Professionalism in financial journalism: a struggling field in Hong Kong

Suk Fun Leung

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Professionalism in Financial Journalism:  
A Struggling Field in Hong Kong

LEUNG Suk Fun

A thesis submitted in partial fulfillment of the requirements  
for the degree of  
Doctor of Philosophy

Principal Supervisor:  
Prof. Cherian George (Hong Kong Baptist University)

August 2018
DECLARATION

I hereby declare that this thesis represents my own work which has been done after registration for the degree of PhD at Hong Kong Baptist University, and has not been previously included in a thesis or dissertation submitted to this or any other institution for a degree, diploma or other qualifications.

I have read the University’s current research ethics guidelines, and accept responsibility for the conduct of the procedures in accordance with the University’s Committee on the Use of Human & Animal Subjects in Teaching and Research (HASC). I have attempted to identify all the risks related to this research that may arise in conducting this research, obtained the relevant ethical and/or safety approval (where applicable), and acknowledged my obligations and the rights of the participants.

Signature: ____________________________

Date: August 2018
ABSTRACT

This thesis explores the norms and practices of financial journalism in Hong Kong, an international financial center and a Special Administrative Region of China. The focus is on the pressure and challenges local financial journalists are facing amid unprecedented socio-political changes in the territory after the handover in 1997 and how they respond to them. Financial journalism worldwide has become a target of criticism, especially after the Global Financial Crisis of 2008, even as appetite grows for financial and economic information. Journalists’ lack of skepticism and the eagerness to please the powers-that-be and their sources are common accusations. Drawing on Bourdieu’s field theory and Waisbord’s research framework, this thesis uses professionalism as a lens to investigate the aspirations of institutions and agents, and to identify the gaps between role perceptions and the actual role performance of financial journalists in Hong Kong.

This study examines the codes of conduct of local media, analyzes the performance of financial journalists via their output, and guided by the findings, conducts in-depth interviews with practitioners at Hong Kong, Mainland Chinese and international media organizations. The results show that Hong Kong media institutions and financial journalists have not been paying enough attention to the rules of the profession set in the codes, and implementation is largely lax. Shrinking capacity in newsrooms is another major constraint on professionalism, as it limits journalists’ ability to conduct analysis, exercise initiative and carry out investigative reporting. Journalists also express confusion about what constitutes quality news as print media are moving digital. This study indicates that Hong Kong’s financial journalism is struggling to maintain the boundary of its field
amid social and commercial challenges. Although not all Hong Kong financial journalists think they are professionals, they value the standards and group norms passed on by senior reporters and editors. An embedded culture of Western style professionalism continues to prevail. However, close social and economic interactions between Hong Kong and Mainland China threaten to change the ecology of financial journalism in the city, in ways that undermine its claims to professionalism.
Acknowledgements

I would like to express my gratitude to my supervisor, Prof. Cherian George, for his patient guidance, detailed instructions and useful critiques of this research work. He challenged my findings and inspired me to look into the research topic from different angles.

I am also indebted to the interviewees who generously spared their time and shared their experience and views on the financial journalism genre. The journalist interviewees expressed their concerns as well as visions and hopes about their profession while the interviewee used to work at a stock regulator explained his positions towards the supervision of financial journalists in detail.

In addition, I want to thank Prof. Huang Yu and Prof. Colin Sparks who enrolled me in this doctorate degree course, which broadened my horizon and extended my knowledge in the field of communication and journalism.

Last but not least is to thank my husband, Joshua So, who gave me endless support during the past four years of my study, and my friend Dr. K.K. Yuen for his excellent comments on this thesis.
### Abbreviations

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACJA</td>
<td>All-China Journalists’ Association</td>
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<td>ATV</td>
<td>Asia Television</td>
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<tr>
<td>CBN</td>
<td>China Business News</td>
</tr>
<tr>
<td>CCP</td>
<td>Chinese Communist Party</td>
</tr>
<tr>
<td>CSCE</td>
<td>Conference on Security and Co-operation in Europe</td>
</tr>
<tr>
<td>CSRC</td>
<td>The China Securities Regulatory Commission</td>
</tr>
<tr>
<td>CUHK</td>
<td>The Chinese University of Hong Kong</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>CEPA</td>
<td>The Hong Kong Closer Economic Partnership Arrangement</td>
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<tr>
<td>GFC</td>
<td>Global Financial Crisis</td>
</tr>
<tr>
<td>GEM</td>
<td>the Growth Enterprise Market</td>
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<tr>
<td>HK</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>HKEJ</td>
<td>Hong Kong Economic Journal</td>
</tr>
<tr>
<td>HKET</td>
<td>Hong Kong Economic Times</td>
</tr>
<tr>
<td>HKEX</td>
<td>Hong Kong Exchanges and Clearing Ltd</td>
</tr>
<tr>
<td>HKJA</td>
<td>the Hong Kong Journalists Association</td>
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<tr>
<td>ICAC</td>
<td>Independent Commission against Corruption</td>
</tr>
<tr>
<td>IPO</td>
<td>initial public offering</td>
</tr>
<tr>
<td>KMT</td>
<td>Kuomintang</td>
</tr>
<tr>
<td>PR</td>
<td>public relations</td>
</tr>
<tr>
<td>PSG</td>
<td>Performance Sports Group</td>
</tr>
<tr>
<td>SABEW</td>
<td>Society of American Business Editors and Writers</td>
</tr>
<tr>
<td>SAR</td>
<td>Special Administrative Region</td>
</tr>
<tr>
<td>SARS</td>
<td>Severe Acute Respiratory Syndrome</td>
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</table>
SCMP - the South China Morning Post

SEHK - Stock Exchange of Hong Kong

SFC - Securities and Futures Commission

TVB - Television Broadcasts Limited

UNESCO - The United Nations Educational, Scientific and Cultural Organization

U.S. - The United States
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Chapter 1. Introduction

This study is prompted by a meltdown of trust in financial journalism, especially after the Global Financial Crisis (GFC) of 2008, which has brought this special genre of news into the spotlight. The field of financial journalism has expanded rapidly since the 1970s and gained increasing power along with the spread of capitalism and market liberalization across the globe. Economic and financial news secured a more prominent place in general-interest newspapers and often occupied the front page of major dailies (Murphy, 2013). This phenomenon became more prominent during and after the GFC of 2008 and the subsequent recessions in the United States and Europe. But on the flip side there is no shortage of criticisms about this profession, from its shallowness and the lack of training, to its intertwined relationship with those it reported and the failures of acting as watchdogs and whistle-blowers (Schechter, 2009; Schiffrin 2011; Schifferes & Coulter, 2012; Shaw, 2015; Tambini, 2010). The decline of public trust seems evident in financial journalism (Schifferes & Coulter, 2012), especially after it failed to warn the public about the looming danger of the 2008 financial crisis. Shaw (2015) claims that financial journalism is in crisis, with increased commercialization and the lack of professionalism among the main charges.

1.1 Journalism’s Woes

The operating environment of journalism in the U.S. and other developed countries has deteriorated further after the GFC as advertising revenue shrank due to recessions and the shift of press advertising to social media and other digital platforms. Circulation revenue has also declined with audiences moving to online news. The U.S. daily newspaper’s circulation fell 29 percent to 35 million on
weekdays in 2016 from 49 million in 2008, while advertising revenue lost more than half its value in the same eight-year period to US$18 billion, according to Pew Research Center (Barthel, 2018). U.S. newspapers employed 41,400 editors and reporters in 2015, down 37% from 2008. Margaret Simons, an award-winning journalist said, “We might be entering a new dark age” (Simons, 2017). She made the comments after two largest legacy media organizations in Australia announced major job cuts to stay afloat. News Corp Australia sacked most of its photographers and sub-editors in April 2017 after it announced consecutive losses (Meade, 2017a) and in May the same year, Fairfax said it would axe up to 125 journalists in Sydney Morning Herald, the Age and the Australian Financial Review to reduce cost (Meade, 2017b).

Mature markets in the developed world were the first to be hit. The chill has since spread to other markets, including China and Hong Kong. Based on research from the China Newspaper Association’s printing working committee, the nation’s total newspaper print volume was down 10.75% in 2017 from the previous year, falling six years in a row (Keyin, 2018). CTR Market Research’s data also showed a decline in advertising revenue of Chinese newspapers, by 33.9% in the first eight months of 2017 from a year before. These media organizations have to rely on investment income and government subsidies to stay in the black (Jizhewang, 2018). In Hong Kong, media have been facing huge commercial pressures after the GFC, which makes it more difficult to maintain their financial viability. For example, two Chinese-language dailies, Hong Kong Daily News and The Sun, closed down in 2015 and 2016 respectively, due to falling circulation and advertising revenues, and competition from free sheets (Chan, Chen, & Lee, 2017). Asia Television (ATV) also ceased operation in 2016 after failing to find new investors.
In difficult economic times, with large-scale cost-cutting, news quality and professional values are seriously threatened. Media have become increasingly dependent on official statements from corporations and Public Relations (PR) firms, as well as news agency copy, and thus lack initiative and original editorial content (Barnett, 2009). There are few resources for investment in training or for conducting in-depth, investigative reporting. On the other hand, the PR industry has been growing and taking advantage of a shrinking news industry to set the news agenda (ProPublica, 2011). The number of U.S. PR employees has outnumbered journalist by several folds. In 2008, there were .90 PR people per 100,000 population compared to .25 journalists, according to the data from the U.S. Bureau of Labor Statistics. This poses a significant challenge to financial journalists due to their intertwined relationships with PR people.

1.2 The Hong Kong Case

Against this backdrop, this thesis aims to explore the norms and practices of financial journalism in Hong Kong, which operates in a unique context. Hong Kong is a global financial centre, but it is also a Special Administrative Region (SAR) of China, which is not known either for press freedom or mature and well-regulated markets. As China comes to dominate Hong Kong, the question is how equipped the profession is to cope with the changing environment.

Change is common in Hong Kong, which has gone through the Asian financial crisis, the dot-com bubble, the GFC and the collapse of A-shares market in 2015 since the 1997 handover. These issues were mostly covered by young reporters who lacked training and did not understand sophisticated structured financial products. Veteran financial journalist and executive director of iCable
News, Ronald Chiu, said reporting the GFC was an unprecedented challenge to Hong Kong journalists. He recalled his feeling at the time in a co-edited book published recently that: “Newswire information [about Lehman Brothers] came in more frequently with increasingly complex content. I started to worry whether ordinary citizens and small investors would understand the impacts from the complicated structured financial products and fiscal policies. More importantly, whether we, the news industry, are in possession of sufficient knowledge and professional standards to explain the intricate financial tsunami precisely and clearly in simple language” (Song, Wu, & Chiu, 2017).

Hong Kong’s economy was hit hard by the GFC and fell into recessions in 2009 with the Hang Seng Index losing almost half (48%) of its value. Media veteran Dr. Cheung Kwai Yeung (2009) criticized that Hong Kong financial journalism’s practice, saying that it had failed to give sufficient information to the audience before the GFC. “Commercial media often instruct consumers to buy new financial products without mentioning that the column or the air time are sponsored by related financial institutions. They are alternate advertisements, which are detrimental to consumers” (p. 116). The bankruptcy of U.S. investment bank Lehman Brothers during the GFC triggered a minibond problem in Hong Kong with investors in the city losing a total of US$2.5 billion on the structured products offered by Lehman (Reuters, 2011). Some investors launched complaints to Hong Kong’s regulators on alleged mis-selling by banks, and five years later they received most their losses from the banks that sold the bonds to them (Holland, 2013). Another popular investment vehicle among local retail investors is the initial public offering (IPO) of companies. More and more Mainland Chinese companies
seek their listing on the Hong Kong stock exchange, adding to the importance of the financial journalism beat in Hong Kong.

### 1.3 Research Questions

Taking professionalism as a lens, the study first analyzes the local codes of conduct, the gold standards and rules of professional journalism, and compares them with those for Mainland Chinese and international journalists. Then, through the examination of news reports on IPOs in five newspapers, the thesis evaluates the performance and quality of local financial journalism against the “social trustee” model. Guided by these findings, in-depth interviews with practitioners are conducted to provide further evidence of the culture and practices of local financial journalists. There is a pressing need to address the following research questions:

1. How do the norms and practices of Hong Kong’s financial journalism compare with those of the “social trustee” model?
2. What are the major challenges facing Hong Kong financial journalism?
3. How do Hong Kong’s financial journalists tackle these challenges in enhancing their professional autonomy amid socio-political changes and increasing commercial pressure?

### 1.4 Research Context

Through this investigation, the thesis tries to contribute to discussions within journalism studies concerning professionalism as a contested concept, and how it is practised in challenging contexts.

The next chapter reviews the academic literature on financial journalism, an under-researched area (Doyle, 2006; Kjaer & Slaatta, 2007; Shaw, 2015; Tambini,
2010), and professionalism, a core concept in journalism studies. Early studies about financial journalism are mostly focused on the development of the field and the history of prominent media organizations in the U.S. (Rosenberg, 1982) and Western European countries (Kynaston, 1988; Read, 1999). Criticism of financial journalism’s performance grew alongside the popularity of this particular news genre. Enquiries about the efficiency of financial journalism, in terms of serving the public, have become common themes in academic literature after the collapse of Enron and the GFC (Schifferes & Coulter, 2012; Tambini, 2010). Hong Kong is an international financial center but its financial journalism has largely been ignored by media scholars. Tambini (2013) is one of the very few researchers who has examined this genre of news in Hong Kong. He found that local financial journalists have problems in the understanding and implementing the ethical standards in codes of conduct. Since Tambini’s study, China’s economic dominance over Hong Kong has grown, while political controls under President Xi Jinping have deepened in the Mainland and crept more obviously into the SAR.

This study takes professionalism as a lens to understand financial journalism of Hong Kong. The notion of professionalism is contested and ambiguous with no consensus among journalists and scholars. What “professionalism actually means has been a matter of permanent debates both in journalism and academia” (Waisbord, 2013, p. 6). Scholars have approached professionalism studies from various perspectives – including normative (Hallin, 1996), practical (Tunstall, 1971; Chapman & Nuttall 2011; Ward 2010) and critical (Meyers, Wyatt, Borden & Wasserman, 2012). This paper engages Waisbord’s (2013) approach of separating “professional journalism” from ethical assessments to understand professionalism as a sociological category, a career and a paid job. Drawing on
Bourdieu’s field theory, which provides a useful framework in “comparative analysis of the media” (Hallin 2005, p. 224), I examine the professionalization of financial journalism in Hong Kong alongside examples from Mainland China and leading Western media organizations.

In order to contextualize today’s financial journalism, it is important to examine the city’s press history and the evolution of its financial journalism field. Chapter 3 describes how Hong Kong financial journalism developed and explains the unique conditions in which it operates. Hong Kong has been facing unprecedented social and political transitions following its return to China in 1997. With the co-existence of the “Anglo-Saxon” and Chinese models, its British style liberally inclined media system is being tested and it is of great interest for discussion. Shifts in ‘journalistic paradigms’ have actually happened even before the 1997 handover, with rightist newspapers seen gradually taking a less critical stance toward Chinese government and greater accommodation to Chinese rules (Chan and Lee, 1991). Under the principle of “one country, two systems”, China allows Hong Kong to keep its capitalist system and living style for 50 years but its influence in Hong Kong has obviously been expanding in areas including politics, economy and the media. Most of Hong Kong’s media organizations are owned by pro-Beijing businessmen, who have intertwined interests in the Mainland and often put their relationship with Beijing before social responsibility. The city’s oldest English newspaper, the South China Morning Post, is owned by China’s Alibaba Group and Hong Kong’s dominant broadcaster, TVB, is controlled by a Mainland Chinese company (Mitchell, 2017). Furthermore, the business environment is increasingly difficult and that has forced media organizations to cut cost and seek ways to survive. In 2017, pro-democratic entrepreneur Jimmy Lai’s Next Digital
Ltd agreed to sell its flagship *Next* and other magazines for HK$500 million (Siu & Li, 2017). The group has put its bets on digital news while planned to lower its expenses by outsourcing news content, design and other editorial works at *Apple Daily* after suffering from huge losses due to sliding advertising revenues and lower circulation.

Previous local media research is mostly focused on the impacts of socio-political changes on journalists and news (Lau & To, 2002; Chan, Lee, & Li, 1996), the city’s press freedom (Lee, 2000; Holbig, 2003), and self-censorship (Schell, 1996; Lee, 1998; Chan & Lee, 2009). Hong Kong’s financial journalism, which seems to be less affected by political pressure, has largely been neglected by media scholars. Besides social, political and economic pressure, the field is also facing challenges from fast growing digital and online news. This study intends to fill this gap by providing empirical evidence to the research of this important beat of Hong Kong news.

Chapter 4 covers an analysis of the codes of conduct, an instrument to support journalistic professionals to gain autonomy (Nordenstreng, 1998), justify their unique positions in the society (Cooper, 1989b) and protect the boundary of their fields. It examines four codes formulated by local media institutions and organizations and compares them with those issued by China’s journalists association, Thomson Reuters and the Society of American Business Editors and Writers. The study focuses on guidelines on conflicts of interest. The findings show the standards are varied but none of the four local codes - three belonging to individual news organizations plus a joint code developed by four journalistic organizations - prohibit their journalists from stock trading in general. However, they state that journalists should not benefit from the information they get from work
and should not trade the stock they write or report about. The English newspaper, the *SCMP*, and the joint code are stricter regarding the disclosure of interest, which helps journalists to stay away from direct and possible conflicts of interest. They require practitioners to declare for possible conflicts of interest, while the codes of TVB and *HKET* do not require such disclosure. The Western codes seem stricter than the Hong Kong and China codes in regulating stock trading and insider dealing. They ban or discourage short-term trading to avoid any appearance of conflicts of interest. The Mainland Chinese code does not mention insider dealing or stock trading by journalists despite the fast development of its financial markets and financial news sector in the past two decades.

Waisbord’s framework suggests that the codes of conduct cannot be studied in isolation but have to take journalists’ actual practices and cultures into account: “Codes offer insights into beliefs, expectations, and desires, but they do not offer a full picture” (Waisbord, 2013, p. 191). Therefore, in-depth interviews with practitioners in Chapter 6 shed more lights on how and whether these rules apply to journalists’ daily practices. In order to understand the professional role performance of Hong Kong journalists, a content analysis has been conducted, as reported in Chapter 5 on three local newspapers, including two major Chinese language dedicated financial dailies - *Hong Kong Economic Times (HKET)* and *Hong Kong Economic Journal (HKEJ)*, and an English freesheet, the *Standard.* Hong Kong has repeatedly been crowned as the world’s largest IPO market in terms of fund raising size, so I chose to explore this particular news beat and look into what and how the information is presented to readers to gauge whether it meets the liberal media model’s expectation of serving the society with its professional values, in particular truthfulness and scrutiny, and the news value of exclusivity. For
comparison, the analysis also covers IPO articles in Mainland Chinese newspaper *China Business News (CBN)* and Canadian broadsheet *The Globe and Mail*. The findings show Hong Kong and Canadian newspapers alike emphasize the value of “depersonalization” or deliberate detachment, which is one key element of neutrality (Ognianova & Endersby, 1996. But local journalists are also found not to be skeptical enough and highly reliant on corporate sources’ inputs, which are generally positive. None of the articles analyzed in the five newspapers is investigative or exclusive stories. One of the reasons for the shortage of investigative journalism in local press is the financial pressure that most newsrooms are facing, which forces them to keep manpower at the lowest possible level. Apparently, the Mainland-based *CBN* enjoys more resources, allowing its journalists to produce longer explanatory articles with in-depth reporting, although they too lacks investigative reports.

In Chapter 6, interviewees reveal more about their role perceptions and the challenges they face in carrying out professional duties, supplementing the findings in Chapter 4 and 5. The interviews indicate that local financial journalists do not take codes of conduct seriously and their organizations seem lack mechanisms to implement these rules. They also agree that stock trading is a common phenomenon among local financial journalists and most of the respondents do not see any problems with this kind of behavior, in line with Tambini’s (2013) observation that there is “endemic conflict of interests” for Hong Kong financial journalists (p. 27).

The concluding Chapter 7 synthesises the findings of the previous chapters, presenting the multifaceted relationships between Hong Kong financial journalists and their organizations, sources and advertisers. It argues that Hong Kong’s financial journalism is suffering from a crisis of professional identity as most local
respondents said they are not professionals. Hong Kong’s financial journalism field is in a status of flux and its mainstream journalistic culture was used to be associated with the Anglo-American tradition but it is now increasingly influenced by China, demonstrating the hybridization of professional cultures. It makes suggestions on how to strength the professional standards in helping financial journalists to protect the autonomy of their fields.
Chapter 2. Literature Review and Theoretical Framework

The terms “business journalism”, “financial journalism” and “economic journalism” have been used interchangeably by journalists and media scholars (Shaw, 2015; Yarrow, 2006). In the United States, “financial journalism” is used to refer to the reporting of stock market performance, commodity prices, results of corporations and stories about businessmen and companies, and the term has expanded to cover reporting of the national economy (Yarrow, 2006) and personal finance to meet the increasing demand of an affluent middle class and, this trend has spread around the world. Journalists involved in business and economic news reporting and editing also consider themselves financial journalists: “Perhaps for reasons of prestige, most journalists who cover business and economy see themselves more as financial journalists than business journalists” (Shaw, 2015, p.70). In this study, the term financial journalism is broadly defined, referring to the production of financial, business and economic news.

This genre of news has been growing significantly in the past few decades (Kjaer & Slaatta, 2007) in tandem with the liberalization of financial markets around the world and the rise of global capitalism. Financial news has increasingly dominated the front pages of major newspapers (Schifferes & Coulter, 2012) and become the lead stories of television news, showing people’s growing appetite for economic and financial information that helps them make decisions to protect or add value to their wealth and assets. Following the liberalization of the financial sector in many countries in the latter half of the 20th century to the 21st century, there were financial instabilities. The worst one was the international financial crisis in 2007 and 2008, which devoured about US$50 trillion of wealth around the world and reduced global GDP by 5 percent in two years (Schifferes 2011), leaving the
U.S. in the worst economic downturn since the Great Depression in the 1930s. The global financial crisis, triggered by the collapse of the U.S. subprime mortgage and housing market, has not just damaged the international banking sector, the global economy and governments, but also the journalists. It brought criticism of financial journalism to new heights. Schifferes (2011) said in an inaugural lecture at the City University London that:

The crisis had another outcome that might prove even more damaging in the long term: the further erosion of trust in our institutions, from bankers to regulators to governments and indeed, to journalists. (Schifferes, 2011, para. 3)

After the crisis, a raft of soul-searching studies on the role and duties of financial journalism and why it failed to warn the public about the looming financial crisis (Lashmar, 2008; Starkman 2011) emerged. However, financial journalism is still a new sub-field of media and research about this genre of news is described by Kjaer and Slaatta (2007) as “a field in the making” (p. 16), or identified by other media scholars as an area where research is still insufficient (Doyle, 2006; Shaw, 2015; Tambini, 2010). The aim of this study is to help fill this gap by exploring this specific news genre with a focus on Hong Kong, an international financial center, using the lens of professionalism. Journalism studies were first established in North America and Western Europe, drawing mostly on experience in the United States and the United Kingdom. By the examining of the norms and practices of financial journalism in Hong Kong, a Special Administrative Region of China, this paper provides an Asian perspective on the daily routines of this specialty sector of news.

In this literature review, I first look into previous studies in financial
journalism and in relation to professionalism, identifying the gaps where this research could fit in. Then I examine Silvio Waisbord’s concept of professionalism and Pierre Bourdieu’s field theory, the theoretical framework of this thesis. The last part of the review is focused on Hong Kong, which faces unprecedented socio-political and economic changes following the handover of its rule back to China in 1997, which has reshaped its media landscape amid growing influence from Mainland China.

2.1 Financial Journalism in Crisis

Early financial journalism studies mostly took a historical approach, focusing on the development of the major financial press, business magazines and media (Kjaer & Slaatta, 2007). For example, Jerry Rosenberg’s (1982) book about the history of the Wall Street Journal explains how the newspaper was founded and became influential. Likewise, the same approach can be found in David Kynaston’s (1988) exhaustive account of the Financial Times and Donald Read’s (1999) book on the history of Reuters. These works focus on the institutional level and do not look into the genre from individual journalist’s perspective. Hynds (1980) and Barkin (1982) instead examine the content of financial news. After conducting a survey, Hynds (1980) finds that “business coverage is getting better” (p. 297), with daily newspapers expanding coverage on financial news and putting greater effort into making the financial news easier for readers to understand. Barkin (1982) embarked on a longitudinal content analysis from 1931-1979 to examine changes in the content of financial news. He (ibid) asserts that types of financial news have increased during the researched period. “If diversity of subject matter can be considered an index of improvement, business coverage has improved” (ibid, p.
Some researchers have studied the relation between financial journalists and corporate public relations (Davis, 2002; Dreier, 1982; Glasgow University Media Group, 1976 & 1980). Davis (2002) criticizes financial journalism for taking a pro-business stand, with corporations or public relations firms dominating the news agendas. Other researchers, in response to major corporate failures or scandals, such as Enron, explored the efficacy of financial journalism (Borden, 2007; Doyle, 2006).

Actually, there has been no shortage of criticism of financial journalism. Since 1929 the quality of U.S. financial news has been criticized (Barkin, 1982). Carswell (1938) criticized financial news as dull and routine, focusing only on stocks, bonds, money and credit. At the beginning of the 21st century during the dotcom boom, financial journalists were criticized for focusing on big deals, preferably involving big personalities, while other parts of the financial universe were under-reported. Veteran American financial journalist Jeff Madrick (n.d.) said in his article about the history of the American business press that:

The financial and business press has lost its sense of skepticism and its responsibility as a public watchdog. It has become dependent on sources whose vested interests are not understood or are ignored. (Madrick, p.8)

The 2008 global financial crisis triggered even harsher criticisms of the field, resulting in a raft of debates on the effectiveness and role of financial journalism (Schifferes & Coulter, 2012; Tambini, 2010), and whether it has helped to fuel the credit bubble (Schechter, 2009; Tett, 2009). There is also a great concern about the decline of public trust in financial journalists (Schifferes & Coulter, 2012), who have been criticized for their failures in fulfilling social duties of acting as whistle-blowers when financial crises approached (Schifferes, 2012; Shaw, 2015; Tambini,
A number of books about financial journalism published recently to focus on analyzing journalists’ role and responsibility. Suttles and Jacobs’ (2011) *Front Page Economics* analyzes how differently the two economic crises in 1929 and 1987 were covered by the news and concluded that journalists were partly responsible for the crises, as they tended to talk down the danger in the financial market rather than give warnings to the public. *Bad News: How America’s Business Press Missed the Story of the Century*, edited by Schifferin (2001), has examined whether financial journalists did their job of telling the truth during the 2008 financial crisis. Starkman’s (2014) *The Watchdog that Didn’t Bark: the Financial Crisis and the Disappearance of Investigative Reporting* explores the reasons why financial journalism did not sound the alarm before the financial crisis of 2008, which saw many people losing their jobs, savings and homes. Shaw (2015) takes a critical political economy approach in his recently published book *Business Journalism: A Critical Political Economy Approach*. He criticizes the practice of this specific genre of journalism of favoring corporate interests at the expense of the public interest, and he advocates for public business journalism that puts citizens’ benefits ahead of commercial interests. Shaw points out that financial journalism is facing a dilemma that it draws its power to hold officials and corporations accountable from liberalism while it relies on neoliberal capitalism to survive commercially (ibid). These authors have critically examined the roles of financial journalists from the social responsibility and accountability point of view. They have entrusted moral obligations to journalists, such as representing the public (Blumler & Gurevitch, 1995; Schudson, 1995), holding big corporations and officials accountable (Shaw, 2015; Starkman, 2014), and providing citizens with adequate information to make decisions. Engwall and Sahlin (2007), and Tambini
(2010) also look at financial journalism’s function as watchdogs of corporate
governance although it is still questionable whether financial journalists know or
agree with this role and responsibility.

The notion of “social responsibility” was coined by the report (Hutchins,
1947) of a private commission, the Commission on Freedom of the Press, of inquiry
in response to criticism of the press in the United States (McQuail, 2010). The
report insisted that the media should be free from political and commercial pressure
and must take up the responsibility of serving the public and for the people’s interest.
Concern for social responsibility, with or without the influence of the Hutchins
Commission report, has since travelled around the world. Having its roots in liberal
theory, the concept of social responsibility or public trusteeship extends further to
require journalism to meet professional standards and adhere to codes of ethics
when making editorial decisions and news judgments. The introduction of codes of
conduct in the first half of the 20th century indicates the general process of
professionalization of journalism (McQuail, 2010).

Based on a rights and duties framework, Tambini (2010) argues that financial
journalists have an institutional role in serving the society because they enjoy
professional privileges. His study starts by examining “good journalism” and
promotes a norm of professionalism in journalism, but the findings have shown that
there is a gap between people’s expectations and the cognition of financial
journalists. Tambini’s (2010) study shows that many financial journalists were
unaware of this social responsibility role and some even rejected the thinking that
they had such duties. Waisbord (2013) has said that within the current news ecology,
which is full of challenges with the growing complexity of financial markets, strong
commercial and political pressure, and severe shortage of resources, it would be
inappropriate to equate social responsibility with professional journalism. Tambini’s suggestion that journalists could seek regulatory support to enable them to fulfill their social trustee role could be unrealistic, especially in a restricted news environment, such as China. I find the normative approach towards financial journalism and its professionalization process is restrictive and may be problematic.

2.2 Professionalism

The study of the professionalization of journalism emerged in the 1960s when a group of scholars brought in sociologists’ research on professions and occupations (Becker & Carper, 1956; Greenwood, 1957) and raised questions about “What are the characteristics of a profession, and does journalism qualify as one” (Beam, Weaver, & Brownlee, 2009, p. 278). Although the notion of professionalism is elusive and contested and whether journalism is a profession has been a long-lasting debate, the exploration of the process of professionalization has been a major topic of journalism studies. This paper uses professionalism as a useful lens to understand the practices of financial journalism in Hong Kong and how this news genre accommodates and deals with social, political and economic challenges and the unprecedented transformation of communication technology.

The literature on professions has been dominated by two main strands of approaches: the functionalist and the critical models. The functionalist or trait approach, which is rooted in the works of Durkheim and Parsons, identifies professions with specific attributes and characteristics, such as altruism, autonomy and self-regulation (Greenwood, 1957), with focus on the perceived functions of serving societies and maintaining social harmony (Nordenstreng, 1998). The critical approach opposes the functionalist views, arguing that professionalism is
far from being altruistic; Illich (1973) describes professionalism as “a form of imperialism”. This strain of thought, or neo-Weberian approach, viewed professions as serving elite and corporate interests instead of the public and undermining democracy.

These strains of thought on professions laid the foundations for media scholars to develop their own body of scholarship on journalistic professionalism. Many of the studies were based on the trait approach with a focus on identifying attributes of professions. Unlike archetypal professionals, such as doctors and lawyers, journalists do not match all the classical attributes or the traditional criteria of professionalism (Meyers, Wyatt, Borden, & Wasserman, 2012). Journalism may be dubbed a “semi-profession” under Greenwood’s (1957) attributes of a profession (Tunstall, 1971). For example, journalists are not licensed by states in liberal societies, so states are unable to control admission, nor can they enjoy high autonomy and handsome incomes as those in archetypal professions, such as law or medicine. Meyers et al. (2012) argue that the core ethos of journalism “is in conflict with the professional mindset” (p. 189). But for Michael Davis (2010) and some others (Kovach and Rosenstiel, 2007), journalism is undoubtedly a profession. From this perspective, professionalism is understood as a set of virtues and ideals such as objectivity, neutrality, and truthfulness to serve the society or democracy. Premised on sociologists’ conclusions about professionalism, the trait approach has been developed into an influential perspective and provides a theoretical foundation for the study of journalism as a profession or semi-profession (Beam, Weaver & Brownlee, 2009; Witschge & Nygren, 2009). In order to solve the problem of measurement of journalistic professionalism, McLeod and Hawley (1964) developed a scale with an index of 24 items to assess the level of journalistic
professionalism (Pollard, 1985), offering an “intellectual footing” for the key indicators used in studies of journalism (Beam et al., 2009, p. 279).

Journalistic professionalization started to gain momentum in the United States in the late 19th century with the rise of professional organizations, such as press councils and journalists associations, and the development of journalism educational programmes (Waisbord, 2013). Professional organizations helped set journalistic ethical ideals such as objectivity, truthfulness and responsibility, and university programmes promoted these ideals and norms of newsrooms and thus lifted the prestige and quality of journalists (Carey, 1978). Newspaper publisher and Pulitzer Prize creator Joseph Pulitzer and columnist Walter Lippmann kicked off “discussions about journalism as a profession” in the early 20th century (Beam, Weaver & Brownlee; 2009, p. 278). However, it was not until the post-World War II period that journalistic professionalism, which professes to uphold the value that news should be independent and free from political and economic control so as to serve the public interest, became the dominant ideology in the US journalism. The social responsibility theory or public trustee model of news media is thriving in liberal capitalist states and has travelled around the world, while the United States remains the strongest advocate for professional journalism. There is still no agreement upon the set of traits that define journalistic professionalism among scholars or journalists, but Beam at el. (2009) identified the following characteristics as most frequently mentioned in previous studies:

- The occupation is organized around a body of knowledge or specialized technique.
- Members of the occupation have considerable autonomy to carry their work.
- Members of the occupation are willing to put public service ahead of
economic gain.

