R., Stanley, T. W., & Straughan, D. M. (1987). Invisible power: Newspaper news sources and the limits of diversity. Journalism Quarterly, 64, 54-64; Hallin, D. C., Manoff, R. K., & Weddle, J. K. (1993). Sourcing patterns of national security reporters. Journalism & Mass Communication Quarterly, 70(4), Winter, 753-766; Lasorsa, D. L., & Reese, S. D. (1990). News source use in the crash of 1987: A study of four national media. Journalism Quarterly, 67(1), Spring, 60-71; Slater, M. D., & Rouner, D. (1996). How message evaluation and source attributes may influence credibility assessment and belief change. Journalism & Mass Communication Quarterly, 73(4), Winter, 974-991; Soderlund, W. C., & Briggs, E. D. (1999). Sources use in U.S. television news coverage of crisis and non-crisis situations in Grenada (1983), Panama (1989), Cuba (1988-92) and Haiti (1990-93). ICB, 34(3-4), Fall, 10-15; Whitney, D. C., Fritzler, M., Jones, S., Mazarrella, S., & Rakow, L. (1989). Geographic and source biases in network television news 1982-1984. Journal of Broadcasting & Electronic Media, 33(2), Spring, 159-174.

¹⁸ See, for example, Gans, H. J. (1979). Deciding what's news. New York: Pantheon Books; Gitlin, T. (1980). The whole world is watching. Berkeley, CA: University of California Press; Stempel III, G. H., & Culbetsson, H. M. (1984). The prominence and dominance of news sources in newspaper medical coverage. Journalism Quarterly, 61(3), Autumn, 671-676.

¹⁹ See, for example, Entman, R. M. (1991). Framing U.S. coverage of international news: Contrasts in narratives of the KAL and Iran Air incidents. Journal of Communication,

41(4), Autumn, 6-27; Gamson, W. A. (1988). The 1987 distinguished lecture: A constructionist approach to mass media and public opinion. Symbolic Interaction, 11, 161-174; Tuchman, G. (1978). Making news: A study in the construction of reality. New York: The Free Press.

²⁰ Fishman, M. (1982). News and nonevents: Making the visible invisible. In J. Ettema, & D. Whitney (Ed.), Individual in mass media organization: Creativity and constraint. Beverly Hills, CA: Sage, p. 143.

CHAPTER IV

METHODOLOGY

Content analysis is a method of studying and analyzing communications in a systematic, objective, and quantitative manner to measure variables (F. N. Kerlinger, 1973).¹

This study is designed to investigate the manifest news content of the U.S. and four Asian countries' press to answer some important questions about the media's reporting of globalization issues. The nature of news content can be understood better if the contents of the news media are classified and categorized. This procedure permits a comparative study of news frames and sourcing patterns and the underlying news values. As Warren Breed (1956) wrote, the goal of systematic news analysis is "to classify phenomena into relevant categories to promote better understanding" (p. 472).

As mentioned, this study assumes that cultural and journalistic norms of each country, combined with framing devices employed by their respective media, might affect the way the Asian financial crisis and IMF bailout were portrayed. Entman (1993) argues that "the culture is the stock of commonly invoked frames; in fact, culture might be defined as the empirically demonstrable set of common frames exhibited in the discourse and thinking of most people in a social grouping" (p. 53). In this respect, the understanding of press systems in each of the Asian countries is necessary. Also, such knowledge is helpful in choosing more representative newspapers for each country.

A. Newspaper Selection

1. Thailand

Most observers agree that the Thai press recently enjoys considerable freedom, especially since the 1997 Thai Constitution (Sussman, 1999).² Today the law enables the Thai press to criticize government policies and publicize human rights abuses (Chapter III of the 1997 Constitution).³ Nevertheless, if looking back on the history, it is easy to understand why the Thai press has continued to exercise self-censorship, mindful that there are unwritten but real government constraints, especially on coverage relating to the monarchy, government affairs, internal security matters, and Thailand's international image (Ekachai, 2000).

As Muntarbhorn (1998, p. 25) argues, to trace the history of mass media laws in Thailand is “to be a witness to the history of democracy itself in the country,” since Thai press has been under government and military intervention until recently.

Chuensuksawasdi (1998), editor of the Bangkok Post, said:

Even though Thailand did not evolve from a colonial past, the Thai press has experienced its fair share of highs and lows. Indirect government-military intervention and influence were common, especially during the 1960s, and even into the late 1980s. The government had power to close newspapers indiscriminately for alleged national security reasons. Newspaper editors had to get their backgrounds cleared before they received licenses.⁴

Most major daily newspapers are privately owned, but mostly by media barons and entrepreneurs such as Vacharaphon (Thai Rath), the Hetrakul family (Daily News), and the Nation Multimedia Group (Nation and Krungthep Thurakij).⁵ Newspapers are generally independent, and many are financially solvent, deriving their income from sales and advertising. The government is forbidden by law to subsidize private newspapers. Foreign ownership of newspapers is also banned as a safeguard against undue foreign or subversive influence.⁶

Daily newspapers are concentrated heavily in Bangkok, where at least 65 percent of the adults read a daily paper, compared with about 10 percent in rural areas. In the 1980s, Thai journalistic standards improved steadily, as reflected in the print media's growing emphasis on political and economic issues, as well as on major foreign news events. In 1996, there were about 350 newspapers, including 30 dailies, with a total circulation of 3.8 million. Some Bangkok dailies were considered to be national newspapers because of their nationwide distribution.⁷

Among national dailies, the daily Thai Rath and the Daily News have been the most influential, with circulation figures of over a million and 750,000 respectively. These two newspapers reportedly are popular among white-collar groups (Heuvel & Dennis, 1993).⁸ The most successful among the remaining newspapers are Ban Muang, Matichon, Siam Rath, and Naew Na.

The English-language dailies are the Bangkok Post, the Nation, and the Bangkok World, which are popular among the well-educated and influential members of Thai

society and are regarded by many as more reliable than the Thai-language dailies. The Bangkok Post, founded in 1946, has a circulation of 65,000, the highest among the English-language dailies. Followed by The Nation, with a circulation of 54,000. These two dailies are noted for their responsible coverage of domestic and international affairs.⁹

Since the 1980s, more and more Thai journalists are demanding greater freedom in their professional work (Thongpao, 1990). For example, the Freedom House Survey Team (1998) noted that the new Constitution of Thailand in 1997 has limited the power of authorities to close newspapers. The corrupt political and economic systems and their deep-rooted practices of patronage and cronyism “have come under close scrutiny” (Ekachai, 2000, p. 439). Also, in spite of the 1997 economic and financial crisis that has severely damaged the newspaper industry, the Thai newspapers have still been generally regarded as more credible than the government-controlled broadcast media.

For Thailand news stories, the following four elite newspapers were selected:

Daily News, Thai Rath, Bangkok Post and The Nation.

2. Indonesia

Before November 1998, when new President Habibie gave the Indonesian media the opportunity to promote freedom of the press and human rights against the restrictive *Pancasila* press system imposed under the 1945 Constitution, former Presidents Sukarno and Suharto’s “Guided Democracy” controlled the media as an instrument in the government’s strategy of stability and development (Idris & Gunaratne, 2000).

Under the principles of the *Pancasila* press system, the duty of the press was to strengthen national unity and cohesion, deepen national responsibility and discipline, help to raise the intelligence of the nation and invigorate people's participation in development.¹⁰

For instance, one article of the Indonesian Constitution states that “freedom of association and assembly, freedom of expression and thoughts in writing and the like shall be prescribed by statute” (Razak & Tobing, 1996, p. 25). Thus, through the most of Indonesian modern history, the notion of a “free press” seems to contradict the government's need to control the flow of information. The acronym SARA—*Suku* (group or clan), *Agama* (religion), *Ras* (ethnicity or race), and *Antargolongan* (inter-group or social relations)—listed the prohibited subjects that the press avoided covering.¹¹

In addition, the publishing license system, better known as a SIUPP (*Surat Izin Usaha Penerbitan Pers*), effectively limited ownership and management of the Indonesian press.¹² For example, Sinar Harapan (Ray of Hope; later Suara Pembaruan (Voice of Renewal))—a Protestant and non-Javanese-edited, mass circulation (220,340) daily—was closed in October 1986 for advocating the president's resignation.¹³

In terms of ownership, most of Indonesia's newspapers are privately owned. However, in the mid-1990s, a large portion of newspapers were owned or managed by former President Suharto's family or his close allies (Idris and Ghnaratne, 2000).

According to a recent study, there are 20 national dailies with a circulation of 2.73 million and 59 regional newspapers with a circulation of 2.29 million in Indonesia (World Association of Newspaper, 1999). The capital city Jakarta is the center of the press. Among national newspapers, Kompas and Suara Pembaruan are regarded as the country's most respected or elite newspapers. Kompas remains the most influential newspaper with a readership of 2.21 million, and Suara Pembaruan, with a readership of 793,000, is still among one of the "better papers" (Anderson, 1999).¹⁴

The most successful among the remaining newspapers are Republika, Pos Kota (City Post) as the most popular "mass" newspaper, Indonesia Raya (Glorious Indonesia), and Media Indonesia (replacement of the suspended Prioritas) (Idris & Gunaratne, 2000). Indonesia has three English-language newspapers—the Jakarta Post, the Indonesia Times and the Indonesia Observer. Many have argued that unlike the influential English-language newspapers in the British commonwealth countries in Asia, English-language dailies in Indonesia have little political influence (Crawford, 1971). Nevertheless, the most popular English paper, the Jakarta Post founded in 1983, has a circulation of 48,000, the highest among the English-language dailies.

The following four national newspapers were selected for Indonesian data:

Kompas, Suara Pembaruan, Republika and Jakarta Post.

3. South Korea

The Korean press had a strong reformist and nationalistic flavor from its beginning, but has faced efforts of political control and outright censorship during most of the 20th Century (Heuvel & Dennis, 1993). During the 1960s to 1980s, the government exercised considerable control and surveillance over the media through the comprehensive National Security Act. For example, the Basic Press Act of 1980 was the legal capstone of media control and provided for censorship of newspapers, periodicals, and broadcast media.¹⁵

This Act set the professional qualifications for journalists. Media censorship was coordinated with intelligence officials, representatives of various government agencies, and the presidential staff. The Office of Public Information Policy within the Ministry of Culture and Information used daily “reporting guidelines” (*podo chich'im*) to control newspaper editors. The guidelines dealt exhaustively with questions of emphasis, topics to be covered or avoided, the use of government press releases, and even the size of headlines.¹⁶

However, the press has been often critical of the government, zealously protesting any attempts at press censorship. Specifically, the political liberalization of the late 1980s brought a loosening of press restraints, and the 1987 Act relating to Registration of Periodicals (the replacement of the Basic Press Act of 1980) became the basis of the current legal systems for the Korean press (Heo et al., 2000).¹⁷ In a recent Freedom House survey report, Sussman (1999) placed the Korean press in the “free press”

category, with a restriction level of 28 out of 100 points.¹⁸ As of 2001, South Korea has 10 national dailies.

In terms of circulation and readership, the countries' major dailies are Chosun Ilbo (circulation of 2.35 million and readership of 3.9 million), Dong-A Ilbo (circulation of 2.1 million and readership of 3.4 million), Joongang Ilbo (circulation of 2.1 million and readership of 4.2 million), Hankook Ilbo (circulation of 1.4 million and readership of 1.8 million) and the Hankyoreh (circulation of 500,000) (World Association of Newspaper, 1999).¹⁹

In terms of organizational structure or ownership, with the exception of the state-run Daehan Maeil (formerly Seoul Shinmun), all major newspapers are privately owned. Old media families own three of the “Big Four” influential newspapers—Chosun Ilbo (Bang family), Dong-A Ilbo (Kim family) and Hankook Ilbo (Chang family) (Korean Press Institute, 1998).

There are national dailies owned by large conglomerates, such as Joongang Ilbo (the Samsung Group, until March 2, 1999) and Kyunghyang Shinmun (the Hanhwa Group, until the change to the employee-owned paper in 1997). Unlike other dailies, the Hankyoreh (formerly Hankyoreh Shinmun) has an atypical system owned by a huge number of shareholders including journalists who were dismissed by other major newspapers during the military regimes (Youm, 1996).²⁰ Like other Asian countries, there are also popular English-language dailies in Korea—The Korea Herald and The

Korea Times. But, these English newspapers are not nearly as widely circulated as the Korean-language dailies.

For Korean news stories, the following five national newspapers were selected:²¹

Chosun Ilbo, Dong-A Ilbo, Joongang Ilbo, Hankyoreh and Hankook Ilbo.

4. Malaysia

Unlike other Asian countries, no published policy guidelines exist for the Malaysian press (Safar et al., 2000). However, in terms of legal framework, the Printing Presses and Publication Act of 1984 (amended in 1987) has limited the freedom of the press. It prohibits newspapers from publishing or distributing any information critical of public order, morality, the relationship with foreign countries, and comments against national interests (Cordingley & Oorjitham, 1998). Thus, many critics and human rights activists point out that the Act of 1984 is very restrictive (Nain & Anuar, 1998).²²

Recently, a report by the Freedom House has placed the Malaysian press into the “not free” category primarily on the basis of two criteria: political pressures on the media and legal regulations on media content (Sussman, 1999). Similarly, the International Press Institute (IPI, 1999) reported that the Malaysian press was “hamstrung by strict licensing regulations and a pattern of ownership” that enables the ruling party to effectively control the press. As a result, the journalistic culture of self-censorship has prevailed in newsrooms.

Most of the major newspapers are all published in the capital city Kuala Lumpur and the nearby city of Petaling Jaya. Three major newspaper groups are the New Straits Times Press, the Utusan Melayu and the Star Group. The Utusan Malaysia, founded in 1967 and one of the most popular newspapers in the country, has a circulation of 268,000, and its Sunday edition Mingguan Malaysia has the largest readership with a circulation of more than one-half million (Safar et al., 2000).

Among independent newspapers, Nanyang Siang Pau, established in 1923, is widely circulated (180,000). Among four English-language newspapers, the Star, published by the Star Group, has the largest circulation (220,493).²³

Finally, the following three influential newspapers were selected for Malaysian data: Utusan Malaysia, Nanyang Siang Pau and The Star.

5. United States

The four newspapers selected for the U.S. do not represent the entire range of coverage in all U.S. news media. However, there are several reasons to use these four publications. First, these four prestigious newspapers have sizable staffs assigned to Washington and bureaus around the world to gather news firsthand. The New York Times and the Washington Post have long been considered as major sources that significantly mediate the flow of news information between national and international news media.

Thus their impact on the way national and international news issues are covered by other news media has been well documented.²⁴ In addition, based on their prominent coverage of economic issues, extensive audiences in the business community and geographical locations, the Wall Street Journal and Los Angeles Times were also included.

The next section describes how the data were collected and analyzed.

B. Data Gathering and Analysis

1. Sample Data Collection

The publications for the study were selected because they are widely recognized by national audiences, opinion leaders and decision-makers as influential publications in each of the five countries. Asian newspapers were selected based on the preliminary review of the country's press system and interviews with journalists who are well aware of each respective country's newspapers.²⁵ Also the coders who participated in the content analysis for this study helped in the newspaper selection process. As a result, most of non-U.S. publications were selected based on their circulation and prestigious status in each respective country (for more specific information about these selected newspapers, see Appendix 1).

The U.S. data were collected from the electronic indexes of the four newspapers located in the Lexis-Nexis database. The Korea Press Institute Database (KINDS) was

used for the Korean data.²⁶ Each newspaper's own electronic data indexes or microfilms were used for the Indonesian, Thai and Malaysian data sets.

Given that the first IMF bailout of the Asian economic crisis was officially announced in August of 1997 for Thailand, the study examined articles published during the two years between August 1, 1997 and July 31, 1999.

Two complementary methods were employed to obtain more representative samples and to ensure an equivalent number of news stories between the U.S. and the Asian countries. For the U.S., the initial number of pertinent stories was determined by checking with each newspaper's electronic data base services. The population of U.S. data was all news stories, commentaries and editorials mentioning the Asian economic crisis and the subsequent IMF bailouts. Excluded were letters to the editor, reader opinion items and obituaries. Based on the primary focus of news coverage, the collected news articles were sorted by countries—South Korea, Indonesia, Thailand and Malaysia.

Regarding the U.S. sample selection, all the stories (110 articles) primarily dealing with the Malaysian economic crisis were selected for coding. However, for the stories covering the Korean, Indonesian and Thai economic crises, systematic sampling methods were used to limit the number of articles in the analysis, thus making the study more manageable.

More specifically, from a list of articles arranged in chronological order, every third story was selected for the sample—209 stories for the U.S. coverage of the Korean

economic crisis, 172 for Indonesia, and 158 for Thailand. Thus, a total of 649 news stories were coded from the U.S. newspapers.

The selection of newspapers and news articles for the Asian countries involved several steps. Along with the preliminary review of each Asian country's press system, the researcher asked several journalists and graduate students from each Asian country first to choose the most prestigious newspapers in the respective countries. Next we investigated whether the full text and electronic files or microfilms of those newspapers were available. Then the news stories to be content analyzed were selected by conducting a keyword search or by examining specialized data files for the subject so as to obtain all pertinent stories in the Asian countries' publications.

Due to a huge number of news articles (news stories, commentaries and editorials) about the economic crisis, systematic sampling methods were combined with randomly constructed weeks so as to make the sample data more representative and manageable. First, a total of eight weeks was randomly constructed to limit the number of articles (two weeks in 1997, four weeks in 1998 and two weeks in 1999).²⁷ Then all pertinent articles from each newspaper were sorted by date, Monday through Sunday. Next, the relevant stories for each weekday were systematically selected from all newspapers published on the same days. After conducting these procedures, this study contained 201 articles for Korea, 180 for Indonesia, 210 for Thailand, and 186 for Malaysia (see Table 4-1).

TABLE 4-1
News Stories Sampled For the Study

Country	Newspapers	No. of Stories	No. of Sources
U.S.	New York Times	217	1,160
	Washington Post	158	1,112
	Los Angeles Times	128	938
	Wall Street Journal	146	1,016
	Subtotal	649	4,226
South Korea	Dong-A Ilbo	40	262
	Chosun Ilbo	40	296
	Joongang Ilbo	39	200
	Hankyoreh	41	198
	Hankook Ilbo	41	228
	Subtotal	201	1,184
Indonesia	Kompas	48	389
	Suara Pembaruan	43	278
	Republika	44	388
	Jakarta Post (E)	45	276
	Subtotal	180	1,331
Thailand	Bangkok Post (E)	66	469
	The Nation (E)	59	264
	Daily News	42	362
	Thai Rath	43	259
	Subtotal	210	1,354
Malaysia	Utusan Malaysia	63	386
	The Star (E)	60	402
	Nanyang Siang Pau	63	417
	Subtotal	186	1,205
	Total	1,426	9,400

Note: (E) denotes English newspapers in Asian countries. Because this study content-analyzed separately the coverage of U.S. newspapers of the IMF programs in the four Asian countries—Korea, Indonesia, Thailand and Malaysia, the total number of U.S. news reports was relatively larger than those of other countries' newspapers.

2. Coding Procedure

This study greatly benefited from a team project undertaken during the summer of 1999. The group consisted of the author, as principal researcher, and ten graduate and undergraduate students who studied either mass communications, economics or international relations. Team members were composed of two American coders, two from Indonesia, two from Thailand, two from Malaysia, and two from Korea. All were fluent in their respective countries' languages as well as in English.

A quantitative content analysis scheme was developed from a review of related studies and a previously conducted case study by the author.²⁸ To help answer research questions or test the hypotheses, especially for news source analysis, the content categories of several previous studies, such as Sigal (1973), Bennett (1990) and Brown et al. (1987), were employed.

Before coding the sampled stories, one formal test and several pilot tests were conducted. Also, each coder assisted in the development of the coding procedure and participated in the coding process. Materials used in the training and pre-test sessions were not included in the study's data. The coding for the study was conducted over a seven-month period from April to October 1999. In the end, a total of 9,400 news sources contained in 1,426 news articles was content-analyzed according to the coding book.

