

# *Special Feature:*

## *Innovative Management for Asian Futures*

### *A Comparative Study of Cultural Industries in Thailand and Korea (Part 1 – Korea)*

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#### **Abstract**

In recent years, following the boom of the cultural policies at the international level, Thailand has turned to place its emphasis on the idea of “cultural and creative industries” at the academic and policy-making level especially in its art and design institutions. Academic disciplines in arts management, information and technology, communication arts, media studies, and economics are developing into the world where they can be blended together into multiple levels of knowledge management. The policy development, and implementation plans are assimilating these industries into its national platforms, integrating culture and economics together.

Therefore, this two-part article aims to make a comparative study of the cultural industries in Thailand and Korea at the level of their operational models and policies. It will demonstrate certain economic values and potential creative industries in Thailand as well as propose recommendations for their development and enhancement.

**Keywords:** Cultural Industries, Economic Development, Cultural Policy, Arts Management, Creative Economy, Thailand, Korea

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## Introduction

The concept of “creative economy” and “cultural industries” has been receiving great attention at the national and international level in many parts of the world. Many governments and private entities are realizing their once underestimated power. The creative economy is now recognized as one of the most powerful drives for national, social, and economic development. As such, an immense number of research projects have been conducted to explore and understand the fundamentals of this practice. Policy makers, social developers, and economists hope to grab the core of these successful models for national implementation. Perhaps, one of the most popular countries focusing on the creative industry is Korea. It demonstrates how its cultural exports can bring about tremendous advantages and benefits to national economic expansion with a peripheral effect on its overall development.

In recent years, following the boom of its cultural policies at the international level, Thailand has turned to emphasize the concept of “cultural industries” at its academic and policy-making levels. Academic disciplines in arts management, information and technology, communication arts, media studies, and economics are delving in where they can be blended together into creative knowledge management. Thai policy development is assimilating these cultural industries in its national platforms by integrating culture and economics together.

Therefore, this paper aims to examine and compare the creative economies of Thailand and Korea on the levels of operational models and policies. It will demonstrate certain economic values and potential creative industries in Thailand as well as propose recommendations for their development and enhancement.

### The Emergence of Cultural Industries and the Creative Economy

The Royal Institute of Thailand (1983:734) defines “culture” as “elements that make a group grow and a group’s way of life.” The Culture Act of 1942 refers to culture as the characteristics that reflect growth, order, the good moral standard of its people and the country’s harmonious progress. Academically, it means behaviors and items that people in the group have produced or created through learning from each other as well as things that people make common use of within their group.

The term “creative industries” is often used interchangeably with “cultural industries” and “creative economy.” Together these terms refer to a series of economic activities that “combine the creation, production and commercialization of creative contents which are intangible and cultural in nature” and can be either a product or a service (UNESCO).

The World Intellectual Property Organization or WIPO states that creative industries“ include the cultural industries plus all cultural or artistic production, whether live or produced as an individual unit. [They] are those in which the product or service contains a substantial element of artistic or creative endeavor” (World Intellectual Property Organization, 2003).

According to UNESCO, cultural industries typically focus on: creating and exploiting intellectual property products such as music, books, film and games; or providing business-to-business creative services including advertising, public relations and direct marketing. Aesthetic live-performance experiences are also included as are activities focused on designing, making and selling objects or works of art such as jewelry, haute couture, books of poetry and other creative writing. Additionally, fine arts are often included in this sector, since their value is derived from a high degree of aesthetic originality. Sometimes aspects of tourism and sports are also included in this category. Products and services from the cultural industries possess artistic or creative value leading to financial returns which brings other benefits, such as social value, cultural value and pride.

The United Nations Conference on Trade and Development (UNCTAD) states that creative industries are “the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. [Creative industries] comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives. [They] are at the cross-road among the artisan, services and industrial sectors (UNCTAD, 2008).” In terms of historical origin, the term “creative industry” started in the nineteenth century when the world shifted from feudalism to capitalism, giving rise to the beginning of the commercialization of cultural production. Theodor Adorno and Max Horkheimer proposed the term “cultural industry” in the twentieth century to “draw critical attention to the commoditization of art” (Hesmondhalgh & Pratt, 2005).

It may be observed that the worldwide trend of economic development has evolved from being agricultural-based, to manufacturing, to service and now knowledge-based (Leopairote, 2010). The utilization of knowledge to create something new with potential economic value makes it hard for nations to ignore the significance of the creative economy and its substantial role in national development.

Prior to the Asian economic crisis in 2007, the growth of cultural industries rapidly accelerated due to “the increases in leisure time, rising levels of literacy, links between the new medium of television and the new discourse of consumerism, the increasing importance of ‘cultural hardware’ for the consumer goods industry” (Hesmondhalgh & Pratt, 2005). As a result, the policy makers around the world examined these industries with a new attitude. At the international level, UNESCO was one of the first to address the issue of unequal cultural resources. It attempts to assuage this disparity by developing a set of statistical methodologies to provide governments a set of tools to comprehensively examine their cultural industries. Furthermore it seeks to disseminate best practices for different countries based on the universal recognition that cultural industries are important tools for economic growth and job creation as well as supporting cultural diversity (UNESCO).

The United States has long utilized cultural industry products as one of the forces in its economic success. These products include films, cinemas, music, cultural tourism and theme parks.

