

## The New Korean Wave in the Creative Industry

## HALLYU



by Dal Yong Jin

Since the mid-1990s, the Korean Wave has become a global sensation.

Several Asian countries, including Japan, China, and Vietnam have absorbed Korean popular culture, and several Korean cultural genres, including television programs and films have become major cultural activities in these countries. Korea has recently started to penetrate European and North American countries with popular music (K-Pop) and online gaming. The Korean Wave has been unique because it indicates the unusual growth of local creative industries in the midst of neoliberal globalization. Once peripheral and small, the Korean creative industries have

unexpectedly developed their own local cultural products and services, and Korea's creative industries have been among the most successful contributors to the national economy.

The Korean Wave has especially experienced a significant change with the development of digital technologies and social media, such as YouTube, social network sites (SNSs), and smartphones in the 21st century. These digital technologies, as new driving engines of the Korean Wave, have initiated and supported the popularity of local culture in many countries. Unlike Hallyu 1.0, emphasizing the export of local cultural goods to East Asia between the late 1990s and 2007, the growth of social

media has uniquely influenced Korean creative industries, because a few media outlets, such as YouTube and SNSs, have become significant parts of the new Korean Wave (Hallyu 2.0). In fact, online gaming and K-Pop have become the two most significant cultural genres in the Korean creative industries and have initiated the growth of Hallyu 2.0 since late 2007, because K-Pop fans and online game users

The Korean wave (*Hallyu*) refers to the significant increase in the popularity of South Korean entertainment and culture starting in the 1990s, in Asia, and more recently in other parts of the world.

Girls' Generation is a popular nine-member South Korean girl group. Formed in 2007, they have sold more than 100,000 copies for each of their six Korean releases.



heavily access these social media to enjoy local popular culture. Hallyu 2.0 is the combination of social media, their practices, and the uses and affordances they provide, and this new stage has been made possible because Korea has advanced its digital technologies. By mapping out the growth of Hallyu 2.0, we discuss the role of social media-driven consumption and cultural production flows in Asia and across the globe in the context of creative industries.

### From Cultural Industries to Creative Industries

The development of the Hallyu phenomenon has been closely related to the cultural policies in the realm of cultural/creative industries, because the major characteristics and genres have changed based on different cultural policies. The notion of the cultural industries originally started in the 19th century when the commercialization

of cultural production began in societies. The cultural industries were later very much bound up with the rise of mass culture—a phenomenon that troubled many 20th-century intellectuals. Reacting against what they saw as the misleadingly democratic connotations of the term mass culture, Theodor Adorno and Max Horkheimer developed the idea of the culture industries as part of their critique of the false legacies of the Enlightenment, where the term was intended to draw critical attention to the commodification of art. In their view, culture had almost entirely lost this capacity to act as utopian critique because it had become commodified, a thing to be bought and sold.

The cultural industries have moved closer to the center of the economic action in many countries. Cultural industry companies can no longer be seen as secondary to the real economy. As the

United Nations Educational, Scientific, and Cultural Organization (UNESCO) defined, a cultural industry is held to exist when cultural goods and services are produced, reproduced, stored or distributed on industrial and commercial lines, that is to say on a large scale and in accordance with a strategy based on economic considerations rather than any concerns for cultural development. Since policies towards the cultural industries can no longer be separated from information and communication technologies (ICTs) and the wider information society within which that policy is formulated, included in the cultural industries are the press, film, radio, television, recording, advertising, sports, and most recently, the many components that now make up the information industry.

Since the mid-1990s, the concept of cultural industries has shifted with the

Online games and K-pop have become the two most significant cultural genres in the Hallyu 2.0 era. Unlike television programs and films, these cultural genres become a global, not regional, sensation.



**K-POP!**

My Lovely Sam-Soon (Nae ireumeun Kim Sam-Soon) is a popular Korean television drama that began airing in 2005 and features the misadventures and romantic entanglements of Kim Sam-Soon, a passionate, stubborn, klutzy, and almost thirty-year-old pastry chef.

growth of digital technologies and intellectual property (IP) rights toward creative industries. In 1994, Australia sought to chart a cultural policy combining the arts with new communications technologies, and the notion of cultural industry has been transposed to the creative industries. The notion of creative industries subsequently gained much wider acceptance following its adoption by the U.K government in 1997, which defined the creative industries as those activities originating in individual creativity, skill, and talent and which have a potential for wealth and job creation through the generation and exploitation of IP. Unlike the term cultural industry, which has its origin in the ideological critique of art and culture under industrial capitalism associations with the neo-Marxist theories, creative industries have developed in tandem with the growth of digital technologies and convergence.

