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The 'Korean Wave' and Television Drama Exports, 1995-2005.

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M.A.

**Submitted in fulfilment of the requirements for the
Degree of Doctor of Philosophy**

School of Culture and Creative Arts

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Abstract

It is clearly an unexpected phenomenon that Korean television dramas have gained popularity among Asian audiences since the late 1990s. Evidently, Korean dramas have become, within just a decade, one of the types of broadcasting content most in demand in many Asian countries, but this popularity, frequently called the Korean Wave, seems to have been obtained rather unexpectedly. This thesis examines how the Korean broadcasting industry succeeded in breaking into neighbouring markets over a relatively short period of time, and whether the Korean government played a certain role in supporting the fast acquisition of Korean dramas of Asian audiences. Through the analysis, using a combined research method, the thesis uncovers how the government's support policies have not provided meaningful help for drama exports. Rather, the subordinate relationship of Korean broadcasters to the government and the relatively early marketisation of the Korean broadcasting industry have more efficiently stimulated Korean dramas' entrance into neighbouring broadcasting markets. Moreover, this thesis examines why the Korean government has shown a reluctant attitude to supporting drama exports, and finds that this ambiguous perspective has been multilaterally related to the government's nationalistic viewpoint on the operation of cultural policies. Through this analysis, the thesis eventually reveals that there has been a considerable gap between the government's perception of the cultural industries and the industries' actual circumstances, and that, even though the government may recognise this gap, it is not easy for government and cultural industries to reach any kind of compromise in order to operate more efficient and helpful support policies for the development of these industries at a global level.

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Abbreviations

ACE Fair	Asia Content and Entertainment Fair
AFN	American Armed Forces Network
ASEAN	Association of South East Asian Nations
BCM	Busan Content Market
BCWW	Broadcasting Worldwide Exhibition and Conference
CCTV	China Central Television Channel
CIS	Commonwealth of Independent States
CT	Culture Technology
DMB	Digital Multimedia Broadcasting
FBC	Foundation for Broadcast Culture
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IMF	International Monetary Fund
IPTV	Internet Protocol Television
KBC	Korea Broadcasting Commission
KBI	Korean Broadcasting Institute
KBS	Korean Broadcasting System
KCC	Korea Communications Commission
KCIA	Korea Central Intelligence Agency
KDFO	Korea Drama Festival Organization
KDI	Korea Development Institute
KISA	Korean Internet and Security Agency
KMCM	Korea Media & Contents Market
KMGL	Korea Ministry of Government Legislation

KNTO	Korean National Tourism Organisation
KOBACO	Korean Broadcasting Advertising Corporation
KOCCA	Korea Creative Content Agency
KOFICE	Korea Foundation for International Culture Exchange
KOTRA	Korea Trade-Investment Promotion Agency
KCTA	Korean Cable Television Association
MBC	Munhwa [Culture] Broadcasting Corporation
MCT	Ministry of Culture and Tourism
MCST	Ministry of Culture, Sports and Tourism
MFA	Ministry of Foreign Affairs and Trade
MIP-COM	Marché International des Films et des Programmes pour la TV, la Vidéo, le Câble et le Satellite
MIP-TV	Marché International des Programmes de Télévision
MOI	Ministry of Information
NHK	Nippon Housou Kyoukai [Japan Broadcasting Corporation]
OECD	Organization for Economic Cooperation and Development
OEM	Original Equipment Manufacturing
PP	Programme Provider
PPL	Product Placement
PSB	Public Service Broadcasting
SBS	Seoul Broadcasting System
SO	System Organiser
TBC	Tongyang [Orient] Broadcasting Company
UR	Uruguay Round
VOD	Video on Demand
WTO	World Trade Organization

Chapter One: Introduction

South Korea, historically more worried about fending off cultural domination by China and Japan than spreading its own culture abroad, is emerging as the pop culture leader of Asia. From well-packaged television dramas to slick movies, from pop music to online games, South Korean companies and stars are increasingly defining what the disparate people in East Asia watch, listen to and play. (Onishi, *New York Times*, 28th June 2005)

In the late 1990s, shortly after the popularity of ‘trendy’ Japanese urban dramas began to decrease in Asia, Korean popular culture in the form of television dramas enjoyed a rapid rise in popularity. This was called the ‘Korean Wave’ by the Chinese media (Chua and Iwabuchi, 2008: 2). Currently, Korea is widely regarded by Asian audiences as one of the stable popular culture content sources. According to the World Trade Organization (henceforth WTO), Korea was estimated to be the tenth-largest audiovisual and related services exporter in the world market in 2007, which means that Korea became the second major exporter among Asian countries, following Hong Kong (WTO, 2010: 4; cited in Doyle, 2011: 8). In 2011, the export of Korean broadcast programmes continued to grow, reaching US\$ 227.8 million (Korea Creative Content Agency, henceforth KOCCA, 2011: 2).¹

Korean dramas in particular, as Chua and Iwabuchi demonstrate above, have maintained a dominant position in the export growth of Korean broadcasting content. The proportion of dramas in the overall volume of Korean broadcast programme exports has increased from 64.3 per cent in 2001 to 87.6 per cent in 2010 (KOCCA, 2010: 2). The prices of Korean dramas have been more expansive than those of Hollywood or of Japanese productions on the Asian market since the mid 2000s (Kim, Y., 2007: 137).

These figures may show only part of the story. The export of Korean dramas has seen influence at cultural, economic and political levels. As reported in the *New York Times*, the popularity of Korean dramas has helped to change the traditional image of Korea from one of ‘violent student marches and images of the demilitarised zone to trendy entertainers and

¹ In this thesis, Korea and Korean refer to South Korea and South Korean and specifically excludes North Korea and North Korean.

cutting-edge technology'. (Onishi, 2005) Even Japan, which has served as Asia's popular cultural content factory for many years, has been attracted by Korean popular cultural content. In *Newsweek*, it has been reported that for Japanese audiences 'Korean women are idealised for their beauty, men for their prowess as lovers'. This magazine also reports that Seoul, the capital city of Korea, is ranked as the most attractive vacation choice for Japanese tourists, beating the traditional destination cities of London and New York (Takayama and Itoi, *Newsweek*, 8th April 2001). In effect, the growing popularity of Korean dramas is the main factor in the increase in foreign tourists to Korea. In 2004, an estimated three million Asian tourists visited Korea, and two-thirds of the Asian visitors were influenced by Korean dramas (Korean National Tourism Organisation, henceforth KNTO, 2005; cited in Kim, Y., 2007: 138).

In 1995, the export of Korean broadcast programmes was worth only US\$5.4 million (Goh, 2002: 40).² While the growth rate has slowed slightly since 2005, the export of Korean broadcasting content has increased more than forty times in the last sixteen years. This unprecedented phenomenon opens up many lines of enquiry: the way in which the Korean broadcasting industry has achieved such a rapid growth in drama exports over such a relatively short period; the factors within the Korean broadcasting industry that have contributed to the significant increase in drama exports; the extent to which the Korean Wave is actually related to government policies. These questions are the starting point of this study, which examines the multiple determining factors that have led to the significant rise in the export of Korean dramas between 1995 and 2005, mainly based on an analysis of the historical and political context related to drama exports. That is to say, this research is concerned with the various domestic factors which seem to have contributed to the strong popularity of Korean dramas with Asian television audiences, as part of the larger Korean Wave phenomenon.

The Korean press and researchers have described this unprecedented overseas popularity of Korean dramas as 'an unintended success', (Noh, *Joongang Ilbo [Daily News]*, 6th January 2005) and have attributed it to external factors such as the expansion of the cable channel industry in the Chinese territories and the subsequent demand for new programmes (Lee, 2008: 187; Kim, Y., 2007: 142; Kim, H-M., 2005: 187). Since the mid 1990s, the

² Unless otherwise noted, broadcast or broadcasting indicates only television broadcasting and excludes radio broadcasting.

growth of cable television in East Asia has led to significantly increased demand for cheaper, but still high quality programmes. The crucial issue is why Asian broadcasters have chosen Korean dramas as substitutes for American or Japanese programmes.

In this respect, there is a need for a closer investigation into the nature of the domestic factors that seem to have contributed to the great export success of Korean dramas. As the growth of the Korean broadcasting industry has been significantly influenced by the government, the question of how the government has affected or supported the broadcasting industry's export strategies may be an essential factor in the multiple dimensions of the rapid penetration of Korean dramas into the Asian market. These factors have nevertheless been relatively neglected both academically and also in terms of their political implications. This study will therefore consider and attempt to answer the following three research questions:

1. What role did Korean government policies play in encouraging the growth in the export of television drama between 1995 and 2005?
2. How did changing conditions in the Korean broadcasting industry contribute to the growth in drama exports between 1995 and 2005?
3. How were the programme exports of the Korean terrestrial stations influenced by changing industry conditions and government policies between 1995 and 2005?

The term 'Korean Wave' and its various interpretations

Before moving to the discussion of Korean drama exports, it is necessary to define how the term Korean Wave itself seems to encompass extremely diverse content and methods, with a potential to obscure the use of the word in an archetypal manner. The term Korean Wave has been believed to be coined by a Chinese newspaper in the late 1990s in order to describe the strong influx of Korean dance music and dramas into the Chinese broadcasting market. The phenomenon of Korean cultural products entering the Asian market occurred so rapidly that many people, including academic researchers, members of the media and government workers, have formed conflicting interpretations of what the term Korean Wave actually means. Although this term has been widely used to describe the popularity of Korean culture, it may well be understood to mean different things to different people.

As Koo Kyung-bon,³ President of KOCCA's US office, has stated the Korean Wave represents the first large-scale export of domestic culture in Korean history since the establishment of its independent government in 1948.⁴ This unprecedented and unexpected phenomenon has been met with overly excited reactions from both the Korean media and the government. The Korean media, which reported the initial exports of Korean popular culture in a somewhat offhand manner, began to interpret its overseas popularity in a more nationalistic way during the early 2000s, perhaps anticipating that popular culture could be used to promote Korea's national image, which remained relatively obscure despite the nation's impressive economic achievements. 'Cultural diplomats' is an expression which was frequently used by the Korean media to describe the overseas popularity of Korean actors or boy bands in the early 2000s.⁵ In the mid 2000s, the notion of the Korean Wave, which expanded with the nationalistic agenda, became a common topic in the media, although it was evident that the Korean Wave was more of a business achievement and a reflection of artistic expression than a vehicle for national promotion.

The Korean government has largely seen the Korean Wave as a vehicle for state promotion, failing to reflect carefully on the export phenomenon of domestic popular culture. The government, accustomed since the 1970s to interpreting culture from a nationalistic perspective, has thus attempted to use the overseas popularity of Korean popular culture as a means of promoting the national image. The 2005 White Paper on the Cultural Industries proclaimed that the strengthening of the national image through the expansion of the Korean Wave was one of the five main strategies for cultural industries policies. It also used the Korean Wave to promote six traditional cultural products (Ministry of Culture and Tourism, henceforth MCT, 2005: 25-27).⁶ This rather fluid interpretation of the term Korean Wave, stimulated by excited articles about the overseas popularity of certain Korean dramas and forms of popular dance music, seems to have led to enthusiastic, but not well-organised support from the government and to the consequent conflict between the government and industry insiders over the operation of serial Korean Wave support policies.

³ Korean names consist of a one-syllable family name and a two-syllable given name. In this thesis, the Korean family name comes first and given names are hyphenated, except in the case of references some authors who prefer no hyphenation of their given names. Thus, in this thesis, the family name Koo and the given name Kyung Bon will be written as Koo Kyung-bon. Japanese names follow the Korean name transliteration system of family name first and given name second.

⁴ Interview with Koo Kyung-bon, 6th July 2010 in Seoul, Korea.

⁵ For instance, an article in the Korean newspaper *Financial Daily* on 21st February 2001 urged the government to study how to combine the overseas popularity of Korean dramas and boy bands with the promotion of Korean culture, manufacturing products and national image.

⁶ All translations from Korean to English are my own unless otherwise stated.

In effect, the term Korean Wave refers simply to the phenomenon of Korean television drama exports, or Korean popular cultural content exports, to the neighbouring Asian market. Nonetheless, several different components have been gradually added to the notion of the Korean Wave; one is the media level, which was exaggerated by nationalistic views on the part of journalists; the second is the slogan used in policy discourse, hiding the government's desire to connect this phenomenon to more economic profits; and the third is the label as used for specific Korean Wave policies developed in the mid 2000s, which expanded the notion of the Korean Wave to refer to the overseas popularity of Korean traditional culture as well as popular culture.⁷

However, in most cases this term is not a concept, but a coreless slogan that has become widely used and embedded in policy and academic discourse. Thus, it is necessary to take a critical distance from these overtly distorted or exaggerated interpretations of the Korean Wave, in order to analyse objectively the phenomenon of Korean drama exports. The confused understanding of the term Korean Wave will be discussed further in Chapter 5.

Along with the critical analysis of the term Korean Wave, this research will outline the historical context of Korean society since the establishment of the first republic in the southern half of the Korean Peninsula in 1948, focusing on the autocratic nature of the leadership of two military governments. Even though a full analysis of the impact of the three decades of repressive rule by military governments over Korean society is beyond the scope of this research, it is impossible to ignore the fact that almost all political, economic and social factors were subordinate to absolute state power during the thirty years of the military regimes. Given this context, exploring the three socio-political features of Korean society, and emphasising the effect of the top-down political power structure and its control of society in general and the broadcasting industry in particular, will allow the themes of this research to be examined from a more holistic perspective.

⁷ In the White Paper on the Cultural Industries published in 2007, the government defined the Korean Wave as 'the overseas popularity and preference for Korean popular and high culture, or related cultural products'. (MCT, 2007: 38)

Formation of top-down policies during periods of political turmoil

As commonly seen in many developing countries, political upheaval has been the main factor exerting a great impact on Korean society. One of the most distinctive features in the modern history of Korea may be the thirty years of rule by two military governments (1962-1979, 1980-1992) and the fast economic growth under the autocratic state rule.

Economic development under repressive rule

After the liberalisation from 35 years of Japanese colonial rule with the end of the Second World War, in 1948 the Korean Peninsula was divided into the capitalist Republic of Korea (South Korea) in the southern half of the Korean Peninsula and the communist Democratic People's Republic of Korea (North Korea) in its northern half. Originally, the United Nations intended to divide the Korean Peninsula temporarily under the trusteeship of the United States and the Soviet Union, with the aim of establishing an independent Korean state. This temporary trusteeship, however, resulted in the as yet permanent division into North Korea and South Korea.

In 1950, the peninsula experienced the civil war between the communist North and the capitalist South known as the Korean War, involving the United Nations, the Soviet Union and then China.⁸ Within the period of a decade, post-war Korean society had developed an intense hostility towards the North Korean communist regime as well as a resolution not to repeat the bitter memory of the civil war. This situation may have led the Korean people to accept eighteen years of the dictatorship of the Park Chung-hee regime (1962-1979), which gained state power through a coup against the civilian Chang Myun regime (1960-1961) on 16th May 1961. The Park regime, which ruled the state until Park's assassination on 26th October 1979, pursued state-led economic growth policies in order to maintain its frail legitimacy. An export-oriented economic strategy focusing on national industrialisation was developed. This policy, which especially promoted labour-intensive manufactured

⁸ This war ended with an armistice between the United States and North Korea in July 1953. Since then, the Korean Peninsula has been under a ceasefire status of record length.

exports, seems to have suited the circumstances of the Korea of the 1960s which had poor natural resources, cheap labour and a tiny domestic market (Kimiya, 2008: 21-22).

The focus on export-oriented policies and the natural desire of the people to escape from conditions of extreme poverty led to the sharp growth of the Korean economy from the early 1960s to the late 1980s. Gross Domestic Product (GDP) increased by an average of more than eight per cent per year, from US\$2.7 billion in 1962 to US\$230 billion in 1989. Per capita GDP increased from US\$103.88 to US\$5,438.24 in the same period.⁹ The economy is still rapidly growing and this has led to Korea being called one of the 'Asian Tigers', along with Taiwan, Singapore and Hong Kong.

The fast growth of the Korean economy appears to have been accomplished by the top-down policies of the government. It has been argued that the division of the Korean Peninsula justified the dictatorial rule of the state and the enlarged military sector (Park et al., 2000: 111). The Park regime severely repressed all opposition, manipulated ideology and controlled all political, economic and social sectors with its enormous power. Consequently, even capital power was subordinate to the absolute state power which vigorously pursued export-oriented industrialisation (ibid.: 112).

After the unexpected assassination of Park on 26th October 1979, the political and social chaos caused by the absence of a legitimate government was once again filled by military power. General Chun Doo-whan seized power via a coup on 12th December 1980. The second military government¹⁰ maintained the state-led economic policies of its predecessor. However, the absolute power of the military government gradually weakened in the late 1980s, along with the nationwide democratisation movement and Korea's hosting of the 24th Summer Olympic Games in Seoul in 1988 (Nam, 2008: 646).

One significant point is that during this period of political turbulence both military governments succeeded in maintaining the growth of the national economy. It could be argued that the dominant top-down policies, which did not need the normal compromises

⁹ This data was obtained from the World Bank website: <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD/countries> (accessed 22nd June 2012).

¹⁰ The second military government lasted for twelve years until 1992, initially under the rule of General Chun and then under his successor, General Roh Tae-woo. In December 1987, the Korean people gained the right to hold a direct presidential election as a result of a nationwide democratisation movement. Ironically, Roh Tae-woo, a colleague of Chun, was elected. Consequently, the military regime continued without noticeable changes until the end of the Roh regime in 1992.

among different economic sectors, were an efficient way to accomplish fast economic growth. With economic prosperity, the Korean people appeared to accept for over thirty years the lack of mandate of the two military governments. In effect, even after the advent of the first civilian government in 1993, some conservative people still express nostalgia for the authoritarian state of the previous military governments.¹¹

During the autocratic rule of the military government, the Korean media had no choice but to be controlled by the government. Just after the coup of 16th May 1961, the Park Chung-hee regime began to suppress the freedom of the media. Between the coup and June 1962, 960 journalists were arrested on charges of corruption, hampering social security or writing vulgar or unsound articles (Kang, 2007: 413). The broadcasting industry, however, retained a closer relationship with the government than did the press. The pro-government attitude of the Korean broadcasting industry resulted from collusive ties between the government and the broadcasting stations, as well as the force of the government (Park et al., 2000: 113). From the initial stage of domestic broadcasting in the early 1960s, the broadcasting stations obediently carried out the function given to them by the Park regime: the promotion of rapid economic development under the state rule of the military government.

This pro-government attitude of the broadcasting companies was strengthened after the forced reorganisation of the three original broadcasting stations into two public service broadcasting (henceforth PSB) stations during the Chun Doo-whan regime (1981-1987). Firstly, the commercial terrestrial station TBC was forced to merge with KBS, and a second commercial station, MBC, was also transformed into a PSB.

It is necessary to point out that the recognition and the role of PSB in Korea have been different from those in European countries. In European systems, the proper goal of PSB has been understood as educating the citizenry, supporting democracy and fostering the diversity and welfare of society through quality programming (Harrison and Woods, 2001: 479). The European Council states that the role of PSB is vital for ensuring democracy, pluralism, social cohesion and linguistic diversity (European Council, 1999; cited by Harrison and Woods, 2001: 480). Indeed, PSB has generally been understood as an institution specifically for providing impartial information ‘which will enlighten the viewer

¹¹ In December 2012, Park Gun-hye, a daughter of Park Chung-hee and the candidate of the conservative ruling party of Korea, won the Korean presidential election.

and encourage public debate, perhaps ultimately helping foster a European public sphere'. (ibid.) In addition, the European Parliament views PSB as 'an aid to informed citizenship'. (European Parliament, 1996; cited by Harrison and Woods, 2001: 480) The role of PSB in Europe, therefore, has been closely related to serving a democratic and social function, whether it has the legal structure of a state-aided broadcaster or of a separate broadcasting organisation. In this sense, PSB has been clearly distinguished from state or commercial broadcasters.

The definition of PSB in European countries is clearly different from the function of PSB in Korea in the 1970s and 1980s, which was almost completely controlled by the autocratic government and used to provide a distorted, or at least subjective, vision of the Korean political system and governmental ideology. In this context, the characteristics of KBS and MBC are closer to those of a state-run broadcaster than to those of a PSB, even though they have officially defined themselves as PSBs.¹²

The pretexts given for this forced media reorganisation were public benefit and national security. Consequently, the Korean broadcasting industry was directly controlled by the government until the end of the second military government in 1992 (Kim, Y-H., 2001: 94). Given this history, it is not surprising that the Korean broadcasting stations have become accustomed to obedience to the government. This issue will be considered in more detail in Chapters 3 and 7.

Anti-communism as the governing ideology

The specific political situation of the Korean Peninsula being divided into two hostile, heavily armed states enabled two successive military governments to justify their lack of mandate. In particular, this situation provided the basis for the Park regime to formulate and operate anti-communism as its primary governing ideology throughout its eighteen years of rule. During the authoritarian Park regime, in effect, any dissension towards the government was regarded as pro-North Korean sympathising and harshly repressed in the name of anti-communism.

¹² In the Korean presidential election held in December 2012, the pro-government attitude of KBS and MBC news programmes once again became a controversial issue in Korean society.

Indeed, the Park regime appears to have magnified the military threat to the Korean Peninsula because it intended to use Korean people's anxiety about a military confrontation between the two Korean governments as a tool to solidify its illegitimate dictatorship. So, the Park regime came to emphasise the importance of anti-communism in order to maintain social security. For instance, when Park Chung-hee dissolved the National Assembly and suspended the Constitution in October 1972, aiming to attain his goal of life-long presidency, he declared an emergency security situation on the basis of the 'dangerous realities of the international situation.'¹³ On the strength of the public's increasing anxiety, the Park regime subsequently succeeded in gaining in a national referendum held in November 1972 overwhelming support for the *Yushin*¹⁴ Constitution, which promised him unlimited dictatorial rule (Kang, 2007: 494-495).

Anti-communist ideology was widely used as a rationale for imposing restrictions on the freedom of the whole society, including artistic expression (Yim, 2002: 42). Almost all films, literature and popular music produced in communist countries, and even performances of classical music or ballet by artists from communist countries, were prohibited from being played or distributed in Korea until the late 1980s. Needless to say, any cultural exchange between North Korean and South Korean artists was strictly banned. Although this ban has been gradually lifted from the early 1990s onwards, cultural exchanges between North Korean and South Korean artists remain limited.¹⁵

Anti-communist ideology contributed to the 'sound and wholesome' characteristics of domestic broadcasting content under the Park regime, which differentiated 'sound' culture from 'unsound' culture. Yim claims that the Park regime promoted a 'sound' culture 'conducive to anti-communism, nationalism, traditional morality and state-led economic development strategy'. (2002: 44) During the Park regime, it was not uncommon for the government to force broadcasting stations to produce documentaries or dramas promoting the patriotic mission of the Korean army in confronting North Korea or the importance of the dictatorial presidency of Park. According to Kang, between 17th October and 21st November 1972 Korean television and radio stations broadcast 1,942 programmes which

¹³ 'Yushin Constitution' from *Encyclopaedia Britannica* online academic edition. <http://www.britannica.com/EBchecked/topic/655085/Yushin-constitution> (accessed 6th July 2012).

¹⁴ *Yushin* means 'revitalisation reform' in Korean.

¹⁵ The Kim Dae-jung administration (1998-2002) and its successor, the Noh Moo-hyun administration (2003-2007), encouraged greater cultural exchange with North Korea, unlike previous government policies. However, this detente quickly cooled after state power was transferred to a right-wing government in 2008.

emphatically asserted that the *Yushin* Constitution was indispensable for national security (2007: 495-496).¹⁶

The emphasis on the ‘soundness’ of culture provided a rationale for government regulation of so-called ‘unsound’ culture. Just after the proclamation of the *Yushin* Constitution in October 1972, the Park regime issued to all broadcasting stations ‘guidelines for the production of drama’ which specified that stations must ‘avoid producing dramas having political themes which are likely to be harmful to the unification of public opinion.’ The broadcasting law, enacted in February 1973, forbade programmes from having immoral, sensual or vulgar content or content that hampered public order and national security (Kang, 2007: 498). In effect, this law meant that all broadcast programmes which offered even moderate political or social criticism were unacceptable.

This distinction between ‘sound’ and ‘unsound’ culture under the Park regime, based on anti-communist ideology, not only provided a distinct background to the formation of a specific Korean cultural identity in terms of cultural policies, but also influenced the policies of support for the Korean Wave in the early 2000s. This will be detailed further in Chapter 5.

Economic turmoil in the late 1990s

The Asian financial crisis in the late 1990s may be regarded as another distinctive feature with multiple ramifications both for Korean society and for the broadcasting industry. The Asian financial crisis started with the sudden devaluation of the Thai *baht* in July 1997 and reached neighbouring countries such as Indonesia, Malaysia, Philippines, Taiwan, Korea and Japan by the end of the year (Koo and Kiser, 2001: 24). Korea, Thailand and Indonesia have been described as the countries most affected by the economic turbulence. The Korean *won* lost over 40 per cent of its value relative to the US dollar in November and December 1997. The growth of Korea’s GDP fell to minus 6.9 per cent in 1998. In the spring of 1998, the number of jobless in Korea reached 1.4 million, the highest number in 12 years (Shim, 2002: 346; KDI, 2007: 28).¹⁷

¹⁶ As a result, in the national referendum on the *Yushin* Constitution, held on 21st November 1972, the Park regime secured a majority of 91.5 per cent.

¹⁷ The financial crisis in the late 1990s has commonly been referred to as the ‘IMF crisis’ in Korea because of a US\$58.4 million bailout of Korea by the International Monetary Fund in December 1997.

This financial crisis may also have been related to the top-down policies of the military governments. The Kim Young-sam regime (1993-1997), the first civilian government after three decades of military rule, set the slogan of 'globalisation' as a national goal. The Kim regime tried to maintain the level of economic growth that the two previous military governments had achieved, but simultaneously discarded long-standing, government-driven restrictions, which included the removal of a number of restrictions on foreign ownership of domestic stock and bonds and on overseas borrowing by domestic financial institutes (Waisbrot, 2007: 106).

Korean conglomerates, which had been accustomed to government control, reacted by absorbing more capital investment and aggressively expanding their businesses in order to compete on the world stage, following the government 'globalisation' slogan. Most of these businesses, however, failed to ensure returns and profitability, and excess debt led to major failures and takeovers. Korea's foreign debt nearly tripled from US\$ 44 billion in 1994 to US\$ 120 billion in September 1997. As a result of the government's ill-prepared globalisation drive, and the flight of capital overseas, the Korean economy was almost entirely supported by foreign loans. In this situation, Korea was affected more seriously than other Asian countries by the sudden and simultaneous reversal of foreign capital flow (Kim and Hong, 2001: 77-79; Waisbrot, 2007: 107).

Although the panic of the financial turmoil overwhelmed the whole society, Korea recovered in only one and a half years from the advent of the International Monetary Fund (henceforth IMF) crisis. President Kim Dae-jung, elected in December 1997 after a long period of opposition leadership,¹⁸ operated a tight monetary policy and amended his labour policy in order to officially codify layoffs, which signalled the weakened power of labour unions and the advent of employment adjustment. The reduction in labour costs helped companies with heavy debts and revitalised the market, which led to a fast recovery from the financial crisis (Koo and Kiser, 2001: 31). In December 1999, the Korean government announced the end of the IMF crisis, and subsequently repaid a quarter of its IMF loan in August 2001 (ibid.: 33). The GDP growth of Korea in 1999 climbed back to 9.5 per cent from minus 6.9 per cent in the previous year (KDI, 2007: 58).

¹⁸ The Kim Dae-jung regime was the first left-wing government since the establishment of the Republic of Korea in 1948.

It is notable that, despite the wide gap between the political views of the different regimes, the export-survival policy created by the Park Chung-hee regime in 1960s was revived in this process. The Kim Dae-jung regime, which enthusiastically supported the cultural industries, aimed to increase the creativity of these industries sufficiently to produce products that would be competitive at the international level (Kim, D-J., 1998: 59-60). The Kim regime may have regarded cultural industries exports as a new economic initiative, like that of heavy-industry exports which had led to the prosperity of the national economy in the 1970s (Kim, Y., 2007: 138-139). In short, the philosophy of the Kim Dae-jung regime in supporting the cultural industries appears to have been similar to the export-oriented policies of the Park Chung-hee regime.

Another noteworthy point is that the Korean broadcasting industry began to recognise the viability of dramas as an export product following the devaluation of the *won* in 1997. The recognition during the financial crisis of the Korean broadcasting industry's economic potential, and in particular that of drama exports, and how the Kim Dae-jung regime's cultural industries philosophy led to the policy shift will be analysed more closely in Chapters 5 and 6 respectively.

Research and thesis structure

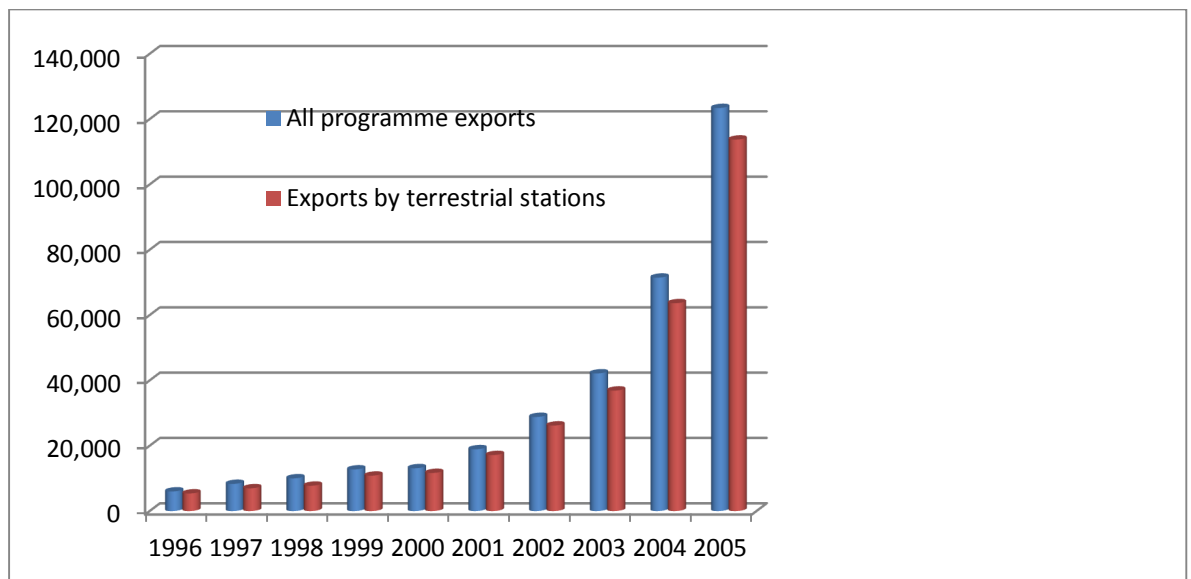
This study will now examine how the Korean broadcasting industry has grown, in line with the timely economic development, sufficiently to produce high-quality dramas garnering enthusiastic reactions from Asian audiences. Although this study will examine changes in all periods related to drama exports, the eleven years from 1995 to 2005 will be covered predominantly and analysed with particular attention.

Over this eleven-year period, Korean dramas were introduced in earnest into neighbouring countries. As Korean dramas grew in popularity, Asian audiences began to enjoy their distinctive characteristics, which they perceived as different from Japanese or American dramas, and the Korean government began to recognise the viability of Korean dramas in the overseas market. Moreover, the rhetoric of the cultural industries policies, especially with regard to economic gains in the overseas market, was embedded in government policies during this time. Therefore, the 1995-2005 period is seen as the critical period to

focus on when analysing the multiple domestic factors which stimulated the unprecedented popularity of Korean dramas on an international scale.

Given this limit, this study excludes from its analysis the drama exports achieved by cable television stations and independent drama production companies. Even though programme exports by cable channel stations and independent producers have slowly increased, the vast majority of Korean drama exports are operated by the sales subsidiaries of the three terrestrial television stations, as Figure 1.1 demonstrates.

Figure 1.1 Proportion of all programme exports by terrestrial stations between 1996 and 2005 (US\$1,000)



Source: Broadcast programme trade statistics (KOCCA, 2001: 9; 2002: 9; 2004: 9; 2005: 2)

This study has been structured on the basis of two fieldwork sessions conducted in Korea from June to August 2010 and from June to July 2011. Approximately eleven weeks were spent on the two fieldwork sessions. In order to elaborate on research questions, three different methods were used. Documentary research was first conducted in order to gather enough background information and draw the map of this research. The second method used was semi-structured interviews. Thirty-three informants, who occupied diverse positions in the broadcasting industry, such as drama creators, programme exporters, media researchers and broadcasting policy-makers, shared their knowledge and perspectives about drama exports through interviews which provide a holistic understanding of the context of drama exports as well as giving important evidence to support the arguments in

this research. The third method used was a case study, carried out at KBS Media, the programme sales subsidiary of KBS, the first and largest terrestrial station in Korea. This case study chiefly investigated practical programme export procedures and the historical background to the establishment of KBS Media, in order to illuminate the arguments identified in the previous chapters. The research methods chosen for this research will be discussed further in Chapter 4.

Chapter 2 will examine the shifts in broadcasting policies towards deregulation of the flow of media marketisation on a global scale, and how Western and Asian governments have applied this trend in different ways when formulating their broadcasting policies. Chapter 3 looks more specifically at the Korean broadcasting industry's development under government control, focusing especially on how the specific characteristics of Korean dramas have been formed. Chapter 4 provides a methodological discussion, introduces the three research methods and explores the strong points and limitations of each method. Chapter 5 analyses the relation of government policies to the introduction of Korean dramas into the international market and examines whether the support policies have contributed considerably to the increased export of dramas. Chapter 6 examines three changing factors in the Korean broadcasting industry which seem to have helped form the competitive edge of Korean dramas, and how these factors are related to political intervention. Chapter 7, which consists of a case study of KBS Media, examines the practical impact of changing factors in the broadcasting industry and the government's support policies on drama export performances. Chapter 8 provides additional information on the changes in drama exports and policies in support of the Korean Wave from 2005 to the present. Chapter 9, the conclusion to this research, presents the main findings and implications of this study, as well as suggesting further research.

Chapter Two: Media Marketisation and Broadcasting Policies

As already noted in Chapter 1, the central theme of this thesis is the causes of the proliferation and growing popularity of Korean dramas in the Asian broadcasting market since the late 1990s, and the role of the Korean government in this growth. Prior to embarking on an analysis of the Korean broadcasting industry and related government policies, it is worth investigating the worldwide transnational trend in the broadcasting industries, which appeared from around the early 1990s, and its far-reaching consequences. This is particularly important because the understanding of these processes seems to be crucial to gaining a clearer sense of the emergence of the overseas popularity of Korean dramas, centring on East Asian broadcasting markets.

Since the early 1990s, the supremacy of US television programmes in the international programme market seems to have been increasingly challenged by new television productions around the world. Sinclair, Jacka and Cunningham argue that the demand for new programmes from countries other than America has consistently increased in both European and Asian countries (1996: 3). According to Doyle, this demand has not been sufficiently significant to threaten the predominance of US programmes in the global market (2011: 7). Nonetheless, it is likely that these upheavals have to some extent weakened the cultural monopoly which has kept global broadcasting industries subordinate to US programmes.

Regarding this, another notable point is that the programme trade among peripheral countries with similar cultural and linguistic backgrounds has shown a general increase. For instance, the popularity of Brazilian soap operas, or *telenovelas*, among Latin American audiences or the admiration of Asian viewers for Japanese and Korean dramas implies that the international programme trade is far too complicated and uneven to be described as the dominance of a one-way flow from the United States to the rest of the world.

On the basis of these changing circumstances, this chapter offers theoretical approaches to the new trend in the global television programme trade, and examines the political

processes which have stimulated or limited this programme trade. The first section of this chapter explores the four theoretical accounts which have attempted to explain the increase in multi-directional trade in the international television programme market. The second section examines how and why broadcasting industries policies which had primarily focused on the control and regulation of domestic broadcasters in the name of public service have moved towards deregulation processes aimed at greater internationalisation, and the consequent economic gains of the broadcasting industries in the countries concerned. The last section of this chapter investigates how Asian countries which once maintained strict protection-oriented policies in their cultural fields have embraced an increased marketisation of their broadcasting industries and the implications this has for these industries.

Theoretical accounts of the growth of the broadcast programme trade

Regarding the international trade in television programmes, researchers commonly point out that the broadcasting of domestic productions has tended to increase in many nations, except the smallest ones, and that simultaneously, along with the expansion of the broadcasting industries due to technical development, more programmes have been imported from neighbouring countries with similar linguistic, cultural or geographical backgrounds (Sinclair et al., 1996: 1-2; Curran, 2002: 189-190; Straubhaar, 2003: 79). However, this trend does not mean that the position of the United States as the dominant supplier of broadcast programmes has weakened. In effect, the United States has consistently maintained a position of 'exceptional predominance as an exporter of audiovisual content over many years'. (Doyle, 2011: 8) According to Doyle, the US export share of audiovisual and related services accounted for 51.5 per cent of all exports by 15 major exporters in 2007 (ibid.). Although Doyle's research was not limited to broadcast programmes, it is evident that the United States has exported many more broadcast programmes than any other competitors.

Put simply, US programmes have maintained a dominant position in the international broadcasting landscape on the strength of superiority in terms of linguistic and financial factors, but, simultaneously, the previously simple map of a one-way flow of programmes from the United States to other countries has been complicated by the addition of small,

multi-directional flows, described as ‘the appearance of new centres of television production around the world’. (Sinclair et al, 1996; cited by Curran, 2006: 137) Concurrently, the new horizontal flow of television programmes from one developing country to another has become increasingly evident (Straubhaar, 2003: 80).

This phenomenon seems to contradict the predominant situation, which has been described as cultural imperialism, that is, the way in which, based on the growing dominance of the United States in the international arena, the dependence on US popular culture in many Third World countries has been sufficient ‘to submerge the cultural heritage of less developed countries beneath a flood of (American) television programmes’. (Thompson, 1995: 166) Initially, Tunstall claims that cultural imperialism exists when ‘authentic, traditional and local culture in many parts of the world is . . . battered out of existence by the indiscriminate dumping of large quantities of slick commercial and media products, mainly from the United States’. (1977: 57) Although the concept of cultural imperialism illustrates the fundamental relationship between the media industry and political and economic factors, the rise of a new television programme trade among peripheral countries implies that cultural imperialism is being undermined by the changing context of the media industry on a global scale.

With the growing interest in the complicated current of the international broadcast programme trade, various theoretical accounts of the notable new patterns of transnational media flows can be found in the literature of international media studies. To begin with, globalisation has been argued to be a central driving force in encouraging dynamic interaction among non-Western media cultures and the broadcasting industry. Originally, the concept of globalisation came from the shift in the world economy ‘from Westphalian nation-state-order to the new forms of organisation which transcended the traditional state-based economy system’. (Swyngedouw, 2004: 27) According to Featherstone, globalisation is ‘a rhetorical vehicle to describe the important shift in the economic and political organisation of the world economy and the concept soon moved into the cultural domain’. (1995; cited by Swyngedouw, 2004: 27) As these definitions imply, globalisation is a political and economic ideology not limited to the media. Giddens, one of the early pioneers of globalisation theories, points out that globalisation is a ‘complex set of processes, not a single one’. (2002: 12-13; cited by Sparks, 2007: 136)

Nonetheless, some researchers concentrate on the consequences of globalisation for media

and communications. Thompson defines globalisation as ‘a process which gives rise to complex forms of interaction and interdependency of different parts of the world. . . . Defined in this way, globalisation may seem indistinguishable from related terms such as *internationalisation* and *transnationalisation*’. (1995: 149; emphases are original) Thompson anticipates that the development of new media and communications ‘creates *new* forms of action and interaction and new kinds of social relationships’. (1995: 81-82; emphasis is original) In this sense, he speaks of globalisation as the systemic and reciprocal growth of interconnectedness among media in different regions, and claims that ‘the scope of this interconnectedness is effectively global’. (1995: 150) In effect, Thompson points out that the international circulation of media products is ‘a central feature of the globalisation of communication’. (1995: 162)

Thompson’s argument has been generally supported by other researchers. Hannerz states that globalisation implies not the dominance of one central flow but the ‘multicentricity of several counterflows’. (1997: 6) He understands globalisation as a ‘global cultural flow chart’ (1992: 221, cited by Hannerz, 1997: 5), and argues that globalisation does not mean that the world is becoming all the same. Iwabuchi also points out that cultural globalisation proceeds in a ‘dispersed and decentred manner’, rather than maintaining the homogenisation and domination of the world by US mass culture (2008: 143). According to Iwabuchi, it has become impossible for any particular country or region to retain a single, absolute centre in the process of cultural globalisation (ibid.). As Curran’s statement implies, one of the significant and positive implications of globalisation is that it is fostering a new ‘cosmopolitan disposition’ among the people of the world, as well as ‘transcending the limitations of nationalism’. (2006: 137)

Both Hannerz and Iwabuchi consider the increasing connections among transnational media as a sign of decentralisation of American cultural hegemony. While Appadurai claims that ‘the United States is no longer the puppeteer of a world system of images but is only one node of a complex transnational construction of imaginary landscapes in the global epoch’ (1996: 31), Iwabuchi claims that the decentring of processes of globalisation does not imply that the dominant global power, representing American cultural power, has completely disappeared (2008: 160).

Indeed, globalisation is a topic that has been widely addressed by scholars as generating more multi-directional flows of cultural content. Concurrently, many researchers argue that

the framework of cultural globalisation cannot satisfactorily explain the complicated aspects of uneven, overlapping and crisscrossing interactions of transnational cultural content.

The globalisation approach to international television programme exchange has been criticised for two reasons. One is that the cultural imperialist account is still more persuasive than that of globalisation, and the other is that globalisation fails to take into account the unevenness of current international programme flows. Sparks claims that the global media market still tends to be dominated by US products, with the character of these products being 'primarily tailored to the tastes of their home market, which is most of the US'. (2007: 150) Despite the appearance of some regional markets for television programmes, Sparks argues that 'they are relatively small compared with the flow of US programming'. (2007: 144) In this respect, he contends that the present phenomena in the cultural field belong more to the frame of the imperialistic phase than to globalisation, which underlines new and diverse circulations of transnational cultural products.

Meanwhile, Curran claims that the 'globalisation myth' fails to grasp the diverse and inequitable circumstances of the international broadcasting market; for instance, most leading European channels have consistently preferred domestic programmes to American or other imported programmes, regardless of the internationalisation trend in the broadcasting industries (2002: 192). In addition, Ang and also Sinclair et al. argue that globalisation has been a 'short-lived rhetoric which coincided with a precise historical moment in the late 1980s and the early 1990s, and thus, it became a cliché that it is time to move beyond'. (Sinclair et al., 1996: 22) In short, it may be said that the globalisation of media production has been seen as simplifying the uneven, inequitable and complicated nature of the current international programme trade in terms of decentralisation (Hesmondhalgh, 2008: 96).

In order to compensate for the defects of the globalisation approach to media production, the glocalisation approach has attempted to rescale the disorders of the international programme trade. The overall idea of glocalisation 'takes notice of both upwards to supra-national or global sales and downwards to the scale of the individual body or the local, urban or regional configurations'. (Swyngedouw, 2004: 37) Robertson demonstrates that the concept of glocalisation starts from talk about globalisation and, more precisely, 'reflexively reshapes the constitutive features of globalisation; the form of globalisation

has involved considerable emphasis on the cultural homogenisation of nationally constituted societies'. (1995: 35) In this process, according to Robertson, the global participation of local culture has been politically underestimated: 'much of global mass culture is impregnated with local ideas, styles and genres, but this reflexiveness [between global and local cultures] is typically undertaken along relatively standardised global-cultural lines'. (Robertson, 1995: 39) He also points out that local culture implies 'not a micro manifestation of the global culture, but the indication of enclaves of cultural, ethnic, or racial homogeneity'. (ibid.) Robertson argues that the idea of glocalisation, which emphasises both the complicated disorder of global cultural content flow and the dynamic creativities of local culture, enables people to transcend the major weaknesses of globalisation in 'compromising inevitable tension between the idea of globalisation and localisation'. (1995: 40)

The concept of glocalisation may be employed specifically by contemporary television programmes wishing to enter a wider and increasingly competitive global market. Nonetheless, the glocalisation approach, which has a tacitly positive view of the harmony between diverse cultural content suppliers, seems to overemphasise the role of local television productions in the global programme trade. However, as Doyle has shown, audiovisual service exports have continued to be dominated by 'Western' (US and European Union) countries, which accounted for US\$25 billion, 85.5 per cent of all exports by the major fifteen audiovisual service exporters in 2007 (2011: 8). Doyle's research implies that programme exports from peripheral regions have not yet played a decisive role in the international programme trade, despite the emergence in recent years of several notable programme exporters in peripheral regions.

Given the tendency of international programme trends to rely more on the cultural, linguistic or visual similarities between exporters and importers, 'cultural proximity' has been regarded as one of the key determiners in understanding the patterns of international programme flow. This account argues that television around the world continues to be reflected by cultural and linguistic similarities in programme content because audiences' cultural identities have primarily influenced the preference for specific programmes.

Hoskins and Mirus explain why national programmes attract larger national audiences than foreign programmes by using the concept of cultural discount: 'a particular programme rooted in one culture will have a diminished appeal elsewhere as viewers find it difficult to

identify with the style, values, beliefs, institutions and behavioural patterns of this material. As a result of this diminished appeal, fewer viewers will watch a foreign programme than a domestic programme of the same type and quality'. (1988: 500) Extending this line of thought, Straubhaar demonstrates that, all other conditions being equal and in the absence of a sufficient supply of national programmes, television audiences tend to prefer programmes which are 'the closest or the most proximate to their own culture'. (2003: 80) He argues that when national productions are sufficiently available audiences prefer national programmes to foreign programmes, but if the domestic broadcasting industry cannot afford to produce suitable programmes the audience tendency is to watch the programmes with the most similar and relevant linguistic, cultural, historical, ethnic and visual characters in preference to truly 'foreign' programmes. Straubhaar explains that cultural proximity may well be why Brazilian *telenovelas* are more popular than *Dallas* or *Dynasty* among Latin American audiences (ibid.: 83).

However, Iwabuchi argues that if the essence of programme content is rather ahistorical or hybridised with the dominant American culture, 'explanation based on the notion of cultural proximity is less productive'. (2008: 154) Indeed, the characteristics of some entertainment programmes or formats enjoying international popularity seem not to have been deeply influenced by specific indigenous cultures; in this case, the arguments regarding cultural proximity as a crucial moderator of programme flows between countries fail to take into account the dynamic reactions of young international audiences. In this respect, cultural proximity appears to be not sufficient to fully explain the vigorous international circulation of television programmes in recent times, which has been much more dominated by hybrid cultures and transnational identities than by a particular national culture or identity.

While the three views discussed above tend to regard the increasing international cultural flows as an undirected process, the marketisation approach based on neo-liberalism identifies the directed and intentional force of the cultural industries in the context of capitalist accumulations. Hesmondhalgh's approach sees that neither cultural imperialism nor globalisation can be a useful concept for understanding global processes of cultural inequality. Rather, he points out that the permeation of neoliberal marketisation in media and cultural sectors, including processes such as the privatisation of government-owned broadcasting stations and the lifting of regulation in an effort to pursue increased profits, has eventually been helpful in changing the view of broadcasting from one of a limited,

national source which needs to be controlled by the government to one of the essential factor in the 'creative economy' in the information age. This change, accelerated by the further entry into the cultural industries of massive transnational corporations, has contributed both to considerable changes and to greater international flows of cultural products than before (Hesmondhalgh, 2008: 101). In addition, he argues that 'the successive waves of marketisation paved the way for such internationalisation by removing many policy barriers to cultural trade'. (2007: 213)

Put simply, the marketisation account claims that the inflow of capital into the cultural industries has considerably intensified and accelerated the international flows of cultural content. However, it seems doubtful that this could be applied with any degree of conviction to the rapidly changing global context at the present time. Concurrently, it seems to take relatively little account of the concerted activities of many small, but not unimportant creative groups and people in non-Western countries.

In short, the patterns of international television programme trade have been too broad, uneven and complicated, in line with the expansion of the global broadcasting industries, to define through any specific theoretical arguments. So the research tends to remain fragmentary or partial. Quite apart from the realisation of these complexities, it is worth noting that the marketisation account stresses the role of government in the internationalisation processes of broadcasting industries. Along with the inflow of transnational capital towards the broadcasting industries, government has changed its policy perspective, which previously concentrated on regulation, to encourage broadcasting industries to enter international or (culturally and linguistically) regional markets. In response to elements of transnational capital that seem to provide the realisation of more economic potential from programmes' internationalisation, it is possible that individual governments began to deregulate their domestic broadcasting industries in order to maximise their economic potential. Reciprocally, government deregulation seems to have been particularly important in the early phases of increasing the flow of international programme trades.

Doyle demonstrates from an economic viewpoint why more television programmes have been internationalised in recent times: 'initial (television) production costs are typically high but then, because the content or intellectual property can be re-used again and again without additional expense, replication costs tend to be low'. (2011: 4) Given the high risk

involved in producing new content, therefore, it is understandable that most small cable channels which cannot afford to produce their own programmes have chosen to purchase well-made programmes from domestic or foreign producers. Simultaneously, for the programme suppliers there has been a great incentive to sell their programmes on the wider overseas market, even considering the additional expense of dubbing or sub-titling (*ibid.*). Thus, from an economic viewpoint, international programme sales can be lucrative for both suppliers and buyers.

From either perspective, it is probable that the changing attitudes of broadcasting policies towards deregulation have been one key influence in promoting the consequent increase in international television programme trade. This may be a highly important point which needs to be further scrutinised, since one of the main questions in this study concerns the role of the Korean government in promoting the overseas popularity of Korean dramas. Accordingly, this study will now attempt to analyse the changing process of the shift of broadcasting policies towards deregulation in order to investigate how this change, applying commercial and international perspectives to broadcasting policy regimes, has altered the nature of the broadcasting industry on a global scale.

Marketisation in the broadcasting industry and its effects

Until the 1980s, most of the world's broadcasting organisations were owned or controlled directly by the state. Even in the United States, broadcasting was subject to tight regulation by government bodies, because broadcasting had been understood as a limited and powerful resource which dominated people's leisure activities (Hesmondhalgh, 2007: 112-113). That is, a national monopoly regulated by the government was widely accepted in broadcasting in most countries in order to achieve high quality with low cost. Hesmondhalgh describes the three ways in which governments have intervened in communication, media and cultural markets as follows:

- Legislation: to create laws concerning general issues such as competition and contracts, more specifically pertaining to cultural issues, such as copyright, obscenity, privacy and so on. These are subject to constitutions and to decisions of courts.
- Regulation: via these laws, governments create agencies that monitor a

particular industry or group of industries and have powers to affect the behaviour of companies, other institutions and actors.

- Subsidy: directly, via grants in order to supplement the provision of texts provided by the private sector, in areas such as the theatre, ballet, opera, fine arts and so on, or indirectly, by allowing research and other knowledge created in the public sector into the private sector. (Hesmondhalgh, 2007: 106-111)

Throughout the 1980s and early 1990s, however, the established rationale justifying high degrees of government intervention in the broadcasting industries appears to have disintegrated for various reasons. On the one hand, technical improvements in the broadcasting industry were bringing about a new era of diversity and choice in broadcasting services. In place of the more limited capacity of analogue broadcasting, new technologies such as cable, satellite and digital were able to offer almost unlimited capacity for broadcasting and multi-channeling. In particular, satellite television techniques, which transgressed borders, encouraged broadcasting companies to allow greater commercialisation and competition on a global scale (Sinclair et al., 1996: 3; Keane, 2007: 25).¹⁹ In these changing circumstances, the tight regulation of a conventional television system within a country in the name of public service and the public interest could not be sustained. As Hamelink states, ‘the communication structures of many countries were revamped into becoming more market, less state’. (1997: 96)

On the other hand, it is likely that the shift in cultural policy towards the cultural industries since the mid 1990s has also encouraged the deregulation and internationalisation trends in the broadcasting industries. The term ‘creative industry’, coined by the New Labour government in Britain in 1997, focuses mainly on the economic growth and export earnings of the cultural industries (Garnham, 2005: 16). Schlesinger points out that the core purpose of the Creative Industries Task Force set up by the UK government in 1997 was ‘to recommend steps to maximise the economic impact of the UK creative industries at home and abroad’. (2007: 378-379)

Thus the creative industries extended the boundaries of cultural policies to include more commercial genres, such as film, popular music and broadcasting, as well as the traditional

¹⁹ According to Chan, media commercialisation is defined as ‘the process by which the media become dependent on market responses for revenue’. (Chan, 1996; cited in Hong and Hsu, 1999: 226)

‘high’ arts (Garnham, 2005: 16). Indeed, the strategy for the creative industries, promoting them as ‘a key form of economic competition’ (Schlesinger, 2007: 378), seems not just to have included popular culture genres, but also to have emphasised the role of popular culture as one of the vital elements in the cultural industries. This doctrine of the creative industries quickly became global. Since the early 2000s, some non-Western countries have attempted to construct an alternative version of their creative industries, based on Western culture and values (Hesmondhalgh and Pratt, 2005: 3; Keane, 2009: 431; Kong et al., 2006: 174). Along with the global permeation of new policies in favour of media marketisation, cultural industries corporations have required the lifting of regulations in order to compete in national and global markets (Hesmondhalgh, 2007: 114). Consequently, the common model of state control of the broadcasting industry has gradually crumbled.

Hesmondhalgh is concerned that privatisation in the media industries, one major processes of marketisation, has been encouraged by government policies. According to him, marketisation, referred to as the ways in which ‘market exchange increasingly came to permeate the cultural industries and related sectors’, has privatisation, the lifting of restraints and the expansion of private ownership as its three main processes. Among these, privatisation is defined by Hesmondhalgh as the process of ‘many enterprises and institutions, which once government-owned, were privately owned in order to pursue more profits of businesses’. (2007: 110) He concludes that, as the result of privatisation, more marketisation has permeated the broadcasting industries (ibid.).

As Hesmondhalgh states, governments have willingly shifted their broadcasting policies towards marketisation through fostering privatisation and lifting regulation. Research has highlighted how governments have been supportive of these changes because they wanted to enable their own cultural industries to compete in a new global cultural industry sector (Hamelink, 1997: 96). Crucial changes, such as deregulation and privatisation, in the broadcasting landscape eventually emerged throughout the 1980s and 1990s at the international level.

As a general rule, ‘policies are fundamental in triggering or inhibiting transformation in the cultural industries’. (Hesmondhalgh, 2007: 135) Presumably, this is particularly so in the case of the shift in broadcasting policies, which had had a strong tradition of public ownership and regulation. Indeed, many governments appear to have realised that they could improve the competitiveness of their domestic broadcasting production through

media marketisation. In other words, governments seem to have welcomed more than feared the advent of commercialisation in the broadcasting industries. Therefore, in the context of the newly developing global market, broadcasting companies and policy makers appear to have shared a similar goal of maximising economic benefits and made forays into new markets with their own broadcasting products. As Karthigesu points out, 'the trend in broadcasting has become more commercialised, either by governments' own initiatives or by private sector dynamism'. (1994: 76) Together, these changes indicate that government policies were 'moving towards the dismantling of regulatory apparatuses in the broadcasting world'. (Sinclair et al., 1996: 2)

The marketisation processes, that is, the increase in private media ownership and deregulation by government, appear to be the global norm rather than an aberration within a few Western countries. It is not difficult to find examples of the spread of a commercialising atmosphere in the broadcasting industry in the developing world, such as in Latin America, Eastern Europe and Asia. In these countries, changes in the broadcasting industry coincided with a change of state regime (Eastern Europe), with the collapse of military authoritarianism (Latin America and Korea), or with the rise of capitalism in a communist regime (China). All of these have increased the importance of the cultural industries in the minds of business people as well as policy-makers.

Harvey analyses the global trend of marketisation in the broadcasting industries from a more political perspective. She maintains that the collapse of the old Communist regimes in Eastern Europe in the 1990s led to the growth of a diverse market, which 'calls for a lessening of state power such as lower taxes and less state control'. (Harvey, 2003: 101) With the strength of Reaganomics in the United States and Thatcherism in Britain, state intervention and regulation in the public interest became increasingly marginalised. The controlling power of political elites over the media has lessened and giant media corporations with multi-national capital have appeared as the new dominating power in the media industry. Harvey concludes that, through the tides of political and economic change on a global basis, 'state provision has had to be dismantled, disabled or limited in order to create a new set of market relationships where citizens become consumers, providers become investors, and profitability becomes the motivating force in the economic cycle'. (Harvey, 2003: 102) In this context, it is an inevitable consequence that the influence of

public service broadcasting has also gradually declined.²⁰

The expansion of the broadcasting industries, facilitated both by technical evolution and by government deregulation, has inevitably resulted in a growing demand for new programmes. In the early stages of the new cable and satellite services, there was heavy dependence on imported US television programmes, but each channel then attempted to find more economical and indigenous programmes from new sources (Sinclair et al., 1996: 3). Notwithstanding the pre-eminence of US programmes, the new international broadcasting landscape has subsequently stretched beyond traditional US products and become more heterogeneous. Even English-speaking regions like Australia, Canada and Britain have produced programmes with their own unique national characteristics, although they have assimilated the genre conventions of US television (Sinclair et al., 1996: 12-13; Curran, 2006: 137).

It seems that the hunger for new programmes in the international broadcasting market, which has been intensified by the marketisation of the broadcasting industries, and the increasing demands of more diversified audiences in line with the increase in the number of channels available, has stimulated the productivity of indigenous programme production within some peripheral regions. Consequently, several broadcasting industries have succeeded in developing an export capacity, even though this has remained regional rather than global and the volume is not as great as that of the dominant US productions. In this context, it is worth noting Tracey's observation that the 'very general picture of TV flow is not a one-way street; rather there are a number of main thoroughfares, with a series of not unimportant smaller roads'. (1988: 23)²¹

Sinclair, Jacka and Cunningham argue that the prosperity of new peripheral producers does not mean the decline of the strong influence of US broadcasting products in the international broadcasting landscapes. According to them, new regional broadcasting production centres tend to have hybrid characteristics of their own and US products

²⁰ Although Harvey admits that the role of broadcasting as a 'public sphere', as defined by Habermas, has weakened and expresses concern that the permeation of commercialism in the broadcasting industry will lead to the energetic expansion of capitalism and may even threaten relationships with the institutions of democracy (2003: 109).