The United Kingdom has also recognized the role of creative industries in its national development. The Department for Culture, Media and Sport produced the first cultural industries mapping documents in 1998 and 2001, defining and classifying the creative industries into thirteen domains: 1) advertising, 2) architecture, 3) art and antiques markets, 4) crafts, 5) design, 6) designer fashion, 7) film and video, 8) interactive leisure software, 9) music, 10) performing arts, 11) publishing, 12) software and computer services, and 13) television and radio (UNESCO) as summarized by the following figure.

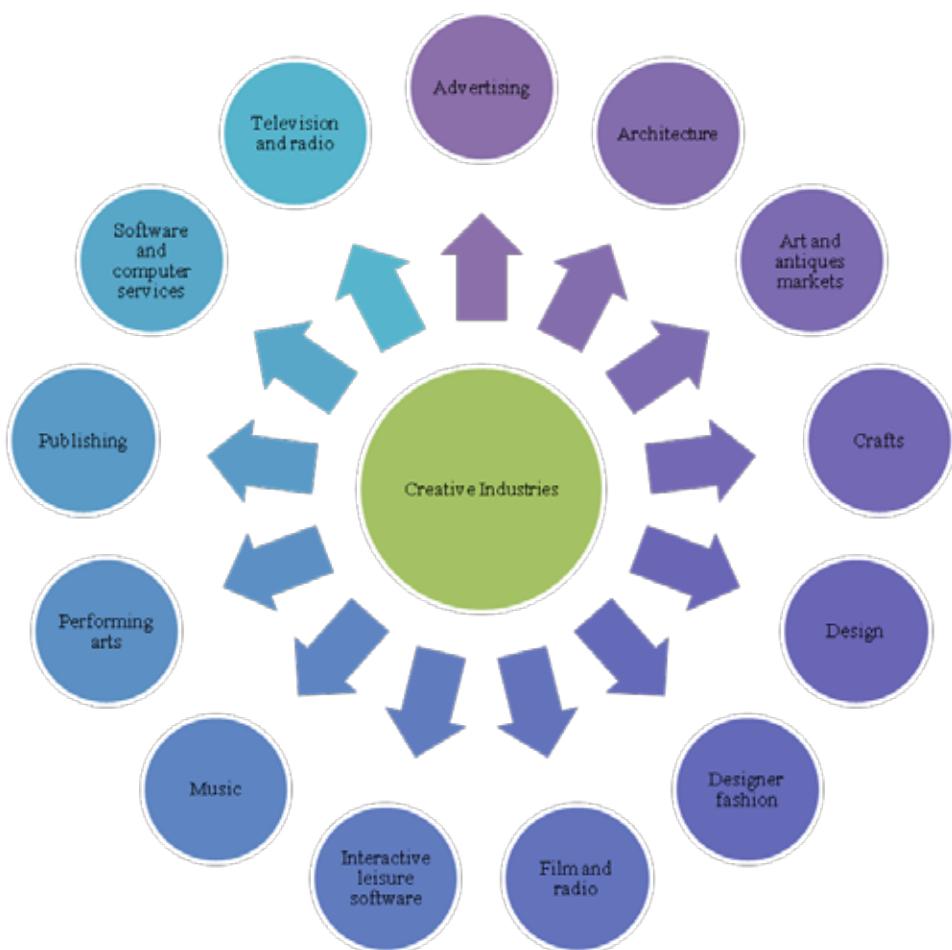


Figure 1. The thirteen Creative Industries by the Department of Culture, Media and Sport of the United Kingdom. Source: UNESCO.

There are similar models of creative economy classifications by different international organizations and/or countries as summarized in Figure 2. In the figure note that Thailand has added “traditional food” and “traditional medicine” to the

list (see 18 & 19), while there are three creative industries that Thailand has not recognized as a separate category, which are hardware, the group comprised of museums, libraries, and galleries as well as sports.

Industries	UK DCMS	Symbolic Texts	Concentric Circles	WIPO	UNCTAD	UNESCO	Thailand NESDB
1. Advertising	√	√	√	√	√	√	√
2. Architecture	√		√	√	√	√	√
3. Design	√		√	√	√	√	√
4. Fashion	√	√	√			√	√
5. Film and video	√	√	√	√	√	√	√
6. Hardware	√	√		√		√	
7. Tourism			√		√	√	√
8. Literature		√	√	√	√	√	√
9. Music	√	√	√	√	√	√	√
10. Museums, libraries, galleries			√	√		√	
11. Print media	√	√	√	√	√	√	√
12. Software	√	√		√	√		√
13. Sports		√					
14. Performing arts	√	√	√	√	√	√	√
15. Broadcasting		√	√	√	√	√	√
16. Video games	√	√	√	√	√	√	√
17. Visual arts, photography, handicrafts	√	√	√	√	√	√	√
18. Traditional food							√
19. Traditional medicine							√

Figure 2. A comparison of classifications in the creative economy. Source: NESDB.

UNCTAD has further divided its creative industries into four main sectors (heritage, arts, media, and functional creations) as depicted by figure 3.

The United Kingdom also set up “Creative Industries Production System” or “CIPS” to measure the activities in various creative industries. This system defines four segments as follows: content origination, production, distribution, and consumption. These two British systems have been studied and adopted as a model by many countries around the world (UNESCO) and includes Korea and Thailand.