C. Analysis of News Frames

As mentioned earlier, based on the review of previous studies and the first case study concerning the Korean economic crisis and the IMF bailout (Kim & Eissfeldt, 1999), it is assumed that news frames of globalization can be detected by investigating the following major dimensions of news coverage: major themes of the news story, story context, primary causes and solutions of the crisis, and direction of news coverage of the IMF bailout programs.

Each news story was used as the primary coding unit for news frame analysis. The coding categories ranged from descriptions of simple structural characteristics, such as time, dateline, byline and story type, to more complex judgments of the above listed major dimensions of news frames. A total of 1,426 news articles was content-analyzed and the categories were generated inductively as the analysis proceeded.

For the test of hypotheses, simple percentages were used. Several statistical tests were also employed, including chi-square, t-test and the difference of proportions test.

1. Operational Definitions of Major Categories

1) Major Themes

After several pre-coding sessions and the first case study (Kim & Eissfeldt, 1999), each story was classified into one of 25 possible themes. For the stories with more than

one theme, a distinction was drawn between the primary and secondary theme of the story. The primary theme is defined as the theme for the story which comprises the major portion of the story as a whole, or accounts for the key issues in news content. Examples of major themes included “reconstruction of industrial and/or financial systems in the Asian countries,” “IMF policies’ inappropriateness,” “forecasting the future economy of the Asian countries,” “IMF’s successful role in the Asian crisis,” “impact of the crisis on the U.S. or global economy,” “Asian people dealing with austerity proactively,” “demanding a change of cultural mentality of Asian countries,” “open regional markets to foreign investors,” and so on (for the complete list of major themes and additional definitions for each theme, see Appendix 1).

2) Direction of News Stories about the IMF Bailout Programs

Each story was judged on the favorableness of its overall treatment of the IMF bailout programs in the Asian countries. A total number of 1,175 stories (82% of the population) was classified into one of five-point scale measurements; “strongly negative,” “negative,” “neutral,” “positive,” and “strongly positive.” The category of “positive tone” included descriptions and opinions supportive of the IMF and its program in the Asian countries, whereas each story was coded as having a “negative tone” if there were any critical comments. The category of “neutral/balanced tone” included those stories that expressed both a positive and negative attitude toward the IMF and its programs within a single story. Before coding IMF favorability levels of sampled stories,

comprehensive lists for each of the five possible categories were constructed through one formal and several pilot tests.

3) Primary Causes and Solutions

Primary causes of the Asian economic crisis were classified into one of 11 possible categories, such as “currency problems in general,” “IMF’s inappropriate imposition of bailout programs on the Asian countries,” “economic or political structural problems of the Asian countries,” “insufficient financial regulations,” “heavy reliance on short-term foreign loans,” “foreign bankers’ speculative investment,” “political corruptions of the Asian governments,” “cultural and/or mentality problems of the Asian people,” and so on.

Primary solutions to the Asian economic crisis described in each story were coded into one of 11 possible categories, such as “currency stabilization,” “IMF’s policy reform,” “industrial and/or financial systems’ reform in the Asian countries,” “following the reform package of the IMF bailout programs in general,” “political and/or policy reform in the Asian countries,” “restoring foreign investors’ confidence,” “cultural and/or mentality reform of the Asian people,” and so on.

4) Story Context

Each story was classified into the following three categories: domestic, global (international) issues or mixed. “Domestic Perspective” included news stories which

focused only on the crisis in the context of each Asian country—Korea, Indonesia, Thailand or Malaysia. In other words, the economic situation in each country was not connected to the larger Asian or global financial crisis. “Asian Perspective” and “Global Perspective” dealt with news stories that looked at the each Asian country’s economic crisis within the broader context of the global economy. Each story classified into “mixed context” included both domestic and global contexts.

D. Analysis of News Sources

The coding unit for source analysis was each news source within the stories. Although many researchers point out conceptual ambiguity of news source,²⁹ the term “source” in the news story has been used to refer to the individuals that journalists depend on for news, and more specifically, those actually appearing in the story.

For this study, a news source was operationally defined as “an individual, group (e.g., G7), publication (e.g., IMF annual report) or organization (e.g., WTO) that was quoted or paraphrased in the story.” News sources analyzed for this study were not simply individuals or organizations whose names were mentioned in the story. Included were only sources whose opinions or statements actually appeared in the story.

For the purposes of this study, however, news sources whose identities or affiliations were not revealed clearly in the story were not included. More specifically, identifiable sources such as “an economic analyst,” “an IMF representative” or “White

House officials” were coded. But anonymous news sources whose identity or affiliations were not clearly disclosed (accounting for 8% of the total sources) were coded separately.

Through these procedures, a total of 9,400 news sources contained in 1,426 news articles was content-analyzed according to the coding book (Appendix 2). Each individual news source was coded mainly in terms of the following: source affiliations, specific identities of major sources, directions of sources, organizational job status of news sources, channels of source gathering, and gender of sources.

1. Operational Definitions of Major Categories

1) Affiliations of Major News Sources

Each news source in the story was classified into one of 32 possible institutional categories. The list of affiliations included government officials of the U.S., four Asian nations or other countries; IMF/World Bank officials and/or representatives; economic analysts; international bankers and/or investors; academic scholars; international organizations such as the G7; unaffiliated people, and so on. Then these specific affiliations of news sources were regrouped into several major categories for analysis.

(For the complete list of source affiliations, see Appendix 2.)

2) Direction of News Sources about the IMF Bailout Programs

Direction of news sources regarding the IMF programs was evaluated by using a five-point scale measurement -- “strongly negative,” “negative,” “neutral/balanced,” “positive” and “strongly positive.” Generally, the category of positive tones included descriptions and opinions supportive of the IMF and its programs in Asian countries, whereas a source was coded as having “negative tones” if there were any critical comments. A “neutral/balanced tone” included those sources that expressed both a positive and negative attitude toward the IMF and its programs within a single citation or those for whom the direction was ambiguous to the coders. Before coding IMF favorability levels of news sources, comprehensive lists for each of the five possible categories were constructed through one formal test and several pilot.

3) Organizational Job Status of News Sources

One method often used in gauging news sourcing patterns has been to examine the organizational status of each news source used by reporters.³⁰ Based on the position in an organization, each news source was classified into one of the following types: executives and/or decision-makers, spokespersons (e.g., of governments or organizations), affiliated workers (e.g., bankers, businessmen, economic analysts, researchers) whose institutional affiliations were mentioned in the story, and unaffiliated

or ordinary people (e.g. citizens and blue-collar labor) whose institutional affiliations were not mentioned.

4) Channels of News Gathering

As many previous studies have done, the paths by which information reached the reporters were classified into three broad categories: routine, informal and enterprise (Sigal, 1973). According to Sigal's definition, "routine channels" included press conferences, press releases (including daily briefings by official spokespersons or annual reports by organizations) and official proceedings such as legislative hearings or meetings.

Unlike routine channels, "informal channels" rely on a reporter's individual contacts. These types of channels included background briefings, informal leaks, nongovernmental proceedings and news reports from other news organizations. "Enterprise channels" included unofficial individual interviews, which are mostly conducted on the reporter's initiative, spontaneous events that a reporter witnessed firsthand, and a reporter's research and analysis from available books and statistical data.

5) Identification and Gender of News Source

Specific identification of sources was coded if the source's name and affiliation were reported, or if sufficient information about the source was provided to allow for a

guess of identifications. Also, all applicable news sources were coded as male or female if gender was ascertainable from the story or source's name.

E. Intercoder Reliability

Considering that this research is a multi-national comparative study, based on the analysis of different language news content, special attention was given to increasing the reliability and validity of the categories used in the measurements. For the U.S. data and English newspapers of the Asian countries, all stories were double-coded by at least two coders. Each pair of coders from the four Asian countries analyzed non-English newspapers published in their respective countries. The author coded all English and Korean news articles and also regularly checked each coder's output to ensure uniformity of analysis and interpretation.

Special efforts were also made to test intercoder reliability. For the English newspapers, the codes of the two main coders were compared to determine a percentage of agreement on each variable. After calculating the intercoder agreement, the items on which the two coders disagreed were given to a third person who served as an additional coder to decide which choice to use.

For non-English news articles, two independent coders content-analyzed all sampled stories. After calculating the intercoder agreement between the coders, the items on which they disagreed were translated into English for final determination by the

author. Then final agreement levels were calculated by using Krippendorff's Alpha, which makes it possible to calculate intercoder reliability coefficients among more than two coders (Krippendorff, 1980).³¹

The intercoder reliability coefficients for news frame analysis were calculated as the average percentage of agreement among all involved coders. The final coefficients across the five countries were: .78 for major themes; .82 for story direction; .91 for story context; .86 for primary causes; and .85 for primary solutions. The overall coefficient of news frame analysis for total sampled stories was .84 (see Appendix 3-1).

The intercoder reliability coefficients for news source analysis were: .82 for source institutional affiliations; .82 for news source direction; .83 for organizational job status of sources; .84 for channels of source gathering; 1.00 for specific source identities; and .91 for gender of sources. The overall reliability coefficient for news source analysis across all stories was .87 (see Appendix 3-2).

Notes for Chapter IV

¹ Kerlinger, F. N. (1973). Foundations of behavioral research (2nd ed.). New York: Holt, Rinehart and Winston, p. 525.

² The 1999 Freedom House survey reported that the Thailand media have a relative free press system, with the restriction score 30 out of 100 points. More specifically, 5 out of 15 in terms of the influence of regulation on media content, 3 out of 15 in terms of political pressure or control on media content, and 5 out of 15 in terms of economic influences over media content (Sussman, 1999).

³ For example, Section 39 states that “every person has the right to freedom of expression. Only laws enacted to protect ‘national security and public order or morals’ can restrict this right. Section 39 also forbids the government from closing down the mass media; forbids officials from censoring news or articles before publication except, by virtue of the law, in times of war or fighting; prohibits state financial aid for private media; and requires media owners to be Thai nationals.”

⁴ Cited from, Ekachai, D. (2000). Thailand. In S. A. Gunaratne (Ed.), Handbook of the media in Asia (pp. 429-461). New Delhi: Sage Publication, p. 436.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ *Ibid.*

⁸ *Ibid.*

⁹ Editor & Publisher International Yearbook. (2000). New York: Editor & Publisher.

¹⁰ See, for more information, Press Law Number 21 of 1982 Constitution. Originally this Press Act amended the Press Act No. 11 of 1966 as amended by Act No. 4 of 1967 (Idris & Gunaratne, 2000).

¹¹ Idris, N., & Gunaratne, S. A. (2000). Indonesia. In S. A. Gunaratne (Ed.), Handbook of the media in Asia (pp. 263-295). New Delhi: Sage Publication.

¹² The SIUPP law was changed following the resignation of Suharto on May 21, 1998, and the inauguration of new President Habibie. On June 5, 1998, Information Minister Yunus Yosfiah issued a decree which streamlined the SIUPP law by reducing the number of requirements for a publication license from sixteen to three (Idris & Gunaratne, 2000). According to Heuvel and Dennis (1993), the SIUPP enabled the Indonesian government to control the number of newspapers and to block newspaper groups from expanding.

¹³ As another example, the ban seemed intended to have a self-censoring effect on the rest of the media. The daily Prioritas (Priority) was also shut down in June 1987, because this newspaper had jeopardized the national interest.

¹⁴ More specifically, Kompas is the flagship of the Kompas-Gramedia Group, which pursued a strategy of diversification and reinvestment in the 1980s. By the early 1990s, the group had diversified itself through 38 subsidiaries dealing with radio, book publishing, travel, banking, insurance, advertising, hotels, shrimp farming, and the like. Suara Pembaruan, the reincarnation of Sinar Harapan (Ray of Hope) banned in 1986, is the flagship of the Sinar Kasih Group. It began its diversification in 1971 with the

establishment of the Sinar Agape press; and it invested in companies dealing with book publishing, advertising, broadcasting, travel, transportation, and the like. The group published the popular magazine Mutiara (Pearl) and co-published several weekly magazines (Tribune, for example) and specialized monthlies (TIM and Higinia). It also ventured, rather unsuccessfully into collaborative agreements with smaller regional papers (Hill, 1994).

¹⁵ Youm, K. H. (1996). Press law in South Korea. Ames: Iowa State University Press.

¹⁶ *Ibid.*

¹⁷ Moreover, the Korean Constitution also outlines the fundamental principles relating to freedom of the press, rights of the individual, and national security.

¹⁸ Although some critics are skeptical of the validity of the scores, the report lists more specific restriction scores for the Korean press: the influences of laws and regulations on media content (4 out of 15); the political pressures and controls on the press (9 out of 15); and economic influences on media content (5 out of 15) (Sussman, 1999).

¹⁹ The other five national newspapers are Kyunghyang Shinmun, Kook-min Ilbo, Daehan Maeil, Segye Ilbo and Munhwa Ilbo.

²⁰ More specifically, the paper (founded in 1988) had more than 60,000 small shareholders through the country at the beginning stage.

²¹ Because the author was able to analyze Korean-language news articles, English-language newspapers were not included for the Korean data.

²² The Act has its origin in the Printing Presses Ordinance of 1920 and 1948. And the Official Secrets Act of 1972 also had some statements on the regulation of the Malaysian press.

²³ Safar, H. M., Sarji, A. B., & Gunaratne, S. A. (2000). Malaysia. In S. A. Gunaratne (Ed.), Handbook of the media in Asia (pp. 317-349). New Delhi: Sage Publication.

²⁴ See, for example, Graber, Doris A.(1997). Mass media and American politics (5th ed.). Washington, D.C.: CQ Press; Paletz, D., & Entman, R. (1981). Media power politics. New York: Free Press.

²⁵ For newspaper selection, several journalists of each Asian country were contacted via e-mails.

²⁶ The database of "KINDS" can be accessed at [<http://www.kpi.or.kr>].

²⁷ A total of 56 days (8weeks) was randomly selected for the study. More specifically, the two years (730 days between August 1, 1997 and July 31, 1999) arranged sequentially by day, Monday through Sunday. Then the eight weeks were constructed, based on the table of random numbers. The specific dates are as follows:

Monday: 8/18/97, 11/17/97, 1/5/98, 3/23/98, 7/20/98, 10/12/98, 2/15/99, 5/17/99.

Tuesday: 9/23/97, 10/7/97, 2/17/98, 5/12/98, 11/8/98, 12/29/98, 1/19/99, 7/20/99.

Wednesday: 9/3/97, 11/19/97, 2/25/98, 6/17/98, 8/12/98, 12/2/98, 3/17/99, 4/7/99.

Thursday: 11/6/97, 12/18/97, 1/22/98, 4/16/98, 6/21/98, 9/17/98, 1/21/99, 3/25/99.

Friday: 8/8/97, 12/26/97, 3/6/98, 6/12/98, 11/27/98, 12/18/98, 4/30/99, 6/18/99.

Saturday: 10/4/97, 12/6/97, 2/28/98, 5/30/98, 7/4/98, 9/26/98, 5/8/99, 6/6/99.

Sunday: 9/21/97, 10/26/97, 4/26/98, 6/7/98, 8/22/98, 10/25/98, 1/24/99, 5/2/99.

²⁸ According to Riffe et al. (1998, p. 20), “Quantitative content analysis is the systematic and replicable examination of symbols of communication, which have been assigned numeric values according to valid measurement rules, and the analysis of relationships involving those values using statistical methods, in order to describe the communication, draw inferences about its meaning, or infer from the communication to its context, both of production and consumption.”

²⁹ For example, Blumler, J., & Gurevitch, M. (1986). Journalists' orientations to political institutions: The case of parliamentary broadcasting. In P. Golding, G. Murdock, & P. Schlesinger (Ed.), Communication politics: Mass communications and the political process (pp. 67-92). New York: Holmes & Meier; Newhagen, J., & Nass, C. (1989). Differential criteria for evaluating credibility of newspapers and TV news. Journalism Quarterly, 66(2), Summer, 277-284.

³⁰ See, for example, Berkowitz, D. (1987). TV news sources and news channels: A study in agenda-building. Journalism Quarterly, 64, Summer/Autumn, 508-513; Brown, J. D., Bybee, C. R., Stanley, T. W., & Straughan, D. M. (1987). Invisible power: Newspaper news sources and the limits of diversity. Journalism Quarterly, 64(1), 54-64.

³¹ For more information, see pp. 129-154 in Content analysis: An introduction to its methodology (Krippendorff, 1980).

$\alpha = 1 - (\text{observed disagreement}) / (\text{expected disagreement})$.

When the number of coders is exactly two, the categories of the variables are nominal, and the sample size is very large, then the agreement coefficient equals Scott's pi:

$\text{pi} = 1 - (\% \text{ of observed matches} - \% \text{ of expected matches}) / (100 - \% \text{ of expected matches})$.

The computer program for the calculation of Krippendorff α was used for this study, because Krippendorff α makes it possible to calculate coefficients among more than two coders.

CHAPTER V

FINDINGS OF CONTENT ANALYSIS

A. Findings of News Frame Analysis

The selected 20 elite newspapers in the five countries devoted a great deal of attention to the 1997 Asian economic crisis and the IMF responses. A total of 1,426 news reports written in the five countries' languages was analyzed, and there were only a sample of a much larger population.

Overall, the examination of major themes, story direction regarding the IMF programs, primary causes and solutions to the crisis, story context, and datelines of the news stories in the five countries helped not only to assess described attributes of news reports about the Asian economic crisis and subsequent IMF bailouts, but also to detect a free-market supportive "globalization" news frame.

1. Major Themes

In order to assess the nature of news coverage, this study identified the major themes of each story. The theme was defined as the "article's prevailing message or primary emphasis or concern." Because multiple coding was allowed (primary and if possible secondary theme), a total of 2,490 story themes in 1,426 news reports was categorized.

TABLE 5-1. Comparison of Major Themes (Percents of Themes Mentioned Over 1.0%)

Major Themes	U.S. (N=1,090)	Korea (N=373)	Indonesia (N=329)	Thailand (N=363)	Malaysia (N=336)	Total (N=2,490)
Demanding Reforms of the Asian Countries	26.5	24.2	24.9	20.6	5.4	23.0
Reconstruction of industrial or financial systems	16.0	14.5	16.5	12.4	3.6	13.8
Governments' corruptions and demanding political reforms	5.3	2.7	3.6	3.3	-	3.8
Demanding a change of cultural mentality of Asian countries	2.8	4.3	3.6	3.3	1.8	3.3
Opening regional markets to foreign investors	2.4	2.7	1.2	1.6	-	2.1
Reporting Events or Updated Crisis Information	20.6	23.8	24.1	29.0	25.1	22.9
Forecasting the future economy of the Asian countries	7.9	9.9	6.1	12.4	7.2	8.5
Reporting updated news of the IMF and the Asian countries	6.7	6.5	8.5	13.3	9.0	8.1
Reporting current stock markets or currency information	4.1	5.9	7.1	3.3	-	4.2
Reporting international economic conferences or forums	1.9	1.5	2.4	-	8.9	2.1
Debates on the IMF's Policy in General	20.4	17.1	12.1	18.2	17.2	18.1
IMF programs' inappropriate/Demanding IMF's policy reform	11.6	10.1	8.5	7.4	13.6	10.7
IMF's successful role in the Asian crisis or in global stability	8.8	7.0	3.6	10.8	3.6	7.4
The Crisis and People	11.8	17.4	18.2	5.8	5.4	11.5
Austerity causes agony (e.g., labor movements)	9.4	10.7	12.1	3.3	3.6	8.1
Asian people dealing with austerity proactively	2.4	6.7	6.1	2.5	1.8	3.4
Others						
Suggesting capital control policy for Asian countries	1.5	-	-	-	13.9	9.3
Evaluation of Asian countries' responses to the IMF programs	7.0	6.5	9.7	11.6	8.1	8.1
Impact of the Asian crisis on the U.S. or global economy	7.0	4.9	1.2	2.5	2.7	4.8
The leadership of the U.S. in the global economy	5.1	-	-	-	-	2.4
Reporting debates about the Asian Fund Establishment	1.4	1.0	1.2	2.5	2.7	1.5
Criticizing international speculative investors (e.g., Soros)	1.1	-	-	-	2.3	1.3

Note: Because of multiple coding (primary and secondary themes), the total number of 2,490 themes in 1,426 stories were coded.

