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The Role of the State in the National Mediascape:

The Case of South Korea

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ABSTRACT

This essay examines recent South Korean cultural transformations to contest the theoretical viability of recent accounts of globalization and political economy. Applying Appadurai's "mediascape" to the Korean context, I argue that while the demise of the state as touted by many popular and economic liberal scholars since the early 1990's remains a possibility, it is not likely in South Korea given its distinctive economic and cultural developmental path. In the Korean context, the structural logic of globalization and the recent history of the global economy can ironically be read as rationalizing the strong state. The absence of a universalizable logic connecting economic globalization to the diminution of state power accentuates the importance of attention to the normative or ideological dimensions of global order. The essay thus explores

different kinds of stateness and their consequences, with more explicit attention to how the modern state, by intervening in the national media industry, can shape and deflect its own participation in global regimes to a larger extent than typically conceded by globalization scholars.

The Role of the State in the National Mediascape: The Case of South Korea

Globalization, now a ubiquitous concept in the popular mind, encompasses multiple and even drastic changes in all areas of social life, especially economics and culture. Not surprisingly, its meaning varies considerably depending on whose perspective does the emphasizing, and thus globalization can be discussed in economic, political, and cultural terms. Whether expressed through the vernaculars of neo-liberal economics, critical theory, or postmodernity, globalization is by now widely applicable to a range of debates pertaining to homogenization/heterogenization and local/global issues.

Globalization has many faces. In the area of economics, practices favoring free trade, private enterprise, foreign investment, and liberalized trade prevail. With respect to social and cultural forces, new consumption patterns and lifestyles with consequences for migration and social organization have arisen. In turn, the flows of people, goods, information, and images reflect the influence of communication processes (Featherstone, 1990; Appadurai, 1996). New identities and imaginaries are thus constituted.

While it is hard to deny the recent expansion of global interconnectivity, the specific ways in which globalization is stipulated as an objective reality are not always tenable, since globalization remains an ongoing project whose final realization might yet be interrupted. Forgetting and sometimes intentionally neglecting the nature of globalization as an ongoing project, globalization advocates from both the right (e.g., adherents of the “end of history/end of ideology” argument) and the left (e.g., those who still defend the cultural imperialism thesis) often ask misleading questions about the nature of globalization, when globalization began and the extent to which the world is globalized.

Globalization accounts emphasizing technological change have led some leftist critics to read it as an effect of inhuman causes, the predictable outcome of overdetermination, and a necessary outcome of the formidable economic and cultural imperialism by which transnational capitals threaten national sovereignty and aboriginal culture (Schiller, 1991). Hardt and Negri’s widely read account (2000) sees globalization as simply the newest title for the reemergence of Empire, which although dominated for now by America and historically anticipated by Rome, foreshadows an emerging complex of transnational capital flows. Others, focusing on the intensification of global connectivity seen in the late 20th century, concentrate instead on the acceleration of economic interactions after nation-states emerged triumphant from the wars declared by imperialism (Held et al. 1999).

Most discussion of the role of the traditional nation-state given globalization highlight relationships between state and market and yield two common but contrary positions. Neoliberalists tend to offer a negative view of the state in developing countries, characterizing it as corrupt, self-interested, and incompetent (Mosley et al., 1991). The imposition of privatization, deregulation, decentralization, and further integration into the global economy have, not surprisingly, coincided with a decrease in public expenditures in such countries (Gonzalez, 1996). Under the force of such trends, some see the state as increasingly powerless, even rendered obsolete by globalization while liberated market economies progressively fulfill the traditional functions of state power. But a larger number of observers take the view that although globalization is changing the role of the state, it will remain an important actor (Featherstone, 1990; Giddens, 2004).

These diverging accounts can be illustrated with reference to Korea's experience with globalization, a point elaborated in the rest of this essay. In Korea, a discourse of globalization began to permeate national life starting in the early 1990's, when the Kim Young-Sam government (1992-1997) made globalization a national priority. As we shall see, betraying a theoretical tendency (Hardt & Negri 2000, Castells 2000, Mosley et al. 1991) to see nation states as a hopeless victim of transnational capitalism, or to consider globalization as a unilateral process dictated by imperialist states, the South

Korean state aggressively seized the initiative to create and strongly encourage globalization.

New Perspectives on the State

In what follows, I argue that while the demise of state in this era of globalization remains a possibility, it is not a universal likelihood, especially in countries like South Korea (hereafter Korea) whose distinctive historical path of economic and cultural changes have brought state power and global capital into a close alliance. In the context of regionally variable circumstances, the discourse of inevitable nation-state demise (to put it plainly) simply distorts interpretations of state capacity. The dangers implicit in such a misreading are considerable; in fact, the real danger may be not that states will end up as thoroughly marginal but the contrary, that meaner and more repressive mechanisms of state coercion will be reluctantly accepted by sullen populations as the only sure way to avoid total institutional collapse.

Preoccupation with the demise of the state diverts decision makers from fuller consideration of the positive possibilities for increasing state capacity so they might more effectively meet the new demands they face. My aim is thus to explore different modes of stateness and their consequences, with explicit attention to the empirical effects of globalization in the Korean context. There, the structural logic of globalization and the recent history of the global economy can be ironically read as rationalizing an important role for the state. And the absence of a clear logic connecting economic globalization to the

diminishing state role sheds light on the ideological dimensions of the emerging global order.

To gain purchase on the complex interactions where articulations of state power validate globalization, this essay explores the role of the Korean state in sustaining national culture industries. Explicit state support for national culture can be understood as exemplifying the state's last gasp, but I shall argue the opposite, that state management of national cultural institutions actually enhances its capacity for controlling the discourse of globalization and its enactment in what Appadurai has called national mediascapes. What emerges is an account of globalization more fully attuned to the possibility of complex and multidimensional processes reflecting national contexts rather than obliterating them.

Of course Korea has not been totally immune to globalization. But the broader point of this essay is that local/national factors are the controlling factors in conceptualizing the pace and specificity of globalization. Recent changes in the Korean media industry document this view, since the media played a major role in Korea's corporatist political economic development despite noticeable changes in the 1990's prompted by the eagerness of large Korean corporations (or chaebol) to acquire media properties.

Chaebols are corporate conglomerates structured around a single and sometimes vast holding company. The parent company is typically controlled

by one family and subsidiaries often hold shares in each other. Considering the historical significance of the traditional relationship between state and corporation in Korea's economic development, one can reasonably assume that the corporations' new business strategy bears some relationship to state policy. Thus, taking a political economic perspective, this paper deals with the relationship between the state, the private sector, the media and national development.

Since achieving economic growth based on export-oriented industrialization was a major national goal, the Korean media industry was also confined by this paradigm. The major role of the media was to promote national interests and contribute to economic modernization. Given this purpose, limiting the freedom of the press was taken for granted. Since the media were seen as a tool for social integration and control, the state actively relied on it to solve political problems, justify its own legitimacy and achieve rapid modernization and economic growth (Park, 2000). Meanwhile, as the nation devoted itself to export-oriented industrialization by focusing on manufacturing, the culture industry was ignored apart from its functional contribution to economic strategy.

Here the application of Arjun Appadurai's vision of globalization as partly reliant on mediascapes is a helpful theoretical supplement, and this is even more true when connected to his analysis of ideoscapes the complexities of political economy. The central questions that my paper raises are twofold. What

are the economic and cultural consequences of the practice and appropriation of globalization with regard to national media industries? And, what kind of role does the nation-state play in this process? Resisting the temptation to make sweeping generalizations about the process of economic and cultural globalization (such as those made by observers who insist on treating it as an objective reality), a careful analysis requires one to investigate how national mediascapes are transformed through discursive practices and the ideological appropriations accomplished in the name of globalization, all in a nuanced and context-specific way.

On the one hand, this paper suggests that globalization be seen as a discursive invention that has been strategically deployed since the early 1990's in Korea. A review of these trends suggests that the process of economic transformation has produced steady deregulation of, and increasing state intervention into, media industries. This is a trajectory not anticipated by the most popular accounts of globalization. On the other hand, the paper highlights the active role of the state in producing and disseminating globalization discourse and in shaping the structure of the media industry in response to the globalization realities.

Mainly newspaper articles dealing with marked changes in the Korean media industry in the 1990's are analyzed to account for this counterintuitive outcome. Such evidence sheds light on the government enactment of new policies, the broader trends of corporate investment, and the active role of the

state in supervising a conducive relationship while transforming the media and culture industries.

The Role of the State: A Historical Overview

A study of globalization should begin by briefly noting the local and historical as well as global context. Korea has always been aware of its vulnerability to its two giant neighbors (China and Japan), and it has both benefited and suffered from being sandwiched between them. Modern Korean nationalism, which initially emerged as an ideological response to 19th century Western encroachments and 20th century Japanese colonialism, came to be utilized by both North and South Korea as a means to rationalize their respective desires for unification. Some scholars argue that traditional Korean isolationism (some might even name this sentiment xenophobia), is deeply embedded in the Korean psyche, so that through the post-Korean War period and even until the late 1980's, South Korea remained only a partially opened country in much of its mentality and economic practices (Bridges, 2001).

Korea's social formation in the twentieth century was greatly affected by its relationship with its strong neighbors: Japan, China, Russia, and from a longer distance, the United States. Because of its failure to accommodate internal demands for a modern revolution when the country faced imperialistic powers in the nineteenth century, Korea was subjugated as a Japanese colony for almost thirty-six full years (1910-1945). Following World War II and the resulting liberation from Japanese colonial rule, Korea once again failed to

reconcile foreign pressures with internal divisions, and as a result, Korea experienced civil war and the division of its peninsula (Ryoo, 2004).

Until recently, Korea was considered one of the poorest countries in the world. Japanese colonial domination and devastation, followed by the Korean War (1950-1953), trapped Korea in vicious cycles of poverty and underdevelopment. National division, protracted military confrontation with North Korea, and pervasive social and political instabilities further constrained the potential for economic development in South Korea. Despite these obstacles, however, since the early 1960's Korea has achieved remarkable economic success, transforming itself from an isolated agricultural society into a major industrial power within a single generation. A nation defined by its muddy subsistence farming economy was dramatically changed into one of the world's largest producers of ships, electrical appliances, automobiles and microchips. Korea is now the world's eleventh largest country in economic size and the seventh largest in trade volume. Its unprecedented success has often been touted as a model for third world countries seeking a more successful development strategy (Kil & Moon, 2001).

Although geography has not provided Koreans with security, ethnicity has. As a culturally homogenous people in a well defined peninsular area, surrounded by states and societies that are plainly more powerful, Koreans have managed to preserve their cultural traditions under what must be described as overwhelming odds. First in the face of the monolith China, then in spite of a

brutal Japanese colonial period, and then under the powerful influences of Americanization, Koreans have remained whole, distinctively as Koreans. No matter how much factional politics weakened the Chosun Dynasty (1392-1909), and no matter how acerbic and often unproductive contemporary Korean politics are, Korea has survived as both a culture and a people (Steinberg, 2002).

The uri-ism (the we-ness or one-ness) of Koreans has been reinforced by the threats to its existence. In this sense, nationalism has been configured more as a utopia in Korea than as a merely oppressive ideology, even though the latter is a normal trajectory for many western nation-states. The relatively tight web of Korean consciousness or “Koreanness” was thus formed under specific historical and geographical conditions, and it also appeared before specific national communities were imaginable or modern versions of the nation-state emerged, contrary to the claims of some anti-essentialist scholars such as Benedict Anderson argues (1983).

Analyzing Korean Political Economy

In accounting for the dynamics of Korean economic transformation, several analytical perspectives have been suggested. The first is the market perspective, which attributes Korea’s economic success to an interplay of an open economy, market conforming government policies, and assertive entrepreneurship in the private sector. According to this view, Korean economic performance cannot be seen as a miracle, but is a natural and spontaneous outcome of the application

of classical economic principles. In addition to this structural framework for economic development, the Korean government adopted and implemented extensive market-confirming economic policies through macroeconomic stabilization and institutional reforms for export promotion. It was within this market-friendly institutional setting that private entrepreneurs were able to vigorously exploit their comparative advantage (Kil & Moon, 2001).