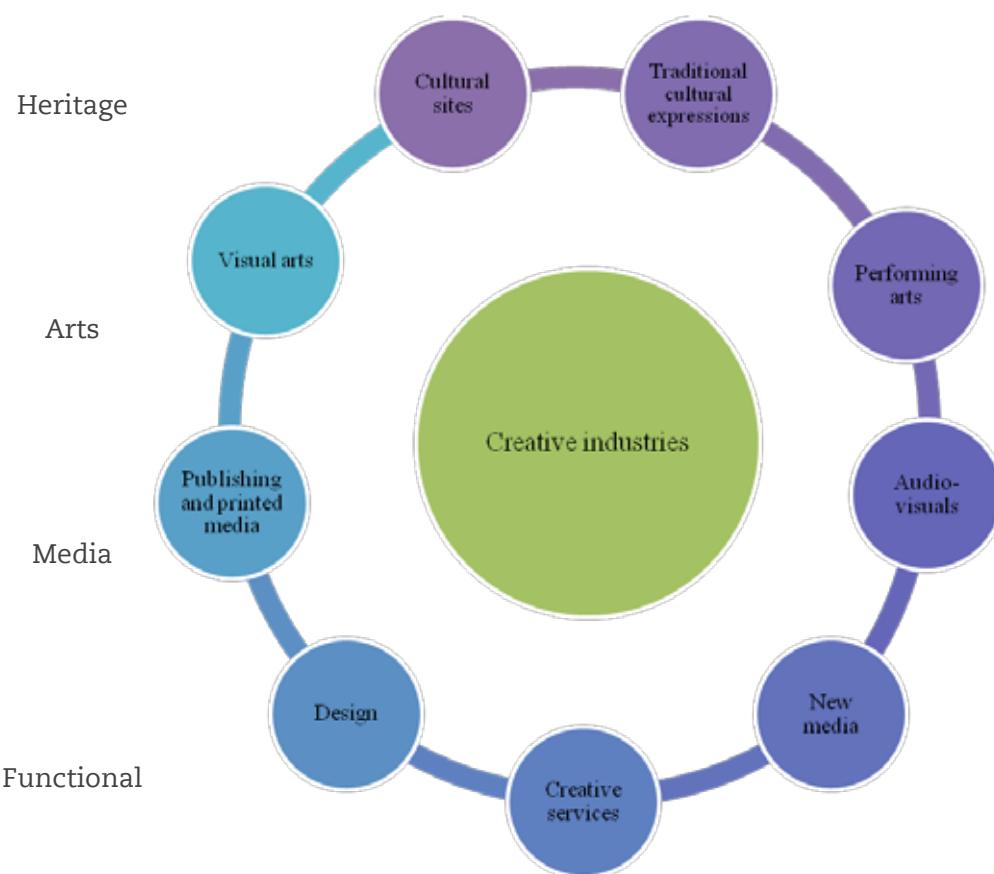


Figure 3. The four creative sectors. Source: UNCTAD Creative Economy Report 2008.

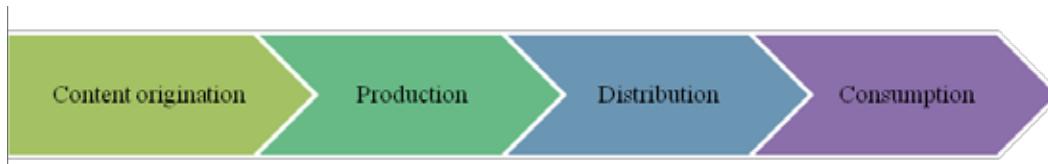


Figure 4. The four segments of the Creative Industries Production System (CIPS). Source: UNESCO.

### The Creative Economy of South Korea

In terms of exports, South Korea is ranked as the world's seventh largest exporter and has achieved a trade surplus of over US\$40 billion (KOCIS, 1999). Throughout its course of history, Korea has survived many challenging situations. The nation was occupied by the Mongolians for more than a hundred years (1231-1392) and later it was colonized by the Japanese for more than 35 years (1910-1946). These past events not only devastated the nation's economy but also its sociocultural aspects too. Korea's royal institutions and traditional practices were especially quashed. Korea also was subjected to U.S. military administration from 1945 till 1948.

Then a few years later, Korea suffered again with the Korean War (1950-1953). This left Korea divided into two countries: North Korea and South Korea. North Koreans

call themselves “Joseon” and South Koreans “Daehan” (Contemporary Korea, 2011; and Setthaphan Krachangwong, 2011).

Throughout its historical timeline, Korean culture has been influenced by Buddhism, Confucian teachings and Chinese traditions. It has also absorbed the education system and lifestyle of the Americans, the modernity from the Japanese, and a philosophical orientation from the Europeans. Specifically, the American culture was introduced by their allied forces as well as the American media imports. Korea imported music from many countries: folk, rock and ballads from the United States, enka from Japan, chansons from France and Latin America, Cuban music from Italy (Contemporary Korea, 2011; and Kim, 2011).

Due to these unfortunate events of cultural dilution, Korea felt the need to restore its integrity through the employment of nationalism so that the people would be united towards its national goals of rejuvenation and fortification of its economic, political, cultural and social development. After the war and years of being colonized, Korea had to begin anew. The government’s strategies focused on cultural marketing through media and broadcasting (Setthaphan Krachangwong, 2011).

The Korean Culture Policy has always been established and supported by its federal government who began to develop and enhance its cultural structure and policies after 1948. Its cultural sector was formerly under the Ministry of Information. In 1961, the Ministry changed its name to the Ministry of Public Information.