In the 21st century, the Korean government has emphasized the importance of cultural content for national economy. With some tweaks, the Lee Myung-pak (2008-2013) government has shifted its focus to (commodified) creativity in conjunction with content, and policymakers have used the term 'creative contents industry' instead of creative industry since 2009. By using the U.K.'s creative industry as a model, the Lee government has advanced the content industry as a new driving engine for the national economy.

#### *Hallyu 1.0: Cultural Flows to Asia*

The Korean cultural firms had developed many of their cultural products and expanded the exportation of these products to mainly East and Southeast Asia in the Hallyu 1.0 era. The Korean cultural products first penetrated the Chinese market with

television dramas, *What is Love All About* (1997) and *Stars in My Heart* (1997), becoming popular in East Asia. Korea sold another popular program, *Stairways to Heaven* (a tragic story of a young couple who fall in love and get married) to Japan in 2004. Between 2004 and 2006, two other famous dramas, *Winter Sonata* (a touching love story about a woman and her boyfriend suffering from amnesia), and *Daejanggeum* (the popular period drama series) also became huge hits in Japan and Hong Kong.

Due to the growing popularity of these programs, the total amount of television program exports increased 27.4 times between 1995 and 2007, from \$5.5 million



in 1995 to \$150.9 million in 2007. The majority of Korean cultural products were consumed in Asia, especially Japan (57.4%), Taiwan (18.4%), and China and Hong Kong (8.9%). Among television programs exported, dramas accounted for the largest share (87.8%) followed by entertainment (8.4%), while animation consisted of only 0.6% in 2007. The proportion of dramas exported had rapidly increased thanks, in large part, to a period drama series. The



nascent Korean cultural products boom in Asia has been further bolstered by the advance of domestic films. Starting in the late 1990s, Korea began to export films to East Asia (such as *Silmido* and *Tae Guk Gi*), and it has extended its export of domestic films beyond Asia in recent years. As with Japanese filmmakers, Hollywood has remade several Korean domestic films, including *Siworae* (2000) (a fantasy

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romance remade as *Lake House* in Hollywood in 2006); *Yeogijeogin geunyeo* (2001) (a romantic comedy remade as *My Sassy Girl* in Hollywood in 2008); and *Jungdok* (2002) (a spooky romantic thriller remade as *Possession* in Hollywood, 2008). Several TV dramas and films are projected to gain even more success in the future, as they find new audiences in other parts of the world. However, the Korean film industry has shown a sharp decline since

2006 partially due to the reduction of the screen quota as part of its free trade agreement (FTA) with the U.S. The export of Korean films had increased from \$7 million in 2000 to \$76 million in 2005; however, it fell to \$13.5 million in 2010.

### *Hallyu 2.0: The Role of Social Media in the Creative Industries*

Since late 2007, the Hallyu phenomenon has experienced a significant shift with the growth of social media. Korea has made innovations in SNSs (e.g., Cyworld) and smartphones (e.g., Samsung's Galaxy), as well as online gaming (e.g., Lineage and Aion), and they become major parts of the Korean Wave. Western-based social media and smartphones have also taken pivotal roles in spreading out K-Pop and other cultural genres, because fans in many countries enjoy K-Pop and other cultural products through social media, referring to a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allow the creation and exchange of user-generated content.

The Korean creative industries have indeed witnessed a few new engines of

growth since late 2007. With the rapid advancement of broadband services, online gaming has become a burgeoning cultural sector with global revenues rivaling those of film and music. Korea exported \$102 million worth of games in 2000; however, in 2010, the country exported as much as \$1.6 billion worth of games. During the period 2000-2010, the export increased 15.7 times. The Korean online game industry has substantially gained status as an empire in the cultural sector and is one of the most significant exported cultural products of Korea.

K-Pop has become the most distinct cultural genre in the Hallyu 2.0 era. While K-Pop was part of the early growth in the Korean Wave, