

A study on the policy of Korean Cultural Industry

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Abstract

Purpose – This research, based on the successful experience of Korea, especially of Korea government, which, though promulgating laws and making policies, plays an rather pivotal role in Korea cultural industry development process, in developing cultural industry, explores possibly successful path and pattern that is suitable for China cultural industry.

Research design, data, and Methodology – The study conducted a survey on Korea's 2000-2011 year data. After empirically analyzing the data, we believe that cultural industry in Korea and China will maintain its growth momentum.

Results – This study shows that China and Korea are both belong to the only cultural circle of Confucianism and Chinese character, therefore, to research the successful experience of Korea government in cultural industry development will do much good to better promoting the optimal development of China cultural industry. China can encourage private flow to take on enterprises. In terms of financing, diversification can be achieved, by the means of cash, land, intangible assets, technology, stock, bond, cultural lottery etc.

Conclusions – Besides, to better the degree of the internationalization of the allocation of the cultural resources, China government can, under the condition that Chinese laws permit, encourage foreign capital to invest in Chinese cultural industry field.

Keywords: China; Korea; cultural industry, Culture Politics.

JEL Classification Code: I28, I31, J18.

1. Introduction

After achieving economical take-off during the end of the last century, Korea has rapidly altered its policy direction by taking cultural industry as one of national strategies and has, within twenty years, developed to be one of the world-famous powers of cultural industry. Now, throughout the whole world, the cultural industry of Korea has transformed into a successful sample for cultural industry development research. When it refers to the reasons why Korea cultural industry has developed so rapidly, the active promotion effect of Korea government, such as its huge budget input, definitely cannot be ignored (Quan, & Youn, 2016). China, as a country of owning abundant cultural resources, in geography, is quietly adjacent to Korea and culturally, China and Korea are both belong to the only cultural circle of Confucianism and Chinese character, therefore, to research the successful experience of Korea government in cultural industry development will do much good to better promoting the optimal development of China cultural industry.

2. Status of Korea cultural industry developmet

Cultural industry refers to the industry, in which cultural art works are commercialized and then enter the circulation stage (Kim, Eom, Kim, & Youn, 2015). UNESCO (United Nations Educational, Scientific and Cultural Organization) has divided cultural industry into cultural heritage, printing material and literature, music, performing arts, visual arts, film and photography, radio and television, cultural activities, sports and society, nature and environment etc. Korea has long understood that electing cultural

industry as the dynamic of the future economic development will create high additional value and generate robust industry driving effect, thus since 1980s, Korea government has vigorously been developing its cultural industry, as national core strategic industry to turn into one of world-wide powers of cultural industry (Kim & Youn, 2015). As the consequence, now Korea has owned the world-famous cultural industry, tightly coming after Japan.

Typically, after Japan, Korea is another one paradigm, which has risen abruptly in cultural industry. Korea ranks NO.9 on the global cultural market and accounts for 2.5% of all market share. Recent years, Korea has in the fields like music, movies, TV, advertisement, network game, and publishing industry, formed a kind of phenomenon around the whole world (Seo, Kim, Kim, & Youn, 2017), called "The Korean Wave", which is worth noting.

According to Table 1, in 2011, the total market size of Korea cultural industry is 322.1 hundred million dollars and the concrete output value of every fine-sorted cultural industry are as dates. In addition, the overseas market sale has reached 41.6 hundred million dollars. According to the research report published by Korea ministry of culture, sport and tourism, the market scale of Korea cultural industry has, in 2012, reached 89 trillion won (Korean currency unit, about 78.9 billion dollars), including the overseas market sale of 45.3 hundred million dollars.

3. Experience of Korea government in cultural industry development

In 1998, Korea government put forward the policy of "Culture As Country Symbol" and enrolled cultural industry into the list of strategic pillar industries of national economic development in 21st century (Su, 2013a). Subsequently, Korea government established Korea Cultural Industry Revitalization Committee, which is responsible for making national cultural industry policy and development project, implementing policy and checking the status of the policy execution. This committee has legislated a comprehensive law, Cultural Industry Revitalization Law, and put forward the basic policy that aims to revitalize Korea cultural industry. Additionally, Roh Moo-hyun, the sixteenth Korean President, who proposed to construct Creative Korea, advocated to build Korea into Country of Culture in twenty-first century and intellectual and economic power.

In recent years, Korea government successively proposed and formulated several regulations such like, Cultural Industry Development Strategy and Cultural Industry development 5-Year Plan, which include Music, Animation and other cultural industries into the basic industries of national economy, and launched a series of major initiatives to actively foster cultural industry (Xu & Cao, 2008). To coordinate with the effective implementation of a series of cultural industry policy, Korea government has clearly defined the division of labor of related culture departments, as the way dates shows. At the same time, to promote the development of Korea cultural industry, Korea government has been continuing to increase the investment on cultural industry in the way of budget appropriation, providing subsidies, establishing special funds of culture etc. As an example, in 2010, the national fiscal budget scale of cultural industry was 35.27 hundred million dollars. The budget outlays involve many projects like cultural art, cultural industry, cultural heritage, tourism, sport etc. Moreover, the respective budget proportion of these projects are in dates.