Korea began producing films and TV dramas for broadcast in 1960. The government played the most important and pivotal role in supervising the content production, and distribution. It established the 1960 cinema law to monitor this media sector. Consequently, its stringent regulations caused most of the Korean film producers to drop out. Seventy companies was reduced to less than 20. This lack of facilities and infrastructure to produce films and TV dramas resulted in broadcasters filling in time slots by broadcasting American sports, films, and other foreign TV programs. In 1966, an audience rating survey revealed that the American TV dramas covered most of South Korea’s broadcasting time, by ranking in the top three. (Kim, 2011)

The term “culture” was first used by the Ministry of Culture and Information in 1968. With the government’s control, the film producers found it hard to freely express themselves and design their own contents due to these limitations. The movies produced in the 1970s were considered boring due to censorship. Before 1980, movie, television content importers were restricted unless they had obtained permission from the government. (Kim, 2011)

In 1984, the laws governing cinema were revised to relax the censorship standards and entry regulations. This in turn increased cinema attendance. The entry regulations that controlled the domestic film makers required them to receive governmental permission prior to releasing a movie to the public. Whereas the same

did not apply to foreign entities. This encouraged more foreign film companies to enter the Korean film market. Then in 1987, Hollywood companies started distributing directly to Korean movie theaters, driving up the growth rate of foreign films in the Korean marketplace. Consequently, this encroachment also led to the increase in foreign culture influences in Korea (Kim, 2011; Setthaphan Krachangwong, 2011).

Later in 1990, the government separated out the Ministry of Culture into an individual organization with the sole responsibility of focusing only on cultural affairs. At this same time, Korea started to export cultural products (film and TV dramas) to adjacent Asian countries. The government once again changed this organization's name to be the Ministry of Culture and Sports in 1997. Finally, in 1998, the organization is now referred to "the Ministry of Culture and Tourism," with the responsibility for cultural policy implementation and the promotion of culture and tourism. The Korean Culture and Arts Foundation is supported by the Ministry of Culture and Tourism of Korea to assist it in its focus on cultural affairs (Kim, 2011; Setthaphan Krachangwong, 2011).

In 1995, the government set up support for "Culture Welfare" by allocating in its budget funds to local administrations for the promotion and conservation of local cultural heritage. The Korean government calls this era the "New Century for Culture," with its aims to develop and restore the Korean culture in modern times. (Setthaphan Krachangwong, 2011).

South Korea implemented its cultural promotion plan in the 21<sup>st</sup> century by introducing the Korean Wave through focusing on its cultural exports to China. This five-year plan aimed at propagating this New Korean Culture to other countries. The government's main role under this plan is to act as a supportive facilitator of the cultural activities brought forth by the public sector.

The Ministry of Culture and Tourism set up guidelines for its cultural policy for the 21<sup>st</sup> century called the "Cultural Vision 2000" in 1997 during the time of the Asian economic crisis. The principles of the Cultural Vision 2000 are as follows (Setthaphan Krachangwong, 2011):

- Support education of the young generation who show creativity in culture
- Expand creative projects that support economic development
- Reverse cultural loss and restore culture and traditions
- Promote the culture industry
- Develop a national cultural identity to support national unification
- Increase the strength of cultural diplomacy

### **South Korea's Organization and Strategy to Promote Cultural Products**

The Korean government foresaw the benefit of developing its culture as an export product to increase its income. As such, it set up the Korean Culture and Content Agency – KOCCA to focus on contents development and dissemination strategies. The idea for KOCCA began after the Asian economic crisis as the strength of this

strategy is that cultural products do not embody high production costs in comparison to other industries and yet yield a high return. Therefore, the government continues to emphasize the cultural industries for both the domestic and international markets (Setthaphan Krachangwong, 2011).

KOCCA was officially open in 2001 under the Ministry of Culture and Tourism. In a short period, KOCCA had successfully disseminated its cultural media products to other Asian countries and around the world. The Korean television series “Dae Jang Geum” is a successful example of the cooperation between the government and private sectors under the Korean Content Strategy (Setthaphan Krachangwong, 2011).

The main objective of KOCCA is to support and promote the Korean cultural contents through the entertainment media such as: films, games, arts, music and animations. KOCCA aims at developing these industries to become one of the country’s main revenue streams to support national development. It is involved in the contents of every genre of entertainment including: cartoons, games, and music. KOCCA also cooperates with other countries to exchange information about cultural industries through institutions such as the Korea Game Development and Game Institute (KDGI) and the Korean Animation Studio, etc. (Setthaphan Krachangwong, 2011).

The development of Korean cultural content is not only for cultural export, but to promote and displace other imported products such as cosmetics and other luxury goods. It also has the objective to sustain and fortify Korean society through its films and TV shows. As a result, the interest of Koreans in Korean films is up to 50% compared to other developing countries where only 10-20% of the citizens watch their own domestically produced films (Setthaphan Krachangwong, 2011).

Typically developed countries invest in film productions where the theme of its movies revolve around mysterious stories but Korean films focus on life stories and relationships, in which the characters have to face a certain dilemma(s) related to ethics, a concept that has been influenced by Confucian philosophy. Dramas and romances often intertwine in Korean movies as evident by *Full House*, *Ardor*, or *Autumn in my Heart*, etc. Some movies make sense in a constructive way such as The classic, *Taegukgi* and *Ditto* with its many war scenes, portraying the virtues of sacrifice and true love. Another strength of Korean movies lies in the admirable integration of beautiful natural scenery in the settings, such as *Winter Sonata*, *One Fine Spring Day*, and *Christmas in August*, etc. (Setthaphan Krachangwong, 2011).

Both the film industry and the Korean government have made many efforts to integrate and make Korean identity and culture such as clothes, foods, movies and traditional customs recognized abroad in many countries and represent a new choice of in the market place of cultural media products.