²¹ Interestingly enough, Sinclair, Jacka and Cunningham foresaw as early as 1996 that some Asian countries, such as Malaysia, Indonesia, Singapore and Korea, might produce competent television content to export within their own region in the near future (Sinclair et al., 1996: 3-4)

(Sinclair et al., 1996: 12-13). Their argument is consistent with Hoskins and McFadyen's prognosis that 'US production will continue to increase, but it will also constitute a smaller share of an expanding market in world terms as regional and national production also expands'. (Hoskins and McFadyen, 1991: 221) In this regard, it is worth quoting Hall's statement that: 'a peculiar form of homogenisation does not destroy but rather recognises and absorbs those differences within the larger, overarching framework of what is essentially an American conception of the world'. (Hall, 1993; cited by Iwabuchi, 2008: 145) In other words, the increase in the regional circulation of television content may be seen as 'the further homogenisation of Americanisation at a deeper level in terms of the spread of production conventions such as genre, format or marketing strategies'. (Morley and Robins, 1995; cited by Iwabuchi, 2008: 145) In this context, these accounts do not accept the notion of cultural proximity as a major generator of increasing programme trade within a region. Rather, they tend to regard the new circulation of international television programmes as an extension of the dominant influence of US mass culture within the frame of the marketisation concept.

Overall, it is likely that the new landscapes of the broadcasting industry, tending since the 1980s towards commercialisation, and the entry of transnational media corporations have led to marketisation processes in the broadcasting industries which are favoured by government policies allowing deregulation and increasing private ownership in a global scale. This trend has overlapped and interacted with the appearance of small, but notable multi-directional flows of broadcasting content within greater regional circuits, and has complicated the previously simple map of international programme trade which consisted mainly of one-way broadcasting flows from the United States to other countries (Varis, 1984; cited by Sinclair et al., 1996: 7). In this respect, it is highly probable that the deregulation processes of individual governments affecting the broadcasting industry have helped to enhance the new trend in international programme trade, and *vice versa*.

However, the marketisation and internationalisation trend in broadcasting has different implications in different social contexts in Asia. This chapter now analyses the rapid development and opening up of East Asian countries' broadcasting industries, and investigates in particular why the flow of media marketisation has had a limited impact on Asian countries even though it has been one of the most obvious and dramatic changes in the Asian media.

The cultural nationalism of East Asian countries

Anxiety may be at the heart of all nationalism but, outside the West, its characteristic form is a fear that the price of modernity is Westernisation and consequent loss of cultural authenticity. (Hein, 2008: 450)

Prior to the 2000s, there was little research published on the broadcasting industries in Asia. The little research that has been conducted on the Asian broadcasting environment has tended to focus on political power and on the system of state control over the broadcasting industry, rather than investigating the industry *per se* (Park et al., 2000: 111). Therefore research has not addressed the capabilities of the Asian broadcasting industry. During the past decade, however, the broadcasting scene in Asia has changed drastically and much creative cultural content has been produced, especially in East Asia. The rise in these cultural products and the consumption of Japanese animations, the Bollywood films of India, the action movies of Hong Kong and the popular music and dramas of Korea are sufficient to illustrate the emergence and size of the Asian cultural industries.

Based on these successes, the East Asian television industries have subsequently built up their own international media market, on a smaller scale compared to the American market, but having more influence in the region.²² Some Asian research argues that East Asia is 'peripheral no longer but has truly emerged on the map of the international media market'. (Erni and Chua, 2005: 5-8) Indeed, the cultural imperialism view of international domination has been greatly affected by the Eastern Asian broadcasting industries, which have become increasingly less reliant on US programme imports. In particular, industrialised countries in East Asia such as Japan, Korea, and Hong Kong have established themselves as broadcasting content exporters as well as importers (Lim, 2008: 35).

Even though there are considerable variations within East Asian countries,²³ overall East

²² The first MIP [Marché International des Programmes de Télévision]-Asia was held at the Hong Kong Convention and Exhibition Center in November 1994. MIP-TV, which has been held in Cannes every April, is counted as the major international trade market for television products, along with MIPCOM [Marché International des Films et des Programmes pour la TV, la Vidéo, le Câble et le Satellite].

²³ The position of Japan as a broadcast programme exporter has been particularly different from the positions of Hong Kong, Taiwan and Korea, because the Japanese broadcasting industry has an exceptionally long history of content export, unlike the industries of other East Asian countries. Iwabuchi demonstrates that Japan has become a stable source of content comparable to the United States, due to the maturity of its film

Asia seems to have emerged as a model of the new media market which is not largely subordinate to Western, or more precisely to US broadcasting products. Keane demonstrates that the emergence of the new media market in East Asia is best viewed from ‘the complementarities of institutional realignment and state-assisted responses to competition’; that is, the rapid economic development of East Asia, led by state policies, has also been largely responsible for the development of its cultural field (Ozawa, 2001; cited by Keane, 2006: 841). In this context, Keane confirms that the state-directed capitalism of East Asian countries has helped to bring about prosperity in the media market. In addition, Erni and Chua argue that ‘the triangulation of cultural nationalism, postcolonial sentimentalism, and the globalist mood in the Asian media has found an effective form through television’. (Erni and Chua, 2005: 7)

As mentioned above, it is unlikely that the domination of US products in the media and cultural commodities trade will be the definite and final stage in more complex and crisscrossing international programme flows, especially in the case of the Asian broadcasting landscape. Similarly to the European broadcasting scene, ‘the deregulation and commercialisation of television has also unleashed new potential and energies in the Asian market’. (Banerjee, 2002: 533) A noteworthy point is that audiences in the expanded Asian broadcasting market seem to have greatly preferred the broadcasting content produced in that same Asian region. Clearly, several trans-border channels such as MTV Asia or Star TV, first broadcast in Asia in the early 1990s, seem to have increased the share of programmes produced by Asian productions (Lim, 2008: 36).

Lim regards the preference of Asian broadcasters for regionally produced programmes as a sign of the growth of Asia-based networks. In other words, Lim believes that the dynamically expanded production and distribution system of Asian broadcasting industries resulting from the rapid economic development in this region has most likely led to more reciprocal trade opportunities for ‘made in Asia’ programmes (ibid.). In this sense, the popularity of East Asian broadcast programmes in the Asian market implies that there have been other factors which have stimulated the specific regionalisation of the Asian broadcasting market, and which are different from the general trends in international programme trade.

production, its rapid economic development and its large domestic market of more than 120 million (Iwabuchi, 2003: 22-23).

The deregulation and re-regulation process in Asian broadcasting markets

Initially, Asian governments had permitted, willingly or unwillingly, the deregulation and opening up of their broadcasting industries to the strong demands of transnational media corporations since the early 1990s, which was almost simultaneous with the deregulation processes of Western governments. However, Asian governments soon tried to intervene in their domestic broadcasting industries in order to maintain the balance between domestic and Western broadcast programmes, especially on terrestrial television channels. Reregulation, such as the imposition of new quotas and gate-keeping policies aimed at restricting foreign broadcast imports, was promptly deployed during the late 1990s, and the temporary craze for US programmes in the Asian market, which had increasingly centred around the mid 1990s on cable and satellite channels, soon began to decline. As regional programmes consequently replaced these programmes, Asian broadcasting became uniquely regionalised.

Hesmondhalgh states that the deregulation of the broadcasting industries has been profoundly related to the permeation of neo-liberalism. According to him, from the 1970s onwards, neo-liberalism depicted public ownership and the regulation of broadcasting as the cause of economic downturn and argued the need for a new programme consisting of regulation changes and privatisation. He referred to neo-liberal terms for such programmes such as ‘deregulations, or more often, liberalisation’. (Hesmondhalgh, 2007: 109)²⁴

Straubhaar argues that US television products had not gained widespread popularity in East Asian broadcasting schedules before the advent of the multi-channel era. As Table 2.1 shows, in the early 1980s more than three-quarters of broadcast time in five Asian countries was filled with domestic programmes, which indicates that dependence on US television programmes generally remained less than ten per cent in these countries in the same period (Straubhaar, 2001: 146-148).

²⁴ The notable point is that Hesmondhalgh connects the term deregulation to reregulation; that is, he argues that the changes in broadcasting policies towards deregulation have often introduced new legislation and regulation, in order to maximise the revenue of large private corporations: ‘as governments tried to negotiate competing interests during deregulatory years of the 1980s and 1990s, in many cases they actually introduced new and more complex sets of regulations’. (2007: 109)

Table 2.1 Percentage of nationally produced programming in prime time and in total broadcast day

	1962		1972		1982		1991-1992	
	Prime	Total	Prime	Total	Prime	Total	Prime	Total
Japan	81%	92%	95%	90%	96%	95%	92%	94%
Korea	73	76	80	79	89	87	89	86
Hong Kong	23	26	64	62	92	79	95	83
Taiwan	74	64	98	79	89	88	97	78
India	-	-	98	80	89	88	97	78

Source: Brazil: the Role of the State in World Television (Straubhaar, 2001: 146)

Table 2.2 Percentage of US-produced programming in prime time and in total broadcast day

	1962		1972		1982		1991-1992	
	Prime	Total	Prime	Total	Prime	Total	Prime	Total
Japan	19%	7%	5%	9%	3%	4%	6%	5%
Korea	27	24	20	19	7	10	5	9
Hong Kong	72	69	30	28	2	9	0	2
Taiwan	26	36	2	21	6	9	3	20 ²⁵
India	-	-	0	3	0	0	0	0

Source: Brazil: the Role of the State in World Television (Straubhaar, 2001: 148)

The supremacy of domestic programmes in Asian television until the early 1990s appears to have been the result of the long-term cultural protectionism policies of every Asian government, rather than of the remarkable capacities of their broadcasting industries. Banerjee demonstrates that until the 1980s ‘Asian governments had imposed a stricter control over their national broadcasting industry than those of Western countries, and used cultural imperialism as an ideological rationale for justifying control and monopoly over television’. (2002: 524)

With the strong wind of media marketisation in the early 1990s, however, ‘Asian countries have to a greater or lesser extent, adopted the western free market economy, and have been undergoing major changes in media policies, structures and operations in favour of

²⁵ The rapid increase of American programmes broadcast in Taiwan between 1991 and 1992 seems to be the result of proliferation of the cable television industry in Taiwan. Taiwanese cable television channels began to broadcast without a government licence from the 1980s. Because Taiwan is a very mountainous nation with a high population density, it is only natural that cable television channels have prevailed across the country.

deregulation'. (Hong and Hsu, 1999: 226) Increasing pressures were imposed by the US on Asian governments to open their limited media markets through privatisation, like the 'Super 301' provisions of the 1988 Omnibus Trade and Competitiveness Act which was aimed at eliminating trade barriers (ibid.: 228). On the basis of these pressures, there was an economic demand for major transnational media companies to expand their markets on a global scale (ibid.). Concurrently, these changing circumstances made Asian governments recognise that the deregulation, privatisation, and subsequent commercialisation of broadcasters might bring the advent of a new money-making industry like that in the West. In other words, Asian governments may have recognised that they could reduce the financial burden of managing limited broadcasting services by allowing international and domestic entrepreneurs to enter the broadcasting industry, which led to the growth of the entertainment business, as well as providing additional revenue to the government in the form of tax income (Karthigesu, 1994: 76).

Consequently, Asian broadcasting industries have been through processes of deregulation, privatisation and commercialisation similar to those of Western countries. Even the previously tightly controlled television markets in China and Vietnam have loosened their television programming import policies. For instance, since the early 1970s imported programmes have occupied less than one per cent of total broadcasting hours on the China Central Television Channel (henceforth CCTV) in China. In the late 1990s, the percentage rose to 20 or 30 per cent in different regions of China (Shim, 2008: 25-26). Concurrently, the world's largest transnational media corporations began to 'battle in order to capture a slice of the Asian broadcasting market, which contains almost two-thirds of the world's population and is undergoing rapid economic development'. (Banerjee, 2002: 517) In 1991, Star TV succeeded in launching the first fully-fledged trans-border satellite broadcast in the Asian-Pacific region. Within half a decade, more than a hundred domestic and international channels had been introduced in some industrialised Asian countries such as Hong Kong, Taiwan and Korea (ibid.: 526-527).

With the advent of the global trend of media commercialisation, Asian governments seem to have discarded their broadcasting monopoly policies with little resistance and permitted the introduction of new commercial channels. The deregulation of television broadcasts in most Asian countries led to the rapid expansion of domestic broadcasting industries centred on new cable channels (Banerjee, 2002: 521). Between 1993 and 1998, the governments of Taiwan, Korea, Malaysia and Singapore permitted cable or satellite multi-channel

broadcasts. The new cable channels in Asian countries, like the Western broadcasting industries, were heavily dependent on US television programmes due to a serious lack of content and to the limitations of their own production skills, capabilities and finance. For instance, imports of foreign broadcast programmes by the Korean broadcasting industry increased from US\$30.5 million in 1994 to US\$42.8 million in 1995, the year that 21 cable channels began to broadcast, which was an increase of 40.3 per cent in only a year (KOCCA, 2009b: 14). The cable industry in Taiwan, where the Cable Television Law was enacted in 1993, has also relied more on imported programmes. The share of foreign programmes shown on Taiwanese entertainment and information channels increased to 70 per cent in the mid 1990s (Hong and Hsu, 1999: 231).

However, the processes of broadcasting deregulation and commercialisation, along with the rapid proliferation of 'West-centric' US broadcasting content in Asia, provoked different responses from Asian governments. Media marketisation appears to have stimulated not only the internationalisation of Asian broadcasting industries, but also, through Western programme broadcasts, audiences' desire for more political democratisation. Recognising this changing atmosphere, most Asian governments which maintained a political monopoly system urgently intervened in their broadcasting industries in order to cut off domestic audiences' perception of their countries' less democratic circumstances when compared to Western countries.

Lee Kuan Yew, the Prime Minister of Singapore, addressing the Asian Media Conference in November 1998, said that it was necessary to limit the unrestricted inflow of Western media in Asia in order to 'preserve and retain the fundamental values of Asian society'. (Lee, 1998; cited by Chadha & Kavoori, 2000: 417) This attitude has also been noted in other Asian political leaders and the Association of South East Asian Nations (henceforth ASEAN) issued a statement 'expressing the need to formalise a united response to the phenomenon of cultural globalisation, in order to protect and advance cherished Asian values and traditions which are being threatened by the proliferation of Western media content'. (Coates, 1998; cited by Chadha and Kavoori, 2000: 417) Therefore, Asian governments have justified the reinforcing of cultural protectionism policies against foreign programmes imports. With the setting of a new quota system limiting the broadcasting time of foreign programmes, they have attempted to promote domestic broadcasting industries in order to minimise in various ways the importing of foreign programmes (Chadha and Kavoori, 2000: 418).

By the late 1990s, the governments of Hong Kong, Singapore, Malaysia, Korea, Vietnam and Taiwan had set up similar protection-oriented quota policies. The Taiwanese government regulations stated that nationally-produced programmes should comprise no less than 70 per cent of all television content. The Korean, Vietnamese and Malaysian governments also limited the maximum broadcasting time of foreign programmes on terrestrial television stations to 20 per cent of total broadcasting hours. The revised media law of Hong Kong limited the foreign capital stock which could be purchased by broadcasting companies. Meanwhile, the Chinese, Indonesian and Indian governments also implemented strengthened gate-keeping policies to restrict the inflow of foreign broadcast programmes into their countries (Hong and Hsu, 1999: 233-234; Chadha and Kavoori, 2000: 419-421). All of the latter show the revival of broadcasting industry protection policies in Asia. Indeed, as Hamelink points out, the concept of deregulation is 'somewhat misleading because in fact deregulation tends to mean re-regulation and often leads to more rather than fewer rules'. (1997: 97; cited by Hong and Hsu, 1999: 233)

As a consequence of this re-regulation, on the one hand, US television programmes were significantly less visible and not able to compete with their domestic counterparts. On the other hand, the re-regulation strategies of Asian governments effectively encouraged domestic television production and led to a proliferation of domestic or regional television productions (Chadha and Kavoori, 2000: 421). That is to say, this variety of gate-keeping policies on the part of every Asian government seems to have unintentionally fostered domestic production industries. When broadcasting industries did not have the optimal conditions or the finance to produce their own domestic content, it is highly probable that they imported other Asian programmes rather than Western programmes. Consequently, the share of regional productions in the Asian broadcasting market began to increase. In the late 1990s, almost 90 per cent of top 20 programme lists were occupied by domestic or regional programmes in the majority of Asian countries (*ibid.*: 423).

This phenomenon may be seen as a result not only of government re-regulation, but also of audiences' preference for Asian programmes based on geo-linguistic affinities and other similarities. Banerjee claims that audiences have become a key factor in television programme decisions in commercialised broadcasting contexts (2002: 531). Interestingly, Asian audiences may have shown clear preferences for Asian programmes over Western programmes in more commercialised broadcasting environments. For instance, Star TV in Hong Kong, which started broadcasting in 1991, mainly broadcast Western products in the

early stages, but soon began to increase its broadcasting of programmes produced in Hong Kong or other Chinese territories, and almost all foreign language programmes were dubbed rather than sub-titled, in order to cater to the tastes of audiences (ibid.: 533-534). Moreover, the new cable channel or satellite services in Singapore and Malaysia which were launched in the early 1990s mostly broadcast domestically produced programmes (Chadha and Kavoori, 2000: 422-423).²⁶ This specific condition, in conjunction with the active intervention of Asian governments, discouraged transnational Western media companies from entering the Asian broadcasting market, but encouraged small domestic and regional programme productions.

The specific cultural nationalism of Asia

This specific reaction of the Asian countries against the popularity of Western broadcast programmes implies that the inflow of Western broadcast content since the early 1990s may well have brought about the juxtaposition of cultural nationalism and globalisation in these countries. It is probable that the Asian countries, which shared the experiences of colonisation in the early 20th century, have regarded the inflow of Western broadcast content as another threat from the Western world. In other words, the import of Western broadcast programmes tends to have acquired a greater significance for these Asian countries because of its resonance with 'issues of cultural decolonisation'. (Murray, 1997: 9)

Nationalism has been generally defined as the central factor leading a nation 'to achieve coherence within a nation state'. (Murray, 1997: 3) In the academic discussion of nationalism and national identity, it is worth noting that 'culture' has taken a significant position in the formation of nationalism. Gellner claims that the nation is a kind of invention which 'can be defined only in terms of the age of nationalism'. (1983: 55) He argues that 'general social conditions make for standardised, homogenous, centrally *sustained high cultures*, pervading entire populations and not just an elite minority' in the age of nationalism (ibid.; emphasis added). In this sense, Gellner regards cultures as the 'natural repositories of political legitimacy' and states that under these conditions nations can be defined in terms of both culture and political unity (ibid.: 56).

²⁶ Regarding this situation, *Variety's* interview with Ken Lemberger of Columbia TriStar Pictures in February 1998 is worth quoting. According to Lemberger, 'local television production has become far more popular in Asia over the last several years and the market for local language and local culture programmes will grow substantially over the next ten to twenty years'.

Anderson maintains the idea that the start of the nation was conceived more in language than in blood and that this conception has been strengthened by national culture on the basis of linguistic texts such as national anthems or literature. Anderson, like Gellner, regards nationalism as a kind of 'imaginative power' to strengthen the fellowship among national citizens (1983: 153). He claims that throughout history nationalism has been the product of people's imagination, but that the inspiration for this 'invented' notion is strong enough to gain people's self-sacrificing love. Thus, according to Anderson, nationalism is a kind of historical concept which was created in order to confirm the existence of nations, creating an imagined community (ibid.: 141, 145-146). Anderson summarises the imaginary notion of nations as follows: 'through that language, pasts are restored, fellowships are imagined, and futures dreamed'. (ibid.: 154)

The significant points gleaned through an analysis of the work of Gellner and Anderson are that nationalism has been regarded as a historical fatality, and secondly that the roots of nationalism are generally based on linguistic homogeneity. In this respect, it is inevitable that traditional cultures or, more precisely the folklore cultures which were produced and inherited by local micro-groups on the basis of linguistic homogeneity, emerged as a crucial constituent in securing the concept of nationalism, as well as in strengthening 'nation-ness' among their national citizens (Gellner, 1983: 56-57). In particular, traditional culture can be seen as an effective tool for confirming and promoting nation-ness in newly independent countries.

The tendency to use traditional culture as a tool for unifying people with various class backgrounds, levels of intelligence, economic conditions and ideologies could be seen in many post-colonial Asian countries after the collapse of Japanese colonisation in 1945. Desai argues that cultural nationalism is 'arguably stronger' in Asia, which suggests that cultural nationalism in Asia tends to have originated and developed through resistance to formal colonialism or foreign domination, rather than because Asian cultures had any particular affinity for it (2004: 82). Desai claims that Asia's new authoritarian cultural nationalisms tend to be opposed to the 'civic' nationalisms of the Western world favoured by liberal capitalist democracies. Instead, Asian cultural nationalism has developed along with 'the political need to manage the increasing inequalities of contemporary capitalism'. (ibid.: 84) In this historical context, Asian cultural nationalisms seem to have had rather 'anti-democratic implications'. (ibid.: 82) .

Indeed, in the processes of national restoration in most Asian countries after the Second World War, the formal ideological reconstruction programmes seem inevitably to have depended on the re-discovery of the supremacy of the pre-colonial cultural heritage. Apparently, during the post-colonial reconstruction and reproduction of traditional culture as a high culture which deserved to be protected by states, there may well have been a hidden political intention to secure the position of the limited ruling class, which hoped to continue autocratic regimes similar to those of their colonial predecessors. That is, the cultural nationalism agenda inspired Asian people with hope ‘for a continuation of the struggle for national self-determination through development’ (Desai, 2004: 86), but, simultaneously, cultural nationalism seems to have been used to justify the repressive rule of most Asian governments.²⁷

In short, cultural nationalism, which collectively regenerates a community’s cultural resources, can be used to confirm and reinforce political nationalism. It is significant that this mutual relationship between political and cultural nationalisms has frequently been found in newly independent countries. Cultural repertoires established long before colonisation, such as myths or symbols, are collectively and deliberately revived and developed by the state in order to mobilise people to engage passionately in the regeneration process of the nation (Hutchinson, 2000: 661; Smith, 2001: 77). Indeed, it is clear that ‘culture’ and ‘identity’, which bore little relation to one another before modernisation, were used to ‘furnish bases for subsequent nations’ (Smith, 2011: 79). Specifically, in the post-war process of nation-building and the resulting freedom from colonial constraints, a strong sense of nationalism was required in order to ensure that Asians remained obedient to their own governments. ‘National culture’ has been the notion used to secure the position of the ruling class, as well as to give coherence to diverse classes in most post-colonial Asian countries (Desai, 2008: 663).

The outcome of globalisation since the late 1980s has evidently favoured market-driven policies over the state-driven policies which Asian governments had consistently pursued. This may be seen as the disintegration of the nation-state, but cultural nationalism has in effect re-emerged. Asian countries have reinstated the importance of traditional culture, which may well have been ignored during the period of rapid economic growth. For

²⁷ For instance, Confucianism emphasises the innate supremacy of king, teacher and father and the absolute loyalty and obedience of people, students and other family members to them. Desai claims that Asian governments ‘reproduced the “national culture” within the hierarchies and the corresponding state practices’ which they needed (2004: 91).

instance, there was a tendency in both Japan and China in the 1990s to return to their traditional discourse of *Nihonjinron* or Confucian values (Desai, 2008; 423). Hein demonstrates that the Japanese debated ‘whether to embrace cultural transformation or limit it, and how to approach the international world in the economic downturn in the 1990s’. (2008: 459) There have even been individual differences, wherein most Asian countries, faced with the inflow of Western broadcasting content, seem to have emphasised traditional cultural values within the frame of national cultural identity.

Thus, although the media marketisation process has taken place at almost the same time in Western and Asian countries, the increase in US broadcasting content in Asian channels has clearly provoked different reactions in both Asian governments and Asian audiences, which has led to integrated resistance based on cultural nationalism. This resistance has had two implications. First, media marketisation in Asia carries more political weight than in the West. In principle, ‘states have always viewed broadcasting as a powerful mechanism of political and cultural control and have consequently developed extensive policy frameworks to regulate both its internal as well as its external flows’. (Schudson, 1994; cited in Chadha and Kavoori, 2000: 418) Particularly, the authoritarian governments of most Asian countries, which wanted to maintain political control over society, have been concerned that social and political democratisation would be advocated by their citizens, because the structural changes in the media industry that resulted from deregulation would be more radical and their effects more extensive than governments had expected. In this context, it is hardly surprising that Asian governments urgently adopted a variety of gate-keeping policies in order to restrict the media inflow from more democratised Western states. As Hong and Hsu state, media marketisation has had different impacts and implications in Asia because ‘political liberalisation, technology advancement and media commercialisation are closely bound together’. (1999: 239)

Secondly, Asian audiences’ preference for regional broadcasting products implies that there still exists a profound difference between Western and Asian cultural identities, as has been analysed in cultural proximity accounts. Asian audiences, mainly comprised of educated young people living in urban areas, have been accustomed to US cultural products such as pop music and Hollywood films. Nonetheless, many of these audiences tend to choose domestic or regional broadcasts rather than their Western counterparts, and this trend has led to an increase in the importing of programmes from other Asian countries which have conditions conducive to exporting their broadcasting products. Regarding this preference,

Iwabuchi argues that ‘Asian audiences have found resonance in other Asian cultures in terms of ways of being modern in the East Asian context, and not simply responded to Western modernity’. (Iwabuchi, 2008: 154)²⁸

It has been seen that increasing marketisation in Asian broadcasting industries has resulted in various problematic trends. First, the rapid growth of broadcasting commercialisation with little attention to media diversity has resulted across Asia in numerical plurality rather than genuine diversity of programme genre and formats. Competition among increasing numbers of commercial channels for limited advertising revenues and audiences has intensified. Secondly, despite the growth of the broadcasting industries, there seems to have been in most Asian countries no significant reduction in the influence of the state over broadcasting. As a consequence, on commercial channels only the number of entertainment programmes tends to have increased, partially due to advertising revenues and partially due to the government control which was intended to distract audiences’ attention from political or social problems (Chadha and Kavoori, 2000: 428).

Obviously, the dominance of entertainment programmes across Asian broadcasting industries, especially in the newly opened cable channels, may not be seen as a positive phenomenon in terms of the diversification of the broadcasting environment. However, the emphasis on entertainment programmes on Asian cable channels seems to have had a somewhat positive effect on the Korean dramas appearing on these channels since the mid 1990s.

Conclusion

With the growing complexities of the international broadcast programme trade, there has been an awareness of how broadcasting industries have radically changed, becoming more commercialised and internationalised since the late 1980s. This chapter has investigated the diverse theoretical approaches associated with the recent increase in the international television programme trade and examined how broadcasting policies have stimulated or limited this international flow in terms of the circumstances of individual governments. With the advent of media marketisation trends, it is clear that the technical development

²⁸ In this respect, Iwabuchi argues that the notion of ‘cultural proximity’ risks over-emphasising the existence of cultural similarities and simplifying the present phenomenon of the Asian broadcasting environment (2008: 154).

and deregulation policies affecting broadcasting industries have positively and profoundly embraced the expansion of these industries on a global scale, which has eventually led to the increase in international programme trade. Although this trend has not seriously threatened the predominant position of US programmes on the international television market, it is notable that more a multi-directional programme trade has appeared, especially among some peripheral countries.

Various theoretical accounts using concepts such as globalisation, glocalisation, cultural proximity and marketisation have been suggested in order to explain these changes in the broadcasting industry. It is obvious that the phenomenon of the international programme trade is too diverse, uneven and complex to be explained by a single theory or concept. However, if discussion is limited to the unique regionalisation of the Asian broadcasting market, the cultural nationalism account may well be the most helpful in terms of explaining the recent changes in the field. In other words, it is likely that cultural nationalism, generated in order to underpin the authoritarian rule and government-driven development policies in the nation-building process of most post-colonial Asian countries, has revitalised and played a decisive role in bringing about the unique regionalisation of Asian broadcasting industries in the 1990s. The authoritarian governments of most Asian countries have succeeded in establishing barriers to the flow of media democratisation, and under these circumstances increasing numbers of Asian programme productions have found a new and favourable regional market.

Indeed, the traditional notion that the broadcasting industry is a limited public service has been significantly weakened with the advent of media marketisation; the industry has been regarded as one of most profitable businesses in most countries, and, given these circumstances, the tight broadcasting industry regulations could not be sustained. The emergence of multiple trans-border channels and the entry of large transnational media corporations into the broadcasting industry have accelerated this deregulation trend on a global scale.

The media marketisation processes in Asian countries, however, have exhibited different paths from those of Western countries. Whereas media deregulation and commercialisation have brought about a more internationalised atmosphere in the broadcasting industries of every Asian country, the Asian broadcasting market has remained adverse to the Western transnational media corporations, mainly due to the tendency of Asian governments to

consider the popularity of Western television programmes on their newly established cable channels as a threat to their indigenous cultural and political identities.

On the face of it, Asian governments have been concerned that there could be a negative impact on their national identities, based on traditional cultural values like Confucianism, from the inflow of Western programmes. But in fact they also seem to have feared even more that a desire for more democratisation, encouraged by the penetration of popular Western programmes, would be disseminated throughout their societies. Thus, Asian governments began to reorganise gate-keeping policies against Western programmes and support their domestic broadcasting industries. In short, the marketisation of the Asian media has become differentiated in terms of the specific political and cultural conditions of Asian countries, and this has had significant long-term implications for the development of regional broadcasting industries. In this context, it is likely that television has been more integrally and historically linked to state discourse and cultural identities in Asian countries than in Western countries, as Banerjee demonstrates (2002: 524).

Interestingly, this unique regionalisation of Asian broadcasting industries has efficaciously fostered regional television production by promoting the production capacities of broadcasting industries in several industrialised Asian countries. As a consequence, it seems that this regionalisation of the Asian broadcasting industries, which has discouraged Western programmes but relatively favoured regional broadcasting content, inadvertently paved the way for the entry of Korean dramas into neighbouring markets in the late 1990s.

From this perspective, understanding the internationalisation of television programmes following government deregulation policies and the differentiated regionalisation of the Asian broadcasting industries is highly important in terms of gaining a clearer map for investigating the rapid penetration of Korean dramas into the Asian market. However, theoretical debates in this field tend to have ignored this, because almost all studies related to the Korean Wave have been mainly concerned with cultural affinities between Korean broadcasting content and Asian audiences.²⁹

Needless to say, the issue of cultural proximity is one of the crucial factors in the rapid penetration of Korean dramas into the Asian broadcasting market, but, as this chapter has

²⁹ Interview with media critic and researcher Joo Chang-yun 6th July 2010 in Seoul, Korea. Joo, a professor in the Media Studies Department of Seoul Womens' University, has written drama and broadcast programme reviews for the Korean press.

shown, the cultural proximity account at best explains only partially how Asian broadcasting industries have had a particular preference for regional content, including Korean dramas. As for the regionalisation of the Asian broadcasting industries, re-regulation policies based on the specific cultural nationalism of Asian governments seem to have played a more decisive role in defining the preference for regional programmes. In this context, it is likely that television has remained one of the major national political issues in most Asian countries even after the advent of the multi-media era.

Chapter Three: The Korean Television Industry and Government Policies

In order to understand properly the upsurge in exports of Korean dramas to Asian markets, it is essential to investigate domestic factors, especially in describing the specific characteristics of the Korean broadcasting industry and related policies. This chapter offers an overview of the main features of the Korean television industry with a historical perspective. It explores how the Korean television industry was formed and how it developed along with the growth of the drama industry, mainly due to loyal reception by domestic audiences. In addition, this chapter analyses which sectors of Korean state and society have been major determinants in the prosperity of the television industry.

Research on the history of television is particularly challenging, since television is ‘multi-faceted and connected to a whole set of contested issues’. (Corner, 2003: 273) It is evident that there are many complex, interrelated factors which have affected the development of the television industry, and analysing all of these factors is beyond the scope of this thesis. Consequently, it is necessary to isolate the sectors which have played the most important roles in influencing the history of the industry. This chapter attempts to outline the general scope of the Korean television industry, highlighting three main determinants: the government, economic conditions, and the evolution of technology.

First, the Korean government more or less controlled the broadcasting industry until the early 1990s. Because of the unique character of television, broadcasting companies were virtually run by the government, strategically and aggressively (Cho, 2008: 224). As described in Chapter 1, Korea has remained in a record-length state of ceasefire with North Korea since 1953, and this unstable military situation led to thirty years of dictatorship by two military governments lasting until 1992. In this politically repressive period, the Korean Broadcasting System (henceforth KBS), the first terrestrial television station in Korea, was founded by the Park Chung-hee Regime (1961-1979) as the state-run broadcasting station (Chung and Chang, 2000: 32-33). As Schlesinger underlines, ‘a national institution is endemically highly sensitive to ideological change’. (2010: 272) Under the autocratic rule of the Park administration, KBS was from the start virtually

controlled by the government. The implications of this close, but subordinate relation of KBS to the government will be discussed further in Chapter 7 as well as in this chapter.

Secondly, economic factors have had an increasing influence on the Korean television industry since the early 1990s. As seen in Chapter 2, along with the expansion of world capitalism, there has been consistent pressure on the global media industries to commercialise their public broadcasting systems (Straubhaar, 1991: 42). This was visible first in Korea with the opening in 1991 of the Seoul Broadcasting Station (henceforth SBS), which is the first commercialised terrestrial broadcasting company since the forcible merger of all broadcasting stations into the two PSBs - *de facto* state-run broadcasters - by the second military government in 1980. With the appearance of SBS, the second military government gradually lost its power and the Kim Young-sam regime (1993-1997), the first civilian government since the military coup by General Park Chung-hee in 1961, gained state power through the general election held in December 1992. During the Kim regime, the commercialism of the Korean television industry grew beyond the limits originally predicted, and culminated in the financial crisis across Asia in the late 1990s. Thus, it seems necessary to place analytical emphasis on the economic changes in Korea and their effect on the television industry.

Finally, technical evolution is the third factor which has influenced the expansion of the Korean television industry. Similarly to the global trend, the rapid development of broadcasting and telecommunication technology has enabled the rapid increase in the number of television channels in the Korean broadcasting industry. The increasing number of television channels, starting with the opening of 21 cable channels in March 1995, reached a maximum of 272 channels in March 2011 (Korea Communications Commission, henceforth KCC, 2011: 37). Clearly, since the 1990s the Korean broadcasting industry has entered a multi-channel television era, marked by intense competition. The transition from analogue to digital transmission enabled broadcasters to compete with the internet as an additional platform for television programming. These rapid technical developments have encouraged the Korean broadcasting industry to diversify its production, distribution and consumption of broadcasting content, which has in turn attracted more fragmented audiences.

The last part of this chapter investigates the cultural and broadcasting policies of Korea in the early 1990s. In general, the Kim Dae-jung regime (1998-2002) has been acknowledged

as having developed the first substantial cultural policies to recognise the potential of the cultural industries as a source of competitive content in the international market. Under the Kim Dae-jung regime, there was a profound shift in cultural policies towards support for the cultural industries in the spirit of political and social democratisation, which stimulated production and eventually led to the initial exports of Korean television programmes. Even before the Kim regime, however, the Korean government seems to have recognised the potential of the audiovisual industries as a key sector in the national economy and had begun to foster their expansion. This chapter explores the emergence of the new policies of the Korean government in the early 1990s of support for the audiovisual industries and analyses the extent to which these policies led to epochal changes in the Korean broadcasting industry.

The television Industry in Korea

The history of Korean broadcasting stations

From an overview of Korean television history, it is not difficult to see that the state has been the most influential factor ever since the initial stage of the television industry. Although newspapers in Korea were mainly financed by private capital, the Korean television industry began and developed as a particular kind of public broadcasting (Cho, 2008: 27). Barnouw characterises the development of both commercial and non-commercial broadcasting as ‘piecemeal and industry-driven’; that is, a public broadcasting corporation is a product both of free enterprise forces and of government intervention in the broadcasting market (1966; cited by Lashley, 1992: 16). This is a particularly common situation in the Third World countries where television remains primarily a national phenomenon and is watched via a national system (Straubhaar, 2001: 134).

As Straubhaar points out, the Korean television broadcasting industry has, since its public opening, not been able to escape from political interference. Although there was a trial of privately broadcast television programmes, the opening of KBS in December 1961 is considered to be the real start of terrestrial television in Korea.³⁰ It is a noteworthy point

³⁰ Before the opening of KBS, HLKZ-TV opened on 12 May 1956 as a private television station. However HLKZ-TV shut down its broadcasts in February 1959 due to a fire in the station building, and finally closed in October 1960 (Chung and Chang, 2000: 27). Because HLTZ-TV seems not to have had any specific

that the opening of KBS occurred during the first military government. When General Park Chung-hee gained state power through a military coup on 16 May 1961, the only television broadcasting station in Korea was the American Armed Forces Network (henceforth AFN); the US Army stationed in Korea established their terrestrial channel after the armistice in 1953 (Kim, J., 2007: 101).³¹ The military government hastened to open a state-run broadcasting station to promote its message and consolidate its power, so KBS started television broadcasts on 31 December 1961, only seven months after the military coup (Lee and Youn, 1995: 57). This implies that the military government recognised the great potential of television to control society and promote governmental ideologies. KBS's broadcasting aims, to 'cure the sick minds of citizens' and to 'display an image of the recovering nation', definitely show what the military government expected of the first television station (Chung and Chang, 2000: 32).

KBS broadcast for four hours each day, including an early drama. At that time, there were only around 13,000 television sets in the whole nation (Chung and Chang, 2000: 27). From December 1961 to December 1964, before the second broadcasting station, Tongyang Broadcasting Corporation (henceforth TBC),³² was established, there was only one government TV station in Korea. Due to poorly equipped programme facilities and inadequate resources, programmers depended heavily on foreign content, mostly US programmes (ibid.: 42).

From 1965 to August 1969, the state-run television station KBS and the commercial television station TBC co-existed. In August 1969, another commercial television station, Munhwa Broadcasting Corporation (henceforth MBC)³³ started broadcasting. With the establishment of MBC, the Korean television industry was structured as one state-run broadcaster and two commercial stations. This situation continued until December 1980, and each television station was characterised by the integration of programme production, broadcasting, distribution and exhibition stages. This means that there was no independent programme production and the programmes were produced exclusively by the broadcasting stations. With the exception of imported programmes and government

influence, this thesis takes the official opening of KBS as the substantial beginning of Korean television history.

³¹ All programmes on AFN were broadcast in English and viewers, other than US troops, were limited to a small fraction of the Korean elite who were able to understand English. As a result, the influence of AFN on ordinary audiences was very limited.

³² *Tongyang* means 'East' in Korean.

³³ *Munhwa* means 'culture' in Korean.

programmes, all broadcast programmes were self-produced by the network (Ihn, 1989; cited by Lee and Youn, 1995: 58)

As mentioned in Chapter 1, the Park regime regarded broadcasting as a means of reinforcing national identity and assuring a supportive political climate. The Park regime openly introduced censorship through an amendment to the Broadcasting Act in 1973, just after the proclamation of the *Yushin* Constitution which justified Park's unconditional dictatorship. This censorship measure prohibited the broadcasting of what the regime perceived as 'negative' scenes, such as the depiction of tragic historical facts in historical dramas and immoral conduct in melodramas. It also controlled the context of broadcast programmes and the visual details of broadcasters.³⁴ Moreover, all broadcasting stations were forced to make 'cultivated' or 'educational' programmes more than 30 per cent of all their output and to reduce the number of daily dramas - the government insisted that many daily dramas encouraged conflict with family values or portrayed immoral conduct (Chung and Chang, 2000: 106-107). It is likely that the Park regime may have used this strict censorship to control broadcasting content in order to limit the exposure of domestic audiences to democratic values and topics. As a result of this direct control from the government, the themes of Korean dramas were limited to 'positive' ones such as the harmony of the extended family or the patriotic achievements of great leaders in Korean history.³⁵

Park's 18-year military government unexpectedly terminated in October 1979 with his assassination. Soon after Park's assassination, in the political void, the second military coup took place on 12 December 1979. General Chun Doo-whan, who led the second coup, became president through an indirect election in December 1980. The second military government was far more actively interventionist in the media, especially in the television industry. Shortly after its advent, the television industry was forced by the government to fundamentally restructure through the so-called 'Mass Media Reorganisation'. During this restructuring, all television stations except KBS were forced to merge. TBC was forcibly merged into KBS, and Channel 7, which had been used by TBC, became the new KBS2 channel. Although MBC survived, KBS became its major owner, having purchased 70 per cent of MBC's stocks. The substantial monopoly by KBS continued until SBS, a new

³⁴ For example, the exposure on television of the actors who dye hair or wear a short skirt was prohibited by the government.

³⁵ Interview with Kim Seung-soo, a former chief drama producer of MBC, 21st July 2010 in Seoul, Korea.

commercial competitor, entered the broadcasting scene in December 1991 (Lee and Youn, 1995: 58-59).

From 1980 to 1991, a duopoly of KBS and MBC was maintained. Having no competition, these two companies divided the advertising market between them. As the military power of the government weakened, it licensed SBS, a commercial television company, which began its service on 9th December 1991. Moreover, eight other local television stations were launched throughout the nation from 1995 to 1997. A cable television service was also inaugurated in 1995 (Park et al., 2000: 117). With the opening of the commercial broadcasting station, the power relationship between the government and television stations became progressively decentralised, and consequently the Korean television industry faced a new era of intense competition.

Since the work of Steiner (1952), many researchers such as Backe (1978) and Auh (1983) have argued and demonstrated that competition among broadcasting stations is the major factor in the decrease in programme diversity (Lee and Youn, 1995: 54-55). According to Lee and Youn, the diversity of Korean television programmes has also decreased since 1987 (ibid.: 65). Since the establishment of SBS, the three broadcasting stations have tended to focus on gaining better viewing rates for prime-time news. This has been connected to competition for viewers of dramas as well, because the high viewing rate for drama broadcasts before or after news programmes has helped news programmes to keep their viewing rates high (Chung and Chang, 2000: 279). Accordingly, the intensifying competition in dramas became a typical situation in the Korean broadcasting industry from the early 1990s onwards.

Park, Kim and Sohn analyse this competitive landscape of the Korean broadcasting industry's drama production from another perspective. Although they criticise the increasing competition among broadcasting companies, their observation is worth quoting:

Korean broadcasting was maintained by just a small number of nationwide networks. This made it difficult for Koreans to develop diverse local and class cultures. The intense competition for viewing rates and absence of distinctive features between channels produced a *supply of similar programmes*, which

ultimately caused the overall homogenisation of culture. (2000: 11; emphasis added)³⁶

In addition, the economic crisis in Asia in the late 1990s led each television station to become more competitive for viewers. Korea faced severe financial crisis in the autumn of 1997, often described as the ‘IMF crisis’, as mentioned in Chapter 1. The financial crisis dealt a severe blow to the broadcast advertising market. The total value of broadcast advertising (including television, radio and cable television) decreased from US\$1.5 billion in 1997 to US\$1.01 billion in 1998, a 35 per cent drop (Korean Broadcasting Institute, henceforth KBI, 2001: 65). In order to support the broadcasting industry in the crisis, the Kim Dae-jung regime, which took power in February 1998, abolished the Ministry of Information (henceforth MOI), which had functioned as the formal actor in media control since the Park regime. The Kim regime also weakened almost all government control over broadcasting content, abolishing all preview censorship and introducing a self-regulation system for each broadcaster (Kim and Hong, 2001: 86-87).

The financial crisis signified that ‘governing the market’ could not remain the recipe for future growth in all industries. This implies that the broadcasting industry also needed to become more profit-oriented, rather than obsessively following government decisions. After these changes were implemented, although not all government intervention vanished, government intervention in the broadcasting industry was significantly weakened. The Kim regime’s deregulation of the broadcasting industry and its influence on the industry will be discussed further in Chapter 5.

Finally, the new technology has led to a large expansion of the broadcasting market and the emergence of active audiences. In March 1995, the new Korean cable television system started to broadcast on 21 cable channels in eight large cities simultaneously. Since that first launch of the cable channels, more and more channels have been authorised. In 1998, 77 cable stations were operating nationwide, with a total of 820,000 subscribers (Bae and Baldwin, 1998: 371). Meanwhile, the satellite television business was expected to have a marked effect on related industries, including the manufacturing of television sets, infrastructure and content service provider industries. Three broadcasting satellites,

³⁶ Park et al. do not mention dramas as programmes which are over-supplied. However, the statistics on results of several broadcast programmes clearly show that the most popular genre in the Korean television industry has always been drama.

launched in 1995, 1996 and 1999, were able to carry more than 150 channels (Kim and Hong, 2001: 83). In 2002, *SkyLife* (the former Korea Digital Satellite Broadcasting) launched the first commercial digital television broadcasting service in Korea and around one year later started regular service. Dozens of companies, including Korea Telecom, KBS and other terrestrial broadcasters, participated in the *SkyLife* consortium as major shareholders (Kim, J., 2007: 112-113).

The convergence of broadcasting and telecommunications due to digital telecommunications technology has become a global issue. In particular, the widespread use of mobile phones and broadband internet infrastructure brought Korea into a new era of digital convergence.³⁷ On 1 May 2005, the first digital multimedia broadcasting (DMB), a technology sending multimedia and datacasting to mobile devices such as mobile phones all over the world, officially started in Korea (Shim, 2008: 23). DMB has allowed audiences to enjoy television programmes without being limited by time or location. Using high-speed telecommunications lines, the broadcasting industry can provide individual viewers with a wide variety of content.

The important point is that these technical developments have led to the discovery of more active and diversified audiences. Curran analyses how the stable and controlled media landscape was transformed in the 1980s and 1990s ‘by the diffusion of new communications technologies, such as fibre-optic cables, high powered satellite, digitalisation, personal computers and the internet’. (Curran, 2002: 228) These factors offered new communication methods to audiences. It seemed as if ‘the era of oligopolistic market control would be ended, and the consumer would be greatly empowered’. (ibid.)

Overall, the Korean broadcasting industry grew steadily under strong control by the government from the official opening of KBS in 1961 to the end of the second military government in 1992. In that period, the Korean broadcasting industry remained within the confines of public broadcasting stations, and the conception of a commercial broadcasting industry was extremely limited. After the end of the second military government, the Korean broadcasting industry became diversified and more profit-oriented under the influence of the global broadcasting marketisation trend and the development of media technology.

³⁷ According to the OECD, the rate of access to the internet per household in Korea was up to 95.9 per cent in 2009, which is the highest rate in the world (OECD, 2010).

As stated in Chapter 2, the marketisation of the media in the 1990s seems to have been a worldwide trend. In Korea, there seems to have been another factor which impacted on both the broadcasting industry and its audiences. The IMF crisis resulted in the Korean broadcasting industry becoming more commercialised. With commercialisation and technical development, the Korean broadcasting industry seems to have broken its close, but subordinate relationship with political power and embraced media commercialisation. This study now turns to an examination of the current Korean broadcasting industry and its structure.

The structure of the Korean broadcasting industry

As a result of steady growth in the last half century, the volume of the Korean television industry has increased every year. According to the Korean broadcasting industry survey conducted by the KCC, the total sales of the Korean broadcasting industry were up to US\$14.6 billion by the end of 2010 (KCC, 2011: 3).³⁸ The number of terrestrial television companies is now 33, which includes 11 local terrestrial television companies, 19 local subsidiaries of MBC, and EBS, an education television station managed by the Ministry of Education, Science and Technology.³⁹ These terrestrial television companies are divided into public and commercial stations. 22 companies, including KBS, MBC, 19 local subsidiaries of MBC, and EBS are categorised as public stations and the remaining 11 companies, including SBS, are categorised as commercial companies (ibid.: 17).

It is noteworthy that MBC and KBS have been classified as public stations. In the case of KBS, it was designated a public organisation by the Korean Broadcasting Law, Act 4.⁴⁰ According to this law, KBS capital is wholly owned by the government. It receives public funding from the government and collects licence fees from domestic audiences. The KBS annual report in 2007 recorded that around 37.8 per cent of its revenue came from a mandatory licence fee, while 47.6 per cent of the revenue came from commercial advertisement sales.⁴¹ For national or governmental programmes such as the international radio service (KBS World Radio) and the radio service for physically disabled people,

³⁸ It includes radio and DMB broadcasting.

³⁹ This survey categorises SBS as one of the local terrestrial television companies.

⁴⁰ Website of the Ministry of Government Legislation, <http://www.law.go.kr/LSW/lsSc.do?mouseY=0&menuId=0&p1=&subMenu=1&searchChk=2&lawSearchName=LicLs%2C0&query=%EB%B0%A9%EC%86%A1%EB%B2%95#liBgcolor0> (accessed 18th September 2012).

⁴¹ The monthly KBS licence fee was around US\$2.3 per household in 2012.

KBS receives public funds from the government. KBS has three nationwide channels, four DMB channels and seven radio channels.⁴²

The chief organ of KBS is the board of directors. The broadcasting law stipulates that KBS should be managed independently. Broadcasting Law Act 4, Article 48 declares that a political party member cannot be elected as director of the KBS board. However, this provision includes an obvious contradiction, because the Broadcasting Law also stipulates that the director should be recommended by the KCC, which is a government organisation under the direction of the president of Korea⁴³ and whose members are appointed by the president of Korea. The president of KBS is also appointed by the president of Korea, on the recommendation of the board of directors. As a result, both the president and the board of directors of KBS are appointed by the government. This structure implies that KBS has remained under the direct influence of the government despite its so-called independent status.

The position of MBC is more obscure than that of KBS. The official owner of MBC is the Foundation for Broadcast Culture (henceforth FBC), a public foundation, which owns 70 per cent of the company's stocks. MBC receives no government subsidies and derives its income almost entirely from regular commercial advertising. MBC has 19 local stations and 16 subsidiary television channels, five cables, four satellites, five DMB and two DMB satellites.⁴⁴

As mentioned above, MBC started as a private broadcasting station in 1969 and maintained that position until 1980. In 1980, the Chun regime forced MBC to give 70 per cent of its stock to KBS, which changed the official status of MBC to that of a PSB. During the democratic reform of the late 1980s, the National Assembly of Korea established the FBC in December 1988 in order to insulate MBC from political influence. Since then, the FBC, as the highest organ and the largest shareholder of MBC, has had the right to appoint and dismiss its president. Interestingly enough, every member of the FBC is appointed by the KCC, similarly to the board of directors of KBS. This indicates that MBC is also not free

⁴² KBS official website, <http://www.kbs.co.kr>.

⁴³ The Law for the Foundation and Management of the Foundation for Broadcast Culture, Article 8867. <http://www.law.go.kr/LSW/lsSc.do?mouseY=0&menuId=0&p1=&subMenu=1&searchChk=2&lawSearchName=LicLs%2C0&query=%EB%B0%A9%EC%86%A1%EB%AC%B8%ED%99%94%EC%A7%84%ED%9D%A5%ED%9A%8C+&x=18&y=6#liBgcolor0> (accessed 18th September 2012).

⁴⁴ MBC official website, <http://www.imbc.com>

from political influence, although it is supposed to be an independent corporation.⁴⁵ Ironically, MBC has been financed by the revenue from advertisements and other related businesses such as programme exports and without government subsidies, despite its status as a public broadcasting station (Chung and Chang, 2000: 130-135).

The ambiguous position of MBC as a PSB suggests several arguments. To be fair, currently MBC does not receive government subsidies or collect licence fees, so it is closer to a private broadcasting station. In terms of programme organisation, MBC's programmes are not noticeably different from those of SBS; both focus on drama and entertainment. MBC's obscure ownership and its incomplete independence from political pressure have been the topic of continuous debate in Korean society.

SBS, the third-largest terrestrial station in Korea, was founded as the first commercial terrestrial broadcasting company after the media reorganisation of 1980. The major shareholder of SBS is SBS Mediaholdings Co., Ltd. which owns 30 per cent of its total stocks (KCC, 2009: 240). SBS is fully funded by advertising revenues (Kim, J., 2007: 111). In programme organisation, SBS tends to focus on entertainment and drama, which identifies it as a commercial television station. SBS is officially classified as a regional terrestrial broadcasting station because its broadcasting sphere is limited to Seoul and the surrounding areas. Nevertheless, this accounts for almost half of the Korean population. In addition, by providing its programmes to other regional stations newly launched in the 1990s, SBS has effectively functioned as a nationwide network like KBS and MBC (Shim, 2008: 23). SBS has two radio channels, four cable channels and one DMB channel in addition to its terrestrial channel.⁴⁶

⁴⁵ In effect, it is widely believed in Korean society that MBC has had a more pro-government viewpoint in its news programmes than KBS under the present right-wing regime.

⁴⁶ SBS official website, <http://www.sbs.co.kr>

Table 3.1 The state of the Korean broadcasting industry in 2010⁴⁷

Station	Number of Stations	Employees	Paid subscribers	Broadcasting income (US\$1,000)
Terrestrial broadcast	54	13,403	-	3,041,416
Terrestrial DMB network	19	105	-	12,083
Cable TV Network	194	5,160	15,038,895	1,614,833
Satellite TV Network	1	290	2,825,963	292,916
Satellite TV DMB network	1	116	1,850,030	101,166
Programme Providers	1,797	10,334	-	3,300,166
IPTV	3	470	3,645,866	336,916
Total	453	29,878	23,360,754	8,699,416

Source: Korean broadcasting industry survey (KCC, 2011: 3)

According to the Korean broadcasting industry survey, the revenues of the three terrestrial broadcasting stations have shown a downward trend in recent years. In 2010, KBS had revenue of US\$36.1 million, which had decreased from US\$57.7 million in 2009. While MBC made a profit of US\$81.2 million in 2010, SBS made a profit of only US\$3.1 million in the same year. The profits of SBS in particular have shown a significant decrease, from US\$19.7 million in 2009 (KCC, 2011: 25). The largest proportion of the income of the three terrestrial television stations comes from advertising, with the exception of KBS, which derives its largest revenue from licence fees, which were up to US\$474.1 million in 2010 (*ibid.*: 311). The advertising sales of KBS, MBC and SBS were US\$490.5 million, US\$437.4 million and US\$422.2 million respectively in 2010 (*ibid.*: 24). The terrestrial stations' share of television advertising has tended to decline, mainly because of the increased diversification of channels and ways of watching TV, such as cable, satellite, IPTV and DMB (*ibid.*: 24).

The weekly broadcasting time of the three terrestrial television stations ranges from 8,295 minutes for KBS1 TV to 8,360 minutes for MBC TV. A terrestrial television channel usually broadcasts for around 20 hours per day. As a general rule, daily television programmes start at 6:00 a.m. and finish at around 1:30 a.m. Table 3.2 shows that there is a

⁴⁷ The terrestrial broadcasting network includes 14 radio broadcasting stations.

noticeable difference between the programme composition of KBS 1TV and other channels, with KBS 1TV tending to focus on news and factual programmes. Among all programmes broadcast on KBS 1TV, the proportion of news and factual programmes exceeds 80 per cent. KBS 2TV also concentrates more on the broadcasting of factual programmes. Compared to the KBS channels, the programme content of MBC and SBS is somewhat similar; both channels focus on entertainment programmes (KCC, 2011: 43-44).

Table 3.2 Programme content of the three terrestrial television stations in 2010

	Annual broadcasting time and percentage					
	News		Factual		Entertainment	
	Broadcasting time	Percentage (%)	Broadcasting time	Percentage (%)	Broadcasting time	Percentage (%)
KBS1	2,338	31.8	3,858	52.5	1,158	15.7
KBS2	617	8.5	3,406	47.1	3,216	44.4
MBC	1,533	21.0	2,618	35.8	3,156	43.2
SBS	1,329	19.9	2,487	37.2	2,877	43.0

Source: Korean broadcasting industry survey (KCC, 2011:44)

The vast majority of broadcast programmes are produced by each station individually or by independent domestic programme production. The rate of imported programmes broadcast has continually decreased and in 2010 was below five per cent of all programmes on the three terrestrial television stations. In 2010, four terrestrial stations, including EBS, exported 50,973 broadcast programmes to the overseas market and imported 2,000 programmes (KCC, 2011: 50). The largest export market for Korean broadcasting content is East Asia, accounting for 74.3 per cent of the total exports of terrestrial stations. 95.3 per cent of the programmes exported by terrestrial stations in 2010 were dramas. Meanwhile, 90.8 per cent of total imports in 2010 were programmes produced in the United States. (ibid.: 51; KOCCA, 2010: 7, 11). As a general rule, the three terrestrial stations have depended relatively less on imported programmes, and imported programmes have been mainly broadcast on cable channels.

Several assumptions can be made on the basis of this overview of the Korean television industry. Firstly, MBC's ambiguous position as a PSB indicates that the Korean broadcasting industry is not entirely free from political influence, despite the outward progress it has made. Secondly, the sales profits of each terrestrial broadcaster seem to

have continually decreased, mainly due to the increase in the number of channels and the diversification of the broadcasting environment. Finally, Korean television audiences have strongly preferred their own domestic programmes and the preference for Korean television programmes has also spread among Asian audiences, no doubt due to the popularity of dramas. This study will now attempt to demonstrate how the Korean drama industry has profited from its loyal domestic audiences despite the influences of political control and economic limitations.

The drama industry in Korea

The history of Korean dramas

Almost 35 years ago, Williams predicted that the consumption of dramatised fiction had become a routine part of the everyday experience for the majority ‘because of the rhythms of everyday life built into dramas’. (1974: 4) Laing also pointed out that television drama, with its descriptions of daily experiences, the structure, themes and emotions found in the main genre of drama, derived from earlier forms such as theatre or the novel (1991: 160). In this respect, Thornham and Purvis attempt to isolate the strong points of television drama from its structure:

Television drama provides a continuous update, a perpetual return to the present, unlike films which give a single story in compressed time. It indicates that drama’s format, situations, places and characters all remain the same, providing a constant background for the updated events of the week (or day). This structure assumes dramas to be occurring in real time. (2005: 6)

These definitions provide compelling explanations of why the popularity of television dramas has helped them to become a general phenomenon, regardless of their origin. The continuous, ever-evolving sequence of television dramas, as distinct from films, seems to provide gratification to audiences because it replicates the real lives of ordinary people.

Even considering the worldwide popularity of the drama genre, however, the loyalty demonstrated by Korean viewers to their own favourite dramas appears to be exceptional. In addition, the preference for Korean dramas is now crossing borders and spreading to

other Asian countries. Chua and Iwabuchi state that watching Korean dramas has become a favourite established pastime of Asian audiences (2008: 2). Exactly why Korean television dramas have so captivated Asian audiences is a complex question well worth addressing. In order to understand this phenomenon, this section will explore the formation and development of the Korean television drama industry from the early 1960s to the present.