Based on the analysis of the content of dates, the projects that account for relatively large proportion of 2010 Korea budget outlays, successively are cultural art, cultural industry, tourism etc. Additionally, according to the averages of 10-year budget outlays, Korea government has been investing large proportion of budget outlays on cultural industry and is vigorously developing many industries related to The Korean Wave (Su, 2013b).

The Dates below explains that the projects, which account for large proportion of Seoul (The representative city of Korea) government budget outlays, are successively cultural art, sport, tourism etc. Besides, the 10-year averages of budget outlays tells that Seoul government attaches much importance to cultural industry, which can also be proved by that Seoul government is making effort to build Seoul City to Culture and Arts Capital and is implementing Hangang Renaissance Plan (Seo, Kim, & Youn, 2018).

In recent 10 years, Korea government has been strengthening its financial support for cultural industry year by year (Su, 2012). The following Table 6 can illustrate this trend. Beyond that, Korea government has established many special funds, for example, Culture and Art Revitalization Fund, Tourism Revitalization Fund, The Press Development Fund, National Sports Revitalization Fund, Movies Development Fund, Cultural Heritage Protection Fund. Meanwhile, Korea government established pertinently Welfare Lottery Fund to support the development of

related cultural industries, for instance, cultural art, national sport, cultural heritage protection etc (Xu & Su, 2013). In 2010, Korea non-governmental related cultural funds scale was 27.46hundred million dollars, which was almost equal to government cultural budget.

4. Enlightenment to China Cultural Industry Development

4.1. China government should fully play a key role in the development of cultural industry and improve the cultural industry policy.

There is no doubt that compared to other Asian country's governments, Korea government's degree of intervention in the economy is much deeper(Baek & Youn, 2016). Although government intervention in the economy does not always generate active influence, Korea government's intervention in cultural industry obviously was and is indeed effective for Korea cultural industry. Thus, it is in high need for China cultural industry to develop quickly and to form strong international competitiveness that China government supports vigorously. It must be emphasized that China government should pay much attention to the powerful effect that government can make on the development of cultural industry, and make clear that what government can and should do when it promotes the development of cultural industry.

By means of laws and policies, Korea has successfully promoted its cultural industry. Korea is one of the countries that earlier formulated cultural industry promotion laws(Kim, Kim, & Youn, 2017). Korea Cultural Industry Revitalization Law has built essential foundation of law and formed optimal environment for the development of cultural industry. But in China, up to now, there is still not one related law on the promotion of the development of China cultural industry, which is not conducive for China cultural industry to form international competitiveness, therefore, it is particularly urgent to formulate Cultural Industry Promotion Law. Currently the relevant departments of the government are doing investigating on the legislation of Cultural Industry Promotion Law. The publication of this law will the formation of the unified national cultural industry policy, and this law will definitely promote the development of the characteristic cultural industry in every area.

4.2. Data and Methodology

From 2006 to2010, the 5-year average of the proportion that the cultural budget accounted for China central total budget is less than 1%, which is also much lower than the average of that proportion of Korea. Every year From 2000, Korea government's cultural industry fiscal budget is more than 1%. Cultural industry budget scale rose from 18604hundred million wons in 2000, to 40769hubdred million wons(about 35.27hundred million dollars) in 2010, and per ca pita amount grew to 72 dollars, as well. However, in 2010, China central government's cultural industry budget scale was 150.41hundred million RMBs(appropriately 22.7hundred million dollars), which was over 10hundred million dollars less than Korea cultural industry budget scale. Moreover, the per ca pita amount was less than 2dollars.

From the view of the ratio of the central and local governments' cultural industry budget scales, in 2010, the ratio of Korea central and local governments' cultural industry budget scales was 33:67, while that ratio of China was just 10:90. So, in the future, China central government should increase the cultural industry budget.

4.3. Other cultural budgets should be augmented

In the respect of cultural industry budget, Korea government has established a kind of diversified investment mechanism, in which central government and non-governmental enterprises and people can relatively freely invest. In addition, Korea government has established many special funds, for example, Culture and Art Revitalization Fund, Tourism Revitalization Fund, The Press Development Fund, National Sports Revitalization Fund, Movies Development Fund, Cultural Heritage Protection Fund. Meanwhile, Korea government established pertinently Welfare Lottery Fund to support the development of related cultural industries, for instance, cultural art, national sport, cultural heritage protection etc. In 2010, Korea non-governmental related cultural funds scale was 27.46hundred million dollars, which was almost equal to government cultural budget.

By stages, China government can encourage private flow to take on enterprises. In terms of financing, diversification can be achieved, by the means of cash, land, intangible assets, technology, stock, bond, cultural lottery etc. Besides, to better the degree of the internationalization of the allocation of the cultural resources, China government can, under the condition that Chinese laws permit, encourage foreign capital to invest in Chinese cultural industry field.

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