For example, the Samsung Economic Research Institute or “GO” has used the popular expansion of Korean entertainment as the main cannon to introduce the Korean culture or “Hallyu.” Hallyu has four stages of development as follows (Kim, 2011):

1. The popular culture expands through TV programs, films and K-Pop music.
2. Adjacent cultural industries such as cultural tourism and cultural products benefit from the expansion of digital contents into foreign countries. Movie and music fans buy more Korean products and may in turn visit Korea.
3. More adjacent Korean products are purchased which are not directly related to Korean popular culture such as electronics and cosmetics.
4. Strategies are developed to increase the awareness and positive regard towards Korea, specific Korean locations, its people, products and culture, that leads to a wider spread of Hallyu. This is especially true in the tourism and entertainment sectors.

This strategy will increase other countries welcoming of Korean culture and its cultural industries, allowing them deeper penetration into foreign markets. The important factors that led to the success in the Korean cultural expansion are due to the government’s policies and strategies that add value to their existing industries.

### **The Evolution of Korean Policies**

Before the government of Korea established their plan for the 21<sup>st</sup> Century, there were many revisions to the existing policies and regulations. Due to the Korea’s history with difficult situations and wars, the Korean government tried to revive its culture by implementing strategies to control cultural contents before switching to focus on cultural media and broadcasting media development.

### **Broadcast Policies and Regulations**

From 1962 – 92 under the Korean military controlled government, the state used television broadcasts to propagate and set up goals to govern the society. From the beginning it controlled its broadcasting industry by establishing policies, regulations, filtering contents, and enforcing distribution regulations. One of the major regulations passed in 1945 prohibited the importation of Japanese TV programs, films, music, animation and manga, which had the side effect of slowing down the quality and production of domestic TV programs (Kim, 2011).

In the 1980s, the regulations focused on the protection of the domestic industry through the restriction of foreign imports before readjusting to emphasize on improving the sector in the 1990s. This was partly due to the political democratization that took place in 1993. Figure 5 summarizes the government’s control on entry regulation in Korean film industry.

	Entry Regulation	Content Regulation	Quantitative Distribution Regulation	Japanese Cultural Goods
<b>1960s</b>	Foreign media company - entry forbidden	Deliberate censorship and temporary regulations	No records in the law	Forbidden
<b>1970s</b>	Foreign media company - entry forbidden	Deliberate censorship and temporary regulations	No records in the law	Forbidden
<b>1980s</b>	Foreign media company - entry forbidden	(1980-1986) Deliberation and temporary regulations (1987-) Korean Broadcast Commission established to regulate censorship.	No records in the law (percentage of foreign program on domestic networks limited to 15% or less)	Forbidden
<b>1990s</b>	Foreign media company - entry forbidden	Deliberation in the Korean Broadcast Commission	Quantitative distribution of foreign programs on domestic networks rose to 20% or less.	Forbidden
<b>2000s</b>	Foreign media companies - entry permitted	(-2007) Deliberation enforced by Korean Broadcast Communications standards commission.	Quantitative distribution of domestic program given by a genre	Permitted

Figure 5. Changes in the Korean broadcast industry due to government regulations. Source: Kim, 2011.

In general, the policies were implemented by the Bureau of Culture Industries under the government. In 1998, a final supportive policy called the “Broadcast Video Industry Promotion Plan” was announced by the Ministry of Culture. After this shift there were many governmentally funded policies brought in to support the distribution, production, infrastructure, marketing and the development of human resources. (Kim, 2011). Figure 6 depicts the contents of the main supportive policies.

#### Film Regulations and Policies

The Korean film industry was controlled and monitored by the government through entry regulation, contents regulation and quota allocation. In the 1970s,

the film industry was strictly monitored. This meant for a party to produce a film they would need the government's permission and the entire script had to receive approval of the government. While at the same time, the government tried to expand the domestic film market by stating that only foreign films produced in Korea could be imported into the country.

Head	Contents
<b>Production support</b>	<ol style="list-style-type: none"> <li>1. Direct support</li> <li>2. Indirect support: Accommodation, organization of investment association</li> </ol>
<b>Distribution Support</b>	<ol style="list-style-type: none"> <li>1. Domestic market: Offering broadcast times for outsourced production programs</li> <li>2. International Market: Supporting participation of the trade fair, supporting reproduction for exportation, holding the Korean trade fair (Broadcasting World Wide - BCWW), supporting coproductions with foreign companies</li> </ol>
<b>Infrastructures Establishment and Management</b>	<ol style="list-style-type: none"> <li>1. Construction of accumulation facility for program production, lending to production companies</li> </ol>
<b>Human Resources Development</b>	<ol style="list-style-type: none"> <li>1. Training programs for broadcast professionals</li> <li>2. Training programs for people who want to be broadcast professionals</li> </ol>

Figure 6. Supportive policies for the Korean broadcast industry. Source: Kim, 2011.

In 1973, the government created the Korean Motion Picture Promotion Corporation (KMPPC) to utilize profit from foreign film imports to support the domestic film industry. These profits were also used to facilitate the expansion of domestic films into the international market.

In 1984, the government set up the Korean Academy of Film Arts (KAFA) under the KMPPC to focus on developing professional filmmakers. Then in 1987, foreign film companies gained access to the Korean marketplace.

Furthermore in 2000, the government reoriented its policy to support the film and broadcast industry through giving support rather than placing limiting regulations on the producers (Kim, 2011). Figure 7 summarizes the revision on the film entry regulations while Figure 8 details a timeline of supportive policies.