The liberal market perspective had long prevailed as the dominant paradigm in accounting for South Korea's economic transformation. From the early 1980's onward, however, neoclassical interpretations have been increasingly challenged. A group of political scientists, developmental economists, and sociologists, who belonged to the developmentalist state camp, have coalesced to refute the conventional wisdom and insights of the liberal paradigm (Amsden, 1989; Evans, 1995; Haggard, 1990; Wade, 1990). These scholars stress the role of the state in economic transformation and development as a major player in triple alliances among the local state, local capital, and transnational capital. In opposition to the economically deterministic accounts of Third World development from both neoclassical interpretations and dependency theory, they emphasized the role of local policy-makers and their ideology in transforming national political economic arenas as well as international relations. According to these critics, market forces alone cannot adequately explain Korea's economic transformation, and accounts emphasizing a minimalist state are simply incorrect. The state was neither a simple guarantor

of the existence of a free and competitive market nor a passive and neutral container of contending social political interests. The Korean state promoted its own developmental objectives framed around an ideology of potential national wealth and military strength, a framework which went well beyond the simple manipulation of macroeconomic parameters as argued by Kil and Moon (2001).

The Korean state strategically intervened in the economy through planning rationales, industrial targeting, and the mobilization and selective allocation of resources in strategic sectors. In other words, the state virtually dictated the nature and direction of market forces in order to achieve its objectives by effectively utilizing the reservoir of policy instruments available to it. The state was able to govern market forces effectively because of its unique organizational features. While executive dominance ensured a centralized decision-making structure, the relative autonomy of the state and its powerful bureaucrats facilitated the formulation of efficient and consistent economic policies and their implementation. In fact, rapid capital accumulation and efficient economic policy require restrictions on social demands, not only of labor or the popular sector, but of rent-seeking business groups. The state was able to overcome this dilemma by insulating economic policy-making from these contending social pressures (Kil & Moon, 2001). Korea's economic miracle, therefore, would never have occurred without the strategic intervention of an entrepreneurial and developmental state.

The claims of developmental statism are by and large predicated on a dichotomy of state and society, where the state is assumed to regularly dominate civil society. Some have criticized this binary distinction as an artificial analytical construct, arguing that state and society are always already interpenetrated through a myriad of formal and informal networks and that a country's economic performance depends on the nature of these networks (Evans, 1995; Lee, 1992). In the Korean case, state-society networks have been based on a vertical hierarchy that enabled the state to dictate the form of social organization. But such a hierarchy has been complemented by horizontal ties formed through formal networks such as various councils and informal networks such as schools and families. Korea's economic success can be ascribed to this rather unique state-society arrangement (Kil & Moon, 2001).

The scene of international relations and the peculiarities of the southeast Asian regional system also factors in here, and accounts centered on these geopolitical facts have attracted increasing empirical support. Throughout the 1950's and 1960's, Korea benefited from a special relationship with the United States. This relationship was predicated on the geopolitical assumptions of American policy-makers, who saw South Korea as an important arena for Cold War confrontation with the Soviet Union. American strategic interests in Korea allowed it to enjoy hefty economic benefits in terms of aid, trade, capital, and technology from the U.S. (Cumings, 1984). It is widely acknowledged that Korea could have not survived its economic hardships were it not for generous

American assistance in the 1950's and Korean access to its export markets since the mid-1960's. This unique geopolitical landscape, coupled with the expanding world economy at the time of Korea's transition to an export-led growth strategy, facilitated its economic rise.

Although these analytical perspectives seem convincing, the many forces propelling economic performance are multifaceted, and, therefore the market, the state, and the international system are not necessarily at odds when it comes to national development. Rather, the relationship, as is evident in the Korean context, can be understood as complementary. It is essential to integrate all perspectives in understanding Korea's economic development. While the market and international system offer important (and perhaps even necessary) preconditions for economic success, the state and the political arrangements it defends also play their part. This is so not only because the state and politics influence economic policy, thereby affecting patterns of economic growth, but also because the state shapes the scene and scope of market and external transactions. These components of national power – market forces, the state, networks, and the international system – are not static but variable, and their shifting momentum generates profound impacts on economic performance (Moon, 1999; Kil & Moon, 2001). At the same time, these interacting elements in a variegated system of influence help explain not only economic success but also decline, as occurred with the IMF-induced crisis in 1997. That upheaval in the capital markets ultimately required the International

Monetary Fund to bail out several Asian countries and their ailing economies (among them, South Korea), and is best accounted for looking into the dynamic interplay of these variables over time. Such events require reconsideration of the puzzle of the state-market relationship, especially if scholars are to achieve a more realistic understanding of the locally specific repercussions of globalized phenomena, and show how unique local factors and regional systems shape forces for economic betterment.