Table 5-1 shows the major themes of news coverage of the Asian economic crisis and the IMF bailout in each of the five countries. Each story was classified into one of 25 possible themes (for more details, see Appendix 2) and then regrouped into several major categories: demanding reforms of the Asian countries, reporting events and/or updated crisis information, covering controversial debates on the IMF's policy, the crisis and people, and others.

As shown in Table 5-1, there were notable similarities and differences in news themes between countries. Overall, the newspapers of the U.S. and the three IMF-supported countries—South Korea, Indonesia and Thailand—were fairly similar to one another in their distribution of story themes.

The category of “demanding reforms of the Asian countries,” especially “reconstruction of industrial or financial systems,” was the most common theme, accounting for 20.6% in Thailand and 26.5% in U.S. It also included “Asian governments’ corruptions and demanding political reforms,” “demanding a change of cultural mentality of Asian countries,” and “opening regional markets to foreign investors,” which are largely consistent with the IMF’s goals.

On the other hand, the themes covered the most frequently by the Malaysian newspapers included “suggesting capital control policy“ (13.9%) which is against the IMF’s deregulation approach for a capital system, IMF programs’ inappropriateness and/or demanding the IMF policy reform” (13.6%), “reporting updated news of the IMF and the Asian countries” (9.0%), and “reporting international economic conferences or forums” (8.1%). Compared to news reports in the U.S. and three other Asian countries,

it's evident that less coverage (5.4%) emphasized "demanding reforms of the Asian countries."

Table 5-1 also shows that the category of "the crisis and people" had less coverage compared to other themes. Across countries, only one of ten stories (11.5% on average) included the themes "austerity causes agony" (8.1% on average) and "Asian people dealing with austerity proactively" (3.4% on average). There were some differences between countries. Compared to the data of the U.S., Thailand and Malaysia, Korean and Indonesian newspapers were more likely to report news stories concerning "austerity causes agony" and "people dealing with austerity proactively." Perhaps the political unrest and demonstrations in Indonesia and labor movements in Korea were one possible reason why the newspapers of Korea and Indonesia paid more attention to these topics.

Among other major themes were "forecasting the future economy of the Asian countries" (8.5% on average), "evaluation of Asian countries responses to the IMF programs" (8.1%), "reporting updated news of the IMF and the Asian countries" (8.1%), and "impact of the crisis on the U.S. and/or global economy" (4.8% on average, in particular 7.0% of the U.S. stories).

2. Favorability Levels of the IMF Programs

The first hypothesis (H1) predicted that considering the level of involvement with the IMF programs, the press of the U.S. and the three IMF-supported countries would be more likely to report news stories supporting the IMF, especially as compared

with Malaysia. As discussed above, the comparison of major themes of news coverage between countries also supports this prediction (see Table 5-1).

Table 5-2 summarizes the comparison of favorability levels of news reports to the IMF programs in the Asian countries. Overall, the findings shown in Table 5-2 confirm the first hypotheses concerning the favorability levels.

TABLE 5-2

Comparison of the IMF Favorability Levels of Combined News Stories Between the U.S. and the three IMF-supported Asian Countries vs. Malaysia, Mean (Standard Deviation)

United States and Three IMF-Supported Countries (N=1,004)	Malaysia (N=171)	Difference
3.04 (.99)	2.72 (.77)	.32*

Note: The favorability levels were measured with a five-point scale: 1=strongly negative, 2=negative, 3=neutral (balanced), 4=positive, and 5=strongly positive.

* To compare favorability levels between Malaysia and other countries (Hypothesis 1), based on the two mean scores of Malaysia (2.72) and the other four countries (3.04), a t-test was conducted: $t=4.803$, $df=1,173$, $p<.001$.

The combined favorability score of the United States and the three IMF-supported countries was 3.04, whereas the level of Malaysia was 2.89, measured on a five-point scale (3.0 indicates neutral or balanced level). A t-test between two mean scores also indicated that the favorability levels of news stories in the U.S. and the three IMF-supported countries were significantly more positive than Malaysian news

coverage ($t=4.803$, $df=1,173$, $p<.001$), although the absolute difference in average scores was small and both scores were close to the midpoint of the scale, suggesting mostly neutral or balanced coverage.

TABLE 5-3

Comparison of the News Favorability Levels for the IMF Programs in the Asian Countries Before and After Russia's Moratorium Announcement in August 1998

Country	Before (1 st Year)		After (2 nd Year)		Total	
	Frequency	Mean	Frequency	Mean	Frequency	Mean
U.S.A.	387	3.19	122	2.76 ^a	509	3.05
Korea	82	3.44	71	2.75 ^a	153	3.12
Indonesia	88	3.32	56	2.43 ^a	144	2.97
Thailand	132	3.25	66	2.68 ^a	198	3.06
Malaysia	117	2.74	54	2.67	171	2.72
Total News Stories	806	3.17	369	2.64 ^a	1,175	3.01

Note: The favorability levels of stories were measured on a five scale: 1= strongly negative, 2=negative, 3=neutral (balanced), 4=positive, and 5=strongly positive. As Russia announced moratorium in August 1998, "Before" indicates the time period between August 1997 – July 1998 and "After" indicates August 1998 – July 1999.

To compare favorability levels between the first and second year (Hypothesis 2), based on the two mean scores of each of the two time periods, t-tests were conducted: ^a $p<.001$.

More specifically, if looking at differences between countries (see Table 5-3), the favorability scores of the U.S. (3.05 on average), Korea (3.12) and Thailand (3.06)

were notably higher than that of Malaysia (2.72), especially during the first year of the study, and also slightly higher than that of Indonesia (2.97).

Also, of interest is a significant difference in favorability levels of news reports about the IMF programs in Asian countries before and after Russia's Moratorium Announcement in August 1998. The second hypothesis (H2) predicted that considering the increased criticism of the IMF over time and the U.S. government's change in position on the IMF policy, the press of all five countries would be more likely to report negative news stories about the IMF during the second year (August 1998-July 1999) than the first year of the time period (August 1997-July 1998).

The results of the t-test show that there was a significant difference in favorability levels across the examined time periods, except in the Malaysian press, generally confirming the second hypothesis (H2). The newspapers of four of the five countries were more likely to include negative reports about the IMF during the second year of the two-year time period, after Russia's moratorium announcement.

A few selected headlines exemplified this shift in the attitude of news reports toward the IMF or its policies in Asia:

Before:

- "Thai bailout of \$16 billion wins support: IMF...will make significant contributions" (Los Angeles Times, August 12, 1997, p. D01)
- "IMF head says Indonesian crisis could be blessing" (Wall Street Journal, November 13, 1997, p. A19)
- "Clinton wants IMF bolstered to beat Asian economic crises" (Bangkok Post, December 18, 1997, p. A02)
- "President-elect Kim Dae-Jung urges cooperation with IMF" (Dong-A Ilbo, December 26, 1997, p. A04)

- “IMF officials says Asia is on road to recovery from economic crisis” (Washington Post, June 3, 1998, p. C15)
- “Rubin hoping Thais back requirements of the IMF” (New York Times, July 1, 1998, p. A09)

After:

- “Time to reweave the world’s financial safety net” (Los Angeles Times, September 13, 1998, p. M01).
- “Reforming the International Monetary Fund: Focus on crisis management” (Wall Street Journal, October 6, 1998, p. A22).
- “IMF admits misgauging Asian crisis” (Jakarta Post, January 21, 1999).
- “Senate may delay bill approval: After IMF admits it has made mistakes” (Bangkok Post, January 24, 1999, p. 1)
- “World Bank turns up criticism of the IMF” (Washington Post, December 3, 1998, p. E01)
- “IMF measures on wrong track” (Utusan Malaysia, April 7, 1999, editorial)

More specifically, Table 5-3 shows that the average level of favorability of all news reports combined dropped significantly in each country, except Malaysia which was already somewhat negative about the IMF in the first year, from the first to the second year, indicating a more negative slant on the IMF programs (3.17 vs. 2.64 on average, $p < .001$). Table 5-3 also shows that the average favorability scores were lowest for Malaysia in both time periods and for the entire time period, as predicted by Hypothesis 1.

3. Primary Causes of the Crisis

What agenda did the newspapers of the five countries set for the discussion of the cause(s) of the Asian economic crisis? The third hypothesis (H3) predicted that in the reporting of causes of the Asian economic crisis, news reports of the U.S. and the three IMF-supported countries would be more likely to focus on internal problems of Asian countries as the IMF prescribed, especially as compared with Malaysia. About 70% of the total stories examined (1,006 in a total of 1,450 stories) reported some discussion of causes.

TABLE 5-4

Comparison of Primary Causes of the Crisis Reported in News Stories Between the U.S. and the three IMF-supported Asian Countries vs. Malaysia (Total N=939 Stories)

Primary Causes	United States and Three IMF-Supported Countries (N=864)	Malaysia (N=75)
Internal Factors of Asian Countries	51.4%	28%*
Other Kinds of Factors (Financial or IMF Programs)	48.6%	72%*

Note: The category of "Internal Factors of Asian Countries" includes economic structural problems of Asian countries, governments' insufficient regulations, heavy reliance on foreign loans, political corruptions of Asian governments, cultural aspects problems of Asian people, and so on. "Other Kinds of Factors" include currency problems in general, speculative foreign investors, IMF's inappropriate programs in Asia, and so on.

* To compare primary causes of the crisis reported in newspapers between Malaysia and other countries (Hypothesis 3), based on the two independent samples of Malaysia (N=75) and the other four countries (N=864), a chi-square test was conducted: $X^2=15.102$, $df=1$, $p=.000$.

For the hypothesis test, each cause of the crisis reported was classified into two broad categories: "internal factors of Asian countries" and "all other kinds of factors." Table 5-4 shows that the combined category "internal factors of Asian countries" of the U.S. and the three IMF-supported countries accounts for 51.5% of the reported causes, whereas this category in Malaysian newspapers includes only 28%. The chi-square test revealed a highly significant difference between the two scores ($X^2=15.102$, $df=1$, $p=.000$).

TABLE 5-5

Comparison of Specific Primary Causes of the Crisis Reported in the Five Countries' Newspapers (Percents of Stories Mentioned Over 1.0%)

Primary Causes	U.S. (N=503)	Korea (144)	Indonesia (140)	Thailand (144)	Malaysia (75)	Total (1,006)
Internal Factors of Countries	46.0	47.2	51.5	50.1	28.0	46.2
Economic structural problems	12.9	22.9	22.9	16.7	8.0	15.9
Insufficient regulations	11.7	9.0	5.7	16.7	20.0	11.8
Reliance on foreign loans	9.9	10.4	11.4	14.6	-	10.1
Political corruptions	8.9	2.8	8.6	2.1	-	6.4
Cultural aspect problems	2.6	2.1	2.9	-	-	2.0
Financial Factors	28.4	32.0	22.9	33.4	28.0	28.9
Currency problems in general	18.7	27.8	22.9	29.2	24.0	22.5
Speculative foreign investors	9.7	4.2	-	4.2	4.0	6.4
IMF's Inappropriate Programs	14.5	17.4	20.0	10.4	40.0	17.0
Others/Not Clear	10.9	3.5	5.7	5.9	3.7	8.0
Total	99.8	100.1	100.1	99.8	99.7	

Note: About 70% of total stories (1,006 from a total 1,450 stories) included some discussion of causes. Because of rounding and unmentioned items, the total percentages do not equal 100%.

Table 5-5 shows the percentages of more specific causes by the newspapers in each of the five countries. Internal factors of Asian countries, such as economic structural problems, insufficient regulations, heavy reliance on foreign loans, and political corruption, accounted for 46 % (U.S.) to 51.5% (Indonesia) of all causes discussed in the newspapers of the U.S. and the three IMF-supported countries.¹ Comparatively, only 28% of all causes discussed in the Malaysia newspapers were devoted to these internal factors.

The comparison between countries reveals that such causes as “economic structural problems” and “currency problems in general” were more mentioned in the newspapers of the three IMF-supported countries than the U.S. newspapers.

Financial factors, such as currency problems in general (22.5% on average) and speculative foreign investors (6.4% on average), were also discussed as important causes. Next, the IMF’s inappropriate response to the crisis was a distant third cause mentioned in the U.S. and the three IMF-supportive Asian countries (17% on average), while it was reported as the primary cause in Malaysian newspapers (40%).² Specifically, when causes were discussed, 14.5% of the discussion in the U.S. press, 17.4% in Korea, 20% in Indonesia and 10.4% in Thailand pointed to the IMF’s inappropriate response as a cause.

Overall, as hypothesized, the findings in Tables 5-4 and 5-5 show that while Malaysian newspapers put their emphasis on the IMF’s inappropriate approaches to the crisis, the other four countries primarily named internal factors or currency problems in general as the more important causes rather than the IMF’s inappropriate responses.

4. Primary Solutions to the Crisis

What were the solutions suggested by the five countries' newspapers? About 75% of total stories (1,065 of 1,426 total stories) included some discussion of solutions. Each solution for the crisis reported was classified into two broad categories: "reforms of Asian countries" and "all other kinds of solutions."

TABLE 5-6

Comparison of Primary Solutions of the Crisis Reported in News Stories Between the U.S. and the Three IMF-supported Asian Countries vs. Malaysia (Percents of Stories, Total N=1,029)

Primary Solutions	United States and Three IMF-Supported Countries (N=945)	Malaysia (N=84)
Reforms of Asian Countries	51.7%	46.4%
Other Kinds of Solutions (Financial Stabilization or IMF Policy Reforms)	48.3%	53.6%

Note: The category of "Reforms of Asian Countries" includes financial reforms, industrial restructuring, political or policy reforms, cultural reforms, following the IMF reform package, and so on. "Other Kinds of Solutions" include currency stabilization in general, restoring investors' confidence, IMF's policy reforms, and so on.

* To compare primary causes of the crisis reported in newspapers between Malaysia and other countries (Hypothesis 3), based on the two independent samples of Malaysia (N=75) and the other four countries (N=864), a chi-square test was conducted: $X^2=.873$, $df=1$, $p=n.s.$

Along the same line as Hypothesis 3, the fourth hypothesis (H4) predicted that in the reporting of solutions to the crisis, news reports of the U.S. and the three IMF-supported countries would be more likely to focus on structural reforms of Asian countries as the IMF demanded, especially as compared with Malaysia.

Table 5-6 partially supports this prediction. The combined category “reforms of Asian countries” of the U.S. and the three IMF-supported countries accounts for 51.7% of the solutions, whereas this category of Malaysian newspapers accounts for 46.4%. However, the chi-square test did not find any statistical significance between the two proportions ($X^2=.873$, $df=1$, $p=ns$).

Table 5-7 provides more details about identification of the primary solutions to the Asian economic crisis in news coverage. Overall, solutions discussed corresponded well with the causes described in Table 5-5. The newspapers in the U.S. and the three IMF-supported countries were similar in that they emphasized solutions supporting the IMF position, whereas Malaysian newspapers tended to focus on the IMF’s policy reforms (22.5%), along with reforms of Asian countries (32.5%).

More specifically, various reform programs in Asian countries, such as industrial and/or financial reforms and political reform and cultural reforms, were discussed as primary solutions by the newspapers of U.S. and three IMF-supportive countries (which ranged from 50% of the U.S. and Korea to 58.2% of Indonesia).³ Financial stabilization, such as currency stabilization in general (18.9% on average, particularly 25.7% in Korea) and restoring investors’ confidence (9.7% on average), were also discussed as important solutions. However, the discussion of the IMF’s policy reforms

was mentioned relatively less (16.4% on average), especially in the U.S., Korea, and Thailand.

TABLE 5-7

Comparison of Specific Primary Solutions to the Crisis Reported in the Five Countries' Newspapers (Percents of Stories Mentioned Over 1.0%)

Primary Solutions	U.S. (510)	Korea (144)	Indonesia (144)	Thailand (147)	Malaysia (120)	Total (1,065)
Reforms of Asian Countries	50.0	50.0	58.2	53.0	32.5	49.6
Industrial or financial reforms	13.7	23.6	19.4	18.4	5.0	15.5
Following the IMF reform package	19.8	7.6	11.1	12.2	12.5	15.1
Political or policy reform	13.2	13.9	16.6	16.3	12.5	14.1
Cultural aspect reform	3.3	4.9	11.1	6.1	2.5	4.9
Financial Stabilization	30.8	34.0	22.2	32.6	15.0	28.6
Currency stabilization	20.0	25.7	13.9	20.4	10.0	18.9
Restoring investors' confidence	10.8	8.3	8.3	12.2	5.0	9.7
IMF's policy reforms	15.5	16.0	19.4	12.2	22.5	16.4
Others (e.g. capital control)	3.7	-	-	2.0	30.0	5.5
Total	100.0	100.0	99.8	99.8	100.0	100.1

Note: About 75% of total stories (1,065 of 1,426 total stories) included some discussion of solutions to the crisis. Because of rounding and unmentioned items, the total percentages do not equal 100%.

The "others" category included such solutions as capital control, creation of the Asian Monetary Fund and so on. Specifically, 30% of the solutions portrayed in the

Malaysian newspapers mentioned capital control policy, which is in direct contrast to the IMF's deregulation approach for a capital system.⁴

5. Story Context

As a complementary method to discern the stance of news stories, this study also coded the context or perspective of each news story as “global,” “regional (Asian),” “domestic,” or “mixed.” As shown in Table 5-8, there are notable similarities among Asian countries’ newspapers and a significant difference between the context of IMF coverage in the U.S. and the other four Asian countries.

This study found that slightly over half of the U.S. stories (58.4%) looked beyond the national realm into the broader realm of international affairs, employing either a global perspective (34.1%) or an Asian perspective (24.3%). By contrast, only about 10% (ranging from 4.4% in Indonesia to 14.4% in Korea) of the Asian countries’ news stories were reported within a global context, such as the influences of their domestic economic crises on the world economy. By contrast, a majority of news stories of the Asian countries, except for Malaysian newspapers (24.2%), were strictly within each respective country’s context (domestic issues).

Overall, news reports in the U.S. press were more likely to treat the Asian economic crisis within a broader context. For example, many stories in the U.S. newspapers dealt with the impact of the Asian economic crisis on the U.S. or global economy (12.3%, see Table 5-1).⁵ These differences can be easily understood, given that the U.S. is an economic leader in the world economy and favors a global free-

market economic system, while Asian countries are newly industrializing countries confronted by an unprecedented economic crisis.

TABLE 5-8

**Comparison of Story Context Reported in the Five Countries' Newspapers
(Percents of Stories Over 1.0%)**

Story Context	U.S. (649)	Korea (201)	Indonesia (180)	Thailand (210)	Malaysia (186)	Total (1,426)
Global Perspective	34.1	14.4	4.4	8.6	11.3	20.8
Regional (Asian) Perspective	24.3	13.4	4.4	12.9	25.8	18.8
Domestic Perspective	26.8	57.7	64.4	51.4	24.2	39.5
Mixed (Domestic + Global)	12.5	12.4	26.7	25.7	38.7	19.6
Not clear	2.3	-	-	1.4	-	1.3
Total	100.0	99.9	99.9	100.0	100.0	100.0

Note: Because of rounding and unmentioned items, the total percentages do not equal 100%.

“Domestic Perspective” included news stories which focused only on the crisis in each of the Asian countries—Korea, Indonesia, Thailand and Malaysia. In other words, the economic situation in each country was not connected to the larger Asian or global financial crisis. “Asian Perspective” and “Global Perspective” dealt with news stories that looked at each Asian country’s economic crisis within the broader context of the global economy. Each story classified into “mixed context” included both domestic and global contexts.