- The occupation has an established professional culture that includes organizations or institutions that promote its values, norms, and symbols.
- The occupation socializes its members through education and training.
- Members of the occupation produce an unstandardized product.
- The occupation is usually lifelong and terminal.

(Beam et al., 2009, p. 276-279)

Following changes in societies and the news ecology, critical voices against the traditional functionalist approach to professionalism in journalism are growing, with a major criticism focusing on the impreciseness of the attributes. However, the trait approach remains a dominant way for media researchers to look into professionalism and decide whether journalists and their products are professional or not (Beam et al., 2009; Johnson, 1972; Roth, 1974). Tambini (2010; 2013) and Shaw (2015) also use these normative values as gauges to measure the degree of professionalism in financial journalism, seeing financial journalism’s duty as serving the public interest. Hence, professionalism in financial journalism is described in positive and normative terms, as the model of ethical ideals, quality reporting and the best attributes for democracy.

For critical analysts, professionalism is related to power and control. Schiller (1979) argues that journalistic professionalism emerged in the late 19th century as a trick to control opinion and exclude dissident voices. Professionalism reflects the interests of owners or capitalists and is used to control labour (Aldridge and Evetts, 2003) in order to facilitate smooth production (Hardt, 2000; Kaul, 1986). In commercial news organizations, which seek profits rather than the public good, professional values such as autonomy and objectivity are unjustifiable. Waisbord
(2013) also points out the problem of looking at professionalism from a traditional normative angle, arguing that the profession seems to lack unified definitions and the concept of “professional journalism” has always been interwoven with occupational and normative meanings. Voltmer (2008) states that, “It is difficult to specify what exactly can be regarded as professional journalistic performance. Not only is there a wide gap between theory and practice, there is also a considerable variation of accepted practices both within and across countries” (p. 27).

For example, the notion of social responsibility in China, a restrictive media environment, could be very different from the liberally-inclined Hong Kong. China’s President Xi Jinping in February 2016 openly asked Chinese state media for absolute loyalty to the Communist Party. “Party-owned media must hold the family name of the party,” Xi said. “They must embody the party’s will, safeguard the party’s authority … their actions must be highly consistent with the party” (Zhuang, 2016). The Communist Party’s will does not necessarily represent the interest of the public and it obviously is in conflict with Chan and Lee’s (2011) findings in a survey of Hong Kong professional journalists. Press freedom has been a key concern in Hong Kong since the transfer of the city’s sovereignty back to China in 1997, although the “one country, two systems” policy guarantees that the city’s economic and political systems will not be changed for 50 years after the handover. Chan and Lee (2011) explain that, “on issues involving conflicts of interest between the local society and its sovereign country, most Hong Kong media have demonstrated their willingness to stand by the local society even it could mean a need to directly confront China” (p. 89). These findings show that even in one country, there are no unified definitions of “social responsibility” and “professional journalism,” as local interests could sometimes supersede national ones.
Previous studies on media and journalism are mostly drawn from Western experience, mainly from the United States and the United Kingdom, with relatively few references to other parts of the world such as Asia. In order to take national differences into account, Stephen Reese (2001) and Pamela Shoemaker created a hierarchy-of-influences model providing a useful analytical tool for comparative media studies. From micro to macro, the model comprises of five levels - individual, routines, organizational, extra-media, and ideological, facilitating large scale cross national media research to gauge how well the press meets normative standards.

With the rapid changes in global news ecology brought by rapid technological development, the rising corporatization of media and the emergence of citizen journalism, the normative approach of equating professional journalism to a social trustee model has become questionable even in the western world.

Recently, Mellado et al., (2017) conducted a large-scale research of print media in 19 countries and found a multilayered hybridization of professional roles at the performative level. They challenge “the idea of geographical, political or ideal media system grouping” (P. 19) and argue that the nature of news production itself may also contribute to the “hybrid” performance of news. The results of their content analysis, which covers 34,514 articles with a wide range of news, show Hong Kong and China are in the same cluster of the six professional roles examined.

This thesis is theoretically grounded in Silvio Waisbord’s concept of separating professionalism from normative assessments, and Pierre Bourdieu’s field theory, which is about labor specialization and the control of occupational boundaries, to examine norms and practices of Hong Kong’s financial journalism and how they weather the increasingly challenging news environment. It also aims to study the role perception of financial journalists in Hong Kong, Mainland and Western media.
2.3 Waisbord

Waisbord (2012), a Latin American media scholar, explores and revisits the concept of “professionalism” in journalism from new angles and that inspired me to look into financial journalism professionalism from a different perspective. The field of media and journalism studies are generally grounded in the theories, disciplinary traditions and experience from the United States and Western European countries (Waisbord 2014). The studies of journalistic professionalism are no exception. Journalistic professionalism emerged from the U.S. and U.K. in the late 19th century in response to modern democracy’s cries for press freedom and independence (McQuail 1992; Singer 2007; Waisbord 2013). It has helped journalism to be released from partisanship and linked to professional societies or the origins of professions such as medicine and accounting. In his book *Reinventing Professionalism: Journalism and News in Global Perspective*, Waisbord (2013) listed two forms of professional journalism, the U.S. market-based type and the Western European or U.K. public form, but he said both forms are now challenged and rejected. Both forms are based on a normative perspective on professional journalism, linked with ideal values such as objectivity, fairness and public interest and developed in the United States and Western Europe during the past century.

The social trustee model of professional journalism was possible at that time because during the early 20th century when the West treasured “objectivity, scientificism, and pragmatism” (Waisbord, 2013, p. 223). Waisbord argues that these notions of professionalism are contested, narrow and do not fit with the current globalized news environment rocked by an explosion of new technology.

The apogee of professional journalism is behind us. It sounds anachronistic in a world of amateur journalism and partisan media when the boundaries of
press systems are continually expanding. As journalism navigates a changing world and confronts doubts about its future, it is important to understand how journalism maintains its unique position in society, how it reinforces its role as the expert arbiter of news as it tries to maintain autonomy vis-à-vis external forces (Waisbord, 2013, p. 10).

2.31 The Waisbord Approach

Waisbord defines professional journalism as “the ability of journalism to define boundaries in relation to other professions and social fields, and to the strategies, practices and norms used to define those boundaries” (p. 222). This concept of professionalism is more detailed and practical when compare with Tuchman’s (1978) saying that professionalism is to function as “an agent of legitimation” (p. 106). In studying journalistic professionalism, Waisbord approaches it as a process “by which occupations claim jurisdiction over a field of practice” (Waisbord, 2013, p.15), and looks at professionalism relatively and from a global perspective. This multi-dimensional approach is flexible, allowing researchers to detach professionalism from normative values and compare journalistic professionalism in different countries and facilitating “de-Westernization of media studies.” Waisbord (2013) proposes to set the study of professionalism apart from contemporary normative and taxonomic approaches because professionalism is not just about ethics or certain attributes. He adapts on Pierre Bourdieu’s field theory as an analytical framework for his study of journalistic professionalism. “Journalism is understood as a field of practice that seeks to maintain separation from other fields, particularly politics and economics” (Waisbord, 2013, p. 13). The boundaries of journalism are ever changing, and
professionalism is a permanent process that requires journalists to share the same aspirations, practices and norms, and keep on exercising control of the field, defending the turf and fending off intruders. Waisbord (Ibid.) continues to assert that the “social trustee” model is no longer equivalent to “professional journalism” as the world and the current political, economic and social conditions are now very different from a few decades ago. Journalism has low autonomy, which has always been challenged by both political and commercial powers. Waisbord (Ibid.) argues that:

The interests and prospects for journalism to assert control vary widely across the world. They are contingent on the institutional contexts of practice shaped by historical and contemporary social forces. (p. 233)

Waisbord’s studies on Latin America focus more on the government and political environment. He demonstrates in a journal article titled “Democracy, journalism, and Latin American populism” that the Anglo-American tradition of the liberal press cannot fit into the political and social situation of Latin American countries (Waisbord, 2012). Contemporary populism in these countries totally rejects the social responsibility or the public trustee model of professional journalism. It does not subscribe to the notion that journalism can be autonomous, as it is just an occupation. He (Ibid.) argues that “populism’s main concern is about journalism as an institution in support of goals other than sensu stricto democracy – whether popular sovereignty, social rights, and government programs” (p. 516). For Waisbord (2013) professionalism is the production of “newsiness” and not social responsibility or ethics that distinguishes journalism from other fields.

Waisbord’s (2013) approach of disentangling the study of professionalism from normative limitations, such as the “fourth estate,” allows my thesis to take
into account the specific culture of Hong Kong and the daily practices of local financial journalists while exploring this specific genre of news. However, he focuses mainly on how political and social conditions affect the practices of journalism and provides little empirical data. This thesis aims to extend the study of professionalism to the specific genre of financial journalism and provide additional empirical elements to the study of field theory. Professionalism is taken as a concept to analyze how Hong Kong financial journalists define the rules and norms for work amid challenges from both the political and economic fronts. Waisbord (2013) asserts that professionalism is the ability to exercise effective control in a field or jurisdiction. My questions are how financial journalism establishes jurisdictional control in its field and in what way it can protect its turf amid the challenges. This thesis aims to answer these questions by drawing on Bourdieu’s field theory and the concept of “symbolic capital” (see below).

This study is focused on Hong Kong, where the liberal capitalist model of media is under threat amid increasing influence from China. With a deteriorating operating environment for the media, declining trust in journalists and rapid development of technology, it is unclear whether the model of democratic journalism can be effectively implemented in Hong Kong. If, as some studies (Deuze, 2005; Golding, 1977; McQuail 2010) have suggested, the impact of globalization leads to the convergence of news values and journalistic culture around the world, then Hong Kong might move towards the opposite direction of increased self-censorship (So & Chan, 2007) and limited press freedom (World Press Freedom Index, 2014, 2015 & 2016). Drawing on Bourdieu’s social theory, Waisbord points out that the traditional terms of binary oppositions, such as
homogeneity against heterogeneity, could not rightly explain the impact of globalization on the news industry. He listed Brazil, India and China as examples that show the mixing up of western influence and local traditions, or “glocalization”, in their journalism (p. 230). This study evidences the increasing influence of Mainland China in Hong Kong’s financial journalism, or in Waisbord’s term, the rising hybridization of the professional cultures in the city’s financial journalism.

2.4 Bourdieu

French sociologist Pierre Bourdieu was a student of Levi-Strauss under the influence of structuralism and traces of this origin can be found in the methodological principle of his work (Schinkel & Noordegraaf, 2011), although he later departed from structuralism’s formal analysis of its central concept of binary opposition. He follows Durkheim, Marx and Weber, and sees modern society as composed of distinct spheres of action with increasing specialization (Bourdieu & Johnson, 1993). These spheres can be seen as different fields and in permanent interactions with other fields (Siapera & Spyridou, 2012). His ideas are aimed to link to research (Park, 2014) so this pragmatic and flexible framework can be applied to a different circumstance of research. Bourdieuian influenced literature has recently become one of the dominant domains of research in journalism studies affecting the works of Rodney Benson, Erik Neveu, David Hesmondalgh, John B. Thompson and Nick Couldry (Park, 2014). This study also draws on Bourdieu’s field theory as it “offers both a theoretical and empirical bridge between the traditionally separated macro-‘societal’ level models of the news media … and micro-‘organizational’ approaches” (Benson, 1998, p. 463). Bourdieu emphasizes
individuals and collectives in the field structure and tells us to think relationally (Bourdieu & Wacquant, 1992). In order to understand Bourdieu’s social theory, it is necessary to have a comprehension of his concepts of field, habitus and capital.

2.4.1 Concept of Field

Bourdieu and Wacquant (1992) define a field as “a network, or configuration, of objective relation between positions” (Park, 2014, p. 8). All fields are constantly involved in struggles to define and maintain their boundaries and guard against external pressures that threaten to undermine their unique symbolic capital. Bourdieu argues that it is the specialization of human activities in distinctive fields that sets modernity apart from past forms of social organization (Waisbord, 2013). He has little regard for the concept of profession and urges the use of social field to replace profession in research. In general, Bourdieu sees profession as a “bureaucratic concept” with an “appearance of neutrality” (Boudieu & Wacquant, 1992, p. 242). “Bourdieu’s problem with the concept [of profession] is that it universalizes what is particular,” (Schinkel & Noordegraaf, 2011). According to Bourdieu, journalism is a sub-field of cultural production, which is part of the field of power. Due to economic constraints, the field of journalism has been losing its autonomy and become increasingly heteronomous (Bourdieu, 2005). This study’s use of the term professionalism is influenced by Bourdieu’s field theory, which offers a useful analytical framework to explore and analyze the professionalization of journalism, especially in its relations to other fields, as he has pointed out “fields do not exist in isolation” (Waisbord, 2013, p. 12). Besides “field”, Bourdieu also developed two other major concepts - habitus and capital, and among these three concepts, he attempts a reconciliation of the dualism (Park, 2014) in social sciences.
2.4.2 Concept of Habitus

Habitus is a term with Aristotelian origins but used by Bourdieu in a specific way (Bourdieu & Thompson, 1991), linking up the structure and agency divide in the social sciences. Bourdieu defines habitus as “a structuring structure, which organizes practices and the perception of practices” (Bourdieu, P. 1984: 170). It is the cognitive or mental system of structures embedded within an individual, which are the internal representations of external structures. Habitus consists of our thoughts, tastes, beliefs, interests and our understanding of the world around us and is created through primary socialization into the world through family, culture and education. It provides a template for how to behave as a member of a particular social group and creates boundaries between groups, and so inevitably it creates the conditions for solidaristic behaviors. The concept of habitus offers “an opportunity to reflect the interplay of structure and agency” (Park, 2014, p.3).

“The habitus is a set of dispositions which incline agents to act and react in certain ways. The dispositions generate practices, perceptions and attitudes which are ‘regular’ without being consciously coordinated or governed by any ‘rule’” (Park, 2014, p.12).

That means our strategy is guided by habitus, consciously and unconsciously, to achieve our goals. The concept of habitus allows us to take different cultures into account when we examine journalistic practices in different regions and on both the institutional and agency levels. This thesis analyzes the codes of conduct in Hong Kong and compares and contrasts them with those in Mainland China and Western countries. It also examines the feasibility and desirability of the “public trustee” model of journalism in the capitalist city of Hong Kong as against Mainland China,
whose media are controlled by the ruling Communist Party of China, the latter with a marked difference from the democratic Western states that gave rise to “professionalism.”

### 2.4.3 Concept of Capital

“Capital” is the last of the three major concepts of Bourdieu’s field theory. It can be accumulated and exchanged and takes on many forms, while Bourdieu identifies four core varieties of capital - cultural, social, economic and symbolic (Bourdieu & Thompson, 1991). Cultural capital is an individual’s knowledge, experience and connections; social capital, can be defined as the circles of friends, groups, memberships and social networks. Economic capital is the economic assets held, such as property owned and earning ability, and Symbolic capital (Neveu, 2018) is the recognition or prestige an individual or institution enjoys by virtue of these capitals, depending on their amount, use, and conditions of acquisition. This thesis focuses on symbolic capital, and as Bourdieu (1977) asserts with a notion related to honor and recognition, symbolic capital is “worthy of being pursued and preserved” (p. 182). By the mobilization of “symbolic capital” of a field, meaning the logic or practices and rules of the field, journalism can separate itself from other fields or maintain its boundaries (Waisbord, 2013). For Bourdieu (1977), the codes of conduct and professional ethics are gatekeeping and exclusionary strategies for players to establish and cement their positions, and defend against other players, and not related to morality. Markham (2008) also considers media and journalistic ethics as symbolic capital, which reflects the position of journalists in the socially constructed value hierarchy of journalism, with those who seem more “ethical” enjoying higher status and prestige. Schinkel and Noordegraaf (2011) taking a step
further viewing “professionalism” as “a form of symbolic capital characteristic of a historically constructed filed of power” (p. 85).

Drawing on Bourdieu’s symbolic capital concept, this thesis suggests that journalistic associations and media organizations formulate codes of conduct aimed at making use of journalistic ethics to win readers, gain prestige, fend off intruders and survive. I argue that lack of effective implementation of the codes that has greatly reduced their power."

With the aim of exploring professionalism in financial journalism, the analysis is focused on the most relevant topic of conflicts of interest and interrelated issues including insider-dealing, stock trading, the disclosure of interest, gifts and free trips. Financial journalists armed with market knowledge and having an intertwined relationship with corporations and public relations are seen as more vulnerable to conflicts of interest. Under Thompson’s (1993) definition, “conflict of interest is a set of conditions in which professional judgment concerning a primary interest … tends to be unduly influenced by a secondary interest (such as financial gain)” (p. 573). Primary interest here refers to the professional norms of financial journalists or media organizations, and secondary interest is self-interest or the interest of media organizations. Thompson (1993) points out that secondary interest is not necessarily illegitimate but it may affect professional decisions. This is supported by Moore and Loewenstein (2004), who have asserted that “The automatic nature of self-interest gives it a primal power to influence judgment” (p. 189).
2.5 Hong Kong

Hong Kong, a global city and international financial center, has seen its financial journalism experiencing a dramatic expansion in broadcasting and print media since the 1970s, in line with other capitalist cities in the world. The city’s two existing dedicated business and financial dailies, the *Hong Kong Economic Journal (HKEJ)* and the *Hong Kong Economic Times (HKET)*, were founded in 1973 and 1988, respectively. The rapid development of Hong Kong’s stock and capital markets fuelled the demand for diversified and increased news coverage of economic and financial activities in the city, China and other major markets in the world. Despite the growing importance of financial news in Hong Kong, scholarly works on the city’s media are mostly focused on general and political news with an emphasis on press freedom, especially after the returning of Hong Kong’s sovereignty back to the Communist Party-ruled China in 1997 (Chan & Lee, 2011; Lee & Chan, 2009). Chan and Lee (1991) point out that there has been a significant shift in the journalistic paradigm in the local press system since the mid-1980s, moving towards being more receptive towards the Chinese government’s viewpoint, even before the handover.

Carol Lai (2007) gives a brief account on the evolution of Hong Kong’s press system in her book *Media in Hong Kong*, which migrated from a partisan press to a commercial press system in the late 1970s and early 1980s based on neoliberal principles supported by the increasingly flourishing business and advertising sectors. As a British colony from the 1840s to 1997 and a trading port, Hong Kong has been greatly influenced by Britain and other Western countries on the political, economic and social fronts. “The Hong Kong press is part and parcel of a hybridized city full of contradictions and ambivalence, where traditional and Western values,
a capitalist economy and authoritarian bureaucratic rule, exist at the same time” (p. 11). Lai takes a historical and political economy approach, with emphasis on press freedom and its relation to the political change to examine Hong Kong’s media evolution. Hong Kong is now a Special Administrative Region of China, keeping its capitalist ideology and enjoying a certain amount of autonomy, while Lai used a number of news events to illustrate a worrisome phenomenon: the deterioration of press freedom in the city. However, her examples and focus are on the political news and do not look at business news for the most part. Hong Kong’s news media is liberally inclined and operate in a capitalistic model, but its government is not legitimized by democratic elections. With growing influence of China on both the political and economic, and even the social fronts, the increasingly receptive attitude towards self-censorship among Hong Kong journalists is worrisome.

So and Chan (2007) argue that despite a decline in credibility and an increase in self-censorship, Hong Kong’s media professionalism remains in good condition or intact even 10 years after the 1997 handover. They draw on the fourth estate concept and believe that journalism should be independent and that its major role is to scrutinize the government. Comparing three surveys done between 1996 and 2006, the study shows that “Hong Kong journalists aspire to the same high ideals” (p. 152). They, however, also point out a gap between journalists’ aspirations and actual practices as self-censorship increases under growing influence from China (So & Chan, 2007). The political environment of Hong Kong has changed and it is questionable whether the Western originated normative approach to professionalism is suitable for the study of the city’s journalism practices. Chan and Lee (2011) believe that effort in serving local interests, or the genuine interests of society, could be regarded as a normative standard for journalism. It is a general
perception of the audience, journalists and scholars that one of the media’s roles is to represent the “public,” where public usually refers to the local population (Chan & Lee, 2011). Whose interest should Hong Kong financial journalists serve: the national (i.e., China’s) interest or the interest of local citizens and investors in Hong Kong? There is a potential problem in adopting the notion of national interest in the political economy perspective, which argues that the media tend to defend the “national interests” defined by the state (Chan & Lee, 2011).

Although it has been more than a decade since Chan and Lee’s study and like most of the political news focused research, it takes a normative approach to examining journalistic professionalism in Hong Kong. Similar understandings of professionalism, such as those involving norms of independence and social trusteeship, have been used in Tambini’s (2013) research on Hong Kong’s financial journalism, one of the few studies about this field in the city published recently. Using Hong Kong as a case, his article has contributed to the latest debates on “whether a global ethical code for journalism might be adopted” (Tambini, 2013, p.16). Drawing on Stephen Ward’s (2005; 2010) social contract approach, Tambini interviewed journalists and editors in Hong Kong, exploring ethical issues, including conflicts of interest, the disclosure of interest, investment by journalists and market manipulation. The research also analyzes the legal framework and codes of conduct. His paper has focused on one aspect of Hong Kong’s business journalism — potential conflicts of interest. Tambini (2013) found that Chinese-language business media in Hong Kong have adopted a more relaxed approach to conflict of interest than their peers on the English-language publishing side and the global business news providers. He argues that Hong Kong should ensure that its business journalism and other aspects of journalistic endeavors are socially
responsible and serve the public interest as a strategy to protect its press freedom. Tambini’s research has focused mainly on journalists’ investment behavior, and this could not fully reflect the issue of the conflicts of interest in Hong Kong’s financial journalism. Other areas such as accepting gifts and free trips, which are also major concerns, have not been covered in his article. There have been a number of issues in the Hong Kong financial news sector, such as the influence of Mainland Chinese business culture, that are not being addressed but are in fact worthy of academic exploration.

Hong Kong is a highly capitalized society, international financial center and gateway to Mainland China. Studying the city’s financial media can help fill some of the missing pieces of the puzzle in this flourishing genre of news, especially at this juncture of socio-political transition. The international “gold standard” of professional journalism is still a major influence in the former British colony of Hong Kong, but sadly it is gradually declining. China’s media and business culture and rules have crept in, with an increased number of Mainland companies listed in Hong Kong and more local media organizations controlled by Mainland businessmen or pro-China entrepreneurs. For example, China’s Alibaba Group bought the South China Morning Post in December 2015. The city’s media freedom has declined, with its ranking in the World Press Freedom Index (2017) falling to 73 in 2017 from 61 in 2013 and 18 in 2002, but China’s media system is more open than it was 20 years ago as financial and banking reforms have produced a demand for higher transparency in markets and information flow. China’s control of mainland financial journalism through licensing and supervision has been less than its control over political and other kinds of news since the 1990s (Hu, 2011), although there has been some tightening after the A-share market crash in 2015.
Commercialization is also a major force propelling the development of independent financial newspapers and magazines, such as Caijing Magazine, 21st Century Business Herald, Business Watch, Economic Observer, New Fortune Magazine, and Caixin Media, in China. Financial journalism has been mushrooming in the Mainland in the past two decades, fueled by rapid economic growth and encouraged by a batch of young reporters with an ambition of serving the society as watchdogs. However, this genre of news in China has also suffered from rampant corruption, low credibility and sensationalism. Studying Hong Kong’s financial journalism by comparing examples from mainland China paves the way to understanding more about China, which is set to overtake America as the world’s largest economy by the end of the decade (Hawley, 2016).

Drawing on Waisbord’s framework, my thesis looks at the professionalization of Hong Kong’s financial journalism in the day-to-day practice and examines the interplay between the journalistic field, habitus and capital. With an aim of providing empirical evidence, this study interviewed financial reporters and editors in Hong Kong to explore their perceptions of professionalism and tried to identify the gaps between their aspirations for financial journalism and the daily practices in their jobs. Before the interviews, this paper analyzed codes of conduct in Hong Kong, comparing them with those in China and Western countries to get a better understanding of institutions’ and media organizations’ perception of what is “good journalism” and their rules. The analysis focuses on the issues most relevant to financial reporters, including conflicts of interest, disclosure, insider-dealings, gift-taking and free trips.

Rapid commercialization among Chinese media has yielded “a rudimentary form of professionalism” in China (Pan & Chan, 2003; So & Chan, 2007). A
number of interviews with Chinese financial journalists have been conducted in tandem with interviews with Hong Kong financial journalists to give a broader view of the differences between two places. How the journalists in the two places struggle to maintain their boundaries in the financial journalism field and protect their turf against political, economic and other powers, are interesting questions. The interview also covered international financial journalists, who are often seen as working under a western ideal model of journalistic professionalism. Speaking of practices, a content analysis on IPO stories published by local, Mainland Chinese and Canadian newspapers was conducted in order to evaluate the performance and professionalization level of news products by these newspapers.
Chapter 3. The Landscape of HK’s Financial Journalism

This chapter portrays the development of financial journalism in Hong Kong and the evolution of professionalism in this news genre, which has been increasingly important in Hong Kong following the rise of China as it evolved to become the world’s second-largest economy. To examine the norms and practices of Hong Kong’s financial journalism, it is necessary to look into the city’s press history, which contributed to the industry’s contemporary professional habitus. Lai (2007) describes the Hong Kong press as “part and parcel of a hybridized city full of contradictions and ambivalence, where traditional and western values, and a capitalist economy and an authoritarian bureaucratic rule, exist at the same time” (p. 11). Hong Kong is a free port city and had been a British colony for 156 years, which embedded an East-meets-West culture where modern Western ideologies interacted with traditional Chinese practices. Its liberally inclined press system took its roots from the Anglo-American liberal democratic model although the city has never enjoyed full democratic rights (Boniface & Alon, 2010) and its media have been criticized as apolitical, apathetic (Lai, 2007), timid, and cooperative (Lee, 1997). During the process of decolonization in the 1980s and 1990s, the British colonial government allowed the city greater press freedom (Lai, 2007), creating opportunities for Hong Kong’s professional journalism. At the time, critical and investigative financial journalism emerged following the rapid development and expansion of financial news to meet the demand of a growing economy and the gradual opening of the Chinese market.

After the 1997 handover, Hong Kong’s role as an international financial center and window for China to invest overseas and attract foreign investment is becoming more distinct. The rising influence of China has resulted in
unprecedented socio-political changes in Hong Kong, and the cry for quality and professional journalism is greater than ever, but the media, which are driven by market and professional ideologies, are facing increasing challenges (Chan & Lee, 2007b). The process of reintegration between Hong Kong and China kicked off in 1984 when the Sino-British Joint Declaration was signed and laid the groundwork for Hong Kong’s handover in 1997. That triggered a series of social and political changes that affected almost every aspect of Hong Kong and changed the media ecosystem of the city. Local financial journalists, who used to report on British colonial firms, as well as local property and industry conglomerates, are now focusing on China’s economy and Mainland companies (He, 2017), which dominate the Hong Kong economy and its financial market (HKTDC, 2017). The infiltration of Mainland Chinese culture into the business world and the media segment keeps challenging Hong Kong’s liberally inclined press system and traditional, professional values. Another concern related to Hong Kong journalism is that after the handover, the ownership of media organizations has mostly been concentrated in the hands of pro-China or Mainland China-related business tycoons who place their mainland business interest ahead of civil interest, resulting in a severe problem of self-censorship (Chan & Lee, 2007a; Fung 2007). Fierce competition in the local media market and challenges from the fast development of communications technology have resulted in falling advertising and circulation revenues at legacy newspapers. The financial pressure drained newsroom resources and further constrained editorial capacity, intensifying the so-call churnalism (Davies, 2008) in financial journalism. All these developments, elucidate the complex context within which Hong Kong financial journalism operates and thus constitutes an interesting case for investigation.
3.1 The Anglo-American Roots of Local Press

Hong Kong’s newspaper history started in the mid-19th century after the Hong Kong islands were ceded to Britain in 1842 (BBC, 2017). The press featured the characteristics of typical earliest colonial journalism, which is described by Kovach and Rosenstiel (2014) as a strange mix of essays and facts about shipping schedules and cargo information. According to Zhang Nansheng’s (1989) research, the *Hongkong Ports* (香港船頭貨價紙) founded in 1857, which later changed its name to *《中外新報》* (Sino Foreign Daily News), is the primogenitor of Chinese business newspapers. The *Hongkong Ports* was the Chinese version of *The Hongkong Daily Press*, which is one of the earliest English-language newspapers in Hong Kong, in addition to *Hong Kong Gazette* and *China Mail*. At the time, the major commercial functions of Hong Kong newspapers were about reporting shipping schedules, price quotations of goods and shipping rates, and posting advertisements to meet the demand of foreigners and businessmen who resided in the colonial port city (Zhang 1989) and nearby Chinese localities. After all, Scollon (1997) described the earliest Chinese newspapers as “born out of English papers” (p. 53).

Lee (1997) categorized Hong Kong’s press history into three phases with the earliest stage from 1841 to 1873 identified as the “elite phase” and dominated by Western newspapers that served colonial and business elites. It was followed by the “partisan phase” from 1874 to 1924 when the primary mission of the major Chinese press was to promote political ideas and party stands. The Chinese population in Hong Kong rose markedly from late 19th century, which fueled the growth of Chinese language newspapers. Since most of the population comprised emigrants from China with a “sojourner mentality,” local Chinese newspapers mainly focused
on China and its politics, and concerns about overthrowing the country’s imperial Qing dynasty. *Tsun Wan Daily News (Circulation Daily)* founded by Wang Tao, the father of Chinese journalism, is one of the typical examples (Lai, 2007). From 1925 onwards Hong Kong newspapers entered a “socio-economic phase” as most of the major press, such as 《華僑日報》 (*Wah Kiu Yat Pao*) and 《工商日報》 (*Kung Sheung Daily News*), were privately owned and commercially oriented, parading “neutral” and “objective” stand. As the number of immigrants declined, they were more concerned with the social and economic development of the city and daily entertainments to suit local readers’ demand. Although the Chinese Communist Party (CCP) launched *Ta Kung Pao* and *Wen Wei Po*, and Taiwan’s Kuomintang (KMT) founded the *Hong Kong Times* in the late 1940s, the readership of these partisan papers was relatively low while commercial newspapers became the mainstream Hong Kong press until now.

However, Lai (2007) argues that although some commercial newspapers were founded between 1925 and 1952, the most noticeable rise of the commercial press was in the early 1980s after the decline of partisan papers. Based on the historical development, she broadly divided contemporary Hong Kong media into three periods—the first stage was when Hong Kong was under colonial rule in the late 1960s, the second stage was the political transition period that Lai described as a “power vacuum” before the handover of Hong Kong to China in 1997, and the third stage is the post-colonial era after Hong Kong returned to Chinese rule. This classification focuses on the changes in Hong Kong’s political environment. Lai (2007) argues that there was no free press in Hong Kong until the British colony was de-colonialized. There were laws in place, including the Seditious Publication Ordinance, the Printers and Publication Ordinance, the Emergency Regulations
(Amendment) Ordinance, and the Control of Publication (Consolidation) Ordinance, to prevent the press from damaging the British establishment (Lai, 2007, p. 9), although these laws were seldom exercised because there was no direct challenge to the colonial authority. The British government’s main concern at the time was to maintain the authority of the Hong Kong government and public order. Its policy toward Hong Kong media was repressive. During the anti-colonial riots triggered by the pro-Chinese Communist Party (CCP) labour disputes in 1967, the Hong Kong government launched a purge on the city’s communist press, which led to three left-wing newspapers being suspended for six months and more than a dozen left-wing journalists arrested and detained. The riots triggered a series of social changes in Hong Kong; afterwards, Britain reviewed its policy and took a softer approach (Scott, 1989). A more independent critical press emerged in Hong Kong in the late 1980s and 1990s as the colonial government loosened its grip on local media before the handover, leaving room for media organizations to maneuver. A flourishing Hong Kong market, the growth of the political community and civil society, and the skepticism and anxiety about the Chinese government, all contributed to the development of a commercialized critical press. At the time, most of the Hong Kong press were supported by advertising and based on neoliberal principles such as “objectivity and neutrality” and their journalists came from the journalism schools at local universities educated with “western journalistic norms and ideals became more professionally aware of the importance of press freedom” (Lai, 2007 p. 180). However, Lai also finds these papers to have refrained from confronting China on sensitive political issues, and their owners—mostly wealthy businessmen—“acted as proxies for the new regime” (2007, p. 181) during this transitional period. After the handover of Hong Kong’s sovereignty to China in
1997, self-censorship was rampant with press freedom constrained by the government and media owners. Some critical or outspoken columnists and editors were removed or marginalized, often with the excuse that resources were being redeployed. However, Lai (2007) and other media scholars (Lee & Lin, 2006; So & Chan, 2007) are not pessimistic as they find that the press has not totally yielded to these pressures and some seem to have developed tactics to counter the enormous influence with both journalistic norms and institutional forces at work. Chan and Lee (2007b) also point out that the close contact between Hong Kong and the international community has seen the import of Western values, which have been internalized by the Hong Kong people. To a certain extent, the international forces help to counterbalance the national forces on local media. These analyses provide a great historical picture of the development of the Hong Kong press with a heavy focus on the political and general news front. In this study, I intend to extend the account to cover Hong Kong’s financial journalism, by examining the major challenges this news genre has faced and how journalists responded to these changes.