Shim and other Korean media studies researchers claim that television dramas have always been the centrepiece of television viewing among Korean audiences (Shim, 2008: 23; Cho, 2009: 269; Chung and Chang, 2000: 90). Normally there are at least five or six dramas in the list of ten TV programmes recording the highest viewing rates on a weekly or monthly basis. For instance, in Table 3.3, six of the ten most popular TV programmes are dramas.

Table 3.3 The Ten terrestrial TV programmes generating the highest viewing rate (per week)

Rank	Channel	Programme genre	Viewing rate (%)
1	SBS	Weekly mini-series ¹	28.9
2	KBS2	Weekly mini-series ²	28.3
3	SBS	Special drama ³	25.2
4	KBS2	Entertainment	22.9
5	SBS	Weekly drama ⁴	19.5
6	MBC	Daily drama ⁵	19.3
7	KBS2	Entertainment	18.3
8	SBS	Factual	16.7
9	KBS1	Daily drama ⁶	16.4
10	KBS1	News	16.0

¹Giant

²Would You Marry Me?

³Big Guys

⁴My Beautiful Life

⁵Golden Fish

⁶Be Happy, Boy!

*Data from 1 – 7 November 2010

*Research territory: nationwide

Source: AGB Nielsen Media Research, <http://www.agbnielsen.co.kr/index.asp?ref=1> (accessed 10th November 2010)

The obvious preference for drama seems to have developed during the early stages of broadcasting in Korea. According to *A History of Korean Dramas*, published by the Korean Drama Festival Organisation (henceforth KDFO), the first TV drama in Korea is recorded as *The Gate to Heaven*, a 15-minute drama produced and broadcast by HLTZ in

1956. Korean broadcasters began to produce their own dramas in the early stage of broadcasting. With the opening of the station in 1961, KBS started to broadcast its first drama, *The Friday Stage*, which was a serial drama shown every Friday night. In 1962, KBS produced nine dramas, including a children's drama (KDFO, 2009: 9). At that time, TV drama had already attained great popularity among Korean viewers, and its enthusiastic reception encouraged other television stations to produce their own dramas. TBC broadcast its first drama, *The First Snow* (1964), on the station's opening day, 7 December 1964 (ibid.: 10). Since then, daily serial dramas have become popular with Korean broadcasters because they have easily attracted many loyal viewers, particularly middle-aged women. According to a survey conducted by a Korean newspaper in 1968, 18.6 per cent of those interviewed responded that they preferred serial dramas to all other programmes (*Donga Ilbo [Daily News]*, 20th November 1968; cited in KDFO, 2009: 13). All three networks produced dramas and in 1971 it was reported that a total of 21 dramas were being broadcast (Chung and Chang, 2000: 91).

The rapid improvement of the Korean economy produced a positive effect on the development of television dramas. Throughout the 1960s and 1970s, the Korean economy continually improved on the strength of its export success. As living standards improved, the number of television owners significantly increased. The number of television sets in Korea, which was 13,000 in September 1961, had grown to over a million by the middle of 1972, and in 1979 was recorded at almost six million (Chung and Chang, 2000: 119). The rapid growth in television ownership accelerated the popularity of dramas, which mainly depicted the lives of ordinary people, rather than of the smaller upper class (Kang, 2007: 472).

In the 1960s, the lack of recording and playback technologies such as videotape at television stations led to a predominance of dramas which were produced live. By the early 1970s, these poor conditions had gradually improved and each television station could provide some funding and technology to produce better dramas. At that time, drama creation was totally controlled by each broadcasting station. That is, only the three terrestrial broadcasting stations could produce their own dramas, with production staff and actors who were either employees or under exclusive contracts with each broadcasting station. The concept of independent drama production was not common until the early 1990s. Joo demonstrates that independent productions produced less than five per cent of

all television programmes in 1995, most of which were documentaries or factual programmes rather than dramas (1997: 179).

Throughout the 1970s, daily dramas gained increasing popularity among middle-aged female audiences. Daily dramas are prime-time serials with a consistent cast and a series of subplots, like soap operas, but that run for 5-12 months. Although focusing on romantic themes, they also commonly depict family relationships and conflicts. The main plots of these daily dramas depict the vertical structure of the extended Korean family, which demands that women sacrifice themselves for the overall happiness of family members. These dramas, which describe the inferior position of Korean women, readily attract loyal female viewers.

Although many daily dramas were produced in the 1970s, other drama genres, with the exception of melodramas and historical dramas, were quite rare for two reasons; first, as described in Chapter 1, the strict intervention of the autocratic Park regime prohibited broadcasting stations from producing dramas with political or social themes (Chung and Chang, 2000: 106).⁴⁸ Secondly, the Korean drama industry did not have sufficient technology, funds or experience to produce genre dramas such as science fiction or action dramas. In general, there was a heavy reliance on imported genre dramas, with US action series in particular being popular (Joo, 1997: 178). However, most US dramas were broadcast in off-peak hours, and the prime time of the three terrestrial television channels was generally filled with domestically produced daily dramas and weekly melodramas. Straubhaar shows that the domestic programme share of Korean prime-time broadcasting had increased from 73 per cent in 1962, to 80 per cent in 1972 and finally to 89 per cent in 1992. By comparison, the proportion of US prime-time programmes decreased from 27 per cent in 1962 to five per cent in 1992 (Straubhaar, 2001: 46).

Regardless of several political upheavals, such as Park's assassination and General Chun's coup, the domestic economy of Korea continued to improve throughout the 1970s and 1980s, leading to the expansion of both international and domestic advertising on television. This in turn led to a general expansion of the television industry's capacities. Advertisers have clearly preferred dramas because of their great popularity, and this preference has led to more competition among stations for higher drama viewing rates. This competition and its consequences will be analysed further in Chapter 6.

⁴⁸ In fact, several dramas dealing with these topics were forced by the MOI to go off the air in the 1970s.

In the 1990s, drama viewing rates became a matter of primary concern for television stations, with an emphasis on the commercialisation of television dramas. After the termination of the second military government in 1992, government censorship virtually disappeared. As a result, dramas were able to cover previously taboo topics such as the *Gwangju* massacre and the second military coup led by Chun in 1980.⁴⁹ Additionally, some were filmed on location in foreign countries, which resulted not only in shorter production times, but also in a series of stories with better scripts and pictures (Kang, 2007: 625). By contrast, ‘anti-communism’ dramas, continually broadcast mainly on KBS in spite of a lack of audience interest, were finally removed from the television broadcasting schedule (KDFO, 2009: 15).

In the process, 12 to 24-episode mini-series became the norm of Korean dramas, overtaking the daily serial dramas which often played for more than a year. With the change, Korean dramas were able to consolidate story-lines in a small number of episodes. With technical development, the expansion of themes and the adoption of mini-series seem to have helped to improve the overall quality of Korean dramas. Simultaneously, production of high-budget serials gradually increased.

Throughout the 1990s and 2000s, Korean dramas became viable export products in line with the overall improvement in entertainment quality. The first drama exports started in the early 1990s, mainly to the cable channels in Taiwan and Hong Kong. The early exports did not achieve particularly prominent results. The flow of Korean dramas to the East Asian market began after the popularity of *What is Love All About?* (MBC, 1991-1992), which was broadcast on CCTV in China in 1997. Since then, the popularity of Korean dramas has become concentrated in Taiwan, China and Japan, increasing significantly every year (Shim, 2008: 24-26). This phenomenon will be explored in greater depth Chapters 6 and 7.

To sum up, the history of Korean television drama shows fluctuations between commercialism and political control similar to those in the television industry in general. It is significant that the creation of Korean dramas has mainly been stimulated by domestic factors, rather than by the influence of the Western broadcasting industry. Imported dramas

⁴⁹ The Gwangju massacre refers to the many people killed during an uprising in Gwangju, a city in the southern part of Korea, in May 1980. Citizens rose up against Chun’s military coup, but were ultimately crushed by the army.

on the terrestrial networks have always remained in the minority and have shown a steady decrease. Instead of buying expensive Western drama serials, Korean television stations, which did not have sufficient budgets, sought to apply Western or Japanese drama formats to Korean dramas. As a consequence, it is likely that the Korean drama industry succeeded in creating a distinct drama style, which has captured the emotions and feelings of primarily female audiences. However, Korean networks were not able to create science fiction or action dramas due to the lack of funds and technology. Rather, Korean dramas have tended to focus on limited popular genres such as so-called 'trendy' dramas, melodramas and historical dramas. The strict controls imposed by the military governments, prohibiting politically or socially related themes, also contributed to the tendency for Korean drama producers to concentrate on limited genres.

The structure of the Korean drama industry

As described above, Korean dramas are generally classified into mini-series, comprised of 12 to 24 episodes and broadcast twice per week, and daily dramas broadcast five times per week. Most dramas are produced immediately before they are broadcast, because it is not easy to secure sufficient time to produce and edit them. As a general rule, the production time of a 16-episode drama is about six months, which is not enough time to complete a whole drama series. Since a drama production must be completed within a limited time, both cast and crew are obliged to work under high pressure. The lack of production time has been described as the main problem facing the drama industry (KOCCA, 2009a: 54-56).

The production cost of an individual drama is difficult to calculate because dramas tend to be quite diverse. The average production cost of a daily drama is estimated to be US\$33,000 per episode and that of mini-series up to US\$180,000 (KOCCA, 2009a: 29). The substantial production cost of mini-series had already exceeded US\$200,000 per episode by the mid 2000s (ibid.: 38). An independent drama production mainly finances the production cost from the television station and from indirect advertising such as product placement (PPL), and gains revenue through its overseas sales. In the case of television stations, the largest amount of revenue from drama broadcasts comes from advertisements. Advertising revenue has been paralleled by the viewing rate for each drama. The higher the viewing rate a drama draws, the higher the advertising price of the

drama. If advertising slots during a drama broadcast in prime time are all sold, the revenue of television stations is estimated at around US\$360,000 per 60-minute episode (ibid.: 38-40).

Although an analysis of the size of drama production costs in the Korean drama industry is beyond the scope of this thesis, it is obvious that each television station has been caught up in competing for an increasing drama viewing rate due to the direct relationship between viewing rate and advertising revenue. Moreover, since the economic depression of the late 1990s, advertising has tended to focus on limited popular dramas in prime time. In 2009, the total advertising revenue of dramas broadcast on four terrestrial television channels was estimated at US\$353 million (KOCCA, 2009a: 35).

The cost of drama production tends to have increased with the expansion of the overseas market for Korean dramas. The problem is that the increasing cost of drama production has exceeded the expansion of the drama market, despite the emergence of new overseas markets. Even worse, the increased production cost does not tend to be that of the drama production itself, but rather goes to pay the salaries of a small number of famous actors and actresses. This has been criticised as a fundamental problem serious enough to unbalance the drama industry and consequently to weaken the competitiveness of Korean dramas (KOCCA, 2009a: 35). It is the usual situation that more than half of all drama production costs are accounted for by the salaries of one or two famous actors.⁵⁰ This means that the practical production cost, such as staff labour costs and set designing costs, has decreased, even though the total production cost has significantly increased. There is a continuing debate as to whether the expansion of the Korean drama market overseas has substantially benefited drama production itself. Whatever the case, it is clear that the commercial value of Korean dramas, which evolved with the formation of the cable television industry in 1995, has increased in direct proportion to the expansion of the overseas market.

Dramas have been distributed sequentially from terrestrial broadcasting stations to Video on Demand (VOD) systems, cable television stations, the DVD market and the overseas market (KOCCA, 2009a: 82-83). Distribution to VOD systems or cable television channels occurs almost simultaneously with drama broadcasts on the terrestrial channels. Sales to the overseas or DVD markets have been made after dramas are broadcast. In the case of overseas sales, it is usual to sell all drama content rights, including DVD sales rights and

⁵⁰ Interview with Kim Seung-soo, former chief producer at MBC, 21st July 2010 in Seoul, Korea.

additional rights, to the same buyer.⁵¹ Although several big drama productions have attempted to sell their drama content to the overseas market, in most cases the export of dramas has been dominated by three terrestrial stations which broadcast dramas on their channels. The largest overseas market for Korean dramas is Japan, which has accounted for approximately 70 per cent of the total exports of Korean dramas since the mid 2000s. The sales price is also the highest in Japan, the average price per 60-minute episode being around US\$40,000 to US\$70,000. The sales price to other countries is much lower than that for Japan, being on average US\$2,908 per drama episode in 2009 (KOCCA, 2010: 22).

In short, the Korean drama industry has expanded steadily, mainly due to the loyal support of domestic viewers and the preference of advertisers based on high drama viewing rates. However, with the rapid expansion, the drama industry has also encountered structural problems such as the inflated salaries of popular actors. The next section will outline the changes in Korean broadcasting policies in the early 1990s. Although these times are before the research period of this study, it has been seen that the newly formed audiovisual industry policies in the early 1990s indirectly but positively influenced the expansion of the Korean drama industry.

The audiovisual industry policies of the Korean government in the early 1990s

In research into the cultural industries of Korea, one of the common arguments is that the Kim Dae-jung regime (1998-2002) produced a profound paradigm shift in Korean cultural policies, which significantly contributed to a resulting growth of its cultural industries; that is, that the Korean media industry underwent a marked change during the Kim Dae-jung regime because of the financial crisis and the liberalisation of the media through the government's deregulation and it expanded on a global level, especially in the television entertainment field (Kim, J., 2007: 146; Shim, 2002: 337-338).

Before the emergence of the Kim Dae-jung regime, however, the Korean government had enacted several remarkable policies related to the deregulation of the media industry, which heralded the formation of the 'audiovisual industry' within the cultural industries of

⁵¹ First interview with Park In-soo, head of KBS Media's programme export team, 29th July 2010, in Seoul, Korea. Park has worked as a programme exporter at KBS Enterprises and KBS Media since 1987.

Korea. Although these policies do not appear to have been the results of long-term observation or firm knowledge of the industry, they indicate that the Korean government tried to respond to the strong pressure from the late 1980s onwards to open its cultural market in the name of globalisation, enacting a range of policies to maintain its domestic cultural market. While acting defensively, the Korean government and the conglomerates seem to have cooperated, willingly or unwillingly, to support the newly formed audiovisual industry, especially the film industry.

In the process, the Korean conglomerates expanded their terrain into the audiovisual industry, not only because they recognised its potential, but also because they had to follow the government's strategy of fostering the growth of that industry. Around the mid 1990s, many Korean conglomerates entered the audiovisual industry in a diversity of ways, from cable television channel operators to film importers or, more directly, film producers. Although most of them withdrew with the advent of the Asian financial crisis in 1997, the involvement of these conglomerates in the audiovisual industry had an impact on the restructuring of the industry, making it more professional.

The audiovisual industry policies of the Kim Young-sam regime

It has generally been believed that there were two main reasons for the Kim Young-sam regime's (1993-1997) adoption of the new audiovisual industry policy as one of its key strategic national policies. Internally, with the inauguration of the first civilian president, Kim Young-sam, after thirty years of rule by the two military governments, the democratic transition spread through many areas of Korean society, such as the economy, culture and education.⁵² Within the spirit of political democratisation, wide-ranging democratising measures led to deregulation in the media sectors. The amendments to the broadcasting law in 1987 and 1991 demolished government censorship for the whole media field and allowed the establishment of a commercial terrestrial channel, SBS. In this context, broadcasting commercialisation and media liberalisation seem to have gradually developed in the early 1990s.

⁵² Generals Chun Doo-whan and Roh Tae-woo, who played key roles in the military coup in 1980, ruled Korea in turn between 1980 and 1992. After five years of quasi-military government by Roh, Kim Young-sam, a civil politician who had led the democratic movement in Korea since the mid 1970s, was elected president in the general election of December 1992 and inaugurated on 25 February 1993.

Externally, Korea was under strong international pressure from the transnational media corporations to open its film and television market like other East Asian countries, as demonstrated in Chapter 2. Succumbing to this pressure, in 1988 the Korean government allowed foreign film companies to distribute their products directly in Korea without passing through local distributors. After this measure, the domestic film industry's performance declined drastically, while the number of foreign films shown annually increased. In 1988, the figures for domestic film productions and foreign imports were 87 and 175 respectively. These figures were 63 and 347 in 1993, and the market share of Korean films fell to 15.4 per cent in the same year (Shim, 2008: 15; Kim, J., 2007: 137).

Tension built up as the Uruguay Round (henceforth UR) of trade negotiations, which started in 1986, eventually concluded in 1994, transforming the General Agreement on Tariffs and Trade (henceforth GATT) into the WTO in 1995. According to the UR trade regulations, all member countries of GATT, including Korea, were obliged to open their markets in media, communications and culture, which had previously been protected from foreign competition and categorised as 'exceptional' (Shim, 2008: 16-17). In this context, the new Korean government openly said that it would introduce structural adjustments in order to renew the nation's economic competitiveness in the changing and challenging global economy.⁵³

An interesting point is that both government and society in Korea have tended to cooperate in order to resist the 'invasion' by Western cultural products of their domestic market. Like most other Asian countries described in Chapter 2, Korea was generally reluctant to open its cultural market to Western products, for both economic and cultural reasons. In this sense, not only the government, but also the conglomerates began to seek a way to restrict the increasing inflow of Western cultural products. This reluctance seems to have pushed the Korean conglomerates, which had traditionally focused on heavy manufacturing industry and exports, to make inroads into the media industry.

Shim demonstrates that the '*Jurassic Park* factor' was crucial in causing the audiovisual industry to become a national industry. According to Shim, in early 1994 the Presidential Advisory Board on Science and Technology proposed to President Kim Young-sam that Korea should develop film and other media productions as a strategic national industry.

⁵³ Since the rapid economic growth of the 1960s, the industrial structure of Korea had relied on the export of products manufactured by heavy industry, such as automobiles, ships and steel.

The cornerstone of this proposal was the contrast drawn between the revenue of the Hollywood blockbuster movie *Jurassic Park* and of Hyundai Motors, the representative automobile manufacturing company in Korea. The proposal pointed out that *Jurassic Park's* total sales revenues were equivalent to foreign sales of 1.5 million Hyundai cars (Shim, 2008: 17). Even though the comparison between a single blockbuster film's output and the sales of a manufacturing industry company seemed not to be very relevant, this dramatic comparison awakened the government to the potential of the cultural industries. In addition to the criticism of the overemphasis on heavy industries, the Korean government recognised that the audiovisual industries could bring about a more prosperous future for the nation. In order to support the cultural industries, it set up the Cultural Industries Division of the Ministry of Culture and Tourism (henceforth MCT) in May 1994 (MCT, 1997: 31).

Initially, the Korean government's support for the audiovisual industry focused on fostering the development of the endangered film industry. In order to encourage businesses to enter the industry, in 1995 the National Assembly enacted the Motion Picture Promotion Law, which provided tax incentives for film production, thus attracting corporate capital. Major conglomerates such as Samsung, LG and Daewoo, which had been stimulated by the Japanese electronic companies' concept of a hardware-software synergy strategy, attempted to connect their electronic device production to the creation of entertainment content. Around 1995, all of the five major corporations in Korea started to diversify into audiovisual businesses (Shim, 2008: 17-18).⁵⁴ Most of these corporations concentrated on film distribution and cable channel operation.

However, this enthusiastic entrance of the big businesses into the audiovisual industries could not be sustained. The Korean economy began to decline in the mid 1990s, and most of these subsidiaries were not able to gain financial benefits. Above all, these subsidiaries had suffered a devastating blow from the IMF crisis in 1997. Beginning with SK's withdrawal from the video and film industry in January 1998, almost all the big business subsidiaries in the audiovisual industry were abandoned (Shim, 2008: 19).

⁵⁴ This includes Samsung, Daewoo, Hyundai, LG and SK. Samsung had established eight subsidiaries related to the audiovisual industry by 1995. Daewoo had six related subsidiaries, and Hyundai, LG and SK had two, three and four related subsidiaries respectively (Shim, 2008: 18). It has been concluded that Samsung's entrance into the audiovisual industry exerted significant influence on the cultural industries as a whole.

Nevertheless, the conglomerates did not entirely desert the film industry. Although most subsidiaries of big businesses were withdrawn from the film industry, their contribution remained. Film experts have concluded that subsidiaries of big business, especially the Samsung Entertainment Group, introduced both a new financial transparency and capitalist business systems to the film industry.⁵⁵ After the fast recovery from the IMF crisis, as described in Chapter 1, the film industry, which had become shrewder and more professional in its approach to business, achieved consecutive successes in the form of a series of blockbuster films. In 2001, Korea's domestic film market share was over 50 per cent (Shim, 2008: 20).

Despite the dramatic success of the film industry, the Kim Young-sam regime seems to have paid little attention to the broadcasting industry. Park Yang-woo, former Deputy Minister of Culture and Tourism, admitted that the government had tended to focus its support on the film industry 'because the government perceived the film industry to be the most promising sector among all audiovisual industries. The government concentrated its support on the film industry, because it believed that the achievements of the film industry would bring about the overall development of related audiovisual industries such as broadcasting, popular music and gaming'.⁵⁶

The most significant broadcasting policy of the Kim Young-sam regime has been seen as the beginning of cable television channels. The Composite Cable Broadcasting Act was passed by the National Assembly in 1992 while a plan for the cable television era was gradually being developed. In the Cable Act, the government set PP (programme provider) guidelines for 11 programming areas: news, movies, sports, culture and arts, entertainment, education, music, children, women, transportation and tourism, and religion. Among these PPs, the conglomerates acquired the seven most desirable and profitable, including movies, entertainment and women.⁵⁷

Before the launch of the cable television channels in March 1995, the MOI and the Korean Cable Television Association (henceforth KCTA) cooperated in an aggressive 'compressed

⁵⁵ 'Samsung Entertainment became the root of the prosperity of the Korean film', *Weekly Donga*, 6th May 2004. Available from: http://weekly.donga.com/docs/magazine/weekly/contents/author01_43.html (accessed 11th January 2011).

⁵⁶ Interview with Park Yang-woo, 2nd July 2010 in Seoul, Korea.

⁵⁷ According to the 2000 Broadcasting Act, Korean conglomerates and news agencies were allowed to own up to 33 per cent equity in cable SOs (System Operators) and satellite TV businesses and up to 100 per cent equity in cable PPs (Nam, 2008: 655). This means that the government encouraged the participation of conglomerates in the cable channel business.

development' campaign to increase the number of cable channel subscribers. This included the free installation of cable and discounted subscription fees, as well as the promotion of various other government-supported activities (KCTA, 2000; cited by Nam, 2008: 651). In this mood, cable television channels were treated as a new frontier for the dream age of multi-channels, and the cable television industry was commonly referred to a 'golden goose'. As a consequence, the number of cable television viewers quickly increased, reaching over one million by October 1996, only one and half years after the first cable channel broadcasts (Nam, 2008: 653). Following cable television, the government also announced that it would license regional private broadcasters in four large cities, Busan, Taegu, Kwangju and Taejeon. The introduction of cable and of privately-owned regional television brought a full-scale return to commercial broadcasting after a decade of duopoly by the two terrestrial broadcasting stations, KBS and MBC (Kim, J-W., 2005: 142).

It is likely that the government's broadcasting perspective had become more industry-focused since the early 1990s. The 'five-year development plan for the broadcasting industry', announced by MOI in 1995, demonstrates the government's new perspective on the broadcasting industry and its intention to develop its economic potential. According to Park, Kim and Sohn, this plan shows that government officials, who had regarded the broadcasting media merely as a tool with which to maintain political power, were starting to realise the potential of broadcasting as an industry (2000: 117). The main components of this plan were: (i) the strengthening of the system for outsourcing of television programmes ; (ii) the construction of a programme production centre; (iii) the opening of a broadcasting archive; (iv) the nurturing of broadcasting experts; and (v) support for the export of television programmes (Kwan, 2008: 2).⁵⁸ This plan signified that the government was beginning to consider how the broadcasting industry could fit within its national policy agenda rather than viewing it as a subject for regulation. Lee Man-je, a senior KOCCA researcher, maintained that this plan was practically the first full-scale broadcasting policy of the Korean government.⁵⁹

There is one critical point, however: the broadcasting industry promotion plan showed that the Kim Young-sam administration wanted the industry to become more professional, rather than allowing it to govern itself without outside interference. As described above, the Korean television networks had been strictly controlled by the government from their

⁵⁸ The keynotes of this plan, which stressed the importance of competitiveness in the broadcasting media, still remain as the framework of the present government's broadcasting promotion plan.

⁵⁹ Interview with Lee Man-je, a senior KOCCA researcher, 4th August 2010 in Seoul, Korea.

early stages, and broadcasting has always been vulnerable to political control. Although the influence of the government on the media had significantly weakened and the power of big businesses had grown increasingly strong with the expansion of the media industry, the Kim Young-sam regime seems to have had a stereotyped idea that the broadcasting industry should be managed and nurtured by the government as a public good.

The limitations of the broadcasting policies of the Kim Young-sam regime

Clearly, the capacity of the Korean audiovisual industry expanded with the rise of the film industry and the inception of broadcasting marketisation in the early 1990s, partly as a result of government policies. Nevertheless, it is unlikely that the Kim Young-sam regime connected these policies with a strategic longer-term vision for the development of the audiovisual industries. Rather, the Kim regime seems to have supported the audiovisual industry both in order to protect the domestic cultural market from the influx of Western cultural content and so that it would be able to compete with neighbouring countries.

In the process of enacting policies in support of the audiovisual industries, therefore, policymakers seem to have merely adopted a traditional state-led economic development model focusing on external growth, with little consideration for specific characteristics of the cultural industries. Although the Kim Young-sam regime achieved the establishment of cable channels in a short time, the governmental initiatives for the audiovisual industry failed to have any impact on some of the distinctive characteristics of the industries.

Indeed, most of the broadcasting policies of the Kim Young-sam regime seem to have been adopted in pursuit of broadcasting commercialisation rather than democratisation, which greatly limited their scope. Although the Kim Young-sam administration justified the commercialisation of broadcasting on grounds of diversity and freedom of choice, its broadcasting policies focused mainly on achieving increased profits through commercialisation. Civil society demanded a more liberal public communication environment, in the spirit of political democratisation, after the inauguration of the President Kim (Shim, 2008: 23). However, the government appears to have interpreted this changing mood as a demand for media commercialisation. In this respect, media and telecommunications were framed within the discourse of market liberalisation and these

two industries were primarily seen as the new driving force of the Korean economy (Nam, 2008: 642).

Nam argues that the state-led economic development model of Korea, which underwent rapid economic growth in the 1960s and 1970s, was repeated in the launch of the cable television industry. The government had planned, led and aggressively promoted a new cable industry and big businesses passively followed the state lead and competed to gain the maximum economic benefit within a short time. In this paradigm, between the development-obsessed government and profit-seeking big business, 'the public's demand for the dismantling of the oligopolistic power of the established media was largely ignored'. (Nam, 2008: 651)

The audiovisual policy trend of the Kim Young-sam regime, focused on achieving economic surplus and external growth but ignoring broadcasting democratisation and specific characteristics of the industry, seems to have continued to affect the cultural industries policy formation of the Korean government until the present time. Nonetheless, the obviously important point is that the emergence of the new audiovisual industry has been to some extent influenced by the national policy of the Kim Young-sam regime, which positioned it as the strategic national industry and consequently encouraged the conglomerates' enthusiastic involvement. In this context, the policies of the Kim Young-sam administration to promote the audiovisual industries seem to be a topic that has received rather less attention from academics than it deserves.

Conclusion

This chapter has outlined, in a historical context, the general picture of the Korean television and drama industry and the shift in Korean policies affecting the audiovisual industries from control to support during the Kim Young-sam regime (1993-1997). Thanks to its exceptionally fast-growing economy and rapid industrialisation, Korea has been termed one of the 'Four Asian Dragons', along with Singapore, Taiwan and Hong Kong. The development of the Korean television industry generally reflected the fast growth of the Korean economy, as well as the strict control exercised by the two military governments.

As highlighted in this chapter, the Korean television and television drama industry has been seriously influenced by political upheavals. The television industry, which was founded as a political propaganda tool by the first military government, was not able to establish its independence from government during the thirty years of military rule. The autocratic Park Chung-hee regime, in particular, intervened in broadcasting content in order to keep Korean audiences ignorant of its totalitarian dictatorship. After Park's assassination, the forced merger of all terrestrial stations into KBS by the Chun Doo-whan regime appears to have blocked opportunities for the commercial and democratic development of the Korean broadcasting industry.

Throughout the 1980s and 1990s, several factors, such as the advent of media globalisation and the deregulation policy of the civilian Kim Young-sam regime, helped the Korean television industry to gradually free itself from government intervention and to pursue media marketisation. Although the Korean broadcasting industry became more liberalised after the termination of the military regime, the broadcasting industry, which had been accustomed to government control, followed government policy in its orientation towards economic achievement rather than pursuing broadcasting democratisation. The spread of broadcasting commercialism without accompanying democratic diversity consequently encouraged entertainment programmes, especially drama productions, which have always enjoyed the greatest loyalty from domestic audiences.

It is clear that the Korean broadcasting industry embraced global media marketisation after the advent of the Kim Young-sam regime. Politically, however, it does not seem that the Korean television industry completely freed itself from government intervention, although government control markedly decreased. From a deeper perspective, the broadcasting industry may have willingly chosen to follow the government lead towards economic achievement and external growth, as they had done under previous regimes. The position of MBC as a public broadcaster seems to reflect this ambiguous, but still subordinate position of the broadcasting industry in relation to government. This situation also invites other questions: if the government remained a major obstacle to the broadcasting industry, what has the role of government policies been in the rapid growth of television programme exports? This will be discussed further in Chapters 5 and 7.

In this respect, the state-controlled model of the Asian broadcasting industries, which was mainly intended to promote cultural nationalism as a means of social control, as analysed

in Chapter 2, seems not to have significantly weakened in the Korean broadcasting industry despite the establishment of the civilian government in the early 1990s. The Korean government, after implementing state-led economic development strategies, attempted to gain the same success in the broadcasting industry in response to the global marketisation mood. While enacting defensive policies to support the endangered domestic film industry, the Korean government also drove forward policies to encourage the new audiovisual industry. In effect, however, it is likely that these policies were intended to lead the broadcasting industry in the direction of government aims rather than letting it govern itself.

In sum, the sudden emergence and growth of the Korean audiovisual industry from the early 1990s can be understood within the context of the country's 'state-led economic development model, which was characterised by state dominance, and its economic imperatives were transferred to its cultural industries'. (Nam, 2008: 643) The Korean government, obsessed with achieving rapid growth in the audiovisual industry akin to its previous success in the economic field, missed the chance to make the broadcasting industry more diversified and democratised.

Chapter Four: Methodology

This chapter examines the methodology and research design used in this thesis. Prior to the analysis of the research methods, it is necessary to outline the research design and the components that an appropriate research design should include.

In essence, a research design is defined as an ‘action plan’ for connecting research questions and data analyses in a coherent way. Punch demonstrates that it is the research design which ‘situates the researcher in the empirical world’ and that the key role of a research design is to connect research questions and data analyses cohesively (2005: 63). Yin also points out that a research design is a ‘blueprint’ for research, asking valid research questions and supplying relevant data, ways of data collection and the analyses required for achieving the results (1994: 20). In this context, researchers should consider, in order to create an effective research design, what data is needed and how this will be collected and analysed .

This thesis uses a combination of research methods to collect data related to the multi-dimensional phenomenon of Korean drama exports and the role of the government in the process of their development. The research design comprises a combination of three different research methods: documentary research, semi-structured interviews and a case study. This chapter demonstrates the advantages of the combination of three different methods, as well as examining which method is most useful for addressing each research question. In addition, this chapter will analyse the strengths and weaknesses of each method.

As Doyle and Frith maintain, every method used in academic research involves opportunities and costs, and alternative methods will produce different kinds of evidence (2006: 566). Hence, ‘it is essential to have a clear understanding of what particular methods can and cannot do; searching data and investigating research questions should be considered next’. (ibid.) The primary aim of this study is to investigate how Korean dramas have successfully entered Asian markets within a comparatively short time. This single question can be investigated from three different perspectives: (i) the role of the Korean government in helping the broadcasting industry to internationalise; (ii) the changing

elements of the Korean broadcasting industry; (iii) the efforts made by broadcasting stations to pursue greater degrees of internationalisation.

One pertinent problem is that each perspective has distinguishingly independent features, and accordingly it is not enough to investigate these perspectives with a single method or a single set of data. For instance, in order to understand why broadcasting stations have intensified competition for higher viewing rates for broadcast dramas since the early 1990s, conducting a series of in-depth interviews seemed to be the best approach. It was also essential to use detailed documentary research in order to shed light on how the government supported the broadcasting industry through its policies. In order to overcome this problem and to construct a valid and reliable research design, a combination of three different methods was chosen for this thesis in order to gain a clear perspective on the given research questions: documentary research, semi-structured interviews and a case study.

Combining methods - that is, a multi-strategic research approach - is thought to have three significant strengths compared to using a single method. First, each of the methods has certain strengths and weaknesses. The combination of multiple methods from different methodological viewpoints helps to facilitate a more valid and holistic picture of the phenomenon than that which could be acquired by a single method. Second, combining methods enables the researcher both to compensate for the particular faults and limitations of each single method and to utilise their strengths (Henn et al., 2006:19-20). Third, and perhaps the most important point, is that a researcher can overcome his or her potential bias and gain a complete overview of the matter through investigating different focuses and questions, analysing different data and interpreting the results from a variety of angles and perspectives. As Burgess has stated, combining methods 'can help to provide a holistic view of the area under study, like the kaleidoscope'. (1982: 163)

This chapter will now analyse in more detail the characteristics of each research method chosen for this study, demonstrating why a combination of methods was deemed the most appropriate means of conducting the research.

Documentary research

Although surveys or fieldwork methods such as interviews or observations have generally been regarded as the key methods for social science researchers, documents are also a rich and authoritative source for academic researchers. Documentary research, which has a longer history than field research methods, continues to be a valuable research tool (Henn et al., 2006: 96). According to Jupp, the range of documents used in social science includes diaries, letters, essays, personal notes, biographies, institutional memoranda, reports and government pronouncements and proceedings (1996; cited by Punch, 2005: 184). Henn, Weinstein and Foard classify documents into public/private documents, primary/secondary documents and solicited/unsolicited documents (2006: 100). Among these, public records such as official government documents have been especially important in providing a 'rich vein for analysis'. (Hammersley and Atkinson, 1995; cited by Punch, 2005: 184) Doyle and Frith also emphasise the importance of official documents because they provide 'not only statistical information, but also insights into working and managerial practices'. (2005: 557)

In general, the point of research is to gain a more holistic and comprehensive understanding through the study of the complexity of social phenomena in the research area. In this context, documentary research is considered a good starting point for undertaking research because the researcher can become familiar with 'what information is already available from official sources' (Doyle and Frith, 2005: 557) and determine his or her own distinctive perspective. However, in most cases researchers need a good deal of time to peruse documents in order to become familiar with the content. Hakim points out that a common mistake in documentary research is 'to think of data from documents as ready-to-use research data when in fact they usually require more preparation, care and effort if they are to be used as a research dataset'. (2000: 58)

Three sources of documentary research

In order to conduct this study, relevant documents and data were collected from a variety of sources. First, official data from the government was one of the most valuable resources obtained for this research. The White Papers on the cultural industries and cultural policies

annually published by the Ministry of Culture, Sports and Tourism (henceforth MCST)⁶⁰ and the serial research reports produced by KOCCA were considered indispensable data because of their objectiveness and accuracy. KOCCA, the extended government foundation established to support the cultural industries of Korea, was a main research source for this thesis. KOCCA has published numerous surveys, research reports and policy documents containing up-to-date statistics and a range of other valuable pieces of information about the Korean broadcasting industry, such as annual broadcasting programme trade statistics. In addition, KCC also publishes an annual broadcast industry survey, which contains a variety of statistical data about the industry. These documents from three government organisations and with highly reliable data, formed one basic data source for this study. They can be accessed on the official website of each organisation, and some of them can be accessed in the national archives operated by the National Assembly of Korea in Seoul.

Second, relevant academic articles are also considered reliable sources in documentary research. By the early 2000s, only a few limited articles had been published related to television programme exports or the capacities of the Korean broadcasting industry. Since the mid 2000s, however, the number of relevant academic articles, both domestic and international, has gradually increased. It is worth noting that some relevant articles are published in prominent international journals such as *Media, Culture and Society* or *International Journal of Cultural Policy*. At the domestic level, the journal *Broadcasting Culture*, published by the Korean Broadcasters Association, has continued to publish relevant articles and other documents.

Third, documents from the broadcasting stations and independent drama productions, provided on request, were another potential source of relevant statistical data. These data, provided by managers or directors of the broadcasting companies, offer considerable insight into the broadcasting field as well as commercial information about the exports of specific companies. For example, the printed documents on the export data related to *Jewel in the Palace*,⁶¹ acquired during an interview with the producer of this drama, generated

⁶⁰ The Ministry of Culture and Tourism (MCT) was renamed the Ministry of Culture, Sports and Tourism (MCST) in 2008.

⁶¹ *Jewel in the Palace* (MBC, 2002-2003) is a historical drama about the first female royal physician of Korea's *Chosun* Dynasty in the 16th century. This drama, which depicts the many trials and eventual triumph of a humble, but good and diligent girl in a largely misogynistic society, has been exported to over 80 overseas broadcasting stations and is widely known as one of the iconic Korean dramas in the overseas market. This drama also enjoyed a viewing rate of 55.5 per cent, marking the highest viewing rate in Korea in 2003.

not only a variety of statistical information, but also insights about the drama export strategies of MBC, the terrestrial broadcasting station that produced and exported this drama. However, most broadcasting stations and independent producers are often reluctant to reveal statistics related to their business due to an understandable desire to keep this information confidential.

The strengths and limitations of documentary research

Recently, the development of electronic databases and internet search engines has reduced the amount of time and energy a researcher must spend searching for relevant research material. However, this does not mean that the importance of documentary research has declined. The detailed and ready availability of official documents from government institutions enabled this researcher to construct a comprehensive map of the discourses related to the development of the broadcasting policies of Korea. Moreover, researching academic articles provided a context that revealed which aspects of the drama industry had been influenced by support policies. In sum, documentary research was able to provide sufficient objective information about the context of this research to allow generalisation from its findings, especially concerning the role of the Korean government in encouraging the internationalisation of the cultural industries.

One noteworthy problem, however, is that documents containing detailed data are not necessarily in the public domain or accessible to individual researchers (Doyle and Frith, 2005: 558). In many cases, individual researchers cannot gain access to the majority of data sources. For instance, the export statistics data obtained from KBI might have helped to illuminate the overall trend in drama exports by the three terrestrial broadcasting stations, but they provide only limited data from 2003. Accordingly, this data was not significantly helpful in this research, which covers the period from 1995 to 2005. Individual broadcasting stations also declined to provide additional data due to the confidentiality of their business. Moreover, the export revenues of most independent productions are not supplied to outsiders.

It is also a pitfall of documentary research that some documents may survive selectively, i.e. be edited according to the editor's values or assumptions. Even an experienced researcher cannot easily identify a biased edition of these documents, which can result in

the editor's bias affecting a study's neutrality (Henn et al., 2006: 105). In order to circumvent this problem, a researcher needs to pay attention to the trustworthiness and representativeness of the materials when conducting documentary research. In particular, documents published by the Korean government tend to overemphasise the positive aspects of government support for cultural content exports, so the researcher must take this bias into consideration.

Most significantly, a researcher is rarely able to address through documentary research how policy has been practically translated in industry. Because almost all policy documents simply describe formal policies, it is necessary for a researcher to make the connections between documented policies and practical policy operations, i.e. how a policy has been formed, articulated, disputed and amended (Hibberd, 2008: 42). However, it is not enough to tease out the hidden factors around policy-making and operation solely through documentary research. In order to circumvent these limitations, the documentary research in this study was supplemented by two further methods: semi-structured interviews and a case study. Compared to the literality of documentary research, interviews allow 'a fuller articulation of ideas and working practices'. (ibid.: 44) The next step in this chapter is the analysis of the semi-structured interviews and an overview of the interview processes which were used for this thesis.

Semi-structured interviews

In general, the interview is considered the main way to obtain deeper and more open-ended information, and it often enables the researcher to gain insight into unexpected, hidden factors. The interview has been seen as an appropriate method for gaining an understanding of the realities of a situation, as well as for understanding people's perceptions. Henn, Weinstein and Foard highlight the fact that the in-depth interview and participant observation are common methods in qualitative research (2006: 160). For this thesis, semi-structured interviews were used as the main data collection tool.

suitable for comprehending the context of broadcasting programme exports as well as producing valuable data, in contrast to a highly structured interview, which has little room for elaboration and discussion around the questions. Approximately ten or more open-ended questions were prepared ahead of time, relating to the situation of each respondent.

Along with the interview structure, the selection of respondents and the specific questions asked were seen as the keys to good interviewing. The principal selection criteria for choosing the respondent in this research were three-fold: the experts on broadcast programme exports working at terrestrial stations or as independent agents were regarded as the most important respondents, since they have sufficient experience of and opinions on both general drama exports and their contextual background and wider implications. The experienced personnel in the drama industry, who were able to give distinctive perspectives on the development of the drama industry both industrially and culturally, were considered the next most important. Lastly, the policy-makers and researchers, who not only have wide knowledge and a neutral perspective on government policies but are also able to evaluate these, were regarded as suitable respondents. All 33 respondents were categorised into four groups, depending on the focus of each questionnaire. These groups were policy-makers, drama exporters, drama creators and media studies researchers.

First, the questionnaire for the policy-maker group was designed to investigate the background, intention and operation of policies for the support of the cultural industries or broadcasting industry during the research period. The policy-maker group, which consisted of eight respondents, was divided again into two small groups, one composed of the civil servants from MCST, and the other of the researchers from KOCCA, the main government foundation involved in studying and operating policies to support the cultural industries. Whilst the first group concentrated on explanation or justification of the government's role in the cultural industry support policies, the KOCCA researchers in the second group tended to maintain a more neutral position when estimating policy enactment and operation. Respondents' details and the criteria for selecting them are described in Table 4.1.

Table 4.1 List of respondents in the policy-maker group

Name	Position	Reason for choosing as respondent
Park Yang-woo	Deputy President of Choongang University; former Deputy Minister at MCST	Park, Kim Jang-ho and Kim Chul-min explained government perceptions of the broadcasting industry's export potential and the procedures for creating and operating drama export support policies.
Kim Jang-ho	Director of Broadcasting and Advertising Division at MCST	
Kim Chul-min	Director of Cultural Industry Policy Division at MCST	
Koo Kyung-bon	President of US office of KOCCA	Koo explained the overall map of the government policy plan for the cultural industries.
Yoon Ho-jin	Head of Industry Policy Strategy Division at KOCCA	Yoon and Lee supplied insider information on broadcasting industry-related policy enactments, as well as the implications of these policies.
Lee Man-je	Senior Researcher of Industry Policy Strategy Division at KOCCA	
Yoon Jae-sik	Senior Researcher of Industry Policy Strategy Division at KOCCA	
Unnamed source ⁶²	Anonymous civil servant at MCST	This person provided information about the Korean Wave support policies during the period from the mid 2000s.

The second respondent group consisted of twelve drama export personnel employed in the sales subsidiaries of broadcasting stations or working as independent broadcasting programme export agents. This group responded to the questionnaire mainly regarding the practical procedures of drama exports, reactions of the overseas Korean drama market and the actual impact of government support on drama exports. In many cases, their statements provided essential clues for analysing the historical and political context of Korean drama exports. Details of respondents and the selection criteria for this group are shown in Table 4.2.

⁶² This individual requested that the author not reveal his name in this study.

Table 4.2 List of respondents in the drama exporters group

Name	Position	Reason for choosing as respondent
Chang Han-sung	1 st President of KBS Media	As former presidents of KBS Media, Chang and Park described chronologically the programme exports of KBS and how Korean broadcasting stations started their programme exports.
Park Jun-young	2 nd President of KBS Media	
Park In-soo	Head of programme export team at KBS Media	As the personnel in charge of programme exports for the three terrestrial stations, these respondents described the drama export performances of each station and criticised the government support for programme exports from a practical perspective.
Park Jae-bok	President of the Japanese office of MBC, Former General Manager of MBC Productions	
Kim Young-won	General Director of SBS Contents Hub	
Lee Jong-min	General Manager of SBS advertising sales team	Lee explained why the popularity of Korean drama is related to the overall income of broadcasting stations and has led to intense competition among stations.
Kim Young-whan	Manager of programme export team at SBS Contents Hub	Kim provided detailed data about drama productions and exports.
Kim Young-duk	President of Japanese office of KOCCA	Kim described the Japanese response to Korean dramas and in particular the special implications of the popularity of <i>Winter Sonata</i> . ⁶³
Kim Sang-han	Independent programme export agent	Kim described the early appearance of Korean dramas on Taiwanese cable channels.
Song-Ki-ho	Former employee of Samsung Entertainment Group	Song explained the impact of Korean conglomerate involvement in the audiovisual industries on broadcasting programme production and exports.
Goh Jeong-min	Former head of cable channel team at Samsung Entertainment Group	Goh described how Korean dramas entered the Chinese and Taiwanese markets in the late 1990s and the positive reactions to these.
Huzimoto Toshikatsu	Former Chief Drama Producer at NHK, Japan	One of the key personnel who introduced Korean dramas to the Japanese broadcasting stations.

⁶³ *Winter Sonata* (KBS, 2002) is the first Korean drama broadcast on the Japanese terrestrial station, NHK Japan in 2003. This melodrama enjoyed an unprecedented popularity among Japanese middle-aged female viewers, so much so that it was actually described as a social syndrome. The popularity of *Winter Sonata* and its implications will be analysed further in Chapters 5 and 7.

The third respondent group was made up of seven drama writers and producers, who explained how they had been influenced by the overseas popularity of their dramas and how political and economic factors had affected Korean drama production. In particular, they explained the formation of the specific characteristics of the Korean drama industry and how these characteristics had affected or been connected to the overseas popularity of Korean dramas.

Table 4.3 List of respondents in the drama creators group

Name	Position	Reason for choosing as respondent
Kim Young-hyun	Drama writer	Kim and Cho are respectively the writer and producer of <i>Jewel in the Palace</i> , the most renowned Korean drama in the overseas market along with <i>Winter Sonata</i> .
Cho Chung-hyun	Executive Managing Director of MBC	
Kim Seung-soo	Former chief producer at MBC	Kim explained the development of the Korean drama industry and what had been different in drama production since the export success of Korean dramas.
Song Byung-jun	Drama export agent and President of Independent Drama Production, 'Group Eight'	Song led the initial Korean drama exports in the late 1990s and organised BCWW, ⁶⁴ the first international programme market held in Korea.
Park Chang-sik	President of Kim Jong-hak Production, independent drama production which produced and exported <i>The Legend</i> (MBC, 2007)	Park explained the role of independent drama productions in drama exports and the tension between broadcasting stations and independent production companies.
Park Sang-joo	Independent drama producer	Park explained drama production circumstances after Korean dramas became popular in the overseas market.
Moon So-san	Drama writer and former KBS producer	Moon explained the relationship between drama producers and drama writers and the intensifying competition among stations for drama viewing rates.

The fourth respondent group, composed of six media studies researchers, mainly described the academic perceptions of the Korean Wave and evaluated the government's role in the

⁶⁴ Broadcasting Worldwide Exhibition and Conference

policies for support of the Korean Wave. They generally admitted that academics could not have anticipated the overseas popularity of Korean popular cultural content, and stated that it was not until the early 2000s that academics, who were rather negative about the prospects for popular domestic content exports, began to acknowledge their overseas success.

Table 4.4 List of respondents in media studies researchers group

Name	Position	Reason for choosing as respondent
Shim Doo-bo	Professor of Media Studies at Sungshin Women's University	Shim is the one of the leading scholars who has studied the Korean Wave since the early 2000s.
Joo Chang-yun	Professor of Media Studies at Seoul Women's University	As a renowned drama critic, Joo studies the influence of popular TV programmes on young audiences.
Yang Eun-kyung	Professor of Media Studies at Chungnam National University	Yang is a cultural studies scholar whose area of research is the Korean Wave.
Cho Hang-je	Professor of Media Studies at Busan National University	Cho studies the relationship between government control and the Korean broadcasting industry.
Moon Hyo-jin	Senior Researcher at Korea Foundation for International Culture Exchange (henceforth KOFICE)	As an academic who works in a government foundation, Moon described how the government had attempted to incorporate the academic assessment of the Korean Wave into its policies.
Whang Seong-yun	Senior Researcher at AGB Nielsen Media Research in Korea	Whang has studied the changing trends of the Korean broadcasting policies from the mid 1990s.

Four different questionnaires in each category were delivered to the majority of the respondents prior to conducting the interviews, since most interviewees requested information about the research project and the content of their interviews. However, the actual interviews did not always follow the format of the questionnaire and interviews were often individually tailored, with open-ended questions deliberately used. The four questionnaires for each group are attached as an appendix.

Access to respondents and conducting the interviews

Interviews with the 33 respondents were conducted mainly during two fieldwork visits to Korea in the summers of 2010 and 2011. Typically, gaining access to experts for the conducting of interviews was not easy, broadcasting personnel such as producers, writers and programme creators being exceptionally busy people. In order to obtain satisfactory data from the interviews in a limited period of time, Doyle and Frith advise the collection of information about respondents prior to conducting the interview (2006: 560). The preparation of all equipment and other necessary material such as a voice recorder and questionnaires is also essential. In reality, the preparation for interviews consumes more time and energy than conducting the interviews.

In most interviews, the intention was to obtain the respondent's views about the export performance of dramas, rather than to collect an exact answer for each question. Most respondents showed a genuine interest in being interviewed, and were willing to be involved in this academic research. The willingness of respondents to be involved enabled this researcher to uncover a number of hitherto hidden factors and to construct a map of the broadcasting industry of Korea.

The main problem in conducting interviews was that it was not easy to identify suitable respondents who had both breadth of experience and a willingness to voice their own opinions about drama exports. In fact, some nominated respondents could not, or would not, provide detailed information or their own perspectives even though they had ample working experience in the field. Moreover, it was not easy to gain all the required information at a single interview, so several respondents were asked to send further answers through follow-up e-mail interviews, or to attend additional interviews in the second round of fieldwork carried out in 2011.

Prior to the interviews, all respondents were given an outline of the research and signed a consent form in which they agreed that their opinions could be cited in academic articles. Most interviews were completed within one hour or one and a half hours because the respondents all had busy schedules and were therefore limited in the time that they could give. All interviews, except two which were conducted over the telephone, were recorded with a digital voice recorder. Interestingly, while most respondents preferred face-to-face

interviews, only two civil servants from MCST declined face-to-face interviews and sent their written replies by e-mail. It is assumed that they were reluctant to give their opinions extemporaneously in face-to-face interviews. Moreover, another civil servant from MCST who criticised the Korean Wave support policies requested that the author not reveal his name in this research.

The strengths and limitations of the interview method

Clearly, the strength of the interview method of research is its ability to engage in ‘real time’ dialogue that can reveal the particular experiences and views of the respondent. Indeed, the serial interviews provided the researcher with the opportunity to uncover the genuine circumstances of the Korean broadcasting and drama industries. Even though other methods may provide valuable data, written data cannot produce the same lively narratives or hidden stories and backgrounds that the interview respondents revealed through frank discussions. Respondents were able to provide detailed explanations for how the original aim of each policy had succeeded, failed or been misunderstood in practical terms which have not been recorded in documents.

Another noteworthy point is that additional information can be gained thanks to the relationship between interviewer and respondents. In effect, after a rapport had been created between interviewer and respondent, several respondents revealed the hidden background to policy-making. Although the respondents may have described some details as trivial facts, in most cases, their ‘trivial facts’ may well offer crucial clues to filling the gap between written policies and practical policy operations. The rapport which was created during the interviews was also helpful in gaining follow-up information after the end of the fieldwork.

Nonetheless, the strength of the interview can be double-edged. The closeness between the interviewer and the respondents may unwittingly allow subjectivity into the process. In fact, most respondents clearly have their own biased point of view, and it can be difficult to differentiate between their biased viewpoint and neutral facts. A lack of neutrality has been identified as the major concern about the interview as a research method, since research techniques require objectivity and detachment (Denzin and Lincoln, 1994: 353).

Even if the researcher is able to maintain neutrality, the possibility remains that bias, dishonesty, faulty memory or self-deception on the part of respondents may inadvertently affect the accuracy of the data (Punch, 2005: 176). Thus, the researcher needs to manage the conversational process of the interview cautiously, keeping to the prepared track and trying not to be overly influenced by the respondents' responses, or indeed to overly influence the respondents. In addition, the limits of time and the difficulty of selecting suitable respondents are counted as the main drawbacks of the interview method.

Case studies

The purposes and strategies of case studies

Compared to the two research methods discussed above, the case study can be seen as a more flexible method of research. The basic idea of this method is that of a detailed study of a small number of cases through various methods such as documentary research, interviews, questionnaires or observation, all of which contribute to a deeper understanding of the subject matter. Hakim states that 'case studies take one or several samples of a social entity as a subject and study it using a variety of data collection techniques'. (2000: 59) She points out that case studies allow a rounder and more holistic study than other research methods used individually, since case studies employ various data collection techniques and methods (*ibid.*).

Other researchers' definitions of case studies are similar to that of Hakim. Punch points out that the case study is a detailed study for a specific case or cases, 'using whatever methods seem appropriate'. (2005: 144) Doyle and Frith define case studies as 'illuminating a given issue or phenomenon through the detailed examination of one instance of it'. (2006: 564) In essence, a case study entails deep and detailed research into a limited context in order to understand its natural complexity. From this perspective, a case study is often compared to a 'microscope' or 'detailed portrait'. (Hakim, 2000: 59)

Whereas other research methods aim to gain an in-depth understanding and consequently to generalise about the research topic, case studies tend to focus on particular aspects, or issues, to refine knowledge. In this context, case studies confine themselves not to generalisations, but to a particular case of something. Indeed, the important characteristic

of case studies is that the study is based on the examination of one particular context, not on the pursuit of a wider truth. Punch maintains that the significant point of a case study is ‘whether we want to focus on what is unique about a particular case or on what is common with other cases’. (2005: 147) In this respect, the researcher needs to be clear about the purpose of the research prior to developing the case study, because if the research aims to highlight generalities the case study should be focused on the common elements of the case, whereas if finding unique aspects of the case is the goal of the research then the case study should be structured to enable it to focus on this uniqueness. Rather than underlining the potential generality of the case, a better approach to a case study may be to study the particular case and attempt to understand its distinctive attributes.

The main way in which case studies differ from other research methods is in their use of a variety of investigative methods. Case studies are therefore regarded more as a comprehensive research strategy than as a specific research method (Yin, 1994: 13) and are ‘the preferred strategy when “how” and “why” questions are being posed’. (ibid.: 1). This research chose KBS Media, the programme sales subsidiary of KBS, as its case study subject in order to study how the changing nature of the broadcasting industries and government policies related to the broadcasting industry had affected the actual drama exports of the terrestrial stations, and why KBS had consistently attempted to promote their programmes in the overseas market even when the prospects for success seemed minimal.

Originally, this study planned to conduct two case studies, of KBS Media and MBC Productions, in order to carry out a comparative study between two different terrestrial stations. However, the number of informants at MBC Productions who gave interviews did not reach a sufficient level for an independent case study. Most of the key personnel at MBC Production declined to grant interviews and did not reply to the request for crucial data, due to the company’s confidentiality ruling. So the original plan had to be revised to carry out a single case study of KBS Media.

Case study: KBS Media

KBS Media, established in September 1991, has been seen as a representative company involved in programme exports along with MBC Productions, part of MBC. Originally, KBS Media seems to have started as the KBS programme supplier for domestic cable

channels. Between 1991 and 1992, anticipating the opening of multiple cable channels, all three Korean terrestrial stations organised new programme production and sales subsidiaries. In other words, in the 1990s, with the growing commercialisation of broadcasting, there was an expectation that terrestrial stations would sell their programmes to the newly formed cable channels.

It is noteworthy that KBS had already attempted to export its programmes in the late 1980s, before the establishment of KBS Media, and that subsequently this trial was extended in 1991 with the organisation of a sales-oriented subsidiary. That is to say, KBS has a relatively longer history in programme exports than MBC or SBS, the two other terrestrial stations. Based on its accumulated experience of programme exports, KBS Media succeeded in the late 1990s in exporting its programmes to neighbouring broadcasting markets such as Hong Kong and Taiwan.

In particular, the broadcasting of the KBS melodrama *Winter Sonata* on the national Japanese terrestrial station Nippon Hōsō Kyōkai (henceforth NHK) in 2003 has been described as the most fruitful export of a Korean drama by KBS Media. Not only was *Winter Sonata* the first Korean drama broadcast on a Japanese terrestrial station, but this drama also enjoyed exceptional popularity among Japanese viewers, ultimately leading to three re-broadcasts on NHK and NHK satellite channels in 2003 and 2004. Thanks to the enthusiastic reception by Japanese viewers, *Winter Sonata* earned KBS Media revenue of over US\$25 million. This has been recorded as the highest income in Korean drama exports up to the present.⁶⁵ The extraordinary popularity of *Winter Sonata* in Japan led to a social syndrome termed ‘yon-sama syndrome’.⁶⁶ *Winter Sonata* has been said to mark the full-scale start of the Korean Wave in East Asia. KBS Media thus played a key role in the export success enjoyed by Korean dramas on terrestrial stations.

Given this fact, a careful study of its programme exports may reveal how Korean terrestrial stations have been affected by the changing factors in the domestic broadcasting industry and by government intervention, and the extent to which these factors are connected to the export attempts of terrestrial stations. Additionally, since KBS has maintained its state-run

⁶⁵ Interview with Park In-soo, head of the programme export team at KBS Media, 28th June 2011 in Seoul, Korea.

⁶⁶ ‘Yon Sama’, which means the ‘the honourable Yong’ in Japanese, is the nickname of Bae Yong-joon, the main actor in *Winter Sonata*. According to Mori, the success of *Winter Sonata* in Japan was strong enough to change the negative bias against Koreans held by older Japanese people, based on their memories of Japan’s colonisation of Korea in the early 20th century (2008: 127-128).

broadcaster status since its establishment in 1961, a case study of this organisation may more effectively demonstrate the reciprocal relationship between government policies and actual programme exports than studies of the other two terrestrial stations.