The Asian countries' media, especially the three IMF-supported countries, focused on internal economic problems and reform programs that must take place under the IMF guidelines. The U.S. press, however, looked at the crisis from an outside perspective—seeing the crisis in the context of other crises or developments in the world market system, such as economic problems in Russia and Brazil.

6. Dateline of Story

Table 5-9 summarizes the comparison of dateline (place of reporting) of news reports in the five countries' newspapers. Overall, stories were reported in journalists' home countries. Particularly, the three IMF-supportive Asian countries heavily relied on their own domestic news reports. For example, as shown in Table 5-9, 47% of U.S. reports originated in the United States (mostly Washington D.C.), 77.1% of Korean news reports in Korea, 75.4% of Indonesian news articles in Indonesia, 80.4% of Thailand news stories in Thailand and 51.6% of Malaysian news articles in Malaysia.

Despite the fact that this study analyzed news coverage about the Asian economic crisis, more news reports, about one quarter of the total (25.2%), originated in the United States rather than in any of the Asian countries. Other datelined countries included Japan, Hong Kong, Singapore, and so on.

A comparison between Malaysia and other Asian countries reveals that Malaysian news reports were more likely to originate in the United States and other countries. Why isn't the Malaysian press focusing on its own country's situation?

TABLE 5-9**Comparison of Story Dateline in the Five Countries Newspapers
(Percents of Stories Over 1.0%)**

Dateline	U.S. (N=649)	Korea (201)	Indonesia (180)	Thailand (210)	Malaysia (186)	Total (1,426)
U.S.	47.0	8.5	7.4	10.0	16.1	25.2
Korea	9.4	77.1	-	-	3.2	15.8
Indonesia	11.6	-	75.4	-	4.8	16.5
Thailand	8.9	-	-	80.4	3.2	16.5
Malaysia	2.3	-	-	-	51.6	7.8
Other countries	11.4	12.4	15.6	8.6	21.0	12.9
Not Provided/Clear	9.4	-	-	-	-	5.2

This seemed to do with the fact that Malaysia turned down the IMF programs and probably the news coverage about the IMF was more controlled by the government.

B. Findings of News Source Analysis

Newspapers rely heavily on certain sources in reporting the news. According to Gans (1980), news sources reflect the orientation bias of the news media and function as representatives of pressure groups in news construction. A certain framework of news media source selection constitutes "an important element in shaping the range and impact of opinion that gets expressed publicly" (Klein, 1985).⁶

Whom did the newspapers use for information, and explanation on the issues involved in the Asian economic crisis and the IMF bailout? The following section will focus on sourcing patterns of news coverage, such as news source affiliation and attribution, source gathering channel, source job status, and gender. The sample includes 9,400 news sources in 1,426 total stories.

1. Source Affiliations

The first hypothesis (H1) of source analysis predicted that in all five countries news reports regarding the IMF programs would be more likely to include government officials and experts as sources than others.

TABLE 5-10

**Combined Major News Source Affiliations Across Countries
(Percents of News Sources)**

Governments (N=3,807)	Economic Experts (N=2,012)	IMF and World (N=1,842)	Total of Three Major Sources (N=7,661)	Others (N=1,739)
40.5 %	21.4 %	19.6 %	81.5 %	18.5 %*

Note: "Economic Experts" include economic analysts, international investors and international loan specialists. "Others" include academic scholars, unaffiliated individuals, international bankers, independent businessmen, international organizations (e.g., G7 and WTO), and other types of sources.

Based on one independent sample, a difference of proportions test was conducted between the two percentages of three major sources (81.5%) and other sources (18.5%): $Z = 42.57, p < .001$.

Source affiliations were grouped from the original 34 affiliations used during the coding process. Table 5-10 shows combined major news source affiliations of all five countries. As hypothesized (H1), more than eight of ten sources in news coverage (81.5%) were attributed to governments of the five countries, economic experts (including economic analysts, international investors and international loan specialists), and IMF and World Bank representatives, spokespersons, and official statements. Only 18.5% of new sources were others, such as academic scholars, unaffiliated citizens or labor spokespersons, international bankers, independent businessmen, international organizations (e.g., G7 and WTO), and so on.

The difference of proportions test supports the prediction (H1) that all five countries' news reports would attribute more information to elite news sources—governments, IMF/World Bank representatives and economic experts—than to other kinds of news sources ($Z=42.57$, $p < .001$).

Table 5-11 shows the comparison of specific source affiliations in each of the five countries. There are some differences between countries, but Hypothesis 1 is generally supported across countries. Interestingly, in all four Asian countries, their respective government officials were the most prominent sources, especially in Indonesia (34.5%) and Malaysia (35.7%), underscoring the involvement of governments in these countries' economies and the control of the press.

TABLE 5-11**Comparison of the Frequency of Major Source Affiliations by Country
(Percents of News Sources Over 1.0%)**

Source Affiliation	U.S (4,326)	Korea (1,184)	Indonesia (1,384)	Thailand (1,300)	Malaysia (1,206)	Total (9,400)
U.S. Economic Analyst/investors	21.1	3.8	4.6	5.8	3.9	12.2
Korea Eco. Analyst/investors	2.4	13.5	-	-	-	2.9
Indonesia Eco. Analyst/investors	-	-	15.9	-	-	2.7
Thailand Eco. Analyst/investors	-	-	-	15.0	-	2.3
Malaysia Eco. Analyst/investors	-	-	-	-	7.6	1.3
IMF/World Bank	18.7	15.5	19.1	23.1	23.5	19.6
U.S. Government/officials	17.2	6.1	7.5	10.0	4.3	11.7
Korea Government/officials	5.1	25.5	-	-	-	5.6
Indonesia Government/officials	4.9	-	34.5	-	-	7.4
Thailand Government/officials	5.5	-	-	24.2	1.7	6.1
Malaysia Government/officials	3.5	-	-	-	35.7	6.2
Other Country's Governments	2.5	3.5	2.2	3.1	9.1	3.5
U.S. Academic Scholars	4.7	5.2	3.1	4.2	1.3	4.0
Korea Academic Scholars	-	3.7	-	-	-	-
Indonesia Academic Scholars	-	-	3.8	-	-	-
Thailand Academic Scholars	-	-	-	3.1	-	-
Malaysia Academic Scholars	-	-	-	-	4.6	-
U.S. Unaffiliated People	3.1	-	-	3.5	-	2.0
Korea Unaffiliated People	2.5	11.0	-	-	-	2.6
Indonesia Unaffiliated People	-	-	8.1	-	-	1.5
Thailand Unaffiliated People	-	-	-	1.2	-	-
Malaysia Unaffiliated People	-	-	-	-	2.4	-
International Bankers	3.6	-	-	4.2	-	2.4
International Organizations (e.g., G7, WTO, APEC)	1.2	6.1	-	-	6.0	2.2

Note: Among 31 possible affiliations, only 24 categories whose total percentages were more than 1% are listed here.

In the United States, however, U.S. economic analysts and investors were the most often cited (21.1%), followed closely by IMF and World Bank spokespersons (18.7%) and U.S. government officials (17.2%). The least reliance on economic analysts occurred in the Malaysian newspapers (7.6%).

By contrast, unaffiliated labor or citizens were rarely cited, especially in the U.S., Thailand and Malaysia. Comparatively, as mentioned earlier, the political unrest and demonstrations in Indonesia and labor movements in Korea allowed the news reports of these two countries to cite unaffiliated individuals or workers more often than the other three countries. More specifically, as seen in Table 5-11, each country accounts for from 1.2% (Thailand), 3.1% (U.S.), to 11.0% (South Korea), about 7% across each country in aggregate. Thus, despite the increasing anxiety of Asian people, their voices were almost marginalized. The three major news sources were almost 11 times more likely to be cited than sources identified as citizens or labor.

As mentioned in the literature review of news source studies, journalists' reliance on governmental and official news sources has been well documented (e.g., Bennett, 1990; Brown et al., 1987; Dickson, 1992; Kim, 2000; Sigal, 1973, 1986). Probably the findings of this study provide another empirical data for this sourcing pattern.

To sum up, who sets the globalization agenda? As mentioned above, the three major elite news sources (government, IMF/World Bank and economic experts) attained the most prominent news coverage in each of the five countries. However, if looking at the distribution of source affiliations between countries, Table 5-10 and Table 5-11 show another interesting sourcing pattern.

That is, the IMF sources were used equally across all five countries. The two major news sources of the United States—economic analysts and academic scholars—were cited slightly more often in Asian countries than vice-versa. Except for Asian governments (about 5% on average), most of the other Asian news sources did not appear in U.S. news accounts.

As mentioned earlier, the power structure of the IMF and its major policies have been mainly constructed from a U.S. perspective. In this respect, it is understandable that the IMF and U.S. news sources supportive to the doctrine of the free-market global system were used in news reports of these developing countries in financial crisis.

2. IMF Favorability Levels of News Sources

Hypothesis 2 predicted that considering the level of involvement with the IMF programs, the news reports from the United States and the three IMF-supported countries would be more likely to use news sources supporting the IMF or IMF policies in Asia as compared with Malaysia.

Table 5-12 clearly supports this prediction. On a five-point scale, the combined favorability score of the United States and the three IMF-supported countries—Thailand, Indonesia and South Korea—was 3.12, whereas the level of Malaysia was 2.89. A t-test between two mean scores also indicated that the favorability levels of news sources used in newspapers of the U.S. and the three IMF-supported countries were significantly more positive than that of news sources in Malaysian newspapers ($t=10.088$, $df=7,961$, $p=000$).

TABLE 5-12

Comparison of the IMF Favorability Levels of Combined News Sources in the U.S. and the Three IMF-supported Asian Countries (Thailand, Indonesia and Korea) vs. Malaysia, Mean (Standard Deviation)

United States and Three IMF-Supported Countries (N=6,852)	Malaysia (N=1,111)	Difference
3.12 (.76)	2.89 (.71)	.23*

Note: The favorability levels were measured with a five-point scale: 1=strongly negative, 2=negative, 3=neutral (balanced), 4=positive, and 5=strongly positive.

* To compare favorability levels between Malaysia and other countries (Hypothesis 2), based on the two mean scores of Malaysia (2.89) and the other four countries (3.12), a t-test was conducted: $t=10.088$, $df=7,961$, $p=000$.

Table 5-13 shows specific IMF favorability levels of major news sources in each of the five countries. Although the findings generally support the prediction of H2, there are some differences between countries. For example, the difference occurred mainly among government news sources rather than among economic analysts/investors or IMF/World Bank sources.

The mean scores of the U.S. government (3.51 on average) and the three IMF-supported countries (3.17 for Thailand, 3.18 for Indonesia and 3.29 for South Korea, on average respectively) were higher than 3.0, indicating that the government news sources of these four countries were somewhat positive about the IMF programs in Asia. On the

TABLE 5-13

**Comparison of the IMF Favorability Levels of Major News Sources by Country
(Mean Favorability Levels)**

Source Affiliation	U.S. (3,581)	Korea (1,002)	Indonesia (1,179)	Thailand (1,090)	Malaysia (1,111)	Total (7,963)
U.S. Economic Analyst/investors	2.98	3.32	3.38	2.93	3.00	3.02
Korea Eco. Analyst/investors	3.00	2.74	-	-	-	2.79
Indonesia Eco. Analyst/investors	-	-	2.75	-	-	2.74
Thailand Eco. Analyst/investors	-	-	-	2.97	-	2.96
Malaysia Eco. Analyst/investors	-	-	-	-	2.79	2.74
IMF/World Bank	3.41	3.49	3.17	3.44	3.24	3.36
U.S. Government/officials	3.47	3.59	3.62	3.64	3.31	3.51
Korea Government/officials	3.20	3.34	-	-	-	3.29
Indonesia Government/officials	3.14	-	3.21	-	-	3.18
Thailand Government/officials	3.26	-	-	3.14	-	3.17
Malaysia Government/officials	2.63	-	-	-	2.62	2.62
Other Country's Governments	3.17	2.50	2.72	3.13	2.75	2.96
U.S. Academic Scholars	2.42	2.48	2.43	2.40	2.75	2.44
Korea Academic Scholars	-	2.68	-	-	-	2.75
Indonesia Academic Scholars	-	-	2.69	-	-	2.65
Thailand Academic Scholars	-	-	-	3.00	-	3.00
Malaysia Academic Scholars	-	-	-	-	2.36	2.36
U.S. Unaffiliated People	2.92	-	-	2.29	-	2.79
Korea Unaffiliated People	2.73	2.74	-	-	-	2.73
Indonesia Unaffiliated People	-	-	2.67	-	-	2.71
Thailand Unaffiliated People	-	-	-	-	-	2.42
Malaysia Unaffiliated People	-	-	-	-	-	2.67
International Bankers	3.00	-	-	-	-	2.98
International Organizations (e.g., G7, WTO, APEC)	3.05	2.67	-	-	3.47	3.04

Note: The favorability levels were measured with a five-point scale: 1=strongly negative, 2=negative, 3=neutral (balanced), 4=positive, and 5=strongly positive.

contrary, the favorability level of Malaysian government news sources was more negative than the four other countries (2.62 on average).

However, among economic experts, such as analysts and international investors, a different pattern was found. U.S. economic experts were somewhat more positive about IMF programs (3.02 on average) than were economic experts in the other four Asian countries (from 2.74 for Indonesia and Malaysia to 2.96 for Thailand). But U.S. newspapers presented a neutral picture from U.S. economic analysts, whereas Korean and Indonesian newspapers tended to cite more positive U.S. analysts as compared with somewhat negative economic analysts in their own countries. Also, among other kinds of news sources, Malaysian academic scholars were the most negative sources about IMF programs (2.36 on average) as compared to scholars in Korea, Indonesia and Thailand, but not much different in tone from U.S. scholars (mean=2.44).

Overall, as Table 5-13 shows, major news sources identified as positive to the IMF were affiliated with the IMF/World Bank and governments of the U.S. and the three IMF-supported countries. Among other news sources, only U.S. economic experts and international organizations (e.g., G7, WTO and APEC) were more likely, but only slightly, to favor the IMF programs in Asia (3.02 on average).

TABLE 5-14

Frequency and the IMF Mean Favorability Levels of Major Identified News Sources in Five Countries' Newspapers (Percentages Over .5 %)

Source Identity	Source Affiliations	Frequency	Percents	Mean
IMF Annual Report	IMF Publication	438	4.7	3.12
Michel Camdessus	IMF Managing Director	434	4.6	3.57
Hubert Neiss	IMF Director for Asia and Pacific	383	4.1	3.43
Robert E. Rubin	U.S. Treasury Secretary	315	3.4	3.77
Bill Clinton	U.S. President	314	3.3	3.45
Mahathir Mohamad	Malaysia President	282	3.0	2.49
T. Nimmanahaeminda	Thailand Finance Minister	188	2.0	3.24
Anwar Ibrahim	Malaysia Finance Minister	184	2.0	2.69
Goldman, Sachs Ltd.	Researchers of Goldman, Sachs Ltd.	156	1.7	3.08
Jaffrey Sachs	Harvard Economics Professor	152	1.6	2.27
Stanley Fisher	IMF Deputy Managing Director	148	1.6	3.61
B.J. Habibie	Indonesia President	146	1.6	3.09
Lawrence Summers	Deputy U.S. Treasury Secretary	142	1.5	3.76
Marie Muhammad	Former Indonesia Finance Minister	130	1.4	3.27
U.S. Congressmen	U.S. Congress	116	1.2	2.80
George Soros	International Investor	115	1.2	2.96
Dae Jung Kim	Korea President	106	1.1	3.39
Merill Lynch	Researchers of Merrill Lynch	104	1.1	3.06
Suharto	Former Indonesia President	102	1.1	3.32
G7	Group Seven Countries	78	.9	3.33
Chang Ryul Lim	Former Korea Finance Minister	74	.8	3.27
B. Subiato	Indonesia Finance Minister	70	.7	2.87
James Wolfensohn	World Bank President	67	.7	3.58
Paul Krugman	MIT Economics Professor	54	.6	2.19
S. Panitchapakdi	Thailand Deputy Prime Minister	56	.6	3.48
Kyung Sik Lee	Governor of Bank of Korea	44	.5	3.25

Note: The favorability levels were measured with a five-point scale: 1=strongly negative, 2=negative, 3=neutral (balanced), 4=positive, and 5=strongly positive. Because this table includes only identifiable news sources, the majority of economic analysts was unidentified in the story so were not listed here.

For a better understanding of sourcing patterns across countries, it is useful to examine who were the most important agenda-setters in the Asian crisis news coverage. Table 5-14 shows the frequency and the IMF favorability levels of major identified news sources in the five countries' newspapers.

The five most cited news sources were IMF annual reports (438 times; 4.7%), IMF Managing Director Michel Camdessus (4.6%), IMF Director for Asia and Pacific Hubert Neiss (4.1%), U.S. Treasury Secretary Robert Rubin (3.4%) and U.S. President Bill Clinton (3.3%).

Other important news sources included Asian countries' presidents and finance ministers. Overall, most major news sources identified in the story (19 out of 26 sources) were affiliated with the IMF or governments. Also, except for Malaysia, they were likely to somewhat favor the IMF programs in Asia. As Table 5-14 indicates, two well known anti-globalization U.S. scholars, Paul Krugman and Jeffrey Sachs, as well as Malaysian President Mahathir Mohamad (mean=2.49), were among the most critical sources of the IMF.⁷

The third hypothesis (H3) predicted that all five countries' news reports about the IMF would be more likely to use negative news sources during the second year of the two-year time period, after Russia's moratorium announcement in August 1998.

TABLE 5-15**Comparison of the IMF Mean Favorability Levels of News Sources by Country Before and After Russia's Moratorium Announcement in August 1998**

Country	Before (Aug. 1997-July 1998)		After (Aug. 1998-July 1999)		Total	
	Frequency of Sources	Mean	Frequency of Sources	Mean	Frequency of Source	Mean
U.S.	2,559	3.22	1,022	2.95 ^a	3,581	3.14
Korea	546	3.22	456	2.87 ^a	1,002	3.06
Indonesia	640	3.36	539	2.79 ^a	1,179	3.10
Thailand	755	3.26	335	2.93 ^a	1,090	3.16
Malaysia	768	2.93	343	2.81 ^b	1,111	2.89
Total	5,268	3.20	2,695	2.88 ^a	7,963	3.09

Note: The favorability levels were measured with a five-point scale: 1=strongly negative, 2=negative, 3=neutral (balanced), 4=positive, and 5=strongly positive. T-tests were conducted to compare mean scores between the two time periods (Hypothesis 3).

^a p<.001; ^b p<.05

Table 5-15 shows the comparison of frequency and IMF favorability levels of news sources in the five countries' newspapers before and after Russia's moratorium announcement. As shown in Table 5-15, the average level of favorability of all news sources combined dropped significantly in each country from the first to the second year (3.20 vs. 2.88 on average, p<.001). Table 5-15 also shows that the average favorability scores were lowest for Malaysia in both time periods and for the entire time period, as predicted by Hypothesis 2.

In general, this significant difference between the two time periods suggests that the Russian government moratorium announcement in August 1998 rekindled the debate on the appropriateness of IMF policies in the world economy, in particular the approaches the IMF adopted for the Asian and Russian economic crises. Although the average score of the United States after the Russian moratorium was only slightly below the neutral level (mean=2.95), this comparison suggests that the U.S. government's position on the IMF policy did change. At the same time, the criticism of the IMF from the other four Asian countries also increased over time.

3. Source Gathering Channels

Based on the categorization and findings of Sigal's study (1993),⁸ the fourth hypothesis (H 4) predicted that the news reports in all five countries would rely more on routine source gathering channels, such as press releases and official proceedings, than on informal or enterprise ones, such as individual interviews, informal leaks and reporters' research.