3.2 Golden Age

The evolution of Hong Kong’s financial journalism has been closely connected with the economic development of the city. Hong Kong’s fast economic development has largely been driven by laissez-faire economic policy and “positive non-interventionism” approaches, that saw the fishing enclave transform into a prosperous entrepot and international financial center (Chu, 2004, p. 149). It was dubbed a “capitalist paradise where laissez-faire is observed” (Friedman & Friedman, 1980; Chu, 2004, p. 148). As part of the Asian economic miracle (The
Economist, 1998), a global financial center and the world’s most competitive economy (Ng, 2017), financial news reporting in Hong Kong has become a major genre of journalism. The unique position of Hong Kong as an international financial hub and the gateway to the world’s second-largest economy, i.e., China, also inspired global financial media, including Reuters, Dow Jones, Bloomberg, the Financial Times, and the Wall Street Journal to set up regional headquarters and offices in the city. This group of international English financial media, including Westerner-founded, local-based business publications, such as The Far East Economic Review, helped facilitate the professionalization of local financial journalism. In a survey of journalists, So and Chan (2007) find more than 60% of the respondents considered international media organizations as the ideal media organizations.

Financial journalism started to flourish in Hong Kong in the 1970s when international financial markets entered a process of liberalization and a series of high profile local and international events erupted. The dissolving of the Bretton Woods agreement in 1971 (Federal Reserve History, 2013), the plummet of the Hong Kong stock market in 1973, and the subsequent restructuring in the local financial regulatory framework saw a forthcoming golden age in this specific segment of news in Hong Kong. From the late 1970s to the handover of sovereignty in 1997, Hong Kong’s financial journalists witnessed numerous fiascos such as the collapse of and takeover of the Overseas Trust Bank by the Hong Kong government in 1985, as well as struggles of debt-ridden shipping conglomerates, Orient Overseas Containers Ltd and Wah Kwong Shipping. The success in saving the former from bankruptcy probably boosted the confidence of its Chairman Tung Chee-hwa to run for the first Chief Executive of the Hong Kong Special
Administrative Region in 1997.

The fading of British colonial rule during the transitional period before the 1997 handover witnessed the budding of a critical press in Hong Kong (Lai, 2007). Critical and investigative financial news stories were found in both Chinese and English media in the 1980s and 1990s. The most influential ones covered the fall of the short-lived Carrian Group in 1983 and the arrest and subsequent charges of corruption against then chairman of the Stock Exchange of Hong Kong (“SEHK”), Ronald Li in 1988. Hong Kong’s Independent Commission against Corruption (ICAC, n.d.) described: “The Carrian case is remembered not only of its scope and complexity but the many infamous records it has set in the history books of the ICAC and Hong Kong’s judiciary.” In 1979, the Carrian Group was listed on the Hong Kong Stock Exchange and caught people’s eyes with a flash deal of purchasing a prime commercial building—Gammon House in the Central District—for HK$1 billion in January 1980 and then selling the tower for HK$1.6 billion in October of the same year (SCMP, 2011). During the years of 1980-1983, local Chinese reporters and foreign journalists alike were all speculating about the source of Carrian’s funding.

Rumours abounded, which the company and its investment bankers did nothing to deny, that its backers were overseas Chinese of bottomless wealth. Carrian’s acquisitions were so rapid and so large that it became within a couple of years Hong Kong’s sixth largest company by market capitalization. (Philip Bowring, n.d., para. 7).

A South China Morning Post (SCMP) reporter conducted an investigation by visiting one of Carrian’s overseas addresses and found it was a false address, an interviewee, who covered the Carrian, recalled. Financial journalists at that time,
though without formal college financial-journalism training, simply followed all traces they could get from the company or investigated market rumours in hopes to dig up the truth behind Carrian’s wealth. Since Carrian stories had been widely covered by two English language media—*The Far Eastern Economic Review* and *SCMP*—it eventually drew the attention of the Malaysian Government, which sent an auditor to Hong Kong in 1983 to investigate the relationship between a Malaysian credit company and Carrian. Coincidentally, the investigator arrived in January 1983, or the same time trading of Carrian shares was suspended, and nine months later the Group was liquidated. But just to add to the sensationalism of the stories, the Malaysian auditor was reported missing in July 1983 and subsequently was found murdered (Barnetson, 1986). The case then entered a 17-year enforcement and legal proceedings before it was closed shortly ahead of the turn of the 20th century.

The Ronald Li case, though a much shorter story than the Carrian one, was similarly eye-catching as it preluded the SEHK chairman’s unprecedented order to shut down the bourse for four days during the international stock market turmoil in October 1987. The decision cost the Hong Kong government HK$4 billion to rescue the hard-hit clearing house of the Hong Kong Futures Exchange, which suffered collateral damage as the Hang Seng Index futures were forced to stop trading because of Li’s controversial order (Bangsberg, 1988). Additionally, Li lost his temper during a subsequent SEHK press conference concerning the market closure when an Australian journalist questioned the legality of his decision to shut down the market. A former foreign correspondent interviewed described Li’s action against the Australian journalist and said, “Li pointed his finger at the journalist yelling, ‘this is libel!’” Li demanded to know the journalist’s name so as to serve
him a writ,” said the interviewee. However, it was the SEHK chairman being investigated and sued by ICAC. Li was arrested and charged for graft in January 1988. He then spent four years in jail from 1990 to 1993, and the case completed long before the finalization of the Carrian case.

The media reports about the Carrian and Ronald Li cases in the financial sections of local newspapers demonstrated critical and aggressive approaches by both Chinese and English language reporters. Financial news media took a scrutiny role in the yet-developed Hong Kong financial regulatory framework. The lack of a proper distribution channel for corporate news at the time also contributed to the development of a critical and liberal model of journalism. The performance of some English financial journalists caught readers’ eyes and became talking points. While the local Chinese reporters might not be as confrontational as their counterparts in press conferences, they were no less inquisitive. In the early 1990s, the Chinese-language financial dailies, *Hong Kong Economic Journal* and *Hong Kong Economic Times*, both broke news about prominent figures, who had forged documents. In the former case, the publicly elected Legislative Councilor Tai Chin-wah, who was found to have falsified qualifications, lost his seat and was sentenced to nine months in jail for fraudulent professional training as a lawyer (HK Case Law, 1993). The *HKET* reported that Yu Pun Hoi, the then-Chairman of fellow Chinese newspaper *Ming Pao Daily*, did not disclose his criminal record in Canada and thus breached the regulations of the Hong Kong Stock Exchange. Yu later resigned his chairmanships in both the newspaper and the Newspaper Society of Hong Kong (Ngai & Lee, 1994). The two cases set investigative reporting examples for local financial journalists, who later found them difficult to match in the current news environment.
Chinese-language commercial press in Hong Kong grew rapidly during the 1970s and 1980s following the decline of partisan newspapers (Lai, 2007). Ming Pao Evening News founded in 1969 shifted its focus to business and financial news after the first year of operation, but it closed down in 1988 after continuous losses due to declining demand for evening newspapers. Hong Kong’s two major dedicated financial newspapers, HKEJ and HKET were launched in 1973 and 1988, respectively. Founded by columnist Lam Shan Muk, HKEJ is one of the most influential newspapers in Hong Kong. After operating the newspaper for more than three decades, Lam and his wife sold all their HKEJ shares by two trenches in 2006 and 2014 to Richard Li, the second son of tycoon Li Ka-shing. HKEJ, which is now wholly owned by Richard Li (EJ Insight, 2014), established EJ Insight, a free English news website in 2009. HKET was jointly founded by its chairman, Lawrence Fung Siu Por, managing director Perry Mak Ping Leung, executive director Arthur Shek Kang Chuen and other investors has developed into a diversified multi-media company. It was listed on the Hong Kong Stock Exchange in 2005. Another business newspaper Hong Kong Commercial Daily was founded in the 1950s with a pro-Communist stance and its circulation level has been insignificant. Besides the three financial newspapers, major general newspapers in Hong Kong have greatly expanded their business and financial sections to include more property and financial news amid the booms in Hong Kong’s property and stock markets. All these newspapers have at least one major section covering news about the economy, finances, and the stock market while some broadsheets separate property and personal finance into different sections.

The rapid development of Hong Kong’s financial journalism has been fueled by the city’s economic growth, largely boosted by Chinese investments in the past
few decades. Although Hong Kong has been overtaken by Singapore as Asia’s top financial venue and the world’s third-leading financial center (Yau, 2016), its position in the global financial world remains respectable. Hong Kong has ranked as the world’s freest economy for 23 consecutive years (Heritage Foundation, 2017; HKGIS, 2017). Its IPO market is the largest in the world in terms of fundraising size with companies banking a record of HK$261 billion from IPOs in 2015 (PwC, 2016). These aspects, plus its geographic location and unique political setting of “one country, two systems,” positions Hong Kong as a springboard for China to invest overseas and attract foreign investments, making its financial journalism important. Local journalists have internalized many of the Western professional values (Chan & Lee, 2007b), but why have we seldom seen proactive and critical financial news reporting in local newspapers in the last decade or so? Has the quality of local financial news deteriorated after the handover, and if so what are the reasons behind this decline?

3.3 Changing Economic Terrain

Shortly after the 1997 handover, Hong Kong’s economy was hit by the Asian Financial Crisis, which sent the local economy into its first real recession since the city’s GDP was published (Half-yearly Economic Report, 2007). The territory was then further frustrated by the burst of the dotcom bubble in 2000, and the outbreak of the severe acute respiratory syndrome (SARS) epidemic in 2003. The unemployment rate reached a record high of 8.5 percent in June 2003 and the city had been stuck in a deflationary spiral for almost 6 years. On the one hand, the unexpected economic hardship sped up the city’s economic integration with the economy of Mainland China, and on the other hand, it put huge financial pressure
on the city’s media organizations. Beijing took a major role in helping Hong Kong overcome these post-handover shocks by allowing some Mainland tourists to visit the city through the Individual Visit Scheme and by signing a trade agreement called the Hong Kong Closer Economic Partnership Arrangement (CEPA), which bolstered the city’s tourism industry and trade. The rise of China and its extraordinary economic growth increased its power and influence in the Asian region and has also changed Hong Kong’s ecosystem of financial journalism, which covers the economy, business, and financial markets. For example, the number of Mainland Chinese companies listed in Hong Kong has increased more than 10 times from 101, or 15% of the total number of listed companies, in 1997 to 1,041, accounting for more than 50% of the total in November 2017. They represented more than 66% of the current total market capitalization against 20% two decades ago (Duan, 2017; HKEX 2017). Before 1997, Hong Kong’s blue-chip stock index, the Hang Seng Index, used to reflect the performance of British colonial companies and local conglomerates with only two Mainland Chinese companies in the index, but now six of the top 10 most-valuable companies on the Hong Kong bourse are from the Mainland, including Tencent Holdings, China Construction Bank, and China Mobile (He, 2017). The IPO market has been dominated by Mainland companies, which raised HK$5.4 trillion or 62% of the total IPO proceeds of HK$8.7 trillion from 1997 until end of April 2017 (Duan, 2017). Nine out of 10 IPO underwriters are from the Mainland, whereas in 1997 international investment banks such as Morgan Stanley, HSBC Holdings and Merrill Lynch, were leading IPO underwriters. “Hong Kong is the ‘super-connector’ between the mainland and the rest of the world,” said Hu Zhanghong, chairman and chief executive officer of CCB International (Holdings) Ltd (Duan, 2017, para. 17).
3.3.1 Growing China Influence

Now, Mainlanders are big players in Hong Kong’s financial market. Local financial journalists’ primary job has shifted from covering Western companies, and local property and industrial firms to covering the Chinese economy and Mainland enterprises. Journalism has always been in a state of flux but changes in the local economy and financial market in the last decade have changed how financial journalists cover news. Based on the journalists interviewed and my own experience, Mainland Chinese companies are almost inaccessible from Hong Kong unless they hold press conferences or reporting tours and invite journalists to attend. Even Hong Kong stock regulators have no rights on the Mainland to investigate these companies and must rely on the help from its counterparts in China (Yiu, 2017). Financial journalists, who used to deal with foreign investment banks, local and international public relations firms, have had to familiarize themselves with mainland business culture and practices that may conflict with their Western professional values. In the following chapters, I will elaborate more on the challenges that local financial journalists face in covering the Chinese economy, markets and companies.

China’s influence on Hong Kong’s media crept in from the institutional level even before the handover in 1997. Shifts in ‘journalistic paradigms’ started during the transition with rightist newspapers seen as gradually taking a less critical stance toward the Chinese government and becoming more accommodating to Chinese rules (Chan & Lee, 1991). Under the principle of “one country, two systems,” China allowed Hong Kong to keep its capitalist system and way of life for 50 years, but its influence in Hong Kong has obviously been expanding in areas including politics, economy, and the media. Beijing initiated a strategy to indirectly control Hong
Kong’s media sector by ensuring that major media organizations were in the hands of pro-China proprietors (Lai, 2007). The restructuring of media ownership was largely completed in the late 1990s with most of Hong Kong’s media organizations owning by tycoons, who are either Mainland Chinese, or have intertwined business interests in China. In 1993, Malaysian tycoon Robert Kuok bought the *South China Morning Post*, the city’s oldest and most influential English newspaper, from Rupert Murdoch’s News Corporation. Kuok’s luxury hotel chain Shangri-La Asia Ltd generated more than one-third of its revenue from Mainland China. In 2015, he sold the century-old daily to Chinese Internet giant Alibaba Group (Chow, 2015). Hong Kong’s stock regulator has found that the city’s dominant broadcaster TVB is actually controlled by a Mainland Chinese company (Mitchell, 2017). Speaking of media ownership concentrated in the hands of pro-China businessmen, former journalist and Hong Kong legislator Claudia Mo said, “they (the owners) don’t want to lose advertising revenue from Chinese companies and they don’t want to anger the central government” (CPJ, 2014). Self-censorship has become an acute problem among local media whereas Beijing is seen using economic sanctions to suppress critical newspapers. Founder of freesheet *AM730*, Shih Wing Ching, and *Apple Daily*, a U.S. tabloid-like daily launched by garment businessman Jimmy Lai in 1995, accused Beijing of telling advertisers to stop advertising with the newspapers because of their editorial stance (Curran & Yung, 2014; Lam, 2014). Shih said the advertisers were Mainland-backed companies while *Apple Daily* believed HSBC and Standard Chartered suspended advertising in the newspaper in late 2013 because they were asked by the Chinese government to do so (Curran & Yung, 2014). The loss of major advertisers dealt a heavy blow to these newspapers in an already tough operating environment.
3.3.2 Financial Pressure and Capacity Constraint

Hong Kong is a regional media and telecommunications hub, having 54 local registered daily newspapers and 640 periodicals. The World Economic Forum Global Information Technology Report ranked it first in mobile phone penetration rate and mobile network coverage among 139 economies, with more than 93% of households subscribing broadband service and a mobile subscriber rate of 234% (Government Yearbook, 2016). Fierce competition and mounting economic pressure from financial crises have seen a number of newspapers and magazines, and even a television station closing down in the past few years. Asia Television, Next Media’s Face magazine, and the Sun newspaper all suspended operations within a week at the end of March through early April in 2016 (Lin, 2016), and many media organizations keep downsizing their editorial team. The South China Morning Post closed free lifestyle and entertainment publication HK Magazine in late 2016. An increasingly difficult business environment has forced media organizations to seek ways to survive. In July 2017, pro-democratic entrepreneur Jimmy Lai’s Next Digital agreed to sell its flagship Next and other magazines for HK$500 million to businessman Kenny Wee in order to focus its resources on developing digital platforms (Siu & Li, 2017). The group also plans to lower its expenses by outsourcing news content, design, and other editorial works in Apple Daily after reporting a loss of HK$394 million in the 2016/17 due to sliding advertising revenues and lower circulation amid increasing challenges from online and mobile news platforms. The revolution in communication technology, which allows information to be easily posted and accessed through electronic platforms and mobile devices, has greatly changed the news ecology in many places, including Hong Kong. Print media in Hong Kong has suffered from declining
advertising revenues and subscriptions due to financial crises and the rise of free newspapers in the 2000s. They are now facing challenges from social media and digital news, which drained advertising dollars faster than ever from legacy media. This study also found various challenges that journalists face when their newspapers “are going digital,” such as increased workload and diminished job satisfaction among journalists. They will be discussed in chapter 6.

Years of cutbacks have eroded the morale of journalists and further constrained newsroom’s capacity to produce analyses and in-depth or investigative reports, creating editorial reliance on public relations materials and news agency copies (Lewis, Williams & Franklin, 2008). The Hong Kong Journalists Association (2016a) found in a journalist survey that nearly half of its 400 respondents indicated that working conditions had been getting worse because media organizations cut employees to contain costs. About 41% said their workload had increased significantly compared with five years ago. More than a quarter of them plan to leave the industry in one to two years. In fact, 31% of the respondents claimed low pay as the most significant reason causing them to leave the industry, while the other two reasons were high pressure and political interference. Despite rampant self-censorship and worsening working conditions, journalistic researchers found that remaining Hong Kong journalists believe in professionalism (So & China, 2002) and continue to stick to their social service role. Their studies are mainly focused on the general and political beats and few attempts have been made to understand the role perception of financial journalists in the city. This study also aims to understand how local financial journalists perceive their own role in society, which directly guides their attitudes and behaviors (Donsbac, 2008).
3.3.3 Watchdog Role

One of the major traditional missions of professional journalism is to watch over those in power, including governments and corporations, and hold them accountable. Hong Kong media studies (Chan & Lee, 2007b; So & Chan, 2007) also found that local journalists believe the media should play a watchdog role. Financial journalists are also expected to help uncover financial irregularities in company accounts and deter corporate frauds (Borden; 2007), so criticism escalated after financial journalists failed to warn investors and the public about the looming global financial crisis in 2008. Many financial journalists believe their prime duty is to serve their readers, who are mostly investors, (Tambini, 2010) and that may undermine their watchdog role. In Hong Kong, critical and investigative financial journalism emerged in the 1980s and 1990s, but a lack of financial expertise among journalists and declining profits made these kinds of time-consuming journalism increasingly unaffordable. A strategy to deal with newsroom constraints is to report investigative results of other Hong Kong market watchers, such as banker-turned-activist investor David Webb (Holcombe, 2009) and short-selling researchers. Webb issued a report in mid-May 2017 about the Enigma Network, which exposed a web of cross-holding relationships between 50 Hong Kong stocks, and said some of them were bubbles. Many of these stocks plunged in late June and three executives at Convoy Global Holding Ltd were arrested in December. The report, subsequent share movements, and actions taken by stock regulators were widely reported by local media. Short-selling research firms such as Muddy Waters, Glaucus Research, Citron Research, and Anonymous Analytics, have also issued negative research reports, mostly targeting Mainland companies listed overseas and often triggered heavy selling-pressure on their shares. These research houses
investigate companies and expose their mismanagement after selling short of their stocks for profit. Conflict of interest is an issue among these market watchers and they cannot fully replace journalists’ independent watchdog role.

3.3.4 Possible Convergence with Mainland China

This session examines the financial journalism field in Mainland China amid a media environment that is facing increasing political, financial and technology challenges in the recent years following almost three decades of prosperity propelled by the country’s economic reforms and open door policies from the late 1970s. Although China’s journalism per se is not the topic of this thesis, its trajectory is highly relevant. As China’s influence over Hong Kong grows, it is possible that their two journalism cultures will converge. Therefore, any study of Hong Kong journalism needs to understand its counterpart in the Mainland.

As mentioned in Chapter 2 and 3, China’s press system is more open than it was 30 years ago because the commercialization and digitalization of news in the country have resulted in the emergence of more factual and critical-reporting to attract the audience (Tong, 2011) notwithstanding tight media control by the government. The financial journalism field of China has been growing fast to meet the strong demand for financial and market information that has been spurred by the development of China’s economy and the rapid expansion of its capital markets. As Arrese (2016) argues, economic and financial news has been gaining higher freedom or autonomy in restricted reporting environment with tight control by authorities, such as China. Hu Shuli (2011), the founder of China’s two influential financial magazines - Caijing Magazine and Caixin Magazine, said the Chinese government’s control of economic and financial news had been more relaxed compared with other news types since the 1990s. “The government has molded
media policy to fit its overarching objective of economic development” (p. 79).

However, as indicated by cases such as the closure of The World Economic Herald in 1989 (Shen, 1995) and the arrest of Caijing reporter Wang Xiaolu in 2015 for spreading rumours during the A share market turmoil of that year (Phillips, 2015), Chinese government has not loosened its ultimate control of news; the media are not allowed to cross certain lines or touch the issues of social or market stability regardless of the news beats.

3.3.4.1 The Rise of Financial Media in China

The World Economic Herald (hereafter as Herald), a self-financed publication founded in 1980 to support and promote China’s economic reforms, is a pioneer of the country’s professional financial newspapers that have adopted a critical and technocratic approach (Shen, 1995; Xu, 1992). Under the supervision of the Shanghai Academy of Social Sciences, the Herald enjoyed high editorial and managerial autonomy from the outset (Arrese, 2016; Xu, 1992) with a strong broad of directors and advisers, including the mayor and vice mayor of Shanghai (Li & White, 1991). The publication quickly gained a strong reputation among elites in China and became a major forum for Chinese dissidents by the end of the decade (Shen, 1995; Arrese, 2016). The Herald’s critical stand and its open sympathize with Chinese dissidents triggered the concern of the authorities, making it a target of censorship. The weekly was closed down by the government a month before of the Tiananmen crackdown in 1989 (Shen, 1995) and some of its editors and writers were arrested after the June Fourth incident (Li & White, 1991).

Arrese (2016) stated that “the Herald produced the first airs of freedom in 1980” (p. 376). The composition of its relatively small audience - mainly political
elites, scholars, and entrepreneurs, but not ordinary people - allowed the *Herald* some room for critical and investigative reporting (Li, & White, 1991). As Mainland interviewees in Chapter 6 said, China’s contemporary financial newspapers and magazines also see scholars, government officials, policymakers and entrepreneurs as their major audience. Mainland informant ML1 said, “We are not writing for the general public because they will find them [our articles] difficult to understand. Our audiences are scholars and people in the commercial sector.”

The brief nine-year history of the *Herald* indicated that the Chinese government wished to seek greater market transparency during the country’s economic reform and was relatively tolerant of the critical business news with limited circulation. Many journalists moved from major official newspapers to financial journalism after the Tiananmen Square incident (Hu, 2011) and they understood that they could push their boundaries for higher autonomy and press freedom if they stayed away from sensitive political issues and did not cross the line. This development, coupled with the fast-growing advertising industry, gave rise to the birth and growth of a batch of independent or semi-independent, market-oriented financial news media in late 1990s and early 2000s, including *Caijing, 21st Century Business Herald, Economic Observer, New Fortune Magazine* and *Business Watch* (Hu, 2011).

These new financial media, particularly non-daily periodicals with no coverage of political issues, have some leeway to circumvent censorship and government control (Chengju, 2000: 655) as some reformist officials tried to use the media to monitor the performance of local government officials and enhance the transparency of companies (Tong, 2011). These propaganda-free publications look up to professional journalism practice, such as the role of being a watchdog,
based on values imported from the democratic countries in the West. They became front-runners of China’s critical and investigative journalism, thanks to the government’s higher tolerance of negative and critical business news reporting compared with other types of news (Arrese, 2016). Caijing’s Hu witnessed the rise of a group of commercialized business magazines and newspapers in Mainland China from the late 1990s with some envisioning a watchdog role for financial journalists. “We had a vision based on classic journalistic principles: editorial independence, reliable fact gathering, in-depth investigations, and thorough analysis” (Hu, 2011, p. 82). In 2009, Hu left Caijing Magazine and two years later she set up Caixin Media. Both Caijing and Caixin are investigative magazines that expose corporate irregularities and corruptions and chased stories that embarrassed the government. The Economist (2017, para. 6) described Caixin as “a courageous media outlet, pursuing the truth in the face of intimidation” during the magazine’s battles with Anbang and self-imposed exile billionaire Guo Wengui. Anbang has threatened to sue Caixin for its stories questioning the insurer’s capital flow and company structure. The magazine’s detailed reports on Guo’s alleged business dealings and political connections also triggered Guo to fight back by accusing Caixin of blackmail. These developments, as well as political and economic changes in emerging countries, have fueled scholars’ hope for more open media environments with some optimists argued that “professional journalism” is globalized. Lorentzen (2013) argued that China’s move to allow some independent reporting is just a media control strategy to allow aggressive news reporting on lower-level officialdom to improve governance. But the government’s tolerance is constantly changing under the premise of social stability.

Caixin is seen as refraining from reporting irregularities of senior leaders (The
Economist, 2017, para. 9). Hu, who has a reputation for exposing corruptions and reporting official wrongdoings in her magazines without getting punished (Osnos, 2009). She talked to New York Times about her approach to investigating and reporting sensitive news under tight government control. "I know how to measure the boundary lines. We go up to the line -- and we might even push it. But we never cross it," she said (Barboza, 2005, para. 3).

After 25 years of reforms, Pan and Chan (2003) find a shift of paradigms in China from party journalism towards professional journalism, with more journalists viewing professional media organizations more desirable in fulfilling professional ideals. The news environment of Mainland China is complex, with journalists navigating between a commercialized industry and party-state news control. It would be incomplete to view the professionalization of China’s journalism as just “the simple take-up of Western values” (Simons, Nolan & Wright, 2016, p. 223). The professionalization of Chinese press has been shaped by diverse and sometimes conflicting domestic and external factors, such as culture, political and economic developments, as well as Western normative ideals (Simons, Nolan & Wright, 2016). In the construction of professional practices and identities, Chinese journalists have been influenced by a combination of factors, including:

- Confucian conceptions of the role of public intellectuals, liberal conceptions of the role of journalism as a watchdog and conceptions of the role of journalism developed within the party-press system that centre on both the ‘party principle’ and the ‘people’s principle’ (Simons, Nolan & Wright, 2016, p. 224).
3.3.4.2 Growing Government Control in the Mainland

Critical and investigative reporting, which has been used by some media organizations in China to differentiate themselves from propagandists, has become more precarious since president Xi Jinping came to power in 2012. The Xi regime has been keen to “renew emphasis on ideology” (Li & Sparks, 2018, p. 420) and has stepped up censorship and control on news media. The press freedom of China stayed in the bottom five at 176 out of 180 countries and territories for four straight years up to 2018, according to the World Press Freedom Index compiled by Reporters Without Border (RSF Index, 2018). China’s media crackdown has spread to financial and business news journalists. Caijing reporter Wang Xiaolu, who was arrested in 2015, was one of the 197 people to have been punished for “spreading rumours” about the stock market, which fell as much as 41 percent in three months from its peak in June, 2015 (Wong, 2015; Phillips, 2015). One year later, Caixin content was banned for two months from being republishing by other media, including websites, for “repeatedly violating news and propaganda discipline” (Radio Free Asia, 2016, para. 2).

In addition to mounting political pressure, China’s media organizations as a whole are facing challenges from online news and falling advertising revenue and circulation (Li & Sparks, 2018). All these factors have put more constraints on financial media that would like to differentiate themselves by investing time and money into in-depth and investigative reports. Some scholars (Svensson, 2017; Tong, 2017) claimed the golden period of critical and investigative journalism in China, from 2003 to 2013, is no more.

While investigative journalism in China is struggling, financial news still seems to have more leeway despite increased hurdles and risks in breaking the news.
For example, in 2017, the investigative team of *NetEast Finance* followed a trading suspension story of Hunan Er-Kang Pharmaceutical. It examined the company’s shipping records and discovered its franchiser, SYN Pharmaceutical, purchased a certain amount of pharmaceutical products from Er-Kang and exported them to Canada. Half year later SYN shipped the same products with the same amount back to China (NetEast Finance, 2017). The company also did not disclose its close relationship with SYN. China’s stock regulator later charged Er-Kang of financial fraud. The Global Investigative Journalism Network nominated the story as one of the best investigative stories from China in 2017 (GIJN, 2018). Chinese media’s investigative financial journalism is occasionally groundbreaking enough for international news agencies to quote and follow up on their reports. For example, *Caixin* broke the news on 1 March 2018 that the chairman of China CEFC Energy Co. Ye Jianming was detained by the Chinese authorities for suspected criminal activity; the story was picked up by both Bloomberg and Reuters (Lim, 2018; Bloomberg 2018). The *Caixin* story was so controversial that it was expunged from the Mainland Internet within hours (Chubb, 2018). According to a Mainland informant, *Caixin* usually gets the central government’s endorsement for sensitive stories, but he estimated that around once in a month, *Caixin* crosses the line and is forced to withdraw published stories on orders from the propaganda department. Critical and investigative journalism has become riskier under tighter government control, but it is seen as a model of professional practice in China (Tong & Sparks, 2009) and can raise the popularity of the media and attract readers and advertisers (Li & Sparks, 2018). Besides government censorship, economic pressures and technological developments have also put restrictions on the performance of watchdog role by journalists.
Speaking of press freedom, the move of China’s media system toward a more market-oriented or commercialized approach did little to change journalists’ autonomy in the communist-ruled Mainland China. In 2017, Reporters Without Borders (2017) rated China’s press freedom at 176, near the bottom of the 180 countries and regions measured by the global index. However, Mainland China’s media environment has improved in the last decade. Some may ask what is behind the professional aspirations of financial journalists in an enclosed media landscape like China? This thesis also analyzes news articles in a mainland newspaper to deepen understanding of journalists’ practices in the Mainland.

Media researchers are mostly interested in the impacts of Hong Kong’s sociopolitical changes on journalists, news content (Lau & To, 2002; Chan, Lee, & Li, 1996), the city’s press freedom (Lee, 2000; Holbig, 2003), and self-censorship (Schell, 1996; Lee, 1998; Chan & Lee, 2009). Contemporary literature is mainly focused on the examination of political news by drawing on the experience of general news reporters. Hong Kong’s financial journalism seems to be less affected by political pressure and has largely been neglected by scholars. Besides commercial pressure, the difficult operating environment and increasing influence from China has seen Hong Kong’s financial journalism confronting a number of challenges that affect journalists’ ability to fulfill their professional duties. Tambini (2013) found that financial journalists in Hong Kong are embedded in an open-stock trading culture and are largely unaware of their social responsibility role. This paper aims to contribute empirical evidence on the understanding this specific news genre in Hong Kong amid unprecedented socio-political changes.
Chapter 4. Codes of Conduct

This chapter reviews and analyses journalistic codes of conduct in Hong Kong, comparing them with those promulgated in other media systems and geographical locations with an aim to answer the first research question.

4.1 Codes and Professionalism

Analyzing the code of conduct is helpful in the study of professionalism as it is an instrument to support journalistic professionals to gain autonomy (Nordenstreng, 1998), justify their unique positions in the society (Cooper, 1989b) and protect the boundary of their fields. It is a behavioral guide (González-Esteban, García-Avilés, Karmasin & Kaltenbrunner, 2011) for professionals providing rules of what they should and should not do when carrying out their duties (Himelboim & Limor, 2006, 2011). Some scholars described the code, a self-regulation tool, as the conscience of journalism (Allison, 1986), representing the professional ideals. Early research identified the most common issues among journalistic codes, including truth, integrity, objectivity and freedom of expression (Bruun 1979; Jones, 1980; Laitila, 1995). Examining the code of conduct or code of ethics, which are used interchangeably by the media (Broersma, 2010; Ruigrok, 2010), therefore, can help answer the first research question of “How do the norms and practices of Hong Kong’s financial journalism compare with those of the “social trustee” model? Looking at the codes also extends this thesis’ theoretical and empirical focus from individual to institution, broadening our understanding on media institutions and organizations’ aspiration about professionalism. The aim of this section is to examine the codes of conduct or ethics for the journalistic profession in Hong Kong, exploring the norms and standards at the organizational level to see whether they
are adequate for the city’s financial journalists, especially on the issue of “conflicts of interest” which is considered by media scholars (Lo, Chan & Pan, 2005; Shaw, 2015; Tambini, 2013) as a major challenge that journalists, especially financial journalists, face constantly.

Whether journalism is a profession has been a long-lasting debate among scholars (Allison, 1986; Hallin, 1992; Schiller, 1979; Schudson, 1978, 1990; Tuchman, 1973) but the widely use of codes of conduct around the world for self-regulation suggests journalism considers itself as a profession or at least semi-profession (Limor & Himelboim, 2006). The codes of conduct could be found in the 1920s in the America and Europe (Hoyer & Lauk, 2016) but it was not until the social responsibility concept crystallized by the Hutchins Commission Report published in the United States in 1947 that they were widely adopted by Western countries (Laitila, 1995). The report proclaimed that rights and responsibility should go hand in hand and media should be self-regulated so they have to be responsible for and prioritize the need of the society (Hoyer & Lauk, 2016). Responsible journalism should serve the society and be free from commercial or government pressure (Christians & Nordenstreng, 2004). This free and responsible press doctrine has become the basic principle of liberal media and is promoted by journalism schools all around the world, including Hong Kong, as a “transcultural professional canon” (Hoyer & Lauk, 2016, p. 24), except in communist countries. The notion of free and accountable press continues to be the dominant way of thinking about the journalistic profession in the United States and Europe, and “radiates across the globe” (Nordenstreng & Beyersdorf, 2016) no matter with or without connection to Hutchins. Christians and Nordenstreng (2004) pointed out that the Finnish reformative broadcasting policy of the late 1960s with emphasis on
informing the public with accurate and comprehensive account of the day’s events has a marked resemblance with the ideas of Hutchins although the masterminds behind this experiment “had absolutely no knowledge of Hutchins at the time” (p. 5).