	Entry Regulation	Content Regulation	Quantitative Distribution Regulation	Japanese Cultural Goods
<b>1960s</b>	Foreign entry forbidden	(1962-1965) permission for showing (1966-) Censorship	(1967-) Screen quota: Foreign movies cannot exceed 1/3 of number of domestic movies	Forbidden
<b>1970s</b>	Foreign entry forbidden	Censorship	Screen quota: Film theaters have to show domestic films 146 days per year	Forbidden
<b>1980s</b>	(-1986) Foreign entry forbidden (1987-) Foreign entry permitted	(1980-1984) Censorship (1985-) Deliberate censorship	Screen quota: Film theaters have to show domestic films 146 days per year	Forbidden
<b>1990s</b>	Foreign entry permitted	(-1996) Deliberate censorship (1997-)Classification of film ratings	Screen quota: Film theaters have to show domestic films 146 days per year	Forbidden
<b>2000s</b>	Foreign entry permitted	Classification of film ratings	(-2006) Screen quota: Film theaters have to show domestic films 73 days per year	Permitted

Figure 7. Changes in the Korean film industry due to government regulations. Source: Kim, 2011.

Year	Type	Details
<b>1979 – 1989</b>	Production	Open call for participants of scenarios
	Infrastructure	Construction of studios, recording studios, editing equipment, preview rooms, support program of foreign visit for domestic film festival winner; foreign introduction course of producers; technical training program; selecting good movies and financial support
	Distribution	Hosting a domestic film festival; support program of the film exportation; intercession of the foreign film importation; support program of exhibition for international film festivals
<b>1990 – 1999</b>	Production	Open call for participants of scenarios; selection good movies and financial support; discovery of Korea material; open call of inventive ideas and scenarios
	Infrastructure	Construction of film studio; introduction of equipment; technical training in foreign country; investment fund financing and mortgage loans for screening facilities
	Distribution	Support program of participation in a film trade fair; support program for international films interchange event

Figure 8. Supportive policies in the Korean film industry. Note: In the 1980s, the KMPPC started to focus on infrastructures support. Source: Kim, 2011.

<b>2000 – 2010</b>	<b>Production</b>	Support program for art film production; support program for HD film production; support program for independent film production; support program for international coproduction film; low budget film production program; investment fund financing and mortgage loans for screening facilities
	<b>Infrastructure</b>	Independent & student film post-production support; support program for script market; support for film organization; support for regional media center; support program for north-south Korean film exchange preproduction development funding
	<b>Distribution</b>	DVD production & distribution support for independent film; marketing support for diversity; support program for subtitle translation and print production; Asia film industry network; business R&D campus; publication of books on Korean cinema; standardization of title and spellings; support program for independent Korean film distribution in Japan; support program for commercial Korean film distribution in Japan; support program for Korean filmmakers participation in international film festivals; support program for Korean filmmakers' participation at international producer's lab

Figure 8 Cont. Supportive policies in the Korean film industry. Source: Kim, 2011.

### South Korea's Institutions and Organizations

The Ministry of Culture and Tourism is responsible for the support and promotion of culture, arts education, culture industry, religious affairs, student affairs, tourism, sports, language and international culture exchange. The supporting culture organizations are listed in the following (Kranchangwong, 2011):

#### 1. *Korean Culture and Arts Foundation*

Set up under The Culture Promotion Act in 1973, the committee of the Korean Culture and Arts Foundation manages and funds cultural activities: The research and development of literature, art, photography, architecture, local music, performances, dance, movies, and other entertainment along with supportive printing. A fund of 50 million USD per year is set up to underwrite professional artists, movies producers, cultural productions, etc.

#### 2. *National Academy of Art*

Supports creative art development by fostering the freedom of expression and promoting the status of artists. The organization also supports seminars and conventions related to culture.

#### 3. *Provincial Cultural Promotion Fund*

Operates at the local level, the organization has the responsibility to set up funds that promote local cultural activities such as the establishment of local theaters and libraries as well as supporting local artists.

#### 4. *Korean Business Council for the Arts (KBCA)*

Established in 1994, the KBCA is an important organization that promotes the exportation of cultural industries and products. Their budget is more than 100 million USD and is increases every year.

## 5. Cultural Industry Bureau

Was founded to promote cultural product production and distribution for both the domestic and international markets. The market share of Korea's cultural industry is 0.9% of GDP.

## 6. The Korea Motion Picture Promotion Corporation (KMPPC)

The KMPPC was set up in 1974 to rectify the cultural products deficit by promoting film production to the international market. The government provides continuous support of the KMPPC to promote film production in a range of formats for exports.