Assessing the Plausibility of Political Economic Approaches

Some argue that the international political economy can only be understood by bringing political and economic analysis into closer relationship with each other (Staniland, 1985; Meehan & Riordan, 2002). But the stipulation of clear distinctions between the developed (core) and the underdeveloped worlds (periphery), and deterministic models like world-systems theory (Wallerstein, 1976) may not accurately portray the current scene of international relations.

Mosco (1998) argues that what was once commonly called the Third World has now fragmented into many worlds, where one segment in particular has achieved significant overall growth rates that even surpass the West. Combining the newest technologies with the oldest means of authoritarian control, several Asian nations have put substantial economic distance between themselves and the rest of the underdeveloped world. These newly industrialized countries (or NICs) have often been cited as development models for the rest of the world. Even as analysts slowly come to recognize that the NIC strategy bears some

resemblance to the Western industrialization path (in both its success and horror), it is also important to acknowledge that the overall NIC economic performance puts those nations in a different class from much of the underdeveloped world.

The diversity of claims made regarding NIC economic development requires an openness to the several different approaches available, and to the possibility that these accounts do not lead to accounts confirming globalized homogeneity. While one may subscribe to the core values and elements of a particular model, it has to be clearly recognized that certain internal variations are evident within these broad, conceptual, and more or less arbitrary frameworks. Needless to say, even very difficult to contest theories, such as those emphasizing interdependence, should not be judged adequate to convey the whole story of the so-called Asian Tigers.

Single cases can require major modification of the claims made by grand theories. And changing theoretical perspectives cannot be isolated from historical changes, here, in evolution of the Korean state. Unfortunately, the hegemony of Anglo-American ideological premises today is one of the most salient forces shaping the specific character of globalization theory, including the perceived extent to which globalization is seen as diminishing nation-state power. Universalizing, overarching, and Euro-centric accounts must be reconsidered in light of regional variation.

The Rise of the Information Society in the Global/Local Context

For more than twenty years, accounts of the Information Society have often been characterized by different versions of technological utopianism. New information and communication technologies have quickly grown into new spheres of economic activity. Most countries have rushed to build information-based economies.

Castells (2000) describes this shift as the emergence of a new society, an Information Age fundamentally different from past societies. This contemporary society has emerged because of many processes that coalesced in the last half of the 20th century, including the restructuring of capitalism and the introduction of new computing and telecommunications technologies. Each process has reacted to and accelerated globalization activity, and they also operate on each other. Their force is so pronounced that Castells postulates a fundamental change in social relations, in cultural milieus and in the form and experience of power in society.

Under these circumstances and also influenced by a global emphasis on infrastructural development, Korea worked to build an economy based on information communication technology (ICT) while it also embraced the ICT transformation as a national policy priority. In the late 1980's, Korea decided to build an integrated cable television infrastructure that would be unveiled in the middle of the 1990's. In the early 1990's, the Ministry of Information selected twenty companies which would provide cable television programming. The

Cable Television Act devised a plan to start twenty channels in eleven program categories to ensure diversity of content in cable services; news, movies, sports, arts, entertainment, education, music, children, women, religion, and transportation and tourism were all earmarked for support. Among the twenty channels started, the big three chaebols divided the potentially most profitable ones. Samsung bought the only pay cable channel (which would show films) and one arts and culture channel. Daewoo bought the movie channel and Hyundai bought the entertainment channel (Shim, 2002).