Furthermore rampant democratization saw the number of democratic governments doubled between 1970 and 1990 in the world (Huntington, 1991), allowing a global model professional journalism to become more institutionalized. For example, the Alliance of Independent Journalists founded in 1994 to promote press freedom in Indonesia was regard as an “alternative” network under the dictatorship of Suharto government and has now become the dominant journalism association in the country. A year after the downfall of Suharto in 1998, the country adopted a new press law to safeguard freedom of expression and an independent press council was created in 2000 to mediate media disputes. Indonesia’s media system has changed from authoritarianism to greater openness in the past two decades, although law enforcement to protect press freedom remains weak and physical abuse of journalists in the country is common and continues to rise (Harsono, 2012). Even the communist country of China has shifted gradually from the party-journalism paradigm towards professional journalism (Pan & Chan, 2003). UNESCO’s *World Trends Report* (2014) approved by all of its member states is a convincing showcase that the social responsibility thinking has became a worldwide doctrine. It stated:

The existence of press freedom in its multiple dimensions of media freedom, pluralism, independence and safety strengthens peace as well as democratic and developmental processes. These social goods depend upon people being free to speak without fear and to be freely informed about public affairs. Press
freedom as such helps to ensure participation, transparency and accountability (P. 16-17).

4.1.1 Three Approaches

From Nordenstreng’s (1998) reflections on professionalism, he believes there could have three ways - the naïve, critical and analytical - to study the codes of conduct in journalism. The constructive or naïve approach started in the West in the late 19th century when codes were first introduced and is still used in developing and post-communist countries (Hafez, 2002). This approach takes a positive look by seeing codes as an instrument to achieve professionalism and the best practice of the industry. The critical or negative approach believes the codes are rhetorical devices with some may see them as “deliberate window dressing and camouflage, or at best as manifestations of hypocrisy” (Nordenstreng, 1998, p. 128). In many Western developed countries, a huge gap has been found between the principles of the codes and the actual practice of journalists who often succumb to commercial pressure in daily operations (McQuail, 1992). Coman (2004) echoes by saying it is not uncommon to discover gaps between codes and practices in journalism. Lo et al., (2005) also found a discrepancy between journalists’ attitudes and perceived prevalence in the Chinese societies of China, Taiwan and Hong Kong although the degree of discrepancy is different. The third way is analytical approach that considers codes as part of a mechanism of self-regulation, a “true means of regulating the media” (Nordenstreng, 1998, p. 128). All three approaches have good grounds but Nordenstreng believed the last one carried the most important message that the media has to be free and accountable with self-regulation serving as a control.
Despite counter trends, more and more journalists and their national and international organizations seem to have learned the lesson that professional ethics, with codes and councils as its instruments, supports media autonomy and self-regulation instead of inviting controls from the outside. Moreover, practitioners increasingly recognized that only an anti-intellectual may claim total autonomy in society, free from any accountability. (Nordenstreng, 1998, p. 132)

Nordenstreng initiated an inventory research on journalistic codes of ethics in CSCE (Conference on Security and Co-operation in Europe) countries in 1989, which was conducted by graduate student Pauli Juusela (1991) and a second one by another graduate student Tina Lailtila (1995a, 1995b) in 1994-95, to reflect the political changes in Central and Eastern Europe since 1989. Juusela’s (1991) study revealed a budding aspiration of responsible journalism in those codes stressing on “truth, freedom of information, and protection of the individual” (p. 129). Lailtila (1995a, 1995b) concluded those European codes were designed for the goal of serving the public.

Nordenstreng’s pragmatic view in defining and interpreting the code of conduct in journalism has also been used in contemporary research (Hafez, 2002; Himelboim & Limor 2006, 2011; Tambini, 2013). Hafez (2002) compared codes from Europe and the Islamic world, saying there are differences in culture but arguing that journalism codes have been growing universalized, for example truth-telling and objectivity are apparently shared value of these codes, in the past few decades. In the Middle East, journalism should serve the public and their right to know has been increasingly popular (Hafez, 2002). Himelboim and Limor (2006,
analyzed codes of ethics in 94 countries and found a growing convergence of codes in terms of ethical principles around the world as most of them stated that being neutral and independent from power as their goals.

But other research (Alia, Bernnan, & Hoffmaster 1996; Herbert 2000; Weaver, 1998) argued universal ethics do not exist due to the diversity of politics, culture and religions (Waisbord, 2013). Limor and Himelboim (2006) asserted that ethics could be different from societies and stated:

Ethics is culturally and politically dependent, and therefore, journalism and media organizations across societies may develop and apply different ethical approaches. Even in the Western world, there is no one agreed-on philosophical school (p. 266-7).

González-Esteban, García-Avilés, Karmasin and Kaltenbrunner (2011) took the critical way to look into the implementation of self-regulation in journalism with the code of conduct as a tool in seven European countries. In contrast with Nordenstreng, they found the code of conduct, which was defined as a set of behavior guidelines for journalists and not coercive, was not widely used as a self-regulation tool in countries across Europe.

Many European journalists are skeptical towards the adoption of codes and doubt their effectiveness. They argue that the codes formulate too general rules, often stress the obvious, and offer little clarification in the decision-making process. They believe that ethics are too complex and too personal to be regulated. (Gonzalez-Esteban et al., 2011, p. 449)
4.1.2 Waisbord’s Framework

As shown at above that there has been a rich literature studying journalistic codes of conduct with these different approaches, which have good grounds but are not the way that I am going to study the codes in Hong Kong. I propose to examine the codes from a practical way using Waisbord’s framework, which suggests the codes of conduct cannot be study alone but have to take journalists’ actual practices and cultures into account. “Codes offer insights into beliefs, expectations, and desires, but they do not offer a full picture” (Waisbord, 2013, p. 191). Waisbord argues that the same professional or ethical ideals have different interpretations and understanding across countries so it is incorrect just to take the surface meanings of identical words or translations in codes and concluded that there are shared journalistic values around the world. For example, Lee’s (2000) research on the relationship between social theories and studies of journalistic practices in China found that journalistic professionalism grew in the country but the Western ethical values have been redefined. When examining aspirations and job satisfaction among Chinese journalists, Chan, Pan and Lee (2004) found many Chinese journalists have strong aspiration on professionalism but have different interpretation of what professional journalism is from their Western counterparts. This study looks into codes of conduct and professionalism from the lens of journalists’ daily practices. How they reinforce the boundary of the journalistic field using the codes, which is also the aspirations and tools for self-promotion of media organizations and associations.

Most of the studies on journalistic codes of conduct (Hafez, 2002; Herrscher, 2002; Himelboim & Limor, 2011; Limor & Himelboim, 2006; Son, 2002; Wilkins & Bernnen, 2004) have largely based on experiences in the United States and
Western European countries. Beside Tambini’s research in 2013, there was little attention paid to the case of Hong Kong’s financial journalism, which is under stress tests amid the political, economic and social transitions of the city. This study aims to help fill this gap by examining the rules of codes of conduct in Hong Kong, extending Tambini’s understanding of the city’s financial journalism by comparing them with codes in Western countries and Mainland China. The focus is on financial journalism related rules with an emphasis on conflicts of interest.

4.2 Conflicts of Interest

The problem of conflicts of interest is not confined to journalism but exists in all professions from medical and legal to financial industry and teachers. Thompson (1993) defines conflict of interest as: “a set of conditions in which professional judgment concerning a primary interest tends to be unduly influenced by a secondary interest” (p. 573). The professional duties of practitioners, such as physicians, teachers or journalists, determine their primary consideration in making any professional decisions while the secondary interest is not necessary illegitimate and it is its influence on the professional decision which is problematic (Thompson, 1993). The secondary interest usually refers to personal gains, especially financial benefits. Therefore avoiding conflicts of interest is essential for professionals to maintain integrity and accountability. Conflicts of interest is the greatest ethical challenge facing financial journalists (Shaw, 2016) as it “could arise when a reporter allows their interests, or those of their sponsors, families or friends to stand in the way of their telling the truth without fear or favour” (p. 134). They actually were common practices in Western journalism in the 17th and 18th centuries when people paid for positive or favourable coverage or the suppression of negative reports.
(Sanders 2003). It was not until the development of free press model upon Western
countries’ liberal democracy that taking special benefits, such as briberies, junkets
and freebies by journalists was considered as improper. Still transgresses were
found from time to time in Western countries. In 2000 UK’s *Daily Mirror* fired two
of its journalists, Anil Bhoyrul and James Hipwell, for misconduct as they
purchased shares at low prices before they recommended in the ‘City Slicker’
column and sold the shares after the tips were published (Murphy, 2000).

In Hong Kong, briberies are illegal and there has been no major cases related
to journalism after the establishment of the city’s graft-buster the Independent
Commission Against Corruption (ICAC) in 1974. But conflicts of interest in other
forms or conditions seem more prevalent in Chinese societies than those in the UK
or US although the Hong Kong Press Council said it had not received any public
complaint against financial journalists or financial news since it was established in
2000. Both Hong Kong’s mother land of China and the island of Taiwan reported
scandals or high profile ethical issues in financial journalism in recent years. China
sent editors and reporters of the 21st Century Media group to jail in 2015 as they
blackmailed companies for quashing negative stories about them (Xinhuanet, 2015).
Taiwan also had leading equities reporters arrested and charged in 2006 and 2007
(Tambini, 2013).

Journalism as a whole is facing the challenges of declining revenues and
public trust, so it is important for financial journalists to refrain from any conflicts
of interest. Wilkins and Brennen (2004) asserted that conflicts of interest tend to
arise in the following setting:

- Exploitation of a professional position for private advantage.

- Allowing financial, collegial, social, or familial loyalties, both past and
present, to interfere with professional loyalties.

- Placing self-interest above one’s duties to others (p. 302).

They pointed out that discussions on conflicts of interest do not just stop at the reality level but the perception of “the reality” is equally important. It is not uncommon in Western codes of conduct that stress not just that journalists should refrain from conflicts of interest but also not to involve in activities that appear to have conflicts of interest. Scholastic research about conflicts of interest has been a focus among literature of media ethics. One of the recent studies related to my research was conducted by Lo, Chan and Pan (2005). They compared journalists’ attitude and perceptions on conflicts of interest in Chinese societies, including Hong Kong, Taiwan and Mainland China. Premised on the categories of Walfemeyer (1989, 1990), Lo et al. (2005) examined journalistic conflicts of interest in three major areas - freebies, moonlighting and self-censorship. They concluded that journalists in all three regions agreed that accepting cash from sources was unacceptable, while small gifts, free meals and free trips were acceptable. The survey showed differences in their attitudes towards softening negative coverage of government and gaps were found between attitudes and perceived prevalence. This provided a good base for my research, which goes beyond Chinese societies but also explores the similarities and differences of treatments on the conflict of interest issues through the comparison of codes promulgated by Western media institutions, which are considered as the model for professional journalism. This study also looks into how codes treated disclosure of conflict of interest, which is one of the common remedies suggested by moral philosophy (Wilkins & Brennen, 2004).
4.2.1 The Hong Kong Case

Conflicts of interest are what financial journalists negotiate on daily basis, arising from market manipulation for personal gain to self-censorship under commercial and other pressures. Tambini (2013) took Hong Kong as a case to explore local financial journalists’ understanding of their social responsibility role based on Stephen Ward’s (2005) social contract approach. Although there have been no specific complaints to self-regulatory bodies about ethical transgressions or conflicts of interest relating to financial journalism in Hong Kong. Tambini’s (2013) study, an interview based research coupled with analyses of Hong Kong’s legal framework and a unified code of conduct, found significant ethical problems in the city’s financial journalism with most respondents reported “endemic conflict of interests” (p. 27) amid an open culture of active stock trading by financial journalists in some newspapers. Inspired by Tambini’s (2013) research, this study examines how Hong Kong codes treated the issue of conflicts of interest and compares them with those codes in Western countries and Mainland China. Wulfemeyer (1989, 1990) summarized potential conflicts of interest in journalism could occur in five areas: freebies and junkets; moonlighting; involvements with communities and organizations; personal attitudes, beliefs, values and socioeconomic status; and external pressures from owners, bosses, advertisers, government. Catering for the need of their study on ethical attitudes in three Chinese societies, Lo et al. (2005) focused on the following categories: freebies, moonlighting, and self-censorship arising from external pressures. Using these studies as a research guide, I further revised the categories into the following three areas that are considered as more prevalent among financial journalists in Hong Kong in relation to conflicts of interest: 1) junkets and freebies 2) stock trading and 3) disclosure of interest. Taking
a contextual analytical approach, this is the first study to look specifically at the financial journalism genre of Hong Kong by examining and comparing the codes of conduct of different types and from different media organizations and geographic locations. With the aim of answering the first research question, the codes of conduct are discussed in the context of whether and how they cover the issue of conflicts of interest that financial journalists often confront during their daily work. The results served as the base for my interviews in chapter 6 to provide a fuller picture in understanding the issue of professionalism of Hong Kong financial journalism.

4.3 Methodology

Data gathered from four codes of conduct or ethics for Hong Kong journalists have been analyzed. When choosing which codes that I should cover in this study, I considered different ways of categorization. Hafez (2002) distinguished codes of conduct into five types: (i) single media codes, (ii) national official codes (iii) national independent codes, (iv) regional official codes and (v) multinational codes. Since Hong Kong is just a city, the national, regional or multinational categories seem not applicable in this case. Bertrand (2007) provided a broader categorization method that puts all non-government instruments or means with their chief purpose of improving the news media service under a single umbrella, called Media Accountability System (M*A*S*). Coined by Bertrand, M*A*S* has three categories: internal, external and cooperative. Code of conduct is an example of “internal” M*A*S*, press council is a sample of “cooperative” while journalism review is “external”. Hong Kong is a self-contained city and we can find journalistic codes promulgated by individual news organization, independent professional bodies and trade unions. This paper studied the most important codes from different
levels of organizations in Hong Kong, encompassing both Chinese and English media to broaden its representativeness.

4.3.1 Four Local Codes

This paper examined the following codes:

1. “Journalists’ Code of Professional Ethics” is a joint code published in 2000 by four local journalistic organizations - the Hong Kong Journalists Association, the Hong Kong Federation of Journalists, the Hong Kong News Executives’ Association and the Hong Kong Press Photographers’ Association, as part of an effort to address the city’s concerns over privacy intrusion by the media (Tambini, 2013). It has been adopt by the city’s self-regulatory body, the Hong Kong Press Council (n.d.), since the council was founded in 2000 to handle complaints against newspapers and uphold the industry’s professional standards. The preamble of the joint code highlighted its beliefs, including freedom of speech and freedom of the press, the strive for public interest and the principle of truth, objectivity and fairness. The joint code is selected because it represents the aspiration of the city’s major media institutions and associations on the standards of good work and proper behavior of journalists.

2. The code of conduct by the South China Morning Post (SCMP) covers all its employees and directors. Founded in 1903, the SCMP is currently the only paid English daily in Hong Kong. Studying the SCMP code extended this paper’s understanding of journalistic norms and practices from Chinese to English news media. Attached with the six-page document are two forms for the declaration of advantage received, interest and conflict of interest. The code is handed to staff when they join the company and requires a signature from the staff to confirm that
they have read the clauses. The newspaper had been owned and operated by Western investors and media organizations, including Rupert Murdoch’s News Corporation, until 1993. The century old English broadsheet is now a unit of Mainland Chinese entrepreneur Jack Ma’s Alibaba Group, which bought control of the paper in 2016.

3. “Editing and reporting guidelines” of *Hong Kong Economic Times* apply to news reporters and editors of *HKET*. The guidelines carried ethical rules and standards for journalists as well as tips and quick references to facilitate reporting and editorial jobs. The *HKET* is one of the two dedicated Chinese financial dailies in Hong Kong and its code sets rules on specific conditions that financial journalists may face, such as internal subscription of flats and shares.

4. Broadcaster Television Broadcasts Limited (TVB) issued the “Standards of Practice and Code of Ethics” for its news and information services division. TVB, a public body governed by the Prevention of Bribery Ordinance, is selected on purpose to diversify empirical evidence gathered from print to broadcast. Based on an interviewee TVB invites the city’s anti-corruption officials to brief its new staffs when they join the company.

Tambini (2013) said in terms of conflict of interest, Chinese language financial journalists in Hong Kong operated in a more relax manner than their peers in English language media. This analysis examines codes for journalists promulgated by both local English and Chinese language newspapers, looking from the institutional perspective to identify the similarities and differences between the two in the treatment of conflicts of interest. Codes of conduct are standards, norms and ideals of journalism but whether the Hong Kong codes are adequate for financial journalists and provide clear and sufficient guidance to practitioners of
this specific genre of journalism are some of the areas that this study addresses. The results have been compared and contrasted with codes issued by the National Journalists’ Association of Mainland China, Society of American Business Editors and Writers (SABEW) and leading global brand Thomson Reuters, in which the author worked for 29 years.

4.3.2 Comparing Codes

The Code of Ethics for Chinese Journalists amended in 2009, promulgated by the All-China Journalists’ Association (ACJA), was selected for its representation because the association covers all Mainland Chinese journalists (Hassid, 2011) and the code serves as the guidelines of professionalism and ethics for Chinese journalists. China has been a prominent case of scholars when they talked about the apparent convergence of professional values around the globe. The study also examined Thomson Reuters’ 39-page long code of business conduct and ethics and the Supplementary Guidance on personal investments by Reuters Journalists in its Handbook of Journalism. Leading international news agencies are often considered by the industry as models of Western professional journalism so the code of Thomson Reuters is used here as a benchmark of Western journalism in the analysis. The author’s experience working in the Hong Kong Bureau of the agency helps to contextualize the code in terms of how it is actually applied in the newsroom. The Society of American Business Editors and Writers’ (SABEW) code of ethics also provided an example of the standards of specialized code for American journalists. The codes being analyzed were either provided by journalists of the media organizations or gathered from the official websites of the specific organizations and associations.
The exploration focuses on the rules and norms specified in Hong Kong’s professional codes relating to conflicts of interest, in which junket and freebie, stock trading and insider dealing, and disclosure of interest were discussed. The results enhanced our understanding about the organizational aspiration of professional standards and ethics.

4.4 Findings

There are few specially designed codes of conduct for business journalists in countries with a less dynamic business press (Shaw, 2015). Although Hong Kong is the home of a vigorous international financial market, its financial journalists also have to look up to the general journalism codes of conduct for guidance. Financial journalists tend to have a bigger exposure to conflicts of interest in their daily duties than journalists in other news genres, such as politics.

4.4.1 Conflicts of Interest

As Tambini (2013) stated that there are strong media effects on the financial market (Davis, 2005), and thus triggered concerns over conflicts of interest among financial journalism. Hong Kong media organizations and institutions are seen fully aware of this potential problem. Table 1 showed that three out of the four local codes analyzed stated clearly that journalists should avoid or pledge to avoid conflicts of interest. The SCMP and TVB codes specified employees should avoid the appearance of conflicts of interest, The SCMP code asks its journalists to report to immediately if they find themselves in a position of possible conflicts of interest.

The HKET code does not use the term “conflicts of interest” but has clauses reminding journalists not to accept any advantages from outsiders, especially from
Interviewees. Conflicts of interests arise when a secondary interest, such as personal gain, tends to influence the professional journalistic judgment or performance.

Table 1

General Rules about Conflicts of Interest in Journalism Codes (selection)

<table>
<thead>
<tr>
<th>Sources</th>
<th>Related Clauses</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCMP</td>
<td>1.3) Employees should avoid any actual or potential conflicts of interest which might compromise their integrity or put the company’s interest and reputation at stake. 1.3.1) Full time employees are not allowed to engage in any other secondary employment, consultancy services or assignments of any kind, …. Unless… prior written permission has been given.</td>
</tr>
<tr>
<td>TVB</td>
<td>5) TVB News is pledged to avoid conflicts of interest or the appearance of conflicts of interest, wherever and whenever possible. 5. iv) We work for no one except TVB News. 5. v) We freelance for no one and accept no speaking engagements without permission from the (news) controller.</td>
</tr>
</tbody>
</table>
HKET (Translated) 3.22) Basically, (journalists) should not accept any special advantages provided by outsiders, (particularly interviewees).

Joint Code 5) Journalists should avoid conflict of interest. Under no circumstance should they be influenced by political, economic and other interests related to themselves, their families and their employers.

5.4) Journalists should not be influenced by external pressure or economics benefit in their reports and commentaries.

China 4.3) Firmly opposes and rejects all kinds of paid news and paid to suppress news.

4.5) Strictly implement the separation of news reporting and commercial activities. Editors and reporters are not allowed to engage in any commercial operations or profit generating activities.
Thomson Reuters

1.1.2) Avoid actual and potential conflicts of interest in performing you duties for Thomson Reuters and do not advance personal interests at the expense of Thomson Reuters.

Working outside of Thomson Reuters or serving as a director of another company may create a conflict of interest, permissions are needed.

SABEW

Avoid any practice that might compromise or appear to compromise objectivity or fairness.

Never let personal investments influence content.

Conflicts of interest might happen in a number of conditions, of which moonlighting, or additional paid or unpaid work, is one of the few that draws journalism scholars’ attention. Limor and Himelboim (2006) examined 242 codes from 94 countries and found them to have failed to provide clear and consistent guidelines on moonlighting as less than half of the journalistic organizations have addressed this concern. This study also found only two of the four local codes, comprising the SCMP and TVB, saying freelance or part-time jobs were not allowed unless prior permission was granted. Both HKET and the joint codes failed to address this. Local newspapers, especially Chinese language press, pay a
relatively low salary to their reporters so extra work could be needed for some journalists who have to support a family. In Hong Kong, the world’s most expensive place to live, most people work over-time and many have more than one job. This could be the reason why the Press Council refrains from putting a ban on it.

Reuters has the most detailed guidelines among the researched media regarding conflicts of interest. It lists six examples to demonstrate how to distinguish conflicts of interest in different scenarios. In Reuters’ handbook of journalism, it provides supplementary and detailed guidance on what may constitute conflict-of-interest issues. Moonlighting is not allowed except approvals are granted. SABEW said never let personal investments influence content but did not mention about additional work by journalists. The Mainland Chinese code is actually pretty detail and strict in banning journalists from engaging in commercial or other paid activities. Any kinds of paid news and paid to suppress news are totally forbidden though it does not use the term conflicts of interest.

4.4.2 Junkets and Freebies

Freebies refer to free goods or services and junkets are all-expenses paid trips offered by interviewees. Both are generally considered as improper by financial journalists in the UK and the USA. But in Eastern countries such as India and China, these are not seen as serious ethical breaches of journalism codes (Shaw 2015). Chinese culture is a culture of “禮” or “li”, literary ritual (Chen, 2016). Gift-giving during festivals is considered by Chinese as a friendly gesture or showing gratitude to those who serve you and help you. So it is a common phenomenon of seeing a pile of fruit baskets and moon cakes in the newsrooms of Hong Kong sent
by public relation firms and corporations during the Mid-Autumn Festival. However, this could be seen as a bribe or corruption culture. Drawing a line between ritual, which is based on a reciprocal basis, and bribery is not easy as the notion of “li” is vague.

The following demonstrated the attitudes of local media organizations towards junkets and freebies are varied and the codes in the table are arranged from strictest to less strict rules.

**Table 2**

Clauses about junkets and freebies in Journalism Codes (selection)

<table>
<thead>
<tr>
<th>Sources</th>
<th>Related Clauses</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVB</td>
<td>5. i) We accept no gifts from news sources. We accept no free trips. In cases in which reporting trips have been arranged by a news source, … and there are no other ways to cover such news events, every effort must be made to reimburse the news source for the trips at cost.</td>
</tr>
<tr>
<td></td>
<td>5.ii) Free admissions to any event that is not free to the public are prohibited.</td>
</tr>
<tr>
<td>HKET (Translated)</td>
<td>3.221) Journalists must not accept interests such as special “internal subscription” of flats or “private placement shares” offered by property companies and listed firms other than the HKET group companies. Those in breach of this rule will be subject to severe misconduct.</td>
</tr>
</tbody>
</table>
punishment, including dismissal.

3.223) Under no circumstances should journalists accept any travel allowance from interviewees. If conditions allow and would not embarrass the interviewees, reporters should decline such offer on the site. Otherwise, reporters can accept the offer first and discuss with the supervisor about the way to handle it.

3.224) When interviewees offer reporters products of their companies as souvenir or distribute red pockets during Lunar New Year, or reporters receive prizes from any lucky draw due to their journalists’ role, they should discuss with their supervisors on how to handle the gifts.

SCMP 1.2.2) Employees are strictly forbidden to seek any advantage from clients, suppliers or any person in connection with the company’s business. This includes gifts, donations or other incentives to accept goods or services, perform work, or offer recommendations or special deals.

1.2.3) If an advantage is voluntarily offered …
during traditional occasions such as Christmas or Lunar New year … these may only be accepted if the advantage is valued at HK$500 or less, and refusal is likely to be seen as unsociable or impolite or the advantage comprises only advertising or promotional gifts of a nominal value and the employee will not feel obliged to do something in return …

1.3.6) Employees should turn down invitations to meals or entertainment that are excessive in nature or frequency… If it is impolite to decline an invitation, employees may accept, on the understanding that they are allowed to reciprocate.

Joint Code 5.1) Journalists should not seek monetary or other advantages from information that they have obtained in their duties.

Reuters Cash is not acceptable.

Gifts, meals services and entertainment are acceptable if they are relatively infrequent and not excessive in value; comply with applicable laws and regulations and are consistent with customary business practices.
or courtesies and will not place the recipient under any obligation to the person who gave the gift.

SABEW
Accept no gift or special treatment worth more than token value. Accept no out-of-town travel paid for by outside sources. Accept food or refreshments of ordinary value only if absolutely necessary. Promising a story in exchange for advertising or other considerations is unethical.

China
no mention

Table 2 showed Hong Kong media have tried to specify under what circumstances that journalists could accept gifts as rituals not bribes. All three local media organization codes ask employees not to accept any kinds of advantages, such as free gifts, meals and entertainment from news sources and others. But due to traditional practices and when refusal is considered as impolite, some media organizations such as SCMP allow journalists to accept gifts with token value, for example HK$500 or below offered voluntarily. Recipients should not feel obliged to do something in return and asking or seeking for any advantages is strictly forbidden. HKET asked its journalists to discuss with their supervisors on how to
handle laisee (red pocket) or prizes from lucky draw received from their duties. But it strictly bans its journalists from accepting internal subscription of flats or private placement of shares offered by companies and states the consequence of violation could be dismissal. Both SCMP and HKET failed to provide clear guidelines on freebies while TVB codes flatly denied any gifts and free trips from news sources. The joint code did not comment directly about gifts or free trips but said journalists should not benefit from the information obtained in the process of conducting their duties.

China code does not specially mentioned junkets or freebies but bans journalists to seek or receive benefits and advantages from news sources and paid news is firmly opposed. Judging from the scandals of Chinese news industries in the recent years, there seems to have a major problem in the implementation or execution of these rules. Interviews in later part of this paper showed a huge gap between the inspirations in the codes and journalists’ daily practices in Mainland China.

Thomson Reuters states that cash are not acceptable but journalists could accept gifts, meals and entertainment under certain conditions such as those which are not frequent and not excessive in value. Thomson Reuters is an international organization and its journalists should comply with local laws, regulations and business practices but no free reporting trip is allowed. SABEW said gifts or special treatment with token value was acceptable but no out-of-town free trip.

Most of the overseas business news reporting trips of Hong Kong press are paid or sponsored by interviewees or news sources, according to interviewees of this study. Cash-strapped local Chinese newspapers would generally take the offer if they find the trip is news worthy because it could be the only way they can
approach company officials and cover overseas events in a tight resources news environment. However, TVB code clearly rejected free reporting trip and said it would reimburse the trip at cost if no other ways they can cover such event. Some Chinese newspapers’ investment news section would use free trips as perks of the poorly paid job.

4.4.3 Stock Trading and Insider Dealing

A prevailing stock trading culture among Hong Kong financial journalists triggered a major concern of journalism scholar Tambini (2013). “… Evidence of a culture of open and active stock trading by journalists on some newspapers, practices that would contravene not only globally accepted norms but also existing Hong Kong codes of professional standards” (p. 26). This paper found that Hong Kong codes in general strictly ban insider dealing while stock trading of journalists is a grey area.

The following table is arranged from the strictest to least strict rules on insider dealing and stock trading.

Table 3

Stock Trading/Insider Dealing in Journalism Codes (selection)

<table>
<thead>
<tr>
<th>Sources</th>
<th>Related Clauses</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKET (Translated)</td>
<td>3.222) No insider dealing is allowed (this is a criminal offence). When journalists write a company story they should not buy or sell shares of the company before the news is...</td>
</tr>
</tbody>
</table>
Employees shall not take personal advantage of any information gained through work, before the information becomes public. Insider trading by employees is prohibited by law.

5.1) Journalists should not seek monetary or other advantage from information that they have obtained in the course of discharging their duties; nor should they pass the information to others so that the journalists might obtain an indirect advantage.

5.3) Journalists should not write or comment on business dealings, organization and its activities in which they have a stake.

No mention

No insider dealing. Reuters journalists must not engage in or facilitate insider dealing and must remain cognizant of the possibility of inadvertently doing so. … it is strongly
advised that editorial staff do not engage in short term trading activities of any kind.

Journalists … must not buy or sell securities of entities about which they have written, commented or reported or about which they intend to write, report or comment on in the near future.

<table>
<thead>
<tr>
<th>SABEW</th>
<th>Do not take advantage of insider information for personal gain. Avoid active trading and other short-term profit-seeking opportunities, as such activities are not compatible with the independent role of the business journalist.</th>
</tr>
</thead>
</table>

| China          | No mention                                                                                                                                                                                                 |

Table 3 showed the HKET and SCMP strictly ban insider dealing and warn that such activity is a criminal offence. Offenders of insider dealing in Hong Kong is subject to a maximum fine of $10 million and a maximum jail term of 10 years based on Hong Kong’s Securities and Futures Ordinance (SFC, 2008). However, there is no record of insider dealing by local journalists until now. The joint code does not directly address the insider dealing issue while it states that journalists should not take private advantage from information obtained from their duties. TVB code, which applies to all employees in its news and information services division, does not mention insider dealing or stock trading by journalists.
Both HKET and the joint codes put conditions on stock trading by journalists. HKET said journalists should not trading stocks they write before the story is made public. The joint code said journalists should not write companies or business dealings that they have an interest. Looking carefully none of the four local codes prohibit their journalists from stock trading in general. However, there are warnings that journalists should not benefit from the information they get from working and should not trade the stock they write or report about.

Based on a retail investor survey by the Hong Kong Stock Exchange published in 2015, every three adults in Hong Kong will have one stock investor, with the number of individual investors reaching a record of 2.25 million. Stock trading in Hong Kong is common and an interviewee questioned why journalists have to be singled out from this stock trading culture. Most interviewees do not see any problem for financial journalists to trade stocks as long as they do not use information they get from their work to make profit.

Among all the codes being examined, Western code seems stricter than Hong Kong and China codes in regulating stock trading and insider dealing. They ban or discourage short-term trading, to avoid any appearance of conflicts of interest. SABEW bans journalists from taking advantage from inside information and discourage frequent and short-term trading of stocks. It states that active or short term trading would undermine the independence of financial journalism and should be avoided. Reuters also said journalists must not engage in or facilitate insider dealing and should keep a watchful eye of any possible intended transgression. It also urged journalists to avoid short term trading activities and bans journalists from trading stock of the companies that they write about for at least 28 days. However, it seems difficult to ask journalists not to involve in securities or other kind of
trading, even for short term, so it may be a reason for Western media to put an emphasis on disclosure of interest.

The Mainland Chinese code did not mention insider dealing or stock trading by journalists despite the fast development of its financial markets and financial news sector in the past two decades.

4.4.4 Disclosure of Interest

Table 4 indicated Hong Kong codes were relatively relax in terms of disclosure of interest compared with their Western peers. News organization codes of TVB and HKET just left this area in blank. The SCMP required employees to report only if they found potential conflict between their duties and personal interest. On the non-media organization level, the joint code provided a guideline that journalists should declare if they were assigned to report or comment a company or organization in which they have an interest.

Table 4

Disclosure of Interest in journalism codes (selection)

<table>
<thead>
<tr>
<th>Sources</th>
<th>Related Clauses</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCMP</td>
<td>1.3.3) Employees who find themselves in a position of possible conflict between a duty owed to the company and their personal interest should immediately declare this by a report to the chairman via …relevant division head.</td>
</tr>
<tr>
<td>Joint Code</td>
<td>5.3) Journalists should declare their interest</td>
</tr>
</tbody>
</table>
should they be assigned to report or comment in which they have an interest.