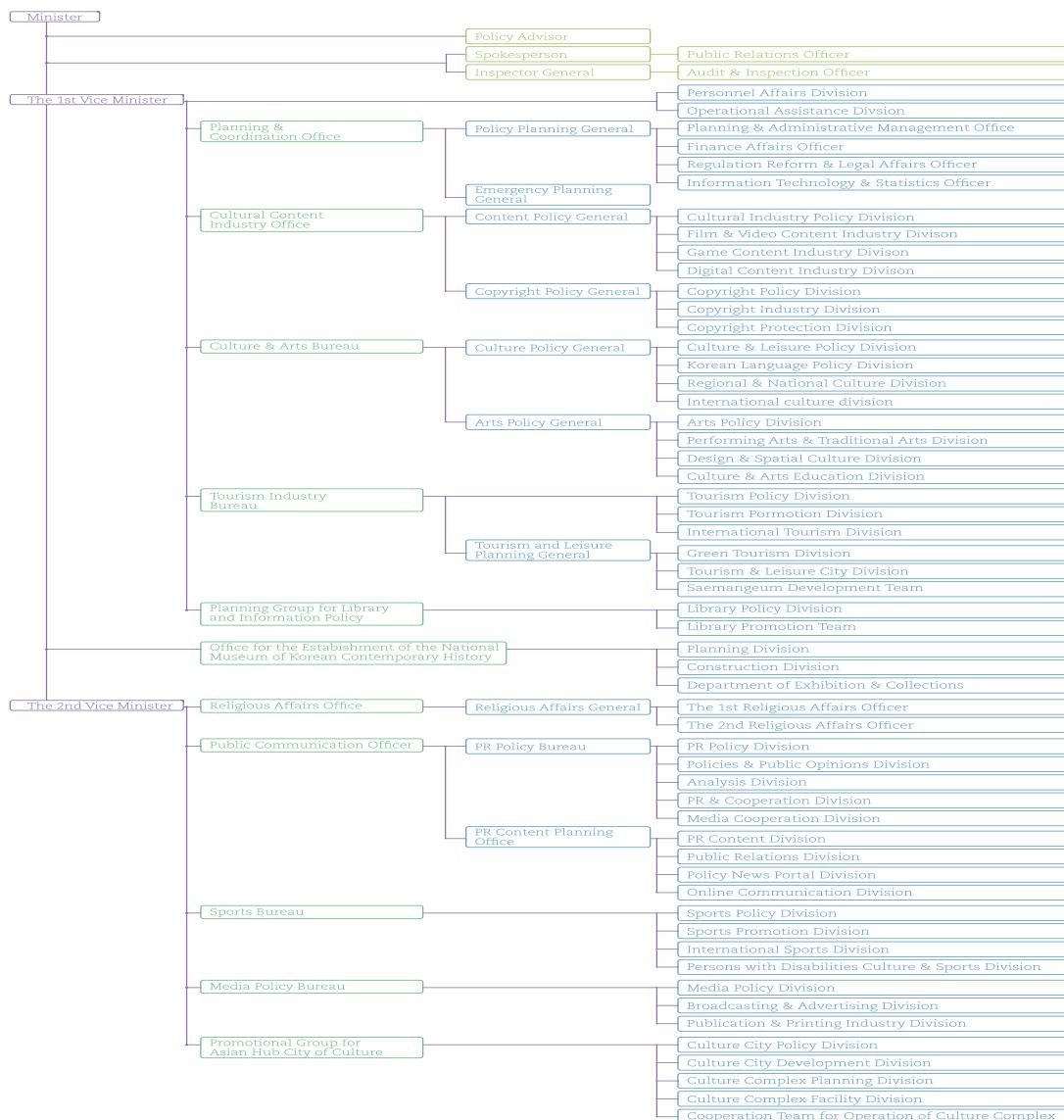


Figure 9. The organization chart of Ministry of Culture, Sports, and Tourism. Source: (MCST, 2005). Illustration by Nawarat Sittimongkolchai.

## The Results of the Policies

### The Economic Situation

The strategies of the Korean export media has been and is very successful. Figure 10 illustrates the increasing exports of Korean TV programs and how the Korean government has successfully controlled the number of imported television programs. Figure 11 illustrates the “Korean Wave” as seen through YouTube hits for Korean music videos and shows how Korean culture has spread to many countries.

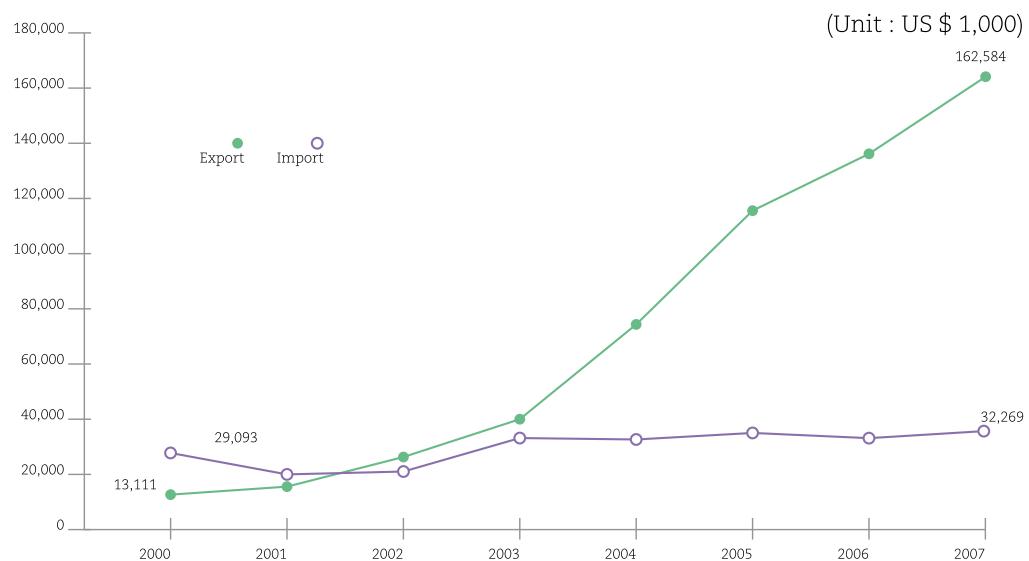


Figure 10. Exports and Imports of Korean TV Programs. Source: Korean Ministry of Culture and Tourism, 2009 (Contemporary Korea No.1, 2011). Illustration by Nawarat Sitthimongkolchai.