Consistent with the findings of previous studies investigating news source gathering channels (e.g., Brown, et al., 1987; Sigal, 1973), this study found journalists' heavy reliance on routine channels. Table 5-16 shows combined source gathering channels between routine and other channels. As predicted, two of three news sources were gathered through "routine channels" (67.8% on average), whereas 32.2% came from "informal or enterprise" channels. The difference of proportions test also supports the hypothesis that journalists of all five countries relied more heavily on routinely attained news sources than any other channels ($Z=24.12, p<.001$).

TABLE 5-16

**Source Gathering Channels of Combined News Sources Across Countries
(Total News Source N = 9,226)**

Routine Channels		Informal or Enterprise Channels		Differences	
Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
6,251	67.8%	2,975	32.2%	3,276	35.6%*

Note: The category of "Routine Channels" includes press conference, official proceedings and press releases. "Enterprise Channels" include unofficial interviews and IMF- or government-funded research. "Informal Channels" include background briefings and informal leaks.

* Based on one independent sample, a difference of proportions test was conducted between the two percentages of routine channels (67.8%) and other sources (32.2%): $Z = 24.12$, $p < .001$.

More specific information on source gathering channels in each of the five countries is reported in Table 5-17. As shown in Table 5-16, in their news coverage about the Asian economic crisis and IMF programs, all five countries' newspapers used news information mostly based on routine channels, including press conferences/official proceedings (36.8% on average) and press releases (29.7% on average), especially for the reports in U.S. (70.3%) and Malaysian newspapers (78%). Additionally, 22.9% and 8.6% of sources were based on "enterprise" and "informal" channels respectively.

TABLE 5-17**Comparison of News Source Gathering Channels by Country
(Percents of News Sources)**

Source Gathering Channels	U.S. (N=4,326)	Korea (1,184)	Indonesia (1,384)	Thailand (1,300)	Malaysia (1,206)	Total (9,400)
Routine Channels	70.3	58.4	60.1	57.3	78.0	66.5
Press conference /Official proceedings	44.4	28.5	20.8	29.6	43.8	36.8
Press release	25.9	29.9	39.3	27.7	34.2	29.7
Enterprise Channels	21.8	22.2	29.6	25.7	17.1	22.9
Unofficial interview	14.7	16.6	22.0	19.2	8.0	15.8
IMF-funded research	6.1	1.2	6.4	3.8	6.1	5.2
Government research	1.0	4.4	1.2	2.7	3.0	1.9
Informal Channels	7.1	15.2	9.9	12.3	2.3	8.6
Background briefings	4.6	9.3	6.4	6.9	2.0	5.4
Informal leaks	2.5	5.9	3.5	5.4	.3	3.2
Don't know/Not clear	.8	4.2	.6	4.6	2.7	2.0
Total	100.0	100.0	100.2	99.9	100.1	100.0

Note: Because of rounding, the total percentages do not equal 100%.

Malaysian newspapers were less likely to use news sources gathered by enterprise (17.1%) and informal channels (only 2.3%) channels, compared to those of the other countries, probably because of more governmental control over the press in this country. The Indonesian and Thai newspapers were best at using enterprise sources, especially unofficial interviews. None of the newspapers made much use of any other

research, background briefings, or informal leaks, except for IMF annual reports (see Table 5-17).

4. Organizational Job Status of Sources

The final hypothesis (H5) predicted that all five countries' news reports would be more likely to include elite news sources, in terms of organizational job status, than unaffiliated individuals or workers. Table 5-18 shows the comparison of combined elite news sources versus other kinds of sources.

TABLE 5-18

**Organizational Job Status of Combined News Sources Across Countries
(Total News Source N = 9,133)**

Affiliated Elite News Sources		Unaffiliated People or Other Sources		Differences	
Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
8,112	88.8%	1,021	11.2%	7,090	77.6%*

Note: "Affiliated Elite Sources" include news sources whose organizational job status is executive, decision-maker, spokesperson or affiliated employee (e.g., bankers or researchers). "Unaffiliated People or Other Sources" include unaffiliated ordinary people, independent businessmen, reports and unidentifiable individuals.

* Based on one independent sample, a difference of proportions test was conducted between the two percentages of affiliated elite sources (88.8%) and unaffiliated people or other sources (12.2%): $Z = 52.43, p < .001$.

The findings in Table 5-18 clearly support this prediction, with executives, decision makers and spokespersons overwhelmingly relied upon as news sources in all countries (88.8% on average), as would be predicted from previous studies (e.g., Brown et al., 1987; Sigal, 1983). Only one of ten sources (11.2% on average) was an unaffiliated citizen or labor representative, independent businessman, report or unidentified individuals. The difference of proportions test also supports the prediction ($Z=52.43, p<.001$).

TABLE 5-19

**Comparison of Organizational Job Status of News Sources by Country
(Percents of News Sources)**

Job Status of Source	U.S (N=4,326)	Korea (1,184)	Indonesia (1,384)	Thailand (1,300)	Malaysia (1,206)	Total (9,400)
Executives / Decision- Makers	44.0	49.2	68.2	53.1	74.3	53.7
Affiliated Employees	26.3	24.5	19.7	24.2	9.0	22.6
Spokesperson	15.3	7.3	1.2	9.6	7.3	10.4
Unaffiliated Individuals	6.8	8.5	6.4	5.0	1.3	6.1
Others (e.g., reports, polls)	6.0	4.2	2.3	3.8	4.5	4.7
Don't Know/Not Clear	1.8	6.4	1.2	4.2	3.6	2.6
Total	100.2	100.1	100.0	99.9	100.0	100.1

Note: Because of rounding, the total percentages do not equal 100%. "Affiliated Employees" include bankers, researchers of IMF or World Bank, economic analysts of the Wall Street, and so on. "Unaffiliated Individuals" include unaffiliated citizens or labor and independent businessmen. "Others" include reports, poll results and unidentifiable individuals.

Table 5-19 shows specific information about news sources' job status from each country. Across the countries, individuals whose status included executive or decision-maker became the most dominant news source. The comparison between countries reveals that the newspapers of Indonesia (68.2%) and Malaysia (74.3%) were more likely to cite executives or decision-makers as compared to U.S., Korea and Thailand, probably due to more government-controlled press in the former two countries. By contrast, unaffiliated citizens or labor were mentioned as news sources only very seldom (6.1% on average).

5. Gender of Sources

Finally, each source was coded as male or female if gender was ascertainable from the story or their names. Among 9,400 total news sources, 8,017 news sources (85.3%) were coded. Overall, consistent with the findings of previous studies about gender of news sources,⁹ this study found that male sources overwhelmingly outnumbered females.

As Table 5-20 shows, almost nine of ten sources (91.4% on average) were male, whereas female sources were rarely used (only 8.6% on average). The comparison of source gender between countries found that Thai and Malaysian newspapers were less likely to use female news sources (3.4% and 6.1% respectively) compared to the other three countries. Male news sources were almost ten times more likely to be cited than female sources.

TABLE 5-20

**Gender of News Sources by Country
(Percents of News Sources)**

Gender of Source	U.S. (N=3,858)	Korea (934)	Indonesia (1,144)	Thailand (1,025)	Malaysia (1,056)	Total (8,017)
Male	90.1	90.1	89.5	96.6	93.9	91.4
Female	9.9	9.9	10.5	3.4	6.1	8.6

Note: Among 9,400 total news sources, the gender of 8,017 news sources (85.3%) was coded.

C. Summary of Major Findings

This study was designed to collect empirical data on newspaper reporting of the late 1997 Asian economic crisis and the IMF bailouts within the context of the newly emerged “globalization” paradigm. From the outset, this study was interested in two issues: how selected elite newspapers of the five countries as a whole were covering this complex economic globalization issue, and the similarities and differences among the five countries’ coverage.

Based on a multi-national comparative study of major newspapers, news frames and sourcing patterns in the U.S. press were compared to those of the three IMF-supported Asian countries—Thailand, Indonesia and South Korea—as well as to those of Malaysia, which refused to accept this assistance. More specifically, the

examination of major themes, story direction regarding the IMF programs, primary causes of and solutions for the crisis, story context, and sourcing patterns in the IMF coverage published in the five countries helped us to detect a neo-liberal “globalization” news frame.

Overall, the findings support the conclusion that the press of the U.S. and the three IMF-supported Asian countries largely used free-market supportive news frames and news sources that were mostly uncritical of the process of globalization. Although there were notable differences in the way each country covered the crisis, these can be partly attributed to differing journalistic environments rather than to substantial differences in conceptualizing the “new world order.”

Notes for Chapter V

¹ See, for example, Woo-Cummings, M. (1997, December 8). How industrial policy caused South Korea's collapse. Wall Street Journal, p. A24.

² See, for example, "Higher interest rates not good in the long term" (editorial). Utusan Malaysia, January 19, 1998; "IMF measures on wrong track" (editorial). Utusan Malaysia, April 7, 1999; "IMF financial aid only to bail out foreign bank" (editorial). Utusan Malaysia, July 24, 1998.

³ See, for example, Sherer, Paul M., & Utumporn P. (1997, December 9). Thailand to shutter 56 ailing finance firms: IMF releases funds after Bangkok's move. Wall Street Journal, p. A14; Magnier, M. (1998, November 23). South Korea: A model student in U.S. school of economics. Los Angeles Times, p. A8.

⁴ Malaysia's capital control policy was intended to insulate the *ringgit* from selling pressures by disallowing foreign transactions that aren't related to trade. Thus, the government can cut interest rates and increase spending at the same time to boost the economy.

⁵ See, for example, Melloan, G. (1997, August 18). Global view: Do Asia's troubles affect Wall Street? You bet. Wall Street Journal, p. A15.

⁶ Cited from Chang, T. K. (1989). Access to the news and U.S. foreign policy: The case of China, 1950-1984. Newspaper Research Journal, 10, Fall, p. 34.

⁷ See, for example, Sachs, J. D. (1997, November 3). The wrong medicine for Asia. New York Times, p. A 23.

⁸ For more information, see Sigal, L. V. (1973). Reporters and officials: The organization and politics of newsmaking. Lexington, MA: D.C. Heath and Co.

⁹ See, for example, Biagi, S., & Kern-Foxworth, M. (Ed.). (1997). Facing differences: Race, gender, and mass media. Thousand Oaks, CA: Pine Forge Press; Miller, S. H. (1975). The content of news photos: Women's and men's roles. Journalism Quarterly, 52(1), 70-75.

CHAPTER VI

CONCLUSIONS AND DISCUSSION

A. Implications of Findings

Several major points emerge from this study. First, as hypothesized, the analysis of news frames pointed to the existence of a pro-neo-liberal frame in both the U.S. and the three IMF-supported countries' news coverage. The press of the U.S and the three IMF-supported countries was more likely to report positive perspectives and positions regarding the IMF programs, whereas Malaysian newspapers diverged from the news coverage patterns of the other countries directly involved with the IMF programs.

The most common theme found in the U.S and the three IMF-supported countries' newspapers, the category of "reconstruction of industrial and financial systems," serves as compelling evidence for the existence of such a frame. Also, the findings suggest that news coverage in these countries employed the same standards as the IMF for measuring primary causes and solutions to the crisis and the success of IMF programs in the Asian countries. By focusing on a certain theme or solution to the crisis above all else, the media seemed to accept the neo-liberal reasoning that austerity in the short-term would lead to prosperity in the long-term as macroeconomic indicators stabilized and the nation became a participant in the world market system.

Interestingly, the second most common theme in U.S. newspapers was that IMF policies in general and/or the IMF programs in Asia were inappropriate. However, it is also important to note that the subject matter of these critical stories had largely nothing to do with the economic theories underlying the program nor with the human suffering accompanying austerity. Instead, these stories addressed political issues surrounding IMF programs.

In the spring of 1998, for example, austerity was linked to the political unrest and riots culminating in the toppling of President Suharto in Indonesia.¹ A second common topic of stories coded as “IMF policies’ inappropriate” was the battle waged on the floor of U.S. Congress over whether to provide \$18 billion to build up the IMF’s flagging reserves.² Other critical stories reported the failure of the IMF program in Russia during the summer of 1998 and later her moratorium announcement.³ The close examination of these critical news stories of the IMF suggests that politically oriented negative-toned stories did not question the soundness of neoliberal thinking.⁴ Thus, these stories did not seem to temper the pro-neoliberal frame.

Second, regarding sourcing patterns, this study also found some similarities between countries. Overall, news reports relied heavily on elite news sources who were primarily men (more than 90% in each country) in decision-making positions, mainly affiliated with governments, the IMF and economic organizations (about 90% on average). And most reporting relied on routine channels, such as official proceedings and

press releases, in constructing the news frames of the IMF's programs (about 70% on average).

Perhaps the most interesting result of the news source analysis is, contrary to the expectation derived from Bennett's indexing hypothesis (1990), that the U.S. government and its officials were not the most frequently cited sources in the U.S. stories. The U.S. press relied on U.S. corporate or economic analysts and IMF officials or representatives most often in covering the crisis.

Regarding previous empirical tests, there have been several studies that did not support the indexing hypothesis.⁵ For example, in their study concerning how the New York Times covered the U.S.-Libya crisis of 1985-1986, Althaus et al. (1996) concluded that more often than not "journalists appear to seek out foreign sources to provide opinions contrary to the dominant policy position" (p. 407).

The findings of this study provide another important explanation to refine the indexing norm in news source use. That is, when we talk about the indexing hypothesis, we need to consider not only the types of news sources, but also their direction or position on a given issue.

The comparison of news sources' affiliations and their attitudes toward the IMF in this study also supports this argument. The U.S. news reports used more extra-governmental news sources in terms of source affiliations, but not necessarily in terms of source direction. The viewpoints of U.S. economic experts and IMF officials were mostly the same as those of the U.S. government officials.

Why were U.S. government officials not used as sources more often than economic specialists and the IMF? The answer may lie with the core purpose of the IMF itself. We argued earlier that the IMF is the handmaiden of corporate interests—breaking down barriers to foreign investment and bailing out irresponsible lenders. Not surprisingly, corporate financiers and economic specialists have been more preferred by the media when economic crisis occurs.

In addition, why did the coverage reflect these particular views, with such similar reporting patterns in general? One possibility is that newspapers in these countries rely on the same sources and imitate U.S. reporting. Another possible contributing influence is the close relationship between news media and government, given that the newspapers' positions on this global issue were significantly consistent with the U.S. and the other four Asian countries' government positions.

These findings also suggest that the media, whether consciously or not, recognize that real power lies with the economic analysts and the globapolitans or global investors. Therefore, the interests of globapolitans have set the real standard for success of IMF programs. Instead of local governments, corporate financiers have more control over the global economy because neo-liberal policies have freed markets throughout the world; hence, when crisis occurs, the media look to them for interpretation. The following comments by one prominent journalist (Greider, 2000) give us an insightful explanation:

The great, unreported story in globalization is about power, not ideology. It's about how finance and business regularly, continuously insert their own self-interested deals and exceptions into rules and agreements that are then

announced to the public as 'free trade.' The antidote for biased coverage is, of course, more honest reporting—old-fashioned, on-the-ground reporting where the story is happening, free of abstract presumptions promoted by the established order. In this complex new world of globalization, that kind of reporting is never easy, especially when authoritative experts are assuring editors and reporters that they can ignore those voices in the streets. The realities are dispersed across continents, always complicated and sometimes ambiguous—difficult to see with clear eyes whether the story is labor conditions in a poor developing nation or the cloaked investment strategies of the multinational corporations.⁶

On the other hand, compared to those of the U.S. newspapers, the news source choices of the four Asian countries' newspapers were more in keeping with the traditional understanding of the indexing hypothesis, because of their heavy reliance on government officials. In Asian countries, we can possibly, but not necessarily, think of information concerning the crisis and bailout as being filtered down a chain of command—the IMF set the policy and the Asian governments, facing default, accepted it. In order for the country to emerge from the crisis, the government tended to embrace the IMF policy rationale and neo-liberal rhetoric. This line of thinking was then transmitted down to the press, which passed it on by relying mainly on sources from the IMF and World Bank, their respective governments, and economic analysts.

There are several possible reasons why the Asian governments have remained in the spotlight in newspaper coverage of the crisis. Perhaps the most important one is that over the last several decades the Asian governments have been the central figures in

economic development of their respective countries and have therefore been the most authoritative sources for economic information.

Also, the presses of the Asian countries historically have not been as free as the U.S. press to be critical of the government. This mentality of self-censorship persists today, so that the government line tends to be echoed in the press. Particularly, the point articulated by one scholar quite long ago seems to represent a fairly common view on “development journalism” in the Asian countries.

I believe Asian newspapers must concede that it is both practical and proper for broad social, economic and political objectives to be set by governments. It should then be the responsibility of Asian newspapers to lend their support to the achievement of these objectives—not in a spirit of partisanship but active contribution of national life, playing the ‘devil’s advocate,’ too, when that is necessary.⁷

During the crisis, therefore, the Asian countries’ presses focused largely on the government because it was responsible for negotiating the rescue package and, due to the nature of neo-liberal reform, the government had to agree to a process of radical economic transformation. As a result, the heavy reliance of the Asian countries’ newspapers on government sources probably had a significant impact on the framing of the crisis in the Asian countries.⁸

As mentioned earlier, some political economists have regarded the IMF’s response to the Asian financial crisis as inappropriate. Nevertheless, due to a heavy reliance of the press in the U.S. and the IMF-supported Asian countries on the IMF and their

governments as sources, a pluralistic interpretation of the crisis in the global context was probably not usually included in the coverage. Such a limited scope of news source diversity suggests that the media framing, as mostly articulated by the IMF, mostly failed to take into account other more critical perspectives.

In this respect, the lack of news source diversity in the IMF coverage raises another important concern. Considering that the press, across the five countries, rarely used unaffiliated, ordinary people as sources, news reports tended to downplay the fact that IMF programs are often very hard on average citizens and labor, especially in the long-term. The press of all five countries was more likely to report the performance of the stock market rather than the increasing gap between the rich and the poor. For example, only three of twenty stories (14.2 % on average) in the five countries' newspapers dealt with the pain of austerity, such as unemployment problems. Moreover, even in these stories, the press treated such problems not as the dark side of globalization but as "bitter medicine" for economic recovery.

In other words, in the reporting of globalization issues, on one side are the high-minded proponents of globalization—such as business leaders and allied policy makers—trying to bring the benefits of free-market systems to all the world's people. On the other side are the selfish "skeptics," such as union workers, fringe environmentalists and human rights activists. This polarized news reporting pattern found in this study offers support for Mander's (1996a, p. 12) assertion that globalization and its accompanying problems have not been adequately covered by the media:

The only boats that will be lifted are those of the owners and managers of the process; the rest of us will be on the beach, facing the rising tide. Given the above, one would expect massive efforts by media and educational institutions to explore all the dimensions of this subject. Yet when the mass media report on some aspect of globalization, rarely does the story express the connections between the specific crises it describes and the root causes in the globalization process itself.

Overall, the findings of this study revealed that the human cost of the IMF program was probably underreported in the news coverage. In her article titled “the world’s poor pay the price for the IMF’s failures,” journalist Claudia Rosett (1999, p. A22) wrote: “The real human-interest aspect of this saga is still playing out....Hundreds of millions of ordinary middle-class folks are still in shock. Whatever world has been saved, it’s not theirs.”⁹

Based on these findings, this study suggests that along with the bright side of “globalization” journalists need to critically report the difference between the planned scheme and its actual implementation, and the difference between its impact on people as claimed by the IMF and their local governments compared to the way it actually is.

Regarding this conclusion, Servaes (1999) said, people are still “voiceless” in news coverage not because they have nothing to say, but because nobody cares to listen to them. Despite the growing importance of the global economy and its influence on the lives of people, especially in developing countries, we still have a long way to go before media coverage of global economics includes the “voices” of these “voiceless” people.