<table>
<thead>
<tr>
<th>Channel</th>
<th>Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVB</td>
<td>No mention</td>
</tr>
<tr>
<td>HKET</td>
<td>No mention</td>
</tr>
<tr>
<td>Reuters</td>
<td>Before you report on a company in which you or your family has any kind of shareholding or other financial interest you must notify the interest to your manager or bureau chief. If you are regarded as a specialist in a particular area of business or industry you must notify your manager or bureau chief of any financial interest you may have in that area or industry.</td>
</tr>
<tr>
<td>SABEW</td>
<td>Disclose investment positions to your superior or directly to the public. Disclose personal or family relationships that might pose conflict of interest.</td>
</tr>
<tr>
<td>China</td>
<td>No mention</td>
</tr>
</tbody>
</table>

SABEW had the strictest requirements to have journalists declare their
investment positions regardless of conflicts or not and Reuters required journalists to declare before they report a company if they had an interest in it. SABEW and Reuters also said journalists should report or declare if they found any potential conflict between their duties and their personal or families’ interest. Western media have explicit rules on disclosure of interest but they still found breaches of this rule from time to time. In 2010, Neil Collins, a columnist at Reuters Breakingviews resigned as he failed to disclose his ownership of shares in companies that he was writing about. Collins also made trades shortly after his comments were published (Halliday & Deans, 2010).

“While we have no evidence the journalist was abusing his position for financial gain, we take such breaches extremely seriously and that journalist resigned with immediate effect during our investigation,” said Reuters Editor-in-Chief David Schlesinger in a note. (Wickham, 2010)

Mainland Chinese code did not mention this area at all.

4.5 Conclusion

In a more relaxed self-regulatory environment in Hong Kong, it is a puzzle why there are no major complaints about transgressions by local financial journalists in the past decade? A suggestion that maybe because “journalists act within the rules” (Timbini, 2013, p. 17) is unconvincing because there is no clear guidance for the city’s financial journalists on details of conflict of interest, stock trading and disclosure, needless to say institutions have not seriously put those codes into implementation. This paper interviewed 19 financial journalists in the latter part of the study and gave more insight on this.

In the analysis, I found local institution and organization codes are varied in
terms of standard. The English newspaper, SCMP, and broadcaster, TVB, are stricter on rules of conflicts of interest while TVB and HKET did not mention about disclosure.

In a rapid changing news environment, online and social media are growing fast, so a trusted financial journalism could help distinguish professionals from amateurs. Written and unwritten standards and rules should help cement the position of professional financial journalists. The implementation and enforcement of those standards and rules are important and we can see those enjoy leaderships in financial journalism, such as Wall Street Journal, Financial Times and Thomson Reuters, all implement their codes of conduct effectively. Thomson Reuters’ code has rich examples to place readers into different situations, allowing them to understand more clearly of what should do and what should not. There is an acknowledgment form attached with the code of business code and ethics that requires employees to sign and agree to comply. The SCMP is the only Hong Kong local code under research that require employee’s signature after receiving and reading the code delivered at the start of employment. There are also forms to declare advantage received, interest and conflicts of interest attached to the code.

The analysis suggested there is a lack of sufficient guidance to financial journalists in dealing with possible financial temptation in the course of delivering their duties. Several studies (Coman, 2004; Tambini, 2013; Waisbord, 2000) identified a gap between journalists’ daily practices and professional ideals sated in codes due to the lack of implementation tools in general. Hong Kong’s liberal-inclined media system tends to support the social responsibility theory and journalists interviewed in this paper showed their
orientation for “doing good to the society”. Judging from the example of Thomson Reuters, effective implementation methods and tools enhance journalists understanding on conflicts of interest. I argue that standard-setting by media organizations could play a more important role in redefining the boundaries of the financial journalism field. News organizations have to pay more attention in the establishment and enforcement codes and norms of practice if financial journalism in Hong Kong hopes to regain integrity and public trust. It is also seen that media organizations are under huge economic pressure when pondering about resources in covering news, especially outside Hong Kong, which leave them with no choice but considering taking free trips provided by interviewees.
Chapter 5. Media Coverage of IPOs

On 22 February 2017, Hong Kong stock regulator the Securities and Futures Commission (SFC) unprecedentedly suspended share trading of GME Group Holdings Ltd on its debut. The stock jumped 543% in the morning session of its first trading day on the Growth Enterprise Market (GEM) though this is not rare in Hong Kong’s small capitalization market, which has been described by Bloomberg as “home to some of the world’s biggest price swings” (Robertson & Tse, 2017, para. 1). The GEM board hosted 90 percent of the world’s best stock debuts in 2016 but the exchange for small and new companies also witnessed some of the biggest plunges that year (Tse & Robertson, 2016). For example, vegetable supplier Goal Forward Holdings Ltd and board game designer Cmon Ltd rose 1,500% and 1,330%, respectively in their debut, but both fell below IPO prices later in December 2016. It also made a record of seeing a stock suspended by stock regulators on its trading debut. The trading halt of GME Group caught traders and market watchers by surprise because the SFC suspended the stock just a few hours after it was listed. The regulator later explained that there were concerns about the lack of an open market for GME shares (Lockett, 2017). This chapter of the study analyses news coverage of three IPOs, including the listing of GME Group, to understand the product of local financial journalists and examine whether they match with the social responsibility model of professionalism. In order to enhance our understanding of this specific news genre, it also interviews journalists who have been involved in IPO coverage to find out their practices, including the constraints and challenges they face. The interview findings will be further elaborated in chapter 6.
5.1 Hong Kong IPO Market

According to NYSE and Euronext, IPO means “the first time a company makes its shares available for sale to the public” (World Federation of Exchanges, n.d., para. 3). Hong Kong’s IPOs in general include an international placement tranche and a public subscription tranche while some companies choose to float its shares by placement only. Therefore in this study, IPO refers to the process of a company seeking a listing on a stock exchange or so-called “going public”, by share placement, public subscription of shares or both.

Hong Kong was the world’s largest IPO market in 2015 and 2016, raising the most money for companies seeking a public float, before slipping back to the fourth place in 2017. However, PwC forecast the city to regain the throne, becoming the top fundraiser of IPOs again in 2018 (PwC, 2018). Hong Kong’s unique strategic position, as a gateway between Mainland China and the rest of the world, has seen the Hong Kong Stock Exchange an attractive listing venue for major companies from Mainland China and overseas. Mainland Chinese companies considered the city, a major international financial hub that enjoys free capital flow, as their preferred international market to tap foreign capital. They have dominated the city’s IPO market in the past decade, accounting for more than 80% of the IPO funds raised in 2016 (Yiu, 2016). At the end of 2017, 1051 Mainland Chinese companies were listed on the Hong Kong Stock Exchange, accounting for more than 66% of the exchange’s total market capitalization (HKEX, 2017). Besides Mainland Chinese companies, global luxury brands, including Coach, Prada and L’Occitane; energy, mineral and commodities giants, such as Glencore International AG and Vale S.A., have also listed in Hong Kong with their eyes on the strong consumption of the China market. All these have
propelled Hong Kong to become one of the biggest stock markets in Asia.

The number of new listings on the Hong Kong stock exchange hit an all-
time high of 174 companies in 2017, up 38% from a year earlier (HKEX, 2017). The funds raised via IPOs fell 34 percent to HK$128.2 billion but post-IPO funds raised surged 53 percent to HK$451.7 billion. IPOs are important to the city’s banking sector, and capital and equities markets. It is a major beat for local financial journalists and crucial to the city’s financial services industry, which is a key driver of local economic growth, contributing 18 percent of Hong Kong’s GDP and employing more than 250,000 people (Budget Speech, 2017).

Meanwhile, several high profile IPO scandals in recent years, including China Forestry Holdings Group and Hontex International Holdings Ltd, and the roller-coaster performance of some debutants on the GEM board have put Hong Kong’s reputation as an international capital-raising center at risk. Hong Kong’s SFC suspended stock trading of a number of newly-listed companies in the past few years on suspicions of false or misleading financial information in their listing documents. Auditors and short-selling research analysts also found financial irregularities in some newly listed companies. People, especially investors, may ask why fraudulent IPO companies were allowed to list in Hong Kong and whether investors have enough information to make investment decisions.

A survey conducted by Hong Kong’s securities regulator, the SFC (2008), showed that more than a third or 36.4% of the Hong Kong adult population were retail investors in stocks. These investors mainly rely on the media as their prime information source to make investment decisions. Prospectuses, or the listing documents filed to the stock exchange by IPO candidates, normally are several hundred pages long and one of financial reporters’ jobs is to go through these
documents and highlight what investors need to know. It is important for journalists to be skeptical and dig out potential investment risks about these new companies so investors could make a sound valuation of the IPOs. Scholars also found a close relationship between media coverage and the pricing of IPOs and their subsequent stock performance (Demers & Lawellen, 2003; Guldiken, Tupper, Nair, & Yu, 2017). Since these are new companies that do not have a track record, investors are especially dependent on quality information about IPOs. Therefore, I chose to explore this particular news beat and look into what and how the information is presented to readers to gauge whether it meets the liberal media model’s expectation of serving the society. The news coverage of selected IPOs is therefore analyzed to find out how and whether they embodied professional values, in particular truthfulness and scrutiny, and the news value of exclusivity.

Telling the truth is a key principle of journalistic value and as Tom Rosenstiel and Bill Kovach (2001) said in their influential book, *The Elements of Journalism*, “Journalism’s first obligation is to the truth” (p. 37). Truthfulness is most relevant to financial journalism as investors need to base on accurate and fair information to make investment decisions. Financial journalists are also expected to keep a watchdog role that can warn readers when problems are detected. In this study watchdog scrutiny covers both the exposing of problems and recognizing positive actions in monitoring the markets. Schultz (2007) argues that exclusivity, which means being the first, is the sixth news value, which is important to financial journalism as it could help journalists and their news organizations to excel and attract readers. Besides analyzing the content of the stories, based on the research framework of Bourdieu, journalistic professionalism should be examined or understood from newsrooms’ everyday practice and the conditions of reporting.
Therefore, I also interviewed three local IPO reporters to understand their daily routines and collect feedbacks from them on some of the results found in the analysis.

5.2 Three IPOs Studied

To answer the above questions, I examined how local news media covered three IPO companies, including GME Group, over a five-year period from April 2012 to March 2017. All three companies, GME, Fujian Nuoqi and Tianhe Chemicals Group, ran into trouble shortly after they were listed. I selected news stories on these problematic IPO companies as these companies triggered social scrutiny and thus are more convincing tests for newspapers on the implementation of their watchdog role. The poor quality of some newly listed companies has ignited the interest of short-sellers. Global accounting firm Grant Thornton (He, 2017) said short seller attacks increased in Hong Kong and had prompted the city’s stock regulators to step up scrutiny on IPO companies. The role of short sellers is controversial. Critics said short sellers can spread false or misleading information about a company to trigger heavy sell off of its stock so they can make profit by covering their short positions in that stock at a much lower price. Hong Kong’s stock regulator, the SFC, staged a crackdown on “malicious” short sellers in the past few years to protect investors’ interest. In October 2016, the SFC (2016) banned short-seller Andrew Left from trading in Hong Kong for five years after his company Citron Research was found making “false and misleading” allegations on property firm Evergrande, triggering a share slide of 20% in one day.

However, advocate Einhorn (2008) argues that short sellers help to expose
financial misconducts and keep stock prices at a level closer to their fundamentals. Karpoff and Lou (2010) also say, “by improving market efficiency through its effects on prices, short selling offsets some of the harm imposed on uninformed investors who unwittingly buy shares from firms and insiders while the firm’s books are in error” (p. 1912). Hong Kong corporate governance activist David Webb believes short-sellers and others publish critical reports about companies would make a “healthy influence on the market” (Bland, 2016). Tianhe Chemicals, one of the three IPO firms analyzed, has been targeted by short-seller Anonymous Analytics and lost almost half of its market value after the short-seller published a number of negative reports about the company. The purpose of this study is not to judge whether short-sellers are doing good or bad to the market but how financial journalists handled these negative reports.

Resource-strapped Hong Kong media are highly reliant on international news agency and elite financial foreign newspapers as sources for their reports and analyses, but IPOs about small companies would likely be ignored by international news agencies so focusing on these companies could be effective in reflecting the standards of local financial journalists. For the same reason, investors are more dependent on local media for coverage of these small companies. Both GME Group and Fujian Nuoqi are identified because of their relatively small IPO size with initial share sales of US$9 million and US$35 million, respectively. They went into trouble shortly after they were listed in Hong Kong, and thus raising a question of whether financial journalists have done enough to warn potential investors about risks before these companies go public. Were journalists able to perform their duty of hold these companies and their sponsors accountable? Tianhe Chemicals raised US$658 million from its IPO in June 2014 but trading of its
shares was suspended three months later as Anonymous Analytics issued a report saying the company was window dressing its books. These three cases fuelled concerns about the quality of Hong Kong’s IPO companies and posted challenges to securities regulators to maintain an orderly and fair market, so how journalists covered these companies from IPO to trouble is important in the examination of the performance of Hong Kong’s financial journalism. The following are brief accounts of what happened in these companies.

5.2.1 Tianhe Chemicals Group

Based in Mainland China, Tianhe Chemicals Group Ltd is the largest company among the three in terms of IPO size and market capitalization. Its stock was suspended in September 2014, only three months after it was listed, after short-seller Anonymous Analytics accused the company of over stating profits and was a fraud (Toh, 2014). Despite repeated denials made by the company, Tianhe lost up to 47 percent of its market value when trading resumed following a five-week suspension (Toh & Weinland, 2014). Tianhe is not the only target of short-sellers in Hong Kong. The first wave of attacks on Mainland Chinese companies happened in 2011 when short-sellers including Citron Research, Muddy Waters and others released negative research reports, causing panic selling of these stocks (Hughes, 2017).

In Tianhe’s case, the company hired UBS AG to handle its IPO in 2014 and triggered market scrutiny as Joyce Wei, the daughter of its chief executive officer, worked for the Swiss investment bank although the chemicals maker said there was no link between the employment of Wei and the IPO (Tianhe, 2014). In March 2015, its shares were suspended again after the company failed to release its annual
results on time (Tianhe, 2015a) and six months later its auditor Deloitte Touche Tohmatsu resigned (Tianhe, 2015b). Two years later, the SFC ordered Tianhe Chemicals to suspend trading as it appeared to the commission that the company’s prospectus and clarification announcements made in 2014 “contained materially false, incomplete or misleading information” (Tianhe, 2017).

5.2.2 Fujian Nuoqi

The second company being analyzed is Fujian-based men’s casual wear product retailer Fujian Nuoqi Co Ltd. It raised about HK$274 million from its global share offering at HK$2.13 per share ahead of its trading debut on January 9, 2014 (Nuoqi, 2014a). Share trading of Nuoqi was suspended on July 23 the same year (Nuoqi, 2014b) when its share value was halved from its IPO price. Two days later, the company announced that its chairman and chief executive officer Ding Hui was missing and it had reported the case to the police (Nuoqi, 2014c). The company later confirmed that Ding made an unauthorized transfer of 232 million yuan from the company’s accounts (Nuoqi, 2014d). This troubled company caught my attention because it tried but failed twice to get a listing in Mainland China before coming to Hong Kong. It was rejected by the Mainland market regulator in 2011 and abandoned a second attempt to list there. The company’s listing document, or prospectus, briefly mentioned the A share applications but did not explain why it was rejected. Stock analysts and journalists mostly failed to address this although the China Securities Regulatory Commission (CSRC, 2011) explained the rejection in a public statement. The CSRC said that it rejected Nuoqi’s listing application after it casted doubts on the company’s relatively low R&D and marketing expenses, and the efficiency of its
expansion plan to enhance the company’s profitability. The stock has been suspended for more than three years in Hong Kong and is facing a possible delisting. It was also involved in several civil actions at Chinese courts (Fujian Nuoqi, 2017).

5.2.3 GME Group

GME Group Holdings Ltd, a Hong Kong based tunnel-excavating subcontractor listed on the Growth Enterprise Market (GEM), set a record of being suspended by stock regulator on its first trading day. The stock jumped 543 percent before the SFC ordered a trading halt in suspicion that there was a lacking of an open market in the trading of the shares (GME, 2017b), which might cause the spike up of share price. Trading of GME shares resumed on March 28 after the company’s controlling shareholders lowered their holding by placing 25 million shares at the IPO price to about 150 independent investors to ensure an open market for the stock (GME, 2017c). GME shares dropped as much as 85 percent on the resumption of trade.

The SFC (2017) announced in August that it had ordered three brokers to freeze several client accounts in relation to suspected market manipulation of GME shares. No investigation results have been published yet but the stock price of GME skated down sharply after the company posted a net loss of HK$6.08 million for the first half of 2017. This compared with a profit of HK$855,000 the previous year and GME said the loss was mainly due to IPO expenses (GME, 2017d). Its shares dropped to HK$0.275 in early October, down 92 percent from the peak of HK$3.51 or lost 49% from its IPO price. The listing saga of these three companies raised attention of market regulators and investors, and triggered
investigative reporting actions by some media organizations. These are ideal examples on how IPO reporters covered this beat so to gauge their professionalism.

5.3 Publications Studied

A content analysis has conducted on news articles about the three IPOs mentioned above published in three local newspapers – Hong Kong Economic Journal, Hong Kong Economic Times and The Standard. The two Chinese language titles, HKEJ and HKET were chosen because they are Hong Kong’s leading dedicated financial dailies. HKEJ is one of the most influential Chinese language newspapers in Hong Kong and HKET is the best-selling financial newspaper in the city. HKEJ ranked the second most credible paid newspaper just after the South China Morning Post while HKET came to the fourth place, shown in a survey conducted by the Chinese University of Hong Kong (CUHK, 2016). The Standard is selected to provide a gauge to measure the similarities and differences between English and Chinese financial news in Hong Kong. It is a free newspaper, owned by the Sing Tao News Corporation, and is the most circulated English newspaper in the city (Standard, n.d.). From the three Hong Kong publications, I purposively sampled a total of 229 news articles about the three IPO companies published within a five-year period of between April 1, 2012 and March 31, 2017.

5.3.1 Comparison Group

Although the focus of this study is on Hong Kong media, it is useful to compare their coverage with examples in different geographic locations. For this
reason, the content of two non-Hong Kong publications, one in Mainland China and the other in Canada, were also analyzed. China is picked because of its proximity to Hong Kong and the gradual socio-political convergence of the two places has impacted the city in almost every aspect. Canada is an example of the western media model and its major exchange group, TMX, ranked within top ten of the world’s largest bourses in terms of market capitalization, just next to Hong Kong (Business Insider, 2016). I picked Canadian media instead of New York and London because the Toronto Stock Exchange shares a number of similarities with the Hong Kong Stock Exchange. It is a popular venue for Chinese IPO companies and being a target market of short sellers. Since troubled IPO companies are the focus of this analysis, both the Mainland Chinese and Canadian markets provide convenient examples.

The content in Canadian national newspaper the Globe and Mail and China’s first commercialized financial newspaper, China Business News（第一財經日報）was examined. Controlled by Woodbridge Company, a unit of the Thomson family (Bradshaw, 2015), the Globe and Mail is the most widely read newspaper in Canada. The financial session “Report on Business” of the Canadian national newspaper is regarded as an integral part of the newspaper, which is regarded as an example of the Western journalism’s “public trustee” model. News reports in China Business News (CBN), China’s first commercialized financial daily, were analyzed because it represents a new market-based model (China Business News, 2009) of Chinese media. Established in 2004, China Business News is controlled by the Shanghai headquartered China Business Network group, which operates a cross-media platform including radio, TV, newspaper, web and magazine (CBN, n.d.). The two broadsheets were identified also because they are
influential in their home countries. In the comparison study, a second batch of 90 stories about troubled Performance Sports Group (PSG) and Dandong Xintai Electric Co., Ltd were selected from the two non-Hong Kong publications during the same timeframe.

Toronto-listed PSG is a baseball equipment maker, which filed bankruptcy only about two years after it was dual-listed on the New York Stock Exchange. China’s Dandong Xintai Electric Co., Ltd., a power equipment maker and seller, was involved in an IPO fraud. The company was being delisted from the Shenzhen Stock Exchange by Chinese securities regulator, the China Securities Regulatory Commission (CSRC), about two years after it was listed on Shenzhen’s ChiNext board for small growth companies. Results of the analysis are compared and contrasted with the Hong Kong newspapers’ to provide a deeper understanding of the performance of local financial journalism in terms of a liberal or social responsibility model. This also expands the knowledge about financial journalists’ products in different geographic locations and cultures.

5.4 Content Analysis

As mentioned earlier, under the premises of serving the public interest, the content analysis of this study is focused on three major criteria, truthfulness, scrutiny and exclusivity. The analysis is focused on identifying the main theme or news angle of the story. Putting into the context of the story into consideration to evaluate whether the news article has conveyed the perspectives of truthfulness, scrutiny and exclusivity to the readers, and how they embodied these professional values.

For all five publications, the content was analyzed quantitatively and
qualitatively, which draws on the cognitive approach of van Dijk’s (2013) news discourse analysis with focus on the macrostructure and themes or angles of the news articles instead of individual words or sentences. The theme or news angle is of the greatest importance so that it is normally presented in the headline and lead of the news stories organized in a schematic structure. Therefore this analysis puts more weight on what the headline and lead say in each article, and also takes the background or context of the story into consideration. The analysis aims to identify what messages and how are they conveyed to readers and is a way to address my first research question of “How do the norms and rules of Hong Kong’s financial journalism compare with the ‘social responsibility’ model?” The motive behind the strategic selection of news about troubled IPO companies is to confine a news environment that enables this study to evaluate and compare differences and similarities in newspapers’ coverage of IPO news based on the public trustee model.

5.4.1 The Newspapers Articles Analyzed

Articles about three Hong Kong IPO companies, Tianhe Chemicals Group Ltd, Fujian Nuoqi Co., Ltd. and GME Group Holdings Limited have been purposively and examined. The names of these three companies were used as keywords and the search is confined the media sources to HKEJ, HKET and The Standard, in collecting articles from WiseNews, a news database operated by Wisers Information Limited. During the five-year period a total of 229 articles were identified. For non-Hong Kong press, also from WiseNews, using key word search on the name of “China Business News” and “Dandong Xintai Electric Co., Ltd”, I picked up 45 news articles. Another 45 stories about Performance Sports
Group (PSG) published by *The Globe and Mail* were extracted from Factiva, a global news database, using the same word search method in the same five-year period.

Extracting news articles from database WiseNews and Factiva by key words, the analysis is not exhausted. Taking into account of the two non-Hong Kong publications, altogether 319 news articles about the selected IPO companies in the five newspapers were analyzed. But 58 stories were deleted during the exploration process because they fell out of the main areas of research. The articles being taken away were tables and calendars, which did not yield any scores under the truthfulness, scrutiny and exclusivity attributes. Editorials and columns were also scrapped because they were opinionated writings not appropriate for analysis in this research. Therefore, there are altogether 261 articles eligible for subsequent analysis, including 198 from three Hong Kong newspapers, 37 from *The Globe and Mail* and 26 from *China Business News*.

Table 1

*Valid articles identified for coding in the three local newspapers*

<table>
<thead>
<tr>
<th></th>
<th>The Standard</th>
<th>HKET</th>
<th>HKEJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>GME Group</td>
<td>6</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Nuoqi</td>
<td>10</td>
<td>26</td>
<td>43</td>
</tr>
<tr>
<td>Tianhe</td>
<td>13</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>Total: 198</td>
<td>29</td>
<td>66</td>
<td>103</td>
</tr>
</tbody>
</table>

Table 1 showed that *HKEJ* spent the most resources in covering the listing process and following the troubles of the three IPO companies with 103 news
stories published during the research period. It was followed by *HKET* with 66 stories issued and *The Standard*, which had 29 stories.

### 5.5 Assessing Professional and Journalistic Values

The following elaborates how the news content of the five publications is examined based on the professional and journalistic values of truthfulness, scrutiny and exclusivity.

#### 5.5.1 Truthfulness

This study looks at objectivity as a stepping-stone to truth seeking and since truth is practically unattainable so we use the “objectivity” test to come as close as possible to truth. Taking Ognianova and Endersby's (1996) operational concept of objectivity, I identified four attributes contributing to truthfulness to match with the purpose of this study - seeking the truth, balance, impartiality and depersonalization. The later three contribute to objectivity, which reinforces the truthfulness of the story. The analysis has also been guided by Fullers’ (1996) suggestion that the ultimate test of journalistic truth is coherence. The following questions will help in judging whether the articles meet with the criteria of truthfulness.

1. Does the story demonstrate attempts to get closer to the truth by quoting direct, qualified and relevant sources?
2. Has the reporter tried to present the opposite side of the story and allowed each side to fairly express their positions?
3. Has the story reflected a wide range of opinions, allowing readers to draw their own conclusions and not being affected by the author?
4. Does the journalist set aside his/her personal value and view when reporting and writing the news?

5.5.2 Scrutiny

Scrutiny is a key role for financial journalism. This study borrowed Ekstrom et al.’s (2006) concept of watchdog journalism and situated the scrutiny construct into a financial news environment to address it from a “revisionist” perspective, which includes different types of scrutiny. It is not focus on exposing wrong doings but looking into “if and how responsibilities and expectations from other agents are fulfilled” (p. 295). Their seven types of scrutiny are modified into five to cater for the characteristics of financial news. They are investigative journalism, closer observations of an IPO area, presentations of others’ scrutiny, reporting criticisms and reporting positive results.

- Investigative journalism is often initiated by the media and takes more time, resources and efforts for reporters to uncover scandals, wrong doings or violations of laws. This is the most direct way to scrutinize the IPO market and companies and it has also included articles that showed an investigative effort.

- Closer observations of an IPO area does not refer to reports based on investigation or exposing wrongs but articles that pay close attention and greater effort to monitor an event of IPO companies or a phenomenon by interviews with relevant sources from various aspects.

- Presentation of others’ scrutiny means reporting about scrutiny actions taken by authorities, such as SFC and CSRC, or other institutions.
Editorial staff do not involved in the investigations and their role is just to publish the investigative work done by others.

- Reporting criticism is another way of calling attention to how the IPO market works. Newspapers report criticisms by people other than the editorial staff. Critics can come from stock analysts, brokers, investors, regulators and even other media.

- Reporting positive results refers to articles that draw readers’ attention to successful and positive results on the works of the stock exchange or regulators to maintain a fair and open IPO market.

The following questions help to bring the five types of scrutiny into focus during the analysis and the articles has been allocated to anyone of these categories or no scrutiny element.

1. Have the reporters paid investigative efforts in issue related to the article?

2. Have the reporters initiated a closer observation by themselves and whether possible consequences have been discussed in the article?

3. Does the article include information of scrutiny conducted by authorities, organizations and others?

4. Is there any criticism in the article staged by non-editorial staff, such as authorities, organizations and other interviewees?

5. Are there any positive, successful results in that area of activity within the responsibility of the authorities and organization?
5.5.3 Exclusivity

Exclusivity is not directly contributed or linked to the “public trustee” concept but adding this attribute in the content analysis could enhance our understanding of the strength and standard of the IPO news coverage in Hong Kong. “Exclusivity” means that the media organization is the first and only medium to report a story, which is original and important, and likely to interest or concern many people. Exclusivity is considered as a major competitive edge for financial news media to compete for high value customers or the pursuit of commercial aims (English, 2014). However, it is hard to find exclusive news that will have an impact in the market so reporters, who are able to break news or dig up exclusive stories on the financial news desk could bargain for a much higher salary than other reporters, or in Bourdieu’s concept of developing economic capital (Bourdieu 1998, 2005). English (2014) analyzed articles in six broadsheets’ sports sections and found “small levels of exclusive material”. Drawing on English’s content analysis method and modified for the specific content of financial news. I asked the following questions in coding the articles in five newspapers.

1. Has the story tagged with “exclusive news” or “exclusive interviews”?
2. Is information in the story unique to the newspaper and hard to be obtained by other journalists?
3. Is the same information, which is important to the market, cannot or unlikely to be found in other media reports at the same time or before the article is released?
5.6 Coding

For content analysis, I constructed a codebook containing definitions of all attributes and application criteria to facilitate systematic and replicable coding. The eligible articles were coded under three categories – truthfulness, scrutiny and exclusivity with a total of 12 codes – truth-seeking, balance, impartiality, depersonalization, investigative, closer observation, report scrutiny, report criticism, positive results, exclusive, unlikely shared and beat others.

The author is the primary coder of this research while a second coder is recruited to conduct a reliability test to ensure the primary coder’s analysis is valid. The second coder, who is a working financial journalist received formal university training on journalism and understands journalistic values better than a non-journalist, received two sessions of training before the reliability test. First, she was given a codebook developed by the author, who explained to the second coder clearly about the definitions and criteria in applying the codes. Second, a pilot test of five stories was coded together by the first and second coders followed by a discussion of the results. Finally, a reliability test of 27 stories or about 10 percent of the total stories analyzed in this chapter was conducted to establish reliability levels for the coding of the full sample. It yielded a score of 0.9, which is a strong reliability rate based on Neuendorf’s (2002) review on “rules of thumb” set out by several methodologies (including Frey, Botan, & Kreps, 2000 and Krippendorff, 1980). Neuendorf concluded that coefficients of .90 or greater would be acceptable to all, .80 or greater would be acceptable in most situations (Mouter & Vonk Noordergraaf, 2012). The relatively high reliability rate could partly due to the background of the second coder.
5.7 Findings and Analysis

Judging from the content of the IPO stories, the following features and characteristics of the local IPO news are identified. The news coverage of Hong Kong IPOs is routine at the pre-listing stage, pro forma like and can be divided into six stages. Not all IPO companies will be covered in each of these phases and if the size of capital being raised is small, such as GME Group, some steps could be skipped or not covered at all. This study analyzed the news content of the three local newspapers about the listing process of the three target companies at their pre-listing stage and the aftermath troubles in order to understand their outputs and evaluate whether they are competitive and match with the social responsibility role.

5.7.1 Pre-listing Stories

The following table shows the routine stages of IPOs and how media cover the listing companies at these stages. The pre-listing coverage of the three IPOs by the three local newspapers is analyzed below.

Table 2

*The listing process of IPOs and pre-listing news coverage by media*

<table>
<thead>
<tr>
<th>IPO Stages</th>
<th>Journalism</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Planning: Preliminary steps that are taken by a company, such as indicating a listing idea. The company will then initiate an IPO process by forming an external team with</td>
<td>Journalists are eager to break IPO news via their own sources (usually anonymous) from companies and members of the IPO teams because these deals involve huge amount of</td>
</tr>
<tr>
<td>sponsors, underwriters, lawyers, certified public accountants and public relation firms.</td>
<td>money and are relevant to investors and financial service providers. Which investment banks are selected as sponsors and underwriters in beauty pageants, means big commissions and fees for them.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2. Applying: The company applies to the Hong Kong Stock Exchange for a stock listing. The application has to be approved in a hearing by the listing committee of the HKSE before it can move ahead with the IPO.</td>
<td>After the company applied for a listing to the stock exchange, reporters will focus on the results of hearings, which decided whether the listing would go ahead or not.</td>
</tr>
<tr>
<td>3. Marketing: After a red herring document or initial prospectus with detailed information about the listing company, save the offer price and effective date, is created by the listing company and the underwriter, a roadshow or marketing process, usually lasting for 3-4 weeks, will start to evaluate institutional investors’ demand for the shares.</td>
<td>This is one of the most stringent tests for IPO reporters. Investors are keen to know the financial details and future plans of the listing company while all these information are supposed to be kept private for institutional investors only at the roadshow. Some aggressive journalists maybe able to get exclusive stories by reporting information in the red herring provided by their sources at the</td>
</tr>
</tbody>
</table>
4. Subscription: After the company and its sponsors introduced the IPO company to potential institutional investors in a roadshow, a share subscription period for institutional and retail investors will start, respectively. The subscription multiples indicate the market’s respond to the stock and that will give a clear indication to the listing company and sponsors to decide the final offer price of the shares. Following the roadshow, a book building process will begin and the market’s reception of an IPO, with an indication from subscription results and margin orders, will affect the final pricing of the stock.

5. Pricing: The listing company and underwriter will base on the market respond to fix the IPO price. It determines how much the listing company could raise from the market. Pricing of an IPO and the total amount the listing company raises are important information for investors, so journalists try to beat others by reporting the price first.