This case study used four related data sources for analysis: official documents published by KBS concerning the establishment, organisation, enlargement and strategies of KBS Media; programme export data from KBS Media; research reports and newspaper articles about KBS Media's export results; and interviews with former and present personnel of KBS Media. In effect, as the written data about KBS Media prior to 2000 tended to be rather superficial, this case study was relatively dependent on several personnel who had worked in KBS Media, particularly Chang Han-sung and Park Jun-young, who were the first and second presidents of KBS Media in the 1990s. Both Chang and Park shared their personal memories, describing the events at KBS during the late 1970s and their efforts to establish a sales-oriented subsidiary. These recollections were obviously important in helping the author understand the historical and political context of KBS Media's business decisions and strategy organisation.

The strengths and limitations of case studies

The main strength of case studies is that they allow researchers to conduct a thorough and in-depth investigation using multiple methods of data selection. According to Hakim, 'the use of multiple sources of evidence allows case studies to present more rounded and complete accounts' in the course of the investigation (2000: 61). Simultaneously, case studies are useful in gaining a deep and holistic view because of their 'organisational activity'. (Doyle and Frith, 2006: 565) Simply put, the detailed and multi-layered nature of case studies makes it easier for researchers to gain in-depth insights.

In contrast, the lack of generalisability of case studies has frequently been cited as a weakness. Because the boundaries of case studies are limited to a single case or several cases, they cannot provide generalisations that can then be categorised as typical cases. In this research, the clear limitation was that the number of cases was limited to one, due to the fact that it was difficult to access other cases. With regard to this limitation, Yin points out that an individual case study should be collected not as a 'sampling unit', but as 'a topic of new experiment'. (1994: 31) According to Yin, generalisations from case studies

are possible through the accumulation of multiple case studies to support the same theory, rather than the results of a single case (*ibid.*). Hence, accumulated case studies on a particular topic can refine knowledge when sufficient examples are provided.

In this context, as demonstrated above, this study initially attempted to analogise the programme exports of terrestrial stations via the comparison of export strategies employed by KBS Media and MBC Productions, but this plan had to be revised because several key personnel at MBC Productions refused to cooperate in the study. It is a clear limitation of this study not to have been able to analyse deeply the degree of difference among the three terrestrial stations. However, to some extent this limitation appears to have been overcome through the comparative analysis of the programme export strategies of KBS Media and MBC Productions. In addition, in the case of Korean terrestrial stations, it has been said that all three stations have maintained close ties with the government. In particular, the characteristics of KBS and MBC became analogous after the mandatory mass media reorganisation of 1980.⁶⁷ This suggests that KBS media and MBC Production may have carried out relatively similar strategies in their programme exports.

Overall, the flexibility of case studies, which is regarded as one of their strengths, may affect the neutrality of the research. In order to overcome this problem, the researcher can conduct a multifaceted analysis of a series of cases or events rather than being confined to one specific subject. The evidence from multiple cases is therefore more valid than a single type of evidence (Doyle and Frith, 2006: 565). However, the practical problem remains that the analysis of multiple case study data requires more skill and time than that of a single case (Hakim, 2000: 73).

Conclusion

This chapter has outlined the research design for the thesis, which uses a combination of documentary research, semi-structured interviews and case studies in order to conduct analyses of Korean drama exports and relevant policies. This study mainly uses documentary research and semi-structured interviews to analyse the changing conditions of the drama industry and the supportive role of the government in the export of broadcast

⁶⁷ Interview with media studies researcher Joo Chang-yun, 6th July 2010 in Seoul, Korea.

programmes. In addition, a case study of KBS Media was adopted in order to investigate the export strategies of the terrestrial broadcasting stations.

The purpose of a research design is three-fold; first, it aims to connect the research questions to the data collection so that the data can provide valid, reliable evidence to answer the questions. Second, it helps the researcher gain knowledge about the research arguments. Finally, it enables the researcher to find appropriate answers to the research questions. Each research method in a research design has its own strengths and weaknesses. Prior to the collection of data, the researcher needs to fully understand each method's particular characteristics in order to cover all of the research topics and their contexts, and to articulate carefully his or her own research design.

The combination method used in this study enabled the researcher to investigate the research area from a variety of different angles and perspectives, to collect different types of data and to interpret the results from different positions. Throughout this approach, each method can be supplemented by further methods. Thus, this method appears to be an effective way to analyse the complicated nature of the Korean broadcasting industry and shed light on each research question from a more valid and holistic viewpoint, while avoiding potential bias.

Of the three combined methods, this study relied most on semi-structured interviews because it was especially important to understand the historical and political context of Korean dramas' entrance into Asian markets. In addition, the official documents published by the government and by government-affiliated organisations helped to provide crucial data about the changing trend in government policies related to both broadcasting industry and cultural content exports, which have been invaluable in this study.

Chapter Five: Korean Government Drama Export Policies

So far, this thesis has explored policy paradigm shifts in relation to broadcasting marketisation and media liberalisation in Asian countries, as well as on a global scale, outlined the development of the Korean broadcasting industry through political upheavals and economic development, and explained the research methods which have been employed in this thesis. This has been done in order to illuminate the role that the Korean government has played in the rapid penetration of Korean dramas in neighbouring regional markets between 1995 and 2005, and the historical and political context of this unprecedented phenomenon. This Chapter will examine the cultural industry policies of the Korean government during the research period and analyse the reciprocal relationship between these policies and Korean drama exports.

Since the mid 1990s, cultural industries policy has been identified as one of the key driving forces in the national development strategy of Korea. The Korean government has consistently legislated for and operated serial cultural industries promotion policies. These policies, which were mainly implemented after the inauguration of the Kim Dae-jung regime (1998-2002), have evolved with the changing circumstances of the Korean cultural industries, from the audiovisual industry promotion policy, through the cultural contents promotion policy, to the Korean Wave support policies. During roughly the same period of time, Korean popular cultural products, centring on dramas, have become increasingly popular in East Asian countries. Exports of Korean dramas rose in value from US\$3.2 million in 1998 to US\$98.7 million in 2005, a significant, more than thirty-fold increase within a decade (KOCCA, 2009a: 88).

The fact that the overseas popularity of Korean dramas coincided with the operation of these government policies has led to various discussions and debates among academic and industry insiders. Interestingly, domestic researchers have been largely critical of the fact that the Korean government has not reacted appropriately to the overseas Korean drama boom, although foreign researchers have suggested that the Korean government's cultural policies have contributed to the industry's overseas success (Lee, 2008: 188-189; Cho, 2005: 160). These contradictory conclusions appear to spring from a lack of systematic

research on how Korean cultural industries promotion policies have meaningfully affected drama exports. Accordingly, this chapter will investigate the role played by the Korean government in supporting commercial and private-sector export performance in the cultural industries. In particular, the government's support for broadcast programmes will be examined through the analysis of government policies related to drama exports from 1995 to 2005, the research period.

This chapter begins by outlining the Kim Dae-jung administration's cultural industries promotion policies, focusing particularly on deregulation. It then examines how serial deregulation of the cultural industries, including the broadcasting industry, has been related both to the production of high quality dramas and to their export success. During the Kim regime, the government differentiated its cultural industries policies from previous protection-centred cultural policies, as well as deleting or amending approximately three-quarters of regulatory laws (MCT, 2000a: 23). The lifting of the long-term ban on Japanese popular culture imports can be seen as a pertinent example of the Kim administration's policy shift towards both opening and promoting the cultural industries.

At the same time, however, it is doubtful that policy-makers specifically intended with these measures to increase drama exports. Although the Korean government tried to encourage the export potential of all cultural industries, it may not have foreseen that television dramas would be a viable product at the international level. The government's ignorance of the potential of dramas as export products seems to have led to the subsequent misunderstanding over the actual concept of the Korean Wave. In other words, after the penetration of Korean dramas in neighbouring Asian countries in the mid 2000s, the government set up support policies for drama exports with some urgency, due to a lack of detailed research on how Korean dramas had gained a wide popularity in the neighbouring countries in a comparatively short period. As seen in Chapter 1, the exaggerated labelling of this phenomenon as the Korean Wave, embodying nationalistic views and embedded by the Korean media, seems to have been transformed into policy thinking and consequently to have resulted in enthusiastic, but not well-organised policies in support of the Korean Wave.

In this context, the second section of this chapter will examine the conflicting cross-currents of these Korean Wave support policies, which appeared after the phenomenal success of Korean dramas in Japan, and in particular the advent of the *Winter Sonata* (KBS,

2002) syndrome in 2004. Through these explorations, this chapter will attempt to shed light on the multiple dimensions of the Korean government's cultural industries policies and the scope for conflict arising from post-Korean-Wave policies.

The cultural industries policies of the Kim Dae-jung regime

In research into the cultural industries of Korea, one of the common arguments is that the Kim Dae-jung regime produced a profound paradigm shift in Korean policies with regard to promotion of the cultural industries, which positively stimulated a significant overall growth in these industries as a result (Kim, J., 2007: 159; Park, 2010: 16; Kong et al., 2006: 183). The Kim Dae-jung regime's cultural policies philosophy notably moved toward deregulation and the promotion of the cultural industries, as well as away from the protection and regulation characteristic of the previous regimes. Thus, the Kim Dae-jung regime's cultural policies philosophy can be summarised as 'more support, less intervention'. (MCT, 2002a: 343) This section, devoted to an analysis of the cultural industries promotion policies of the Kim Dae-jung regime, is focused on identifying how the deregulation of the cultural industries contributed in complex ways to both the production of high quality dramas and their export success.

The new cultural industries policy: more support, less intervention

Before the advent of the Kim Dae-jung regime, the Korean government had no explicit vision for cultural industries policy. Even after state power was devolved from the second military government (1981-1992) to the civilian Kim Young-sam government (1993-1997), the Korean government appears not to have had a long-term perspective regarding the cultural industries. Although some audiovisual industry promotion policies emerged during the Kim Young-sam administration, as described in Chapter 3, it is highly questionable whether these policies had a specific vision of or strategy for systematic support for the cultural industries.

From 1998 onwards, with the advent of the Kim Dae-jung regime, several full-scale cultural industries promotion policies were enacted.⁶⁸ Unlike previous presidents, President Kim Dae-jung, who thought of himself as the ‘President of Culture’, took a keen interest in promoting Korea’s cultural industries. In his inauguration speech on 25th February 1998, Kim stated: ‘my administration will make efforts to globalise our national culture, because the cultural industries will be the key strategic industry in the 21st century, and some cultural industry sectors such as tourism, conventions, broadcasting, and national heritage products will enrich Korea’. (Kim, D-J., 1998: 59-60)⁶⁹ President Kim was the first Korean president to have addressed the potential of the cultural industries in his inauguration speech.

According to the Plan for the Culture and Tourism Policy of the New Government, the Kim Dae-jung regime’s first full-scale cultural policy which emerged in December 1998, the core purpose of the cultural policy of the Kim Dae-jung administration was to present ‘the national vision for the 21st century through culture, utilising culture as the main implement for national development, and focusing government support on the most promising cultural industries sectors rather than all cultural sectors’. (MCT, 1998: 8) In order to achieve these goals, this policy identified five strategic aims: formulating a long-term policy perspective; recognising the more practical and strategic values of culture; focusing investment on several promising cultural industry sectors; pursuing more promotional policies rather than protection or intervention; and changing the government itself in order to achieve better results in policy operation.

A brief overview of the Plan for the Culture and Tourism Policy of the New Government clearly shows that the focus of the cultural industries policy of the Kim Dae-jung administration had moved from regulation-oriented to development-oriented policies. Kim Sung-jae, the former minister at MCT in the Kim administration summed up the philosophy of President Kim towards the cultural industries policy as follows:

President Kim Dae-jung, who has struggled to accomplish the democratisation of Korea during his tenure, hopes to achieve democratisation in the cultural field as well. In order to do this, he has pursued an autonomous cultural policy which

⁶⁸ These policies were: the Plan for the Culture and Tourism Policy of the New Government of December 1998, the Cultural industries Promotion Act of May 1999, the Five-Year Plan for Cultural Industries Promotion of February 2000, and the Contents-Korea Vision 21 of June 2001.

⁶⁹ Opening a New Age, Kim’s inaugural speech of 25th February 1998.

minimises government intervention and maximises government support. (Kim, S., 2007)

Another noteworthy point is that the policy attempted to make a link between the cultural industries and exports, in line with Korea's export-driven post-war economy. The policy stated that the government aimed to increase exports of cultural industries products to US\$1.2 billion by 2003.⁷⁰ Park Yang-woo, the former deputy minister at MCT, stated that President Kim often claimed that 'Korea can export its own cultural products as well as automobiles'.⁷¹ Kim's statement shows that the cultural industries policy was aimed at gaining a foothold in the overseas market as well as the domestic market, and this was embraced by the Korean people, who were already accustomed to the export-driven policies of the military government.

In May 1999, the Cultural Industries Promotion Act was enacted in order to operate the supporting policies set out in the Plan for the Culture and Tourism Policy of the New Government. The main content of this act consisted of encouraging legislation for more promotion policies for the cultural industries from both central and local governments (Act 3), supporting the foundation of companies which aimed to develop and produce cultural products (Act 5), and creating cultural industries promotion funds for increasing investment in the production of high-quality cultural products, especially in cultural products strategically designed for export and in overseas marketing (Act 39).⁷²

The principal aim of the cultural content promotion policy did not significantly change in the Five-Year Plan for Cultural industries Promotion established in February 2000. This plan argued that both the Korean government and Korean society should recognise that cultural industries were becoming the most significant national industry, similar to heavy industry in the 1970s. It particularly stressed the importance of eliminating all regulations which limited creative expression in the cultural industries, and emphasised the importance of export-oriented cultural content (MCT, 2000b: 11). In June 2001, the Kim Dae-jung administration announced its Contents-Korea Vision 21. As a result of this plan, KOCCA,

⁷⁰ The total export value of Korean cultural industries products was US\$180 million in 1997. An export figure of US\$1.2 billion would most likely have been considered an almost impossible target in the late 1990s.

⁷¹ Interview with Park Yang-woo, 5 July 2010 in Seoul, Korea.

⁷² From the website of the Korean National Assembly Law Information System: http://likms.assembly.go.kr/law/jsp/law/Law.jsp?WORK_TYPE=LAW_BON&LAW_ID=A1645&PROM_NO=11167&PROM_DT=20120117&HanChk=Y (accessed 19th January 2012).

a single body resulting from the merger of several related organisations, was established in August 2001 as a public organisation to promote creative activities in the cultural industries (MCT, 2001a: 41).

Following the advent of the Plan for the Culture and Tourism Policy of the New Government in December 1998, all the cultural industries policies of the Kim administration consistently emphasised three principles: developing the economic worth of the cultural industries, encouraging the cultural industries to enter overseas markets, and eliminating all regulations limiting creative expression in the cultural industries. Throughout the extensive financial crisis across Asia in the late 1990s, the government's main concern was to enhance the quality of cultural products and to promote them as exports, in line with the old export-as-survival policy.

In order to accomplish this, the government greatly increased the budget for MCT's cultural industries division, from US\$11 million in 1997 to US\$163.1 million in 2002 (MCT, 2003: 8), almost a fifteen-fold increase within half a decade. By the end of 2002, 22 funds for the cultural industries had been founded, amounting to US\$219.6 million (MCT, 2003: 344). Furthermore, 72.8 per cent of regulatory laws related to the cultural industries had been abolished or amended by 2000 (MCT, 2000a: 23).

Accordingly, broadcasting industry regulations gradually became more liberal due to the Kim Dae-jung regime's relaxed cultural industries policies. The government proclaimed that it would carry out broadcasting industry deregulation in order to boost investment from Korean conglomerates and foreign capital throughout the broadcasting industry (MCT, 2000b: 83). The Policy for Audiovisual Industry Promotion, which was announced in 1998, summarised the four key aims of the Korean broadcasting industry as follows: (i) the production of high-quality broadcast programmes, (ii) breaking into the overseas market, (iii) the creation of a sound infrastructure for further industrial development, and (iv) the education of young industry experts (Yoon, 2004: 54).

To begin with, the MOI, which had been charged with control of the media, including censorship, was abolished in 1998. With this abolition, the stance of broadcasting policies clearly shifted from one of control to one of industry promotion (MCT, 2005: 5). MCT changed the compulsory licence system for new cable programme-providers to a registration system, and liberalised official government broadcasting censorship, changing

it to the current autonomous review system, to be carried out by individual broadcasting stations (MCT, 1998: 103). Moreover, the government introduced in 1999 a special consumption tax concession for the broadcasting devices of independent productions and cable channels, as well as providing between 1999 and 2002 around US\$60 million in funding for the production costs of independent productions, animation productions and cable programme-providers (MCT, 2002b: 315; Yoon, 2004: 28).

Opening the domestic market to Japanese popular culture has been seen as another substantially advanced cultural policy of the Kim Dae-jung administration. Following Korea's release in 1945 from 35 years of Japanese colonial rule, the Korean government officially banned the entry of Japanese popular culture materials such as music, films and television programmes.⁷³ It had been previously thought that the impact of Japanese popular culture was contrary to national sentiments. In October 1998, President Kim Dae-jung announced that the long-term policy prohibiting the import of Japanese popular culture would be discontinued:

I believe that our current protection-oriented policy is out of date and likely to hold Korea back from learning and contributing to international cultural trends. Japanese culture will stimulate the Korean cultural industries, and this stimulation will lead both cultures to flourish in the long run. On the basis of this belief, I have decided to persuade the Korean people to open the domestic market to Japanese popular culture. (Kim, D-J., 1998: 542-543)⁷⁴

Even though there was quite serious concern and opposition from the Korean people, the Kim Dae-jung administration began to allow Japanese cultural imports on 20th October 1998. The ban on Japanese popular culture was gradually lifted between October 1998 and January 2004.

⁷³ An exception has been Japanese television animations which had been imported by Korean broadcasting stations since the early 1970s, dubbed in Korean.

⁷⁴ The Mutual Development of Korean Culture and Japanese Culture through Promoting Cultural Exchange, speech in the Japanese National Assembly, 8th October 1998.

Table 5.1 The four-stages in opening Korea to Japanese popular culture

Date	Japanese cultural products included in process of opening
First stage (28 Oct. 1998)	- Prize-winning films from the Cannes, Venice and Berlin Film Festivals and Academy Award-winning films in the Foreign Language Film category - Comic books and comic magazines
Second stage (10 Sep. 1999)	- Prize-winning films from one of 70 selected film festivals - Films rated for general audiences by Korea's Media Rating Board - Performances by Japanese popular singers
Third stage (27 June 2000)	- Films rated 12+ or 15+ by Korea's Media Rating Board - Animated films awarded prizes at selected film festivals - News, documentaries and sports programmes on cable and satellite TV channels - Computer games
Fourth stage (1 Jan. 2004)	- News, documentaries and sports programmes on terrestrial TV channels - All broadcast programmes except entertainment programmes on cable and satellite TV channels - Broadcasting of Japanese singers' performances in Korea on terrestrial TV channels - All films including those rated 18+ by Korea's Media Rating Board - CD releases of songs with Japanese lyrics * Broadcasting of dramas and music videos on terrestrial TV channels and radio broadcasting of songs with Japanese lyrics excluded

Source: White Paper on Cultural Policy (MCT, 2003: 472-474)

The Korean government's opening of the domestic market to Japanese popular culture seems to have created new opportunities for mutual understanding between Korean and Japanese people. Korean people have tended to resent Japan because of its harsh pre-war colonial rule, whereas the Japanese have continued to disdain Koreans. These old antipathies appear to have significantly decreased since the advent of the new policy and the decision to co-host the 2002 Korea-Japan World Cup in 1996.⁷⁵ According to a collaborative survey carried out by the Korean newspaper *Donga Ilbo* [Daily News] and the Japanese newspaper *Asahi Shinbun* [News] in 2000, Japanese people's good opinion of Koreans increased from eight per cent to 20 per cent in 1996 and Koreans' good opinion of Japanese people also rose, from eight per cent to 17 per cent (Namgung, 2000).⁷⁶ This marked the highest level of friendly feelings between the two countries since 1990. According to the Asian Pacific issue of *Newsweek*, a Japanese government survey in 2001

⁷⁵ Telephone interview with Kim Young-duk, President of KOCCA's Japanese office, 8th July 2011.

⁷⁶ http://www.kocis.go.kr/kor/web/announcements/international_view.asp?view_idx=284 (accessed 29th January 2012).

revealed that 51.4 per cent of respondents reported warm feelings toward Korea, which was a significant increase from 35.8 per cent in 1996 (Takayama and Itoi, 2001).⁷⁷

The establishment of mutual understanding is likely to have played a certain role in introducing Korean cultural products such as film, music and dramas to the Japanese market, without a serious backlash. The number of Korean films released in Japan increased from two in 1998 to 44 in 2005 (Asano, 2005).⁷⁸ *Shiri* (1999), the Korean blockbuster film, earned US\$14 million at the Japanese box office in 2000, despite a limited release (Takayama and Itoi, 2001).

Above all, the Korean melodrama *Winter Sonata* (KBS, 2002) was so well received in Japan that its popularity surpassed that of all other Korean cultural products. In 2004, *Winter Sonata* recorded viewing rates of over 20 per cent during its third broadcast on NHK, and created a sensation in the several related cultural industries in addition to the US\$ 25 million income it garnered for KBS. 330,000 DVD sets and 1.2 million copies of the novelised version of *Winter Sonata* were sold, just in Japan. The original CD set of this drama's sound track also recorded sales of more than a million copies.⁷⁹ The number of female Japanese tourists visiting Korea in 2004 recorded a 57.3 per cent increase compared to the previous year; almost all of these tourists were middle-aged female *Winter Sonata* fans who came to Korea in order to visit the filming locations.⁸⁰ The popularity of *Winter Sonata* was regarded as a social syndrome across Japanese society.⁸¹ With this tremendous success, the main overseas market for Korean dramas shifted from the Chinese territories to Japan. Japan's share in total exports of Korean dramas rose from 10.8 per cent in 2002 to 74.3 per cent in 2005 (KOCCA, 2009: 24).

⁷⁷ On this subject, *Newsweek* further reports: 'Young Japanese people are now willing and indeed eager to learn more about Korean culture, but this would have been impossible ten years ago.'

<http://www.thedailybeast.com/newsweek/2001/04/08/japan-finds-its-seoul.html> (accessed 29th January 2012).

⁷⁸ This article was translated by Cho Jeong-jin. <http://blog.segye.com/jjj0101/10206> (accessed 30th January 2012).

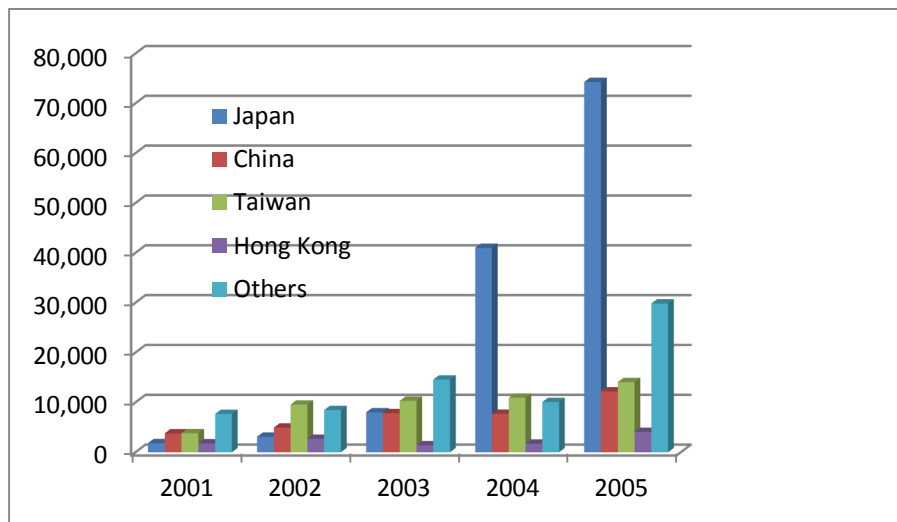
⁷⁹ Second interview with Park In-soo, head of KBS Media's export team, 28th June 2011.

⁸⁰ Internal data from KNTTO.

http://webcache.googleusercontent.com/search?q=cache:57kq5gmEWaEJ:www.youngseo.ac.kr/dep_info/homepage/dep_home18/dep4/download.asp%3Ffile%3D%25BF%25EC%25B8%25AE%25B3%25AA%25B6%25F3%2B%25B0%25FC%25B1%25A4%25B5%25BF%25C7%25E2.hwp+2004+%EC%9D%BC%EB%B3%B8+%EA%B4%80%EA%B4%91%EA%B0%9D+%EC%A6%9D%EA%B0%80&cd=7&hl=en&ct=clnk&gl=kr (accessed 12th October 2012).

⁸¹ In response to the tremendous popularity of *Winter Sonata* and of its leading actor, Bae Young-jun, former Japanese Prime Minister Koizumi Jun'ichiro said: 'I will make efforts to be as popular as Yon-sama (the nickname of Bae Yong-jun) and to be called Jun-sama.' When Bae visited Japan in April 2004, a crowd of more than five thousand female fans was at Tokyo International Airport to catch a glimpse of him even from a distance.

Figure 5.1 Exports of Korean broadcast programmes between 2001 and 2005 (US\$1,000)



Source: Strategies and policies for the proliferation of the Korean Wave (KOCCA, 2009b: 20-22)

The impact of deregulation and democratisation on drama exports

The government considers that the serial policy of promotion of the cultural industries during the Kim Dae-jung regime may well have eliminated some of the prejudice against the commercial aspect of popular culture.⁸² In particular, it is highly probable that the lifting of the ban on Japanese popular culture created a favourable atmosphere for cultural exchange between the Korean and Japanese cultural industries, and that this vibrancy stimulated the export of Korean dramas to Japan.

Nevertheless, it is still unclear whether these policies of promotion and deregulation specifically increased drama exports. Even policy-makers have conflicting opinions about the influence of the government's industry promotion and deregulation policies on drama exports. Kim Chul-min, the Director of MCT's cultural industries policy division, argues that the serial promotion policies and subsequent building of a sound infrastructure for the creation of promising cultural industries may have had a favourable impact on drama exports. However, Koo Kyung-bon, President of the US office of KOCCA, claims that it is

⁸² Due to the influence of Confucianism, Korean society has preferred academic knowledge and so-called 'high arts' to commerce and technology. Before the 1990s, Korean people tended to deem popular culture inferior. The government's assessment that serial promotion of the cultural industries has helped to remove this old-fashioned prejudice against popular culture seems quite plausible.

still difficult to prove that this infrastructure subsequently paved the way for the outstanding achievements of certain cultural industries, such as drama exports.⁸³

Indeed, it is highly questionable whether government support significantly stimulated early drama exports in the late 1990s. According to Park In-soo and Park Jae-bog, head of the programme export team of KBS Media and former General Manager of MBC Productions respectively, the initial television programme exports had already been launched by the programme trade divisions of each terrestrial station from the early 1990s, before the start of the Kim Dae-jung administration's cultural industries promotion policies.⁸⁴ Goh Jeong-min, a media industry expert and head of Samsung Entertainment Group's cable channel team in the mid 1990s, points out that the first export success of Korean dramas was deemed to be the broadcast of *What is Love All About?* (MBC, 1991-1992) on CCTV in 1997, which occurred prior to the establishment of the Kim Dae-jung administration in February 1998.⁸⁵ That is to say, Korean broadcasting stations had already been exporting their programmes and achieving modest results from the mid 1990s onwards.⁸⁶

A significant point is that government intervention in drama production, which had been common under previous military governments, began to diminish before the advent of the cultural industries promotion policies of the Kim Dae-jung regime. The Kim Young-sam administration (1993-1997), the first civilian government after the second military government (1981-1992), notably decreased intervention in drama themes and storylines, and government intervention seems to have almost entirely disappeared during the Kim Dae-jung regime. The broadcasting industry policies of the Kim Dae-jung administration seem mainly to have focused on the cable channel industry and independent programme productions, which were struggling to overcome the harsh effects of the so-called IMF crisis, rather than on terrestrial stations.⁸⁷ Veteran drama producer Kim Seung-soo, who worked as a chief drama producer in MBC, notes that drama creators felt that some tacit censorship in drama production still remained in the Kim Young-sam regime, but that

⁸³ Interview with Kim Chul-min, 14th July 2010, and with Koo Kyung-bon, 6th July 2010. Both interviews were carried out in Seoul, Korea.

⁸⁴ Interview with Park In-soo, head of programme export team of KBS Media, 29th July 2010. Interview with Park Jae-bog, former General Manager of MBC Productions, 25th July, 2010. Both interviews were carried out in Seoul, Korea.

⁸⁵ Interview with Goh Jeong-min, Professor of the Audiovisual Industry, Graduate School of Hong-ik University, 7th July 2010 in Seoul, Korea.

⁸⁶ Interview with Park In-soo, head of programme export team of KBS Media, 29th July 2010 in Seoul, Korea. Hwang Seong-yun, a senior researcher at AGB Nielsen Media Research Korea, also agreed with Park's argument in an interview on 23rd June 2011 in Seoul, Korea.

⁸⁷ Interview with Yoon Jae-sik, senior researcher at KOCCA's industrial policy team, 20th July 2010 in Seoul, Korea.

government censorship and intervention in drama production were virtually eliminated in the Kim Dae-jung regime.⁸⁸

As mentioned in Chapter 3, the two military governments (1961-1979 and 1981-1992) strictly controlled all broadcasting content throughout their almost thirty years of rule. This content regulation included the restriction of drama broadcasts depicting communism, anti-government or democratisation movements, violence, social problems and what was termed ‘immorality’. All of these themes were defined as ‘unsound’ culture and deemed harmful to social unification by the autocratic Park Chung-hee regime, the first military government (1961-1979). In the 1970s, it was not uncommon for dramas which dealt even minimally with these themes to be taken off the air by the government.⁸⁹

Due to this strict control, the diversity of drama themes was quite limited and drama producers could produce only a few genres, such as historical dramas, soap operas or melodramas, which were less likely to conflict with government regulations. In particular, drama producers tended to prefer historical dramas, because war scenes in historical dramas were exempted from the violence prohibition rule and, additionally, the government supported the production of historical epic dramas because they believed these dramas boosted audiences’ patriotism. This is the main reason why historical dramas have specifically flourished in the Korean drama industry.⁹⁰ So, dramas were used by the military governments as a means of educating audiences, and diversity and freedom of expression were suppressed ostensibly to protect the public, but actually in order to prevent the public from awakening to the injustice of the authoritarian rule of the military governments.⁹¹ In this context, the military governments may well have recognised the importance of dramas as sociopolitical tools.

The first civilian government, the Kim Young-sam regime (1993-1997), which faced the new global trend of media marketisation in the early 1990s, gradually changed its broadcasting policy framework from one of regulation and control to one of industry promotion. Although the Kim Young-sam regime hoped to foster an atmosphere in which the broadcasting industry would become more commercially successful, as shown in Chapter 3, it is not likely that its members had definite ideas about how to promote the

⁸⁸ Interview with Kim Seung-soo, 21st July 2010 in Seoul, Korea.

⁸⁹ Interview with Joo Chang-yun, 6th July 2010 in Seoul, Korea. Joo is a professor in the Media Studies Department of Seoul Women’s University. He is also regarded as a leading media critic in Korea.

⁹⁰ Interview with Cho Chung-hyun, Executive Managing Director of MBC, 29th July 2010 in Seoul, Korea.

⁹¹ Interview with Joo Chang-yun, 6th July 2010 in Seoul, Korea..

broadcasting industry. So the Kim Young-sam administration took an ambivalent stance towards the broadcasting industry, neither intervening nor providing support.⁹²

The Kim Young-sam regime's pro-liberal stance toward the broadcasting industry was maintained by the Kim Dae-jung regime (1998-2002) which followed it, but, as discussed above, the support of the Kim Dae-jung regime mainly focused on cable channels and independent productions rather than on the terrestrial broadcasting stations. Yoon Ho-jin, head of KOCCA's policy research team, pointed out that, whereas the previous military government had actively intervened in drama content in the interest of public education, neither of the two Kim administrations had been especially keen to intervene in or to promote the drama productions which the three terrestrial stations were predominantly involved in throughout the 1990s. Ironically, the government's lack of interest in drama productions had had the effect of allowing drama producers autonomy:

In both Kim regimes, the government's principal way of dealing with the terrestrial stations was to leave them to their own devices. Drama productions were included in this 'live and let live' principle because almost all dramas throughout the 1990s were produced by in-house productions. The abolition of external intervention seems to have led to the autonomy of drama creators. Most notably, KBS's drama producers, who had passively accepted being directly controlled by the government for almost three decades, began to explore diverse themes, demonstrating a new-found creativity. Thus, the government's indifference seems to have paradoxically resulted in the birth of creative ideas in the drama industry.⁹³

Kim Young-hyun, the young female drama writer who wrote the famous Korean drama *Jewel in the Palace* (MBC, 2003-2004), stated that she had not experienced any external intervention in her work since she began to write drama scripts in 1997:

I think that almost all restrictions relating to drama themes disappeared during the Kim Dae-jung regime. Even communism is no longer the taboo subject it used to be, although drama creators still tend to avoid producing dramas with communist themes because ideological themes do not attract audience interest. Nowadays,

⁹² Interview with Lee Man-je, a senior researcher on the policy research team of KOCCA, 4th August 2010 in Seoul, Korea.

⁹³ Interview with Yoon Ho-jin, head of the KOCCA policy research team, 13th July 2010 in Seoul, Korea.

drama creators have to pay more attention to themes related to Korean conglomerates than to government restrictions, because a storyline with adverse to the conglomerates may lead to a decrease in advertising revenue.⁹⁴

Park Yang-woo, former Deputy Minister at MCT, admitted that throughout the 1990s the government was not especially interested in the commercial potential of dramas. At the same time, however, Park maintained that the government did contribute to some extent to the increase in drama exports by eliminating external intervention and allowing freedom of expression in drama production.⁹⁵ The link between the elimination of government intervention and the success of drama exports may seem tenuous. However, as discussed in Chapter 2, it appears that the broadcasting industry has retained political weight in most Asian countries despite the strong media marketisation trend. In this context, the elimination of government intervention may be seen as a major contributing factor, however indirect, to the current prosperity of the drama industry and its consequent export success.

As well as freeing the industry from government control, the political and social democratisation achieved during the Kim Dae-jung regime seems to have played a role in the development of the drama industry. Shim Doo-bo argued that the optimistic atmosphere under a more democratic and tolerant government was more influential in encouraging the broadcasting industry to break into a broader market than individual promotion policies:

During the Kim Dae-jung administration, Korean culture was no longer subject to government intervention. This is significantly different from the cultural industries of neighbouring countries such as Taiwan or China, which are still under state control. The political and social democratisation achieved during the Kim Dae-jung regime brought down barriers all over society, which led to more frequent interactions and exchanges in different cultural fields. I think that both the abolition of state control and the increased interactions among artists were the main causes of the burst of creativity in the cultural industries in the early 2000s. In this respect, the cultural industries policies, and to an even greater extent the democratisation, of the Kim Dae-jung regime contributed to a more optimistic

⁹⁴ Interview with Kim Youg-hyun, 15th July 2010 in Seoul, Korea.

⁹⁵ Interview with Park Yang-woo, 5th July 2010 in Seoul, Korea.

atmosphere in export trials.⁹⁶

With regard to these findings, the most important implication is that the development of drama creativity, which is one of the primary prerequisites for the production of high-quality content, seems not to have been closely connected to the Kim Dae-jung regime's cultural industries promotion policies, contrary to the assumption of some researchers. Although the Kim Dae-jung regime's cultural industries promotion policies had favourable results for cultural industries exports, whether these promotion policies specifically enhanced drama exports is far from conclusively shown. Indeed, it is the decrease in government intervention in drama productions combined with the liberalised and more democratic political and social atmosphere which began during the previous Kim young-sam regime and matured under the Kim Dae-jung regime, which is likely to have been more helpful in nurturing creativity and spurring drama writers and producers to explore and develop diverse themes and storylines.

In this respect, the government may have helped drama creators to produce content of sufficient quality to attract overseas viewers. However, it is open to dispute whether the abolition of government intervention can be regarded as a 'considerable contribution' to the creation of high-quality content and the consequent success of Korean dramas on the overseas market.

Another significant point related to the first is that the contribution to drama exports brought about by sociopolitical democratisation and the concomitant release from government intervention seems not to have been anticipated by the government. Although the government has been eager to foster the development of the cultural industries in order to enable them to compete on the international market, the true export potential of Korean dramas was initially recognised by only a few industry insiders, not by the government. Indeed, the government has acknowledged that the great success of the Korean Wave, which mainly centred on drama exports, was 'a success without design', which occurred without the government's strategic support (MCT, 2003: 215). Accordingly, whether the government can play an appropriate role in supporting the commercial and private sectors in cultural industries such as television programme exports remains a question.

⁹⁶ Interview with Shim Doo-bo, 20th June 2011 in Seoul, Korea. Shim, a professor of Media Studies at Sungshin Womens University, is engaged in ongoing collaborative research on the Korean Wave with Southeast Asian researchers.

Drama export support policies after the Korean Wave

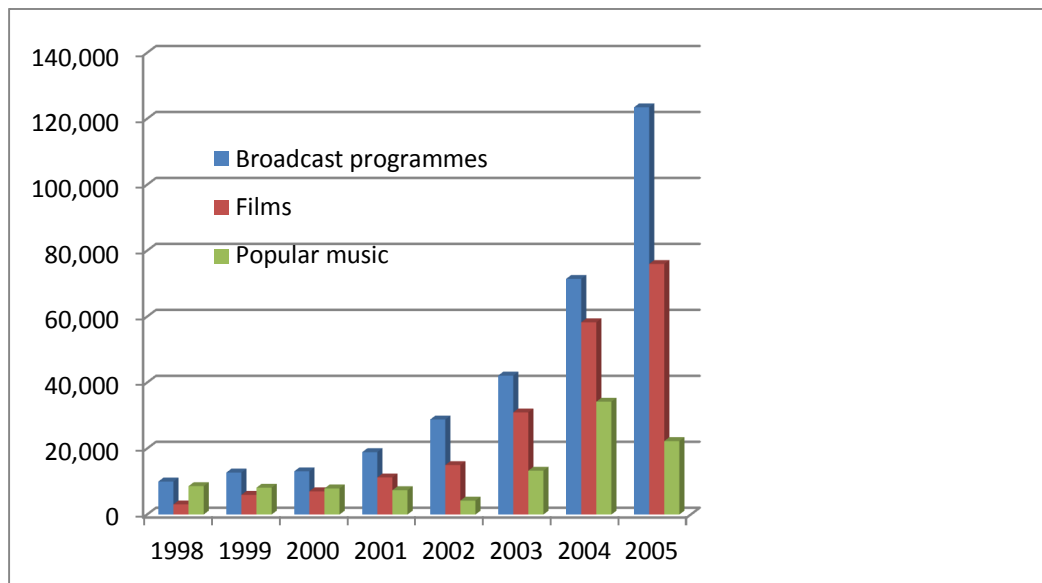
After recognising the potential of the Korean Wave, mainly because of the unanticipated popularity of the Korean melodrama *Winter Sonata* in Japan in 2004, the Noh Moo-hyun regime (2003-2007) established a series of support policies to boost the export of popular cultural products, commonly known as the Korean Wave support policies.⁹⁷ This section explores the policies, from roughly 2003 to 2005, which made specific reference to supporting drama exports, and examines the conflicting cross-currents embedded in these policies.

Korean government support for broadcast exports

At the turn of the century, the Korean government seems to have realised the significant increase in popular cultural content exports to neighbouring Asian countries. The 2001 White Paper on Cultural Policy describes the phenomenon of the Korean Wave as follows: ‘International cultural exchange had been regarded in Korean society as the import of “advanced” Western cultural products and the introduction of “traditional” Korean culture to the West. This changed after the success of the Korean Wave in Asian countries, however, with the international cultural exchange destination shifting to Asia’. (MCT, 2001a: 16)

⁹⁷ As a result of the presidential election in December 2002, the Kim Dae-jung regime (1998-2002) was succeeded in February 2003 by the Noh Moo-hyun regime (2003-2007). It has been said that the Noh regime continued to carry out the cultural policies of the Kim Dae-jung administration without significant changes.

Figure 5.2 Korean broadcasting,⁹⁸ film, and popular music exports between 1998 and 2005 (US\$1,000)



Source: White Paper on the Cultural Industries (MCST, 2008: 182, 219)

Prior to the tremendous popularity of *Winter Sonata* in Japan in 2004, the Kim Dae-jung administration may already have perceived the promising prospects of domestic broadcast programme exports: ‘It is particularly important to nurture the broadcasting programme genres which appeal to overseas markets. To do this, it is necessary to look for those niche markets which major international programme distributors have missed’. (MCT, 2000a: 282) This shows that the government was monitoring the increasing international trade flow in broadcast programmes and may well have hoped to sell Korean dramas to neighbouring countries thanks to the proliferation of cable channels in Chinese-speaking areas such as Hong Kong and Taiwan.

Ironically, the government took no particular interest in the early Korean Wave, which started with drama and dance music exports to Taiwan and China in the late 1990s. More precisely, the government may have been reluctant to acknowledge the value of dramas as a viable export product, rather than entirely failing to recognise their obvious popularity. The statement of the 2000 White Paper on the Cultural Industries shows the government’s dubious response to the increase in drama exports: ‘More diversity in exporting broadcast

⁹⁸ Dramas have comprised approximately 90 per cent of broadcast programme exports since the early 2000s. In 2005, for example, the proportion of dramas in all Korean broadcast programme exports was 89.7 per cent.

programmes is required because almost all programmes exported have merely been dramas'. (MCT, 2000a: 279)

Initially, the government appears to have considered television animations as the most promising programme genre for export and accordingly focused its subsidies on animation productions (MCT, 2000a: 277). In fact, KBS Media had already attempted animation exports a decade earlier, in the late 1980s, and eventually concluded in the mid 1990s that television animations were not sufficiently competitive as an export product.⁹⁹ In 1999, the proportions of drama and animation in broadcast programme exports by the three terrestrial stations were 58.2 per cent and 10.6 per cent respectively (ibid.: 278). Nonetheless, in 2003, the government raised the compulsory broadcast quota for the terrestrial broadcasting stations' domestic animations from 35 per cent in 1999 to 50 per cent (MCT, 2002b: 314).

Although the government seems not to have paid significant attention to the increase in drama exports, that does not mean that it did not support broadcast programme exports at all. Several small-scale measures in support of programme exports were implemented in the late 1990s, in line with the overall broadcasting industry promotion policies. Kim Chang-ho, the Director of MCT's audiovisual and advertising division, noted that these consisted of supporting post-production and providing foreign language dubbing for broadcast programmes, providing subsidies to programme exporters participating in international programme markets, offering information related to the overseas market, and organising the international television programme market. Support of this kind has continued to the present without any noteworthy change.¹⁰⁰

A description of these support measures will be of value. Firstly, 'post-production support', also known as 'music and effect separation support', is the government subsidy provided for post-production of broadcast programmes intended for export, which began in 1999. In the process of exporting programmes, programme exporters keep music and effects separate from the master tape in order to dub dialogue or music, or to insert the subtitles into the programmes. The separation process has been called 'post-production' or 'M&E (music and effects) separation'.

⁹⁹ KBS Media's animation export trials will be explored further in Chapter 7.

¹⁰⁰ Interview with Kim Chang-ho, 14th July 2010 in Seoul, Korea.

According to Park Jae-bog, the former General Manager of MBC Productions, in the late 1990s the cost of the post-production process was as high as US\$1,000 per sixty-minute drama episode, whereas the export revenue per drama episode remained only US\$600. In those times, the broadcasting stations in financial difficulties due to the IMF crisis were not eager to invest in the uncertain future of programme exports. Inevitably, the newly formed broadcast programme export personnel committee asked MCT to provide subsidies for post-production.¹⁰¹ MCT paid subsidies to each broadcasting station and to several large independent production companies which were able to export their dramas from January 1999 onwards (MCT, 2005: 256).

According to the White Paper on Cultural Policy, the government provided subsidies for the post-production of approximately 1,500 programme episodes in 2002 (MCT, 2002a: 351). In interviews, the export personnel of three broadcasting stations, including Kim Young-won, General Director of SBS Contents Hub, Park In-soo, head of the programme export team at KBS Media and Park Jae-bog, former General Manager of MBC Productions, described post-production support as the most consistent and effective form of government support for drama exports.

Secondly, since 1995, the government has provided subsidies to broadcasters who wish to participate in certain renowned international broadcast programme markets. This has been called support for participation in the international broadcast programme market, or, for short, ‘market participation support’. The 2005 White Paper on the Cultural Industries stated: ‘the government has provided a subsidy for domestic broadcasters to participate in prominent international programme markets such as MIP-TV [Marché International des Programmes de Télévision], MIP-COM [Marché International des Films et des Programmes pour la TV, la Vidéo, le Câble et le Satellite], and the Shanghai International Television Festival. In detail, the government provides financial support for such expenses as renting a booth for the Korean television programme exhibition and printing brochures introducing Korean television programmes. In doing so, the government aims to enhance and promote domestic programme exports in the international market’. (MCT, 2005: 395) Senior KOCCA researcher Yoon Jae-sik suggested that this had been described as a

¹⁰¹ Interview with Park Jae-bog, former General Manager of MBC Productions, 25th July 2010 in Seoul, Korea. Park has been described as a key figure engaged in broadcast programme exports from the early 1990s with Park In-soo of KBS Media. Park was honoured with an award by the Korean president in 2001 for his contribution to broadcast programme exports.

practical boost not only for broadcasting stations, but also for small independent productions which are not affluent enough to participate in the overseas market.¹⁰²

Thirdly, since 2002, the government has sponsored the Broadcasting Worldwide Exhibition and Conference (henceforth BCWW), the annual broadcast programme market held in Korea. The first BCWW was organised in 2001 by Group Eight, a venture company managed by drama export agent Song Byung-joon. Song stated that he realised the necessity for a broadcast programme market dealing predominantly with Asian programmes in order to manage the increasing trade among Asian broadcasters, while he was working in the late 1990s as the agent exporting Korean dramas to Taiwanese cable channels:

MCT showed an interest in the first BCWW held in 2001 and provided a subsidy. The next year, MCT and KOCCA provided BCWW's entire budget. Although BCWW itself has not been a profitable business, it is widely believed that BCWW became the representative market for exporting Korean broadcast programmes as well as playing a key role in maintaining the high popularity of Korean dramas in the Asian market. Asian broadcasters generally regard Korea as the Asian centre of drama exports because the Korean broadcasting industry has high quality dramas and is the leading broadcast programme trade market for Asian broadcasters. Following the success of BCWW, a couple of similar programme markets have appeared in Japan, Taiwan and Thailand.¹⁰³

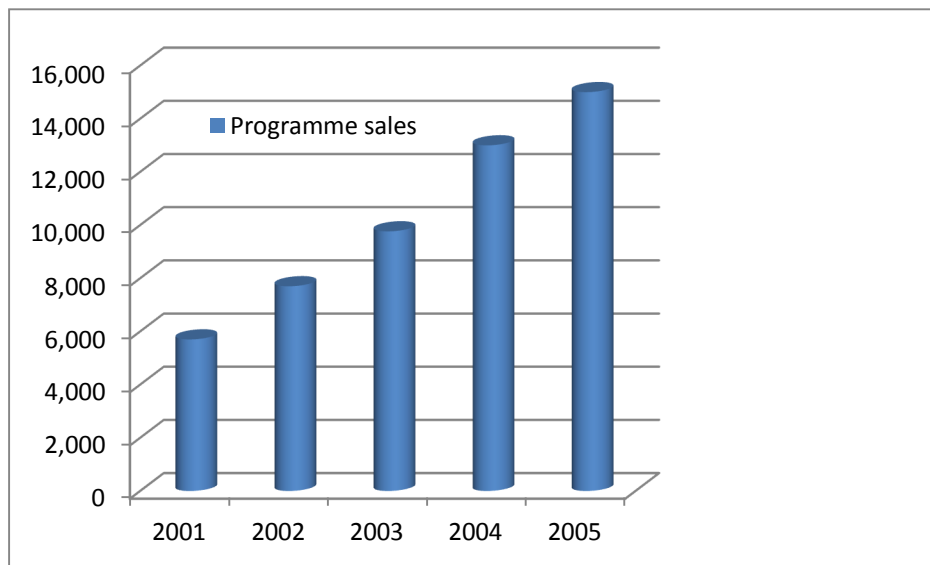
Table 5.2 Government subsidies for broadcast programme exports (US\$1,000)

	2001	2002	2003	2004	2005
Post-production	667	N/A	667	641	811
Market participation support	166	N/A	416	394	394
Organisation of BCWW	416	833	416	416	583

Source: Strategies and policies for the proliferation of the Korean Wave (KOCCA, 2009b: 78)

¹⁰² Interview with Yoon Jae-sik, 20th July 2010 in Seoul, Korea. Yoon has been researching the export performances of domestic broadcast programmes at KOCCA since the early 2000s.

¹⁰³ Interview with Song Byung-joon, on 3 August 2010, in Seoul, Korea. Song Byung-joon, who was a drama music composer and actor in the early 1990s, became an influential drama export agent leading the boom of early drama exports to Taiwan in the late 1990s. He is the president of 'Group Eight', one of the primary independent drama productions. In 2009, Group Eight produced a miniseries *Boys over Flowers*, based on a popular Japanese comic *Hana yori Dango*, and exported it to approximately twenty overseas broadcasting stations.

Figure 5.3 BCWW's programme sales between 2001 and 2005 (US\$1,000)

Source: Strategies and policies for the proliferation of the Korean Wave (KOCCA, 2009b: 87)

It should be noted that all of these supporting measures are small-scale and focus on overall broadcast programme exports rather than on drama exports. More importantly, it should be pointed out that this kind of support had already started at some point between 1995 and 2002. Even after the government's full recognition of the popularity of Korean dramas in overseas markets, triggered by the unanticipated popularity of *Winter Sonata* in 2004, these support measures were not remarkably changed or expanded, as Table 5.2 shows.

In this respect, the government's apparently indifferent attitude to the rapid growth of drama exports is obviously inconsistent with its long-term enthusiasm for the export success of cultural industries products since the beginning of the Kim Dae-jung regime. It is likely that the government has been reluctant to increase its support for drama exports, despite their great popularity among Asian audiences, for two key reasons. This study will next analyse the Korean government's reluctance to support drama exports in a historical context.

The Korean government's reluctance to support drama exports

In order to understand the ambivalence of the Korean government towards the provision of support for drama exports, it is necessary to examine how the government has shaped its

cultural policy within its own specific cultural identity. First, it is highly likely that the Korean government viewed support for drama exports as not in keeping with the established cultural policy perspective. As described in Chapter 1, ever since the civil war with the communist state of North Korea between 1950 and 1953 and the appearance of the military government in 1961, anti-communism has been the most significant governing ideology in Korea. In order to demonstrate his commitment to keeping Korea anti-communist, the autocratic Park Chung-hee regime (1961-1979) created a dichotomy between traditional anti-communist ‘sound’ culture, and commercial Western ‘unsound’ culture. Throughout almost thirty years of rule by two military governments, ‘soundness’ of culture was used as an important criterion for government support for culture and the arts (Yim, 2002: 44-45).

Yim claims that the division between sound and unsound culture rapidly broke down after the termination of the second military government in 1992 (2002: 45). Even though this division has most likely no longer been significant in cultural policy after the 1990s, this does not mean that the ‘sound culture’ philosophy completely disappeared. The Kim Young-sam regime (1993-1997) still placed a high value on culture which was deemed to be traditional and ‘high’, and denounced the advent of ‘outside’ culture. The 1997 White Paper on the Cultural Industries stated that: ‘It is necessary to promote Korea’s traditional indigenous culture in order to protect our national identity from the overwhelming influx of commercial foreign cultural products’. (MCT, 1997: 33)

During the succeeding Kim Dae-jung regime (1998-2002), the division between sound and unsound culture seems to have remained in Korea’s cultural policies, particularly in its broadcasting policies. The Plan for the Culture and Tourism Policy of the New Government stated that the purpose of enhancing broadcast programmes was to develop Korea’s indigenous culture and establish its cultural identity in society (MCT, 1998: 99). This indicates that the old perspective of using the broadcasting industry as a tool for the promotion of ‘sound’ culture was still influencing policy formation during the Kim Dae-jung regime.

Given these circumstances, dramas and comedy programmes have been regarded as archetypal genres which may be used to propagate unsound cultural elements, and accordingly, despite consistently large audiences, they have been criticised not only by the

government, but also by a conservative civil society,. The comments of media industry expert and drama critic Joo Chang-yun are worth noting:

Even after the termination of the military governments, the Korean government has strongly preferred broadcasting programmes which are based on ‘wholesome’ culture. Actually, social criticism of unwholesome dramas and comedy programmes has been even stricter than the government’s. For example, when Korean society was in a panic over the IMF crisis in late 1997, members of the public claimed that broadcasting stations should decrease their broadcasts of dramas which encouraged ‘extravagant consumption’, and accordingly, broadcasting stations decreased their drama broadcasts.¹⁰⁴

Joo stated that for years both the Korean government and civil society have clung to the assumption that dramas exert a subversive influence on society. As a result of this long-held belief, the rapid spread of Korean dramas into neighbouring countries was no doubt received by the government with less than total enthusiasm. To some extent, this negative assessment of dramas may have kept the government from providing active support for drama exports.

Secondly, and related to the first point, the Korean government appears to have indulged in cultural nationalism in its cultural industries promotion policies. The speech of President Kim Dae-jung emphasising the importance of the creative re-interpretation of indigenous culture in modern design implies that the government hoped to tie the re-creation of the national heritage to the export of cultural industries products: ‘If the cultural industries succeed in combining domestic indigenous culture and creativity, I think that it will achieve a high added value and become competitive in the global market’. (Kim, D-J., 1998: 149)¹⁰⁵

Hutchinson argues that the revival of traditional cultural repertoires from the pre-colonialisation period was ‘carried out in the modern era by powerful institutions because populations are periodically faced with similar challenges to their physical and symbolic survival’. (2000: 661) In particular, the Kim Dae-jung administration, struggling to recover from the detrimental effects of the IMF crisis, seems to have attempted to vigorously

¹⁰⁴ Interview with Joo Chang-yun, 6th July 2010 in Seoul, Korea.

¹⁰⁵ Keynote speech of President Kim Dae-jung at the Conference of Korean Designers, 21st April 1998 in Seoul, Korea.

stimulate the social atmosphere through emphasising the high virtues of traditional culture, and ultimately to have used this cultural nationalism to encourage Korea's cultural industries and the success of their exports.

As Figure 5.2 shows, however, the post-2000 export success on overseas markets was largely attained by dramas, which had little to do with the 'traditional high culture' that the government so valued and respected. Consequently, the government's assessment of the early drama export success showed little enthusiasm. According to the 2001 White Paper on Cultural Policy, with regard to the Korean Wave, 'there are concerns that almost all Korean Wave content is extremely commercial dance music and dramas. Some experts insist that more high quality content promoting the excellence of Korean culture should be exported'. (MCT, 2001a: 16)

In addition, the 2003 White Paper on Cultural Policy rather pessimistically anticipated the future of the Korean Wave, stating that: 'Asian audiences may soon reach saturation point with the Korean Wave, because much of its popularity is based on short-lived commercial cultural products such as dramas and dance music. In contrast, the promotion of traditional culture and high art, which can be the foundation of mutual understanding and the development of inter-relationships between states, is still tenuous'. (MCT, 2003: 250) Furthermore, the 2004 White Paper on the Cultural Industries urged that the government needed to foster the development of alternative genres to the Korean Wave dramas (MCT, 2004a: 256). All of these policy statements expressed concern that dramas, regarded as exceedingly commercial, vulgar, and unconnected to traditional culture, were the main content of Korean cultural industries exports.

The first policy of support for the Korean Wave appeared in the 2003 White Paper on Cultural Policy:

1. The government will not intervene in the Korean Wave because it is deemed to be a commercial and industrial activity.
2. The government supports the exchange of human resources and cooperation between Korean cultural industries and their Asian counterparts, not just the export of Korean Wave products to Asian countries.
3. The government will open cooperative centres in several key Korean Wave cities overseas. (MCT, 2003: 248-250)

The first Korean Wave support policy indicates that the government was aware of the nature of the phenomenon, but at the same time it did not intend to give the Korean Wave its enthusiastic support.

With the unexpected runaway popularity of *Winter Sonata* in Japan and the wider penetration of Korean dramas in 2004 in Asian countries beyond the Chinese territories and Japan, however, the government apparently decided to involve itself in Korean Wave promotion. According to the ‘National Image Promotion through globalising the Korean Wave’ described in the 2005 White Paper on the Cultural Industries, the three main aims of this policy were to promote Korean traditional cultural products through the Korean Wave, opening a Korean Plaza in fifteen leading Korean Wave cities overseas, and nurturing 10,000 Korean cultural experts across Asia (MCT, 2005: 25-27).

The evaluations of these policies, however, seem to be far from positive. Media studies researchers Shim Doo-bo and Goh Jeong-min were critical of the Korean Wave support policies and claimed that they have not encouraged the actual export of cultural industries products, and, even worse, that they have occasionally had adverse effects on the Korean Wave.¹⁰⁶ This study will now attempt to analyse why these support policies were not successful in achieving their aim.

Confusion concerning Korean Wave support policies

Although the government changed its indecisive stance towards the Korean Wave to active support after the tremendous popularity of *Winter Sonata*, it nevertheless seems to have maintained its ambition to export wholesome traditional culture products. Simultaneously, it was eager to promote Korean popular cultural products on the overseas market in order to make a profit. This contradiction most likely obfuscated the purpose of the support policies.

Kim Chul-min, Director of MCST’s cultural industries policies division, claimed in an interview that drama exports had advantageously affected the promotion of Korean traditional culture as well as substantially influencing the overseas sales of Korean

¹⁰⁶ Interview with Shim Doo-bo, 20th June 2011 in Seoul, Korea. Interview with Goh Jeong-min, 7th July 2010 in Seoul, Korea. In addition to Shim and Goh, almost all other informants questioned were critical of the Korean Wave support policies.

manufactured products. Kim's opinion appears to validate the government's plan to connect the popularity of dramas with Korean product sales, thereby promoting the country's national image rather than concentrating on drama exports *per se*. The Korean Wave support policies may have been based on the government's intention to use the popularity of Korean dramas overseas to enhance other 'sound' culture, or indeed to promote the national image. In other words, although the Korean government had already been supporting the popular cultural industries, they could not resist the temptation to promote traditional Korean culture, which they deemed more valuable than popular culture, as well as contributing to national image promotion. The *Han* Style project is one pertinent example of the government's misconceived attempt to extend the boundaries of the Korean Wave to traditional high culture.