Finally, this study also examined whether or not the trend of news frames and sourcing patterns shifted as the criticism of the IMF increased over time and the U.S. government's position on the IMF policy changed after the Russian government's moratorium announcement in August 1998. As we predicted, the direction of news reports on IMF policies and the IMF programs in Asia became more negative, and more critical news sources were used in the coverage after this announcement. These findings parallel those of a number of previous studies regarding the relationship between government position and news coverage, and they tend to support the indexing hypothesis that the limits of debate are largely set by government (Bennett, 1990).¹⁰

B. Limitations and Suggestions for Further Research

The significance and usefulness of this study is derived from the fact that it was an attempt to answer some important questions about newspaper reporting of "globalization" issues. There has been no study known to the author that has been done on such an extensive scale. An understanding of the reporting in these five countries' newspapers, what themes they cover, what causes and solutions they prescribe, what values they embody, and what news sources they use, is timely and important.

However, like any other research, this study has its limitations. The following section will recommend some suggestions for further research based on these limitations.

As mentioned earlier, the concept of “globalization” has been widely discussed. Yet its application in news content has been rarely examined, given that most of the debates have only focused on technical or economical aspects of the globalization process. For this study, the paradigm of “globalization” was operationally defined as “neo-liberal, free-market global economic systems.” That is, this study has only examined economic aspects of globalization and their coverage by the media. Thus, a more comprehensive news analysis that can directly address the phenomenon of globalization, including cultural and political aspects, and its consequent problems will be necessary. In addition, more discussion about why the “globalization” paradigm matters in news reporting of global conflicts like the Asian economic crisis needs to be done.

A second limitation of the present study has to do with research methods and coding procedure in particular. In general, content analyses of newspapers in five different languages helped detect news frames and sourcing patterns in a multi-national context. However, because this research was based on a team-project, composed of ten college students, and the author analyzed only English and Korean news stories, some possible concerns about the reliability and validity of coding systems still remain.

Third, for a better understanding of media reporting of “globalization” issues, the use of a combination of interviews or field observations with the journalists who reported the issues, as well as content analysis and documentary analysis, will be necessary. This would help uncover factors influencing news content, such as individual backgrounds, organizational constraints, cultural variables, national interests and so on.

Finally, the study did not explore how readers perceived this portrayed “globalization” process by the media. The findings of this study on the balance of coverage and news source use raise another concern. Readers can hardly be expected to make a comprehensive, objective, and more balanced, assessment of the issue when a majority of news frames and news sources of the coverage favored a particular point of view. It seems apparent from the findings that the IMF news coverage of the five countries, especially in the U.S. and the three IMF-supported Asian countries, was remiss in presenting the public with a balanced picture of the Asian economic crisis and the IMF bailout programs.

In this respect, another recommendation for further research is raised. If the coverage this study analyzed was considerably imbalanced, readers relying primarily on newspapers’ news coverage would have extreme difficulty in developing informed and reasonable judgments regarding the influences of the IMF programs in their countries. Future research should examine how people perceived this issue through public opinion surveys and how much the news reports influenced their perceptions of this issue through some field experiments.

Notes for Chapter VI

¹ For example, see David, B., & Wessel, D. (1998, May 18). Time will tell if IMF helped save or wreck Indonesia. Wall Street Journal, p. A19; Mydans, Seth. (1998, February 12). Indonesia cracks down as protests hit capital. New York Times, p. A08.

² See, for example, Altman, C. (1998, September 13). Time to reweave the world's financial safety net. Los Angeles Times, p. M1; Rogers, D. (1998, June 16). Democrats begin drive to force action in House on 17.9 billion IMF request. Wall Street Journal, p. A20; Saxton, J. (1998, September 22). An unreformed IMF doesn't deserve a dime. Wall Street Journal, p. A22; Tumcharoen, S. (1999, January 24). Senate may delay bill approval: After IMF admits it has made mistakes. Bangkok Post, p. 1.

³ See, for example, "Dousing the IMF fires" (editorial). Wall Street Journal, October 8, 1998, p. A18; Luther, H. A. (1998, October 21). Russia is latest to join the ranks of slumped market economies. Bangkok Post, p. 24.

⁴ See, for example, Blustein, P. (1999, January 20). IMF concedes errors in Asia but denies aggravating crisis. Washington Post, p. F03; "IMF admits errors in Asia but defends basic policies," (Reuters). (1999, January 20). New York Times, p. A5; Peterson, J. (1999, January 20). IMF, in self-critique, says it "misgauged" Asian crisis; Aid: While conceding it underestimated the situation's severity, the agency defends many of its actions. Los Angeles Times, p. A1.

⁵ See, for example, Althaus, S. L., Edy, J. A., Entman, R. M., & Phalen, P. (1996). Revising the indexing hypothesis: Officials, media, and the Libya crisis. Political Communication, 13, 407-421; Kim, Sung Tae. (2000). Making a difference: U.S. press

coverage of the Kwangju and Tiananmen pro-democracy movements. Journalism & Mass Communication Quarterly, 77(1), Spring, 22-36; Mermin, J. G. (1996). Debating war and peace: The impact of political on the news. Unpublished dissertation, Yale University.

⁶ Greider, Williams (2000). Media and trade: A love story. The Nation, 271(4), p. 20.

⁷ Corea, E. (1974). Should newspapers in Asia be freed? Media Asia, 1(2), p. 11.

⁸ A survey of reporters also turned up evidence for their heavy reliance on routine channels of newsgathering (McGuire, 1967).

⁹ Rosett, C. (1999, April 22). The world's poor pay the price for the IMF's failures. Wall Street Journal, p. A22. Similarly, Seth wrote: "An unbridled market economy is just the ticket if productivity and profit are the end all and be all, but it does tend to ignore the different aspirations that make up our humanity," cited Seth, S. P. (1997, October 4). Do not forget the human factor. Bangkok Post.

¹⁰ See, for example, Chang, T. K. (1989). Access to the news and U.S. foreign policy: The case of China, 1950-1984. Newspaper Research Journal, 10, Fall, 33-44; Chang, T. K. (1988). The news and U.S.-China policy: Symbols in newspapers and documents. Journalism Quarterly, 65(2), 320-327; Dickson, S. H. (1992). Press and U.S. policy toward Nicaragua, 1983-1987: A study of the *New York Times* and *Washington Post*. Journalism Quarterly, 69(3), 562-571; Kim, Sung Tae. (2000). Making a difference: U.S. press coverage of the Kwangju and Tiananmen pro-democracy movements. Journalism & Mass Communication Quarterly, 77(1), Spring, 22-36; Paletz, D., & Entman, R. (1981). Media power politics. New York: Free Press.

REFERENCES

- Althaus, S. L., Edy, J. A., Entman, R. M., & Phalen, P. (1996). Revising the indexing hypothesis: Officials, media, and the Libya crisis. Political Communication, 13, 407-421.
- Anderson, M. H. (1999). Indonesia. In J. A. Lent (Ed.), Newspapers in Asia: Contemporary problems and trends (pp. 193-216). Hong Kong: Heinemann Asia.
- Auvinen, J. Y. (1996). IMF intervention and political protest in the Third World: A conventional wisdom refined. Third World Quarterly, 17(3), 377-400.
- Baig, T., & Ostry, J. D. (1998). Financial markets contagion in the Asian crisis. IMF Working Paper 98/155, November. Washington D.C.: International Monetary Fund.
- Baig, T., & Goldfajn, I. (1999). Financial market contagion in the Asia crisis. IMF Staff Papers (167-195), 46(2), June, Washington D.C.: International Monetary Fund.
- Barker, C. (1997). Global television: An introduction. Oxford: Blackwell.
- Beck, U. (2000). What is globalization? Cambridge: Polity Press.
- Bello, W., & Rosenfeld, S. (1990). Dragons in distress: The crisis of the NICs. World Policy Journal, 7(3), Summer, 432-468.
- Beltran, R., & de Cardona, F. (1979). Latin America and the United States: Flaws in the free flow of information. In K. Nordenstreng, & H. Schiller (Ed.), National

sovereignty and international communication (pp. 33-64). Norwood, New Jersey: Ablex.

Bennett, W. L. (1990). Toward a theory of press-state relations in the United States. Journal of Communication, 40(2), 103-125.

Berger, M. T., & Beeson, M. (1998). Lineages of liberalism and miracles of modernization: The World Bank. The East Asian trajectory and the international development debate. Third World Quarterly, 19(30), 487-504.

Berkowitz, D., & Beach, D. W. (1993). News sources and news context: The effect of routine news, conflict and proximity. Journalism Quarterly, 70(1), Spring, 4-12.

Berkowitz, D. (1987). TV news sources and news channels: A study in agenda-building. Journalism Quarterly, 64, Summer/Autumn, 508-513.

Berry, Nicholas O. (1990). Foreign policy and the press: An analysis of the New York Times' coverage of U.S. foreign policy. New York: Greenwood Press.

Biagi, S., & Kern-Foxworth, M. (Ed.). (1997). Facing differences: Race, gender, and mass media. Thousand Oaks, CA: Pine Forge Press

Blumler, J., & Gurevitch, M. (1986). Journalists' orientations to political institutions: The case of parliamentary broadcasting. In P. Golding, G. Murdock, & P. Schlesinger (Ed.), Communication politics: Mass communications and the political process (pp. 67-92). New York: Holmes & Meier.

Boyd-Barrett, O. (1977). Media imperialism: Toward an international framework for the

analysis of media systems. In J. Curran, M. Curevitch, & J. Woollacott (Ed.), Mass communication and society (pp. 116-135). Beverly Hills, CA: Sage.

Boyd-Barrett, O., & Rantanen, T. (Ed.). (1998). The globalization of news. New York: Sage Publications.

Breed, Warren. (1956). Analyzing news: Some questions for research. Journalism Quarterly, 33(4), Fall, 467-477.

Brown, J. D., Bybee, C. R., Stanley, T. W., & Straughan, D. M. (1987). Invisible power: Newspaper news sources and the limits of diversity. Journalism Quarterly, 64(1), 54-64.

Bullard, N., et al. (1998). Taming the tigers: The IMF and the Asian crisis. Third World Quarterly, 19(3), 505-555.

Carter, R. F., & Greenberg, B. S. (1965). Newspaper or television: Which do you believe? Journalism Quarterly, 42, Winter, 29-34.

Castells, M. (1997). The other face of the earth: Social movements against the new global order. In M. Castells (Ed.), The Power of identity (pp. 68-83). Malden, Mass: Blackwell.

Chang, T. K. (1989). Access to the news and U.S. foreign policy: The case of China, 1950-1984. Newspaper Research Journal, 10, Fall, 33-44.

Chang, T. K. (1988). The news and U.S.-China policy: Symbols in newspapers and documents. Journalism Quarterly, 65(2), 320-327.

- Chossudovsky, M. (1998). The globalization of poverty: Impacts of IMF and World Bank reforms. Sydney, Australia: Pluto Press.
- Chowdhury, A. (1999). Villain of the Asian crisis: Thailand or the IMF? ASEAN Economic Bulletin, 16(2), 166-174.
- Chuensuksawasdi, P. (1998, October 1). It's making a difference that matters. Arthur Norman Smith Memorial lecture tot he Australian Journalists Association, University of Melbourne, Melbourne.
- Codingley, P., & Oorjitham, S. (1998, November 13). How the media have fared: Mainstream newspapers take a beating. Asiaweek, 24(45), 34-35.
- Cohen, Bernard C. (1963). The press and foreign policy. Princeton, N.J.: Princeton University Press.
- Corbett, J., & Vines, D. (1998). The Asian crisis: Competing explanations. CEPA Working Paper No. 7, July. New York: Center for Economic Policy Analysis.
- Coulter, D. (1998). Globalization and the IMF. Vital Speeches of the Day, 64(13), April 15, 401-403.
- Crafts, N. (1999). East Asia growth before and after the crisis. IMF Staff Papers (139-164), 46(2), June. Washington D.C.: International Monetary Fund.
- Crawford, R. (1971). Indonesia. In J. A. Lent, (Ed.). The Asian newspapers' reluctant

revolution (pp. 158-178). Ames, IA: The Iowa State University Press.

Curran, J., & Park, M. J. (Ed.). (1999). Dewesternizing media studies. London: Routledge.

Dickson, S. H. (1992). Press and U.S. policy toward Nicaragua, 1983-1987: A study of the *New York Times* and *Washington Post*. Journalism Quarterly, 69(3), 562-571.

Driscoll, D. D. (1997). What is the International Monetary Fund? Washington, D.C.: International Monetary Fund.

Eatwell, J. (1996). International capital liberalisation: The impact on world development. CEPA Working Paper No. 1, August. New York: Center for Economic Policy Analysis.

Editor & Publisher International Yearbook. (2000). New York: Editor & Publisher.

Ekachai, D. (2000). Thailand. In S. A. Gunaratne (Ed.), Handbook of the media in Asia (pp. 429-461). New Delhi: Sage Publication.

Entman, R. M. (1993). Framing: Toward clarification of a fractured paradigm. Journal of Communication, 43, 51-58.

Entman, R. M. (1991). Framing U.S. coverage of international news: Contrasts in narratives of the KAL and Iran Air incidents. Journal of Communication, 41(4), Autumn, 6-27.

Escobar, A. (1995). Encountering development: The making and unmaking of the Third

World. Princeton, New Jersey: Princeton University Press.

Fejes, F. (1983). The U.S. in Third World communications: Latin America, 1900-1945.

Columbia, SC: Association for Education in Journalism and Mass Communication.

Feldstein, Martin. (1998). Refocusing the IMF. Foreign Affairs, 77(2), March/April, 20-33.

Ferguson, M. (1992). The mythology about globalization. European Journal of Communication, 7, 69-93.

Fischer, S. (1998). Reforming world finance: Lessons from a crisis. The Economist, October, 23-27.

Fishman, M. (1982). News and nonevents: Making the visible invisible. In J. Ettema, & D. Whitney (Ed.), Individual in mass media organization: Creativity and constraint. Beverly Hills, CA: Sage.

Frank, A. G. (1966). The development of underdevelopment. Monthly Review, 18(4), 17-31.

Frank, A. G. (1969). Latin America: Underdevelopment or revolution. New York: Monthly Review Press

Freedom House Survey Team. (1998). Freedom in the world 1997-1998: The annual survey of political rights and civil liberties. New York: Freedom House.

- Gaddis, John Lewis. (1991). Toward the post-cold war world. Foreign Affairs, 2, 102-122.
- Gamson, W. A. (1988). The 1987 distinguished lecture: A constructionist approach to mass media and public opinion. Symbolic Interaction, 11, 161-174.
- Gamson, W. A., & Modigliani, A. (1989). Media discourse and public opinion on nuclear power: A constructionist approach. American Journal of Sociology, 95, 1-37.
- Gans, H. J. (1979). Deciding what's news. New York: Pantheon Books.
- Germain, R. D. (Ed.). (2000). Globalization and its critics. New York: St. Martin's Press.
- Ghanem, S. (1996). Media coverage of crime and public opinion: An exploration of the second level of agenda setting. Unpublished doctoral dissertation, University of Texas, Austin.
- Giddens, Anthony. (1984). The constitution of society. Cambridge: Polity Press.
- Giddens, Anthony. (1985). The nation-state and violence. Cambridge: Policy Press.
- Ginneken, J. (1998). Understanding global news: A critical introduction. New York: Sage Publications.
- Gitlin, T. (1980). The whole world is watching. Berkeley, CA: University of California Press.
- Goede, Marieke de. (1996). Ideology in the US welfare debate: Neo-liberal representations of poverty. Discourse & Society, 7(3), 317-157.

- Golding, P. (1974). Media role in national development: A critique of a theoretical orthodoxy. Journal of Communication, 24(3), 39-53
- Graber, Doris A. (1997). Mass media and American politics (5th ed.). Washington, D.C.: CQ Press.
- Green, D. (1999). The failings of the international financial architecture. NACLA Report on the Americas, 33(1), July/August, 31-36.
- Green, D. (1995). Silent revolution: The rise of market economics in Latin America. London: Cassell.
- Greider, Williams. (2000). Media and trade: A love story. The Nation, 271(4), 18-20.
- Gunaratne, Shelton A. (Ed.). (2000). Handbook of the media in Asia. New Delhi: Sage.
- Haass, R. N., & Litan, R. E. (1998). Globalization and its discontents. Foreign Affairs, 77(3), 2-6.
- Hachten, W. A. (1992). The world news prism: Changing media of international communication. Ames, IA: Iowa State University Press.
- Hafez, Kai. (1999). International news coverage and the problems of media globalization: In search of a 'new global-local nexus.' Innovation: The European Journal of Social Sciences, 12(1), March, 47-62.
- Hallin, D. C., Manoff, R. K., & Weddle, J. K. (1993). Sourcing patterns of national security reporters. Journalism & Mass Communication Quarterly, 70(4), Winter,

753-766.

Hanson, E. C. (1995). Framing the world news: The *Times* of India in changing times. Political Communication, 12, 371-393.

Haque, U. N., & Khan, M. S. (1998). Do IMF-supported programs work? A survey of the cross-country empirical evidence. IMF Working Paper 98/169, December. Washington D.C.: International Monetary Fund.

Harris, R., & Seid, M. (Ed.). (2000). Critical perspectives on globalization and neoliberalism in the developing countries. Boston, Mass.: Brill.

Hendrickson, L. (1995). Effects of framing uniformity on the perception of child neglect as a "family problem." Paper presented at the International Communication Association, Albuquerque, NM.

Heo, C., Uhm, K., & Chang, J. (2000). South Korea. In S. A. Gunaratne (Ed.), Handbook of the media in Asia (pp. 611-637). New Delhi: Sage Publication.

Herman, E. S., & Chomsky, N. (1988). Manufacturing consent: The political economy of the mass media. New York: Pantheon Books.

Heuvel, V. J. & Dennis, E. (1993). The unfolding lotus: East Asia's changing media. New York: The Freedom Forum.

Higgott, R. (1998). The Asian economic crisis: A study in the politics of resentment. New Political Economy, 3(3), November, 333-357.

Hill, D. T. (1994). The press in new order Indonesia (Asia Papers No. 4). Perth: University of Western Australia press in association with Asian Research Center.

Hills, J. (1996). The silent war: Debt and Africa. In G. Gerbner, H. Mowlana, & H. I. Schiller (Ed.), Invisible crisis (pp. 229-248). Westview Press.

Idris, N., & Gunaratne, S. A. (2000). Indonesia. In S. A. Gunaratne (Ed.), Handbook of the media in Asia (pp. 263-295). New Delhi: Sage Publication.

“If bad here, why not worldwide?” (1998). MediaNomics, October, 2.

International Monetary Fund. (1999). Evolution of the economic crisis in emerging market economies. IMF Annual Report (ch. 4), 33-41.

International Monetary Fund (1998). IMF Annual Report. Washington D.C.: IMF Publications.

IMF Staff. (2000). Globalization: Threat or opportunity? IMF Publications. Available at (<http://www.imf.org/external/np/exr/ib/2000/041200.htm>) [January 13, 2001].

International Press Institute. (1999). Malaysia: 1998 world press freedom review. Available at (<http://www.freemedia.at/archive97/malaysia.htm>) [October 13, 2000].

“Issues and controversies: Asia’s economic crisis” (2000). Issues and Controversies On File, <http://facts.com/icof/i00063.htm> [December 14, 2000].

Iyengar, S. (1991). Is anyone responsible? How television frames political issues.

Chicago: University of Chicago Press.

Johnson, T. J., & Kaye, Barbara K. (1998). Cruising is believing? Comparing Internet and traditional sources on media credibility measures. Journalism & Mass Communication Quarterly, 75(2), Summer, 325-340.

Kapur, D. (1998). The IMF: A cure or a curse. Foreign Policy, 111, Summer, 114-129.

Kerlinger, F. N. (1973). Foundations of behavioral research (2nd ed.). New York: Holt, Rinehart and Winston.

Kim, Sung Tae. (2000). Making a difference: U.S. press coverage of the Kwangju and Tiananmen pro-democracy movements. Journalism & Mass Communication Quarterly, 77(1), Spring, 22-36.