6. Trading debut: Trading of the stock usually starts in the grey market a few days before the stock’s debut on the exchange. The stock’s grey market performance often reflect investors’ demand and dictate the stock’s price movement on its first few trading days. News reporters will track the performance of the stock in the grey market because it will give investors an indication how the stock will perform in its first trading day and whether investors who subscribed the stock will make
After analyzing the pre-listing stories published by the three local newspapers, I found a number of features worth to be discussed.

a) Pre-listing coverage - *HKEJ* had the most stories (31) covering the listing process of the three IPOs but the lowest proportion (30%) in terms of all *HKEJ* stories analyzed. It focused more on reporting the irregularities of these companies than their IPO plans and apparently, more sensitive about potential problems. For example, *HKEJ* is the only newspaper among the three to have reported GME Group’s decision to proceed with its listing plan via private placement of all new shares. Three other companies eyeing on placement only IPOs had called off their share sales after stock regulators reminded listed companies to ensure a fair and open market. *HKET* fell in the middle, with 26 pre-listing stories or 39% of total while *The Standard* had 15 stories but accounted for 52%. Both *HKET* and *The Standard* did not cover the listing plan of GME Group, mainly because the IPO size was relatively small at HK$67.5 million. Their first GME story was about trading suspension of the stock in its debut. *HKEJ* and *HKET* started to cover Tianhe Chemicals and Fujian Nuoqi at the planning stage and the two companies raised HK$5.1 billion and HK$320 million, respectively at their IPOs. Due to tight resources and the lack of dedicated IPO beat reporter, *The Standard* did not cover the first and second listing stages of Tianhe Chemicals and Fujian Nuoqi IPOs. It started to report the two companies only from the marketing stage.

b) Active reporting - It means journalists take initiative to contact their sources on the exchange. a profit or loss.
for information that is not public yet. Close to half of \textit{HKEJ} stories (45\%) embedded active reporting effort with quotes and information from market or unnamed sources, brokers and research reports. \textit{HKET} had a bit more than a third of its stories (38\%) quoting its own sources. \textit{The Standard} not only spent the least resources in covering the three IPO companies, but also had the lowest score (20\%) in active reporting during the pre-listing periods. The listing companies and the marketing team of an IPO are not allowed to disclose details of the deal during the listing process until information is made public via the stock exchange’s HKEX News platform. But journalists would try to get sensitive information from their sources under an anonymous condition. When companies made an announcement through the stock exchange or their executives talked in a news conference, then the information is considered official and publicized.

One of the interesting findings is that \textit{HKET} had four stories quoting market rumours. It is uncertain whether the journalists responsible for the stories were not confidence enough about their sources or the information was just hearsays without verification. The study also found that \textit{The Standard} had a high percentage of stories (40\%) without citing any sources, so it could not tell whether the information was original reporting or from other media. The English free sheet did not quote any newswires in pre-listing IPO stories but according to one interviewees, most of \textit{The Standard’s} IPO information was from newswire services and stock exchange announcements.

<table>
<thead>
<tr>
<th>Sources distribution in pre-listing news of the three IPOs covered</th>
<th>\textit{HKEJ}</th>
<th>\textit{HKET}</th>
<th>\textit{The Standard}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market sources/unnamed source</td>
<td>9</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Company exe/announcement</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
5.7.2 Overall Findings

There are three types of stories identified from the analysis of the 261 articles in five newspapers - spot stories, stock market reports and analyses, and journalists often mentioned several IPOs at different listing stages in one story. Judging from the characteristics and length of stories, the Hong Kong and Canadian newspapers articles were mostly spot stories while *CBN* focused on analyses. Among the three local newspapers, *HKEJ* had the longest average story length of 658 words each and it was followed by HKET with 531 words on average although some of their stock market reports and analyses could go as long as 1500 to 1800 words. *The Standard* had 220 words on average in each story. These compared with an average length of 658 words in each of *The Globe and Mail* story analyzed. The average story length of China’s *CBN* is more than triple of Hong Kong and Canadian stories at 1,964 words per article due to their analytical nature.

5.7.2.1 Truthfulness

Starting from the professional value of truthfulness, I analyzed four attributes truth seeking, balance, impartial and depersonalization. Under truth seeking, *HKET* had the highest score (64.4%) among the three local newspapers but lower than *The
Globe and Mail (66.2%) and CBN (65.4%). HKET stories are most balanced and impartial among the five papers while The Standard is at the top in the category of depersonalization. Surprisingly, the scores of The Globe and Mail and China’s CBN are pretty close except in the depersonalization category.

Table 4

Differences in truthfulness perspective of the five newspapers

<table>
<thead>
<tr>
<th></th>
<th>Truth Seeking</th>
<th>Balance</th>
<th>Impartiality</th>
<th>Depersonalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Standard</td>
<td>48.3%</td>
<td>24.1%</td>
<td>6.9%</td>
<td>86.2%</td>
</tr>
<tr>
<td>HKET</td>
<td>64.4%</td>
<td>51.5%</td>
<td>21.2%</td>
<td>80.3%</td>
</tr>
<tr>
<td>HKEJ</td>
<td>57.3%</td>
<td>20.4%</td>
<td>16.5%</td>
<td>65.0%</td>
</tr>
<tr>
<td>Globe &amp; Mail</td>
<td>66.2%</td>
<td>48.6%</td>
<td>18.9%</td>
<td>83.8%</td>
</tr>
<tr>
<td>CBN</td>
<td>65.4%</td>
<td>42.3%</td>
<td>19.2%</td>
<td>34.6%</td>
</tr>
</tbody>
</table>

a) Truth-seeking

The first question to ask is whether the stories demonstrate attempts to get closer to the truth by quoting direct, qualified and relevant sources? It can be told, sometimes, just from the sourcing pattern whether a news story is trustworthy or not. Comments from authoritative, direct and official sources that are relevant to the news event or controversy are more credible to unnamed sources or no sources at all. However, reporting from company or official announcements could not fully demonstrate reporters’ effort to seek the truth as in most cases, it could not rely on single source and needs active reporting.
Table 4 showed every one of five stories analyzed in *The Standard* have no source, indicating these stories are likely to be recycled information from media or comments made in the passed events. It could not simply tell why there was a lack of sources in those stories but the interview section in the next chapter sheds some lights. *HKEJ* also has a relatively high ratio (16.5%) of stories, mainly stock market reporters, without citing any sources. Its market reports were based on stock exchange data and published news, and seldom quoted fresh sources. *HKET* is the most cautious paper among the five with only four (6%) of the 66 stories analyzed not sourced properly.

Corporations are the main information providers of IPO news in the three Hong Kong newspapers, accounting for 41-45% of the named quotes, comparing with the Canadian newspaper’s score of 59%. Hong Kong IPO news was mostly based on announcements made by companies posted on the Hong Kong Stock Exchange website, press conferences by companies and interviews with chairmen, chief executive officers and chief financial officers of IPO companies on the stocks’ debut ceremony. The other popular sources of information are stock analysts, investment banks and brokerage houses. This may result to pro-business attitude as corporations are on the strong side in terms of voices to be heard in
financial stories. They also quoted regulators, including the SFC and the stock exchange officials, when they companies fell into troubles. The IPO stories were generally positive despite all three companies were being investigated by stock regulators due to irregularities during the researched period. Corporate governance activist and professional investor David Webb was one of the very few independent sources quoted by the articles in Hong Kong newspapers. The *HKEJ* reported Webb’s comments posted on his website about the SFC’s move to file a case against Citron Research founder Andrew Left:

**Excerpt 1**

Independent stock commentator David Webb described SFC’s move as “very interesting”. “The SFC will need to show that Andrew Left either knew that his allegations were false or was reckless or negligent as to whether they were, in which case Section 277 of the SFO bites,” said Webb. (*HKEJ*, 23 December 2014)

It is not uncommon for financial journalists to cut and paste postings on Internet in their stories. *The Standard* used Alibaba chairman Jack Ma’s comments on a social network about hiring princelings, which is one of the few negative comments seen in the IPO articles.

**Excerpt 2**

“Allibaba has never hired relatives or children of senior officials or millionaires in the past and will not do so today or in the future,” Ma wrote on Alibaba’s social networking app Laiwang. “The biggest backup for a corporation is the market and its clients. Any company that relies on princelings is doomed. Such connections are like time bombs. When they
will explode is just a matter of time.” (The Standard, 13 February 2014)

These are the most critical comments from independent sources that can be found in the Hong Kong articles examined. Short seller research reports often carry critical and negative comments on the companies they targeted but local newspapers are taking a play safe attitude in general with all three Hong Kong newspapers mentioning Anonymous Analytics’ reports only after they made an impact on the market or as references to Tianhe Chemicals’ rebuttals.

The Globe and Mail used the most company sources but more of its stories were generated by active reporting, such as interviewed company officials instead of just writing from exchange statements. The Canadian paper also cited the opposite sides, such as shareholders, to balance its stories. For example, Performance Sports Group assets were putting up for auction but objected by minority shareholders. The Globe and Mail reported the story from both sides.

Excerpt 3

“The Sagard/Fairfax bid is valued and structured to be thoughtful and fair to all stakeholders, and includes provisions and bid protections which are customary for this type of transaction,” Mr. Robinson said in a statement. However, the shareholder group says the Sagard offer threatens to “freeze out” shareholders, while reserving much of the company’s value for the Sagard group….

“The proposed sale process - led by Sagard’s stalking horse bid - has all the outward appearances of an ‘inside job’,” the group said in a legal filing. “Potential bidders do not tend to expend the time and money to engage in M&A processes where a board [favourite] has the ‘inside track’ to
winning.” *(The Globe and Mail, 16 November 2016)*

This could be a reason why *The Globe and Mail* took the lead in the truth seeking. Minority shareholders’ voice is seldom heard in Hong Kong or Mainland China and none of the researched Hong Kong and Chinese newspapers quoted shareholders in their IPO stories. This may partly due to the characteristic of Chinese and Hong Kong investors, who are mostly retailers and scattered. For mainland Chinese newspaper *CBN*, company sources accounted for only 18 percent of the named quotes in IPO stories while it also quoted government statements and interviewed lawyers and fund managers, showing a more diversified source profile. The more diversified sources may due to the analytical nature of *CBN* stories, which were longer and required quotes from different sources to explain, illustrate and make sense of the facts.

Among the five newspapers, *The Globe and Mail* recorded the highest proportion of named sources, with 90.4% of the sources had names and official titles. Hong Kong newspapers fell in the middle of between 60 and 80 percent while *CBN* is the lowest with only 44.3% of its sources are named. That means less than half of its sources were willing to go on record, dampening the credibility of the stories.
b) Other attributes

In the examination of whether the stories were balanced and impartial, HKET posted the highest score among the five at 51.5% and 21.2%, respectively. That means more than half of HKET stories examined allowed both sides to express their positions in the stories. One of the major elements of an objective story is balance, which requires journalists to present views from both sides of the issue in the news and not to show favour of any one side (Entman 1989). But only one of every five HKET stories analyzed showed a variety of opinions, which is needed to allow readers to draw their own conclusions instead of being affected by the reporter. Besides HKET, other four newspapers also recorded their lowest scores in the category of impartiality with The Standard ranking at the bottom of 6.9%. Since impartiality requires journalists to reflect a wide range of opinions gathered from different type of sources in the stories, Hong Kong and Canadian IPO stories were mostly relied on company and official comments and lacked of diversity in terms of source.
Financial reporters in all three Hong Kong newspapers are conscious about distancing themselves from the news they covered, same as *The Globe and Mail* in Canada, while *CBN’s* stories were largely opinionated analyses with lots of background and context. Among the four categories, depersonalization is the most common characteristic found in the IPO articles, posting scores of between 64% and 86.2%. Depersonalization is one of the two main components of journalistic objectivity, which means that journalists should distance themselves from the story, refraining from giving their own views and beliefs in the story. Apparently, journalists in Hong Kong and Canada, both are under the liberal media model, are more cautious in distancing themselves from the news events by avoiding personal opinions in news stories. China’s *CBN* is seen paying more time and effort in each of its stories with clear aims to “educate” the audience and direct public opinion.

### 5.7.2.2 Scrutiny

Drawing on the wider concept of scrutiny of Ekstrom et al. (2006), which includes investigative and accountability claims, and the purposive selection of articles about troubled IPO companies, the extent of scrutiny with these news stories is expected to be higher than the average IPO coverage in Hong Kong. However, more than 60 percent of the local articles analyzed still failed to yield any elements of scrutiny. This study, which is designed in a manner that one article can only belong to one or no scrutinizing attribute, showed an average of 38 percent of the Hong Kong articles dispatched a scrutinizing perspective to the readers. Among the five attributes of scrutiny, closer observation has the highest rating with an average score of 12.1%. Reporting positive results has 9.6%, reporting criticism 8.6% and presentation of other’s scrutiny 8.1% but there is no
investigative elements founded in news stories analyzed in all three newspapers.

Table 6

*Number of articles with scrutinizing perspective and percentage*

<table>
<thead>
<tr>
<th></th>
<th>Investigation</th>
<th>Closer observation</th>
<th>Report scrutiny</th>
<th>Report criticism</th>
<th>Positive results</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>The Standard</em></td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>No. of articles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pct against total of 29</td>
<td>0</td>
<td>10.3</td>
<td>6.9</td>
<td>13.8</td>
<td>10.3</td>
<td>41.4</td>
</tr>
<tr>
<td><em>HKEJ</em></td>
<td>0</td>
<td>12</td>
<td>8</td>
<td>8</td>
<td>13</td>
<td>41</td>
</tr>
<tr>
<td>No. of articles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pct against total of 103</td>
<td>0</td>
<td>11.7</td>
<td>7.8</td>
<td>7.8</td>
<td>12.6</td>
<td>39.8</td>
</tr>
<tr>
<td><em>HKET</em></td>
<td>0</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>No. of articles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pct against total of 66</td>
<td>0</td>
<td>13.6</td>
<td>9.1</td>
<td>7.6</td>
<td>4.5</td>
<td>34.8</td>
</tr>
</tbody>
</table>

*The Standard* had 41.4% of its stories posted scrutiny elements, higher than HKEJ’s 39.8% and HKET’s 34.8%. The difference between the highest and lowest total score is relatively small of 6.6 percentage points and the performance of *The Standard* was lifted by the category of report criticism (13.8%). One of the reasons is that *The Standard* quoted foreign media, such as Bloomberg and *The Wall Street Journal*, more often than other two newspapers, and that carried more critical comments from interviewees than local media reports. Hong Kong reporters
seemed to have paid attention and efforts to tell readers more about the troubled IPO companies with closer observation score the highest average of 12.1% but the stories were mostly from analyzing company announcements or regulators’ press releases, plus comments from stock analysts or investment bankers. Due to a lack of buy side comments, stories are mostly factual with few critics or negative comments, failing to provide readers with multi aspects to evaluate the news despite reporters inserted background or context into the story. Editorial staff did interpret and made comments based on the information in stock market reports and analyses. Reporting positive results came to the second highest average at 9.6 percent. This is probably because the three companies involved were suspended by regulators or suspended after short seller comments. These suspension actions, either ordered by stock regulators or initiated by companies, are considered as positive results from the surveillance actions. Short selling research reports very often cause big declines in stock prices and thus force the companies to suspend trading and explain. For example the suspension of GME Group by the SFC forced GME’s major shareholders to sell more shares to the market before trading could resume.

Reporting scrutiny (8.1%) is related to short-sellers who expose wrongs of some IPO companies by the issue of negative research reports. They mainly target Chinese companies listed in Hong Kong because investors and auditors are unable to verify the accounts of these companies easily due to different jurisdictions between Hong Kong and Mainland China thus giveing rise to loopholes that made some companies easier to cook their books. Anonymous Analytics accused Tianhe Chemicals of window dressing its books and recommended a “strong sell” on the stock.
“Tianhe came to the market as one of the biggest IPOs of 2014, at US$8 billion, and after months of due diligence, field research and analysis, it shows that Tianhe is a massive fraud and the biggest stock market scam conceived since the Sino-Forest Corp fraud,” said Anonymous Analytics’ in a 67 pager report. (HKEJ, 3 September 2014)

Two months later Associated Press released its own investigative report (AP, 2014) to examine Anonymous Analytics’ accusations on Tianhe Chemicals and found some similar accounting irregularities. But none of the three local newspapers conduct investigation by themselves.

![Figure 2](image.png)

Figure 2. The percentage of articles in HK newspapers have scrutiny elements

a) Lacking of Skepticism

There is no evidence to show that Hong Kong financial journalists are lapdogs or pet dogs but they are certainly in lack of skepticism. In the case of
Fujian Nuoqi, the company said in its listing prospectus that it failed twice to list its shares on China’s A-share market with the first application being rejected by China’s stock regulator. But none of the local newspapers follow this up during the listing process and only *The Standard* reported this on the stock’s debut without clear explanation:

*Excerpt 5*

> After failing twice to get listed in the mainland, the company chose Hong Kong to float its shares. Chairman and chief executive Ding Hui said an A-share offering is still possible depending on market conditions. (*The Standard*, 1 October 2014)

Seven months after the listing, Ding absconded with the company’s money and trading in the stock has been suspended since then for more than three years. It is clear that the analyzed newspapers failed to give any warning to readers on the potential investment risk. Furthermore, another mainland-based company Nanjing Sinolife United launched its IPO at the same time with Nuoqi and was oversubscribed 187 times while Nuoqi’s IPO was barely covered. But none of the local newspapers were alarmed enough to investigate or explain this huge disparity. No investigative attribute is found in the 200 strong news articles analyzed in the five newspapers. This indicates newsrooms in the three places may face the same issue of tight resources as it causes more money and time and experienced journalists to conduct investigative stories.

b) Uncritical comments

Report criticism came to the third place (8.6%), in contrast with Ekstrom et
al.’s (2007) findings that indicated the most common scrutiny characteristic is “report criticism”. As mentioned above, *The Standard* had the highest score (13.8%) in this category only because it quoted critical comments from foreign media while *HKEJ* and *HKET* had less than 8% of stories carried critical comment. Judging from the interviews conducted by local newspapers, comments in Hong Kong articles were generally modest. They seldom criticized companies even though frauds were discovered. Legislator Christopher Cheung Wah-fung, who represents the financial services industry, made one of the hardest comments about the stock regulator’s move to suspend trading of GME shares.

*Excerpt 6*

Legislator Cheung Wah-fung said the government should pay more attention of “not to over kill the space for market development” in the review of Hong Kong’s GEM market. He said, “The SFC ordered trading suspension of GME shares just half day after the stock was listed and did not disclose further information, causing chaos in the market and investors have no ideas which way should go (無所適從)”. (*HKET*, 23 February 2017)

Comments from Hong Kong interviewees were mainly positive and factual trying to explain the phenomena rather than accusing wrongdoers.

c) Non-HK papers

Mainland-based Chinese newspaper *CBN’s* scrutiny score (70.4%) is almost doubled of Hong Kong dailies’ average score while Canadian newspaper *The*
*Globe and Mail* yielded the lowest score of under 30 percent (29.7%) among researched newspapers in the three locations.

![Graph showing proportion of articles with scrutiny elements](image)

**Figure 3. The proportion of articles showed scrutiny elements**

Among the five attributes, *CBN* is particularly strong at closer observation, scoring nearly 40.7%. It may due to the analytical nature of *CBN* stories, which provided more context and observation elements. For example, in a 6000 words story, the *CBN* reporter interviewed scholar, lawyer, investment banker and brokers to evaluate financial inspection on listing candidates conducted by stock regulators with an aim to solve the IPO congestion problem. It carried a critical comment from a scholar who advocates IPO registration system in China.

**Excerpt 7**

“Financial inspection will eliminate a batch of unqualified companies and ease (IPO) congestion. Only pushing forward the registration system can solve the IPO congestion from its root,” Dong Denxin, a professor at
Wuhan University of Science and Technology, told CBN reporter. Otherwise, some would take a risk out of desperation and cater to standard unscrupulously even if the standard was stringent, he added. (CBN, 4 July 2016)

Reporting criticism comes to the second place (14.8%) among CBN stories while report scrutiny and positive results were 11.1 percent and 3.7 percent, respectively. The Globe and Mail posted the lowest score in this category with only 27% of its stories examined had scrutiny elements. It echoed with Hong Kong and Chinese newspapers, recording its highest score (13.5%) at closer observation. Nearly 11 percent of stories reported criticism and report scrutiny is 2.7 percent. Since Bauer Performance Sports Ltd filed a bankruptcy protection and not involved actions from regulators so there was no article relating to reporting positive results found in The Globe and Mail stories. The major common area is that all of the five newspapers analyzed in this study do not carry an investigative characteristic.

![Figure 4. Differences between the average rating of HK and non-HK](image)

Figure 4. Differences between the average rating of HK and non-HK
newspapers with scrutiny attributes

China’s CBN posted higher score in almost every count of scrutiny elements except investigative and positive results. Hong Kong newspapers posted higher positive results scores because the articles selected are mostly about companies under regulator investigations thus reflected on the share prices.

5.7.2.3 Exclusivity

The exclusive news is a major tool for media organizations to distinguish themselves from others, or help to achieve “winning positions” as described by Meyen & Riesmeyer (2012, p. 398). The content analysis showed none of the 261 articles coded claimed to be exclusive or with exclusive interviews, while the rating of other exclusive elements in the 261 articles coded in the five newspapers is low, echoing with English’s (2014) finding in his study on the unique and uniform material in sports coverage. The Hong Kong newspapers’ performance in this journalistic value was the weakest among papers of the three places being studied with The Standard failing to score in any of the three elements under exclusivity. Variations in the results may due to the attitude of the news organization toward exclusive news. The Standard has no dedicated IPO reporter and lacks of capacity to chase for exclusive news, probably due to its free sheet nature that demands for broader but relatively shallow coverage of news. HKET and HKEJ had 12.1% and 6.8% of IPO stories beating others, which means they probably reported the information ahead of others. Both of the newspapers had only one story each that may not be shared by other media, representing about 0.97% and 1.52%, respectively.
Table 8

*Number of stories with exclusivity elements*

<table>
<thead>
<tr>
<th></th>
<th>Exclusive</th>
<th>Unlikely shared</th>
<th>Beating others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HKEJ</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103 Stories</td>
<td>0</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Pct</td>
<td>0.0</td>
<td>0.97</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>HKET</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>66 Stories</td>
<td>0</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Pct</td>
<td>0.0</td>
<td>1.52</td>
<td>12.1</td>
</tr>
<tr>
<td><strong>The Standard</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29 Stories</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pct</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>The Globe &amp; Mail</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36 Stories</td>
<td>0</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Pct</td>
<td>0.0</td>
<td>5.6</td>
<td>13.9</td>
</tr>
<tr>
<td><strong>CBN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27 Stories</td>
<td>0</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Pct</td>
<td>0.0</td>
<td>0.0</td>
<td>48.1</td>
</tr>
</tbody>
</table>

Again the analytical nature of *CBN* stories lifted its rating in beating others to 48.1% but the results also showed those information in *CBN* stories was likely to be found by other media as their interviewees were generally approachable and not exclusive. *The Globe and Mail* had 5.6% of stories unlikely to be shared by other media, the highest among the five, and about 14% in beating others, just followed *CBN*. Since the research was confined to five newspapers and there was only one target paper in Mainland and Canada each, it would be difficult to tell exactly whether the material was not published in competing titles and the assumptions were drawn from the nature of the information and the identity of the sources of comments.
Figure 5. Differences between the average rating of HK and non-HK newspapers about exclusivity

5.8 Discussion

This chapter examined the performance of Hong Kong financial journalism against the news value of the “public trustee” model, including truthfulness, balance, impartiality, (Knowles, Philips & Lidberg, 2015; Lo et al., 2004), scrutiny and an implicit value of exclusivity (Schultz, 2008). These values could be understood as part of journalistic doxa or logic, a major concept of Bourdieu’s field theory that helps journalists construct the world and present their audience with a unique form of knowledge. The amount of news carrying elements of truthfulness, scrutiny and exclusivity determines how well the newspaper matches with the social responsibility model of news and thus helped to answer the first research question. Among these values, truthfulness is the first principle of journalism. The aim of this chapter is not only to gauge which newspaper or story is closer the social trustee model of news than others but also to investigate whether and how they convey the message with the said values to their audience,
and if possible answer the question why.

5.8.1 Hong Kong Newspapers

Hong Kong newspapers on average posted lowest scores in the categories of truthfulness and exclusivity among papers researched in the three places while the degree of scrutiny in their articles was higher than *The Globe and Mail* in Canada. The content analysis revealed that none of the articles analyzed identifying as investigative story or being labeled exclusive, indicating the lack of competitive edge of financial news in these newspapers. Variations also found among the three local newspapers with *HKET* outperformed *HKEJ* and *The Standard* in truthfulness and exclusivity while *The Standard* posted the highest average score in scrutiny but lowest in exclusivity among the three local newspapers.

A discernible pattern has been identified among the three local newspapers, echoes with Canada’s *Globe and Mail*, that depersonalization was the most obvious characteristic of objectivity in the news articles, followed by the spirit of seeking the truth through the use of credible and direct relevant sources. Turning to the attribute of balance, which requires opposite views presented in the stories, *HKET* took the lead (51.5%) but the performance of *the Standard* and *HKEJ* was relatively weak with less than a quarter of their articles analyzed meeting this criterion, lower than *The Globe and Mail* (48.6%) and CBN (42.3%).

Hong Kong media face high financial pressure, which has seen editorial staff in newsrooms being cut to paper-thin. The tight resources may also hinder their performance in the scrutiny and exclusivity attributes. Based on the information gathered from staff of media organizations, *The Standard* is the only
local newspaper among the three that has no designated reporter to cover the IPO beat. The English daily is a free press and has only five full time and two part-time financial reporters, who are responsible for two pages of business news and some top news stories daily, and a 6-8 page Money Glitz session every Monday. *HKEJ* has one IPO beat reporter, who and another 21 financial news reporters responsible for a total of 8-10 pages of financial, international financial and property news daily. *HKET* has 17 business and financial news reporters, including one IPO beat reporter, responsible for 5-7 pages of news. It has a separate team for China economic news.

Judging from the story numbers and average length of stories, *The Standard* is the most resource tight, then followed by *HKET* and *HKEJ*. The shortage of manpower may contribute to no exclusive elements in the stories of *The Standard* analyzed. The English news daily posted the highest score (86.2%) among the five papers in depersonalization and the second highest (13.8%) in report criticism partly because it relied heavily on company announcements posted on the stock exchange and information from other media. China’s *CBN* took the lead in both scrutiny and exclusivity elements largely due to the analytical nature of its stories. The average length of *CBN* stories (1,964 words) is triple or more than triple of the other four newspapers. The Mainland Chinese financial daily *CBN* has 120 journalists, who are responsible for a 12-page daily and produce a total 70 to 80 articles a day of which 80 to 90% would be published through its online platform. It is obvious *CBN* outweighed all three Hong Kong newspapers in terms of manpower. The resource issue is also reflected in the sourcing of news stories. After screening out background and recycling of widely published quotes, there was an average of 1.6 sources providing fresh information in each of the Hong
Kong story examined against 2.0 of *The Globe and Mail* and 3 in *CBN*.

Results of this analysis also showed the Hong Kong and Canadian newspapers relied on company statements and officials as their main information providers, accounting for 43% and 59% of the named sources they quoted in IPO news. Trading debuts were seen as major occasions to interview company executives by local journalists with very few interviews were found in separate events. This may fuel concerns about pro-business attitude as corporations are on the strong side in terms of voices to be heard in financial stories. Hong Kong IPO stories were also found in lack of skepticism and critical comments. Nuoqi was rejected by Mainland’s market regulator for listing in China in 2011 and the company abandoned a second attempt two years later but no reporter or analyst followed this up until the company’s stock was suspended.

### 5.8.2 Performance of Non-HK Newspapers

China’s *CBN* posted higher ratings in scrutiny and exclusivity than Hong Kong and Canadian newspapers but looking into the content of the stories, its case was less convincing. For example, every *CBN* story had an average of three fresh sources but more than half (55.7 %) of the quotes used were unnamed against 28.9% in Hong Kong newspapers. *The Globe and Mail* had the most credible sourcing with only 9.6% of its sources were unnamed. The high rating of *CBN* stories was partly due to the long and analytical characteristic of stories, which are encouraged by Chinese media organizations as many of them pay their journalists royalties based on the number of words published by them on top of a basic salary. Therefore journalists tend to write longer stories for higher royalties and longer stories would make them easier to meet their perceived roles of educator and
policy explainer, according to a Mainland reporter. The interview section followed will explain further on the strong opinionated CBN stories which saw a relative low rating of the paper in depersonalization. Western newspaper, the Globe and Mail, posted strong rating in truthfulness with truth seeking at 66.2%, balance at 48.6% and depersonalization at 83.8%.

In Summary, Hong Kong financial journalists were found to distance themselves from the events in routine stories but their sources were mostly on the business side in lack of diversity and their quotes were generally positive. They were not skeptical enough and need to put more effort in investigative and exclusive stories so as to help them weather the tough media environment. However, this is actually a dilemma situation that most newsrooms in Hong Kong are facing: financial difficult that forces them to keep manpower at the lowest possible level.
Chapter 6. Practices of Hong Kong Financial Journalism

This chapter seeks to understand the daily practices and norms of Hong Kong financial journalists through in-depth interviews. How do they understand the notion of “professionalism” and what are the roadblocks to fulfilling their professional roles? The interviews identify what challenges facing Hong Kong financial journalism and help to answer the third research question: How do Hong Kong’s financial journalists tackle these challenges in enhancing their professional autonomy amid socio-political changes and increasing commercial pressure?

Having a high turnover, being young with good education, mostly university graduates and some with master degrees, but not paid well are found by scholastic and industry studies as the characteristics of Hong Kong journalists (So & Chan, 2007; HKJA 2016). Chan and Lee (2007) assert that Hong Kong journalists are still committed to professional values and liberal journalistic ideals despite rising self-censorship and declining public trust. Speaking of the field of financial journalism, which is often considered as a profit center of media, journalists have intertwined relationships with their sources, such as government officials, corporations executives and public relations firms, and have been criticized of being captured by those they reported (Manning, 2013; Matolcsy & Schultz, 1994; Preston & Silke, 2011; Shaw, 2015; Thompson 2013). Hong Kong financial journalists may not be facing great political pressure as their peers in general and political news but are plagued with the issue of conflicts of interest (Tambini, 2013). Hong Kong financial journalists participating in open and active stock trading is seen as a culture among them (Song, Wu & Chiu, 2017; Tambini 2013) and how it affects the standard of professionalism in local financial journalism is a major question.

In order to extend our understanding about the behaviors and practices of
Hong Kong financial journalists and their perceptions of professionalism amid an open stock trading culture, this study interviewed 19 financial journalists working for local, Mainland Chinese and international media. The next section explains the method and the process of the research and how the respondents were approached and selected. Then it analyzes the backgrounds of the interviewees, who come from a variety of media organizations in both Chinese and English languages, to give the breadth of the research. Findings are in the third section, which is divided into four main themes - interviewees’ knowledge about the code of conduct, how they see about the issue of conflicts of interest, their perception about professional roles and whether they have fulfilled the requirement of their professional duties. Challenges are explored from two fronts, internal and external, especially under an increasing influence from China. In the last session, the similarities and differences in practices of financial journalists in the three locations are discussed. There are also suggested ways from interviewees on how to circumvent hurdles or resolve some of the problems at work.

6.1 Methodology

Relying on the self-revelation of interviewees, this chapter builds on the findings of the comparison of codes of conduct and content analysis in the earlier chapters of this thesis. Through key informant interviews, this study collected first-hand qualitative information about the financial news sector from practitioners. The interviewees were selected first from the author’s media network and then introduced by those interviewed earlier. Altogether 19 journalists from 13 media organizations, including print media in both Chinese and English languages, radio and television, were successfully approached and interviewed between April 2016
and May 2017, yielding a diversified profile of respondents. The interviewees were divided into two groups, Hong Kong journalists (HK1 to HK13) and non-Hong Kong financial news practitioners. The non-Hong Kong group comprised of three from Mainland China (ML1 to ML3) and three working at international news organizations (IN1 to IN3), providing corresponding information for comparison. All interviewees spoke under an anonymous condition so they could speak freely and thus more likely that they would reveal a truer picture of their opinions and practices. The interviews were conducted via mobile phones with a duration ranging from 30 to 76 minutes and all of the calls were made via mobile phone and mobile phone Apps, WhatsApp and WeChat. Respondents first answered a few questions about their personal background and then eleven semi-structured questions, which were guided by the results of the content analysis and the comparison of codes of conduct. They were asked to gather information on their perception of professionalism and the challenges they face.

This thesis also drew on the author’s direct knowledge of financial journalism practice in Hong Kong. I was a financial journalist who worked at an international news agency, Reuters, in Hong Kong for 28 years and that personal experience enriched the context in the understanding of the development of the city’s financial market and this special genre of journalism. I am also the sole interviewer of this study to provide consistency in information recording.

6.2 Participants

The results show that the financial journalists interviewed are well educated. All interviewees, comprising 11 female journalists and 8 male journalists, are university graduates and more than half of them have a master degree (68%). Most
of the respondents (79%) studied journalism at universities and about a third of them (37%) work in English media, including the three international journalists.

Table 1

*The gender and year of experience distribution of interviewees*

<table>
<thead>
<tr>
<th>Sex</th>
<th>No. of years of experience in financial journalism</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>HK</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>31%</td>
</tr>
<tr>
<td>Non-HK</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>67%</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>42%</td>
</tr>
</tbody>
</table>

Table 1 shows the respondents with five-year experience or less accounted for nearly half (47.3%) of the interviewees. The diversified profile of interviewees in terms of media type in table 2 was constructed so as to get journalists’ opinions from different media organizations, in view of the diversity of the Hong Kong financial journalism scene as noted in Chapter 3.