The film industry provides an empirical lens through which the global effects of culture and media can be understood. In terms of the film industry, the Korean market had long been dominated by foreign, especially American, content. In a film market where only about five Korean movies a year could attract more than 100,000 viewers, several Hollywood films enjoyed Korean viewership of more than one million people in the early 1990's. For example, the film and visual industry emerged as a promising and profitable industry that drew people's attention to the so-called "Jurassic Park Syndrome." The president and high-ranking government officials claimed that the profit yielded by the film Jurassic Park was equal to or even surpassed the dollar amount generated by exporting hundreds of thousands of Hyundai cars (Kang, 2004).

This was the culmination of a trend that began in 1988, when the direct distribution of Hollywood films started and Hollywood's dominance intensified. In 1987, Hollywood films enjoyed a theater attendance market share of 53%. By

1994, this figure had risen to 80%. The popularity of foreign films resulted in the near extinction of local film production. The number of produced Korean films dropped from 121 in 1991 to 63 in 1994. And after the introduction of Hollywood direct distribution, more than ten Korean film importers went out of business. Meanwhile, the major Hollywood distributors have reported Korean market revenue increases in the 60% range every year since 1988 (Yi, 1994; Shim 2002). Consequently, the government and companies began to realize that a well-made visual product could match a year or even two years' corporate export profit, and as this realization grew the perceived need to develop the domestic media industry grew.

Among its responses, the Korean government quickly moved to recognize the importance of copyright industries (such as the motion picture business), since the Uruguay Round (UR) accord required all 116 GATT member nations to open their markets to financial services, communications, construction, wholesaling, transportation and tourism competition. The sense of crisis this evoked for the Korean media content industry was real, and the issue was seen as having both cultural and economic implications, a point emphasized by Shim (2002). Along with cable and new regional commercial broadcasting in Korea, the increased number of TV channels led many to believe that foreign programs would dominate Korean living rooms. The growing concern that national media industries would be eclipsed as foreign media and software competitors expanded led the government to announce investments and other policy

measures to promote the visual and content industry. The Department of Culture and Tourism organized committees and task force teams that studied and issued reports promoting the development of the visual industry. Many of the major report recommendations were adopted (Kang, 2004), and the government has since invested tens of millions of dollars in the film, content, and software industries.

The Emerging Culture Industry

Since the late 1980's, a period when Hollywood films dominated the national media industry, the Korean government has realized the importance of the high value-added media industry as a nationally strategic industry for the new millennium. Hence, the Korean government encouraged the revival of the Korean film industry starting in 1995, when the first of a series of policies and incentive plans were devised.

The government enacted the Motion Picture Promotion Law, which offered a range of incentives to attract corporate and investment capital into the ailing film industry. The main part of this law provides tax breaks for film studios to bring increased chaebol capital into the film industry. The government has directly supported film and other production industries since 1999 and also opened a School of Film and Multimedia in 1995 at the Korean National University of Arts, with the intent of producing trained filmmakers able to use next-generation media technologies (Kookmin Ilbo, 1995; Shim, 2002).

It is also widely acknowledged that a screen quota system was instrumental in the recent revitalization of Korean film. As a protective measure for the Korean film industry, the screen quota system played a key role in supporting domestic film by forcing local theaters to screen a certain number of domestic movies in their theaters; for at least 146 days a year domestic films had to be shown (Jin, 2003). Some critics argue that the Korean film industry does not yet have a viable alternative to the screen quota system able to help the local film industry secure sustainable growth. Hollywood movies, which still control roughly 85 percent of the global film market, are now scrambling to maintain ticket revenues in South Korea, which until recently was seen as a relatively small East Asian market (The Korea Herald, October 2004). To recover diminishing market share, Hollywood continues to pressure American trade negotiators to abolish the screen quota system. So far these efforts have failed, and the Korean government has refused to eliminate the quota under domestic pressures, including a series of high profile rallies organized by directors, actors, students, and other nongovernmental civil society organizations (Jin, 2003).