Kim, Sung T., & Eissfeldt, K. K. (1999). The Framing of Globalization in the First and Third Worlds: A Case of the Asian Economic Crisis and the IMF Rescue. Paper presented to the International Communication Division of the Association for Education in Journalism and Mass Communication, New Orleans, LA.

Klak, Thomas. (Ed.). (1998). Globalization and neoliberalism: The Caribbean context. Lanham: Rowman & Littlefield.

Knight, M. (1998). Developing countries and the globalization of financial markets. IMF Working Paper 98/105, July. Washington: International Monetary Fund.

Korten, D. C. (1996). The limits of the earth. The Nation, July 15/22, 18.

- Kriener, M., & Meckel, M. (1996). International kommunikation: Begriffe, probleme, referenzen. In M. Meckel, & M. Kriener (Ed.), International kommunikation (pp. 11-18). Eine Einfuhrung, Opladen, Westdeutscher Verlag.
- Krippendorff, Klaus. (1980). Content analysis: An introduction to its methodology. Beverly Hills, CA: Sage Publications.
- Lal, R. (1999). IMF, capital and us: The economics of imperialism. Available at (<http://www.igc.org/trac/feature/india/globalization/sanskriti.html>) [October 12, 2000].
- Lamer, T. (1998). IMF: Immune from media fire. MediaNomics, September, 4.
- Lane, T., Ghosh, A., Hamann, J., Phillips, S., Schulze-Ghattas, M., & Tsikata, T. (1999). IMF-supported programs in Indonesia, Korea, and Thailand: A preliminary assessment. IMF Occasional Paper 178. Washington D.C.: International Monetary Fund.
- Lasorsa, D. L., & Reese, S. D. (1990). News source use in the crash of 1987: A study of four national media. Journalism Quarterly, 67(1), Spring, 60-71.
- Lee, C. C., & Yang, J. (1995). Foreign news and national interests: Comparing U.S. and Japanese coverage of a Chinese student movement. Gazette, 56, 1-18.
- Lerner, D. (1964). The passing of traditional society: Modernizing the Middle East. New York: Free Press.
- “Lessons from the Asian meltdown” (editorial). Multinational Monitor.

January/February, 1998, 5-6.

Lippmann, W. (1922). Public opinion. New York: Macmillan.

Lubbers, R. F. M. (1999). The globalization of economy and society. Available at (<http://www.globalize.org/globview.html>) [December 2, 2000].

Madrick, J. (1998). The IMF approach. World Policy Journal, Fall, 39-42.

Maher, M. (1995). Media framing and salience of the population issue: A multi-method approach. Unpublished doctoral dissertation, University of Texas, Austin.

Malek, A., & Kavoori, A. P. (2000). The global dynamics of news: Studies in international news coverage and news agendas. Stamford, Conn.: Ablex Publishing Corporation.

Mander, J. (1996a, July 15). The dark side of globalization: What the media are missing. The Nation, 263(3), 9-14. Also available at (<http://www.escape.ca/~viking/global.html>) [January 3, 2001].

Mander, J. (1996b). Facing the rising tide. In J. Mander, & E. Goldsmith (Ed.), The case against the global economy and for a turn toward the local (pp. 3-19). San Francisco: Sierra Club Books.

Mander, J., & Goldsmith, E. (Ed.). (1996c). The case against the global economy and for a turn toward the local. San Francisco: Sierra Club Books

Manoff, R. K., & Schudson, M. (1986). Reading the news. New York: Pantheon Books.

Martin, M. (1993). In the public interest? Privatization and public sector reform. London: Zed Books.

McChesney, Robert W., Wood, E. M., & Foster, J. B. (Ed.). (1998). Capitalism and the information age: The political economy of the global communications revolution. New York: Monthly Review Press

McCombs, M., Shaw, D. L., & Weaver, D. (1997). Communication and democracy: Exploring the intellectual frontiers in agenda-setting theory. Mahwah, New Jersey: Lawrence Erlbaum Associates.

McCoy, T. (1992). The *New York Times* coverage of El Salvador. Newspaper Research Journal, 13(3), Summer, 67-84.

McGuire, Delbert. (1967). Democracy confrontation: The presidential press conference. Journalism Quarterly, 44(4), 638-44.

McNally, D. (1998, September). Globalization on trial: Crisis and class struggle in East Asia. Monthly Review, 50(4), 1-14.

Mermin, J. G. (1996). Debating war and peace: The impact of political on the news. Unpublished dissertation, Yale University.

Meszaros, I. (1998). The uncontrollability of globalizing capital. Monthly Review: An Independent Socialist Magazine, 49(9), 27-37.

Meyer, W. H. (1989). Global news flows: Dependency and neoimperialism. Comparative

Political Studies, 22, 243-264.

Miller, S. H. (1975). The content of news photos: Women's and men's roles. Journalism Quarterly, 52(1), 70-75.

Mohammadi, A. (Ed.). (1997). International communication and globalization: A critical introduction. New York: Sage Publications.

Muntarhorn, V. (1998). Mass media laws and regulations in Thailand. Singapore: AMIC.

Murdock, G., & Golding, P. (1977). Capitalism, communications, and class relations, In J. Curran, M. Gurevitch & Woollacott (Ed.), Mass communication and society (pp. 12-43). Beverly Hills, CA: Sage.

Mussa, M., & Savastano, M. (1999). The IMF approach to economic stabilization. IMF Working Paper 99/104, July. Washington D.C.: International Monetary Fund.

Mwesige, P. G. (2000). Global what? Tracing the history and framing of globalization on the news media agenda. Unpublished manuscript, School of Journalism, Indiana University.

Nacos, Brigitte Lebens. (1990). The press, presidents and crises. New York: Columbia University Press.

Nain, Z., & Anuar, M. K. (1998). Ownership and control of the Malaysian media. Media Development, 45(4), 9-17.

Nazpary, J. (2001). Poverty, chaos and globalization: Neoliberal reform and Kazakhstan.

London: Pluto Press.

Newhagen, J., & Nass, C. (1989). Differential criteria for evaluating credibility of newspapers and TV news. Journalism Quarterly, 66(2), Summer, 277-284.

Norris, P. (1995). The restless searchlight: Network news framing of the post-cold war world. Political Communication, 12, 357-370.

O’Heffernan, Patrick. (1991). Mass media and American foreign policy: Insider perspectives on global journalism and the foreign policy process. Norwood, N.J.: Ablex Publishing Co.

Paletz, D., & Entman, R. (1981). Media power politics. New York: Free Press.

Pieper, U., & Taylor, L. (1998). The revival of the liberal creed: The IMF, the World Bank, and inequality in a globalized economy. CEPA Working Paper No. 4, October. New York: Center for Economic Policy Analysis.

Pollock, J. C. (1981). The politics of crisis reporting: Learning to be a foreign correspondent. New York: Praeger Publications.

Rachlin, A. (1988). News as hegemonic reality: American political culture and the framing of news accounts. New York: Praeger Publications.

Riskin, C. (2001). Indquality and poverty in China in the age of globalization. New York: Oxford University Press

Razak, A., & Tobing, S. (1996). Media monitors in Indonesia. In K. S. Venkateswaran

- (Ed.), Media monitors in Asia (pp. 25-34). Singapore: AMIC.
- Riffe, D., Lacy, S., & Fico, F. G. (1998). Analyzing media messages: Using quantitative content analysis in research. Mahwah, New Jersey: Lawrence Erlbaum Associates.
- Rogers, E. M., & Shoemaker, F. F. (1971). Communication of innovations: A cross-cultural approach. New York: Free Press.
- Rucinski D. (1992). Personalized bias in news: The potency of the particular? Communication Research, 19(1), February, 91-108.
- Sachs, J. (1998a). The IMF and the Asian flu. The American Prospect, 37, March/April, 16-21.
- Sachs, J. D. (1998b). Fixing the IMF remedy. The Banker, February, 16-18.
- Safar, H. M., Sarji, A. B., & Gunaratne, S. A. (2000). Malaysia. In S. A. Gunaratne (Ed.), Handbook of the media in Asia (pp. 317-349). New Delhi: Sage Publication.
- Samsung Economic Research Institute. (1998). Six months after the IMF bailout: A review of social and economic changes in Korea. Available at (<http://www.seri-samsung.org/english/seri/list.html>) [October 13, 1998].
- Schiller, H. I. (1970). Mass communication and American empire. Boston, MA: Beacon Press.
- Schramm, W. (1964). Mass media and national development: The role of information in

the developing countries. Stanford, CA: Stanford University Press.

Scott, A. (Ed.). (1997). **The limits of globalization: Cases and arguments**. New York: Routledge.

Servaes, J. (1999). **Communication for development: One world, multiple cultures**. Cresskill, New Jersey: Hampton Press.

Shoemaker P. J., & Reese, Stephen D. (1996). **Mediating the message**. Longman Publishers.

Sigal, Leon V. (1986). Sources make the news. In R. K. Manoff, & M. Schudson (Ed.), **Reading the news** (pp. 9-37). New York: Pantheon Books.

Sigal, L. V. (1973). **Reporters and officials: The organization and politics of newsmaking**. Lexington, MA: D.C. Heath and Co.

Singh, A. (1998). **Asian capitalism and the financial crisis**. CEPA Working Paper No. 10, August. New York: Center for Economic Policy Analysis.

Slater, M. D., & Rouner, D. (1996). How message evaluation and source attributes may influence credibility assessment and belief change. **Journalism & Mass Communication Quarterly**, 73(4), Winter, 974-991.

Smith, Adam. (1987). **The essential Adam Smith** (Edited by Heilbroner, R. L.). New York: W.W. Norton.

Soderlund, W. C., & Briggs, E. D. (1999). Sources use in U.S. television news coverage of crisis and non-crisis situations in Grenada (1983), Panama (1989), Cuba (1988

-92) and Haiti (1990-93). International Communication Bullitain, 34(3-4), Fall, 10-15.

Stempel III, G. H., & Culbettson, H. M. (1984). The prominence and dominance of news sources in newspaper medical coverage. Journalism Quarterly, 61(3), Autumn, 671-676.

Sundar, S. S. (1998). Effect of source attribution on perception of online news stories. Journalism & Mass Communication Quarterly, 75(1), Spring, 55-68.

Sussman, L. R. (1999). Press feedom 1999: News of the century. New York: Freedom House.

Tabb, W. K. (1998). The East Asian financial crisis. Monthly Review: An Independent Socialist Magazine, 50(2), 24-38.

Tanzer, M. (1995). Globalizing the economy: The influence of the International Monetary Fund and the World Bank. Monthly Review: An Independent Socialist Magazine, 47(4), September, 1-14.

The Freedom Forum Media Studies Center. (1993, March 21-26). The Media and Foreign Policy in the Post-Cold War World. A briefing paper for a Wilton Park Conference, West Sussex, England.

“The danger of rhetoric of globalization...” Guardian, January 4, 1994, p. 18.

“The overcapacity bomb,” Business Week, October 13, 1997, p. 138.

- Thongpao, T. (1990). Thailand. In C. J. Hamelink, & A. Mehra (Ed.), Communication development and human rights in Asia (pp. 123-127). Singapore: AMIC.
- Tomlinson, J. (1991). Cultural imperialism: A critical introduction. London: Pinter.
- Tomlinson, J. (1994). A phenomenology of globalization? Giddens on global modernity. European Journal of Communication, 9, 149-172.
- Tomlinson, J. (1999). Globalization and culture. Chicago, IL: University of Chicago Press.
- Tuchman, G. (1978). Making news: A study in the construction of reality. New York: The Free Press.
- Van Dijk, Teun A. (1988). News analysis: Case studies of international and national news in the press. Hillside, N.J.: Lawrence Erlbaum Associates.
- Wallerstein, I. (1974). The modern world system: Capitalist agriculture and the origins of the European world economy in the sixteenth century. New York: Academic Press.
- Weisbrot, M. (1998a). Globalization for whom? Cornell International Law Journal, 31(3). Available at (<http://preamble.org/Globalization.html>) [December 10, 1999].
- Weisbrot, M. (1998b). IMF cure: Worse than the disease? Available at (<http://www.tradewatch.org/IMF/imfweisbrot.htm>) [October 15, 1999].
- Whitney, D. (Ed.). (1982). Individual in mass media organization: Creativity and

constraint. Beverly Hills, CA: Sage.

Whitney, D. C., Fritzler, M., Jones, S., Mazzarella, S., & Rakow, L. (1989). Geographic and source biases in network television news 1982-1984. Journal of Broadcasting & Electronic Media, 33(2), Spring, 159-174.

World Association of Newspapers. (1999). Indonesia. In World Press Trends (pp. 123-125). Paris: WAN.

Yagade, A., & Dozier, D. M. (1990). The media agenda-setting effect of concrete versus abstract issues. Journalism Quarterly, 67(1), 3-10.

Youm, K. H. (1996). Press law in South Korea. Ames: Iowa State University Press.

Yu, Y. C., & Riffe, D. (1989). Chiang and Mao in U.S. news magazines. Journalism Quarterly, 66(4), 913-919.

Selected Newspaper Articles:

Altman, C. (1998, September 13). Time to reweave the world's financial safety net. Los Angeles Times, p. M1

Blustein, Paul. (1999, January 20). IMF concedes errors in Asia but denies aggravating crisis. Washington Post, p. F03.

Blustein, Paul. (1998, December 3). World Bank turns up criticism of the IMF. Washington Post, p. E01.

David, B., & Wessel, D. (1998, May 18). Time will tell if IMF helped save or wreck Indonesia. Wall Street Journal, p. A19.

"Dousing the IMF fires" (editorial). Wall Street Journal, October 8, 1998, p. A18.

Feldstein, M. (1998, October 6). Reforming the International Monetary Fund: Focus on crisis management. Wall Street Journal, p. A22.

"Higher interest rates not good in the long term" (editorial). Utusan Malaysia, January 19, 1998.

Holley, David. (1997, August 12). Thai bailout of \$16 billion wins support: IMF...will make significant contributions. Los Angeles Times, p. D01.

"IMF admits errors in Asia but defends basic policies," (Reuters). (1999, January 20). New York Times, p. A5.

“IMF financial aid only to bail out foreign bank” (editorial). Utusan Malaysia, July 24, 1998.

“IMF measures on wrong track” (editorial). Utusan Malaysia, April 7, 1999.

“IMF measures on wrong track” (editorial). Utusan Malaysia, July 4, 1999.

Landler, Mark. (1998, July 1). Rubin hoping Thais back requirement of the IMF. New York Times, p. A09.

Luther, H. A. (1998, October 21). Russia is latest to join the ranks of slumped market economies. Bangkok Post, p. 24.

Magnier, M. (1998, November 23). South Korea: A model student in U.S. school of economics. Los Angeles Times, p. A8.

Melloan, G. (1997, August 18). Global View: Do Asia’s troubles affect Wall Street? You bet. Wall Street Journal, p. A15.

Mydans, Seth. (1998, February 12). Indonesia cracks down as protests hit capital. New York Times, p. A08.

Peterson, J. (1999, January 20). IMF, in self-critique, says it “misgauged” Asian crisis; Aid: While conceding it underestimated the situation’s severity, the agency defends many of its actions. Los Angeles Times, p. A1.

Roger, C. A. (1998, September 13). Time to reweave the world’s financial safety net. Los Angeles Times, p. M01.

- Rogers, D. (1998, June 16). Democrats begin drive to force action in House on 17.9 billion IMF request. Wall Street Journal, p. A20
- Rosett, C. (1999, April 22). The world's poor pay the price for the IMF's failures. Wall Street Journal, p. A22.
- Sachs, J. D. (1997, November 3). The wrong medicine for Asia. New York Times, p. A23.
- Sugawara, Sandra. (1998, June 3). IMF officials says Asia is on road to recovery from economic crisis. Washington Post, p. C15.
- Saxton, J. (1998, September 22). An unreformed IMF doesn't deserve a dime. Wall Street Journal, p. A22.
- Seth, S. P. (1997, October 4). Do not forget the human factor. Bangkok Post.
- Sherer, Paul M., & Utumporn P. (1997, December 9). Thailand to shutter 56 ailing finance firms: IMF releases funds after Bangkok's move. Wall Street Journal, p. A14.
- Song, I. S. (1997, December 26). President-elect Kim Dae-Jung urges cooperation with IMF Dong-A Ilbo, p. A04.
- "Structural reforms essential to strategy" (editorial). Bangkok Post, August 22, 1997.
- Tumcharoen, S. (1999, January 24). Senate may delay bill approval: After IMF admits it has made mistakes. Bangkok Post, p. 1.

Uchitelle, L. (1999, January 31). A pox on the high-rates "Cure." New York Times, p. sec. 3, 4.

Woo-Cummings, M. (1997, December 8). How industrial policy caused South Korea's collapse. Wall Street Journal, p. A24.

APPENDIX 1

INFORMATION FOR SELECTED NEWSPAPERS

<u>Country/Name</u>	<u>Publisher/owner</u>	<u>URL</u>	<u>Circulation (as of 1998)</u>
United States			
Los Angeles Times	Mark H. Willes	www.latimes.com	1,067,540
New York Times	Arthur O. Sulzberger	www.nytimes.com	1,066,658
Wall Street Journal	Peter R. Kann	www.wsj.com	1,740,450
Washington Times	Donald Graham	www.washingtonpost.com	759,122
Thailand			
Bangkok Post (E)	The Post Publishing	www.bangkokpost.net	65,000
Daily News	Si-Phya Publishing	www.dailynews.co.th	750,000
Nation (E)	Nation Multimedia Group	www.nationmultimedia.com	55,000
Thai Rath	Vacharaphon	www.thairath.com	1,000,000
Indonesia			
Jakarta Post (E)	Bina Media Tenggara	www.jakartapost.com	48,000
Kompas	Kompas Media Nusantara	www.kompas.com	525,000
Republika	Abdi Bangsa	www.republika.co.id	327,000
Suara Pembaruan	Media Interaksi Utama	www.suarapembaruan.com	387,000

(APPENDIX 1, continued)

<u>Country/Name</u>	<u>Publisher/Owner</u>	<u>URL</u>	<u>Circulation (as of 1998)</u>
South Korea			
Chosun Ilbo	Bang, Sang-Hoon	www.chosun.co.kr	2,350,000
Dong-A Ilbo	Kim, Byung-Kwan	www.dongailbo.co.kr	2,200,000
Joong-ang Ilbo	Hong, Sok-Hyun	www.joins.com	2,100,000
Hankook Ilbo	Chang family	www.hankooki.com	1,400,000
Hankyorch	Stock-holder ownership	www.hani.co.kr	500,000
Malaysia			
Nanyang Siang Pau	Stock-holder ownership	-	175,330
Utusan Malaysia	Utusan Group	www.asiacconnect.co.my/utusan	267,765
The Star (E)	The Star Group	www.jaring.my/~star	220,493

Note: Detail information of selected newspaper for the study was compiled by the author, mainly based on the data of *Editor & Publisher International Yearbook*, *World Factbook*, *Country Studies of Congress Library* and *Handbook of the Media in Asia*.

APPENDIX 2

CONTENT ANALYSIS CODING SCHEME

This section provides the explanation of generated categories, definitions of major variables, and the criteria for coder judgments.