In 2005, the government established the *Han* Style project to promote six traditional Korean cultural products to countries where Korean dramas had gained popularity.¹⁰⁷ Several Korean historical dramas had become popular both in Asia and in the Middle East after the exceptional success of *Jewel in the Palace* (MBC, 2003-2004),¹⁰⁸ and consequently the policy-makers hoped that overseas audiences who liked Korean historical dramas would also appreciate traditional Korean cultural products. The internal report on MCST's *Han* Style project described its aims as the re-discovery of Korea's traditional culture and the creation of economic value through the industrialisation of traditional culture. The three main plans of action were described as the regeneration, industrialisation and globalisation of traditional culture.¹⁰⁹ Among the six traditional cultural products, MCST especially emphasised the overseas promotion of traditional Korean food and clothing, since these two products had already gained some exposure abroad thanks to Korean historical dramas, and they were also comparatively easy to commercialise.

In order to achieve the *Han* Style project's aims, the government organised traditional Korean food festivals in Paris, Berlin and New York, and provided a subsidy for research on the modernisation of traditional temple food. They also provided financial support for Korean costume fashion shows and concerts of traditional music held in Tokyo, Shanghai

¹⁰⁷ *Han* means Korean, or Korean people, in Chinese characters. The six traditional cultural products are housing, food, craft paper, language, clothes and traditional Korean music. The original title of this project was *Han* Brand project. It was changed to *Han* Style project in 2006.

¹⁰⁸ According to MBC's internal data, *Jewel in the Palace* had been exported to approximately 80 overseas broadcasting stations by 2008.

¹⁰⁹ Summary of *Han* Style Support Performance, internal report of MCST, 2010.

and other key cities.¹¹⁰ However, the very modest response to the *Han Style* project proves that the government's concept of linking the popularity of Korean historical dramas to the sales of traditional Korean culture was tenuous and ill-conceived. An anonymous MCST civil servant involved in the *Han Style* project revealed that most *Han Style* promotions failed to boost the overseas popularity of traditional Korean culture. As a consequence, the budget for the *Han Style* project, which was US\$2.8 million in 2008 and 2009, was drastically reduced to US\$ 600,000 in 2011. The *Han Style* project was eventually abandoned in 2011.¹¹¹

Given the existence of the Korean Wave support policies, it is doubtful that the drama creators who produced popular historical dramas for the overseas market had a chance to meet civil servants to discuss what support they would have liked from the government for increasing and promoting drama exports. Even Kim Young-hyun and Cho Chung-hyun, the writer and producer of *Jewel in the Palace*, said in interviews that they did not have an opportunity to meet MCST civil servants. This suggests that the government did not seek opinions from the drama industry in the course of researching their new promotion policy. Furthermore, the government seems not to have paid specific attention to expanding the existing support for drama export performance. The post-production support subsidy, estimated at US\$670,000 to US\$800,000 annually, did not increase substantially between 2001 and 2005, as Table 5.2 shows. Park In-soo, the head of KBS Media's programme export team, pointed out in an interview that the actual post-production subsidy for each broadcasting station decreased as more and more independent drama productions competed for limited subsidies.

As regards drama export promotion, the government has organised Korean drama showcases in several overseas cities such as Singapore, Kuala Lumpur, and Sao Paulo since 2005, with the cooperation of the broadcasting stations and of Korean embassies. In that same year, the government purchased the post-production rights to several popular dramas from the broadcasting stations and provided these to the broadcasting stations of African and South American countries at no or very low export cost. These projects are known as the Drama Showcase Project and the New Market Creation Project respectively. These two projects have been regarded as representative forms of direct support from the

¹¹⁰ Internal MCST action plan report on *Han Style*, 2010.

¹¹¹ Interview with an anonymous civil servant involved in the *Han Style* project, 5 July 2011 in Seoul, Korea.

government intended to increase drama exports after the huge popularity of *Winter Sonata* and the government's subsequent recognition of dramas as promising export products.¹¹²

These two projects had a mixed reception. The government's drama showcases, for instance, seem to have had limited results. According to drama export personnel, the process of drama export has frequently required months of negotiations before contracts are signed. The government's showcases, however, have been held as single events in local hotels. Park Jae-bog, the former manager of MBC Productions, points out that a single drama showcasing event cannot be helpful in facilitating actual drama exports. A more significant point is that the overseas drama showcasing organised by the government may give the misleading impression that the Korean government controls drama exports. Media studies researcher Shim Doo-bo claimed in an interview that, after the rush of high-quality Korean dramas in the early 2000s, Taiwanese viewers assumed that Korean dramas had rapidly developed in a free atmosphere without government intervention. The drama showcasing by the Korean government, however, may have misled Taiwanese viewers, convincing them that the Korean drama industry was still controlled by the government as it is in most other Asian countries.

As shown above, neither the Korean Wave promotion policy nor the direct drama export support policies resulted in a positive response. Kim Young-won, the General Director of SBS Contents Hub, described how the number of drama export support policies and the budget for these policies has increased every year, but it is still doubtful whether this budget has been effectively used.¹¹³ Kim's opinion is supported by broadcasting industry expert Hwang Seong-yun, who was critical of government policies, believing that they tended to be based on support for a good cause rather than on the industry's practical needs.¹¹⁴

In evaluating the serial Korean Wave support policies, the first noteworthy point is that the government has concentrated on encouraging the promotion of traditional cultural products and national brands rather than on dramas or other competitive cultural products.

¹¹² Interview with Kim Chang-ho, Director of MCST's audiovisual and advertising industry division, 14th July 2010 in Seoul, Korea.

¹¹³ Interview with Kim Young-won, 28th July 2010 in Seoul, Korea. SBS Contents Hub is the programme sales subsidiary of SBS. Kim has played a leading role in Korean drama exports since the mid 1990s, along with Park In-soo of KBS Media and Park Jae-bog of MBC Productions.

¹¹⁴ Interview with Hwang Seong-yun, a senior researcher at AGB Nielsen Media Research Korea, 23rd June 2011 in Seoul, Korea.

Essentially, as mentioned in Chapter 1, the Korean Wave demonstrated the popularity of Korean cultural products such as dramas and dance music in the Chinese territories. The government seems to have misconceived a plan to extend the boundaries of the Korean Wave to what it believed to be traditional 'high' culture. The statement in the 2006 White Paper on the Cultural Industries clearly reveals the government's intention: 'The government will promote the new Korean Wave which is based on the commercialisation of traditional culture, in order to diversify the established Korean Wave'. (MCT, 2006: 485) The modest results of the *Han Style* project show that this attempt failed to fill the wide gap between state promotion and popular culture exports. Park Yang-woo, the former Deputy Minister at MCST, argues that the *Han Style* project revealed the government's interest in promoting other Korean cultural products on the basis of the Korean Wave's enthusiastic reception overseas. In contrast, Michael Breen, the former Seoul correspondent of *The Times*, believes that the government should stop using the Korean Wave as a means of promoting the national image:

Whether it is the popularity of dramas or boy bands, what the Korean Wave represents is not the whole Korean culture, but the overseas success of the individual artwork or artist. I cannot find any relationship between the dance music of the famous Korean boy band Big Bang and the Korean traditional music *Pansori*. Indeed, the Korean Wave should not be used as a tool of national promotion. First, the Korean Wave is a separate issue and irrelevant to the national image or the traditional culture of Korea. Second, the aggressive national promotion strategy for the Korean Wave may cause a backfire in neighbouring countries. Accordingly, the media should stop being the cheerleader of the nation in its articles about the Korean Wave.¹¹⁵

Secondly, it is likely that the government failed to find a particular department within which to integrate Korean Wave promotion policies. Since the enactment of the United Broadcasting Law in March 2000, the newly-established Korea Broadcasting Commission (henceforth KBC) has been responsible for regulating broadcasting stations. However, broadcasting industry policies and cultural industries policies are still mainly under the

¹¹⁵ Keynote speech of Michael Breen, Globalisation of Korean Pop Culture and Content Industry Conference, held in Seoul on 30th June 2011.

jurisdiction of MCT.¹¹⁶ The 2002 White Paper on the Cultural Industries stated that: ‘According to Act 92 of the United Broadcasting Law, MCT and KBC are in charge of general audiovisual industry policies and broadcasting regulations. Accordingly, the Ministry of Information and Communication is responsible for broadcasting technology policies’. (MCT, 2002b: 325) Regarding this, the government admits that similar jobs have overlapped unnecessarily, which at times causes difficulties: ‘a superfluity of jobs has been operated by the Ministry of Information and Commission, the Ministry of Culture and Tourism, the Ministry of Industry and Resources, and the Korean Broadcasting Commission. Departments need to construct a collaborative system in order to operate policies efficiently and economically’. (MCT, 2002a: 352)

Lee Man-je, the senior researcher on KOCCA’s policy research team, notes that the KBC was founded in order to limit the growing influence of the terrestrial stations rather than as a response to industry demand. So, instead of facilitating drama exports, government bureaucracy has thus far been an impediment:

In the case of drama export support policies, three government departments have been involved to some extent: MCT, KBC, and the Ministry of Knowledge and Economy. Given the cumbersome bureaucratic structure, it is very difficult for the different departments to discuss integrated policies that might promote the unprecedented phenomenon of drama exports. After the unexpected success of the Korean Wave, more government departments have competed with each other, offering similar supports. KBC, MCT, KOCCA and the Ministry of Information and Communication have all held drama showcases in overseas cities. This kind of duplication of similar events organised by different government departments has managed to weaken all of the events.¹¹⁷

Additionally, the absence of organic cooperation between governmental departments has led to confusion in the application of the Korean Wave support policies. For instance, an anonymous civil servant at MCST admitted that the *Han* Style project resulted in disappointing earnings because there were difficulties between the several departments involved. The key department involved in promoting traditional Korean housing is the

¹¹⁶ The Ministry of Culture and Tourism (MCT) and the Korea Broadcasting Commission (KBC) were renamed the Ministry of Culture, Sports and Tourism (MCST) and the Korea Communications Commission (KCC) in 2008.

¹¹⁷ Interview with Lee Man-je, 4th August 2010 in Seoul, Korea.

Ministry of Land, Transport and Maritime Affairs, and that for Korean food is the Ministry of Agriculture and Forestry. The absence of one central department made it difficult to promote the *Han Style* project in a cohesive manner and as a consequence this project ended in failure.¹¹⁸ Another anonymous civil servant, responsible for the Korean Plaza project, also noted that the problem of Korean Plaza management is that three different overseas organisations, namely KNTO, the overseas office of KOCCA and the International Council of Korea, have rented the Korean Plaza. So individual offices tend to simply use the Korean Plaza for their own respective purposes, rather than cooperating with other offices to create one single and effective promotion for the Korean Wave.¹¹⁹

In sum, the government seems to have taken little care in setting up its serial Korean Wave support policies, which were driven by the fast growth of drama exports, instead of constructing a shared policy for the support of commercial exports in the broadcasting industry. In the process, cultural nationalism and an old-fashioned determination to promote ‘wholesome culture’ may well have confused the aim of the policies, putting an emphasis on national image promotion rather than on support for cultural product exports. However, the government’s attempt to connect national promotion and the overseas popularity of dramas has been tenuous at best. Accordingly, as independent drama producer Park Sang-joo pointed out, it is obvious that the government did not conduct sufficient research on drama exports or the drama industry before creating its support policies. Park’s conclusion that MCST policy-makers seemed to have thrown their policies together hurriedly and designed them in order to save face rather than to sincerely support drama exports, is quite plausible.¹²⁰

Conclusion

The actual role of the Korean government in the rapid spread of Korean dramas throughout Asian countries seems to have been analysed less than its significance warrants. The Korean government has promoted the view that its advanced cultural policies helped to

¹¹⁸ Interview with anonymous civil servant connected to the *Han Style* project, 5th July 2011 in Seoul, Korea. He added that many ideas were floated as promotion policies for the Korean Wave, but most of these were not sufficiently robust and were too general to be effective. The *Han Style* project is a typical example.

¹¹⁹ Interview with anonymous civil servant involved in the Korean Plaza project, 5th July 2011 in Seoul, Korea. The original government plan was to open a Korean Plaza in 15 overseas cities in order to promote the Korean Wave. According to Park, however, as of 2009 only four Korean Plazas had opened, in Beijing, Shanghai, Los Angeles and Tokyo, due to a lack of funds.

¹²⁰ Interview with independent drama producer Park Sang-joo, 4th August 2010 in Seoul, Korea.

promote the sales of dramas to neighbouring countries. The government also hastily implemented a series of Korean Wave support policies in response to the phenomenal overseas success of some Korean dramas. This chapter has examined government involvement in the development of the cultural industries, and particularly of increases in exports of Korean dramas, through various cultural policies.

During the Kim Dae-jung regime (1998-2002), Korean cultural policies, which had traditionally focused during the previous military governments on the preservation of the national heritage and the protection of domestic culture, shifted sharply to cultural industries promotion. During the Kim administration, the cultural industries were treated as key strategic industries for state policy and MCT began to emerge as a crucial sector in the government system. Conversely, the full-scale Korean Wave promotion policies, which were hastily established after the phenomenal popularity of the Korean drama *Winter Sonata* in Japan, appear to have failed to provide the necessary support, gaining only modest responses from industry insiders.

A number of political and historical factors have caused this inconsistency. First, the Kim Dae-jung regime's serial cultural industries promotion policies seem not to have advantageously influenced the international success of Korean dramas, which developed spontaneously. Essentially, the Kim Dae-jung regime's cultural industries promotion policies were not heavily focused on the competitiveness of dramas at the international level. Rather, it is more likely that the prevailing democratic mood after the end of the second military government in the early 1990s stimulated the creativity of the drama industry. In the absence of state intervention in the broadcasting industry, drama creators were able to explore themes they would never have been allowed to write about under previous regimes. This artistic freedom seems to have spread to drama production, resulting in fresh new dramas competitive enough to attract both domestic and overseas audiences. However, whether the abolition of government intervention actually led to the creation of high quality content and to the consequent overseas success of Korean dramas is far from conclusively shown.

Secondly, the Korean government still has a tendency to give weight to the instrumental value of culture in cultural policy making. Under previous regimes, the Korean government emphasised the value of culture deemed to be wholesome and traditional, while simultaneously restricting culture they believed to be unsound, sympathetic to

communism or related to Western culture. Despite the sharp shift toward policies promoting the cultural industries, the Kim Dae-jung regime still had prejudices towards popular culture that it considered unsound. Moreover, the Kim regime appears to have attempted national image promotion during its marketing of Korean cultural industries overseas. Indeed, both the regeneration of the national heritage and the connection of this concept to competitive cultural products at the international level have been considered significant aims in the cultural industries promotion policies. Clearly, the aim of the cultural policies of the Kim regime was to gain competitiveness in the overseas market in order to increase the economic potential of the cultural industries. At the same time, however, there was a shared agreement that the policy aim should also be to promote the national image through exporting cultural products which were deemed both wholesome and traditional.

Accordingly, there has been little prospect of the government's viewing support for drama exports as part of its national image promotion, since dramas have not been regarded as sound and traditional cultural products in keeping with the national heritage. Consequently, drama exports tend to have been sidelined in the operation of the Korean Wave promotion policies, although they make up the majority of Korean Wave products. This tension underlying policy operations is evident in some Korean Wave promotion policies, such as those for *Han* Style products.

Thirdly, the government has failed to reorganise its structure following the changing trend of the new cultural industries promotion policies. To compound this problem, the two key departments, MCT and KBC, have been involved in broadcasting policy operation, while other departments have been involved in drama export support policies. Interviews with policy insiders show that departments have clashed over particular areas of the drama export policies, jockeying for the leading role rather than making a concerted effort to cooperate with one another. With the lack of an efficient system for collaboration among government departments, it seems that many ideas concerning support policies have been connected too hastily to policy operation without a robust effort to question the ideas behind policy formation or the underlying ideology. The inevitable friction arising from this bureaucratic confusion seems to have become an impediment to the provision of efficient and prompt support.

Finally, close relations between the Korean government and the broadcasting industry have been greater than expected. Even though the government could not, or would not, recognise the great potential of dramas as export products, some broadcasting policies have had an inadvertent, but considerable influence on the broadcasting industry. More precisely, the implementation of broadcasting policies seems to have often had a meaningful influence on drama exports, although this was not the initial intention of these policies. The influence on drama exports of the outsourcing quota policy, which will be examined further in Chapter 6, would be a pertinent example of the unexpected correlation of government policies and the broadcasting industry.

Chapter Six: Changing Conditions in the Korean Drama Industry

This chapter will explore the changing conditions in the Korean television drama industry between 1995 and 2005, which has been considered a crucial time in the export success of Korean dramas. In this period, as seen in Chapters 1 and 5, Korean dramas attracted large Asian audiences and exports of Korean dramas increased more than thirty-fold (KOCCA, 2009a: 88).

The Korean press and researchers, who could not anticipate this phenomenon, tended to attribute this export success to external factors such as the rapid growth of the cable channel industries in the Chinese territories and their increasing need for new programmes to broadcast. Nevertheless, it is also necessary to examine the Korean broadcasting industry more closely in order to gain a better understanding of the great success of Korean drama exports. Accordingly, there is a need for a closer investigation into the nature of the changes in the Korean drama industry.

In particular, it is possible that two changes in the industry, namely the growing interest in dramas from both broadcasting stations and audiences and the economic turmoil throughout Asia in the late 1990s, profoundly encouraged or stimulated the entrance of Korean dramas into the neighbouring markets. Moreover, it is likely that the shift from an in-house drama production system to the independent drama production system is what brought about the expansion of the Korean drama industry and allowed it to make inroads into the overseas market.

Accordingly, this chapter will investigate the three main changing conditions in the Korean drama industry which seem to have been, within the research period, particularly related to drama exports,:

1. Increase in broadcaster and viewer interest in dramas;
2. Economic crisis in the Korean broadcasting industry;
3. Production shift from in-house drama productions to independent drama productions.

The analysis in this chapter, which includes examining drama broadcasting hours, drama viewing rates, the effects of the economic crisis of the late 1990s and the shifting processes of drama production from in-house producers to independent producers, will explore how these three factors meaningfully and reciprocally influenced the attempts, trial and error and eventual success of Korean drama exports. Through this analysis, some answers will be suggested to the question that this study addresses, namely how changing conditions in the Korean drama industry contributed to the growth in drama exports between 1995 and 2005.

Increasing broadcaster and viewer interest in dramas

Intensifying competition among broadcasting stations

In the historical context, the establishment of SBS, a commercial broadcasting station and the fourth terrestrial broadcasting channel in Korea following KBS1, KBS2, and MBC, has been considered a trigger for shifting the flow of the Korean broadcasting industry towards increasing marketisation.

As mentioned in Chapters 1 and 3, the Chun Doo-whan regime, which seized state power through a military coup in 1980, forcibly merged the terrestrial broadcasting station TBC with KBS and changed the official status of MBC from a commercial station to a 'PSB'.¹²¹ Throughout the 1980s, KBS and MBC, as two public bodies, did not need to make a profit to ensure their survival. Since the advent of SBS, however, the Korean broadcasting industry has struggled to compete for limited advertising income. Table 6.1 indicates that advertising has been the dominant source of income for MBC and SBS. Whereas KBS's advertising income in 1997 was only 56.9 per cent of its total revenue, 90.2 per cent of the total revenue of MBC and 93.9 per cent of the total revenue of SBS were from advertising. Consequently, MBC and SBS began to aim for maximum advertising income in order to survive in the increasingly competitive atmosphere.

¹²¹ As shown in Chapters 1 and 3, the status of MBC as a PSB is still debatable.

Table 6.1 Structure of income of three broadcasting stations in 1997 (US\$1,000)

Broadcasting stations	Advertising revenue	Sponsorship revenue	TV licence fees	Programme sales	Other	Total
KBS	474,915	13,599	332,087	2,006	10,655	833,262
MBC	346,279	21,924	-	2,487	12,889	383,579
SBS	295,818	9,694	-	- ¹²²	9,194	314,706

Source: Korean broadcasting industry white paper (KBI, 2001: 27)

Moreover, the expansion of the ‘SA grade hour’ has accelerated competition among broadcasting stations. SA hour is the highest advertising-sales hour in television broadcast programming, set by the Korean Broadcasting Advertising Corporation (henceforth KOBACO). KOBACO, the advertising broadcasting agency founded by the Chun Regime in 1981, has monopolised broadcast advertising sales on behalf of all Korean broadcasting stations up to the present.¹²³ KOBACO has sold advertisements by timetable, not by the individual programmes of each broadcasting station. It grades broadcasting hours at SA-A-B-C levels, with advertising prices set accordingly. On this scale of prices, the highest grade is SA, classified as between 8 p.m. and 11 p.m. on weekdays, 7 p.m. and 11 p.m. on Saturdays, and 7 p.m. and 11:30 p.m. on Sundays.¹²⁴ In June 1996, the SA hour was expanded by 30 minutes on weekdays and Saturdays, and one hour on Sundays (Choi and Yoo, 1999: 27).¹²⁵

Since the expansion of the SA hour, drama programming has generally been scheduled between 10 p.m. and 11 p.m. on weekday nights.¹²⁶ Tables 6.2, 6.3 and 6.4 show that the programmes shown at 10 p.m. on weekdays on the three terrestrial broadcasting channels are exclusively dramas.

¹²² The programme sales income of SBS was included in the ‘other’ category.

¹²³ It is widely believed that KOBACO was established by the Chun regime as a means of controlling broadcasting stations.

¹²⁴ Interview with Chung Yeon-gyu, General Manager of KOBACO, 2nd July 2011.

¹²⁵ Before June 1996, SA time was 8 p.m. – 10:30 p.m. on weekdays, 7 p.m. – 10:30 p.m. at weekends.

¹²⁶ Interview with Lee Jong-min, General Manager of the SBS advertising sales team, 19th June 2011.

Table 6.2 KBS 2 SA grade hour programming, July 2002

Hour	Min.	Mon	Tue	Wed	Thu	Fri
8pm	40	KBS 8 News				
		Daily Sports				
	50	Documentary				
9pm	25]Daily Drama				
	55					
10		Mini-series		Mini-series		Entertainment

Source: KBS Yearbook (KBS, 2003: 666)

Table 6.3 MBC SA grade hour programming, July 2002

Hour	Min.	Mon	Tue	Wed	Thu	Fri
8pm	20					
		Daily Drama				
9pm	50	MBC 9 News				
		Sport News				
	55	Mini-series		Mini-series		Special Drama
10pm		Mini-series		Mini-series		Special Drama

Source: MBC Yearbook (MBC, 2003: 501)

Table 6.4 SBS SA grade hour programming, July 2002

Hour	Min.	Mon	Tue	Wed	Thu	Fri
8pm	40	SBS 8 News				
	45	Daily Sports				
		Daily Drama				
9pm	15]Daily Situation Comedy				
	55					
10pm		Miniseries		Miniseries		Entertainment

Source: SBS internal data (2011)

It is worthy of note that the 10 p.m. time slots on all weekday nights except Friday have been exclusively devoted by all three channels to the broadcasting of mini-series. In particular, all mini-series have been scheduled during the same 10 p.m. time slot, and drama viewers are obliged to choose one mini-series among three alternatives. As mentioned in Chapter 3, mini-series have relatively simple storylines and fast plot development, since the story is intended to be resolved within a limited number of episodes. Consequently, broadcasters consider mini-series to be the most attractive drama form for Korean viewers.¹²⁷ Korean television channels typically broadcast two different mini-series on a twice weekly basis, one on Mondays and Tuesdays, and the other on Wednesdays and Thursdays. Consequently, one terrestrial channel broadcasts two mini-series, and audiences can choose two mini-series from among six different ones broadcast every week on the three channels.

While several researchers have criticised the lack of programming diversity available on Korean broadcasting stations, which have consistently favoured dramas over other programmes (Lee, 2004: 48; Han, 2002: 40-43), broadcasters counter that Korean viewers' steady preference for dramas has made it risky for broadcasting stations to pursue more diverse programming; in other words, the 10 p.m. slot invariably achieves the highest viewing rates when dramas are broadcast. Moon So-san, a drama writer and former drama

¹²⁷ Interview with Moon So-san, former drama producer at KBS, 1st July 2011 in Seoul, Korea.

producer at KBS, emphasised in her interview that several attempts to broadcast genres other than dramas in the 10 p.m. slot eventually had to be abandoned due to the lukewarm reactions from audiences and the low viewing rates. As Moon pointed out, it is taken as a given that dramas equate with high viewing rates.

Obviously, the same programming of mini-series in the 10 p.m. slot has resulted in fierce competition among broadcasters for viewers, and all broadcasting personnel have obsessively monitored the daily viewing rates for each drama. High weekly prime-time mini-series viewing rates guarantee a victory in the three-station 'drama war', ensuring higher advertising revenue. Consequently, since the mid 1990s all three broadcasting stations have intensified their competition for viewing rates.

In the midst of the intensifying competition for mini-series viewing rates, it is significant that in the early 2000s the length of a mini-series episode was extended from sixty minutes to seventy minutes, which resulted in a total of 140 minutes of mini-series broadcasting per week. This extension of the weekday mini-series broadcasting hour was resorted to as a temporary expedient to attract viewers. The account of Kim Seung-soo, a veteran drama producer of MBC for over twenty years, is worthy of note:

When a broadcasting station starts to broadcast a new miniseries, it is extremely important to draw viewers' attention to the new drama. So, some broadcasting stations scheduled the first episode of a mini-series five minutes earlier than the mini-series of the other two stations in order to gain an advantage. Alternatively, broadcasting stations would broadcast a new mini-series episode five or ten minutes longer than stated on the programming schedule. For example, MBC frequently broadcasts new mini-series episodes until 11:05 p.m., although its broadcasting hour is scheduled from 10 p.m. to 11 p.m. The logic is that the viewers of other channels' mini-series might change TV channels after their favourite drama ends, and be attracted to the MBC mini-series. Broadcasting stations resorted to the expedient of extending the broadcasting time of new mini-series by five to fifteen or sometimes even twenty minutes in the early 2000s, and this temporary expedient resulted in the permanent extension of the mini-series broadcasting hour to seventy minutes in 2002.¹²⁸

¹²⁸ Interview with Kim Seung-soo, former Chief Drama Producer at MBC, 21st July 2010 in Seoul, Korea.

According to the annual television broadcast programming schedules of the three channels, in March 2002 SBS officially extended the broadcasting hour of its weekday mini-series from between 9:55 p.m. and 10:55 p.m. to between 9:55 p.m. and 11:05 p.m. After April 2002 KBS2 and MBC also extended the weekly mini-series broadcasting slot to the same seventy minutes. Consequently, the broadcasting time of weekday mini-series on the three broadcasting stations increased from 720 minutes to 840 minutes on a weekly basis, a 16.6 per cent increase in the mini-series broadcasting hour. Regarding the extension of mini-series broadcasting, Cho Chung-hyun, the Executive Managing Director of MBC stated:

By the early 1990s, the broadcasting time of weekday mini-series was fifty minutes per episode. In effect, the weekly broadcasting hour of a mini-series increased by approximately 30 per cent within a decade. The fierce competition in drama production among broadcasting stations has heralded the growth of drama production costs and efforts due to the extension of miniseries broadcasting hours. As far as I know, Korean broadcasting stations are the only ones which broadcast so many dramas for such long hours without even time off for commercial breaks. Whatever the case, the growth of mini-series broadcasting time seems to have accelerated the keen interest in dramas.¹²⁹

The extension of the mini-series broadcasting hour seems to have enhanced competition among the three broadcasting channels. First, it has increased the advertising income of each station and at the same time it has also widened the advertising income gap between popular mini-series with high viewing rates and unpopular ones with low rates. Korean Broadcasting Act 73 states that the length of commercials on the terrestrial broadcasting stations must not exceed 1/10 of the entire programme length.¹³⁰ Because of this limitation, the maximum length for all commercials for a 70-minute mini-series episode is seven minutes. As a general rule, the length of one commercial is fifteen seconds. Therefore, the ten-minute extension of a mini-series episode means that the number of commercials shown during a miniseries can go from 24 to 28 per episode.

According to the internal data of a terrestrial station, the total advertising income of a popular mini-series garnering around thirty per cent viewing rates in the 10 pm slot has

¹²⁹ Interview with Cho Chung-hyun, 29th July 2010 in Seoul, Korea.

¹³⁰ Korean Broadcasting Act, from the website of the Ministry of Government Legislation, <http://www.law.go.kr/%EB%B2%95%EB%A0%B9/%EB%B0%A9%EC%86%A1%EB%B2%95> (accessed 11th September 2011).

been up to US\$ 5.5 million per miniseries. By contrast, an unpopular drama with a viewing rate of around ten per cent during the same time slot will have an advertising income of two-thirds, or less, of that of a successful one.¹³¹ Former drama producer Moon So-san explained that a popular mini-series with the highest viewing rate in the 10 p.m. time slot can obtain almost all commercials, sometimes with extra revenue. In the case of very popular dramas, the financial benefit to a broadcasting station can be up to almost US\$10 million. Her explanation is as follows:

Since all mini-series have been scheduled on the same weekday nights, advertisers have tended to choose the advertising spots of the most popular mini-series. That is why the three broadcasting channels have fiercely competed to gain even only a 0.1 per cent higher viewing rate in the mini-series. Mini-series are the only television programme genre which earns large amounts in advertising income. So when the executives of the broadcasting stations decided to extend the broadcasting hour of 10-p.m.-slot mini-series to seventy minutes, other programme producers could not object to it, because all broadcasting station employees have already realised the great effect of a popular mini-series on advertising income. After the mini-series broadcasting hour extension, the gap in advertising income between popular and unpopular dramas widened.¹³²

It is interesting to note that when a drama is popular it seems to have an invigorating effect on almost all programmes broadcast on a given channel. If a drama succeeds in attracting an audience, this can be used as a source of other entertainment and factual programmes on the same channel.¹³³ Moreover, the viewing rates of other programmes broadcast before or after the drama tends to increase slightly with the popularity of the drama. Thus, the popularity of one drama can often stimulate the whole channel, which is an additional, but not negligible effect of a drama's high viewing rate.¹³⁴

Second, the extension of the mini-series broadcasting hour has resulted in an increase in drama broadcasts during SA grade hour. As already mentioned, the SA grade hour's

¹³¹ Advertising incomes of mini-series broadcast in the mid 2000s. As a general rule, advertising income has been treated by every station as highly confidential data.

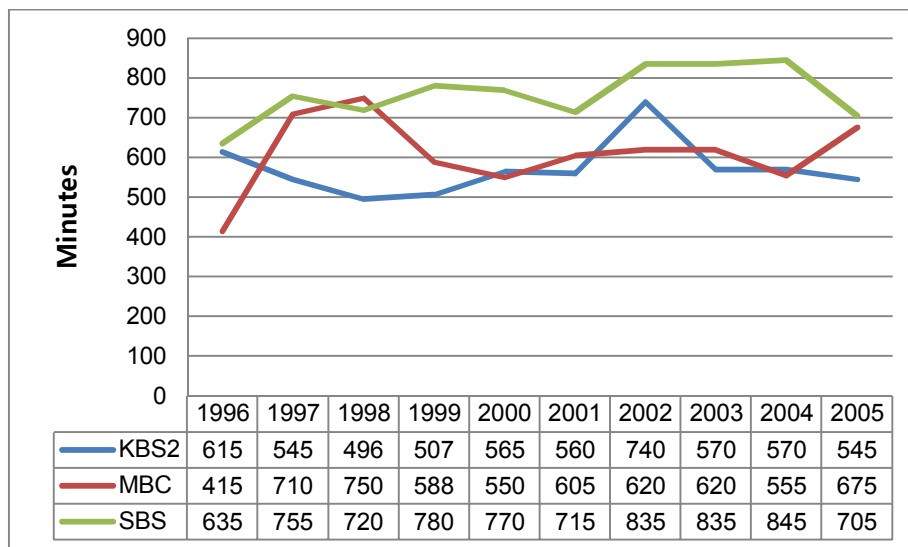
¹³² Interview with Moon So-san, a former drama producer at KBS, 1st July 2011 in Seoul, Korea.

¹³³ For example, when *Heo-Joon*, a historical drama which dealt with the life of a legendary physician of the Chosun Dynasty in the 18th century, recorded a high viewing rate of over fifty per cent in 2000, MBC broadcast a special programme, *Heo-Joon, a Radiant Glory*, in June 2000. This programme also gained a 39.1 per cent viewing rate.

¹³⁴ Interview with Moon So-san, 1st July 2011 in Seoul, Korea.

programming on the three television channels has been mainly composed of news and drama broadcasts. While it might be assumed that drama broadcasting hours per week in SA hour would increase incrementally every year, this is not the case, as shown in Figure 6.1.

Figure 6.1 Drama broadcasting hour in total SA hours per week (in minutes) between 1996 and 2005



Source: KBS Yearbook (1995-2005), MBC Yearbook (1995-2005), internal data of SBS (2011)

Over the period analysed, the proportion of dramas broadcast on KBS2 showed no clear change except for a short-lived increase in 2002. The proportion of dramas broadcast on MBC and SBS, however, showed dramatic variations. In particular, the proportion of dramas broadcast on MBC in the SA grade hour increased in the period between 1997 and 2005. Between 1999 and 2000, the proportion of dramas broadcast by MBC showed a considerable decrease, most likely due the financial crisis affecting Korea in the autumn of 1997, which will be discussed further in the latter part of this chapter. In the case of SBS, the proportion of dramas broadcast during the SA hour showed growth until 2004 and began to decline in 2005. Nevertheless, SBS records the highest proportion of dramas broadcast during the SA hour over this period. In 2004, for instance, dramas broadcast by SBS rose to 845 minutes, which means that 51.2 per cent of the SA hour was devoted to dramas.

According to Lee Jong-min, a General Manager of the SBS advertising sales team, around 2004 there was growing criticism both inside and outside the station of SBS's tendency to

broadcast too many dramas. Consequently, it is likely that SBS began to decrease drama broadcasts and diversify its programme genres by adding documentaries and entertainment programmes in 2005. Nevertheless, an anonymous drama producer claimed that the overall viewing rates for SBS dramas showed a downturn around 2004 due to the over-broadcasting of dramas. As a result, SBS temporarily reduced the drama broadcasting hour in 2005. Whatever the reason, it is evident that SBS relied mainly on dramas during the SA grade hour over the period of analysis.

On the whole, drama broadcasting during the SA hour grew consistently for MBC and SBS, while the number of dramas on KBS remained the same, which means that the weekly drama broadcasting time in the SA hour grew from 1,665 minutes to 1,925 minutes throughout the period of analysis, between 1996 and 2005. In the early 2000s in particular, the extension of the mini-series broadcasting hour was attributed to the increase in the drama broadcasting hour. On the other hand, Figure 6.1 shows that there are other elements which change drama broadcasting hours besides competition for advertising income. As can be seen with the decline in the proportion of drama broadcasting by MBC between 1999 and 2000 due to the economic crisis, economic factors may have had an adverse effect on drama broadcasts, causing a decrease in their number. Media industries researcher Joo Chang-yun pointed out that the three broadcasting stations stated in December 1997 that they not only pursued high viewing rates, but also worked for more public benefit, and that this impacted on the temporary decline of MBC's drama broadcasting in the late 1990s.¹³⁵

Joo's statement shows that MBC and KBS2 were to some extent influenced by public opinion and the government's intention to keep drama broadcasts to a minimum. However, a more important point is that the overall trend in drama broadcasting has been a continued rise in volume due to broadcasting station strategies, although some elements have impacted adversely on this upward trend. As mentioned earlier, dramas, especially mini-series broadcast during the 10 p.m. time-slot, have constantly been regarded by terrestrial stations as sources of the highest advertising income. Therefore, it is highly probable that the competition among the three channels for higher advertising income,

¹³⁵ Interview with Joo Chang-yun, 6th July 2010 in Seoul, Korea. According to Joo, in the middle of the economic crisis KBS and MBC announced their intention to decrease drama broadcasts in December 1997 in line with the interests of the public. Through their depictions of the luxurious lifestyles of the upper class, dramas were thought to promote unnecessary consumption among viewers. This was a commonly held opinion during the late 1990s in Korea.

which intensified with the emergence of SBS, has contributed to the increase in prime-time drama broadcasting.

However, there is another important implication of the increase in drama broadcasting, apart from the higher advertising income. As Cho Chung-hyun stated, along with Korean viewers' traditional preference for dramas, the increase in drama broadcasting seems to have played a key role in accelerating viewer interest in dramas, stimulating the general recognition of dramas as a popular television genre. As a result, dramas have gone from being considered a trivial time-wasting form of entertainment to being seen as a promising cultural product. The growing viewing rate for dramas in the early 2000s signifies that the general interest in dramas has grown in proportion to the increase in drama broadcasting time. In particular, the enthusiastic response of drama audiences is indicative of how public opinion has changed with regard to dramas, which are now viewed as an important cultural product. The high drama viewing rates and their impact on both broadcasting stations and drama exports are discussed further below.

Korean viewers: loyal drama followers

In the Korean broadcasting industry, it is significant that dramas have always been the centrepiece of television viewing among Korean viewers. Despite the fact that the viewing rates of Korean terrestrial channels generally declined during the 2000s, mainly due to the alternative viewing choices now available, it appears that the audience preference for dramas remained comparatively high between 1995 and 2005.

A viewing pattern survey of Korean television viewers conducted by the KBC shows that Korean viewers have been more satisfied with the current situation of dramas than with other genres. This annual survey researched the television viewing practices of 1,000 viewers from 2000 and onwards. The results of the survey, which uses a five-point ratio scale, prove that the frequency of drama viewing has gradually increased every year, with rates of 3.42(2000), 3.51(2001), 3.48(2002), 3.45(2003), 3.51(2004) and 3.55(2005) respectively (1=Never watch TV, 5= Most frequently watch TV). The average of these rates over six years is 3.48, which is the second highest level among all programme genres, after news programme viewing. Table 6.5 depicts which genres were most frequently

viewed by Koreans during the early 2000s. It reveals that news and drama programmes were watched the most frequently during this period, with no significant change.

Table 6.5 Viewing patterns for top five most commonly viewed genres of Korean TV programmes between 2000 and 2005

	2000	2001	2002	2003	2004	2005	Average
News	3.94*	3.84	3.87	3.90	3.90	3.84	3.88
Drama	3.42	3.51	3.48	3.45	3.51	3.55	3.48
Film	3.26	3.18	2.88	3.00	2.96	3.06	3.05
Sport	3.06	3.07	3.01	2.99	3.02	3.10	3.04
Documentary	3.17	3.04	2.84	2.91	2.79	2.95	2.95

Source: Survey of television viewing practices (KBC: 2000-2005)

*1=Never watch TV, 5=Most frequently watch TV

Perhaps more significantly, this survey proves that the preference for drama cable channels has substantially increased. This survey shows the genre preferences on all cable channels, categorised into 12 genres.¹³⁶

Table 6.6 Viewing patterns for cable channels between 2000 and 2005

	2000	2001	2002	2003	2004	2005	Average
Drama	2.65*	2.93	3.18	3.05	3.20	3.33	3.05
Film	3.14	2.92	3.03	2.95	2.96	3.05	3.00
News	2.89	2.88	2.93	2.82	2.84	3.18	2.92
Sport	2.95	2.98	2.84	2.65	2.70	3.15	2.87
Documentary	2.70	2.65	2.61	2.50	2.16	2.68	2.55
Entertainment	2.66	2.62	1.93	2.41	2.49	2.33	2.40
Music	2.72	2.41	2.37	2.27	2.31	2.33	2.40
Shopping	2.41	2.24	2.41	2.39	2.30	2.44	2.36
Pay-view	3.50	2.52	1.97	1.93	1.33	1.92	2.19
Education	2.61	2.21	1.93	1.81	1.64	1.89	2.01
Animation	2.17	1.94	1.87	1.83	-	-	1.95
Overseas	2.18	1.89	1.91	1.60	1.45	1.65	1.78

Source: Survey on television viewing practices (KBC: 2000-2005)

*1=Never watch the channel, 5=Most frequently watch the channel

¹³⁶ These 12 genres are news, documentary, drama, sport, pay-per-view film, film, music, animation, education, overseas programmes, shopping and entertainment. The animation genre was deleted from the survey list in 2004.

The preference for drama channels increased more than that for other channels during this period. The viewing frequency for cable drama channels increased from 2.65 in 2000 to 3.33 in 2005. Since 2002, the viewing frequency for drama channels has been the highest among all cable channel genres. In contrast, the viewing frequencies for film, music and overseas programme channels decreased in inverse proportion to the increase in drama channels' viewing frequency. For instance, the cable channel viewing frequency for overseas programmes declined from 2.18 in 2000 to 1.65 in 2005.

This survey proves that the Korean audience has maintained a high level of interest in dramas, despite the fact that the emergence of cable channels has altered their viewing patterns. In addition, the increasing preference for the drama cable channels indicates that the overall decline shown by terrestrial television channels does not signify a decrease in drama viewing itself. Moreover, it shows that the preference for film and overseas programmes on cable channels gradually decreased in the same period. It appears that the interest of the cable channel audience has converged with that of drama viewers.

In this context, this analysis confirms the comment of Cho Chung-hyun, the Executive Managing Director of MBC:

Korean viewers have always had a particular interest in dramas, which is almost certainly one of the primary reasons why the Korean drama industry has developed. As internet technology has evolved, drama viewers have expressed their passions, opinions, satisfactions and/or dissatisfactions for their favourite dramas in various ways. The drama industry should make an effort to satisfy the evolving and increasingly sophisticated tastes of drama viewers.¹³⁷

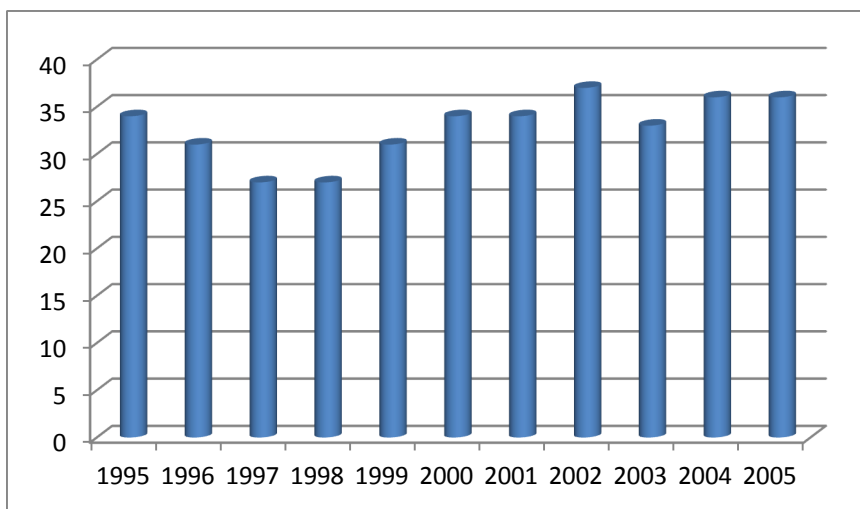
In this respect, it appears that the reaction of Korean viewers to dramas has tended to evolve, which has further encouraged the drama industry to produce better quality programmes.

How, then, have audience reactions to dramas affected or contributed to the production of better quality dramas? Perhaps, in response to this enquiry, it is necessary to analyse Korean viewers' preference for dramas. Figure 6.2 shows the proportion of dramas among the top 50 highly viewed programmes on four Korean terrestrial broadcasting channels

¹³⁷ Interview with Cho Chung-hyun, 29th July 2010 in Seoul, Korea.

(KBS1, KBS2, MBC and SBS) between 1995 and 2005. It shows that up to two-thirds of the programmes ranked among the top 50 highly viewed programmes were dramas. Moreover, according to the internal report of AGB Nielsen Media Research Korea which provided the data for Figure 6.2, all of the top three highly viewed programmes in this period were dramas. It is obvious that no other programmes are able to compete with the Korean audience's high preference for dramas.

Figure 6.2 Number of dramas ranked in the top 50 highly-viewed programmes between 1995 and 2005



Source: Internal report of AGB Nielsen Media Research Korea (2011)

A noteworthy point is that viewer preference for dramas showed an upward tendency from 1998, in the middle of the economic crisis, to 2002, when the three broadcasting stations extended the broadcasting hours of weekday mini-series. This signifies that the broadcasting stations extended the mini-series broadcasting hours because of increasing viewer preference for dramas and intensifying competition. Indeed, Korean viewer interest in dramas greatly increased during the early 2000s, which is noteworthy for two reasons.

First, the increasing convergence of television and telecommunications may well have both produced enthusiastic drama followers and provided a convenient way for drama creators and viewers to interact. Kim Seung-soo, the former chief drama producer of MBC, emphasised in an interview that both the interest in and preference for Korean dramas had grown remarkably since around the early 2000s, mainly due to the diversification of drama viewing habits thanks to the rapid development of the telecommunication industry. The opening of multiple cable channel services in March 1995 and the rapid expansion of the

internet have altered the viewing habits of television audiences.¹³⁸ By the early 2000s, people could watch their preferred dramas as many times as they liked, regardless of broadcasting schedules, and some enthusiastic young drama fans formed internet fan-clubs in order to exchange opinions on their preferred dramas.¹³⁹

Although there has been active audience reaction to dramas, it should be noted that audience reaction has little impact on drama production. Kim Young-hyun, perhaps the best known drama writer, renowned for *Jewel in the Palace* (MBC, 2002-2003) and *Queen Seon-duck* (MBC, 2009), emphasised that drama creators have not seriously deferred to audience reaction because most of the requests from drama fans are too enthusiastic to be applied to the writing of dramas:

When I write a popular drama, more than hundreds opinions of drama viewers have been posted on its internet homepage on a daily basis. However, most drama fans are excessively immersed in their emotion, and their enthusiastic opinions tend to have no relevance to the drama storyline or be far-fetched. For example, it is common that drama fans ask drama creators to make two drama characters fall in love, although these characters are apparently involved in conflicts, or have a destiny to become enemies in the drama.¹⁴⁰

According to Kim, it is true that drama creators have studied audience reaction to their dramas. However, it is not possible to alter the story or plot-line of a given drama in order to follow audience preferences. Instead, drama creators have studied the trend in audience interest from the general reactions to dramas posted on the internet. Kim explained that this feedback sometimes influenced her writing of the next drama script.

Through this process, it is highly probable that the rapidly changing trends among young audiences have influenced the creation of dramas. Since the early 2000s, Korean dramas have begun to extend into previously untouched topics,¹⁴¹ shot on locations that might

¹³⁸ According to data from the Office for Korean National Statistics, 63.2 per cent of Korean households used the internet in 2001.

http://index.go.kr/egams/stts/jsp/potal/stts/PO_STTS_IdxMain.jsp?idx_cd=1345&bbs=INDX_001 (accessed on 2nd November 2011).

¹³⁹ Interview with media studies researcher Shim Doo-bo, 20th June 2011 in Seoul, Korea.

¹⁴⁰ Interview with Kim Young-hyun, 15th July 2010 in Seoul, Korea.

¹⁴¹ For instance, *Heo-Joon* (MBC, 2000) was a historical drama which dealt with traditional Korean medicine. Although traditional medicine had rarely been touched on in Korean television dramas, *Heo-Joon* gained tremendous popularity, with a record-high viewing rate of 53.0 per cent. *Jewel in the Palace*, which also

include foreign countries. In addition, there has been a faster flow of stories with better scripts and pictures, all of which seem to have been influenced by the new trends among young people.¹⁴² These changes likely resulted in an improvement in the overall drama entertainment quality and consequently in increasing interest in dramas. Subsequently, several popular television dramas began in the early 2000s to attract public attention, gaining an important place on the social agenda.¹⁴³ As Kim Seung-soo pointed out in an interview, these changing circumstances favouring dramas appear to have reinvented dramas in the public image as promising cultural products which deserve to be sold to both domestic and overseas channels if sufficiently competitive.

Secondly, the increased interest in dramas during the early 2000s is likely to have helped secure the emerging market for Korean dramas in neighbouring countries such as Taiwan and Hong Kong. Clearly, popular dramas with high domestic viewing rates tend to be well received by viewers from Chinese territories. Kim Sang-han, a programme agent who has sold Korean television programmes to broadcasters in the Chinese territories since the mid 1990s, stated:

By the early 2000s, Chinese broadcasters preferred the Korean dramas which featured Korean actors and actresses who were famous in the Chinese regions. However, they soon learned that the viewing rates of Korean viewers were a significant standard to predict dramas' overall quality and tried to purchase Korean dramas which enjoyed good viewing rates among Korean audiences.¹⁴⁴

Kim's opinion was supported by Park Jae-bog, Park In-soo and Kim Young-won, who have led drama exports in MBC, KBS and SBS's programme export subsidiaries respectively; that is to say, Asian television programme buyers tend to believe that the Korean dramas which gain high viewing rates have already been vetted by Korean viewers, who have considerably discerning tastes.¹⁴⁵ In this context, it does appear that the Korean

dealt with traditional court cuisine in 16th century in Korea for the first time in Korean drama history, recorded a 55.5 per cent viewing rate.

¹⁴² Interview with Shim Doo-bo, 20th June 2011 in Seoul, Korea.

¹⁴³ Towards the beginning of the 2000s, the viewing rates for several dramas were fifty per cent or higher, and the Korean press began to refer to these dramas as 'national dramas'.

¹⁴⁴ Interview with Kim Sang-ham, 27th July 2010 in Seoul, Korea.

¹⁴⁵ For instance, *What is Love All About?* (MBC, 1991-1992), the first Korean drama broadcast in 1997 on China Central television (CCTV), recorded the second-highest viewing rate among foreign dramas broadcast on CCTV in that year. The average viewing rate for *What is Love All About?* in Korea was recorded as 59.6 per cent, which is the highest average viewing rate in the history of Korean dramas. *Jewel in the Palace* also recorded a domestic viewing rate of over 50 per cent.

dramas which are popular among Korean viewers have generally succeeded in becoming popular in Asian areas, especially among Chinese and Taiwanese viewers.

Overall, the analyses in this chapter suggest three significant implications. First, the emergence of broadcasting marketisation in the Korean broadcasting industry has stimulated competition among the three terrestrial stations. Secondly, as a result of this fierce competition, broadcasting stations have allocated more broadcasting hours to dramas, which seems to have raised the public interest in dramas as promising cultural products, resulting in their export. Finally, the high level of loyalty of Korean viewers in the early 2000s, demonstrated by the increase in dramas with high viewing rates, appears not only to have contributed to the introduction of new dramas which appealed to the younger generation, but also to have served as a criterion guiding foreign drama buyers. In sum, the Korean drama industry developed in proportion to the intensification of competition among broadcasting stations and the increase in viewer preferences for dramas, which appears to have circuitously aided the market expansion of the Korean drama industry in neighbouring countries. This study now turns to the economic crisis of the late 1990s and the effect it had on Korean drama exports.

The economic crisis of the late 1990s and its effect on programme exports

Since the IMF crisis,¹⁴⁶ the Korean broadcasting stations have realised that the export of Korean dramas could be a primary income source. Because of the rapid depreciation of the Korean currency in relation to the US dollar, each station had to decrease its overseas programme imports, especially US programmes, and find alternatives. This situation was similar to what was happening in other Asian countries. In these circumstances, the programme exports of the Korean broadcasting stations profited both Korean and Asian broadcasting stations. From the perspective of the Asian broadcasting industry, importing low-cost Korean television programmes could make up for the shortage of imported programmes.

¹⁴⁶ As stated in Chapter 1, the financial crisis of the late 1990s has commonly been referred in Korea as the IMF crisis.

At the same time, programme exports became a new source of profit for Korean broadcasting stations still struggling with financial problems.¹⁴⁷

As described in Chapter 1, Korea was one of the countries affected most severely by the Asian financial crisis, which between late 1997 and 1999 had a negative effect on almost all Asian countries. During the economic crisis, the Korean *won* lost over forty per cent of its value relative to the US dollar, the growth of Korea's GDP fell to minus 6.9 per cent, and thousands of companies collapsed (Shim, 2002: 345). Although the IMF crisis lasted only one and a half years, the effects of this period of economic turmoil reached every part of domestic industry, including the broadcasting industry, even after the crisis.

As Kim Young-won states above, the IMF crisis seems to have stimulated early Korean drama exports. The programme exporters at the broadcasting stations and the individual export agencies unanimously asserted in interviews that the IMF crisis had exerted a considerable influence on broadcasters' early attempts to export their dramas. Indeed, as a result of the economic crisis and subsequent depreciation of the Korean currency, Korean broadcasters recognised the potential of their dramas as export products. One notable point is that the IMF crisis had both a positive and a negative effect on early drama export trials. This section will explore the initial drama export attempts during the IMF crisis and the arguments regarding the relationship between the economic crisis and drama exports. However, it will first outline how the IMF crisis affected and changed the Korean broadcasting industry.

The restructuring of broadcasting stations in the economic crisis

As already noted in Chapters 3 and 5, with the introduction of a civilian government and of a new commercial channel, the close relationship between the Korean government and the terrestrial broadcasting stations was significantly reduced. Moreover, the opening of the cable channel service in March 1995 both began a period of multi-channel broadcasting and gave the Korean conglomerates an opportunity to enter the broadcasting industry. In the mid 1990s, the growth of the broadcasting industry was evident. KBS and MBC, which had previously been the beneficiaries of a highly protected market, recognised that the era

¹⁴⁷ Interview with Kim Young-won, General Director of SBS Contents Hub, 28th July 2010 in Seoul, Korea.

of public broadcasting was over. Consequently, both began to implement changes and to become more businesslike companies instead of public bodies.

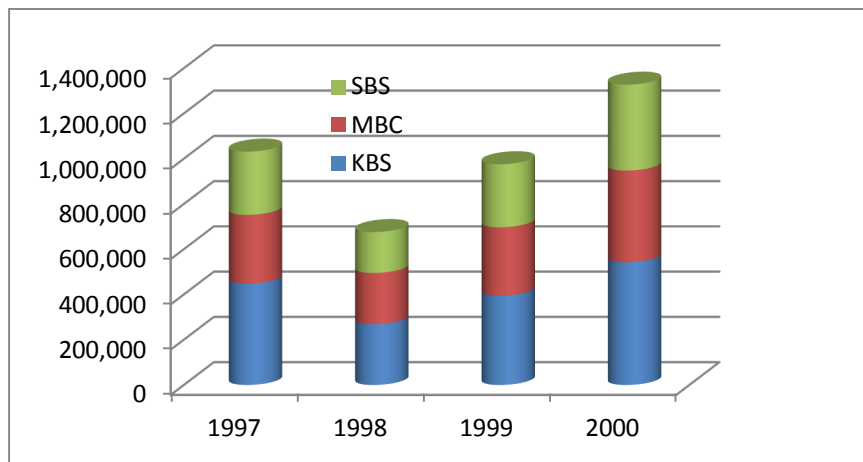
The Korean economic crisis of autumn 1997 accelerated this tendency. During the crisis, the revenue of the three terrestrial broadcasting stations, which relied heavily on advertising, declined sharply as the advertising budget of most domestic companies was drastically cut. According to KBC's broadcasting industry survey report, the total revenue of the three terrestrial broadcasting stations (KBS, MBC and SBS) declined from US\$1.53 billion in 1997 to US\$1.14 billion in 1998, a 26.1 per cent reduction (KBC, 2002b: 18). In 1997, it was the advertising income of these three stations that showed the most drastic decrease, falling from US\$448.1 million, US\$303.7 million, and US\$279.7 million to US\$268.6 million, US\$226.6 million, and US\$180.7 million respectively (ibid.: 19-21).

The decrease in the percentage of income derived by the three broadcasting stations from advertising was as much as 35 per cent – an even sharper decline than that in total revenue. This demonstrates the serious effect of the economic crisis on the management of the broadcasting stations. As mentioned above, advertising revenue accounts for the broadcasting stations' main income. The stations admitted that they urgently needed to diversify their business in order to ensure their survival in times of economic turmoil.

This crisis did not last long. The revenue of terrestrial broadcasting stations in 1999 almost reached the 1997 level, and it increased further in 2000. The KBC report reveals that the significant increase in broadcasting revenue in 2000 resulted from the rapid recovery of the domestic advertising market. This report demonstrates that the total advertising income of all terrestrial broadcasting stations¹⁴⁸ in 2000 was as high as US\$1.93 billion, almost a two-fold increase on the US\$1.01 billion in 1998, and a 28.6 per cent increase on the US\$1.50 billion in 1997 (KBC, 2002b: 21). This indicates that the broadcasting industry was severely affected by the economic crisis in 1998, but was able to recover from the financial turmoil in a short period.

¹⁴⁸ This includes EBS, the education channel operated by the Ministry of Education, all local and radio broadcasting stations, as well as KBS, MBC and SBS.

Figure 6.3 Fluctuation in advertising income of the three television stations between 1997 and 2000 (US\$1,000)



Source: 2001 Broadcasting Industry Survey Report (KBC, 2002b: 18-21)

The IMF crisis, however, resulted in changes in employment conditions at the broadcasting stations. In 1998, all three stations underwent extensive restructuring. Many broadcasting employees were laid off, or their jobs were transformed into temporary positions. For instance, MBC reorganised its company structure from six divisions and twenty-six departments in 1997 to four divisions and fifteen departments in 1998 in order to decrease the number of executives and managers (MBC, 1999: 68). KBS and SBS also underwent similar restructuring. Consequently, the number of employees at the three broadcasting stations decreased from 9,480 in 1997 to 8,061 in 1998 (KBI, 2000: 81). Of the three stations, SBS implemented the most lay-offs, a 27.8 per cent reduction. Even though the domestic economy quickly recovered, the number of broadcasting employees did not increase considerably. In 1999, their number further declined to 7,922, and at 7,785 in 2000 it continued to show a downward trend (ibid.: 82). This signifies that a large number of permanent jobs at the broadcasting stations became temporary positions during the height of the IMF crisis. The influence of the broadcasting stations' downsizing on the drama industry will be discussed further in the latter part of this chapter.

Apparently, downsizing was not enough to solve the stations' economic problems. Because of the drastic fall in the value of the *won* and rise in interest rates under the IMF regime, the amount the stations' had to pay for imported programmes and loans was extremely high, leading them to the brink of bankruptcy. In the case of the newly developed cable television industry, the situation was worse than that of the terrestrial channels. By June

1998, five out of twenty-nine programme providers had gone bankrupt, and only three had no deficit (Kim and Hong, 2001: 86).

Consequently, the broadcasting stations attempted to decrease production costs in order to minimise their expenses. The drama production cost of KBS decreased from US\$52.2 million in 1997 to US\$38.9 million in 1998, and fell even further to US\$36.1 million in 1999 (KBS, 99: 254).¹⁴⁹ MBC also downsized its total television programme production costs from US\$77.8 million in 1997 to US\$64.2 million in 1998. But in the case of MBC production costs increased to US\$73.5 in 1999, unlike the drama production costs of KBS (KBI, 2000: 71-72).