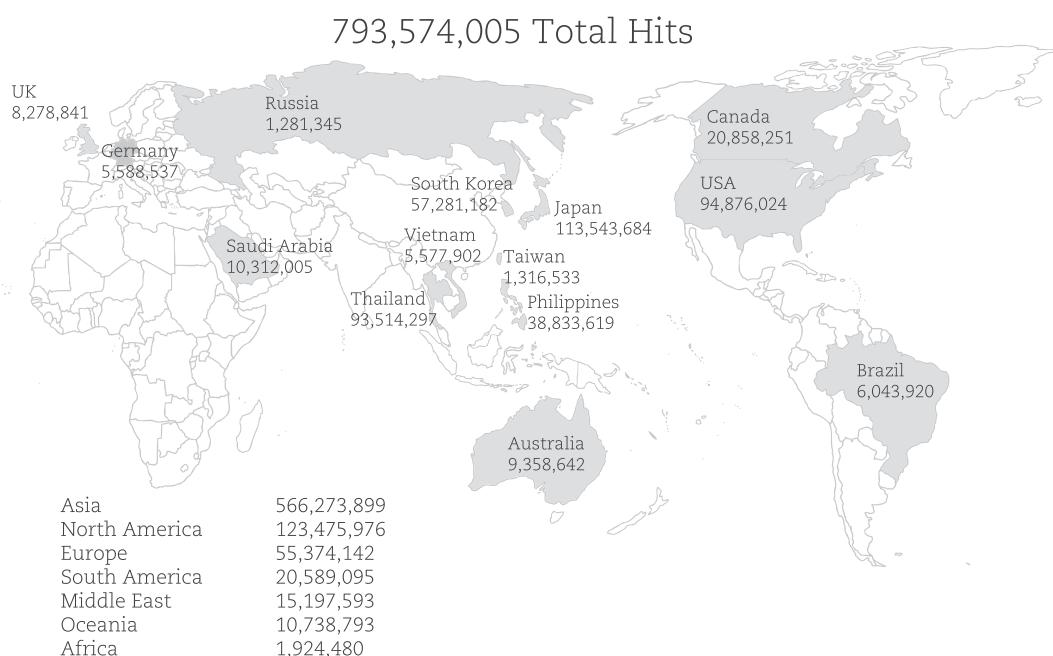


Figure 11. The Korean Wave as Seen Through YouTube Hits for Korean Music Videos. Source: YouTube from (Contemporary Korea No.1, 2011). Illustration by Nawarat Sitthimongkolchai.

Korea with the assistance of a strategy for cultural exports has become the world's seventh largest exporting nation with a greater than 40 billion USD trade surplus. The Korean economy posted its highest mark in eight years with a growth rate of 6.2 percent in 2010 and a per capital income of 20,000 USD. Its exports also keep rising due to overseas demand and has resulted in an increase of 323,000 jobs (KOCIS, 1999).

The future image of Korea is booming after it successfully hosted the G20 summit in 2010. The summit showed Korea's ability and leadership, placing it as a leader in the creation of a new international order. (KOCIS, 1999)

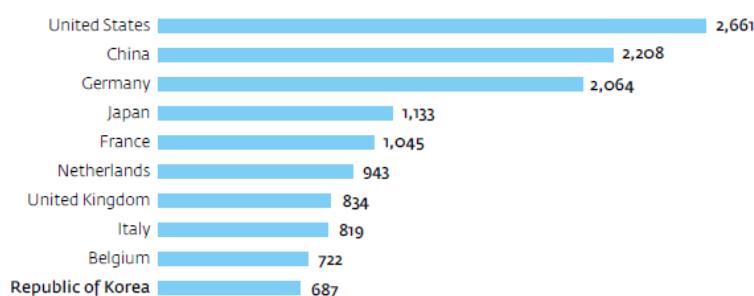


Figure 12. Leading Traders, 2009 (in USD) Source: World Trade Organization (KOCIS, 1999).

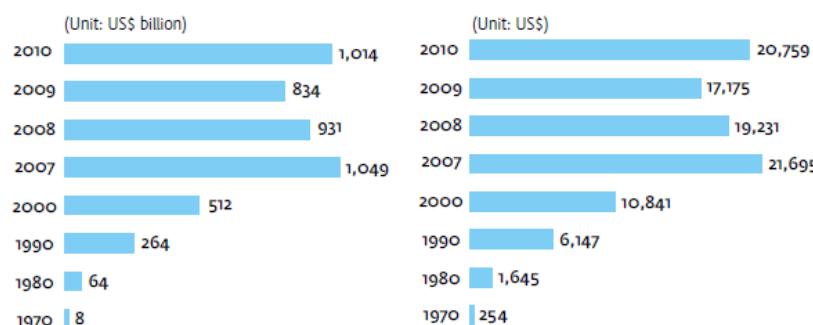


Figure 13. GDP Growth / Per Capita GNI. Source: The Bank of Korea from (KOCIS, 1999).

### Conclusion

It can be concluded that the success of the Korean economy is due to the significant involvement of the Korean government as it served as a facilitator for its domestic cultural industries. The strategy of exporting cultural products is easily sustainable as it also leads to higher overall consumption of Korean products. The Korean cultural economy is an effective and efficient model for many countries in the world to study and consider, including Thailand.

This concludes part one of this article. The second part featuring Thailand will appear in the next issue of the Journal of Urban Culture Research.

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