Under these favorable conditions, several chaebols expanded their investments into cultural production after they took ownership of cable channels, and others initiated media-related projects in order not to fall behind their competitors. In order to compete with Hollywood direct distribution, the Korean film industry also needed the active participation of chaebol. Hence, from the perspective of Korean motion picture revitalization, the film industry

welcomed the chaebol's capital and marketing. Chaebols have invested in almost every sector of media industries and information communication technology. Their conventional strategy - "Do whatever is profitable" - has now been utilized in the full range of media industry development strategies (Shim, 2002). Samsung's participation in media industries is a good illustration of these efforts. Prior to the 1990's, Samsung was already running a broadcasting network and the JoongAng Daily from the 1960's, but its active involvement in a broader range of media acquisitions has steadily grown.

Venture capital has also contributed to the Korean media industry. For example, film production companies, which in 1998 only numbered 116, had grown in number to as many as 918 by 2001 and the number of distribution companies jumped from 155 to 268 between 1999 and 2001, mainly due to venture capital incentives (Ministry of Culture and Tourism, 2002). Cinema Service, the nation's largest film distributor, introduced a new source of film financing, with the launch of a public film investment fund by Hana Bank in 2001; this marked the first ever involvement of the banking sector in financially supporting the national film industry (Jin, 2003).

A Korean Media Industrial Renaissance

At the moment, Korea's culture industry is enjoying something of a heyday. Korea has become the seventh-largest film market in the world, with national film attendance totals by 2000 exceeding 70 million. In a phenomenon the Asian mass media have referred to as the Korean Wave, Korea is now a brisk

exporter of music, TV programming, and films to the Asia-Pacific region (The Korea Herald, May 2002). The film industry currently generates an estimated \$620 million per year, which seems relatively meager compared to Hollywood, where a single project may cost more than \$100 million. Still, with current blockbusters like “Silmido” and “Taegugki” breaking attendance records, analysts claim the local movie industry can regularly produce movies with tremendous commercial value. As Ko Jeong-min, chief research at the Samsung Economic Research Institute, put it: “Movies are not yet a driving economic force, but it has the potential to become just that in coming years” (The Korea Herald, March 2004).

Recent critical acclaim, including the Best Director award for director Im Kwon-Taek’s (for Chihwaseon at the 2002 Cannes Film Festival) and director Park Chan-Wook’s winning the Jury Grand Prize for Old Boy at the 2004 Cannes Film Festival, seem to portend the long-anticipated renaissance of Korean cinema (Ryoo, 2004). In 2004, Old Boy sold its remake rights to Universal Pictures at the American Film Market in Los Angeles.

What contribution did corporate investments make to the broader Korean culture industries? When financially strapped companies had to streamline their sprawling operations in the midst of Korean economic crisis and IMF-directed restructuring, stakes in the film industry were sometimes cashed out, since they were not seen as part of core operations and were losing money. But the result of this process of liquidation and consolidation was the introduction

by the larger conglomerates of new business-savvy techniques into what had been mom-and-pop management in the Korean film industry, including marketing and audience research as a central aspect of film production. With corporate investment, film companies recruited fresh talent, including creative young directors equipped with diplomas from the world's most prestigious film schools (Shim, 2002). Flush with cash investments made by a handful of companies, the Korean film industry produced a series of blockbusters, including *Shiri* (1999), *Joint Security Area* (2000), *Friends* (2001), and others.

Corporations thus played a considerable role in the restructuring of the struggling local film industry and the resulting rebirth of Korean cinema. By February 2004, Korean-made movies enjoyed a market share of 82.5 percent, an all-time level that broke the record set only a month earlier. Director Kang Je-Gyu of KangJeGyu Films, the mastermind behind Korea's first blockbuster "*Shiri*" in 1999, broke the ten million attendance record set by "*Silmido*" with his Korean War epic "*Taegugki (The Brotherhood of War)*" in 2004, seen by at least thirteen million customers. At the American Film Market, "*Taegugki*" earned an additional \$500,000 from overseas distribution deals. With public eager to share in the glory, filmmakers hope to attract as many investors as they can to finance better movies that generate bigger revenues (The Korea Herald, March 2004). The hope is that this emerging track record will attract growing Korean audiences, who by all accounts continue to seek local alternatives to Hollywood fare, that they will flock to the newly built

megaplexes to watch these well-made movies, investors happy, the money rolling in.