Overall, the IMF crisis seriously affected all the broadcasting stations, including both terrestrial and cable channel stations. Although the terrestrial station losses were not as serious as those of the cable channels, their economic difficulties were not negligible. In order to overcome the financial crisis, the three broadcasting stations attempted to diversify their business structure. As one of these diversifications, the prospects for exporting programmes seem to have been explored.

The effect of the economic crisis on television programme exports

According to the informants of this thesis, it appears that the Korean broadcasting stations did not have a clear vision regarding programme exports at the advent of the IMF crisis. Even though all three broadcasting stations had organised their own programmes sales subsidiaries in the early 1990s, they had attempted programme exports as part of the overseas promotion of each broadcasting station rather than as a profitable business venture, so the scale of their achievement was not great.¹⁵⁰ In the late 1990s, the total programme exports of the three broadcasting stations garnered approximately US\$6 million, which was negligible compared to their total sales, a figure as high as US\$2.5 billion (KOCCA, 2001: 6). Few broadcasting industry experts could have expected that Korean television programmes would be exported on such a large scale to neighbouring countries in the near future.¹⁵¹

¹⁴⁹ The broadcasting stations define their drama production costs as confidential data. Of the three stations, only KBS releases its drama production costs.

¹⁵⁰ Interview with Park In-soo, export team head at KBS Media, 29th July 2010 in Seoul, Korea.

¹⁵¹ Interview with Lee Man-je, a senior researcher at KOCCA, 14th June 2011 in Seoul, Korea.

With the advent of the economic crisis in autumn 1997, however, programme exports were considered as a new business enabling the broadcasting stations to turn a profit. The account of Kim Young-won, cited at the beginning of this section, implies that, in the face of this changing situation, each broadcasting station was forced to immediately reduce its foreign programme imports and to find alternative ways of compensating for reduced profits due to the decrease in advertising income amidst the economic turmoil.

With regard to this, Kim Sang-han offered an illuminating account of the changing trend in drama exports during the height of the IMF crisis. Kim, who has also sold Korean videos and films in Taiwan, was one of the primary agents selling Korean television dramas to the Taiwanese cable channels. He had numerous connections among both Korean broadcasters and the Taiwanese cable channels. Kim argued in his interview that Korean television drama exports began quite accidentally with the emergence of the IMF crisis. His account is worth noting:

Around the middle of 1997, several Taiwanese cable channels such as Entertainment TV and Video Land contacted me to enquire about the possibility of importing Korean television dramas. They hoped to purchase Korean dramas at the price of US\$600 per sixty-minute episode. I conferred with MBC and SBS about the Taiwanese cable channels' offer. SBS did not show any interest in exporting their dramas; perhaps they thought that the cost proposed was too low to make a substantial profit. However, MBC Productions¹⁵² agreed to export its dramas to Taiwan. I bought 184 drama episodes from MBC and sold them to the Taiwanese cable channels in October 1997. Just after that, the IMF crisis developed and the Korean currency rapidly decreased. Then, SBS entered into negotiation with the Taiwanese cable channels, having noticed that the profit from drama export would almost double due to the drastic devaluation of Korean currency.¹⁵³

According to Kim, around 1997 the Taiwanese cable channels were attempting to find alternative television programmes to Japanese dramas. Although Japanese dramas had been popular in Taiwan, their import price was too high for most minor cable channels. Moreover, Taiwanese viewers were tending to become sated with Japanese dramas.

¹⁵² The programme sales subsidiary of MBC.

¹⁵³ Interview with Kim Sang-han, 27th July 2010 in Seoul, Korea.

Kim's account reveals that there was a lack of an efficient strategy in the early drama export period. Rather than any specific strategy on the part of the Korean broadcasting stations, early drama exports were accomplished by individual programme agents on behalf of the Taiwanese cable channels. This account was confirmed by Lee Man-je, a senior researcher at KOCCA, and by Shim Doo-bo, a media studies researcher. Lee stated that the broadcasting stations had no specific intention or enthusiasm in exporting their programmes until the early 2000s. Meanwhile, Shim held that individual buyers and agents in both Korea and Taiwan played key roles in introducing Korean drama exports to the Taiwanese cable channels.¹⁵⁴ More importantly, Kim's account implies that the IMF crisis and the consequent devaluation of the Korean currency provided a significant stimulus to Korean broadcasters, causing them to take a more active and enthusiastic approach to drama exports.

The Korean dramas broadcast on the Taiwanese cable channels appear to have received a positive reaction from Taiwanese broadcasting personnel. According to Kim, Taiwanese broadcasters felt that Korean dramas included interesting stories and dramatic plots. They recognised that Korean dramas were as good as or better than Japanese dramas, and that import prices were significantly lower. Song Byung-jun, a drama export agent and President of the major independent drama production company Group Eight, confirms that in the late 1990s the import price of Japanese dramas on the Taiwanese market was between US\$7,000 and US\$9,000 per episode.¹⁵⁵ Consequently, more Taiwanese cable channels began to contact competitive Korean agents such as Kim or Song, or contacted Korean broadcasting stations directly. As a result, Korean dramas became popular among Taiwanese audiences within a comparatively short period.¹⁵⁶ The programme export activities of Korean terrestrial stations in the late 1990s will be explored further in the case study in Chapter 7.

From 1998 onwards, Taiwan became the primary export market for Korean dramas. In 2001, The Chinese territories such as Taiwan (20.2 per cent), China (20.1 per cent), Hong Kong (9.4 per cent) and Singapore (7.9 per cent) accounted for more than half of all Korean broadcast programme exports (KOCCA, 2001: 4). Thus, the drama exports to Taiwan in the late 1990s seem to have been accomplished through a combination of

¹⁵⁴ Interview with Lee Man-je, 14th June 2011. Interview with Shim Doo-bo, 20th June 2011. Both interviews were held in Seoul, Korea.

¹⁵⁵ Interview with Song Byung-jun, 3rd August 2010 in Seoul, Korea..

¹⁵⁶ Interview with Kim Young-won, 28th July 2010 in Seoul, Korea.

external factors and the economic crisis, rather than through any specific strategy on the part of the Korean broadcasting stations. Although Korean drama exports were launched almost accidentally, the successful results in Taiwan appear to have spurred the broadcasting stations to greater efforts.

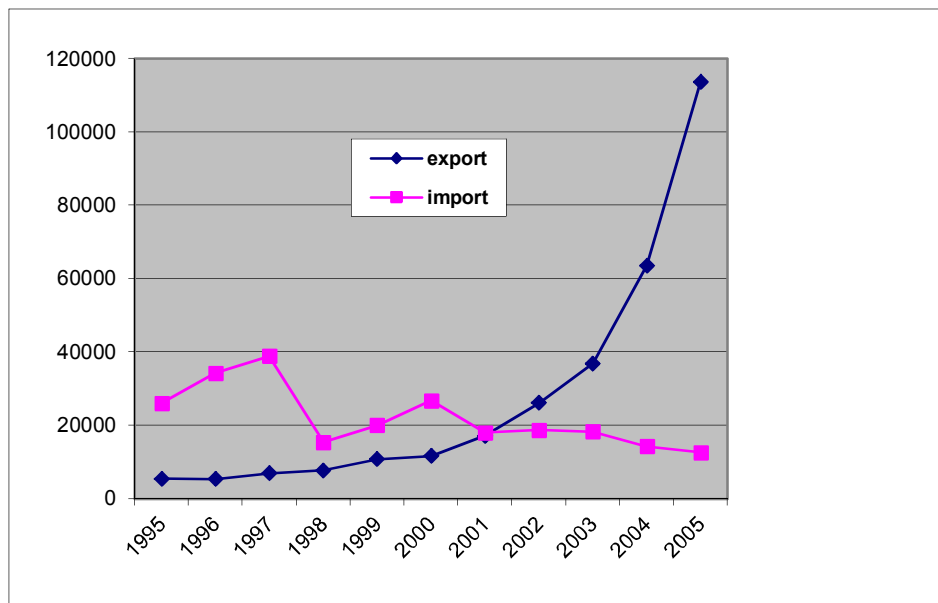
Clearly, the economic downturn provided the momentum for programme exports from Korea to Taiwan both on the part of the Korean broadcasting stations and of the Taiwanese cable channels. From the standpoint of Taiwanese broadcasters, the comparatively cheaper price of Korean dramas made them popular alternatives to American or Japanese television dramas for the Taiwanese cable channels, which were undergoing similar economic problems at the time.¹⁵⁷ Meanwhile, Korean industry had long been familiar with the national slogan, 'export is the only way to survive', as preached by the autocratic Park Chung-hee regime (1961-1979) in the mid 1960s, as mentioned in Chapter 1. During the economic crisis, this slogan, which had fallen out of use with the termination of the military government, was resurrected by the broadcasting stations, which urgently needed to find new business in order to make up for the sharp decrease in advertising income. Indeed, 'export emerged as a new strategy in the broadcasting industry crisis.'¹⁵⁸

After 1997, television programme exports, centring on dramas, began to increase. Figure 6.4 shows the fluctuation in television programme exports and imports of the three terrestrial broadcasting stations between 1995 and 2005. It shows how both programme exports and imports fluctuated significantly with the advent of the economic crisis. Programme exports, which had not shown any progress between 1995 and 1996, began to increase from 1997. Meanwhile, programme imports, which had consistently increased until 1997, sharply decreased in 1998. Programme imports rose again in 1999, with the economic recovery, and were recorded at US\$26.7 million in 2000. As they had amounted to less in 1997 than the US\$12 million spent on programme imports, this signifies that domestic programmes did indeed compensate for the gap created by the decrease in foreign programmes. In 2001, the increasing programme exports overtook the value of programme imports, which decreased again to US\$18 million.

¹⁵⁷ Interview with Park Jae-bog, former General Manager of MBC Productions, 25th July 2010 in Seoul, Korea.

¹⁵⁸ Interview with Park In-soo, the export team head of KBS Media, 29th July 2010 in Seoul, Korea.

Figure 6.4 Programme export and import flows of four terrestrial stations between 1995 and 2005 (US\$1,000)¹⁵⁹

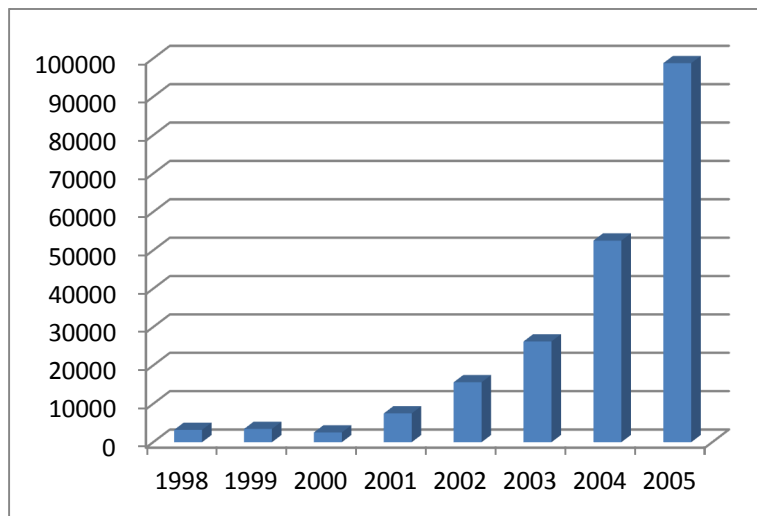


Source: Study of strengthening of competitiveness of Korean broadcasting content in the international market (Goh, 2002: 40), Broadcast programme trade statistics (KOCCA, 2001-2006)

In the meantime, dramas became the primary export product for the three broadcasting stations. Figure 6.5 shows that Korean drama exports increased significantly from the late 1990s onwards. Moreover, the ratio of Korean drama exports to all programme exports also increased rapidly from 37.0 per cent in 2000 to 92.0 per cent in 2005 (KOCCA, 2005: 11).

¹⁵⁹ These data include the programme export and import figures for EBS, the education channel, but EBS's programme exports accounted for an insignificant share.

Figure 6.5 Annual increase in Korean television drama exports by three terrestrial broadcasting stations (US\$1,000)¹⁶⁰



Source: Broadcast programme trade statistics (KOCCA, 2001-2006)

To be sure, the IMF crisis offered Korean broadcasters the opportunity to prove that their dramas were promising export products. At the same time, however, the economic crisis appears to have adversely affected drama exports by the Korean conglomerates. As mentioned in Chapter 3, the Kim Young-sam regime (1993-1997) supported the film and cable channel industries in the name of audiovisual industry promotion, and many Korean conglomerates satisfied the government policy requirement by entering the cable channel business or the film distribution industry. In the mid 1990s, all of the largest five Korean conglomerates, Hyundai, Samsung, LG, Daewoo and SK, were participating in the cable channel industry or in the film industry. After the advent of the IMF crisis in 1997, however, most of them withdrew their business from the audiovisual industry.

Although almost all of the conglomerates left the audiovisual industry, there is a general consensus that they introduced more businesslike management into the industry. Park Jun-young, the former president of KBS Media, claimed in an interview that the cable channels or film companies owned by the conglomerates began in the mid 1990s to help talented young people enter the film and broadcasting industries.¹⁶¹ Nevertheless, the conglomerates' enthusiastic investment in the audiovisual industry decreased with the

¹⁶⁰ According to Goh (2002: 39), the rapid increase in Korean drama exports led to import control policies in several South-East Asian countries, and consequently Korean drama exports showed a slight decline in 2000. But export sales increased again in 2001 because the enthusiastic response of Asian viewers encouraged Asian stations to import more Korean dramas.

¹⁶¹ Interview with Park Jun-young, 28th July 2010 in Seoul, Korea

emergence of the economic crisis. Kim Sang-han pointed out that the early attempts to export Korean dramas in the late 1990s were made by only a few personnel at each broadcasting station subsidiary and a handful of individual agents, while the executives of the broadcasting stations and the conglomerates were generally not interested in drama exports.

According to Song Ki-ho, a former assistant manager of the Samsung Entertainment Group, in the mid 1990s, they had a plan to produce documentaries and export these to European cable channels. Although this seems to have been an attempt to promote Samsung rather than an earnest export attempt, it does appear that the Samsung Entertainment Group had an intention to export its broadcast programmes to the overseas market.¹⁶² When the individual agents and the exporters in the broadcasting stations attempted to export Korean dramas to Taiwanese cable channels around 1998, however, almost all audiovisual subsidiaries including those of the Samsung Entertainment Group had already broken up or were preparing to withdraw their business.

If the Korean conglomerates, which have traditionally pursued export-driven strategies, had kept their subsidiaries in the audiovisual industry and recognised the potential of Korean dramas as export products, the early attempt to export dramas might have been more effective. Even though several export subsidiary personnel at LG, one of the biggest Korean conglomerates, moved to MBC Productions or SBS Contents Hub, three broadcasting stations were attempting to export dramas despite the fact that they had only a small number of personnel, and the lack of both personnel and experience seems to have resulted in poorer export performance. This will be explored further in the case study in Chapter 7.

In sum, the IMF crisis appears to have been a significant factor in stimulating the Korean broadcasting stations' drama exports. During the economic crisis, drama exports emerged as a promising business. At the same time, however, the economic turmoil deprived Korean broadcasting stations of programme export support from the conglomerates. In this context, the effect of the IMF crisis on drama exports did not achieve a turnaround sufficient to gain the recognition of the Korean conglomerates. As a result, and despite the successful entry into the Chinese territories markets in the late 1990s and early 2000s,

¹⁶² Interview with Song Ki-ho, 5th July 2001 in Seoul, Korea.

drama exports were launched on a comparatively small scale, involving only a handful of exporters in the broadcasting stations and individual agents.

Thus, the economic crisis cannot be considered the most critical factor in the increase in Korean television programme exports. The economic crisis merely helped to awaken Korean broadcasters to the potential of Korean dramas as an export product. Rather, it seems that Korean dramas developed sufficiently to attract Asian viewers partially as a result of the changes in the production system and its diversification from in-house productions to independent drama productions, and also because of the emergence of broadcasting commercialisation. This study now turns to examining why the Korean drama industry underwent changes in its production system between 1995 and 2005, and how these changes affected both the drama industry and drama exports.

Organisational changes in the drama production system

It is widely believed that the quota policy for the outsourcing of television programmes, which was launched in 1991 by MCT of Korea, shifted the initiative for drama production from traditional in-house productions to independent drama productions. With the consistent increase in the outsourcing quota, the terrestrial broadcasting stations gradually came to rely on independent drama production for prime-time dramas. In 2005, the three terrestrial stations broadcast 65 television dramas. Of these, 37 dramas were independent production companies, which accounted for 56.9 per cent of all dramas broadcast (KOCCA, 2009a: 2-5).

This change in the drama production system led to a reduction in the number of in-house terrestrial broadcasting station productions and an expansion of independent productions. As a result of this organisational change, a broader variety of dramas has been produced, including some blockbuster dramas incurring record production costs. From this perspective, it is probable that the prosperity of independent drama production and the increasing diversity of dramas influenced not only the expansion of the drama industry, but also Korean drama exports.

However, it has been argued that the outsourcing quota policy negatively affected both drama exports and the drama industry itself. There are concerns that the fierce competition

among independent drama productions has tainted the originality and diversity of dramas and resulted in the production of a number of dramas with similar plots and storylines. Another criticism is that it is just not clear whether the operation of this policy has made a meaningful contribution.

In this section, several issues will be examined, including how independent drama producers have encouraged the diversity of Korean dramas under the outsourcing quota policy and how this policy has contributed to the increase in drama exports. Finally, it will explore the relationship between the programme outsourcing quota policy and the great success of Korean drama exports.

The changing drama production system

Prior to the establishment in 1991 of the quota policy for the outsourcing of television programmes, the Korean television industry was characterised by a high degree of vertical integration at KBS and MBC. Both broadcasting stations had their own technical and production capacities and created almost all their own programmes. Broadcasting and production activities were monopolised by these two largest terrestrial stations and both stations maintained large permanent workforces covering all aspects of the production process.

In 1991, MCT formalised the first television programme outsourcing quota policy for independent television programme productions. This policy stipulated that at least three per cent of the airtime of a television station must be produced by external programme suppliers. Since the introduction of the outsourcing quota policy, MCT has consistently increased this requirement by three per cent every year. In 2005, the amended Broadcast Act 72 stated that MBC and SBS should devote at least 35 per cent of airtime to external productions and KBS 32 per cent, on a quarterly basis (Kim, J-W., 2005: 125). The aims of this policy were: (i) to stimulate fair and effective competition among independent productions, (ii) to break up the monopoly of the terrestrial broadcasting stations, and (iii) to create more diverse and high-quality television programmes (KOCCA, 2009c: 18).

It appears that the most important goal of this policy is to protect independent producers and to stimulate their productivity and competitiveness. It should be pointed out, however,

that the reasons behind it were quite different from what might be expected. In this context, two aspects are noteworthy. First, the primary aim of this policy seems to have been the re-regulation of the terrestrial stations. A senior researcher at KOCCA pointed out in an interview that the quota policy was most likely created in order to weaken the monopoly of the terrestrial broadcasting stations, rather than to support independent producers.¹⁶³ As a consequence, the policy has restricted the terrestrial stations through the annual increase in the outsourcing quota, but has not given much needed support to independent producers.

Second, it is likely that this policy resulted from friction between two government organisations. According to Yoon Ho-jin, a senior KOCCA researcher, KBC has been responsible for broadcasting policies since the amendment of the Broadcasting Act in 2000. MCT, which had controlled the broadcasting stations up until 2000, struggled to maintain control of the broadcasting industry in the years after that. As a result, MCT has keenly promoted independent productions in order to retain a measure of control over the broadcasting industry.¹⁶⁴

Ostensibly, the goal of the outsourcing quota policy was to facilitate the diversity and competitiveness of the broadcasting industry. However, it is probable that there has been ongoing intragovernmental conflict between KBC and MCT to take the initiative in broadcasting policies operation, and the tightening of the outsourcing quota policy may be the result of this conflict. As seen in Chapter 5, it is not uncommon for several government departments to be involved in similar tasks, and they have often clashed over seizing the leading role in particular areas. Media studies researcher Hwang Seong-yun also pointed out that the outsourcing quota policies might reflect the constant conflict between the two broadcast-related government organisations, rather than stemming from research which seeks to improve the diversity of the broadcasting industry.¹⁶⁵

In short, the outsourcing quota policy has been seen as the government's regulatory programme, intended to break-up the vertical integration of the broadcasting industry and to develop a more efficient production system by encouraging independent productions. Although this policy seems to have addressed the changing conditions of global broadcasting markets, the government tended to overlook the expected negative effects of

¹⁶³ Interview with a senior researcher at KOCCA, July 2010 in Seoul, Korea. He explained, on condition of anonymity, about the conflict between MCT and terrestrial stations.

¹⁶⁴ Interview with Yoon Ho-jin, head of KOCCA policy research team, 13th July 2010 in Seoul, Korea.

¹⁶⁵ Interview with Hwang Seung-yun, a senior researcher at AGB Nielsen Media Research Korea, 23rd June 2011 in Seoul, Korea.

its operation, such as over-intensifying competition among independent productions or the erosion of stable in-house production systems. It also appears to be the result of a concentration of government interest on controlling the broadcasting stations rather than on facilitating the capacities of independent production companies.

Between 1991 and 1994, the outsourcing requirement remained only three per cent. This quota could easily be filled by a single documentary or by short serial dramas. During this period, most independent production companies did not have the specialised production technology and staff for drama production.

The most radical change took place in 1998, during the IMF crisis. Three broadcasting stations attempted to decrease their large production capacities in order to reduce production costs. KBS significantly decreased both the number of dramas produced and drama production costs. MBC and SBS, however, could not sharply decrease drama broadcasts because of their high advertising income. Instead, both stations seem to have decided to purchase more independently produced dramas in order to be cost-effective. Additionally, the number of independent productions increased from 1998 onwards, as many employees of the broadcasting stations lost their jobs due to downsizing and consequently joined independent producers.

Although the broadcasting stations soon recovered from the impact of the economic crisis, they continued to pursue strategies to improve cost-effectiveness. Consequently, throughout the economic crisis and the restructuring process, broadcasting stations increasingly relied on external programme suppliers. Accordingly, the IMF crisis resulted in a 'brain drain' of drama production technical employees who left the terrestrial broadcasting stations for independent producers. The move towards flexible, but more specialised programme productions is illustrated by the growth in the number of dramas produced by independent producers, as Table 6.7 shows.

Table 6.7 Number of dramas produced in house and by independent production companies between 1995 and 2002

	KBS		MBC		SBS	
	In-house	Independent	In-house	Independent	In-house	Independent
1995	19	4	18	3	21	2
1996	17	7	19	8	20	1
1997	24	5	18	8	20	3
1998	13	4	20	6	19	4
1999	13	3	18	7	16	5
2000	14	4	14	7	15	7
2001	13	7	15	9	15	6
2002	2	14	15	12	11	11

Source: Vertical disintegration of drama industry and emergence of productive factor market (Chang and Roh, 2008: 179)

It should be noted that drama production costs have increased, with drama production gradually being concentrated in the hands of external programme suppliers. The broadcasting stations could not cover increasing drama production costs with their limited budgets. For MBC and SBS, advertising was the main source of income for drama broadcasts. The problem is that the growth of advertising costs has been controlled by KOBACO, not by individual broadcasters. For instance, in 2001 KOBACO set the price of a fifteen-second commercial run at 10 p.m. on MBC at US\$8,512. If MBC could sell all 24 commercial slots during mini-series broadcast at 10 p.m., its advertising income would amount to US\$204,288.¹⁶⁶ This indicates that the production cost for mini-series shown at prime time should not exceed US\$204,288 per episode. However, since the early 2000s, the production cost for a weekday mini-series has often exceeded US\$250,000 (KOCCA, 2009a: 16-19).

Whereas terrestrial broadcasting stations could not afford the rising production cost of dramas, independent production companies were able to get drama sponsorship thanks to the amended Broadcasting Act 74, which allowed independent producers to obtain sponsorship for programme productions.¹⁶⁷ Due to sponsorship, independent productions were able to obtain private finance as well as the production funds offered by the

¹⁶⁶ KOBACO internal data.

¹⁶⁷ Korean Broadcasting Act, from the Ministry of Government Legislation website, <http://www.law.go.kr/%EB%B2%95%EB%A0%B9/%EB%B0%A9%EC%86%A1%EB%B2%95> (accessed 2nd September 2011).

broadcasting stations, and accordingly they have been able to produce high-cost blockbuster dramas.

This seems to be of enormous consequence for independent productions. On the one hand, the drama production cost has definitely increased. The problem is that most of the increased production cost has not been spent on drama production itself. As independent drama producer Park Sang-joo pointed out, the numbers of independent production companies able to produce mini-series on a regular basis is as many as fifty or sixty, but the maximum numbers of mini-series broadcast annually on the terrestrial channels is approximately thirty. In order to gain the limited opportunities for selling their dramas to the terrestrial stations, each independent production company has spent most of its increased production budget on securing the services of a handful of famous drama writers and actors rather than on drama production, because the terrestrial stations have shown a clear preference for dramas written by famous writers and featuring the most famous actors. Subsequently, the money spent on famous writers and performers dramatically increased.¹⁶⁸ The average pay for the highest-ranking actors sharply increased from US\$4,200 per episode in 2001 to US\$21,000 in 2005 (KOCCA, 2009a: 19).

On the other hand, the fact that only independent drama productions have been approved for sponsorship proves that it is the government's intention to restrain the broadcasting stations through unequal regulation of external and in-house drama productions. This has been a recurring feature of the discourse on broadcasting regulation. Officially, the Korean government has maintained a neutral position of 'neither intervention nor support' for the terrestrial broadcasting stations, which has been the government's position on the broadcasting industry since the Kim Young-sam regime (1993-1997), as seen in Chapter 5. Based on this principle, however, until 2009 the Korean government did not allow the terrestrial broadcasting stations to obtain sponsorship for programme production, because it regarded broadcasting station sponsorship as a form of support.¹⁶⁹ In this sense, it seems that the outsourcing quota policy has indirectly but effectively regulated broadcasting stations.

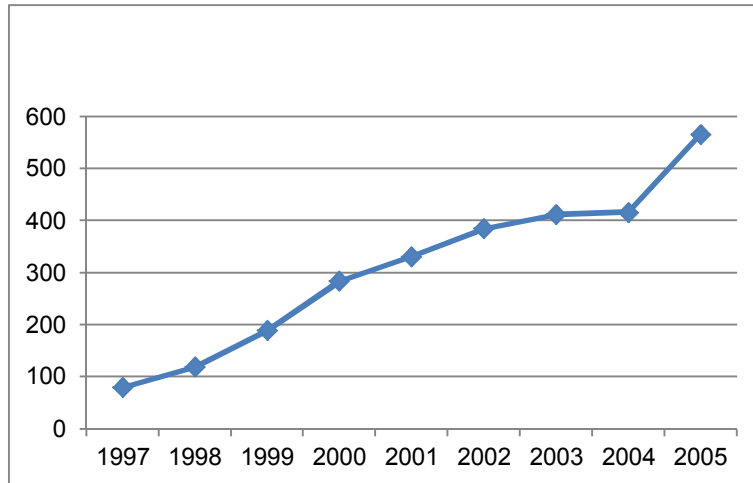
In the mid 2000s, it was evident that the drama production initiative had shifted to independent productions. The total number of independent productions was more than 500

¹⁶⁸ Interview with Park Sang-joo, 4th August 2010 in Seoul, Korea.

¹⁶⁹ Second interview with Lee Man-je, 16th June 2011 in Seoul, Korea.

in 2005, a significant increase from 115 in 1998.¹⁷⁰ As mentioned above, 56.9 per cent of dramas broadcast on the three terrestrial stations in 2005 were produced by independent production companies.

Figure 6.6 Number of independent productions between 1997 and 2005



Source: Vertical disintegration of drama industry and emergence of productive factor market (Chang and Roh, 2008: 171)

Although the numbers both of independent drama production companies and of dramas produced by independent drama producers increased, an evaluation of drama outsourcing is not very positive, since it reveals that the sharp increase in drama production costs has placed severe financial stress on almost all independent producers. In 2006, six among the ten most prominent independent production companies did not make a profit (KOCCA, 2009a: 16). Moreover, the government's aim of demolishing the top-down structure of the broadcasting industry centring on terrestrial stations was apparently only partly attained. The dominance of terrestrial stations in the broadcasting industry has tended to be reinforced, with the addition of a few big independent production companies. In 2004, the five largest independent production houses produced two-thirds of all dramas by independent producers, although there was a total of 416 independent production companies (Yoon, 2005: 31). Accordingly, it is unlikely that the operation of the programme outsourcing quota policy, in the absence of a sufficient infrastructure to facilitate independent productions, was effective in helping the government to achieve its goal.

¹⁷⁰ However, the number of production companies which have supplied programmes to the terrestrial broadcasting stations was between 150 and 200 (Park and Yang, 2005: 73). This indicates that the practical expansion of independent producers has been less than it appeared to be.

The effect of changes in the drama production system on drama exports

The intention of the programme outsourcing quota policy was to stimulate the professionalism of drama productions and to encourage the diversity of drama themes. The government reasoned that competition among many external drama productions would help strengthen the quality of television dramas more than competition among limited numbers of in-house productions. It is believed that the outsourcing quota policy resulted in significant achievements, such as enriching independent drama productions and increasing drama exports. (Interview with Park Yang-woo, former Deputy Minister at MCT)

Obviously, in its early stages the programme outsourcing quota policy contributed to the creation of better and more diverse dramas. However, the rush of numerous independent drama productions has also led to a drop in drama diversity, which caused both domestic and overseas audiences to lose interest in Korean dramas. Put more bluntly, the outsourcing quota policy has been a double-edged sword, which has had both a positive and a negative impact on drama exports. (Interview with Hwang Seong-yun, a senior researcher at AGB Nielsen Media Research Korea)

In relation to the influence of the outsourcing quota policy on Korean drama exports, it is not difficult to find conflicting arguments such as the ones in Park Yang-woo's and Hwang Seong-yun's statements above. Informants in this study generally expressed diverse opinions about the effect of the outsourcing quota policy on drama exports. Several researchers, including Yoon Ho-jin and Joo Chang-yun, stated in interviews that the diversity of dramas attributable to the outsourcing quota policy had contributed to the success of Korean drama exports.¹⁷¹ By contrast, Lee Man-je, a senior researcher at KOCCA, argued in his interview that it was hard to draw a direct link between the prosperity of independent drama production and the overseas popularity of Korean dramas, although this policy clearly resulted in an increased number of dramas from independent producers. Meanwhile, the broadcast programme exporters Park Jae-bog and Kim Young-

¹⁷¹ Yoon Ho-jin is the team head of KOCCA's policy research team. Joo Chang-yun, Professor of Media Studies at the Seoul Women's University, is renowned as a researcher and writer on the Korean drama industry.

won insisted that the outsourcing quota policy had rather distorted the entire drama production structure, bringing about a dramatic increase in the salaries paid to some famous actors, which in turn had had a negative overall effect on drama quality as well as on drama exports.

Although several broadcasting experts and researchers argued for the negative effects of the outsourcing quota policy, almost all informants interviewed agreed that from the early 2000s onwards it helped talented independent drama producers to create diverse themes and styles in their dramas. The three largest broadcasting stations remain somewhat bureaucratic, in particular KBS because of its quasi-governmental status. It is likely that the creative ideas and personal identities of producers were often suppressed in the centralised bureaucratic organisation. By contrast, independent drama producers seem to have been able to work more freely and put more of their own individual personalities into their dramas, without worrying about intervention from superiors.

Park Chang-sik, President of Kim Jong-hak Productions, explained in an interview why he founded the company with drama producer Kim Jong-hak and drama writer Song Ji-na in February 1998, claiming that they had felt constrained from producing dramas freely, especially given how unresponsive broadcasting stations were to changing trends.¹⁷² Kim Jong-hak and Song Ji-na, who produced and wrote the iconic Korean dramas *Eyes of Dawn* (MBC, 1991) and *Sandglass* (SBS, 1995), have been described as the most outstanding drama producer and writer of the 1990s. The fact that even renowned drama creators such as Kim and Song felt uncomfortable working on in-house productions suggests that broadcasting stations operate in a bureaucratic atmosphere and are often insensitive to or unaware of current trends.

From the late 1990s onwards, reflecting new trends in dramas became an increasingly crucial factor in the Korean drama industry, as young drama audiences began to express their opinions about their favourite dramas on the internet. Young people, who had been generally uninterested in dramas in the early 1990s, quickly became not only a new drama audience, but also drama creators. As mentioned in Chapter 3, the conglomerates' entry into the film and cable channel industries in the mid 1990s, coupled with the audiovisual industry promotion policies of the Kim Young-sam regime (1993-1997), encouraged

¹⁷² Interview with Park Chang-sik, 5th August 2010 in Seoul, Korea.

young people to enter the film and broadcasting industries.¹⁷³ Clearly, young people became interested in the drama industry from approximately the mid 1990s onwards, with the appearance of new trends enabling them to discuss their favourite dramas over the internet, coinciding with the conglomerates' entry into the film and cable channel industry. This trend, coupled with the increasingly democratic spirit in Korean society after the end of the long-term military governments, also encouraged talented young people to enter new drama productions.¹⁷⁴

Moreover, several entertainment and recording companies reinvented themselves as drama production companies because the scope and capacities of independent drama productions had expanded with the increase of the outsourcing quota. These factors appear to have had the benefit of allowing producers to focus on their own fields of interest. The creativity of talented drama producers, quick responses from young drama viewers, and the emergence of new drama production companies focusing on their own specialties are all factors which have contributed to growing drama diversity and are no doubt worth noting as positive outcomes of independent drama production.

In these circumstances, it should be noted that certain dramas, which have emphasised image and background music over dialogue, appear to have appealed to overseas drama audiences. This has cultural implications; as Korean dramas have pursued more diversity in their themes and styles within the free atmosphere of independent production, dramas have been able to create a certain style which appeals to both overseas and domestic audiences.

For example, *Winter Sonata* (KBS, 2002) was produced by Yoon Seok-ho, the former KBS drama producer known for his distinctive emotional style, and Pan Entertainment, a former recording company which switched to drama production in 2002. *Winter Sonata* emphasised non-verbal elements such as nostalgic visual images and background music, and this subjectivity appealed to the middle-aged Japanese female audience, leading to record-breaking success and a social phenomenon in Japan known as the 'Yon-Sama Syndrome'.¹⁷⁵

¹⁷³ For instance, one of the best-known drama writers explained in an interview that she changed her job from magazine reporter to drama writer because she realised the potential of the drama industry while working as a journalist.

¹⁷⁴ Interview with Shim Doo-bo, 20th June 2011 in Seoul, Korea.

¹⁷⁵ In *Winter Sonata*, Bae Yong-joon portrays a young man who is both pure and gentle, which created a huge sensation among middle-aged female viewers in Japan. His popularity has remained high. When Bae

In relation to the increasing emotional appeal of Korean dramas, Park Jae-bog, the former General Manager of MBC Productions, pointed out that Korean dramas which gained popularity in the Chinese territories in the late 1990s tended to emphasise both images and music. They succeeded in overcoming the linguistic barrier as foreign dramas because they satisfied the emotional needs of international audiences.¹⁷⁶ Consequently, it can be assumed that the expanded subjectivity and creativity of the Korean dramas created by independent producers have had a positive effect on the initial stages of drama exports.

While independently produced Korean dramas with distinctive images and music have attracted overseas viewers, there have also been negative effects stemming from these productions. Media researcher Hwang Seong-yun argued that the originality and diversity of Korean dramas which flowered in the early 2000s had been tainted since the mid 2000s. According to Hwang, many independent drama producers had tended to rely on copying the story lines and plots of popular dramas rather than creating their own styles, which had led to both Korean and overseas drama audiences losing interest in Korean dramas. Hwang's argument was confirmed by Kim Young-won, the General Director of SBS Contents Hub. Kim stated in an interview: 'Asian programme buyers used to ask me, "Don't you have anything new?" It was obvious that Asian broadcasters realised that Korean dramas had lost their originality.'¹⁷⁷ As Hwang's and Kim's accounts suggest, there are increasing concerns that strengthening the outsourcing quota policy put unreasonable limitations on independent drama producers.

The contradictory results of the outsourcing quota policy may be attributable to two factors. First, the change in the drama production system from in-house productions to independent productions has had both positive and negative effects on Korean drama exports. It does appear that the prosperity of independent production companies increased product diversity in the early 2000s. While this was happening, some talented drama producers were able to express themselves creatively and, as a result, their dramas attracted overseas as well as domestic viewers. The unprecedented success of *Winter Sonata* in Japan is a good example of how drama diversity has profoundly affected viewers, regardless of nationality. As the

appeared at a Tokyo book publishing event in September 2009, approximately a hundred thousand fans attended in order to see him.

¹⁷⁶ Park mentioned such examples as *Star in My Heart* (MBC, 1997), *Fireworks* (SBS, 2000), *All about Eve* (MBC, 2000), *Autumn in My Heart* (KBS, 2000) etc.

¹⁷⁷ Interview with Hwang Seong-yun, 23rd June 2011. Interview with Kim Young-won, 028th July 2010. Both interviews were held in Seoul, Korea.

competition among independent productions has intensified, however, the originality and diversity of dramas has suffered.

Secondly and more importantly, the positive effect on drama exports of implementing the outsourcing quota policy could not have been anticipated or intended, as demonstrated in Chapter 5. It is evident that the consistent operation of the outsourcing quota policy has opened up opportunities for the creation of more diverse dramas by independent drama producers, which appears to have heralded an expansion of the Korean drama market overseas, as well as attracting more domestic viewers. This contribution, however, had not been anticipated by policy-makers, although the government has suggested that the outsourcing quota policy paved the way for more drama exports. The original intention of the outsourcing quota policy was clearly to reduce the dominance of the terrestrial broadcasting stations in the broadcasting industry rather than to support independent drama production or encourage drama exports. Nevertheless, it is true that the policy has contributed to a substantial increase in drama exports. There is an interesting implication which can be drawn from this; namely, that government policies may have had an unintended but substantial influence on the broadcasting industry.

Conclusion

It is clear that the Korean drama industry has developed significantly since the late 1990s, gaining large numbers of both Asian and domestic viewers. This phenomenon could not have been predicted in the mid 1990s, however, even by broadcasting industry experts or employees. According to Park Jae-bog, the former General Manager of MBC Productions, when he reported in 1995 on MBC Productions' plan to increase programme exports to 10 billion *won* (US\$8.3 million) over the following five years, the response of MBC executives was rather doubtful. At that time, the annual programme exports of MBC were around US\$850,000. In fact, that amount rose to 30 billion *won* (US\$25 million) in 2000. Since the early 2000s, the drama export performances of the three terrestrial stations have increased by around sixty or seventy per cent every year.

This chapter has investigated the changing conditions of the Korean broadcasting industry, which have most likely facilitated the unprecedented success of drama exports. Little research has been conducted on the changing conditions in the Korean broadcasting

industry as the main reason behind the rapid increase in Korean drama exports. More attention has been paid to external factors such as the expansion of the cable channel industries and the consequent demand for new programmes in neighbouring countries. However, these perspectives do not take account of the internal dynamics of the Korean broadcasting industry, in particular the high level of commercialisation since the cessation of government control and the opening of a commercial terrestrial broadcasting station. Accordingly, this chapter has investigated three changing conditions in the Korean drama industry and the most important effects of these on export success between 1995 and 2005; namely, the growing interest in dramas expressed by both the three broadcasting stations and their viewers, the economic crisis in the late 1990s, and the organisational changes in the drama production system. In its analysis, this study has identified four factors.

First, the Korean broadcasting industry does appear to have successfully participated in the media marketisation of the early 1990s, with the opening of a commercial terrestrial broadcasting station and subsequent increased competition among the broadcasting stations. Despite the fact that the Korean broadcasting industry had been controlled by the government, as in most other Asian states, it seems to have escaped from the state-controlled model comparatively earlier than most other Asian countries and moved toward media marketisation and commercialisation. As a result, through its exports in the late 1990s, the expanded Korean drama industry seems to have gained the ‘first mover advantage’ in the Asian television programme market.

Secondly, it does appear that Korean dramas were recognised as a promising cultural product in the Korean society of the early 2000s. The analysis in this chapter has demonstrated that both the drama broadcasting hours during the highest advertising income airtime and Korean viewers’ preference for dramas greatly increased in the early 2000s, along with the convergence of the broadcasting and telecommunication industries. At the same time, the phenomenon of active participation in drama discussion emerged with the growth of the internet, and drama production costs increased with the prominence of independent drama producers. All of these factors, which were understood to have attributed to the appearance of more diversified dramas, confirm that Korean dramas were distinguished as promising cultural products in the early 2000s rather than remaining merely a popular television programme genre. Consequently, the changed perception of dramas as cultural products may have led to the broadcasters’ attempts to sell their dramas to the wider overseas market.

Thirdly, although the Asian financial crisis of the late 1990s has been infrequently considered in the research related to Korean drama exports, it appears to have played a more important role in changing the attitude of the Korean broadcasting industry towards programme exports. In the panic of the IMF crisis which affected almost all Korean industries in late 1997 and early 1998, the broadcasting stations recognised the need to diversify their business range, which relied heavily on advertising revenue. In the meantime, programme exports seem to have emerged as a promising business opportunity. Moreover, the economic crisis also affected the organisation of the drama production system. Since the formalisation of the outsourcing quota policy aimed at dissolving the vertical integration of the broadcasting stations and encouraging the productivity of independent programme production, the initiative in drama production has gradually moved from the three large in-house producers towards many individual independent producers.

Finally, it is obvious that government policies have often had considerable influence on drama exports, but this influence seems to have been rather unintentional. The fact that the outsourcing quota policy inadvertently stimulated the increase in drama exports demonstrates that the implementation of broadcasting policies was able to meaningfully affect drama exports, even though this was not anticipated. As demonstrated in Chapter 5, this unexpected correlation of government policies and drama exports may reflect the fact that relations between the Korean government and the broadcasting industry have been close, even after the advent of the civilian government and the significant decrease in government intervention. The implications of this inequitable relationship between government and broadcasters concerning drama exports will be discussed further in a case study in Chapter 7.

Overall, Korean dramas, which have achieved a high level of competitiveness in the expansion of the broadcasting industry, gained their niche in the Asian market in the late 1990s. Unlike other Asian countries whose broadcasting industries remained under government control, Korea moved toward media marketisation with the spread of political and social democratisation in Korean society in the 1990s. Concurrently, the intensifying competition among broadcasting stations for advertising income and the diversification of drama productions, coupled with the increasing demands from neighbouring countries for cheaper but high-quality television programmes, have all been contributing factors in raising the profile of Korean dramas among Asian audiences.

Chapter Seven: The Broadcaster Venture into Drama Exports: a Case Study

In the previous chapters, the Kim Dae-jung regime's shift toward cultural industries promotion policies and the changing conditions in the Korean broadcasting industry between 1995 and 2005 were explored. This study has also examined how these factors were related to the rapid increase in Korean drama exports during the same period. The noteworthy point arising from this analysis is that the Korean government could not, or would not recognise the real potential of Korean dramas as viable export products, so there have not been notable support policies directly related to drama exports. Nonetheless, the government seems often to have had a certain influence on drama exports through its close, vertical relationship with the terrestrial broadcasting stations. In order to gain a fuller perspective on these inconsistent circumstances, it is necessary to investigate how drama exports have actually been influenced not only by the Korean government's support policies for the cultural industries, but also by the relationship between the government and the broadcasters.

This chapter will focus on a case study which examines the practical impact of the government policies related to launching and increasing drama exports. KBS Media, the programme sales subsidiary of Korean terrestrial station KBS, was chosen as the case for this study because the export of Korean dramas has been mostly dominated by KBS, MBC and SBS, the three terrestrial stations. According to the annual broadcast programme trade statistics provided by KOCCA, terrestrial station exports accounted for 91.8 per cent (US\$113.7 million) of all programme exports (US\$123.4 million) in 2005 (KOCCA, 2005: 8).

In this case study, the establishment, reappraisal and development of the export strategies of KBS Media is analysed on the basis of a comparison with the two other stations' sales subsidiaries, paying particular attention to MBC Productions, the programme sales subsidiary of MBC. In addition, this chapter will examine diverse factors related to industrial and political influence on KBS Media's strategy formation and evolution. Through this analysis, the study explores how KBS Media has incorporated both broadcasting industry changes and government policies into its export practice in various

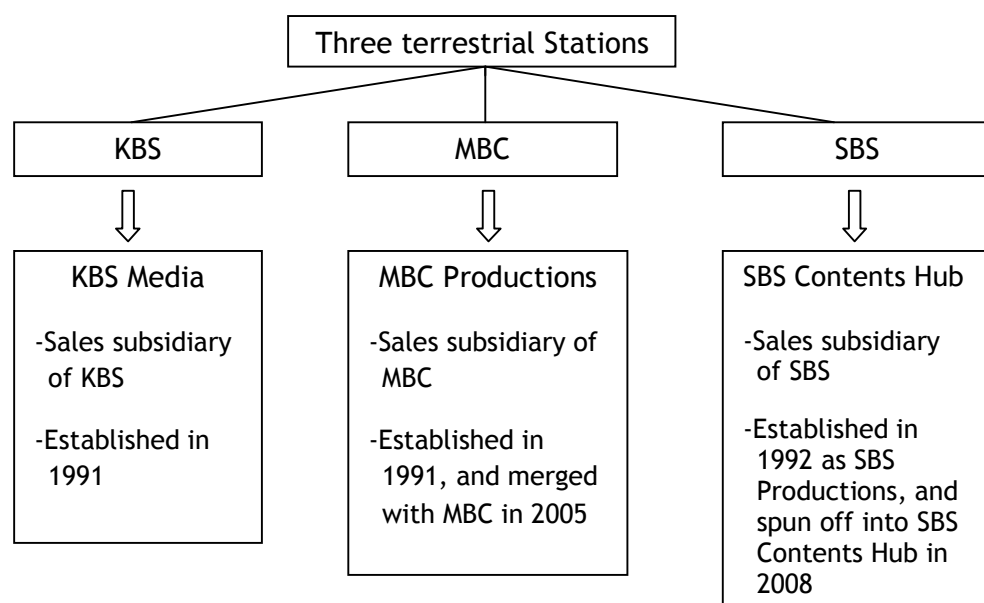
ways. In particular, the case study concentrates on analysing how KBS Media gradually developed throughout consistent trials of programme exports and eventually succeeded in taking some distance from government policies in its programme export strategies, although it also has a quasi-governmental identity as a subsidiary of a state-run broadcaster (KBS).¹⁷⁸ This analysis is the main focus of discussion in the case study.

Although the research period for this study was from 1995 to 2005, prior to analysing developments during the research period the case study examines the period from the late 1970s to the early 1990s, since understanding the historical context of KBS's initial export attempts and the establishment of KBS Media in 1991 is crucial to understanding this multilayered issue.

Case study: KBS Media

KBS Media was established in September 1991 as a programme production and sales subsidiary of KBS, the largest terrestrial broadcasting station and a state-run broadcaster in Korea. Figure 7.1 shows that all three terrestrial stations in Korea established independent companies in the early 1990s in order to strengthen their programme production and sales business.

Figure 7.1 The three broadcasters' programme sales subsidiaries



¹⁷⁸ As discussed in Chapter 1, KBS officially defines itself as a PSB. However, the characteristics of KBS are closer to those of a state-run broadcaster than of a PSB.

It is significant that KBS, which had already begun exporting programmes before the establishment of KBS Media in September 1991, has had a longer history of programme exports than the other two terrestrial stations. Since the mid 1980s, KBS had consistently exported KBS animations and documentaries, but the profits were not significant. KBS Media eventually changed its primary export genre from animation to dramas in 1995 because KBS, which had financially supported KBS Media's television animation productions since the mid 1980s, dramatically slashed its animation production budget. This paradoxically resulted in the unexpected success of drama exports. This study focuses on an analysis of KBS Media's trial and error method of designing more adaptive strategies for programme exports, and examines why its trials of animation exports were not ultimately successful.

Another noteworthy point is that, in spite of KBS Media's long-term and consistent attempts to break into the international market, the Korean broadcasting industry was not especially interested in these efforts; both government and industry considered that Korean broadcast programmes were not competitive enough for the international market, so they assumed that there would be very little possibility of KBS Media's export trials achieving satisfactory results.¹⁷⁹ In spite of this negative atmosphere, however, KBS Media continued to pursue programme exports, regardless of how unprofitable a business it was thought that these might prove to be.

It should be noted that KBS Media persisted in its programme export attempts despite the general ignorance of the broadcasting industry, the pessimism of KBS, and the unsatisfactory results of animation exports. Given these circumstances, it is probable that economic incentive was not the main reason for of KBS Media's ongoing attempts to gain a foothold in the overseas market. Rather, it is likely that these constant attempts at programme exports were more related to the close relationship between KBS and the government. In order to elucidate this, this case study begins with an exploration of the historical context before the foundation of KBS Media in 1991, when programme exports were first attempted.

¹⁷⁹ Interview with Lee Man-je, a senior researcher at KOCCA, 4th August 2010. Second interview with Park In-soo, the head of KBS Media's export team, 28th June 2011. Both interviews were held in Seoul, Korea.

Pre-1991 historical context

Before examining the establishment of KBS Media in 1991, a brief explanation of the first attempt by Korean broadcasters to enter the international market in the late 1970s will help to explain the historical and political context of KBS programme exports. As mentioned in Chapter 3, the Park Chung-hee regime (1961-1979), the first military government which captured state power by a coup in May 1961, strictly controlled all broadcasting stations during the period of its rule. In particular, KBS, which was hastily founded as a state-owned channel by the Park regime, was under the direct control of the government. The vertical and subordinate relationship between the Park regime and broadcasting stations is crucial to understanding why the first programme export trials were artificially launched in the late 1970s. In addition, the political and ideological tension between the North Korean and South Korean governments that had existed since the 1953 ceasefire played a role in bringing about the initial export trials.

According to Chang Han-sung, General Manager of KBS's television film import team in the mid 1970s, in 1976 the Korean Central Intelligence Agency (henceforth KCIA) received a confidential report from the Korean Embassy in France that North Korean broadcasters had participated in MIPTV, which is a renowned international broadcasting programme market held annually in France. Chang assumes that the report from the Korean Embassy in France was incorrect. Although the North Korean national flag was displayed along with the national flags of other participants at MIPTV in 1976, there was no booth for North Korean broadcasting programme sales. It seems that a couple of North Korean broadcasters had merely looked through the MIPTV areas as observers, but the KCIA, extremely sensitive to the possibility of competition with North Korea, was quick to believe that North Korea had actually participated. KCIA, one of the supreme government organisations in the Park regime, ordered that all three Korean broadcasting stations must participate in the next year's MIPTV, in order to show that South Korean broadcasting stations could produce better programmes than North Korean broadcasters.¹⁸⁰

¹⁸⁰ Interview with Chang Han-sung, former President of KBS Media, 5th August 2010 in Seoul, Korea. Regarding the forceful intervention of KCIA in initial programme exports, Park Jun-young, who was the manager of the film import team at TBC in the 1970s, gave the same story in his interview.

In fact, the export of Korean television programmes was impossible because in the mid 1970s these were still being broadcast in black and white.¹⁸¹ Nevertheless, all three broadcasting stations, KBS, MBC and TBC,¹⁸² sent their film import team managers to MIPTV in 1977, since broadcasting stations did not dare to disobey KCIA orders. In those times, the programme trade at Korean broadcasting stations consisted essentially of the importing of American dramas and films to fill their weekend prime-time slots. Consequently, employees in the import team were regarded as important personnel in the international programme trade.

Of the three broadcasting stations, only KBS was able to obtain an independent booth in order to display several state promotion documentary tapes produced - since KBS did not have colour television programmes - by National Motion Picture Productions. Not surprisingly, Korean broadcasters failed to export a single programme after this first display at MIPTV. At the next year's MIPTV, Chang Han-sung persuaded the German programme agent, Intel Media, to purchase ten Korean documentaries for US\$100 each. In fact, this deal was only accomplished thanks to Chang's personal friendship with Eric Conrad of Intel Media, a European documentary supplier for KBS. Even though Intel Media reluctantly agreed to buy ten documentaries, they did not even take the master tapes of these. This deal was the first export of Korean television programmes secured at MIPTV.

After the first participation in MIPTV, KBS and MBC dispatched their programme import personnel annually to MIPTV throughout the 1980s, mainly in order to purchase foreign programmes. After the first colour television broadcasts in Korea in December 1980, a handful of Korean dramas and documentaries were occasionally sold at MIPTV, but these sales did not lead to the steady export of Korean programmes.¹⁸³

Yoon Jae-sik, a senior researcher at KOCCA, noted that the regular attendance of Korean broadcasters at MIPTV should not be underestimated. Yoon pointed out that several broadcasting employees became aware of the considerable volume of the international programme trade and were consequently made aware of the possibility of domestic

¹⁸¹ Colour television broadcasts were first introduced to Korea in December 1980.

¹⁸² As mentioned in Chapter 3, TBC was a commercial broadcasting station under the Park regime. After the collapse of the Park regime and with the commencement of the Chun Doo-whan regime, the second military government in Korea, TBC was forcibly merged with KBS.

¹⁸³ Interview with Chang Han-sung, 5th August 2010. Interview with Park Jun-young, 28th July 2010. Both interviews were held in Seoul, Korea. Both Chang and Park were presidents of KBS Media in the 1990s.

programme exports.¹⁸⁴ In the case of KBS in particular, two of the main programme importers, Chang Han-sung and Park Jun-young, participated in MIPTV on a virtually annual basis. Chang and Park's participation in MIPTV led them to play the main role in establishing the export subsidiary of KBS and ultimately to attempt the first full-scale programme exports for KBS.

Through their annual participation in MIPTV, Chang Han-sung learned that Japanese television animations were very popular among Western programme buyers. On the basis of Chang's MIPTV reports, KBS was determined to produce television animations for the overseas market, based on the successful case of Japanese animations. This is most likely the first time that the Korean broadcasting industry seriously considered the export potential of domestic broadcast programmes.

In fact, the Korean animation industry was already considerably skilled at its craft in the 1980s owing to the fact that Japanese broadcasting stations had contracted out the drawing for their animations to smaller Korean animation companies since the early 1970s, so the Korean animation industry by now had enough experience to produce their own animations. Throughout the 1980s, however, the Korean animation industry focused on producing OEM [Original Equipment Manufacturing] due to a lack of investment, creative ideas and strategic plans (Lee, 1995: 8). According to Hong, Japanese animation productions have increasingly been outsourced from other Asian countries like China and Korea. The percentage of outsourcing of Japanese animation production is estimated to be at least sixty per cent (2010: 314).

In order to carry out animation production and export, in 1983 KBS organised a new independent subsidiary, KBS Enterprises, and provided it with human resources and a budget. As a result of four years of investment, KBS Enterprises produced the first Korean television animation, *Kkachi the Wanderer*,¹⁸⁵ in May 1987. *Kkachi the Wanderer* was sold to French broadcasters and several other European broadcasters at MIPTV in the same year. From 1987 onwards, KBS continued to produce several television animations, exporting these mainly to European and Hong Kong broadcasters. During the late 1980s, KBS export revenues were between US\$200,000 and 300,000 annually.¹⁸⁶

¹⁸⁴ Interview with Yoon Jae-sik, 20th July 2010 in Seoul, Korea.

¹⁸⁵ 'Kkachi' means magpie in Korean. In this case, Kkachi was the main character's name.

¹⁸⁶ Second interview with Park In-soo, head of KBS Media's export team, 28th June 2011 in Seoul, Korea.

In the late 1980s, Korea was still ruled by its second military government. Nonetheless, the autocratic atmosphere of the military government gradually began to weaken on account of the landmark 1987 democratisation movement and after Korea hosted the 1988 Summer Olympic Games in Seoul. As the social and political atmosphere grew more liberal, the Korean people began to demand the reform of the top-down structure of the broadcasting industry, which consisted of only two terrestrial stations. The nationwide movement to boycott KBS's mandatory licence fees in the late 1980s as a protest against the station's pro-government, politically biased news and demanding more audience-friendly broadcasting, shows that Korean civil society was becoming increasingly insistent that the broadcasting industry should be reformed and adopt a more decentralised and commercialised broadcasting system.¹⁸⁷

In 1990, with the increasing demand for social democratisation and media decentralisation, a plan for opening cable channels came to maturity with the government's organisation of a presidential task force (Nam, 2008: 646). Chang Han-sung, who had led animation production and export at KBS Enterprises, was hopeful about the prospects for KBS programme sales to a great number of domestic broadcasters, as well as on the overseas market. He planned to establish an advanced programmes sales subsidiary. On the strength of his efforts, KBS Media Enterprises (henceforth KBS Media)¹⁸⁸ was established in September 1991. During the same period, MBC and a new commercial station, SBS, also set up independent programme production and sales subsidiaries, anticipating the forthcoming opening of cable channels.¹⁸⁹

When the three Korean terrestrial stations established their programme sales subsidiaries in the early 1990s, prior to the foundation of KBS Media, KBS already had some five years of experience in programme exports. This historical background shows that KBS Media was in a comparatively better position to establish export strategies and carry out programme exports than either MBC Productions or SBS Productions.

In short, the government unintentionally helped domestic broadcasting stations to realise the potential benefits of exporting to the overseas market. In particular, KBS, a *de facto*

¹⁸⁷ Kim Young-han (2001) demonstrated the relationship between government control of the broadcasting stations and the licence fee boycott movement in Korea.

¹⁸⁸ KBS Media Enterprises was renamed KBS Media in November 2000.

¹⁸⁹ MBC Productions and SBS Productions were set up in January 1991 and May 1992 respectively. In September 2009, the programme sales division of SBS Productions became another subsidiary, SBS Contents Hub.

state-run broadcaster, seems to have considered the potential of programme exports. However, in the 1980s KBS did not yet have sufficient knowledge or competitive edge sufficient to break into the overseas broadcasting market. Another important point is that, although the government's insistence on participation in the international programme market resulted in KBS's initial attempts to export its programmes, it is doubtful whether this intervention can be considered a contribution on the part of the government to KBS's initial programme exports. This study will now turn to the issue of how KBS Media developed and reappraised its strategies for achieving programme export success.