Table 2

*The languages and types of media organizations that the respondents worked for*

<table>
<thead>
<tr>
<th>Languages</th>
<th>Chinese</th>
<th>English</th>
<th>Broadcast</th>
<th>Print</th>
<th>Magazine</th>
<th>New Media</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12</td>
<td>7</td>
<td>2</td>
<td>14</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
6.3 Findings

The characteristics Hong Kong financial journalists interviewed are in line with those found in previous studies (So & Chan, 2007; HKJA 2016), that they are mainly young with about 61 percent of them having five years of experience or less as a financial journalist. Journalism graduates accounted for 70 percent and more than half (54%) have a master degree. In comparison, non-Hong Kong interviewees are more experienced and have higher education on average. All Mainland Chinese and international journalists interviewed have master degrees and four of them have 15 years or more experience in financial journalism while two Mainland Chinese reporters have 8 months and 7 years of experience, respectively. One of the reasons that Hong Kong financial journalists are less experienced because turnover among local journalists is high due to a significant salary gap between journalism and non-journalism jobs that require financial knowledge and experience, such as the banking and financial industry.

*Interview HK5.* Journalists start from HK$10,000-13,000 per month and after 8-10 years, an editor earns about HK$30,000 but your friends (in other industries) got HK$50,000-60,000 a month. Salary lagged behind your experience.

6.3.1 Principles of Good Practice - Code of Conduct

The interviews indicate that local financial journalists are generally in lack of thorough understanding about the content of codes of conduct or standards of good journalism. Most of the respondents (94%) are aware of the existence of the code
of conducts but Hong Kong journalists and local media organizations seem not to have paid much attention to it. Although only one of the Hong Kong interviewees said she did not hear about the code of conduct, few of them read the clauses seriously and more than half of the local journalists confessed that they could not recite any content of the codes.

Interviewee HK1. I read it (the code of conduct) while I was at school. The code is pretty general, not very specific, and I don’t remember any clauses. My company did not provide its own code.

Interviewee HK12. Yes, I heard about it (the code of conduct) from school but not sure whether my company has one or not.

Those who said they remembered the content of codes could barely cite one or two clauses. Three Hong Kong interviewees remembered the codes mentioned about journalists’ position in relation to gifts provided by sources. Two of them said gifts worth under HK$500 were acceptable and the third one said gifts worth over HK$400 were banned. There were also three journalists able to recall some guidelines, the first one remembered news had to be fair and objective, the second said information needed to be verified before publishing, and the third believed journalists should be ethical. Not every Hong Kong media organization has their code of conduct and only five local interviewees said their employers promulgated their own codes for employees or journalists but few of them have effective mechanism to make sure the rules were implemented. The attitude of most institutions towards upholding the code seems relaxed and whether journalists read the rules or not is purely on a voluntary basis.
Interview HK5. My company has its own code sent [to us by email] every-year after appraisal or serves as a reminder whenever on special occasions, such as an election. Whether you read it or not is up to you, nobody knows. It is voluntary.

Just one of the respondents said it was required by her company to sign after reading the code of conduct during the new employee orientation while others either said they were not required to sign or not remember about signing the document. However, nearly 70 percent of the local respondents believed codes were useful or should be useful although they said the clauses are not specific enough to cater for the need of financial journalists. Journalist associations, including the Hong Kong Journalists Association and Hong Kong News Executives’ Associations, also issued codes of ethics to provide guidelines to their members. But not every journalist is a member of these associations.

6.3.1.1 Non-Hong Kong Comparison

Mainland Chinese and international media organizations apparently are putting more emphasis on codes of conduct with all six non-Hong Kong journalists saying their companies promulgated codes on the company level. All journalists in the Mainland must pass a test before they can obtain a press card issued by China’s General Administration of Press and Publication (GAPP) to become licensed journalists with legal status (Hassid, 2011). Journalistic ethics was one of the topics to be tested in Mainland China, together with Marxist-Leninist press theory and others, according to interviewees. Besides individual Mainland media organizations, The All-China Journalists’ Association also established a code of conduct for its
members, hence all Mainland Chinese journalists (Brady, 2009), to adhere and uphold. However, only one of the three Mainland journalists being interviewed found the codes were useful, and the other two either said the rules were too general or the usefulness of the code would depend on how it was implemented in different media organizations.

*Interviewee ML2.* Reading the code helps for passing the examination. But whether journalists adhere to the codes depends very much on which organization they work for and their own ethical standards.

International news organizations usually require their journalists to acknowledge that they have read the codes provided to them when they first join the companies and whenever the codes are updated, according to the three interviewees work at international media. Some foreign media, such as Bloomberg and Reuters, provide specific training courses to help journalists to familiarize with the code.

*Interviewee IN1.* Whenever there is an updated version, it will be delivered to us via an online training course. You have to read the rules and answer questions. Only after you passed the test, you will be eligible for a pay rise.

All of the three interviewees with foreign media said the codes were useful, especially the part relating to conflicts of interest.

*Interviewee IN2.* I think (codes) are very useful especially for financial journalists because there is so much money involved in the issues that financial journalists report on. It is really important for them to have standards of what sort of stocks you can buy and what gift you can accept.
and that sort of things.

Overall, the results indicated Hong Kong financial journalists paid the least attention to the code of conduct compared to Mainland Chinese and foreign journalists but they believe codes should help them do their job better. Codes of conduct or ethics are rules of good journalism and tools to protect the boundary of the journalistic field from external interference (Laitila, 1995). Therefore, it needs a greater commitment from both institutions and individuals in the promotion and implementation of codes, which should be regularly updated and suit the need of financial journalists. Adam and Rachman-Moore (2004) stated that informal methods, such as social norms of organizations, are likely to be effective ways to implement codes. The interviews also found that the practice of newsrooms played an important part in determining the conduct of journalists.

*Interviewee HK1.* From colleagues, we know there is an unwritten rule that we can accept gifts or cash (from sources/PR companies) of not more than HK$500.

*Interviewee ML2.* Editors will tell reporters what they can do and what they can’t do.

### 6.3.2 Tricky Terrain - Conflicts of Interest

Various conditions could constitute conflicts of interest among financial journalists. As pointed out in Chapter 4, the most common issues include insider dealing, journalists trading stocks that they write or comment about, taking briberies, gifts and freebies.
It is clear in Hong Kong that both insider dealings and taking bribes are illegal and there have been no cases related to journalists involved in these crimes reported in the past few decades. Under the Hong Kong Securities and Futures Ordinance, insider dealing is a criminal offence with a maximum of 10 years’ imprisonment and fine of HK$10 million (Yan, 2013). From the interviews, there is also a consensus among financial journalists that they should not trade stocks that they write or report about but most local interviewees believe stock trading unrelated to what they report, taking small gifts and free trips provided by news sources are acceptable. Nine local interviewees (75%) admitted they owned and traded stocks and four said they did not. But all of them said stock trading was common among Hong Kong financial journalists and believed their colleagues were involved in stock trading. Financial journalists are generally required to have knowledge of economics, markets and companies so they can explain to the audience about implications of complicated deals or economic measures. Some Hong Kong interviewees believed stock trading would help them understand the market mechanism more quickly and said journalists seldom get insider information so if they did not use the information they get from work to profit, stock trading should be justifiable.

*Interviewee HK2.* Yes, I trade stocks. It is very common for financial reporters to buy and sell stocks. This is not a problem as long as you don’t use the information getting from work to make a profit. It is very rare these days for reporters to get access to insider information.

*Interviewee HK8.* I seldom buy stocks. But there is no question at all (for financial journalists to involve in stock trading) because there is no way that
we can get price sensitive information. I have never encountered such condition (of getting insider information). It would be difficult to move stock prices by one piece of news.

However, four interviewees showed their concern about conflicts of interest and suggested that disclosure of interest by those journalists involved in stock trading could be a remedy.

*Interviewee HK4.* I do not invest in stocks. Some editors encourage reporters to buy stocks to get a feel of the market. There should be a conflict of interest because there is no guarantee that you won’t report the companies that you invested in. Since media organizations won’t ask reporters to disclose their stock positions, then it cannot guarantee there is no conflict of interest.

*Interviewee HK5.* Stock trading among financial journalists is very common. Journalists should disclose their positions but there is no such requirement in most local media organizations. Although the chance for reporters to get market-moving information is small we cannot exclude the chance. Yes, it will be better to disclose.

*Interviewee HK3.* Yes, I invested stocks. I think there is no concern about insider dealing. We should not deprive reporters’ rights to trade stocks. Since some (audiences) may have concerns, it would be better to disclose if you hold or trade stocks.

Since there is no requirement in most Hong Kong Chinese language
newspapers that journalists have to disclose their interests in stock holding or trading, it will be difficult to control journalists not to trade stocks that they report about. Individual English media has tighter rules, for example, The South China Morning Post attaches a declaration of interest and/or conflicts of interest form together with its code of conduct and specifies that staff must report any cases of possible conflicts of interest, which cover staffs and their immediate family members. It also requires staff to read and sign the code when they join the company.

Journalists who make comments and recommend stocks at investment pages, personal finance and stock columns are seen more vulnerable to conflicts of interest than general daily news reporters. Some newsrooms do have mechanisms to help counter check the potential problem.

*Interview HK10.* “We had statistics in the newsroom. For example, the same stock could not appear more than once on the same day and if a journalist who wrote about a stock, he/she could not write the same stock again in the same month, not more than once a month,” the veteran journalist recalled his experience in a Chinese newspaper he worked for a few years ago.

Unlike stock analysts, journalists are not required to obtain licenses from the SFC for writing commentaries on stocks or making stock picks. The SFC relies on the self-regulatory mechanism of the media to regulate journalists:

While the Securities and Futures Ordinance (“SFO”) has made it clear that those who publish research or commentaries in the media do not fall within the SFC’s licensing regime, we understand that many media organizations already have internal guidelines and policies regarding financial journalists and their commentaries. These media organizations are encouraged to enforce
such policies and further develop a common code of best practice to ensure high standards across the industry. The SFC is happy to provide assistance to the media organizations towards developing such internal codes of best practice to address analyst conflicts. (SFC, 2004, p. 4)

A former senior SFC executive, who was responsible for investigations, confirmed with the author in an interview that there had been no case related to journalists:

There is no (specific) law to regulate financial journalists. And it will be difficult to prove that journalists have benefitted from what they wrote. The media is expected to be self-regulated and if there is any complaint, the SFC will investigate but no case had ever come to our team, he said.

### 6.3.2.1 Non-Hong Kong Journalists

Mainland Chinese journalists’ stock trading culture is seen more permissive than Hong Kong. Two of the three Mainland respondents said they had invested in stocks and believed their colleagues also traded stocks. Some journalists openly comment the performance of stocks in the newsroom and give out tips without revealing their sources of information. "People talk about stock trading at work. Nobody hides it and (they) don't think here is anything wrong," said interviewee ML1, who joined a Mainland business newspaper 8 months ago.

International journalists are more cautious about conflicts of interest. One of the three respondents said he held some stocks for long-term investment and stressed that he was not a frequent trader. The other two did not hold any stocks but one said, “Stock investment is common, I believe. As long as you report (to your
supervisors) and the investment is for long-term and not related to your work is okay.” Interviewee IN3 who did not hold any stocks said, “If you cover (the company) and buy (its) stock is not okay. Don’t cover but trade is still not ideal as it will affect your credibility.”

The study also shows that there is a gap between professional ideals and daily practice among Hong Kong and Mainland journalists though in different degree. Hong Kong financial journalists’ stock-trading activities are open and common in the newsrooms. The awareness of possible conflicts of interest is relatively low among Hong Kong and Mainland Chinese journalists. News articles have a close relationship with stock prices (Tetlock, 2007; Chan, 2003) and the market-moving power is what journalists and media organizations seeking for to differentiate themselves from peers and prove their value to readers. International news organizations, such as Thomson Reuters is strict on this and insists its journalists disclose should there be cases or appears to have cases of conflicts of interest. Reuters Breakingviews columnist Neil Collins resigned in 2010 because he did not disclose that he had equity interests in some companies he wrote about (Halliday, Deans Robinson, 2010). Some of his articles were refiled although Reuters said there was no evidence that Collins abused his position to profit. Disclosure of interest may not be the best remedy for conflicts of interest, but it helps lift transparency and enhances people’s trust in media organizations.

6.3.3 Junkets and Freebies

Most Hong Kong interviewees believe that gifts or souvenirs with token value, such as those under HK$500, offered voluntarily by interviewees are acceptable. They have various opinions about whether journalists should take cash from
sources. Some emphasized a straight no to cash and others said it should have no problem if it was under HK$500 and offered during special occasions such as Lunar New Year in red pockets. Different media organizations will have different editorial policies on gifts and journalists generally follow them.

For free overseas reporting trips, twelve out of 13 respondents said their companies allowed them to join free reporting trips if they were newsworthy.

*Interviewee HK2.* Reporting trips paid by sources or public relation firms are acceptable because (local) media have limited resources nowadays and this is a way to cover stories (overseas). But reporters have to control themselves and be careful not to write a promotional article for those who pay for the trip.

*Interviewee HK3.* Whether to accept a paid reporting trip would depend on the newsworthiness of the trip. Some company executives are not accessible unless you join their touring trips organized by the firms or their public relation representatives.

One local interviewee said her company would not accept free trips and would reimburse the expenses afterwards if the trip was the only way to cover the story. Different sections of a media organization could have practices, for example, reporters at investment desk seem to travel more often than daily news reporters, who usually have a very tight work schedule. Some media organizations would allow reporters to take paid reporting trips as perks to retain reporters. Interviewee HK1, who joined the investment section of a local newspaper for just one year, said she travelled three times overseas all invited and paid by sources.
6.3.3.1 Non-Hong Kong Practices

In Mainland China, some scholars such as Zhang (2009) argue that journalistic professionalism has developed, or at least on the surface with the establishment of codes of conduct and journalistic organizations. Commercialization propelled the growth of elite business news media, which adopted the watchdog role and seek to adhere to professional ideals. But tolerance of unethical practices remains high in general. One of the common bribes is travel allowance (chemafei 車馬費), usually in envelopes distributed by event organizers to reporters to encourage them to cover news events. Interviewee ML1, who worked for one of the elite business newspapers in Mainland China, said her editors repeatedly told journalists that it was the company’s tradition of not accepting paid articles and travel allowance from interviewees. She adhered to the company policy although she came across several tempted occasions.

*Interviewee ML1.* In news events, most reporters accepted cash envelopes and some even tried to persuade me to take. “You have to take it otherwise, you make everybody lose face”, they said.

However, her company is more relaxed on free trips.

*Interviewee ML1.* I had a reporting trip in another province. In a two-day reporting trip, we worked only half day and the rest of the days were for sightseeing in the city. The company’s officials knocked on my door at night and handed in a cash envelope.

Interviewee ML2, who worked for state-owned media, said national media were very strict on gifts and trips. Cash and gifts were banned and journalists had
to get government approval for travelling overseas. But he also said he would solicit bank borrowings for some of his sources during his spare time to earn commissions.

Interviewee ML3 also said her company was very strict and did not allow journalists to take travel allowance from sources. Paid reporting trips would depend on the newsworthiness. "If you take cash envelopes, you have to report it and surrender the money to the company for staff benefit, such as Christmas party."

For international journalists, their companies usually banned cash and free trips, while may allow a token value of gifts though. “If you go to a press conference, they give you a little gift like a coffee cup or something like that is okay to accept that. But big gift like cell phone, we won’t accept. That is our policy, no cash,” said interviewee IN2. There are stricter than others.

Interviewee IN1. We understand we should not receive any gifts in any value from our sources and interviewees. Any trips will be reimbursed. No free trips.

The findings show the culture and norms of newsrooms matter in terms of shaping journalists’ attitude and practice towards conflicts of interest and other ethical issues. How people brought up, the education and social environment and values are also important. Hong Kong has become one of the cleanest cities in Asia after the establishment of the Independent Commission Against Corruption in 1974. Transparent International (2018) published their Corruption Perceptions Index 2017 in February, rated Hong Kong as the 13th most corruption-free place in the world, just after New Zealand and Singapore in the Asia Pacific region. The core values of Hong Kong, including a clean public sector, rule of law and press freedom
that need to be upheld and maintained, especially in signs of gradual convergence of Hong Kong and China practices. China was at 77 among 180 countries and territories being ranked with a score of 41 below the mid-point of 50 and an average score of 43.

6.3.4 Perceptions of Professionalism

Professionalism is the center of journalism research and media system study (Hallin & Mancini, 2004). Cross-national and rigorous comparative studies on journalists’ role perceptions have been widely explored by Mellado et al. (2017), Hallin and Mancini (2004), Hanitzsch et al. (2011) and others as mentioned in Chapter 2. In line with a much larger scale study by Hanitzsch et al., (2011), my interviewees from three different geographic locations value highly western normative ideals of neutrality and telling the truth. They see the role of financial journalists as watchdogs, informers, educators, disseminators and gatekeepers with the aim to serving their audience or the public.

Interviewee HK3. A financial journalist’s roles are educator and watchdog.

Political changes have no major impact on the financial news yet but this could change five years later as I foresee there will be tighter control.

One of the interesting findings is that most (85%) Hong Kong interviewees do not think they are professionals, of which about 18 percent said they were professionals only if they cover the beats they are familiar with and able to excel. Professionalism is an elusive concept and there is no consensus notion of professional identity among practitioners. The understanding of what constitutes a
professional varied widely among interviewees. Some believed journalists were not professionals because unlike doctors and lawyers, journalists were not required to get a license through qualification examinations and there were also no obvious thresholds for joining the industry. Others said professional financial journalists should meet certain professional standards such as objectivity, telling the truth and being impartial, which were not easy to achieve in the current news environment.

_Interviewee HK7._ Financial journalists should be gatekeepers. But now many of us are just copiers rewriting company announcements and there are very few good stories. Reporters are in lack of resources and (financial) knowledge to write stories with an impact. It should be the job of reporters to go through financial statements to dig up problems and challenge companies but now, but now this function has been replaced by short-selling researchers.

Interviewee HK2. Professionalism equals to telling the public the truth with no exaggeration or packaging. But my paper is getting digitized, catering more for web users’ taste. It often focuses on one specific point, amplifying it to attract eyeballs, instead of giving out the whole picture of the reported events. Some news stories heavily rely on opinions in forums, from chat rooms and even reporters’ own opinion.

Table 3

The most important criterion or element of professionalism identified by the 13 Hong Kong interviewees.

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Hong Kong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accuracy</td>
<td>3</td>
</tr>
<tr>
<td>Objectivity</td>
<td>2</td>
</tr>
<tr>
<td>-------------</td>
<td>---</td>
</tr>
<tr>
<td>Telling the truth</td>
<td>2</td>
</tr>
<tr>
<td>Fairness</td>
<td>2</td>
</tr>
<tr>
<td>Knowledgeable</td>
<td>1</td>
</tr>
<tr>
<td>Don’t take advantage</td>
<td>1</td>
</tr>
<tr>
<td>Self-monitoring</td>
<td>1</td>
</tr>
<tr>
<td>Did not answer</td>
<td>1</td>
</tr>
</tbody>
</table>

Speaking of the role or function of financial journalists, the top choices for Hong Kong interviewees are: educator, disseminator and informer all got 3 votes each. Being a watchdog got two votes, being gatekeeper and serving the public got one each. They mostly (69%) considered investors, including professional and retail investors, as their target audience, two said they wrote for decision makers and another two said for the mass audience.

6.3.4.1 Non-Hong Kong Interviewees

The number of non-Hong Kong interviewees is relatively small and their responses could not be generalized but they shed some lights on comparing the similarities and differences of perceptions on professionalism among financial journalists in three locations. Two out of three Mainland Chinese interviewees also said they were not professionals while one out of three interviewees from foreign media said he was not a professional. Non-Hong Kong financial journalists also cited their limitations in conducting the ideal roles under the current social, political and economic situation.

Interviewee ML1. The ideas of being a watchdog, taking social responsibility and serving the public are too ideal. Financial reporters’ ability and role in these regards currently are not very strong. The [political and social]
environment does not allow journalists to really serve people’s interest.

Leaders [Editors] have frequently warned reporters about avoiding troubles. “If you want to report negative news you do need very powerful evidence because we have to guarantee the existence of this platform,” one editor said. They repeatedly said you had to have very strong evidence, so it means just don’t do it…

*Interviewee INI.* Financial journalist’s role is “social trustee”. But the news is a commodity now and whether it can sell or not is important. It has become a market-driven product. The priority is to sell the stories, then talk about other functions and duties later. All focuses are on commercial value.

Foreign media journalists see financial journalists’ role as being a social trustee, informer and watchdog similar to Mainland journalists’ choices of watchdog and informer. But one Mainland respondent said it was just a job for him and there is no specific social role.

Among Mainland interviewees, objectivity and accuracy were two major criteria of professionalism while one did not answer this. Their target audiences were scholars, commercial sector, the public and investors.

One international journalist cited objectivity as the most important element of professionalism and the other two said scrutinizing and having no conflicts of interest were important. Their target audiences were investors.

6.3.5 Challenges

The interviews revealed a number of major challenges facing Hong Kong
financial journalists. Financial journalists are expected to be more than able to report but analyze annual reports, read the trend of banking and other industries, evaluate the risk of different investment products and monitor the formation of bubbles in the housing and other markets. Their jobs also include disseminating economic and financial data and telling the audience what they mean to them and warning them against potential economic crises. Findings from the interviews showed that a number of roadblocks have been hindering Hong Kong financial journalists in fulfilling their professional roles. Journalism has been evolving following the development of the societies and Hong Kong’s financial journalism under the unprecedented socio-political changes has been evolving to meet new challenges to survive. Based on the information gathered from the local respondents, I discussed the challenges from two fronts, internally and externally.

6.3.5.1 Internal Challenges

Tight resources across the newsrooms in Hong Kong affect the performance of journalists and quality of news with more and more stories seen recycling newswire service articles and extracting directly from press releases. The content analysis in Chapter 5 found that corporations are the prime sources of IPO news of Hong Kong because reporters heavily rely on company filings to the stock exchange as their sources for news.

a) Deteriorating Business Environment of Local Media

Advertising revenue in print and broadcasting media keeps on falling at high speed that has claimed the tolls of magazines, newspapers and broadcast media in the past few years in Hong Kong. Next Digital, the parent company of Apple Daily,
saw its revenue dropped 23 percent in the last fiscal year resulting in a loss of HK$394 million. The company was forced to sell its flagship *Next Magazine* in July 2017. Broadcasting is not immune from economic hardship. TVB’s advertising revenue posted a double-digit fall in 2016 and profit was down 62 percent for the year. Cost cutting is a lasting mission for Hong Kong newsrooms and the impact directly reflected on journalists’ pay cheques, workloads and quality of work. Respondents cited the gloomy prospect of their jobs is the prime challenge for them.

*Interviewee HK3.* Poor economy, job cuts and low pay all are challenges. The career path is not optimistic. There are very few chances [for financial journalists] to be promoted because senior positions are too few.

Persistent low salaries have been the major reason for high turnover rate for journalists and an HKJA survey found 32% of media workers would consider leaving the industry in the next year or two because of that (HKJA, 2016). This is also a concern as that made editors difficult to hire and retain quality journalists.

*Interviewee HK7.* The resources in the newsrooms are getting smaller and smaller. For example, the company added new pages but did not hire extra staff. It cut expenses by cutting printing machines so the deadline had to push forward and many times we missed important news because the stock exchange announcements came after our deadline. We do not have enough reporters and sometimes have to give up covering some press conferences and copy the news from other media.

*Interviewee HK8.* The budget is too small and many media keep on slashing their budget so the quality of reporters is not ideal. The industry practitioners are very young and the information they supply may not be accurate enough,
not professional. They just provide basic information and nobody involves in investigative reporting. All news is very short and there is no resource that allows you to conduct exclusive and investigative news.

*Interviewee HK6.* The lack of [financial] knowledge [among journalists] is a challenge because the industry is generally lacking resources. Every editor wants to use reporters [at their utmost]. If you are efficient then editors will give you more work. I have a feeling that we are rushing all the time, just filling the paper, filling the pages. I don’t have time to think more and deeper.

*Interviewee HK12.* Hong Kong financial reporters don’t have enough knowledge so are unable to discover or dig up major problems and issues. The news content becomes homogeneous. Every newspaper looks the same, sometimes with the same mistakes.

b) Advertisers

Commercial pressure has been a major challenge to Hong Kong media while financial journalism, often seen as a profit center for print and broadcast media, is being criticized as not critical enough. The content analysis found the tone of IPO news under examination was mostly positive because their sources were confined mostly to corporations and their public relations officers. Most of the editors of legacy newspapers were generally cautious in reporting news about local property firms because they provide a lot of advertising revenue to daily newspapers.

*Interviewee HK4.* Pressure from big property developers is also a challenge. Advertisers could affect news reports because they would like to see positive
news only. Many media heavily rely on property advertising. Some newspaper headlines said the property is hot but they only sold half of the flats they would like to sell.

*Interviewee HK5.* Media get phone calls from property firms from time to time and then editors will remind you to be more careful [not to focus on negative property news]. Reporters sometimes will receive messages from the top management saying that developers called to complain.

The respondents displayed a grim picture of the financial journalism field in Hong Kong and the observation of one of the interviewees makes us ponder. Interviewee HK6 said the local news ecology was frustrating and some financial journalists were disappointed and left the industry. Some of them joined public relations (PR) companies.

*Interviewee HK6.* The elites (journalists) moved to PR. Their press releases hit all the points and inexperienced reporters just follow the press releases. The PRs overpowered journalists and set the agenda for news.

These practices heavily undermine the autonomy of the financial journalism field. It is important for the field to come up with good measures to counter the interferences. As Waisbord (2013) stresses autonomy is a core requirement of professionalism although journalistic autonomy is limited and fragile, subjected to change and being threatened by the social process (Freidson, 1970) and authoritarianism and rising commercialism (Evetts 2011; Faulconbridge and Muzio 2008).
6.3.5.2 External Influence

Externally, increasing influence of China has been impacting the Hong Kong society on many fronts and there is no exception in financial journalism. The daily routines of Hong Kong financial journalists have been affected in certain ways despite most of the interviewees said political pressure on this genre of news actually was not obvious. We can see this from the increasing ownership of media organizations by Mainland Chinese companies as mentioned in Chapter 2, the practices of listed companies and public relations firms.

a) China Influence

In the past two decades after Britain returned Hong Kong’s sovereignty back to China, Beijing’s influence has been growing in all segments of the society, including the territory’s liberal-inclined media system (Fung, 2007; Lai, 2007). Rising self-censorship is obvious in legacy media, especially on the political news front in order not to offend the Beijing government (Lee & Chan, 2009). Political pressure on the city's financial news segment seems to be less in terms of content control but the subtle infusion of norms and practices have been going on from different directions. Hong Kong media are now mostly owned by conglomerates, which have intertwined business interests in China. For example, Chinese Malaysian tycoon Tiong Hiew King bought Ming Pao Daily News in 1995 and the Hong Kong Economic Journal (HKEJ) founded by Lam Shan Muk was sold in 2014 to Richard Li, who is the chairman of PCCW Limited and the son of Li Ka-shing.

According to a report from HKJA (2016a), over 80% of owners or chiefs of Hong Kong’s legacy media received awards from Beijing or appointments from
Mainland China’s pro-establishment groups. HKJA said, “the Chinese government or mainland corporations now have direct control or stakes in eight out of 26 mainstream media outlets – 31 percent of the total” (HKJA 2016a, p. 5). For example, Mainland entrepreneur Jack Ma's Alibaba group bought the *South China Morning Post (SCMP)* in 2015. Ma pledged that the SCMP would continue to stick to professional values including objective, fair and balanced (Chow, 2016). But some interviewees said mainland ownership of media made a difference.

*Interviewee HK5.* More and more local media organizations are owned by Mainland Chinese firms. Autonomy will be affected if a media company is owned by Mainlanders because they have a very different view on media. They treat media as a mouthpiece. Media should have a watchdog role, monitor government and corporation.

*Interviewee HK12.* We can see some financial news stories are biased, neutralizing news about China, at least in the headlines. Advertisers and media bosses may have China businesses and they don’t want to offend China with negative news.

Some pro-Beijing or Mainland Chinese owners would like to use Hong Kong media organizations as symbolic capital or political assets to win the trust of Beijing government, which is beneficial to their other business in Mainland China. The shift to pro-Chinese is also one of the reasons that capitalist owners are willing to run the not very profitable or even loss-making media organizations in the already very crowded Hong Kong market (Chan & Lee, 2007; Wu, 2016). Local media scholars also attribute journalists’ low wages to these owners’ unwillingness to increase
reporters’ salary because they do not care about the profitability of the news organizations but their other business interests in China (Wu, 2016).

This paper also finds the influence of Mainland corporations does not stop at the media ownership levels but in many aspects of Hong Kong’s financial market. The strong economic growth of China in the past few decades has seen China become the second largest economy in the world. Mainland Chinese companies accounted for more than half of Hong Kong stock market's daily transaction value. Hong Kong has repeatedly topped the world’s IPO market regarding total money raised in the past few years, boosted by Mainland firms, which have become the prime fund raisers accounting for more than 90 percent of the total IPO proceeds.

*Interviewee HK5.*

The market has changed. Financial reporters used to require to understand, and focus on the U.S. market. Now, we need to understand China, its terminology, market, policy and customs. Political changes have a bit of impact but not apparent while autonomy is compromised amid the changes. Media should have a watchdog role, monitor government officials and corporations but mainlanders think differently. For example, Chinese regulator’s move to allow some companies to change their debt owed to banks to stocks. Mainland media found this policy is good, but Hong Kong reporters believed it is a bad policy because it will damage the interest of banks.

An increasing number of Mainland firms have also participated in the city’s financial service industry, including public relations firms and investment banks, to tap the growing market. Now, nine out of 10 IPO underwriters are from the Mainland, whereas in 1997 international investment banks such as Morgan Stanley, HSBC
Holdings and Merrill Lynch, were leading IPO underwriters (Duan, 2017). The Mainland intermediaries have different work culture and often shy away from the media.

*Interviewee HK10.*

The attitude of the new generation of (Mainland) investment bankers has changed. They do not want to exchange name cards with reporters and have no intention to talk to reporters. It is difficult to get news from IPO lunch functions and reporters have to rely on the IPO prospectus or company announcements for information. We try to contact PRs [public relations officials] to request interview with companies but they often say no. There are fewer chances for young reporters to get exposure and experience through corporate interviews. That is bad for the industry.

*Interviewee HK4.* Many Chinese companies hire pro-China public relations firms. Some of these PR firms would like to please the companies and only give opportunities to reporters who ask just friendly questions, allowing managements say whatever in their favour. In one press conference, a reporter raised a harsh question, and the PR firm asked the reporter to apologize to the interviewee.

Local financial journalists are not only facing challenges within news organizations, such as a shift of ownership and severe reductions in capacity amid financial crisis of the industry but also affected by the changes of the type of newsmaker - Mainland Chinese companies. This type of newsmaker is qualitatively different from the Hong Kong or Western companies local journalists used to report
on. They brought the Mainland business practices along with them and are less transparent and difficult to reach because their headquarters are located in Mainland China, where officials and companies treat journalists as propaganda machines. Since the type newsmaker has shifted from open and professional Western-style corporations to more closed and less transparent Mainland firms, it helps to explain why the quality of Hong Kong’s financial journalism has been declining.

b) Going digital

Fast development of communication technology has changed people's news reading habit in many places around the world. In the US over 90% adult had read news via mobile phones or desktop and digital advertising revenue has been rising (Pew Research Centre, 2017). In Hong Kong, the proliferation of smartphone usage has greatly lifted the digital news market and the mobile phone has become a prominent source of news for young people in the city (Chan, 2015). "Going digital" has become a mission of some traditional newspapers, which bet on the online news to compensate advertising revenue loss in print. Apple Daily's parent company changed its name to Next Digital from Next Media in 2015 to capture the market potential in digital space. Next Digital (2017) said, "Digital media had overtaken print as the preferred source of news." Apple Daily's online news had 51.59 million daily total views in Hong Kong, with daily total unique visitors of 2.5 million. Its Taiwan Apple Daily had 20.8 million daily total view and 3.7 million daily total unique visitors last year. This trend has moved unexpectedly fast and greatly changed the routines of news production.

The characteristics of real-time, interactive and multimedia of online journalism demanded multi-talented journalists. A financial news reporter at print
media could also be assigned to hold video market news commentaries and live video news on flat sales. The shortened timespan for preparing and writing news leave them with no time for in-depth reporting or sometimes not even be able to verify the news. Schultz (2007) observed journalists use six news values to define what is news, including timeliness, relevance, identification, conflict, sensation and exclusivity. Journalistic scholars now said news values have to be redefined. Trilling, Tolochko and Burscher (2016) suggested "shareability" is important to online news and should be considered as a news value. Some financial journalists said they were confused about what was a good story.

*Interviewee HK6.* The industry is migrating from newspaper to online. There are a lot of problems. The evaluation of story quality has moved from editors’ view to click rates or numbers of share. Short stories with sensational headlines will attract hit rates. Few online readers are willing to finish reading a long analysis, which usually caused both editors and reporters a lot of time and effort to complete. Formerly editors would choose good stories and put them on the front page but now nobody knows what is a good.

*Interviewee HK7.* Newspapers cannot make money and the content has to be adjusted to attract hit rates and that will damage professionalism. Financial news generally is dull and the editor will compare our news with other sections so we have to move to entertainment to win hit rate. Interesting news can survive.