What are the consequences of this remarkable cultural phenomenon? No significant increase of foreign programming on over-the-air television has occurred. Both commercial and public television channels devote about fifteen percent of their time to foreign programs, a ratio roughly on par with foreign programming prior to the upsurge of globalization discourse. Of course, this is partly due to the screen quota system imposed by the Korean government, a system WTO still aims to abolish. But it is also true because foreign programs, apart from blockbuster films already being seen in theatres and some entertainment programs enjoying worldwide popularity (e.g., “The X-Files,” “ER,” “Friends,” etc.), are not so attractive to Korean audiences who prefer domestic programs such as historical and trendy drama (Korean Broadcasting Institute 2001; 1997).

The most lucrative programming timeslots, ranging from early evening to late night, are taken by domestic and very traditional programs (i.e., drama) that are sometimes derivative of American and Japanese genres (e.g., music shows, talk shows, reality TV, sitcoms) but also locally adapted. It should be also noted that Korean television shows and movies have gained wider popularity in other Asian countries including Japan, China, Vietnam, Thailand, Taiwan, and Hong Kong (Kim, 2003). This so-called Korean Wave reflects the intensified

deregulation that resulted from the transplantation of the discourse of national competitiveness into the media industry.

The Future of the Role of the State in Korea

Starting in the late 1980s, Korea adopted media liberalization as a way of managing the pressures of globalization in the context of economic deregulation and the convergence of new information technology and traditional media. To attract foreign capital, the state planned overall market deregulation. But the state has not left media industries entirely at the mercy of market logic. While such a media liberalization is sometimes viewed as an alternative path for the achievement of democratization, the Korean state also actively involved and encouraged domestic content production as a means of restricting foreign content.

It is ironic that the increasing interdependence of global culture leads some nation states to oppose the pressures of globalization when it comes to the preservation of local communicative capacities. While neoliberalism and financial liberalization compel national governments in the Third World to mediate the logic of privatization and deregulation, the critique of cultural imperialism simultaneously induces other nations to inhibit the freedom of capital and TNCs (Schiller, 1979).

Given these contradictory trends, it is premature to assume that the state is inevitably weakened in a global age characterized by increasing international trade flows. Rather, under certain conditions, a greater reliance on trade can be

associated with an increased role for the state rather than a diminished one, where the state will retain a considerable level of policy autonomy sufficient to construct distinctive economic and social systems. Strong states may provide a competitive advantage in a globalizing economy and culture, and this is nowhere more evidence than in Asia. For example, East Asian states such as Singapore, South Korea, Taiwan, and Japan have used various strategies where the state played a central role to protect Asia's position regarding the international division of labor. Although the role of the state varies across these cases, no one would argue that they are stateless societies.

State policies, including aggressive business strategy, can be central and active to this process of localization. Globalization, when understood as a complex of trade flows, but also the full range of possible state responses to those flows, thus cannot be predictably understood as a cure for the ills of nationalism, despite the optimism of some of its advocates (Ignatieff, 1994). National identity and localized sovereignty are unlikely to be soon abandoned even as globalization enjoys its heyday (Choi, 1996). The role of the state in the process of sustaining national culture industry is crucial and likely to receive continued support.

Because nations have not responded to globalization in a singular way, due to the specificities of national history, politics, culture and economy, the impact of globalization will not be uniform or unidirectional. The global tides of market competition and transnational corporate governance should not be understood

as an undifferentiated universal trend. Instead, these forces may take different configurations, which remain nation-specific as well as global. Given sufficient local political will, states retain a considerable ability to resist the pressures of global capital and transnational organizations.

The South Korean case forces us to reexamine the idea that effective participation in a globalized economy and culture is best achieved by restricting state involvement. It suggests that successful participation in the global arena may actually be best achieved through more intense state involvement.

South Korea is not a perfect model, for the very uniqueness that made Korea accomplish so much means that its path cannot be explicitly followed. But if there is a general lesson, it is that a society can rise from its own ashes and merge the important strands of its traditions with the diverse impulses emanating from global sources into a particular and efficacious tapestry of both internal excellence and international pride. This is probably one clear lesson from the Korean case that argues against the neoliberal and other Euro-centric globalization discourses.

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