KBS Media's programme export strategies

The first president of KBS Media was Chang Han-sung, who had spearheaded the establishment of KBS Media. Park Jun-young became his successor in March 1993, and was in post until 1997. As mentioned above, both men had previously participated in MIPTV and other renowned international programme markets over the years and, more importantly, they perceived that KBS Media needed to actively take steps to enter the overseas market. Park Jun-young noted the endemic problem of KBS Media in the early 1990s:

KBS Media researched the possibility of programme exports as a survival strategy. Originally, the main work of KBS Media had been organising the import of foreign broadcasting programmes for KBS. Consequently, KBS Media could not secure a reasonable income source and had become heavily dependent on KBS's subvention. I recognised that KBS Media needed to develop an independent, steady income source sufficient to manage a company. Thus, from 1993 onwards, as soon as I became president, I started to study how KBS Media could sell KBS programmes to the overseas market.¹⁹⁰

By the mid 1990s, broadcast programme exports mostly meant the supply of low-cost or free-of-charge Korean television programmes to overseas cable stations for Korean emigrants (Lee, 1995: 25). As a subsidiary of a state-run broadcaster, KBS Media was the main company in charge of supplying KBS programmes to Korean emigrants in the United States, Japan and Russia. However, the income derived from this was extremely modest.

¹⁹⁰ Interview with Park Jun-young, 28th July 2010 in Seoul, Korea.

Inevitably, the company's expenditure heavily outweighed its income since the main work of KBS Media was foreign programme imports:¹⁹¹

Between 1993 and 1995, KBS Media tried to find a strategy that would increase its income and accordingly cover its expenditure. Having accepted the advice of the media researcher Lee Jeong-chun, I decided to concentrate KBS Media's export trial on animations, and focus on exporting to neighbouring Asian rather than European countries. In 1995, twenty-one cable channels opened and KBS Media expected to sell KBS programmes to the domestic market. However, almost all the cable channels preferred foreign programmes to domestic content, and KBS Media were forced to rely on overseas market sales.¹⁹²

Park's hopes notwithstanding, the general prospects for programme exports were far from positive. In 1993, Korean television programme exports amounted to US\$4.4 million. By contrast, programme imports in the same year were worth US\$20.2 million, which greatly exceeded the value of programme exports (Lee, 1995: 22). According to Park, whenever he mentioned his plans to export Korean programmes at public lectures or in discussions with civil servants in the mid 1990s, most people reacted rather doubtfully.

An interview about the prospects of internationalising the broadcasting industry in the quarterly magazine *Broadcasting Research*, published in the summer of 1995, demonstrates the shallow understanding of programme exports on the part of each broadcasting station's executives in the mid 1990s. In this interview, Choi Chung-woong, head of KBS's strategy research team, suggested attempting joint production with foreign broadcasting stations for documentaries. Chang Myung-ho, the Director of MBC, pointed out that MBC had a more businesslike attitude towards programme exports than KBS. Chang claimed that neither joint productions with foreign broadcasters nor documentary exports, as KBS preferred, would be profitable enough, although they might be helpful for state promotion. Chang stated that MBC intended to focus on the production and export of television films. But he failed to produce concrete plans to explain how MBC would produce and export television films (Hong, 1995: 12-16).

¹⁹¹ Regarding the reason behind KBS Media's initial export attempts, Chang Han-sung also stated in an interview that 'the annual export income of KBS Media was less than US\$1 million in the early 1990s, which was too low to manage a company. As a result, we needed to develop further export strategies in order to quickly increase export income.'

¹⁹² Interview with Park Jun-young, 28th July 2010 in Seoul, Korea.

When asked about this in a fieldwork interview for this study, Park Jae-bog, the former General Manager of MBC Productions, stated that Chang's statement was complete nonsense because MBC Productions had not considered exporting television films in the 1990s, and that Chang's interview in *Broadcasting Research* signified that MBC executives had had neither enough knowledge nor enough interest in MBC Productions' actual exports.¹⁹³ Another noteworthy point is that Choi did not mention in this interview KBS Media's constant attempts to export animations; this implies that KBS executives did not anticipate KBS Media's animation exports or, more probably, that KBS was determined to end its investment in export-targeted animation production.

In spite of the shallow understanding of programme exports on the part of MBC executives, MBC Productions, the programme sales subsidiary of MBC, seems to have initially attempted to enter the neighbouring overseas market with a more pro-active attitude than KBS Media. In 1991, while KBS Media struggled to export its animations, MBC Productions succeeded in exporting the abridged version of *500 Years of the Chosun Dynasty: the Japanese Invasion* (1990) to the satellite channel of the Japanese terrestrial station NHK. In those times, KBS Media had not yet exported KBS dramas.¹⁹⁴

In 1992 and 1993, three popular MBC dramas, *Jealousy* (1992), *Eyes of Dawn* (1991-1992) and *What is Love All About?* (1991-1992) were consecutively exported to CCTV in China through the Sichuan Television Festival held in Sichuan, China. Among these dramas, *What is Love All About?*, broadcast on CCTV in 1997, garnered considerable viewing figures, averaging 4.1 per cent, which was the second highest viewing record among all foreign programmes broadcast by CCTV in 1997.¹⁹⁵ Media studies researcher Goh Jeong-min and KOCCA's senior researcher Yoon Jae-sik both pointed out that *What is Love All About?* was considered the first landmark Korean drama to gain popularity in the overseas market.¹⁹⁶ Thanks to this successful entry into the Chinese broadcasting market, MBC Productions generally made better progress with their drama exports in the 1990s than KBS Media. For instance, MBC Production exported Spanish dubbed versions of MBC dramas to thirteen Latin American countries in the mid 1990s (MCT, 2002: 146).

¹⁹³ Second interview with Park Jae-bog, 22nd June 2011 in Seoul, Korea.

¹⁹⁴ According to Park In-soo, the first drama export by KBS Media was to Hong Kong cable channels in 1993.

¹⁹⁵ First interview with Park Jae-bog, 25th July 2010 in Seoul, Korea.

¹⁹⁶ Second interview with Goh Jeong-min, 1st July 2011 in Seoul, Korea. Goh, a professor at the Audiovisual Industry Graduate School of Hong-ik University, was head of the cable channel management team at the Samsung Entertainment Group in the mid 1990s. Goh witnessed the opening of Korean cable channels in 1995 and the initial drama exports to Taiwanese cable channels in the late 1990s. Interview with Yoon Jae-sik, 20th July 2010 in Seoul, Korea.

The export flow of KBS Media and MBC Productions in the 1990s indicates that there was a difference between the two companies' perspectives on programme exports. It is clear that MBC Productions had a more positive attitude regarding its prospects on the overseas market, since it took the risk of entering the little-known Chinese broadcasting market in the early 1990s.

As a general rule, exports to China had been considered extremely difficult in the Korean industry during the 1990s on account of the complicated regulations set by the Chinese government and the previously antagonistic relations between the Korean and Chinese governments.¹⁹⁷ Song Ki-ho, the Assistant Manager of Samsung Entertainment Group, recalled that, as the largest Korean conglomerate, Samsung hardly even considered exporting domestic broadcast programmes to China in the mid 1990s.¹⁹⁸ With regard to this, Park Jae-bog, the former General Manager of MBC Productions, stated that MBC Productions had been determined to enter the Chinese broadcasting market, anticipating an advantage in cornering the huge Chinese market ahead of their competitors:

MBC Productions made a specific point to export programmes to China in the early 1990s because the huge Chinese broadcasting market with its population of 1.3 billion people had not yet been monopolised by American programmes. The great obstacle in dealing with the Chinese broadcasting stations was that MBC Productions did not have information about or personal connections with the Chinese broadcasting market in the early 1990s. Fortunately, MBC Productions contacted a Korean-Chinese programme agent, Jeon Byung-chil, whose friend was a buyer for CCTV. Through Jeon's mediation, MBC Productions dealt with CCTV and exported three MBC dramas.¹⁹⁹

In contrast with MBC's proactive efforts to enter the unexplored overseas market, KBS Media seems to have made little effort to compete on the overseas market, even though they had a longer history of export experience and more knowledge of the field than MBC Production. As Figure 7.2 shows, MBC had similar or better export results than KBS until

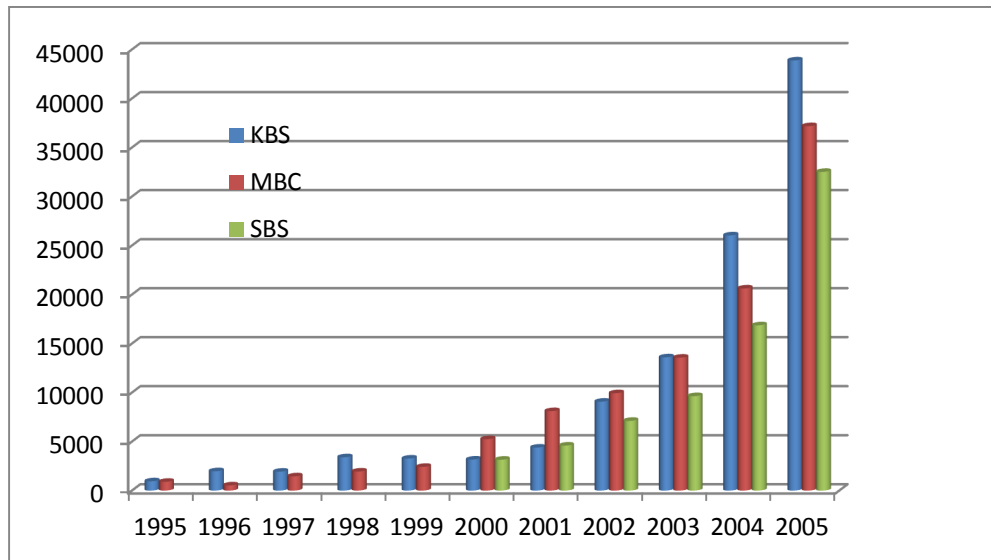
¹⁹⁷ Korea was one of the few states that still had diplomatic relations with Taiwan in 1992. Since the civil war between North Korea and South Korea from 1950 to 1953, the Chinese government had favoured the communist North Korean government, so Korean society tended to regard China as a hostile country in the 1990s even after diplomatic relations were established in 1992.

¹⁹⁸ Interview with Song Ki-ho, former Assistant Manager of the strategy planning team at Samsung Entertainment Group, 9th July 2011 in Seoul, Korea.

¹⁹⁹ Second interview with Park Jae-bog, 22nd June 2011 in Seoul, Korea. Park In-soo at KBS Media admits that MBC Production managed to corner the Chinese broadcasting market in the mid 1990s.

2003, when KBS Media enjoyed its extraordinary export success in Japan on the strength of the popularity of *Winter Sonata*.

Figure 7.2 Annual programme exports of the three terrestrial stations between 1995 and 2005 (US\$1,000)



Source: Broadcast programme trade statistics (KOCCA, 2001: 9; 2002: 9; 2004: 9, 2005: 9), KBS, MBC, SBS²⁰⁰

This difference can be explained by two primary factors: first, the strong entrepreneurial spirit of the Korean conglomerates seems to have invigorated the sales subsidiaries of MBC and SBS through the recruitment of experienced employees. According to Park Jae-bog, several key employees of both MBC Productions and SBS Productions had previously worked in the overseas sales divisions of the Korean conglomerates. Using their previous experience of working in exports, these employees promptly pushed forward programme exports.²⁰¹ In addition, as mentioned in Chapter 3, since the mid 1990s, the more business-oriented ways of the conglomerates had prevailed in the broadcasting industry, through the newly opened cable channels operated by conglomerates such as Samsung, Hyundai, and LG.²⁰² Media studies researcher Shim Doo-bo's comment is worth noting:

I think that the Korean conglomerates are the big powers which had a more positive and significant influence on the rapid export increase of Korean dramas

²⁰⁰ KBS and MBC internal data. SBS Contents Hub only provides export data from the year 2000.

²⁰¹ Both Park Jae-bog, former General Manager of MBC Productions and Kim Young-won, General Director of SBS Contents Hub had worked in the export division of LG before moving to MBC Productions and SBS Productions respectively.

²⁰² Second interview with Goh Jeong-min, 1st July 2011 in Seoul, Korea.

than the government or broadcasting stations. The keen export drive of the Korean conglomerates with their long history of selling Korean products to overseas was quickly transferred to the broadcasting stations' trade subsidiaries in the early 1990s, thus allowing Korea to compete at the international level. In this context, it is likely that the Korean conglomerates' export-oriented ambitions encouraged programme exporters to enter an unexplored market like China.²⁰³

Comparing MBC Productions and SBS Productions, most KBS Media exports employees were recruited from KBS and taught themselves the process of exporting programmes from the time when KBS Enterprises started its first animation exports in 1987.²⁰⁴ As a quasi-governmental body, the bureaucratic attitude of KBS appears to have been one major reason why KBS Media did not recruit more experienced employees from outside the company.²⁰⁵ The lack of experience on the part of KBS Media's export staff was most likely a significant handicap, making it difficult for KBS to pursue programme exports as vigorously as MBC Productions.

Secondly and perhaps more importantly, KBS Media has had a tendency to perceive programme exports as a means of state promotion, as Choi Chang-woong mentioned in an interview published in *Broadcasting Research* in 1995; that is, KBS Media seems to have considered animation and documentaries as primary export genres because these two genres were both considered 'sound' and accordingly deemed suitable for state promotion to overseas audiences. It is possible that this desire to use broadcasting exports as state promotion tools may have prevented KBS Media from recognising the high potential of dramas in the overseas market until the mid 1990s.

This prejudiced nationalist outlook on the part of KBS is reminiscent of MCT's earlier criticism of the Korean Wave and the 'unsound' dramas which were so popular overseas, prompting MCT to argue for the export of more 'sound' traditional Korean culture content, as described in Chapter 5. This reverberation implies that the official nationalism of the Korean government in preferring certain cultural genres as export products has affected the broadcasting industry to some extent. In particular, it is likely that KBS, as a quasi-

²⁰³ Interview with Shim Doo-bo, 20th June 2011 in Seoul, Korea.

²⁰⁴ Second interview with Park In-soo, head of KBS Media's export team, 28th June 2011 in Seoul, Korea.

²⁰⁵ Regarding this, Shim Doo-bo claimed that up until the late 19 KBS insiders tended to regard an assignment to the programme trade team as a virtual demotion to a less important job, which consequently resulted in a less motivated work force.

governmental organisation, has been more sensitive to this nationalism than other broadcasters.

The ambiguous stance of KBS Media towards programme exports underwent a dramatic change in 1995. Park In-soo, the head of KBS Media's export team, recalled that 1995 was a watershed year in the export history of KBS Media because they began to export dramas to Asian countries, and changed their export focus from merely supplying programmes to Korean emigrants to pursuing greater profits.

According to the internal data of KBS Media, their drama and animation exports in 1995 were recorded as US\$652,000 and US\$270,000 respectively. Although the total volume of programme exports was still low, drama exports began to exceed animation exports. In effect, KBS Media's export strategy shifted, focusing on drama exports because of KBS's reduced animation production budget in 1995. Although more than ten years had been devoted to animation production and exports, KBS Media had failed to rectify its trade imbalance. Eventually, KBS decided to greatly reduce animation production budgets:

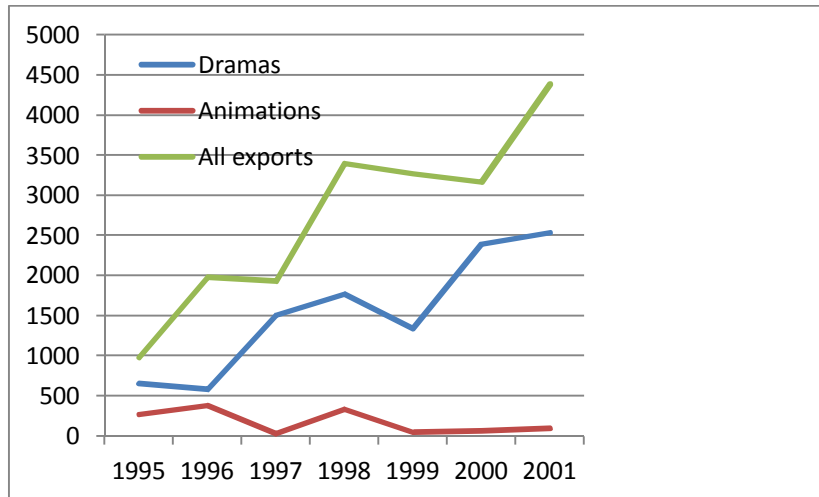
The average production cost of a thirty-minute animation episode was around US\$60,000 in the mid 1990s. However, total income derived from a thirty-minute animation export seldom exceeded US\$20,000. This means that an export-oriented animation of KBS resulted in a deficit of approximately US\$40,000. Finally, KBS decreased their investment in animation productions. Due to budget cuts, KBS was able to purchase only the single broadcasting rights of these animations from their productions, not their export rights. Thus, the animations exports of KBS Media declined significantly because KBS Media lost the export rights of almost all Korean animations.²⁰⁶

Interestingly enough, KBS Media's export income did not decrease after 1995, despite the decrease in animation exports. Since programme exports of KBS Media exceeded US\$1 million in 1996, their export income increased or remained at the same level as that of the previous year, reaching approximately US\$3 million by 2000 (KBS, 1996: 780; KBS, 1998: 690; KBC, 2003: 32). Figure 7.3 shows that between 1995 and 2001 KBS Media's exports

²⁰⁶ Interview with Park Jun-young, former president of KBS Media from 1993 to 1997, 28th July 2010 in Seoul, Korea.

tended to increase, or to stay at almost the same level as that of the previous years, regardless of the decreasing flow of animation exports.

Figure 7.3 KBS Media's annual programme exports between 1995 and 2001 (US\$1,000)



Source: KBS Media internal data (2011)

In 1997, KBS Media exported the KBS drama *First Love* (1997) and a handful of other drama serials to Chinese and Vietnamese broadcasting stations in profitable deals. With these drama exports, KBS Media realised two important factors. First, that there was a relatively small, but steady demand for Korean dramas from Asian broadcasters, centring on new cable channels in Taiwan and Hong Kong. Secondly, that the export of drama serials was evidently more profitable than other genre exports. An example of this was *First Love*, which was composed of sixty episodes. Although the export price per episode of this drama to the Chinese broadcaster was only US\$500, the total export price amounted to US\$30,000. Compared to the income from drama exports, the export revenue from the documentary *Beautiful Mountains of the World* (KBS, 1997), composed of five episodes, was US\$5,000, with an export price of US\$1,000 per episode.

In the 1990s, Asian programme buyers were still not familiar with Korean dramas. Most Asian programme buyers either had no opportunities to watch Korean dramas or had the preconceived idea that they were merely imitations of Japanese dramas. Consequently, Korean dramas were not regarded as worthwhile products. Park In-soo recalled in an interview that KBS Media staff continued to participate in Asian broadcast programme

markets from the mid 1990s onwards in order to promote the unique characteristics and affordable prices of Korean dramas to programme buyers from the Chinese territories.

Through these trials, KBS Media seems to have realised that that it did not have enough knowledge or experience to export its dramas to numerous cable channels in the Chinese territories. Consequently, instead of attempting direct exports, in 1998 it made an exclusive contract with the Taiwanese agency Insrea to supply KBS dramas at US\$600 per episode for the next three years. As a result, KBS Media's export revenue amounted to US\$3.4 million in 1998, which was almost double the income of the previous year (KBS, 1998: 784). Thanks to this exclusive contract, KBS Media was able to steadily export KBS dramas to Taiwanese cable channels. Independent programme export agent Kim Sang-han stated in an interview that this indirect export system set up by KBS Media was integral to launching KBS dramas on the Chinese territories' cable channels. In other words, this indirect export system through Taiwanese agencies eventually secured a relatively low, but steady income for KBS Media. This strategy proved an effective means of selling KBS dramas without additional effort or expense, and soon MBC Productions and SBS Productions made similar exclusive contracts with Taiwanese agencies.²⁰⁷

In those times, the maximum export price paid by the Taiwanese cable channels for a Japanese drama episode had increased to US\$9,000. Smaller Taiwanese cable channels which could not afford to buy the high-priced Japanese dramas decided to purchase Korean dramas through local agencies at approximately US\$1,200 per episode.²⁰⁸ Due to the price advantage and comparatively high quality of Korean dramas, more and more Taiwanese channels soon preferred to purchase Korean dramas. Thus, KBS Media succeeded in entering the Taiwanese cable channels and subsequently began exporting its dramas to Vietnam, Singapore, Malaysia and Indonesia using the same strategy.²⁰⁹

Having increased its drama exports to Asian broadcasting stations, KBS Media was developing a more acute sense and knowledge of international marketing, and accordingly it gradually began to deal with broadcasting stations rather than local agencies. In 2001, KBS Media succeeded in exporting the KBS drama *Autumn in My Heart* (2000) to Japanese local and satellite broadcasting stations for the first time, mainly due to the

²⁰⁷ Interview with Song Byung-joon, an independent drama agent and President of drama production company Group Eight, 3rd August 2010 in Seoul, Korea.

²⁰⁸ Interview with Song Byung-joon, 3rd August 2010 in Seoul, Korea.

²⁰⁹ Second interview with Park In-soo, 28th June 2011 in Seoul, Korea.

increased preference for Korean dramas among audiences in mainland China and Taiwan, and the subsequent interest of Japanese broadcasters in Korean dramas. This entry led to the appearance of KBS dramas on the Japanese terrestrial station NHK in 2003, and *Winter Sonata*, the first Korean drama broadcast on NHK, enjoyed huge popularity among Japanese female audiences as mentioned in Chapter 6. The total revenue that KBS Media earned from exporting *Winter Sonata* to Japan amounted to over US\$25 million, which is the highest revenue so far earned on the overseas market by a Korean drama series.

This overview of KBS Media's export history shows that KBS Media's animation exports ended unsuccessfully despite focused investment over more than a decade, which is quite different from the great success of drama exports. Chang Han-sung, whose idea it was to produce export-oriented animations and who directed the consequent animation productions, admitted that the animations produced by KBS Media failed to achieve the high standard necessary to attract overseas programme buyers:

The main problem was the low export prices of KBS Media's animations. The average export price of Korean animations was approximately US\$2,000 per episode, and this price showed very little increase over the course of a decade. As only a handful of buyers hoped to buy Korean animations, the prices were determined by the buyers, not by KBS Media. So KBS Media could not reduce its deficit by 1995. Given this situation, KBS's decision to cut the animation production budget seems to have been inevitable.²¹⁰

The main reason that KBS Media's animation exports were not successful may well be that its export strategy was rather uncertain and not well organised. To begin with, KBS Media seems to have missed the changing flow of Asian broadcasting industries in the 1990s. KBS Media assumed that Korean animations could follow the success of Japanese animations, which had been popular internationally since the early 1960s. In fact, the Japanese animation industry appears to have had the global market in mind, deliberately creating non-Japanese characters in order to gain the advantage in exports (Henshushitsu, 1995; cited by Iwabuchi, 2002: 94). However, expanding cable channel industries in Taiwan and Hong Kong created new audiences who were more interested in locally relevant and regionally accessible content (Lim, 1998: 37). Although KBS Media focused

²¹⁰ Interview with Chang Han-sung, former President of KBS Media, 5th August 2010 in Seoul, Korea.

its exports on the Asian broadcasting market, it is unlikely that it carefully examined the changing demands of Asian cable channels.

More importantly, KBS Media attempted animation exports not because Korean animations were already competitive at the international level, but because it had the essential aim of exporting domestic broadcasting content. In order to achieve this aim, KBS Media was determined to boost animation production. Unlike export-oriented animations, Korean dramas had already gained a competitive edge in the market before the initial trial of programme exports, through the intensified competition that existed among domestic broadcasting stations to gain more advertising revenue in an era less dominated by regulation, as mentioned in Chapters 5 and 6. Thanks to the combination of competitiveness and the consistent attempts of KBS Media to gain a foothold in the overseas market, KBS dramas predominated both on the emerging Taiwanese cable channels in the late 1990s and on the highly profitable Japanese broadcasting stations in the early 2000s.

Nonetheless, it is still unclear why KBS stuck to the slight possibility of programme exports from the mid 1980s onwards, perhaps even after realising the low feasibility of animation exports. As described in Chapter 2, with the increasing flow of media marketisation on a global scale, it was not until the early 1990s that a growing number of countries attempted to engage in an international programme trade which had previously been dominated by US programmes. This implies that KBS attempted to enter the overseas market even before the international programme trade among peripheral countries began to develop. Moreover, only a few personnel at KBS were hopeful about animation export prospects. Despite all of these negative circumstances, KBS Media continued to attempt animation exports during the next decade, regardless of the accumulated deficits from the production of export-oriented animations. This study will now analyse KBS Media's decision to push for internationalisation during the 1990s, and why from a political perspective this was a shrewd strategy to pursue.

The political context of KBS Media's programme exports

When analysing the trial and error method employed by KBS Media in the 1990s, it is important to note that KBS endeavoured to export enough domestic broadcasting content

to artificially boost the production of export-oriented programmes. In other words, it was keenly interested in programme exports, despite the tenuous prospects for success.

A key question is why KBS was initially interested in programme exports and made constant efforts to export its products through KBS Media. Needless to say, an economic incentive seems to have been the primary factor in these persistent export attempts, as Park Jun-young states above. However, it is unlikely that KBS expected KBS Media to profit from export success. In effect, neither the government nor the broadcasting stations anticipated the great success enjoyed by programme exports in the 1990s.

According to media studies researcher Cho Hang-je, who worked at the KBI in the 1990s, KBI briefly researched the potential for selling domestic broadcast products on the international market in the mid 1990s, at the demand of the government. Cho recalled that the government wanted KBI to research how the Korean broadcasting industry might reduce the huge trade imbalance in broadcast programmes which was mainly due to the increase in US programme imports by the newly formed cable channels. However, this research was not successful because most KBI researchers thought that Korean broadcasting content would not be competitive enough on the international market.²¹¹ As Cho stated, in the mid 1990s neither the government nor media researchers recognised the export potential of domestic broadcasting content. In addition, KOCCA's senior researcher, Lee Man-je, claimed in his interview that KBS most likely regarded the possibility of domestic programme export success as slim at best. Thus the broadcasting industry's negative attitude towards programme exports contrasted sharply with KBS Media's persistent export attempts over the years.

Historical and political factors may help to explain this inconsistency. To begin with, the quasi-governmental structure of KBS may have been an inhibiting factor in its attempts to export. KBS began as a state-owned broadcasting station and developed in the advantageous monopolistic situation created by the military governments. Media studies researcher Joo Chang-yun claimed that the two military governments allowed KBS to build itself into a cultural, political and ideological institution in its own right, protected by the monopolistic advantages it enjoyed throughout the 1980s.²¹² After the Chun Doo-whan

²¹¹ Interview with Cho Hang-je, 27th July 2010 in Seoul, Korea. Cho is a professor in the Media Studies Department at Pusan National University.

²¹² Interview with media studies researcher Joo Chang-yun, 6th July 2010 in Seoul, Korea.

regime enforced Mass Media Reorganisation in 1980,²¹³ KBS and MBC dominated the entire broadcasting scene throughout the 1980s. KBS became the major beneficiary, acquiring three nationwide channels (KBS1, KBS2 and KBS3). This indicates not just an increase in the number of audiences, but also a growth in income because KBS was allowed to broadcast advertisements despite its mandatory licence fees. In return, KBS accepted the role of propaganda distributor to promote the national culture, common good, morals and, above all, the rapid economic development of Korea under the autocratic leadership of the military government. As mentioned above, KBS's pro-government bias finally led to the emergence of the nationwide licence fee boycott movement by parts of the television audience in the mid 1980s.

The initial trial of animation exports started in the mid 1980s, when KBS was still under the direct control of the second military government. This fact signifies that in the 1980s KBS executives seem to have been sensitive to the government's export-oriented policies in their business decisions. The comment of media studies researcher Cho Hang-je reveals that the specific status of KBS as a quasi-governmental organisation may have been responsible for the unprofitable export results of KBS Media:

The typical discourse undercurrent in government policies has been that Korean industry should work harder to compete in the overseas market because the domestic market is too small to make enough profits and enrich the national economy. The Korean broadcasting industry, which had started to perceive its industrial potential in the early 1990s, shared the government's view, but the broadcasting industry did not know how to enter the overseas market.²¹⁴

Regarding the relationship between the government and broadcasting stations, Cho Chung-hyun, MBC's Executive Managing Director, stated that the terrestrial broadcasting stations, especially KBS and MBC, could not completely disregard government ideology even now, although direct government intervention in broadcasting had almost entirely vanished.²¹⁵ In

²¹³ As demonstrated in Chapter 3, the Chun regime forced the three terrestrial stations to merge into just two, KBS and MBC, in order to tighten government control of the broadcasting stations.

²¹⁴ Interview with Cho Hang-je, 27th July 2010 in Seoul, Korea.

²¹⁵ Interview with Cho Chung-hyun, 29th July 2010 in Seoul, Korea. As an example, Cho described how both KBS and MBC started to broadcast dramas about the Korean War after the inauguration of the right-wing Lee Myung-bak, who was in office from 2008 to 2012, despite the fact that drama viewers showed little interest in the war. Cho believes that these dramas reflect the government's intention to emphasise the present ceasefire status of the Korean peninsula to the public, in order to give credence to the right-wing regime.

this context, it is highly probable that the government perspective of emphasising export success, instituted by the Park Chung-hee regime in the 1960s as a national survival strategy and maintained by his successors, produced an organisational echo inside KBS. It seems that the national export-driven policy played a great role in allowing KBS Media to regard programme exports as both a propaganda tool and a money-making venture.²¹⁶

Nevertheless, the question of whether the government provided an opportunity for KBS Media to gain access to international markets needs to be considered carefully, since it is difficult to find concrete evidence proving that the government encouraged KBS Media's export efforts. Although Korean broadcasters' initial participation in MIPTV in 1977 was accomplished by government pressure, it is doubtful that the government had any particular interest in KBS Media's export challenges until the advent of the Kim Dae-jung regime in 1998. Chang Han-sung, who was instrumental in establishing KBS Media in 1991, affirms that the opening of KBS Media was carried out by KBS independently, without government influence.

Indeed, all three stations established their programme production and sales subsidiaries in the early 1990s, taking heed of the broadcasting industry's expansion with the opening of multiple cable channels in 1995. In this regard, the second military government (1981-1992) and the first civilian government, the Kim Young-sam regime (1993-1997), embraced the global trend towards media marketisation, which resulted in an expansion of the domestic broadcasting industry. However, it is unlikely that either of these regimes paid particular attention to KBS Media's animation export attempts.

As mentioned in Chapter 5, it was not until the Kim Dae-jung regime (1998-2002) that the government began to enthusiastically support the export trials of the cultural industries, including those involving animations. The Plan for the Culture and Tourism Policy of the New Government, the new policy plan for the Kim Dae-jung regime's support for the cultural industry published in December 1998, presented a blueprint for encouraging animation exports, for example through the establishment of an animation production

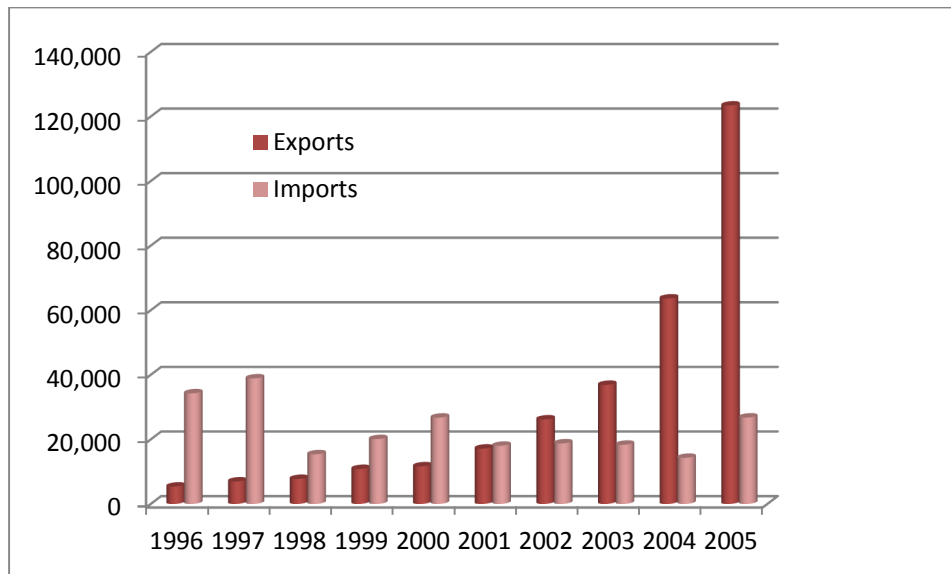
²¹⁶ Kim Young-won, the General Director of SBS Contents Hub, demonstrated how, by the 1990s, programme exporters at the three terrestrial broadcasting stations tended to regard programme exports as potentially beneficial to both government and broadcasting stations and not merely a profitable business venture, because before 2001 programme imports greatly exceeded programme exports. According to 2002 broadcast programme trade statistics, programme exports and imports by terrestrial stations in 2001 were worth US\$17.1 million and US\$18.0 million respectively. This trade imbalance was reversed for the first time in 2002, with US\$26.1 million in programme exports and US\$18.7 million in imports (KOCCA, 2001: 9; 2002: 8).

support organisation, increasing the compulsory quota for domestic animation broadcasts in the terrestrial stations, and providing US\$60 million in subsidies for animation productions (MCT, 1998: 92). These supports, however, only appeared after KBS Media had provisionally given up trying to export domestic animations in 1995. In other words, the Korean government only started to support animation exports after all three programme sales subsidiaries, including KBS Media, had already begun to concentrate on drama exports. During the Kim Dae-jung regime, drama exports significantly exceeded animation exports. In 2001, dramas and animations accounted for 70.9 per cent and 11.9 per cent respectively of the three terrestrial stations' exports (KOCCA, 2001: 11).

Government support for unpromising animation exports seems to be related to the old cultural identity focus of government policies described in Chapter 5. The Korean government has clearly preferred 'sound' culture in its selection of genres to be provided with government support and, accordingly, animation appears to have been regarded as a 'sound' cultural product whose entrance onto the world market was deserving of government support.

Another noteworthy point is that KBS Media's drama exports were not a profitable business until the early 2000s, even though the main export genre of KBS Media had changed to dramas in 1995. Kim Young-won, General Director of SBS Contents Hub stated in an interview that Korean dramas were eventually regarded as viable products on the overseas market by the early 2000s, with the increase in their export prices rising to US\$5,000 per episode on the Taiwanese market. This indicates that KBS Media had not gained a substantial profit from the programme trade in the 1990s despite the gradual increase in drama exports. Figure 7.4 demonstrates that it was not until 2002 that the programme exports of the Korean terrestrial stations exceeded their programme imports (KOCCA, 2002: 1).

Figure 7.4 Programme export and import flows of Korean terrestrial stations between 1996 and 2005



Source: Broadcast programme trade statistics (KOCCA, 2001: 9; 2002: 8; 2005: 1)

As discussed above, it becomes apparent that profit was not the only reason that KBS persisted in trying to enter the overseas market. KBS seems to have considered animation not only as the most competitive genre in the international market, but also as ‘sound’ content, which might serve to promote the country’s image abroad. In this context, despite its low potential for financial gain, animation seems to have been regarded by KBS as a primary export genre, which led the continuing export efforts of KBS Media.

Drama exports, however, seem to have been regarded differently. MBC Productions and SBS Productions, which concentrated on making profits through programme exports, do not appear to have been ambivalent about pursuing drama exports in order to maximise their gains. KBS Media, on the other hand, found it necessary to justify its drama export trials because dramas were not considered ‘sound’ and wholesome programmes like animations, and consequently drama exports were not considered suitable for state promotion. KBS Media thus needed to justify its continued promotion of drama exports despite the doubts concerning profit. Regarding this conflicting point, Park In-soo, the export team head at KBS Media, argued that drama exports had an additional value besides that of economic gain:

Most Korean dramas, with the exception of historical dramas, take place in large cities like Seoul and feature metropolitan scenes as a background. In addition, Korean dramas have been used to dramatise the refined lifestyles of young professional women. Essentially, the broadcast of Korean dramas overseas has served to showcase Korea's flourishing economy and the modern lifestyles of its citizens to Asian audiences. This has had many positive ramifications for not only overseas audiences, but also Korean emigrants. For example, Korean emigrants living in Japan often concealed their origins because of the old prejudices against Koreans in Japanese society. After the tremendous popularity of *Winter Sonata*, however, the image of Korea rose dramatically among the Japanese, and as a result, Korean emigrants resident in Japan have become proud of their origins. In this sense, drama exports have had an additional effect: they have demonstrated to Asian audiences the cultural and economic development that Korea has achieved. This is an additional, but significant achievement of drama exports.²¹⁷

Park's argument was supported by media studies researcher Goh Jeong-min, who maintained that Korean dramas, through their depictions of dramatic success stories and modernised urban lifestyles, had had the unintentional effect of stimulating the desire for economic development among viewers in relatively undeveloped Asian countries.²¹⁸

To some extent, this desire seems to have been related to the increase in sales of Korean products on the Asian market or more frequent visits to Korea by Asian tourists. As mentioned in Chapters 5 and 6, the number of Japanese tourists visiting Korea has notably grown with the huge popularity of Korean drama *Winter Sonata* in Japan.²¹⁹ An article in the *New York Times* in June 2005 also connected the popularity of Korean dramas among Asian viewers with the sales increase in Korean products: 'the booming South Korean presence on television and in the movies has led Asians to buy up South Korean goods and to travel to South Korea, traditionally not a popular tourist destination. Sales of South Korean consumer goods and cars have risen sharply in Taiwan in the past five years as

²¹⁷ Second interview with Park In-soo, 28th June 2011 in Seoul, Korea.

²¹⁸ Second interview with Goh Jeong-min, 1st July 2011 in Seoul, Korea.

²¹⁹ Regarding the relationship between the Korean Wave and the increase in the number of tourists visiting Korea, Kim, S.S. et al. (2007) examine the positive effects of the popularity of *Winter Sonata* in Japan on the increasing flow of Japanese tourists to Korea.

well'. (Onishi, 2005)²²⁰ Consequently, all these phenomena appear to have inadvertently obtained the result of national promotion in neighbouring Asian countries, as Park In-soo indicated.

In short, it is likely that the government played a certain role in helping KBS in its initial programme export efforts by virtue of the profoundly unequal relationship between the government and KBS rather than through specific policies, but this help was much less significant than might be imagined. Indeed, the government did not demand that KBS attempted domestic programme exports except in the matter of the first MIPTV participation in 1977. KBS executives, however, seem to have felt the need to do this, since it is a quasi-governmental body. It is probable that this tacit pressure from the government due to their past relationship persuaded KBS Media to invest in the production of export-oriented animations. However, KBS Media seems to have overlooked the fact that Korean animations were not sufficiently competitive at the international level and that this competitiveness could not be achieved in a short period of time or through a small investment of capital.

Apart from the continuing attempts of KBS Media to break into the international market, it is unlikely that the government encouraged the broadcasting stations to engage in export trials until the establishment of the Kim Dae-jung regime. Rather, it would be more accurate to say that the government had neither specific knowledge nor long-term expectations of programme export potential.

Through the unsuccessful trial of animation exports over more than a decade and the unexpected increase in drama exports from the mid 1990s, KBS Media seem to have gained a practical view of programme exports and recognised that drama was the only viable genre on the overseas market due to the growing demand for Korean dramas, mainly from cable channels in the Chinese territories. Accordingly, KBS Media eventually seems to have concentrated more on profit than state promotion in its drama exports. Although KBS and KBS Media initially had the same aim to follow the government in their pursuit of export-driven policies, through a decade's trial and error with programme exports, KBS Media seems to have accomplished more businesslike strategies for exports *per se*, rather

²²⁰ *The New York Times*, 'South Korea adds culture to its export power', 29th June 2005. http://www.nytimes.com/2005/06/28/world/asia/28iht-korea.html?_r=0 (accessed 24th October 2012).

than following the government's export-oriented policies or state promotion as a subsidiary of a quasi-governmental organisation.

In addition, along with the termination of the military government and the subsequent deregulation of the broadcasting industry, KBS seems to have abandoned its original aim of exporting programmes in line with government ideology, and KBS Media was able to concentrate more on making profits through programme exports, following the lead of the sales subsidiaries of MBC and SBS. As a consequence, the success of KBS Media's drama exports seems to have been achieved without the critical influence of government policies, as evidenced by the tremendous popularity of *Winter Sonata* in Japan.

Conclusion

This case study has explored the organisation of KBS Media, the programme sales subsidiary of Korea's largest terrestrial broadcaster, KBS, how they developed their export strategies, and how they eventually succeeded in a seemingly impossible mission: exporting domestic programmes to the Asian broadcasting market. In addition, this chapter has examined whether government policies have actually influenced KBS Media's unstinting attempts to break into the overseas market.

First, the serial audiovisual industry promotion policies which started under the Kim Young-sam regime (1993-1997) and were strengthened during the Kim Dae-jung regime (1998-2002), seem not to have actually stimulated the international programme sales of the three terrestrial stations. Even though the autocratic Park Chung-hee regime (1961-1979) forced the three broadcasters to participate in the international programme market in the late 1970s, it is less probable that the government was interested in the potential for domestic television programme internationalisation before the Kim Dae-jung regime took office in 1998. At the same time as the Kim Dae-jung regime was trying to encourage the export of domestic animations to foreign countries, KBS Media, which had consistently produced and exported domestic animations, provisionally abandoned animation exports and began to concentrate on drama exports. This untimely support given to animation exports by the Kim administration shows that the government had not developed adequate policies regarding broadcast programme exports.

Secondly, the persistent efforts of KBS Media since the mid 1980s to break into the overseas market seem to have resulted from the top-down relationship between the government and KBS, rather than from the policies of support for programme exports. With the exception of the initial forced participation in MIPTV during the late 1970s, there was no government pressure on the broadcasting stations to export programmes. Nonetheless, after participating in the international programme market, KBS seems to have made the decision to export its products, perhaps feeling its responsibility to lead as an organisation formerly affiliated with the government. Initially, KBS appears to have been determined to invest in export-oriented animations although they knew that the economic viability of animation exports was far from certain, for the reason that animation was considered a suitable genre for promotion of the national image to the overseas viewers.

Thirdly, KBS Media and the sales subsidiaries of MBC and SBS had a marked difference in attitude towards programme exports in the early stage of programme exports, but this difference has significantly diminished with the increase in drama exports. Whereas MBC Productions and SBS Productions had a more businesslike attitude towards programme exports, KBS Media, as a subsidiary of the state-run broadcaster, tended to use the broadcasts of domestic television programmes overseas as a means of state promotion as well as for economic gain. It is highly possible that this dual perspective encouraged KBS Media to pursue export-oriented animation productions for over a decade regardless of how unprofitable these were.

Compared to KBS Media, MBC Productions, which profited from the pioneering and entrepreneurial spirit of Korean conglomerates, actively pursued the unexplored overseas market in Asian countries in the 1990s, thus garnering better profits than KBS Media in the early 2000s. Owing to the increasing demand for drama exports, however, KBS Media appears to have eventually abandoned its original aim of broadcasting 'sound' domestic programmes on overseas channels in line with the official nationalism of the Korean government, and focused instead on maximising economic benefit through programme exports, as did MBC Productions and SBS Productions.

In sum, KBS Media has independently achieved its drama export success through constant trials of programme exports, rather than depending on the specific support policies of the government. Indeed, there has not been a considerable contribution from the government to the drama exports of KBS Media. In this context, the present study found that the Kim

Dae-jung administration could not completely overcome official nationalism in its cultural policies, despite its marked support for the cultural industries, and that the significant success of the drama exports of KBS Media and other two terrestrial broadcasters was accomplished without well-organised support policies, mainly due to the unanticipated popularity of Korean dramas in the neighbouring Chinese territories and Japan.

The key lesson to be learned from this case study is that it is not easy for the government to surmount the shortcomings of its cultural industries policies. It has been seen as a common limitation of cultural industries policies on a global scale that such policies cannot keep up with the fast-changing conditions in the creative industries. The Korean government, particularly the Kim Dae-jung administration, had a strong will to support the promising products of the cultural industries for export success. However, their nationalistic viewpoint, as analysed in Chapter 5, seems to have been an impediment to realising the potential of various cultural products on the international market. Whereas the government concentrated on fostering the export of ‘sound’ cultural products, the trend in the international programme market increasingly demanded Korean dramas, which had been recognised by Asian viewers as competitive broadcast content.

Chapter Eight: Changes and Developments after 2005

As described in Chapter 1, most of the significant changes which have affected Korean drama exports took place between the late 1990s and the mid 2000s. However, some notable changes occurring after 2005 have been observed both in the industry and in industry policies. Although a full analysis of these ongoing developments is the work of another thesis, it is useful to summarise the changes in drama exports and in the Korean Wave support policies from 2006 to the present, in order to reach more comprehensive conclusions, as well as a better understanding of the current situation.

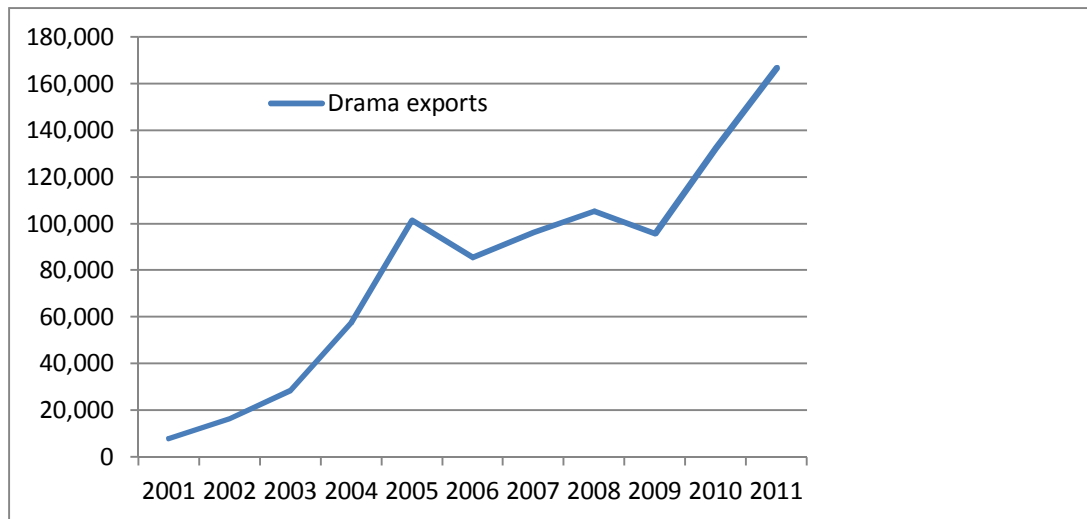
From 2005 onwards Korean drama exports to the Chinese and Taiwanese market markedly decreased, mainly due to the tightening regulations of both governments against imported programmes. As the stagnation of drama exports continued up to 2009, domestic media were worried about the end of the Korean Wave. However, thanks to the increasing demand for Korean dramas from Japanese broadcasters, drama exports have begun to increase again since 2009. Besides the popularity of Korean dramas, the demand for Korean popular music rapidly penetrated young audiences in Asian and other regions in the late 2000s. It is noteworthy that the popularity of Korean pop music has easily gone beyond the Asian market and broken into the American or parts of the European market on the strength of the leverage of social media.

Regarding Korean Wave support policies after 2005, the general aim of the Korean government in these policies, that of promoting the national image and maximising profits through the overseas popularity of Korean dramas, seems not to have changed greatly. As the government has continued with an instrumentalising view for the Korean Wave, the distrust of government policies among broadcasting industry insiders has tended to be exacerbated.

Changing trends in drama exports

As shown in Figure 8.1, Korean drama exports, which had rapidly increased up until 2005, entered a period of temporary stasis between 2005 and 2009, then increased again after 2009. This stagnation appears to have been mainly due to the downturn in exports to the Chinese territories markets. The Chinese and Taiwanese governments, facing demands from home-based entertainment industries to restrict Korean drama imports, began from 2005 to operate restrictive policies against Korean dramas.²²¹

Figure 8.1 Korean drama export trends between 2001 and 2011 (US\$1,000)²²²



Source: Broadcast programme trade statistics (KOCCA, 2001-2009d), Broadcast programme trade and its prospects (KOCCA, 2010: 8), Broadcast contents trade statistics (KOCCA, 2011: 8)

In response to the growing popularity of Korean dramas among Taiwanese viewers and the negative effect this was having on their own broadcasting industry, the Taiwanese government prohibited the broadcasting of foreign dramas during prime time, and the Chinese government limited the total broadcasting time of foreign programmes on most broadcasting stations to twenty hours per year.²²³ The Chinese government has operated

²²¹ For instance, in 2005, the Hong Kong-born Hollywood star Jackie Chan criticised the fact that Chinese territories television channels were increasingly ignoring domestic dramas in favour of Korean dramas, and called on television viewers to 'resist the *Korean Wave*' (Leung, 2008: 66).

²²² Programme exports to the cable channels viewed by Korean emigrants in the US have been excluded from this figure.

²²³ Interview with Park In-Soo, head of KBS Media's export team, 28th June 2011 in Seoul, Korea. As a result of this restriction, most Chinese broadcasting stations can broadcast only one or two foreign drama series per year. However, the re-sale of foreign programmes between Chinese broadcasting stations was not regulated by this restriction.

similar restrictions against the importing of Korean programmes on a virtually annual basis since the mid 2000s. For instance, it announced that from December 2012 the broadcasting of foreign dramas would be prohibited during prime time (19:00-22:00) on all Chinese channels (KOCCA, 2012: 15-16). As a result of these restrictions, the proportion of Korean dramas broadcast on Chinese television channels decreased from 16.5 per cent in 2007 to 10.3 per cent in 2010 (KOCCA, 2012: 58).

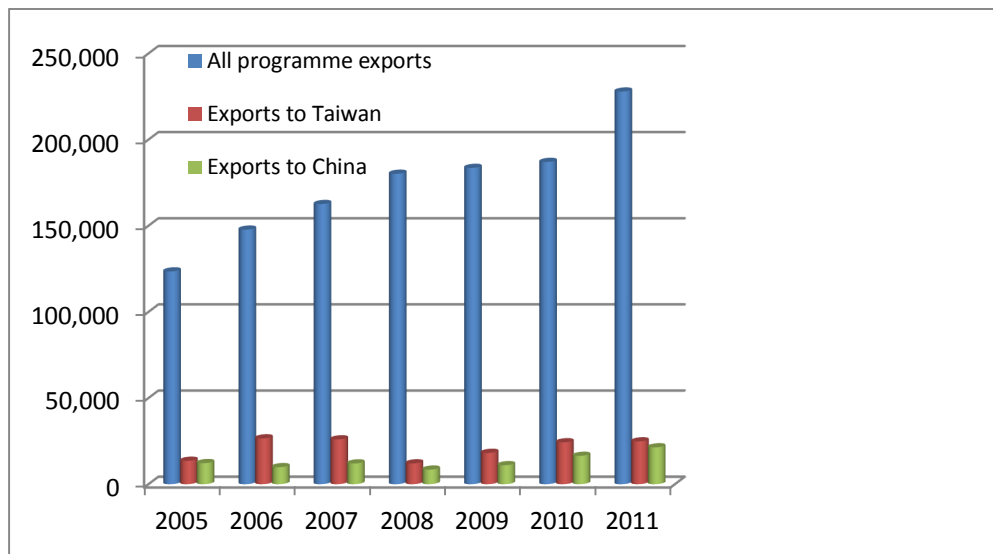
In addition, many Taiwanese cable channels either entirely stopped purchasing Korean dramas or substantially reduced the number purchased due to the much increased prices. The excessive increase in Korean drama prices on the Taiwanese market seems to have stemmed from the competitive atmosphere that existed among the Korean terrestrial stations. Programme agent Kim Sang-han claimed that from the mid 2000s onwards the competition among the three Korean terrestrial stations for drama export markets contributed greatly to the increased export prices of Korean dramas shown on the Taiwanese cable channels, consequently breaking the strong upward trend of drama exports to Taiwan:

I think that the three programme sales subsidiaries of KBS, MBC, and SBS had already built a good trading system with the Asian stations, based on mutual trust. However, broadcasting stations such as KBS and MBC have preferred to raise drama export prices regardless of the existing trade relationships. For example, in 2004, KBS forced KBS Media to use a price bidding system when exporting dramas to Taiwan. So, the maximum price per sixty-minute episode rose to US\$25,000, making KBS Media's dramas much more expensive than Japanese or Hollywood dramas. Consequently, many Taiwanese cable channels, which could not afford to bid, were forced to stop purchasing Korean dramas.²²⁴

Kim points out that the executives of each terrestrial station, who did not understand the context of drama exports, simply pursued short-term profits by increasing drama export prices without considering the financial situation of the Taiwanese cable channels. Subsequently, the upward trend of Korean drama exports to Taiwan began to slow down around 2003, despite the rapid increases in Korean programme exports that had occurred earlier.

²²⁴ Interview with Kim Sang-han, 27th July 2010 in Seoul, Korea.

Figure 8.2 Increase in all programme exports and in exports to Taiwan and China by Korean broadcasters between 2005 and 2011 (US\$1,000)



Source: Strategies and policies for the penetration of the Korean Wave: focusing on broadcast programmes (KOCCA, 2009b: 21-25), The Broadcast programme trade and its prospects (KOCCA, 2010: 14), Broadcasting contents trade statistics (KOCCA, 2011: 12)

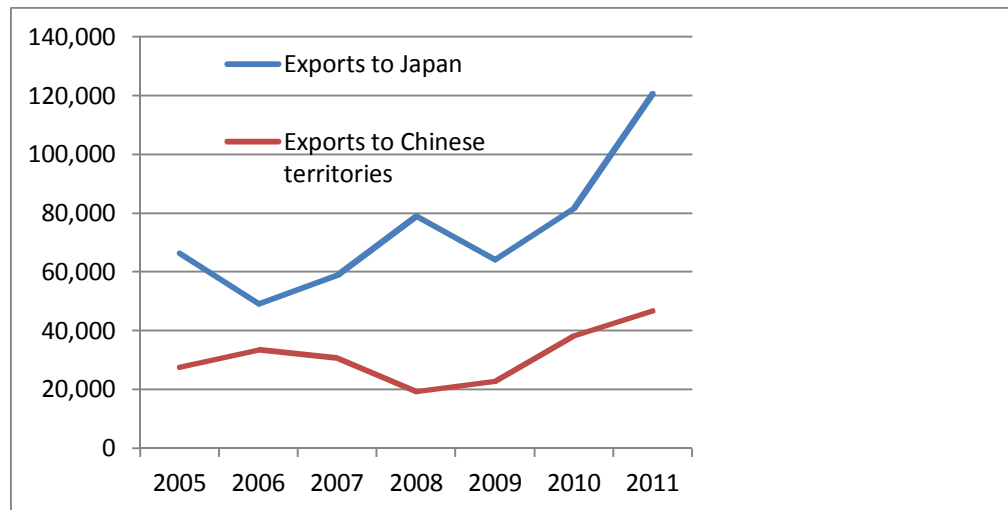
All these circumstances contributed to the downturn in exports of Korean dramas. In effect, the value of Korean drama exports to China and Taiwan decreased from US\$7.4 million and US\$20.1 million in 2006 to US\$5.4 million and US\$7.7 million respectively in 2008 (KOCCA, 2009a: 27).

Along with this downturn, there was widespread anxiety about the end of the Korean Wave both in the domestic industry and in the media. The cover story of *Weekly Hankook* in December 2006 stated that the number of Chinese stations which broadcast Korean dramas decreased significantly in 2006 due to the regulations of the Chinese government, which tightened foreign drama import quotas, and the number of Asian tourists coming to Korea to see drama locations also declined by approximately 20 per cent in 2005 (Park, 2006).²²⁵ KOCCA's research report also stated that Korean programme exports appeared to have reached a saturation point in the Asian market, and that import regulations against foreign programmes had been imposed by both the Chinese and the Taiwanese governments (KOCCA, 2009a: 27).

²²⁵ 'How to Overcome the Crisis of the Korean Wave', article in *Weekly Hankook*, 22nd December 2006. Available at <http://weekly.hankooki.com/lpage/cover/200612/wk2006122215443382190.htm> (accessed 16th August 2012).

However, this anxiety was relieved to some extent by the increasing demand for Korean dramas in Japan during the same period. The Japanese broadcasting market, one of the largest in the world, is unique among Asian markets in that it has diversified, with multiple terrestrial, local, and satellite stations. Along with the broadcasts of Korean dramas since the early 2000s and the huge popularity of *Winter Sonata* during the mid 2000s, a solid fan base for Korean dramas developed among the multi-layered Japanese broadcasting viewers.²²⁶ Figure 8.3 shows that the value of the Korean dramas sold to the Japanese market has been growing, while the value of Korean dramas sold to the Chinese territories market was stasic in the late 2000s.

Figure 8.3 Korean programme exports to Japan and Chinese territories between 2005 and 2011 (US\$1,000)²²⁷



Source: Broadcast programme trade statistics (KOCCA, 2005-2009d), Broadcasting contents trade statistics (KOCCA, 2011: 17)

Regarding this, Huzimoto Toshikatsu, a former drama producer at the Japanese terrestrial station NHK, stated that the popularity of Korean dramas had exceeded that of Hollywood dramas among Japanese viewers. According to Huzimoto, Japanese broadcasting stations became interested in the broadcast programmes of neighbouring Asian countries in the early 2000s, and Korean dramas drew the attention of Japanese broadcasters with their unique characteristics and affordable prices. He anticipated that the demand for Korean dramas on the Japanese broadcasting market would continue in the near future mainly because of their substantial Japanese fan base, although the sharply increased prices of

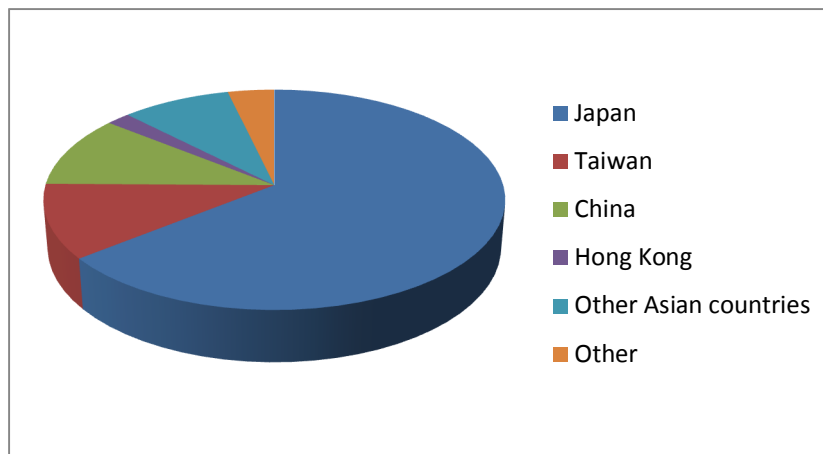
²²⁶ Telephone interview with Kim Young-duk, President of KOCCA's Japan office, 8th July 2011.