*Interviewee HK12.* Print media now put a lot of effort on online and digital and neglected the [news] content.
The revolution in communication technology speeds up the information flow but one interviewee said that effectively lowered his job satisfaction.

*Interviewee HK3.* The speed of Internet is too fast and exclusive stories can be copied online in just a moment without mentioning the author. Job satisfaction became lower and shorter because part of the return of reporters is the glory and satisfaction of seeing their bylines on the paper.

The development of the Internet has also changed the information distribution format of new sources. All price sensitive information of listed companies in Hong Kong has to be distributed to the public through the information platform of the stock exchange HKEX News, according to interviewees. This has greatly reduced journalists’ chance to get price sensitive information.

*Interviewee HK11.* Companies now prefer to distribute information through the stock exchange’s online platform and their company websites. They found traditional media outdated and not helpful. The impact of social media could be bigger.

Companies are shied away from the media as regulations get tighter. They have to explain to the regulator if they told any price sensitive information to reporters. The chance of getting interviews is smaller now.

6.3.5.3 Non-Hong Kong Informants

Mainland financial journalists shared with Hong Kong interviewees on the problem of lacking quality reporters in the industry. However, they concern more on highly controlled news environment in the non-democratic political regime.
Interviewee ML1. The lack of talents is a big challenge to the industry. Young reporters are unwilling to join [financial news desks] while more and more experienced reporters and editors are leaving to other sectors, such as joining PR firms or the finance industry. This segment [financial news] has high demand on reporters, but relatively low pay.

Interviewee ML3. The environment for financial news used to be freer but after the A share market crashed last year (2016), the government further tightened its grasp on financial news reporting.

Interviewee ML2. The major challenge is that you have to do whatever your supervisor told you. What you want to write is not necessarily be approved. There are many things that are difficult to say.

International interviewees cited media capture as the biggest challenge that financial journalists are facing nowadays.

Interviewee IN1. Financial journalists could be easily manipulated by PR firms, corporations and sources. Selective reporting or painting a rosy picture for those being interviewed is common. Brokerage houses have their agenda. Helping companies out to promote their positive side because that was the information they released. Reporters became evasive because it can help sell the story. Give what the market needs, compromised.

Interviewee IN2. Challenges: the same as always been. To maintain your independence, your objectivity to write and not let personal relationship
interfere the way you write about things, the views you take about things. Your story selections based on an objective look at the story that any personal relationship you have with someone. Not I want to maintain a good relationship with somebody.

6.4 Discussion

This session aims to understand the norms and practices of local financial journalists, the perception of professional roles and challenges and examine the similarities and differences among practitioners working at Hong Kong, Mainland China and international news organizations. Interviewees cited some major challenges they face and how media organizations and journalists tried to tackle them although none of these problems could be easily resolved.

The findings show an increasing convergence of commercial and social practices in China have triggered great concerns among financial journalists. Exacerbated China influence threatens claims to autonomy and self-governance of this news genre. Interviewees seem unable to provide quick solutions and some admitted that China influence is unavoidable. Hong Kong’s financial journalism also shared the doldrums of the news profession in the Western countries with commercial pressure especially high in the newsrooms of local legacy media. This also put constraints on the autonomy of financial journalism, seeing media organizations more relaxed in taking paid reporting trips, tolerating with a stock trading culture among reporters and succumbing to advertisers. The rampant conflicts of interest phenomenon are nothing new but respondents agreed that it is something has to be addressed. Chan and Lee also stated, “Professionalism is the most powerful weapon of the Hong Kong media. The problem lies only in
how professional journalism is practiced" (p. 56).

Interviewees suggested there could be rooms for maneuvering positions and distancing themselves from conflict of interest. Some interviewees believe disclosing stock-holding positions to editors could help remind journalists to stay away from conflicts of interest. The interviews indicated that Hong Kong financial journalists have professional values at heart but commercial pressure and deteriorating working environment have compromised some of their principles. Since a meager salary is unable to attract and retain experienced and knowledgeable financial reporters, turnover in Hong Kong’s newsrooms is high and dominated by young and inexperienced journalists.

Some interviewees suggested media organizations explore new revenue streams, such as holding forums and conferences for entrance fees. Going digital is a new trend for local news institutions to expand their income sources. For example, HKET developed a financial news agency ETNET, which has become the group’s main revenue and profit contributor. Advertising revenue of HKET increased by 6% in the first half of 2017/18, as the rise of digital advertising income more than compensated the drop in print advertising revenue.

Digitalization, on the other hand, makes journalists feel powerless as they are confused by the changes brought about by the rapid development of online news. It fastened the speed of financial news, changed the presentation and prioritization of news and pinned the nerves of some journalists. Some interviewees feel helpless in the transition and question about seeking hit rate at the expense of in-depth and quality analytical stories.

Regarding retaining quality journalists, some media organizations would allow their reporters to take junkets and freebies as perks. An interviewee who
worked at the investment news session of a local newspaper was sent to three reporting trips in her first year with the company, all paid by the companies being interviewed, including one to New York flying business class. Many local newspapers could not afford to send reporters to cover news events outside Hong Kong, so they would have to take sponsored reporting trips instead.

Mainland interviewees also concerned over the difficulties of attracting and retaining qualified and talented journalists. But their challenges on autonomy came from government officials and advertisers. Journalists at international media apparently focused more on the problem of media capture in the face of a strong influence of corporations and public relations firms.
Chapter 7. Conclusion and Discussion

I started this thesis with a clear objective of exploring the norms and practices of Hong Kong’s financial journalism. Examining the challenges it faces and how practitioners respond to them with the lens of professionalism. As suggested by Bourdieu’s social theory, the journalistic field is characterized by its own ethos, formal and informal rules and logic, which are subjected to change constantly. This study offers evidence about the hybridization of journalistic cultures during the changes, which has undermined the professional standard or symbolic capital of financial news in Hong Kong.

The findings reveal a complex web of interdependence, connecting financial journalists and their editors with media organizations and owners, sources, advertisers and regulators (Waisbord, 2013), and in many cases menacing the professional autonomy of the financial journalism field. The growing importance of this specific news genre, the economic position of China, and the unprecedented economic and socio-political changes in Hong Kong post-handover make this study timely, relevant and exciting. Hong Kong’s unique geographic location and free economic system have made it a major international financial center and a springboard of China’s inbound and outbound investments. Independent and professional financial journalism is essential to keep foreign investors and local citizens informed.

Following Waisbord’s (2013) approach, professionalism has been examined with a focus on practitioners’ control of the financial journalistic field and in a relational manner. This study explored the professional standards set down in codes of conduct and asked whether they provide sufficient guidance to local financial journalists in developing common rules and norms. The investigation included a
content analysis of financial news reports to understand better the role performance of financial journalism compared with the ideals of the “social trustee” model, which could be used as symbolic capital to defend the turf of this news genre. Through in-depth interviews, financial journalists revealed more about their professional role perceptions and the obstacles in the way of protecting of the boundaries of their field.

7.1 The Struggling Field of Hong Kong Financial Journalism

Based on Bourdieu’s concept of habitus, an individual’s cognitive system of structures is created by the primary socialization of the world through family, culture and education. However, habitus and professional habitus formed by individuals of the field have been ever changing due to external influences, which can also be seen in Hong Kong’s financial journalism.

The city has experienced vast changes in its social, political, economic and technological conditions since the 1997 handover. In this period of flux, it is important to understand the current ecology of the city’s financial journalism and the challenges it faces. My findings suggest Hong Kong financial journalists cherish “Western” professional ideals with respondents citing accuracy, objectivity, fairness and telling the truth as the most important journalistic values. The content analysis also reveals depersonalization is the most common characteristic of local financial news, followed by truth-seeking, balance and impartiality. Despite variations in the strength of these traits among the three local newspapers analyzed, the rank order is the same. A similar pattern is found in the Canadian newspaper The Globe and Mail. The findings echo broader research on journalistic role perceptions (Hanitzsch et al., 2011; Weaver & Willnat, 2012), which points out that journalists
in different regions and under different political systems, mostly agree that the disseminator role is essential. From the responses of local interviewees, it appears that disseminators and educators are the major perceived role of professional financial journalists, followed by informants. This role perception may be attributable to the formal education in journalism schools (Chan, Lee, & Li, 1996) in Hong Kong and around the world, as most of the local respondents (69%) have been trained in either undergraduate or postgraduate journalism programs.

The findings contrast with the study of Mellado et al. (2017), which identifies a significant presence of the interventionist role in Hong Kong news. The discrepancy is probably due to the fact that their study covers a wider range of media organizations and journalistic genres - including more partisan outlets - whereas the present study focuses on financial news covering the IPO markets. Furthermore, Mellado et al. (2017) groups Hong Kong, a “transitional democracy”, and China, a “non-democratic country”, into the same cluster (p. 961). This study has highlighted important differences between Hong Kong media and those in the Mainland. For example, China’s CBN has the least depersonalization characteristic among the five newspapers analyzed and its stories are generally opinionated and tend to promote policies of the Mainland stock regulator.

The “social trustee” model of journalism privileges the watchdog role, which requires the news media to monitor the government and other powerful institutions, and exposes wrongdoings. One of the major criticisms of financial journalism is that it failed to fulfill the watchdog role by serving as whistleblowers before the Global Financial Crisis of 2008 (Manning, 2013; Starkman, 2014). This study contributes to that larger critique. Despite the lessons from the global financial crisis, Hong Kong media continue to underperform in their watchdog role. This study has
identified a gap between the aspirations of the journalists and their output and actual practices. None of the news articles examined in the five newspapers are investigative or exclusive articles, even though some interviewees said the most important role of financial journalists is to serve as a watchdog to hold governments and corporations accountable. The results are in line with previous research, including Mellado et al. (2017), which finds both Hong Kong and China present the lowest performance of the watchdog role compared with other countries. But this is evidently a global problem: Usher (2012), finds that the prestigious New York Times also does little watchdog journalism amid financial pressure and structural problems.

Another issue of concern is financial journalism’s “reflexive relationship” (Tambini, 2013, p. 17) with the market (Barber & Odean, 2006; Davis, 2005; Oberlechner & Hocking, 2004). Most local interviewees admitted involvement in stock trading activities while others who do not trade generally agree this is a common phenomenon. This lends support to Tambini’s (2013) observation that conflict of interest is prevalent among Hong Kong financial journalists. However, there is a consensus that journalists should not profit from the information they obtained from their work and should not write about the stocks they invested in. These rules are also stipulated in the codes of conduct for some local media organizations, although only a few of them require journalists to disclose their stock holding positions, which is considered as one of the means to ensure that practitioners can avoid conflicts of interest. The findings also indicate that local financial journalists do not have thorough knowledge of the rules contained in their codes of conduct. Instead, the journalists are more sensitive to prevailing norms in the newsrooms. These unwritten norms may not be as stringent as what is spelled
International media organizations tend to be more serious about their codes. Effective implementation of existing codes seems to be a crucial way to raise professional standards in Hong Kong. It may help Hong Kong financial journalists to avoid real and perceived conflicts of interest if communication schools and media organizations put greater emphasis on explaining and applying relevant codes. Some respondents also pointed out that codes also need to be revised in line with best practices for financial journalists. For examples, financial journalists should be required to disclose trading positions to their editors, some said.

The challenges faced by Hong Kong’s financial journalists are more than about their codes of ethics. This study suggests that they are suffering from a crisis of professional identity. This is partly because Hong Kong’s own changing status, and the global crisis facing legacy media. Like their peers in Western countries, Hong Kong’s traditional financial journalism suffers from falling revenue, readership and credibility. All these, coupled with the rise of digital news, add pressure on legacy media. One of the major challenges local financial journalists face is the growing influence of Mainland China, politically, socially and economically. The ownership of local media organizations has mostly shifted to pro-China businessmen since the 1990s. These tycoons have strong business interests in Mainland China, and some of them hail from the Mainland (Chan & Lee, 2007; Fung 2007; Lee 2007). They are perceived as putting their relationship with Beijing ahead of their social responsibility as publishers, thus hindering the professional autonomy of the media (HKJA, 2016a). Rising self-censorship has reached an alarming level and press freedom in the city is steadily falling (IFJ, 2018). These developments further constrain the capacity of local journalists in
performing their professional duties, thus compromising the autonomy of the field. Hong Kong’s mainstream journalistic culture used to be associated with the Anglo-American tradition but it is now increasingly influenced by China. This is an example of the hybridization of professional cultures referred to by Waisbord (2013).

The identity crisis is also due to journalists’ perceived lack of self-efficacy. For a mix of reasons, they do not really regard themselves as professionals. This study shows most of the local financial journalists interviewed believe they are not professionals or have not reached professional standards yet. Their understandings about what constitutes a “professional” vary widely. Thus, the notion of “professionalism” is contested, although it is often used to distinguish journalists working for traditional media from amateurs or citizen reporters. Some interviewees believe they are too young or junior to be professionals, who should be experts in the areas they cover and who can produce quality and in-depth financial news. Others pointed out that journalism has no entry barrier or qualification examinations, making them ineligible for the “professional” credential. They also cited their limitations in meeting professional ideals, including the lack of time and expertise to conduct analyses and investigative reports. Some Mainland Chinese financial journalists believe it is unrealistic for them to act as watchdogs under the restricted reporting environment in China, which ultimately put all media under party control. Under Xi Jinping, the number of investigative journalists in the Mainland fell about 58 percent, from 306 in 2011 to about 130 in 2017 (Zhang & Cao, 2017), and investigative media are suffering from financial difficulties (Svensson, 2007).

Their lack of self-belief is also due to the fact that they feel they are in a losing
battle against a PR industry with superior resources. Both local and international media face a challenge of being captured by sources. Local young journalists may be at a disadvantage facing ex-journalist public relations practitioners who are good at storytelling and can sway journalists to tell their side of stories. However, professionalism helps to fend off intruders and allows the practitioners to exercise control of the financial journalism field. As stated by Waisbord (2013), the boundaries of the fields change constantly and journalists are in the process of a continuous struggle to maintain control. Thus, the state of the field of financial journalism is very much a function of its own economic health. If it does not have the resources to compete with the sources’ spin, it cannot maintain its autonomy. “Their press releases hit all the points and inexperienced reporters just follow the press releases. The PRs overpowered journalists and set the agenda for news,” interviewee HK6 said.

7.2 Resource Constraints in Newsrooms

The impact of resource constraints on professionalism has not been sufficiently focused on in journalism studies. Scholars and news practitioners agree that journalism is in crisis; this claim that “no longer invites controversy” (Pickard, 2011, p. 73). The U.S. press ended its golden age in the 1990s (Hallin, 1992) while the industry’s “perfect storm” occurred in mid-2000 (Soloski, 2013, p. 326), when advertising revenue started to plummet (Barthel, 2018). The media downturn was exacerbated by the GFC of 2008 and quickly spread to other countries and territories, leaving the financial viability of journalism in doubt. The collapse of advertising-supported business model of journalism has seen multiple rounds of layoffs and salary reductions in many newsrooms with some others closing down
entirely. U.S. editorial staff shrank by nearly 40 percent between 1994 and 2014, and journalism jobs in Canada fell about 30 percent, with 27 dailies ceased publishing since 2010 (McLennan & Miles, 2018).

Hong Kong also feels the pain with the closures of magazines, dailies and a television station in the past few years (Chan, Chen, & Lee, 2017). The use of terms like “death” and “obituary” are commonly found in the titles of academic articles or headlines of news (Chyi, Lewis & Zheng, 2012; Hooper, 2012; Pew Research Center 2008). These developments quickly drained editorial resources and greatly eroded their capacity for professional practices, such as conducting investigative reports and analyses, leading to often uncritical and pro-business outputs. It is not surprising to see there is no exclusive story found in the content analysis of IPO stories while other financial news with investigative elements is also few in local newspapers. In the past three years, only one financial news article won one of the top three prizes in the category of the best scoop, in the Hong Kong News Awards organized by The Newspaper Society of Hong Kong. A Sing Tao Daily story, which reported criminals using the name of The Chinese Gold & Silver Exchange Society members to deceive investors, was the first runner-up in this category in 2017.

The predicament of journalism has been thoroughly described in academic literatures (Ingram, 2018; Starkman, 2009; Soloski, 2013) and news reports (McLennan & Miles, 2018). Some studies suggest the lack of resources would seem likely to impact the quality of news (Tambini, 2010) and could have been one of the reasons leading to the failure of financial journalism to act as a whistle blower ahead of the GFC of 2008 (Starkman, 2008). The literature about the crisis of journalism mostly focuses on the causes (Aamidor & Kuypers, 2013; Blumler, 2010; Fenton, 2010; Henry, 2007; McChesney, 2007) and solutions (Barnett, 2009; Shaw,
2016), or future of the journalism field (Curran, 2010; Franklin, 2014). For example, Barnett (2009) raises a question about whether an industry consolidation caused by the economic distress would affect pluralism and diversity of news in democratic societies. He argues that the government should stipulate different ownership structures of media organizations that could help facilitate diversity in the society. Furthermore ProPublica (2011) highlights the danger of an expanding public relations industry on the back of a shrinking journalism, in terms of the number of journalists and their capacity. That will give the public relations more power to set the news agenda. It quoted John Nichols, a Nation correspondent and McChesney's co-author, as saying:

“There is the overwhelming sense that the void that is created by the collapse of traditional journalism is not being filled by new media, but by public relations.” Nichols said reporters usually make some calls and check facts. But the ability of government or private public relations to generate stories grows as reporters have less time to seek out stories on their own. (para. 38)

7.2.1 China’s Editorial Capacity

Mainland Chinese newspapers also suffer from falling readers and advertising revenue. Following a long period of rapid growth, the total circulation of Chinese newspapers fell about 11 percent in 2013, and 25 percent in 2014 (GAPP, 2005-2015). Newspaper advertising revenue has been retreating since its peak in 2011 (WARC, 2014) and was down 33.9% in the first eight months of 2017 from the previous year as advertisers moved to online platforms (Jizhewang, 2018). These new developments have seen Chinese journalism under pressure. Caixin erected a pay wall for its online products in November 2017, becoming the first Chinese
media group to do so. Investigative reporting is time-consuming and costly but some media organizations still find it necessary. For example, the *Beijing News*, which has a substantial circulation based on its reputation for critical journalism, is willing to pay for investigative reporting although the paper renamed its investigative team to “In-depth Reporting Team”. It is “because this kind of journalism plays an important part in revenue generation” (Li & Sparks, 2018, p. 422).

As indicated in Chapter 1, Chinese newspapers are facing declining revenue but many of them are supported by investment incomes and government subsidies. Quality media, such as *Caixin*, continue to attract investors, including Alibaba Group and Tencent (Clover & Wildau, 2016). Their resource problem, therefore, is not as acute as what the Hong Kong press faces. The content analysis and interviews in previous chapters show most Hong Kong newsrooms are suffering severe shortage of funds and cannot afford in-depth or investigative reporting. Hong Kong’s *Standard, HKET* and *HKEJ* have around 7 to 21 business and financial news reporters, while CBN has a strong editorial team of 120 journalists. The content analysis finds CBN produced more in-depth stories; the average length of its stories analyzed is 3.5 times that of Hong Kong articles. Previous literature (Hu, 2011; Pan & Chan, 2003) and the interviewees in Chapter 6 indicated Mainland journalists’ aspiration for professional practices albeit under political and commercial constraints. Journalists are concerned about being labeled as the “throat and tongue” of the party (Simons, Nolan & Wright, 2016). The Mainland interviewees of this study believe financial journalists should be knowledgeable, objective and truth-reporting. However, the biggest hurdle for Mainland journalists to achieve their ideal roles is still politics. “Since the A share market crashed in 2015, the
government has further tightened its grasp on financial news reports,” interviewee ML3 said.

The impacts of resource constraints on the financial journalism field require more attention. Financial journalism needs continuous investments in the training of reporters so they can possess updated knowledge to understand, analyze and report complex economic issues and financial products.

Furthermore, journalism studies have not brought together the literature on journalism’s financial crisis and the literature comparing journalism across countries, and in different media systems. This study puts this relationship in the spotlight. Most analyses of Hong Kong journalism point out the political threat from Beijing. But this study shows that the Hong Kong media’s resource constrains are an equally serious threat to the financial journalism field. Hong Kong journalists still enjoy more press freedom than most other Asian societies, but they face the frustration of not being given enough time to practice in-depth, watchdog journalism.

If more autonomous media’s professional norms may be neutralized by a lack of capacity, could the converse apply? In settings where the journalism field is less autonomous, could resources abundance compensate for a lack of professionalism? This is an intriguing possibility that is raised by my research findings.

Chinese media have more resources than Hong Kong media and that this may allow it be more “professional” than Hong Kong media. The content analysis finds that China’s CBN took the lead in two of the three major professionals values analyzed. It posted the highest score among five newspapers in scrutiny (70.4%) and exclusivity (48%) while its performance in truthfulness was pretty close to The
Globe and Mail except for the attribute of depersonalization. CBN articles are longer in average of 1,964 words each due to their analytical nature against the average of 552 words of Hong Kong newspaper articles and 658 words in the Globe and Mail. However, its highly opinionated nature and widely use of unmanned quotes affected the credibility of the articles. Previous literature (Hassid 2008; Lee 2005; Pan 2000; Tong 2011; Zhao 2000; Zhou 2000) shows that some Chinese journalists have managed to circumvent constraints to produce critical and investigative news in the Mainland since 1990s following the commercialization of media organizations. The fast development of China’s capital markets, which demands higher transparency in corporations and markets, also helps fuel the growth of financial journalism in Hong Kong’s motherland (Hu, 2011).

Of course, watchdog journalism has become more vulnerable since President Xi Jinping came to power in 2012 and imposed tight control on media. The arrest of Caijing reporter Wang Xiaolu in 2015 is seen as an example of tightening control (Tong, 2017) even in the financial journalism field. “A hostile political climate and the pursuit of profit have radically diminished the necessary conditions for sustaining critical journalism” (Tong, 2017, p. 4).

Still, it appears that the superior resources of Chinese media should not be scoffed at. Other research (Li & Sparks) has shown that journalists in authoritarian environments are not totally devoid of agency. They may be able to find ways to express their professionalism, albeit in a limited way (Hu, 2011). With sufficient resources, they may close the gap with journalists who work in freer environments but lack equivalent capacity.
7.3 Changing Newsmakers

This study also finds that Hong Kong’s financial journalism has been increasingly affected by Mainland Chinese values. Corporate, stock market and IPO news are the most common type and important beats of Hong Kong financial news. The typical newsmakers in local financial news, most noticeably in company news, have changed from Western or Western-style corporate executives to Mainland Chinese company officials. Mainland Chinese firms have become the dominant group in the Hong Kong stock and IPO markets. There are regulatory and geographical hurdles that make it harder for journalists to get information from the executives of Mainland companies. It is not just because the location of these companies is usually far from Hong Kong, but also because all state-owned companies have to get government’s approval before agreeing to be interviewed by overseas media, including those from Hong Kong. Companies in authoritarian states tend to be less transparent and that the lack of transparency has made SEHK- and overseas-listed Mainland enterprises more vulnerable to short-seller attacks (Feng, Li & Yang, 2017).

When reporting to Mainland firms, journalists most of the time have to go through public relations representatives if they would like to ask for information or verify a piece of news. The interim and annual results news briefings have become the only chances for Hong Kong reporters to meet company officials. Otherwise, as indicated by the content analysis in Chapter 5, Hong Kong media’s IPO stories heavily rely on press releases and company statements posted on SEHK as their primary sources. Lack of accessibility to newsmakers resulted in narrowly based and pro-business and one-sided reportage, which substantially undermined the professional performance of local journalists. The capacity problem discussed in
the previous section is also a factor. Many resource-tight Hong Kong newsrooms choose to accept sponsored reporting trips despite the risk that their autonomy will be compromised, because they consider this the only way their reporters can report outside Hong Kong and reach Mainland company officials, according to local interviewees.

It is not just the profile of the newsmakers that has transformed. The investment banks and PR firms that facilitate Chinese firms’ IPOs are also mostly from the Mainland. This compounds the problems faced by Hong Kong when covering IPO. These news sources consider journalists as propaganda machines and often turn down local journalists’ interview requests. The clash of values manifests in different ways. One local reporter recalled how, in a stock exchange media luncheon a few years ago, a senior executive from the Mainland distributed red pockets with cash to every reporter at the scene and said it was his birthday. He later told reporters that he would only agree to a one-on-one interview if the reporter promised to publish his story on the front page of their newspapers. Thus, the news ecosystem of Hong Kong financial journalism is changing within the media system but also due to changes in the type of newsmaker.

The situation is still dynamic, and this study cannot claim to be able to predict how Hong Kong’s financial journalism will evolve in the coming decades. The convergence between Mainland China and Hong Kong may have a two-way effect. Mainland newsmakers and media organizations may themselves change, moving towards global norms as a result of exposure to international standards, including investors’ demands for financial transparency. At present, however, this study has made clear that the hybridization of journalistic cultures has degraded Hong Kong’s financial journalism.
7.4 Contributions

Waisbord’s (2013) argues journalism professionalism should be examined globally. As mentioned earlier that the findings of this study, which compared the business culture and practices between Hong Kong, Mainland Chinese and international journalists, show that the city’s journalistic culture tends to move closer to Mainland practices consciously and sub-consciously. Contemporary literature about hybridization of the professional cultures of journalism often points to the integration of Western or Anglo-American professional spirit into local conditions, suggesting that even if non-Western journalism does not completely Westernize, it will at least adopt some positive attributes from its Western counterparts, such as a watchdog orientation and social trustee ethos. However, this study indicates hybridization is not just one-way; it can lower the standard of news. Hong Kong media, with a strong liberal tradition, is at risk of losing its social capital and its capacity to defend its professional autonomy as it takes on more "Chinese" characteristics.

Considering professionalism as a form of symbolic capital (Schinkel & Noordegraaf, 2011) to help fend off intruders and maintain the boundary of the field, this study suggests media organizations to enhance the understanding and implementation of the code of conduct among practitioners.

7.5 Limitations and Future Research

This study into the norms and practices of Hong Kong financial journalism field has its limitations. *The Standard*, the only English newspaper in the content analysis, has very few reporters and exceptionally high turnover at its financial news desk partly due to its tight resources and the nature of a freesheet. Therefore,
the results might have been different if *the South China Morning Post*, which has a longer history than *the Standard* and more resources after it was taken over by Chinese billionaire Jack Ma, had been selected in the content analysis. Another limitation was the selection and a small number of non-Hong Kong interviewees. Mainland Chinese government bans mainland journalists who work for state-owned media from accepting interviews with non-Mainland Chinese media, including Hong Kong. Therefore, those mainland interviewees in this study willing to talk are either friend of the author, an ex-journalist of an international news agency, or graduates from the Hong Kong Baptist University. They represent a group of more open-minded mainland journalists with significant exposure to and influenced by Western media or education.

Regarding further research, it would be beneficial to expand the number of non-Hong Kong interviewees with diversified media organizations in both Mainland China and overseas countries in the next investigation. That could expand our understanding of the changes, or hybridization, in journalistic cultures. In conditions of falling readerships and shrinking resources in newsrooms, it can be expected that financial constraint will increase in Mainland Chinese media and longitudinal research on financial journalism in the Mainland should provide more clues about the development of this news genre in Asia.
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Appendix I

Code Book for content analysis

The content of the eligible stories are analyzed under three categories and 12 codes following the definition and guidelines below.

Codebook Entry
Three categories:
1. Truthfulness
2. Scrutiny
3. Exclusivity

Truthfulness
1. Code: Truth Seeking
   Definition: Showing an attempt to discover the truth of the news event without prejudices.
   When to use: Apply this code to stories that demonstrate reporters’ attempts to get closer to the truth by quoting direct, qualified and relevant sources.
   When not to use: Do not use this code when all fresh information comes from press releases and/or company announcements filed to the stock exchange.

2. Code: Balance
   Definition: An even distribution of weight in the stories, allowing the opposite side to express.
   When to use: Apply this code to articles which present opinions of the Opposite side of the news event and allow each side to fairly express their positions.
   When not to use: Do not use this code on stories that are one-sided or just recycle news without original reporting.

3. Code: Impartiality
   Definition: Able to consider the news fairly without allowing reporters’ own interest or opinion to influence the writing of the news.
   When to use: Apply this code to stories reflect a wide range of opinions with at least three sources, allowing readers to draw their own conclusions and not being affected by the author.
   When not to use: Do not use this code when the stories show reporters’ judgment without displaying alternative ideas from sources.

4. Code: Depersonalization
   Definition: Detached observation without the sense of personal identity or feeling from reporters.
   When to use: Apply this code to stories that set aside journalists’ personal value and view when reporting and writing the news.
   When not to use: Do not use this code if the stories carried words or sentences that show reporters’ feeling or opinion without the support of
facts or fresh information from sources.

**Scrutiny**

5. Code: Investigative  
Definition: Inquiring intensively into seeking to expose wrong doings, malpractice or other controversial issues.  
When to use: Apply this code to stories which shows efforts of deep investigation into news events to uncover scandals, wrong doings or violations of laws.  
When not to use: Do not use this code if there is no investigative efforts and just recycling news and background.

6. Code: Closer Observation  
Definition: Paying close attention and greater effort to monitor a news event or a phenomenon by interviews with relevant sources from various aspects.  
When to use: Apply this code to news articles which show reporters’ initiative to monitor or observe the development of the news events and may discuss possible consequences.  
When not to use: Do not use this code if the articles are based on company announcements and press statements without discussions on the development or consequences of the events reported.

7. Code: Report Scrutiny  
Definition: Presentation of examination, investigation or surveillance actions in the market taken by authorities, such as SFC and CSRC, or other institutions.  
When to use: Apply this code to stories reporting scrutiny actions taken by the authorities, activists, short-sellers and other institutions while editorial staff do not involved in the investigations. Journalists’ role is just to publish the investigative work done by others.  
When to use: Do not apply this code to stories without scrutiny actions or those actions are taken by editorial staff.

8. Code: Report Criticism  
Definition: Reporting the act of passing severe judgment, faultfinding and critical comment by people other than editorial staff.  
When to use: Apply this code to news reporting judgments, negative comments and criticisms in staged by non-editorial staff, such as authorities, organizations and other interviewees.  
When not to use: Do not use this code if the comments in the articles are positive or made by reporters themselves.

9. Code: Positive Results  
Definition: Drawing readers’ attention to successful and positive results on the works of the authorities, regulators, activists or short sellers to maintain a fair and open IPO market.
When to use: Apply to stories present positive, successful results following the actions or activities taken by the authorities, activists or organizations against any company frauds or wrong doings in the market that affect public interests.

When not to use: Do not use this code on stories just expose the irregularities without actions from the authorities.

**Exclusivity**

10. Code: **Exclusive**
   Definition: An important news story that is reported first and solely by a reporter or a news organization with exceptional originality and surprise.
   When to use: Apply to all stories that specifically tagged “exclusive” or with the term “exclusive interviews” in the text which yield original and important information.
   When not to use: Do not use this code if the story is not branded as exclusive or no clues of any exclusive interview or information in the text that carries important information to readers.

11. Code: **Unlikely shared**
   Definition: A first reported news story that is not surprise at all but difficult to be immediately matched by other news media.
   When to use: Apply to stories which are unique to the newspapers and hard to be obtained by other journalists in just one or two days.
   When not to use: Do not apply to stories which just quoted public information or public relations or company executives who are easily accessible by journalists.

12. Code: **Beating others**
   Definition: A major news item that is reported ahead of other media but could easily be matched in one or two days.
   When to use: Apply to news articles that are first to report important or market moving information and report ahead of others although they may likely be matched quickly by other media.
   When not to use: Do not use this code if the stories carry no important information even journalists report the news first.
Appendix II

Interview Question list

The interviews were conducted in Chinese (Cantonese or Putonghua) via Internet phones.

Question List:

I. Personal information:
   1. How many years have you been working as a financial journalist?
   2. What is your education level? What is your major subject?
   3. What media organization are you working with? What is your position?

II. Main question: (semi-open)
   1. Have you ever heard of code of conducts/ethics? Did you read such document before; where did you read it and who was the issuer?

   2. If yes: Do you think these rules are applicable to financial journalists in general? Are they useful? Have you and your colleagues adhere to them, why?

   3. If no: Do you think code of conduct is useful to financial journalists and why? Would you adhere to them, if it is available and why?

   4. What are your and your company’s attitudes toward gifts and free trip?

   5. Do you hold or trade stocks personally? Do other financial reporters involve in stock trading? Do you see any problems there?

   6. When talking about professionalism in financial journalism, what is the most important thing you can think of? Why?

   7. Are you a professional? Why or why not?

   8. What are the major challenges for professional financial journalists these days?

   9. What is the level of financial journalism professionalism currently, in Hong Kong/China? 1 is the lowest to 10 highest.

   10. What was the level of financial journalism professionalism in Hong Kong/China/UK/US five years ago? 1 is the lowest to 10 highest. Why rose/dropped?

   11. What is the role of financial journalists? Who are your target audiences?
CURRICULUM VITAE

Academic qualifications of the thesis author, Ms. LEUNG Suk Fun:

- Received the diploma of Journalism from Hong Kong Shue Yan College, October 1984.

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