I. General Information:

Coded By _____
Date Coded _____
Story Number _____

Newspapers (E: English Newspapers):

- U.S.: 1) New York Times; 2) Washington Post; 3) Los Angeles Times; 4) Wall Street Journal
- Korea: 5) Chosun Ilbo; 6) Dong-A Ilbo; 7) Joong-Ang Ilbo; 8) HanKook Ilbo; 9) Hankyoreh
- Indonesia: 10) Jakarta Post (E); 11) Kompas; 12) Republika; 13) Suara Pembaruan
- Thailand: 14) Bangkok Post (E); 15) The Nation (E); 16) Daily News; 17) Thai Rath
- Malaysia: 18) Utusan Malaysia; 19) The Star (E); 20) Nanyang Siang Pau

Publication Date of Article _____

Country Code of U.S. Newspapers' Coverage (Only for U.S. Data):

- 1) Korea: U.S. news coverage on South Korea and the IMF
- 2) Indonesia: U.S. news coverage on Indonesia and the IMF
- 3) Thailand: U.S. news coverage on Thailand and the IMF
- 4) Malaysia: U.S. news coverage on Malaysia and the IMF

Dateline (Place to be Reported)—If Other Countries, Please Specify:

- 1) U.S.A
- 2) South Korea
- 3) Indonesia
- 4) Thailand
- 5) Malaysia
- 6) Other countries

7) No dateline

Byline (Written by):

- 1) Staff/Writer
- 2) Correspondent
- 3) Wire services
- 4) Economic analysts or academic scholars
- 5) Unidentifiable
- 6) Not provided

Type of Story:

- 1) Editorial
- 2) Commentary/Column
- 3) News Stories

II. Story Prominence

To measure story prominence, three variables (length, location and picture) to be a quantitative indicator were examined:

Length of Article (Number of Words): _____

Location of Story (Front Page or Others):

- 1) Front page
- 2) Other pages
- 3) Don't know/ Not provided

Picture/Graph/Chart included:

- 1) Yes
- 2) No
- 3) Don't know/ Not provided

III. Story Themes

Story Themes (If available, check primary and secondary theme): As an indicator of news frames, 25 major story themes were listed. The primary theme is defined as the

theme for the story which comprises the major portion of the story as a whole; or accounts for the key issues in news content. For the stories with more than one theme, a distinction was drawn between the primary and secondary theme of the story.

- 01---IMF policies' inappropriate (or, IMF's policy reform)
- 02---IMF plays vital role in global stability
- 03---Bank, stock market or currency system restructuring
- 04---Industrial (private sector) restructuring
- 05---Open regional markets to foreign investors
- 06---Austerity causes agony (e.g., anti-globalization movement)
- 07---Asian people dealing with austerity proactively
- 08---Labor issues or political actions
- 09---Government's failure or corruption (or, demand political reform)
- 10---Demand a change of social/cultural mentality
- 11---Impact of Asian crisis on the global economy
- 12---U.S. leads the global economy (e.g., leadership of U.S. in global economy)
- 13---Evaluation of government's new policies
(Korea/Indonesia/Thailand/Malaysia)
- 14---IMF's success in Asian countries
- 15---Difficulties of business in Asian countries
- 16---Reporting of negotiations between IMF and governments
- 17---Evaluation of the IMF programs for the U.S. economy (e.g., congressional debates)
- 18---Reporting of stock market and currency information
- 19---Forecast of Asian countries and world economy
- 20---Debate of international speculative investment
- 21---Change of people's life styles in Asian countries (after the Asian economic crisis)
- 22---Debate of Asian Fund
- 23---Other countries' IMF reporting (for only Malaysia news coverage)
- 24---International economic conferences or forums (e.g., G7, WTO and APEC)
- 25---Demand Malaysia to follow the IMF policies
- 26---Others
- 99---Don't know/Not clear

IV. Story Perspective

As measurements for news frame analysis, several dimensions of news stories, such as context of story, primary causes and solutions of the crisis, tone of story to the IMF, were analyzed.

Context of News Story: Each story was classified into the following three categories: domestic, global (international) issues or mixed. “Domestic context” included news stories which focused only on the crisis in each Asian countries—Korea, Indonesia, Thailand and Malaysia. In other words, the economic situation in each country was not connected to the larger Asian or global financial crisis. “Global context” dealt with news stories that looked at the each Asian country’s economic crisis within the broader context of the global economy. Whereas, each story classified into “mixed context” included both perspectives of domestic and global contexts.

- 1) World/global issues:
- 2) Regional (Asian) issues:
- 3) Domestic (U.S./Korea/Indonesia/Thailand/Malaysia) issues:
- 4) Mixed:
- 5) Don’t know/Not clear:

Primary Causes of the Asian Economic Crisis (especially, Financial Crisis): Primary causes to the Asian economic crisis were classified into one of 11 possible categories

- 1---Foreign banks/investors’ speculative investment or loan
- 2---Indonesia/Thailand/Korea/Malaysia’s heavy reliance on short-term foreign loans
- 3---The corruption and insufficient financial regulation of Indonesia/Thailand/Korea/Malaysia (e.g. governmental subsidies)
- 4---Economic structural problems of Indonesia/Thailand/Korea/Malaysia (e.g., export-oriented economy or private sector’s problems)
- 5---Political system problems of Indonesia/Thailand/Korea/Malaysia
- 6---Cultural aspect problems (e.g. people’s mentality)
- 7---IMF’s inappropriate programs in the Asian countries
- 8---Currency problems in general (e.g., devaluation of currency)
- 9---Lack of liquidity
- 10---Others
- 99---Not provided/not clear

Primary Solutions (Conditions) for the Asian Economic Crisis or the IMF Success: Primary solutions to the Asian economic crisis described in each story were coded into one of 11 possible categories

- 1---Following the general reform package of IMF program
- 2---Currency stabilization in general
- 3---Industry / financial system reconstruction (e.g., bank reform)
- 4---Restore foreign investors’ confidence (or, improve countries’ reserves)

- 5---Governmental policy change (e.g., new cabinets)
- 6---Cultural reform (people's mentality)
- 7---Political reform in General
- 8---IMF policy reform
- 9---Capital control (e.g., Malaysia's approach)
- 10---Others
- 99---Not provided/not clear

News Story's Position on the IMF or the IMF Programs in the Asian Countries:

Based on the overall tone of the news story to the IMF or the IMF bailouts in the Asian Countries, a judgment was made with a five-point scale measurement. An item was coded as "positive" if it favors the IMF policies in the Asian countries; an item was coded as "negative" if it criticizes the IMF or its policies in the Asian countries; and an item was coded as "neutral/balanced" if an item fit neither in the positive or negative category, or had both views at the same time.

- 1---Strongly negative
- 2---Negative
- 3---Neutral/Balanced
- 4---Positive
- 5---Strongly positive
- 9---No position/Don't know

V. News Source Analyses

Each news source was categorized as one of the following 31 specific source affiliations. A news source was operationally defined as "an individual, group (e.g. G7), publication (e.g. IMF annual report) or organization (e.g. WTO) that was quoted or paraphrased in the story." News sources used for this study were not simply individuals or organizations whose names were mentioned in the story. Included were only sources whose opinions or statements were actually appeared in the story. For the purposes of this study, however, news sources whose identities or affiliations were not revealed clearly or suspectively in the story were not included.

Source Affiliations : Each news source in the stories was classified into one of 32 possible institutional categories

- 01---The US government officials (e.g. White House, etc)
- 02---Korea government officials
- 03---Indonesia government officials

- 04---Thailand government officials**
- 05---Malaysia government officials**
- 06---IMF officials or representatives**
- 07---World Bank officials or representatives**
- 08---Other international organizations (e.g. G7, APEC...)**

- 09---US academic scholars**
- 10---U.S. economic specialists in research institutes or investment companies
(e.g. wall street experts)**
- 11---U.S. bankers or investors**
- 12---U.S. unaffiliated independent businessmen or ordinary people**

- 13---Korea academic scholars**
- 14---Korea economic specialists in research institutes or investment companies**
- 15---Korea bankers or investors**
- 16---Korea unaffiliated independent businessmen or ordinary people**

- 17---Indonesia academic scholars**
- 18---Indonesia economic specialists in research institutes or investment
companies**
- 19---Indonesia bankers or investors**
- 20---Indonesia unaffiliated independent businessmen or ordinary people**

- 21---Thailand academic scholars**
- 22---Thailand economic specialists in research institutes or investment companies**
- 23---Thailand bankers or investors**
- 24---Thailand unaffiliated independent businessmen or ordinary people**

- 25---Malaysia academic scholars**
- 26---Malaysia economic specialists in research institutes or investment companies**
- 27---Malaysia bankers or investors**
- 28---Malaysia unaffiliated independent businessmen or ordinary people**

- 29---International investors or speculators (e.g. Soros)**
- 30---Other countries' government officials or economic specialists (e.g. Europe,
Singapore, Hongkong)**
- 31---Other countries' news agencies or media**
- 32---Others**

- 99---Don't Know/Not provided/Anonymous**

Direction of News Sources to the IMF or IMF programs in the Asian countries:

Direction of news sources to the IMF programs was evaluated by using a five-point scale measurement -- "strongly negative," "negative," "neutral/balanced," "positive" and "strongly positive." Generally, the category of positive tones included descriptions and opinions supportive of the IMF and its programs in Asian countries, whereas a source was coded as having "negative tones" if there were any critical comments. A "neutral/balanced tone" included those sources that expressed both a positive and negative attitude toward the IMF and its programs within a single citation or those for whom the direction was ambiguous to the coders.

- 1---Strongly negative
- 2---Negative
- 3---Neutral/Balanced
- 4---Positive
- 5---Strongly positive
- 9---No position/Don't know

Organizational Job Status: Based on the position in an organization, each news source was classified into one of the following types

- 1---Executives/Decision-Makers (e.g., someone in a decision-making position)
- 2---Spokesperson
- 3---Affiliated employees (e.g., academic scholars, researchers)
- 4---Unaffiliated independent business men or ordinary people
- 5---Others
- 9---Don't know/Not provided

Channels of News Source Gathering: The paths by which information reached the reporters were classified into the following.

- 1---Press conference
- 2---Press release
- 2---Official interview/presentation in conferences/seminar/economic forums
- 3---Unofficial individual interviews
- 4---IMF-funded research
- 5---Government-funded research
- 6---Independent research (e.g., opinion polls)
- 7---Informal (background briefings, leaks, non-governmental proceedings)
- 8---Others
- 9---Don't know/Not clear

Gender of News Source: all applicable news sources were coded as male or female if gender was ascertainable from the story or source's names.

1---Male

3---Female

5---Don't know /Not clear

Identification of Major News Sources (Specify): Specific identifications of sources were coded, if the source's name and affiliation were reported or sufficient information about the source was provided to allow to guess identifications.

APPENDIX 3-1

Krippendorff Alpha (Coefficient) Matrix for Intercoder Reliability Tests, News Frame Analysis (Percentage)

Category of Analysis	U.S.		Korea		Indonesia		Thailand		Malaysia		Total	
	Pre-test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test
Major Themes	68	78	72	77	70	81	74	78	70	76	71	78
Story Direction	75	81	77	82	80	82	79	84	74	80	77	82
Story Context	88	90	90	92	86	90	85	89	86	94	87	91
Primary Causes	77	80	82	88	89	86	90	90	87	88	85	86
Primary Solutions	80	84	82	88	86	85	76	84	84	85	82	85
Source Affiliation	72	82	75	85	76	82	81	82	73	77	75	82
Source Direction	77	86	72	74	75	83	79	86	78	80	76	82
Total	77	83	79	84	80	84	81	85	79	83	79	84

Note: Krippendorff Alpha was used for the test. For pre-test sessions, a total of 200 news stories mentioning the crisis and the IMF bailout, 40 stories for each country, was coded. Materials used for the pre-test were not included in the study's population.

APPENDIX 3-2

Krippendorf Alpha (Coefficient) Matrix for Intercoder Reliability Tests, News Source Analysis (Percentage)

Category of Analysis	U.S		Korea		Indonesia		Thailand		Malaysia		Total	
	Pre-test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test	Pre-Test	Post-test
Affiliation	72	82	75	85	76	82	81	82	73	77	75	82
Direction to the IMF	77	86	72	74	75	83	79	86	78	80	76	82
Organization Job Status	82	84	80	83	79	82	83	85	74	82	80	83
Gathering Channels	83	87	87	87	83	85	80	83	79	80	82	84
Specific Identity	100	100	100	100	100	100	100	100	100	100	100	100
Gender	87	89	92	93	86	89	94	93	86	90	89	91
Total	84	88	84	87	83	87	86	88	82	85	84	87

Note: Krippendorf Alpha was used for the test. For pre-test sessions, a total of 200 news stories mentioning the crisis and the IMF bailout, 40 stories for each country, was coded. Materials used for the pre-test were not included in the study's population.

SUNG TAE KIM

DATE OF BIRTH: April 16, 1968

Education

- Ph. D. School of Journalism, Indiana University, Bloomington, IN, USA. Degree conferred in May 2001. Major in Mass Communication.
- M.A. Department of Journalism and Mass Communication, Korea University, Seoul, Korea. Degree conferred in February 1995. Major in Journalism.
- B. A. Department of Journalism and Mass Communication, Korea University, Seoul, Korea. Degree conferred in February 1993. Major in Journalism; Minor in Political Science.

Work Experiences

- Assistant Professor (August, 2001). Department of Communication, DePaul University, Chicago, IL, USA.
- Roy W. Howard Research Assistant (1998-2001). School of Journalism, Indiana University, Bloomington, IN, USA.
- Instructor (1999). Graduate School of Indiana University (Undergraduate Students Initiative 1999 Summer Project).
- Teaching Assistant (1993-1995). Department of Journalism and Mass Communication, Korea University, Seoul, Korea
- Editor and Reporter (1987-1990). Indian Head (an English-language newspaper for U.S. 8th Army in Korea).
- Intern (1994). House of Representative Gerry E. Studds, Congress of the United States.

Selected Journal Publications

- Sung Tae Kim (2000). Making a Difference: U.S. Press Coverage of the Kwangju and Tiananmen Pro-democracy Movements. Journalism & Mass Communication Quarterly, Vol. 77, No. 1, pp. 22-36.
- Sung Tae Kim, David H. Weaver and Lars Willnat (2000). Media Reporting and Perceived Credibility of Online Polls. Journalism & Mass Communication Quarterly, Vol. 77, No. 4, pp. 846-864.
- David H. Weaver & Sung Tae Kim (2001). The Quality of Public Opinion Poll Reports: Issue Salience, Knowledge and Conformity of AAPOR Disclosure

Standards. International Journal of Public Opinion Research, Vol. 13, No.3 (In press).

- Sung Tae Kim & David H. Weaver (2001). Different Polls, Different Reporting? A Comparison of Online and Traditional Random Sample Opinion Polls in U.S. News Media. Newspaper Research Journal, Vol. 22, No. 2 (In press).
- Sung Tae Kim & David H. Weaver. Communication Research About the Internet: A Thematic Meta Analysis. New Media & Society (forthcoming).

Selected Convention Papers

- Sung Tae Kim & David H. Weaver (May 2001). Who Sets "Globalization" Agenda? A Comparative Analysis of Sourcing Patterns in Five Countries' Newspapers. Paper presented to the International and Development Division of the International Communication Association, Washington, D.C., 2001.
- Young Jun Son & Sung Tae Kim (May 2001). Do the Media Matter to Voters? An Analysis of Presidential Campaigns, 1984-1996. Paper presented to the Political Communication Division of the International Communication Association, Washington, D.C., 2001.
- Sung Tae Kim & Eun Seong Kim (November, 2000). Using Web Sites as a Source: A Study of Five U.S. Newspapers' Political News Coverage 1995-1999. Paper presented to the Midwest Association of Public Opinion Research (MAPOR), Chicago, IL.
- Sung Tae Kim & David H. Weaver (November, 2000). Communication Research About the Internet: A Meta-Analysis. Paper presented to the Midwest Association of Public Opinion Research (MAPOR), Chicago, IL.
- David H. Weaver & Sung Tae Kim (July, 2000). The Quality of Public Opinion Poll Reports: Issue Salience, Knowledge and Conformity of AAPOR Disclosure Standards. Paper presented at the International Association for Media and Communication Research, Singapore.
- Sung Tae Kim & David H. Weaver (May 2000). Different Polls, Different Reporting? A Comparison of Online and Traditional Random Sample Opinion Polls in U.S. News Media. Paper presented at the joint meeting of World Association for Public Opinion Research and the American Association of Public Opinion Research, Portland, Oregon.
- Sung Tae Kim, David H. Weaver, and Lars Willnat (November 1999). The Reporting and Perception of Online Polls and Message Credibility. Paper presented at the Midwest Association of Public Opinion Research (MAPOR), Chicago, IL.
- Sung Tae Kim & Krista K. Eissfeldt. (August 1999). The Framing of Globalization in the First and Third Worlds: A Case of the Asian Economic Crisis and the IMF Rescue. Paper presented to the International Communication

Division of the Association for Education in Journalism and Mass Communication, New Orleans, LA.

- Sung Tae Kim (August 1999). Making a Difference: U.S. Press' Framing of the Kwangju and Tiananmen Pro-democracy Movements. Paper presented to the International Communication Division of the Association for Education in Journalism and Mass Communication, New Orleans, LA.
- Lars Willnat, David H. Weaver, Sung Tae Kim, and Brad McKay (July 1999). Perceptions of Traditional and Online Polls and the Third-Person Effect: How Americans Think About Polls and Their Effects. Paper presented at the International Association of Media and Communication Research, Leipzig, Germany.
- Sung Tae Kim (November 1998). Janus-Faced Media: Framing of International News. Paper presented at the National Communication Association, New York city, NY.
- Sung Tae Kim (July 1998). Telling or Making a Truth: Social Problems for Media. Paper presented to the Health Communication Division of the International Communication Association, Jerusalem, Israel.
- Sung Tae Kim (July 1998). The Analysis of Electronic Media Markets in Korea: A Test of the Principle of Relative Constancy. Paper presented at the Mass Communication Division of the International Communication Association, Jerusalem, Israel.
- Sung Tae Kim (July 1998). How Are Online Sources Used in Newspapers? Indexing Web Sites in Political News of the *New York Times*. Paper presented at the Communication and Technology Division of the International Communication Association, Jerusalem, Israel.
- Sung Tae Kim (July 30- August 2, 1997). The Effect of the VCR on Mass Media Markets in Korea, 1961-1993: The Principle of Relative Constancy Reapplied. Paper presented at the Media Management and Economics Division of the Association for Education in Journalism and Mass Communication, Chicago, IL.
- Sung Tae Kim (March 1998). Media's Restless Searchlight for Spotlight: A Content Analysis of AIDS Coverage in *Time* and *Newsweek*. Paper presented at the Magazine Division of the AEJMC Southeast Colloquium, New Orleans, LA.

Academic Awards & Honors

- MAPOR Fellows Student Paper Award, "Using Web Sites as a Source: A Study of Five U.S. Newspapers' Political News Coverage 1995-1999" Midwest Association of Public Opinion Research (MAPOR), Chicago, IL., November, 2000.
- Francis Wilhoit Research Paper Award, "The Framing of Globalization in the First and Third Worlds: A Case of the Asian Economic Crisis and the IMF Rescue." School of Journalism, Indiana University, 1999.

- Undergraduate-Students Initiative 1999 Summer Project Grant Award, Graduate School, Indiana University, 1999.
- Recipient of Ernie Pyle and Row W. Howard Fellowship, School of Journalism, Indiana University, 1998-2001.
- The Willis and Isabelle Porter Memorial Award, International Center, Indiana University, 1998.
- ICA Top Student Research Paper Award, "How Are Online Sources Used in Newspaper? Indexing Web Sites in Political News of *the New York Times*," Communication and Technology Division of the International Communication Association, Jerusalem, Israel, 1998.

- AEJMC Kappa Tau Alpha Research Award, National Honor Society in Journalism and Mass Communication, AEJMC, 1997.
- AEJMC Best Student Research Paper Award, "The Effect of the VCR on Mass Media Markets in Korea, 1961-1993: The Principle of Relative Constancy Reapplied," Media Management and Economics Division of the Association for Education in Journalism and Mass Communication, Chicago, IL. 1997.
- Selected as a Delegate for the Exchange Program of Korean National Assemblymen and U.S. Congressmen, sponsored by USIA, 1994.
- 1988's Best News Reporter of U.S. 8th Army, *Indian Head*, U.S. 8th Army, Seoul, Korea (1988).
- 1989's Best Newspaper Editor of U.S. 8th Army, *Indian Head*, U.S. 8th Army, Seoul, Korea (1989).

Professional Organizations

- Association for Education in Journalism and Mass Communication
- International Communication Association
- Midwest Association of Public Opinion Research
- Korean Communication Association