²²⁷ The term Chinese territories refers to China, Taiwan and Hong Kong.

some blockbuster dramas, at over US\$120,000 per episode, had made some terrestrial stations reluctant to purchase them.²²⁸

In line with the increase in drama exports to Japan, the Asian market continues to be the main destination for Korean programme exports. In 2001, 80.8 per cent of Korean programme exports went to the Asian market. This proportion increased to 96.3 per cent in 2011. China, Japan, Taiwan and Hong Kong together occupied 87.6 per cent of the entire programme export market in the same year (KOCCA, 2001: 9; 2011: 17).

Figure 8.4 Export ratios of Korean broadcast programmes in 2011



Source: Broadcasting contents trade statistics (KOCCA, 2011: 17)

Exports beyond the Asian market have remained at a modest level, with the exception of exports to cable channels for Korean emigrants and residents in the USA. The Korean government has continued to offer dramas free of charge to countries in Central America, Africa and the CIS. These offers, however, have not subsequently led to further paid exports to those markets, and although there have been some exports, there has not been any substantial income from these. For instance, the value of exports to most African countries is less than US\$200 per episode, which indicates that there is no economic motive for broadcasting stations to export their dramas to these countries (KOCCA, 2009a: 33). Regarding this, Kim Young-won and Park In-soo, the General Director of SBS Contents Hub and the export team head of KBS Media respectively, admitted that expanding drama export markets beyond Asian countries was still a difficult task, with the

²²⁸ Telephone interview with Huzimoto Toshikatsu, 6th July 2011.

exception of a few countries in the Middle East.²²⁹ Yoon Jae-sik, a senior researcher at KOCCA, claimed that it might be a more cost-effective choice for the broadcasting stations to concentrate on maintaining exports to the present Asian market, rather than attempting to enter less profitable new markets.²³⁰

It should also be noted that an upturn in programme exports after 2009 seems to be partly related to the diversification in export programme genres. According to KOCCA's annual broadcast programme trade statistics, it is evident that the export genres of Korean programmes have slightly diversified since 2009 from dramas to documentaries, entertainment and music programmes (KOCCA, 2011: 9-10). In particular, the export of Korean popular music (K-pop) has been regarded by the Korean media as a significant new phenomenon. K-pop's popularity, which is centred on the dance music produced by so-called 'idol groups', has rapidly spread among young Asians. Most recently, K-pop's popularity has also penetrated America, parts of Europe and Latin America, on the strength of the far-reaching powers of social media such as YouTube and Facebook.²³¹

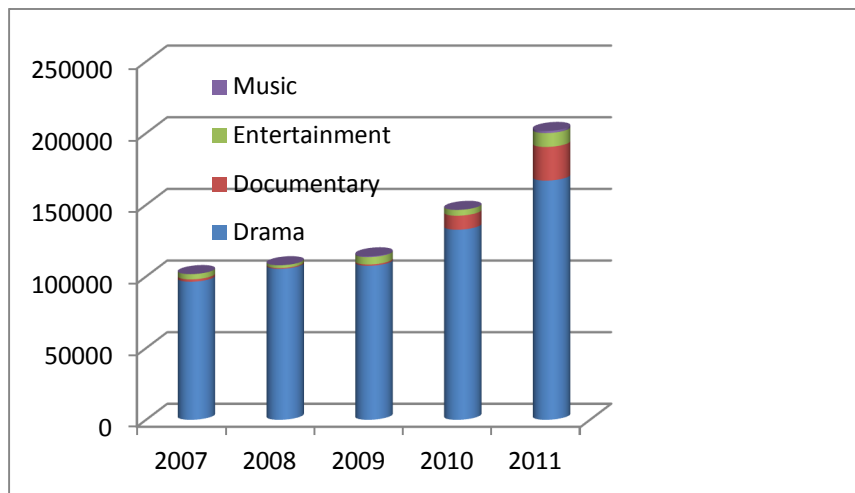
The popularity of K-pop, referred to by the media as 'the new Korean Wave' or the 'second Korean Wave', has led to increasing exports of both entertainment programmes and music programmes, because Asian cable channels began to import the entertainment programmes in which K-pop singers appear as programme guests (KOCCA, 2010: 15). Figure 8.5 shows the diversification of export programmes in the late 2000s. Thus, an upturn in Korean programmes broadcast to the Chinese territories since 2009 may well be due to some extent to the popularity of K-pop music (KOCCA, 2012: 82). With the export increase of other genres, the proportion of dramas in total programme exports, which was approximately 90 per cent in the mid 2000s, dropped to 81.9 per cent in 2011 (KOCCA, 2011: 8).

²²⁹ Interviews with Kim Young-won and Park In-soo, 28th and 29th July 2010. Both interviews were held in Seoul, Korea.

²³⁰ Interview with Yoon Jae-sik, 20th July 2010 in Seoul, Korea.

²³¹ For instance, the music video of the Korean song *Gangnam Style* was viewed more than 1.3 billion times on YouTube in February 2013. <http://www.youtube.com/watch?v=9bZkp7q19f0>, (accessed 20th February 2013).

Figure 8.5 Export trends of Korean broadcast programme genres between 2007 and 2011 (US\$1,000)



Source: Broadcasting contents trade statistics (KOCCA, 2011: 9)

In short, owing to the enthusiastic reception in the highly profitable Japanese broadcasting market, Korean drama exports have increased since 2005 despite the shrinkage of the Chinese territories markets. Despite the efforts both of the Korean government and of the broadcasting stations, drama exports to non-Asian markets have been limited. Along with the steady increase in drama exports, it is significant that export genres appear to have diversified, thanks to the overseas popularity of K-pop.

Changes in Korean Wave support policies

Between 2006 and 2011, it appears that the Korean government continued to use the Korean Wave to promote its national image, as well as to maximise economic profit. The following report extract suggests that the government has not changed its position of active support for the export of domestic cultural content:

It is necessary for cultural content companies to actively engage in the overseas market, because it is difficult to make a significant profit in the limited domestic market. Nonetheless, many companies do not have adequate information about overseas markets or the financial support to enter those markets. Accordingly, it cannot be denied that these companies need government support. (MCST, 2009: 10)

The government has also continued to support the commercialisation of traditional cultural content, the development of culture technology (CT), export opportunities in non-Asian markets, and co-operative programme productions between Korean and foreign broadcasters (MCST, 2008: 74, 91; MCST, 2009: 171-173). In order to conduct these projects more efficiently, the government strengthened KOCCA's role through a merger of five related government organisations in 2009. Moreover, the government has begun to sponsor overseas K-pop showcases and concerts organised by several Korean entertainment companies (MCST, 2008: 126, 226).

The government still prefers to promote cultural products which yield tangible results, a policy which has been evident since the initial promotion policies in force since the early 2000s. In other words, the Korean Wave support policies have focused on the organisation of massive, visible events such as overseas drama showcases, international broadcast programme markets and the overseas concerts of K-pop bands. This has led to the competitive organisation of similar events by different government departments. For example, three new broadcast programme markets have been organised by several government departments and local governments even though there is already a market, BCWW, and trading at BCWW has decreased since 2008 due to the over-supply in the international programme market and the global economic recession.²³²

One notable change in Korean Wave support policies since 2005 has been that the government has focused more on international exchanges of human resources with other Asian countries. The 2007 White Paper on the Cultural Industries demonstrates that the government recognised the negative response to the rapid penetration of Korean popular culture into other Asian countries, the so-called 'anti-Korean Wave', and attempted to reduce these negative reactions through support for reciprocal exchange and co-operation with those Asian countries where Korean popular culture had penetrated. This project, designed to nurture and exchange agents on the Asian market, was started in 2007. In the first year it sponsored the invitation of 25 Asian cultural industries experts and 42 Asian students for training at Korean cultural industry companies and universities, as well as the dispatch of 39 domestic experts to four Asian countries (MCT, 2007: 98).²³³

²³² After 2006, the local governments of Busan and Gwangjo both organised annual broadcast programme markets, namely, the Busan Content Market (BCM) and the Asia Content and Entertainment Fair (ACE Fair), respectively. In addition, the Korea Trade-Investment Promotion Agency (henceforth KOTRA) organised the Korea Media & Contents Market (KMCM) from 2009.

²³³ The Ministry of Culture and Tourism (MCT) was renamed the Ministry of Culture, Sports and Tourism (MCST) in 2008.

Meanwhile, practical support for drama exports, which includes post-production support, international programme market organisation, support for overseas programme market participation and the organisation of overseas showcases, as discussed in Chapter 5, has not significantly increased or changed since 2005. From 2006 onwards, the government has increased its support for co-operative productions between domestic and overseas broadcasters, but these co-produced documentaries and dramas have drawn only lukewarm responses from both domestic and overseas viewers (KOCCA, 2009a: 97). KOCCA's senior researcher, Yoon Jae-sik, intimated that these co-produced programmes lacked distinctive features and thus failed to attract overseas audiences:

Basically, it is very difficult to attract overseas drama viewers. Even though Chinese and Japanese audiences seem to have generally preferred Korean dramas, in fact, the tastes of Chinese and Japanese viewers are slightly and subtly different from the tastes of their Korean counterparts. Most cooperatively produced dramas failed to attract both Korean and overseas audiences because the drama producers who created them did not pay attention to the subtly different tastes of overseas viewers. Rather, some cooperatively produced dramas mechanically divided all production factors into Korean and foreign productions on an equal basis. So, the output looked like an awkward encounter between two different cultures rather than a harmonious fusion.²³⁴

Broadcasting industry insiders would prefer the government to use diplomatic channels, not support for co-operative productions or overseas events, to persuade the Chinese and Taiwanese governments to revoke their restrictions on programme imports. Besides limiting the broadcasting time of foreign dramas through a quota system, the Chinese government also introduced a new censorship policy for drama storylines in June 2006. This censorship led to the prohibition of five Korean historical dramas, such as *Jumong* (MBC, 2006) and *The Legend* (MBC, 2007), on the grounds that they were based on 'biased interpretations of the ancient history of the Korean peninsula' (KOCCA, 2009a: 27-28). Both Park In-soo, head of KBS Media's programme export team and Kim Sang-han, an independent programme agent, argued in interviews that these restrictions had been the main impediment to drama exports to the Chinese territories markets.

²³⁴ Interview with Yoon Jae-sik, 20th July 2010 in Seoul, Korea.

However, it is unlikely that the Korean government will be able to reduce the Chinese government's restrictions on foreign programme imports through the use of diplomatic channels. A KOCCA research report suggests that Korean broadcasters produce drama content which does not contravene the restrictions imposed by the Chinese government, which tends to impose tighter restrictions on foreign programmes with anti-socialist content. Another suggestion the report makes is to circumvent the regulations by exporting programme formats or undertaking cooperative productions with Chinese broadcasters (KOCCA, 2012: 145). In other words, they suggest that it may be better to comply with the Chinese government's rules than to rely on the Korean government to lift these restrictions through diplomatic efforts.

In addition, some researchers argue that the Korean government should support reciprocal programme exchanges with countries where Korean dramas have long been popular, in order to reduce the programme trade imbalance between Korea and these countries and assuage the so-called 'anti-Korean Wave' atmosphere that may be prevalent there. From the perspective of the broadcasting stations, programme exchanges with other Asian countries is a less feasible business, because the demand for Taiwanese or Chinese programmes has been extremely modest in the Korean broadcasting market. A KOCCA report claims that mutual programme exchanges would need government support, since private broadcasters do not voluntarily import less economically viable programmes (KOCCA, 2009a: 106-107).

Given the generally ineffective serial Korean Wave support policies, it should nevertheless be noted that the competition between several government departments and organisations for government Korean Wave support intensified from 2005 onwards. KOCCA was re-established in 2009 as a single body through a merger of five related organisations (MCST, 2009: 215). However, the reorganised KOCCA seems not to have been given sufficient strength in its role as the single strategic agency for Korean cultural content exports. As shown in Table 8.1, KOCCA, the Korea Foundation for International Culture Exchange (henceforth KOFICE), the Korean Internet and Security Agency (henceforth KISA), and KOTRA have competitively operated similar support projects, and the efficacy of individual projects seems to have accordingly decreased.²³⁵

²³⁵ Interview with Lee Man-je, a senior researcher at KOCCA, 16th June 2012 in Seoul, Korea.

Table 8.1 Organisations operating projects for drama export support

Support projects	Operating organisations
Post-production	KOCCA
Market participation support	KOCCA, KISA
Programme market organisation	KOCCA, KOTRA, Busan local government, Gwangju local government
Overseas drama showcase	KOCCA
New market creation	KOCCA, KOFICE
International co-operative production	KOCCA, KISA

Source: Strategies and policies for the penetration of the Korean Wave: focusing on broadcast programmes (KOCCA, 2009b: 92)

Regarding this, a KOCCA report claims that the over-supply of programme markets held in Korea may have led to fewer major foreign programme buyers participating in these markets, since the number of broadcasters who can afford to participate in international programme markets is limited (KOCCA, 2009b: 111).

After the emergence of K-pop in the new Korean Wave, the Ministry of Foreign Affairs and Trade (henceforth MFA) also tried to enter the already crowded bureaucratic landscape. In November 2011, an opinion article in the *Seoul Shinmun [News]*, written by a former MCST deputy minister, criticised the MFA for devising Korean Wave policies in the name of ‘cultural diplomacy’:

The MFA hopes to enact a special bill for the promotion of cultural diplomacy. The main content of this bill would enable the MFA to initiate cultural diplomacy and operate international cultural councils. Responsibility for international cultural exchange, however, already lies with the MCST. Moreover, if the MFA is to be involved in this task in the name of cultural diplomacy, its promotion of the Korean Wave to foreign cultural industries may be seen as government intervention and increase the anti-*Korean Wave* atmosphere which is spreading in some foreign countries. Clearly, this will lead to widespread negative responses in the neighbouring countries, and consequently have a detrimental effect on both the government and the industries. (Park, 2011)

In short, although there has been some variation in Korean Wave support policies, it is likely that the Korean government is still confused about how to implement these policies, as mentioned in Chapter 5. Thus, the government appears to have continued its relatively

arbitrary promotion of the national image to Korean Wave consumers, which has attracted criticism from industry insiders. Accordingly, industry insiders, especially programme exporters, tend to have low expectations of the practical support offered to them by the government.

One of the main problems with the Korean Wave support policies is that there has been little room for the government to provide meaningful support for the export of popular cultural content, which already enjoys wide popularity in the Asian market. Another more serious problem is that the government has little understanding of the nature of popular cultural content exports, and is inclined to use these as a means of state promotion despite the growing criticism this has drawn from industry insiders.

Media studies researcher Goh Jeong-min pointed out that the export of Korean dramas or popular music was not an area the government should involve itself in or support, because the export of popular cultural content was a profit-oriented business which should be the responsibility only of the appropriate industries involved. Goh further stated that popular culture should not be used as a vehicle of state promotion, which is how the Park Chung-hee regime used traditional Korean culture in the 1970s.²³⁶ An article in the *Financial Times* in October 2012 criticised the Korean government's heavy-handed attempts to use the spread of popular culture overseas as a means of promoting Korea's national image:

South Koreans are rightfully indignant that they have been overshadowed by China and Japan despite everything their rags-to-riches nation has achieved. They certainly do deserve a better global image. However, interference from a state body [in popular culture exports] should belong to a bygone era of central planning and output targets. You cannot forge soft power in the same way as you pick industrial champions. (Oliver, 2012)

Regarding the confusion of Korea's government policies, in his keynote speech at the Globalization of Korean Pop Culture and Content Industry conference, Michael Breen, a former Seoul correspondent of *The Times* and now the president of a public relations firm in Korea, also argued that 'any positive image return to the country as a result of the overseas popularity of Korean popular culture is a happy by-product, but not one they [Korean popular cultural content producers] should be pressured [by the government] to

²³⁶ Second interview with Goh Jeong-min, 1st July 2011 in Seoul, Korea.

make.²³⁷ Breen's argument reflects the irritation that industry insiders feel towards the overtly enthusiastic, but not actually helpful government support for Korean popular cultural content.

Nonetheless, post-2005 government policies suggest that the Korean government hopes to use the overseas popularity of Korean popular culture as a means of state promotion, as they did in policies before 2005. By contrast, industry insiders have regarded the government support as an unnecessary intervention rather than a practical business aid, and moreover point out that there is little need for government intervention in overseas Korean popular culture which has done remarkably well on its own.

Therefore, it seems that the government needs to be clearer about its policy perspectives. In most cases, both the friction between government and industry and the latter's mistrust of the government appear to have resulted from the fact that the government could not create coherent Korean Wave support policies and consequently failed to recognise the gap between policy aims and execution. In addition, the government needs to consider reducing the present crowded bureaucratic landscape in order to avoid overlapping investments and unnecessary conflicts among government bodies in the taking of initiatives to implement Korean Wave policies.

²³⁷ This conference was organised in Seoul on 30th June 2011 by KOCCA and KOFICE working cooperatively.

Chapter Nine: Conclusions

This study, which has investigated the nature of the unanticipated popularity Korean dramas have enjoyed in neighbouring countries and the role that the Korean government has or has not played in the spread of this phenomenon, started by examining the origins of the Korean Wave and defining what this term means. In the early 2000s, Koreans began to recognise that a growing number of their Asian neighbours were interested in Korean dramas and dance music. At first, neither the Korean media nor the government anticipated that this popularity would last long. Conversely, however, Korean popular culture has become popular in even more overseas markets. This worldwide interest in Korean popular cultural content, described by the Chinese press as the Korean Wave, centred on television dramas and is clearly a fortuitous phenomenon. The main purpose of this study has been to research the Korean drama export process, with a focus on the Asian market, and to critically analyse the role that the Korean government has played in this process.

The findings of this study

This thesis analyses the process of Korean drama exports in a historical and political context and examines whether the government has provided appropriate support for the export process. More precisely, it examines: i) the role of the Korean government in the internationalisation of Korean television dramas, ii) the main domestic factors which seem to have principally contributed to the entry of Korean dramas into the Asian broadcasting market, and iii) the background, strategies and actual process of drama exports and the government's influence on this process, through a case study of the programme sales subsidiary of a terrestrial broadcasting station.

First, although the successful penetration of Korean dramas into neighbouring countries has been related to some extent to the expansion of the cable television industries in East Asia after the mid 1990s and the consequent demand for new programmes, this thesis has argued that domestic factors have also considerably and meaningfully influenced the unexpected overseas popularity of Korean dramas. Much of the data related to the drama broadcasts described in Chapter 6 confirms that the high level of media marketisation in the Korean broadcasting industry, which appeared with the substantial decrease in

government intervention and the opening of a commercial terrestrial broadcasting station in the early 1990s, significantly contributed to the development of dramas, which have been the centrepiece of the Korean broadcasting industry. The analysis in Chapter 6 shows that both the viewing rates and broadcasting time of prime-time dramas have notably increased along with the escalating competition among the three terrestrial stations, a process known in Korea as the ‘drama war’.

Chapter 6 also demonstrates that the newly democratised and commercialised atmosphere of the Korean broadcasting industry may well have drawn the attention of young audiences to drama, and that consequently drama productions have been regarded as one of the most promising aspects of the cultural content industry, rather than just a popular television genre. All these changes have had a positive impact on drama productions, the high quality and diverse characteristics of which have proved sufficient to attract both overseas and domestic audiences. As a consequence, the expanded Korean drama industry succeeded in attracting a niche market which was newly formed through the increase in the number of cable television channels in East Asia during the late 1990s.

Secondly, it does not appear that during this time the support policies of the Korean government have made a substantial contribution to helping Korean dramas reach overseas markets. While the government argues that its advanced cultural policies have paved the way for successful drama exports, the assessments of industry insiders are quite different. Truly, the Korean government, particularly the Kim Dae-jung regime (1998-2002), operated several meaningful broadcasting policies for drama exports, such as eliminating almost all government controls over drama production and imposing broadcasting quotas for diverse independent production companies. However, as discussed in Chapters 5 and 6, these contributions seem to have been made almost haphazardly and it is not likely that the government had any kind of long-term vision for expanding drama exports. Even after realising the possibilities for the internationalisation of domestic broadcasting content, the Kim Dae-jung administration focused on supporting animations, ignoring the fact that dramas had viability as export products.

In this respect, the government role in drama exports needs to be discussed rather negatively. It is evident that Korean cultural industries policies have developed significantly since the inauguration of the Kim Dae-jung regime. However, it is highly doubtful that these cultural industries support policies provided considerable help for

drama exports. Chapter 5 dealt with the issue of support policies and pointed out that, although the number of support policies increased with the growth in drama exports, the practical help for drama exports, such as post-production support and market participation support, seems to have been confined to only a minority of visible support policies for cultural content exports. In short, the Korean government did not properly recognise the exportability of domestic broadcasting content, so their support policies for the internationalisation of broadcasting content were not able to be effective.

Thirdly, this thesis has found that the Korean government has maintained inappropriate perspectives in operating its Korean Wave support policies; that is, it tends to adhere in its Korean Wave support policies to the instrumental or nationalistic perspective, despite increasing criticism on the part of industry insiders of the ineffectiveness of these policies. The analysis in Chapter 5 argues that the government has displayed a tendency to use the overseas popularity of dramas in its promotion of the national image, and it is towards these ends rather than in order to support drama exports *per se*, that it offers subsidies. Consequently, drama exports tend to have been sidelined in the operation of the Korean Wave promotion policies, even though they make up the majority of Korean Wave products.

This conflict appears to have stemmed partly from the government's misconceptions about the Korean Wave, which were mentioned in Chapter 1; that is to say, the government may have relied on the overseas popularity of dramas in order to promote increased exports by the manufacturing industries or of other national products. In this context, the conflict between the government and industry insiders resulting from government intervention seems inevitable.

Moreover, it is noteworthy that the nationalistic perspective, which was created and articulated by the first military government of Park Chung-hee (1961-1979), still strongly influences current cultural policies. The autocratic Park regime supported the culture that it deemed to be 'sound' traditional culture and rejected 'unsound' popular culture, focusing government support on the 'sound' traditional culture while strictly controlling 'unsound' popular culture in the name of defending national security and public morality. This old perspective, which favoured traditional 'high' culture when choosing cultural genres for government support, has not completely vanished despite the paradigm shift under the left-

wing regime of Kim Dae-jung towards policies to promote the cultural industries, and it seems to have impeded the Korean government from actively supporting drama exports.

Finally, this study reveals that the top-down structure of the relationship between the government and the terrestrial stations may have stimulated the initial attempts by KBS Media to export broadcast programmes, but this influence was not directly connected to the later export success of KBS dramas. The case study of the programme export processes and strategies of KBS Media in Chapter 7 uncovers how the unstinting, decade-long attempt made by KBS and KBS Media to break into the overseas market may be interpreted as one way in which the export-driven policies of the Korean government laid the framework for the business decisions ultimately taken by broadcasting stations.

Accordingly, it cannot be denied that the government played a certain role in contributing to the initial programme export trials of KBS Media, but it is not likely that this contribution has significantly affected later drama exports. Through a decade's trial and error in programme export strategies, KBS Media, which originally concentrated on the internationalisation of export-oriented animations, changed its main export genre to dramas, like MBC's and SBS's programme export subsidiaries, in order to pursue increased profits. As a result, the differences in strategies among the export subsidiaries of KBS, MBC and SBS almost vanished, and all these subsidiaries have attempted to maximise their profits through the export of dramas, which have been the content in by far the greatest demand from neighbouring markets. Therefore, the original aim of KBS Media in terms of programme exports, following the export-oriented policies of the government and promoting the state image through accomplishing exports of 'sound' programmes, has been abandoned in line with the rapid increases in drama exports.

Contributions and limitations

This section will present an overview of previous research on the Korean Wave and related studies on Korean drama exports, and how this study fits with, or adds to, the arguments of earlier research. Concurrently, it will draw out the limitations that this study was not able to overcome and suggest further studies.

Contributions of this research

Before the start of the Korean Wave, Sinclair, Jacka and Cunningham (1996) considered the prospects for broadcast programme exports in peripheral regions in the near future. They argued that several small regional markets with cultural and geo-linguistic similarities would appear in the new patterns of the global television programme trade, while the dominance of the 'traditional Anglophone centre' would be maintained (Sinclair, Jacka and Cunningham, 1996: 13, 22). By examining the internationalisation of Korean broadcast programmes, and especially the phenomenal 'contra-flow' of Korean drama exports to the dominant Japanese broadcasting market, this research has reinforced Sinclair, Jacka and Cunningham's prognosis about the increasing regionalisation of small, but not unimportant, multi-directional flows in the broadcast programme trade, particularly in the fast-growing Asian market (1996: 24).

Prior to the mid 2000s, Korean scholars had rarely given much attention to the export of Korean dramas and other popular cultural content because they did not anticipate that this unprecedented phenomenon would last long. With the expansion of Korean dramas' overseas popularity to more Asian audiences, several Korean and Asian academic researchers began to analyse the growing popularity of Korean cultural products across Asia. Shim Doo-bo states that the interaction and negotiation among cultural agents and actors working in more liberalised environments have led to the spread of Korean popular culture to the international market. Shim also argues that a creative form of hybridisation inherent in Korean popular culture has played a certain role in popularising Korean cultural content overseas (2006: 38-40).

In researching the flourishing Korean film industry of the early 2000s, Jin Dal-yong claims that both the cooperation and the intervention of the Korean government in the domestic film industry have considerably and positively influenced the development of Korean films, because the government's interest in the film industry has effectively encouraged or reinforced the investment of domestic capital in the film business to help it develop sufficiently to compete with Hollywood on the domestic market.²³⁸ In this respect, Jin concludes that the new cultural policies of the democratic government became a driving

²³⁸ According to the research report of the Korean Film Council, the domestic market share of Korean films was recorded as 52 per cent in 2011. <http://files.kofic.or.kr/eng/publication/12-28-%20Special1.pdf>, (accessed 22nd January 2013).

force in boosting the Korean film market (2008: 19). Meanwhile, Kim Youna explains the impact of Korean popular culture in Asia at the socio-cultural and political levels. According to Kim, the overseas penetration of Korean popular culture signifies ‘a facet of decentralising multiplicity of global media flows’. (2007: 136)

Asian researchers also began to show an interest in the rapid penetration of Korean popular culture in Asia. Hong Junhao believes that both the newly liberalised media market and the deregulatory policies of the Korean government in the late 1990s have led to the growth of the domestic market and the exportability of the popular cultural industries (2010: 327). In particular, Hong claims that the Korean government has played a proactive role in invigorating its cultural industries through various support policies and the provision of more cultural industries support funds. Simultaneously, he agrees with Shim that Korean popular culture’s hybrid characteristics, which are a combination of American and Japanese popular cultures superimposed on a base of Confucian values, have helped to attract Asian audiences (*ibid.*: 328).

Hong points out that Japanese television programmes are less likely to be accepted by other Asian countries, mainly for political reasons related to past Japanese colonialism (2010: 316). Asian researchers Chua and Iwabuchi have a similar viewpoint to Hong’s argument, based on cultural proximity and the Asian historical context. Chua and Iwabuchi state that the history and the economic capacity of the media industry have been the two primary determinants of the uneven flow of television drama trade on the Asian market. From this perspective, Japan would be expected to be the most significant drama source in Asia. However, negative memories of Japanese colonisation and wartime aggression have most likely influenced the popular culture products trade within the Asian market. Given both this unfortunate Japanese history and the vibrant growth in Korea’s cultural industries in the new democratic atmosphere, Korean dramas were able to attract a large portion of the Asian market (Chua and Iwabuchi, 2008: 2-4). In short, researchers demonstrate that Korean popular culture entered the Asian market at a time when government regulations had been lifted and the nation was enjoying a period of relative democratisation.

As shown above, most previous Korean Wave research has focused on external factors such as the new trend of expanded East Asian broadcasting industries which preferred broadcast programmes similar to their domestic programmes, or on the Korean government’s lifting of regulation of the broadcasting industry during the democratisation

period in the 1990s. This study, however, has focused on influences which have been relatively neglected in academic analysis, namely history and politics and the inter-related roles these have played in the creation of internationally competitive drama productions.

Moreover, this study has shown that the support policies of the Korean government for the cultural industries have been less effective, at least for the accomplishment of drama exports, than previous research had led us to expect. Rather than individual policies, this study argues that it is the inequitable relationship between the government and broadcasters that has provided the stimulus for the industry to enter the wider international market. At the same time, however, this study confirms the arguments of previous research which emphasised the positive influence of Korea's political democratisation on the development of the broadcasting industry and the consequent exportability of its programmes.

In this respect, this study has relevance for any Asian broadcasting industry which has been involved in the process of shifting towards marketisation and is aiming to internationalise its programmes. Nonetheless, it should be noted that the tightening of government regulations concerning programme content, which differs according to the specific political and ideological circumstances of individual countries but is relatively common in almost all Asian broadcasting industries, is regarded as an impediment for industries trying to achieve competitiveness at the international level. The Korean government almost entirely relaxed its censorship of broadcast programme content in the early 1990s, in line with its policy of minimising government intervention. This clearly stimulated creativity in the growing industry and enabled programmes to eventually become tradable exports on the Asian market by virtue of their diversified and sophisticated characteristics, as discussed in Chapters 5 and 6.

Finally, and perhaps most importantly, this research has explored the inherent inconsistencies in the government support policies for the Korean Wave, which have often been criticised as either ambiguous or inappropriate. Debate on the role of the Korean government in the expansion of the Korean Wave has frequently failed to grasp the equivocal nature of the rather reluctantly offered government support for drama exports, despite the endorsement of cultural content exports by the Kim Dae-jung regime (1998-2002). With regard to this discussion, this study has overcome the ambiguities of previous research, finding that the old cultural identity of the government, which was based on

cultural nationalism, has been maintained as an unwavering doctrine in the operation of government policies toward the cultural industries. It seems that this cultural identity has been a hindrance insofar as it has exacerbated the consequent split between government aims for the internationalisation of the cultural industries and the practical execution of individual policies.

Limitations of this research

Although this study aimed to cover the drama exports of the Korean terrestrial stations in the formative years of the Korean Wave, the researcher has only had access to a limited amount of available data. Data concerning revenue from drama exports or budgets for drama productions are mostly highly confidential and generally unavailable, so it was impossible to obtain any such data from the position of an external researcher. Furthermore, even government organisations such as MCST and KOCCA do not preserve old broadcast programme export data from prior to the early 2000s, which may imply that such exports were generally considered unimportant or impractical at that time.

Regarding this limitation, it should be noted that in the case study in this thesis it was not possible to carry out an in-depth analysis for MBC and SBS, the two other terrestrial stations in Korea. Initially, it was hoped that two case studies, one for KBS Media and the other for MBC Productions, would be conducted for this study. However, key personnel at MBC Productions declined to be interviewed and refused to provide crucial data. So the original plan of this thesis had to be revised, limiting the case studies conducted to only a single case study of KBS Media. Although this thesis, based on the data from KBS, has great originality due to the difficulties of access to this quasi-governmental organisation, it is a limitation of the study not to have shown the degree of any differences between the three stations. If it had been possible to carry out two case studies, this study could have compared the relationship between the government and other terrestrial broadcasting stations.

Another difficulty faced was that drama exports have been conducted by a small cluster of industry experts. In contrast to the nationwide interest in the overseas popularity of Korean dramas, only a limited number of key experts at each terrestrial station and independent drama agents have had sufficient experience and knowledge about the practical processes

of drama exports. This insularity, coupled with the limitation of the lack of access to the internal data of broadcasting stations, often impeded the attempt to gain a more balanced viewpoint and a more holistic understanding of the research questions.

Furthermore, this study has examined the topic of Korean drama exports within a particular time frame, between 1995 and 2005. It is evident that the Korean Wave has continued to evolve since 2005, as explored in Chapter 8, but this study cannot offer an in-depth investigation of new developments. The remarkable influence of social media in recent years has presented new opportunities for the delivery of Korean popular content beyond the Asian market, as shown by the global craze for Korean pop singer Psy's *Gangnam Style* in late 2012. Besides Psy's popularity, since the late 2000s Korean pop singers and idol bands have increasingly been releasing their singles on the overseas market or having concerts in the big cities of the US, European countries and even South American countries. Contrary to the rapid internationalisation of Korean popular music, which has been called the new Korean Wave by Korean media, it is likely that the Korean government has not yet changed its nationalistic perspective on Korean Wave support policies. So, further investigation is needed in order to understand the processes underlying contemporary changes with regard to the new Korean Wave.

Two implications of the findings

As shown above, this thesis has outlined the development of Korean drama exports during their formative years and the respective influences of the specific cultural, political and economic contexts. Two significant implications have been exposed through this investigation. First, the top-down relationship between the government and broadcasters and the earlier marketisation trend in the Korean broadcasting industry, which two opposing issues are key underlying factors in reinforcing the constant attempts made by the terrestrial stations to export broadcasting programmes. Secondly, and more profoundly, the Korean government has continued to regard drama exports from a nationalistic perspective, which has become the primary cause of conflict between the government and the broadcasting industry. In this context, this chapter will consider the nationalistic intent in the cultural industries policies and the way these policies have influenced culture.

The two underlying factors in reinforcing drama exports

As discussed above, the Asian researchers who previously studied the Korean Wave have tended to assume that the Korean government had played a proactive role in inspiring or contributing to the unprecedented internationalisation of Korean dramas. However, this study reveals that the Korean government neither recognised the viability of domestic dramas on the international market nor gave sufficient attention to the difficulties experienced by drama exporters. Rather than the government itself, or individual support policies, this study found that the inequitable structure of relations between the government and broadcasters had acted as a historical factor in stimulating the initial export attempts of Korean broadcasters.

As mentioned in Chapter 3, KBS, the first Korean terrestrial station, was founded by the Park Chung-hee regime in the early 1960s as a channel for justifying the repressive rule of the military government and promoting rapid economic development by government-driven policies. Since then, terrestrial broadcasters have maintained close, but subordinate relations with the government. The analysis in Chapters 3 and 5 shows that the terrestrial broadcasting stations KBS and MBC spontaneously undertook the role of government propaganda vehicles until the early 1990s, on the condition of enjoying the benefits of monopolistic broadcasting. This close and vertical relationship between the Korean government and the broadcasting industry has been embedded in almost every aspect of this study.

Given the complexities of the historical context in relation to how the Korean broadcasting stations were formed and developed, it is understandable that the top-down structure of relations between the government and the broadcasting stations has multilaterally triggered the attempts of the broadcasting stations to export their programmes. That the initial programme export attempts in the late 1970s were accomplished by government diktat, as demonstrated in Chapter 7, is presented as emblematic of the subordinate position of the Korean terrestrial stations with regard to the government. Although this unsuccessful trial may have been seen as trivial, the first participation in the major international market for television programmes paved the way for broadcasting stations to recognise the great potential of the international programme trade. This awakening led to the attempt

throughout the 1980s and 1990s by KBS, a state-run broadcaster, to produce export-oriented animations for the international market.

The quasi-governmental culture of Korean terrestrial stations aligned with governmental institutions was one of the main factors investigated in this study. The way that KBS in particular has accommodated this has at times been paradoxical. While KBS has had to become accustomed to more competition due to government policies that encouraged a wider pool of broadcasters, it continued to maintain its pro-government attitude in its programme export strategies by continuing for more than a decade to produce animations for export which had proved unprofitable. Although the early export strategies of KBS Media centred on animations were not directly connected to the later achievement of drama exports, it cannot be denied that the export-oriented policies of the Korean government, which were created in the early 1960s and reinforced with the rapid economic growth of Korea under military governments during the next three decades, influenced to some extent the programme export strategies of KBS Media, given the especially close relationship between the government and KBS.

A noteworthy point is that, along with KBS's paradoxical attitude towards programme exports, the circumstances described in the selected case study are not necessarily applicable to Korea's other two terrestrial stations, although it is believed that the relationships between the government and the three terrestrial stations have more similarities than differences.²³⁹ More in-depth studies are needed to fully investigate the influence of the government on the programme sales subsidiaries of MBC and SBS.

Another major underlying factor in reinforcing drama exports that this thesis has analysed is the relatively early marketisation of the Korean broadcasting industry. Chapter 6 discussed how the Korean broadcasting industry succeeded in breaking away from government control earlier than most other Asian broadcasting industries, allowing the marketisation of its media with the appearance of multiple television channels and intensifying competition for higher viewing rates. This may be one of the main reasons that Korean dramas have gained a 'first mover advantage' in the rapidly expanding Asian broadcasting market in which there has been a greater demand for broadcast programmes than can be fulfilled by American or Japanese programmes.

²³⁹ Interview with media expert Joo Chang-yun, 6th July 2010 in Seoul, Korea. According to Joo, the nature of KBS and MBC as public bodies has remained very similar, even after the expansion of media marketisation in the Korean broadcasting industry.

In 1992, at the end of three decades of military regimes, there was a fundamental shift in the broadcasting industry towards media commercialism. In this process, the close relationships between the government and the terrestrial stations were considerably reduced with the establishment of a new commercial station and the opening of multiple cable channels. Although this commercialisation trend in the Korean broadcasting industry does not mean that there was a complete dissolution of the established inequitable relationships between the government and the terrestrial broadcasters,²⁴⁰ the deregulation and subsequent marketisation of the Korean broadcasting industry from the early 1990s onwards became the central issue, having provided broadcasting stations with the initiative to venture into the wider international market. In the intensifying competition among the three stations to gain more advertising income, dramas eventually appeared as a crucial genre which assured high viewing rates and increased advertising income for each broadcasting station. Accordingly, finance and human resources for drama productions have increased in this competitive atmosphere.

Simultaneously, marketisation raised the broadcasting stations' awareness of the new business potential that dramas represented. With the prospect of the development of the cable channel industry, all three terrestrial stations organised programme sales subsidiaries in the early 1990s. Even though the initial aim of these subsidiaries was primarily domestic programme sales, the establishment of independent companies dealing specifically with programme sales encouraged their employees to venture into unexplored overseas markets such as the Hong Kong and Taiwanese cable channels.

In sum, the initial animation export attempt by KBS in the 1980s reveals that the export-oriented policies of the Korean government were transferred to the Korean terrestrial broadcaster, which has historically maintained a subordinate position to the government. However, the consequences of this transference did not prove significant; first, the government did not provide constant encouragement for broadcasters to achieve programme exports. Secondly, KBS Media shifted its priority in programme exports from following government policies to pursuing greater profits. In this context, although it was the subordinate position of terrestrial broadcasters to the government that triggered the broadcasters' serious consideration of programme exports, this unequal relationship cannot

²⁴⁰ From a wider perspective, policy decisions of the Korean government have fostered the decentralisation of the broadcasting industry, for example by allowing new channels to be established and independent programme production to be supported. In view of this, it is unlikely that media marketisation has entirely changed the historically subordinate position of Korean broadcasting stations with regard to the government.

be regarded as the most critical factor in the start of Korean television programme exports. Rather, the main component which inspired Korean broadcasters to attempt programme exports was the earlier expansion of media marketisation in the Korean broadcasting industry, in the 1990s, than in those of neighbouring countries, which led to an active attitude on the part of Korean broadcasters in trying to break into a wider overseas market, in order to maximise their profits as well as to overcome the limitation of the relatively small domestic market.

Cultural nationalism: the inconsistency between the government and popular culture

While the top-down structure of relations between the government and the broadcasting industry is seen as the hidden historical factor to have stimulated the entry of Korean dramas into the international market, it is important to note that government support for drama exports, although enthusiastically offered, has been criticised by industry insiders as failing to provide effective help.

One of the significant points in the serial Korean Wave support policies is that the Korean government has maintained an instrumental perspective regarding the overseas popularity of domestic dramas. Rather than focusing on encouraging drama exports *per se*, the direction of Korean Wave support policies seemed to be shifting towards the overseas promotion of traditional Korean cultural content. In this process, the overseas popularity of Korean dramas has been at times used as a tool for accessing Asian audiences, as discussed in Chapter 5.

In this sense, it is hardly surprising that the majority of the informants in this study did not agree that the government's Korean Wave support policies had provided appropriate help for drama exports. Even several civil servants admitted in their interviews that the government support policies had often failed to provide practical help for drama exports. There has been much public debate about the effectiveness of government policies and a variety of predictions have been made about the future role of the government in the maintenance of the Korean Wave.

This study has found that the inconsistent perspective of the Korean government in the execution of Korean Wave support policies, which has led the government, on the one hand, to enthusiastically support the internationalisation of the cultural industries, but, on the other hand, to continue to promote ‘distinguished high national culture’, is related to the previous nationalistic perspective of the Park Chung-hee regime towards traditional culture. After 1972, with the establishment of the *Yushin* Constitution which allowed Park to obtain a life-long dictatorship, the Park regime created a specific cultural identity by promoting ‘sound’ traditional culture and concurrently regulating ‘unsound’ popular culture. The analysis in this thesis has claimed that the specific cultural identity forged during the Park regime still has a strong influence on current government policy for the cultural industries, despite the change of state regime in 1998 to the left-wing Kim Dae-jung administration.

The philosophy of President Kim Dae-jung, which focused on the economic viability of the cultural industries, was clearly pioneering. The actual policies, however, maintained the old cultural identity which emphasised ‘sound’ and wholesome culture. This study has found a fundamental divide between the philosophy of President Kim towards the cultural industries and the old perspective of policy practitioners. It can be argued that the practical support the government gave to encourage the dramatic export performance of Korean dramas had little to do with supporting drama exports *per se*.

Indeed, the formation and development of the cultural industries policy, as well as policy rhetoric, has stressed the commercialisation of traditional cultural content such as food and clothes, and the instrumentalisation of the overseas popularity of Korean dramas for the promotion of these commercialised aspects of traditional culture. In essence, the government has worked hard to promote the state image, but done little to promote the process of drama exports. In this respect, it could be argued that the Korean government has not yet escaped from the frame of cultural nationalism, which attempted, in its policies of support for the cultural industries, to clarify and elaborate national identity through the restoration of ‘high’ culture (Hutchinson, 1999: 394-395).

As demonstrated in Chapter 2, in the academic discussion of nationalism and national identity, ‘(traditional) culture’ has taken a significant position in the formation of nationalism. Regarding the appearance of cultural nationalism, Smith emphasises the historical context of the nature of nationalism:

Nationalism demands the rediscovery and restoration of the nation's unique cultural identity; and this means returning to one's authentic roots in the historic culture community inhabiting its ancestral homeland. As a form of culture, the nation of the nationalists is one whose members are conscious of their cultural unity and national history, and are devoted to cultivating their national individuality in traditional culture. . . . the overall trust of nationalism is clear: [the culture can be used] to mobilize the citizens to love their nation. (2001: 33-35)

After the appearance of more aggressive and fanatical nationalism with the expansion of industrial capitalism in the nineteenth century, nationalism became a political movement; that is to say, nationalist movements were needed to unify various groups in order to modernise nations. In this process, the 'cultural nation' was rediscovered as the authentic self of a national state (Smith, 2001: 74).

In particular, nationalists tend to reinvent a revised traditional folk culture as 'traditional high culture' in the context of cultural nationalism. According to Gellner, nationalism reinvents the traditional folk culture produced by local micro-groups as a 'local high culture of its own'. (1983: 56-57) Gellner's description of the over-emphasised revival of traditional culture as a high culture which deserves to be protected by its own states can be compared to the process of formulating cultural nationalism adopted by the Park Chung-hee regime in the early 1970s, in line with the introduction of Park's unlimited dictatorship through the *Yushin* constitution.

In the creation and articulation of its cultural identity, as shown in Chapter 5, the Park regime emphasised the value of traditional culture in terms of ethnic morality, and conversely regulated Western-influenced popular culture on the pretext of maintaining the purity of the Korean social system, which is based on traditional Confucian moral principles. He may have had political motivations for doing this, both to reinforce his position as a lifelong national leader and to prevent the Korean people from demanding a more democratic society after being exposed to Western popular culture. The preference for traditional culture and the regulations against popular culture during the Park regime are consistent with Hutchinson's argument that: 'the primary duty of nationalists is to defend the national language [and traditional culture] against *foreign adulteration*, [arguing that] otherwise *moral degeneration* will follow'. (1999: 393; emphases added)

Thus, the formulation of cultural nationalism under the Park regime was coherent and consistent with the historical context of the nationalist perspective in post-colonial countries which demanded national unification through the confirmation of cultural homogeneity. It was also instrumental in establishing and securing Park's regime in the specific political landscape of the Korean peninsula. The cultural identity created by the Park regime seems to have been not only maintained, but also reinforced in the top-down atmosphere of the Korean government during the thirty years military regime, and consequently remained a component of Korea's cultural policies even after the termination of the military regime and society's movement forward into an advanced industrialised economy.²⁴¹ Thus, it is not difficult to see why the conceptual root of the Korean Wave support policies is still attached to this form of nationalism, and as a result these policies have implicitly concentrated on promoting the supremacy of indigenous culture rather than truly viable content.

An important point is, however, that most Korean dramas which have become popular overseas were created by individuals or companies which are neither affected by traditional culture nor represent a national identity. Undoubtedly, the Korean drama industry, which has little to do with traditional culture, has become increasingly commercialised with the growth of media marketisation on a global scale. As dramas do not belong to traditional Korean 'high' culture, the drama industry was inevitably excluded from the government's notions of cultural identity until the advent of the Korean Wave. Hence, since the hasty beginning of the Korean Wave support policies in the mid 2000s, which were mainly triggered by the unanticipated popularity in Japan of the Korean melodrama *Winter Sonata*, the Korean government has begun to regard drama exports from the old nationalist perspective, treating them as an efficient tool for promoting traditional culture. This has caused serious concerns about how effective the Korean Wave support policies really are and whether the government has actually made a balanced analysis of the nature of drama exports. Ironically, as more Korean Wave support policies have been launched every year, industry insiders' distrust of government policies seems to have intensified.

Given this complicated situation, the most sensible option would appear to be for the government to recognise its mistake and change its policy accordingly by offering practical support for drama exports to the overseas market. However, this is not likely to happen

²⁴¹ As mentioned In Chapter 1, Korean people still tend to be nostalgic for the old Park Chung-hee regime mainly because of the rapid economic development and the consequent escape from extreme poverty which were achieved during that time.

because the government has persistently maintained its nationalist approach towards the Korean Wave support policies. It has continued to link popular culture exports to state promotion, even though many industry insiders have continued to criticise both the policy confusion and the inappropriateness of the support offered. This may mean one of two different things. First, it may indicate that the overly bureaucratic government system has been incapable of perceiving its own nationalistic agenda in cultural policies. Secondly, it may be that the government is aware of its agenda, but will not give it up, even given the negative responses it has drawn from industry insiders.

Beyond these practical problems, a more serious issue raised in this study is the fact that government and industry are unlikely to reach a compromise because of the gap in their respective concepts of culture. While the primary consideration of the government in operating cultural policies has been to cling to traditional 'high' culture and nationalism, the main concern of the more flexible cultural industries has been simply to sell their products on both domestic and overseas markets. As Straubhaar points out in his case study of the Brazilian television industry, the Korean broadcasting industry is also confronted with an inconsistency: while industrial factors in the television market tend to be increasingly globalised, media policy and the cultural identity of the government are still very nationally focused (Straubhaar, 2001: 137).

Therefore, the current challenge for the Korean government should be to resolve the longstanding conceptual confusion in cultural industries policies. After overcoming this confusion, the government may be able to find its most appropriate role through new debate and research into the export of popular culture products. The conceptual gap between bureaucratic policies and the cultural industries is easy to perceive, but seemingly difficult to resolve. While the context and application of the Korean Wave support policy have not been able to overcome the nationalist dilemma to date, the political and historical factors which have intertwined with government cultural identity make it more difficult for the government to escape this confusion.

Appendix A

The following questionnaires were created for the semi-structured interviews with 33 informants carried out during the two fieldwork trips in 2010 and 2011. In fact, these questions were used just a guideline. Some questions were added for each interviewee's profile.

Questionnaire for the policy-makers group

1. As a person involved in government policy making, could you estimate the accomplishments of Korean dramas in the Asian market in the last decade?
2. Do you think that the government cultural policy or broadcasting policy has been helpful to the export processes of Korean dramas? If so, which part of the policies could this be?
3. Since the early 1990s, the government has sincerely supported the export of Korean films to the overseas market. As a result, some Korean films have won awards at international film festivals and were exported to the overseas market. However, the export of Korean dramas greatly surpassed that of Korean films on the overseas market. What do you think were the reasons that the Korean government was so supportive in this regard?
4. Following the previous questions, does the government admit that it misunderstood the viability of Korean dramas, or does it still consider that Korean films can also gain popularity on the Asian market like Korean dramas in the future?
5. It seems that the government considers the export of Korean dramas as the role of the broadcasting industry, rather than the government. What role should the government play in promoting a better image of the present popular Korean dramas on the overseas market?
6. In 2008, the government investigated the wide range of possibilities for the Korean Wave in four Asian countries. After that research, how did government policy change to support the Korean Wave?

7. It is thought that the government has tried to increase the export of domestic industries to Asian countries on the strength of the popularity of Korean dramas. Do you think that this is a successful strategy?
8. In the White Paper on the Cultural Industries in 2007, the government defined the Korean Wave as ‘the overseas popularity and preference for Korean popular and high culture, or related cultural products’. In the present situation, however, only the popularity of dramas has not declined, and the popularity of other genres has clearly decreased. What do you think is the reason for the difference, and why do you think the government included ‘high culture’ within the boundary of the Korean Wave?
9. Some academic research shows that the broadcasting industry has always been under the strong influence of government policy. Do you think that the Korean government has exercised a certain influence on or intervened in the characteristics of Korean dramas?
10. In 2001, the broadcasting policy declared that all terrestrial stations should broadcast at least 20 per cent (MBC and SBS 35 per cent, KBS1 24 per cent, KBS2 40 per cent) programmes made by independent production companies. Since then, most dramas produced by independent producers have suffered from a financial deficit. Some productions have reached the crisis of bankruptcy. What does the government do to support these independent producers?
11. Some Korean media have shown concern that there has not been an outstanding masterpiece in Korean dramas after *Jewel in the Palace* (MBC, 2003-2004). Drama creators claim that the lack of a well-organised system and budget has blocked the development of the drama industry. In this situation, what does the government do to maintain the popularity of Korean dramas in the Asian market?
12. Apart from financial support, what do you think that the government can do to support the drama industry in terms of broadcasting policies?

Questionnaire for the drama exporters group

1. First, I would like to know when and how Korean dramas were able to be exported for the first time. Some articles state that the first export of Korean dramas happened in the 1980s, but it is not easy to find the exact data for the first export of Korean dramas.
2. According to some articles, several Korean dramas were exported to Taiwan in the early 1990s, but they could not gain the interest of Taiwanese audiences. Why did Korean dramas fail to gain popularity in the overseas market in the early 1990s?
3. In 1997, some Korean dramas such as *Star in My Heart* (MBC, 1997) and *What is Love All About?* (MBC, 1991-1992) gained popularity on the cable channels in the Chinese territories. The Korean Wave seems to have emerged with the popularity of these dramas. This means that most Chinese audiences recognised Korean dramas for the first time with these dramas. Do you think that these dramas had some elements that differentiated them from other Korean dramas?
4. How did Korean broadcasters realise the viability of Korean dramas in the overseas market?
5. I think that Korean broadcasters had attempted the export of Korean dramas before the emergence of the Korean Wave. Do you know which company, KBS or MBC, first tried to export dramas?
6. Following the previous question, was there any external clue that led Korean drama exports to the overseas market (for instance, a demand for Korean dramas from foreign broadcasters)? Otherwise, did the broadcasting stations have own idea about program exports?
7. KBS and MBC both organised international business teams in the early 1990s. Could you explain the role of these teams? What is the role of Korean broadcasting stations in the processes of exporting dramas?
8. You may feel the tastes of foreign broadcasters and audiences for Korean dramas. In the early stage of the Korean Wave, the trendy dramas were at the centre of the popularity of Korean dramas in the Asian market. However, the tremendous popularity of *Jewel in the Palace* seems to have changed Asian audiences' preference to Korean historical dramas. At present, which do Asian audiences prefer in Korean dramas?

9. Following the previous question, what characteristics of Korean dramas do you think have appealed to Asian audiences? Do they like all Korean dramas, or prefer a certain genre? Also, are Asian audiences' tastes slightly different in each country?
10. Do you think that the Korean government has been somewhat helpful to drama exports? If so, which government policies or departments are most helpful in practice?
11. Some broadcasting industry experts point out that the price of Korean dramas has increased too much, which clouds the good reputation of Korean dramas in the overseas market. Do you agree with this opinion? If so, what should the Korean broadcasting industry do to solve this problem?
12. Except for just a few dramas, the popularity of Korean dramas has remained in the Asian market. Do you think that there is a possibility of Korean dramas' popularity jumping the borders of Asia and going to other overseas markets?
13. Recently, there have been media reports that the possibilities for Korean dramas in the Asian market have slightly declined. Do you agree with these articles to a certain degree? If so, what do you think is the cause of this decrease and how can Korean dramas get over this dilemma?

Questionnaire for the drama creators group

1. Recently, the government has tried to support domestic drama productions. From the viewpoint of drama creators, do you feel that government policies have been somewhat helpful to you?
2. Regarding the previous question, have you had any opportunity to meet the policy-makers and explain the practice and difficulties of drama production?
3. It has been thought that Korean dramas became one of the popular genres with Asian audiences. Why do you think that Asian audiences tend to prefer Korean dramas to other foreign dramas, even to American or Japanese ones?
4. Some cultural studies researchers argue that Korean dramas are a kind of hybrid genre, being affected by American soap operas and Japanese trendy dramas, rather than having independent and unique characteristics. Do you agree with this opinion?
5. Following the previous question, what do you think are the distinguishing characteristics of Korean dramas, and which sector of Korean dramas can appeal to Asian audiences?
6. During the production of dramas, do you try to get feedback from your drama viewers? If so, how do you react to your audiences' opinion?
7. Recently, many drama fans have organised drama fan clubs on the internet, and actively exchange reviews and opinions with each other on their favourite dramas. Do you think you have been influenced by these fan activities? Also, do you think that drama fan culture can interact positively with drama creators?
8. After the emergence of the Korean Wave, do you take some account of the tastes of foreign audiences as well as domestic audiences?
9. Some economists estimate the value of Korean dramas' popularity from the economic viewpoint (for instance, Korean dramas' popularity has led an increase in tourist industry income). What do you think is the foremost profit from the popularity of Korean dramas in the overseas market?
10. After the huge popularity of *Jewel in the Palace*, many Asian audiences tend to prefer Korean historical dramas. Do you think there are some unique factors in Korean historical dramas which differentiate them from other Korean dramas?
11. Have you ever felt some pressure from the government or the broadcasting stations to change the content of dramas? If so, could you explain more? Do you think this is a kind of censorship?

12. Broadcasting industry experts point out that the drama industry has suffered from a lack of budget and from the absence of an organised system, in spite of its success in the Asian market. Moreover, increasing competition among terrestrial stations has led to imprudent copying of the popular drama format. What do you think about that?
13. Do you think that working conditions in the drama industry have been improved since Korean dramas gained popularity in the Asian market?

Questionnaire for the media studies researchers group

1. From the perspective of researchers, what is the main cause of Korean dramas' popularity with Asian audiences?
2. Before the emergence of the Korean Wave in 1997, did you anticipate that Korean dramas had the potential to be exported to the overseas market in the near future?
3. Regarding the previous question, the Korean Wave seems to have penetrated in a relatively short time. How do you think this was possible?
4. Do you think that the government has properly supported drama exports? Or that the government policies are not sufficiently helpful to drama exports?
5. Since the opening of KBS in 1961, the government seems to have controlled the terrestrial stations. For instance, the Park Chung-hee regime encouraged the broadcast of epic dramas as a means of justifying its dictatorship. Do you think that the government's control of the broadcasting industry has somewhat influenced the formation of the characteristics of Korean dramas?
6. Do you think that the characteristics of Korean dramas have been formed by a hybridisation of some foreign drama styles, or were they created by domestic elements?
7. Following the previous question, what social and political factors have affected the characteristics of Korean dramas?
8. Since the mid 1990s, the government has supported Korean film exports. After a decade, however, Korean film exports seem not to have achieved good results compared to dramas. Do you think that the government did not properly recognise the viability of each industry? Also, how did Korean broadcasters succeed in exporting dramas without support from the government?
9. In the early stage of the Korean Wave, major Korean companies like Samsung and LG indirectly helped drama exports in order to promote their manufactured products on the emerging market in Asia. Do you think that these big businesses played a key role in the entrance of Korean dramas into the Asian market?
10. Telenovelas, the Brazilian soap operas, have penetrated audiences in the whole of Latin America, mainly due to their cultural proximity. Do you think that the popularity of Korean dramas with Asian audiences can also be explained by cultural proximity?
11. Unlike American soap operas, the popularity of Korean dramas remains within Asian audiences. Why do you think that only Asian audiences prefer Korean

dramas? Also, do you think it is possible for Korean dramas to go beyond the Asian market and break into other overseas markets?

Appendix B

Korean titles of broadcast programmes mentioned in this thesis

Dramas

The Gate to Heaven (HLTZ, 1956) 천국의 문

The Friday Stage (KBS, 1961) 금요극장

The First Snow (TBC, 1964) 첫눈

500 Years of the Chosun Dynasty: the Japanese Invasion (MBC, 1990) 조선왕조 500년:
임진왜란

Eyes of Dawn (MBC, 1991-1992) 여명의 눈동자

What is Love All About? (MBC, 1991-1992) 사랑이 뭐길래

Jealousy (MBC, 1992) 질투

Sandglass (SBS, 1995) 모래시계

First Love (KBS, 1997) 첫사랑

Star in My Heart (MBC, 1997) 별은 내 가슴에

All about Eve (MBC, 2000) 이브의 모든 것

Autumn in My Heart (KBS, 2000) 가을동화

Fireworks (SBS, 2000) 불꽃

Heo-Joon (MBC, 2000) 허준

Winter Sonata (KBS, 2001) 겨울연가

Jewel in the Palace (MBC, 2002-2003) 대장금

Jumong (MBC, 2006) 주몽

The Legend (MBC, 2007) 태왕사신기

Boys over Flowers (KBS, 2009) 꽃보다 남자

Queen Seon-duck (MBC, 2009) 선덕여왕

Animation

Kkatchi the Wanderer (KBS, 1987) 떠돌이 까치

Documentary

Beautiful Mountains of the World (KBS, 1997) 세계의 명산

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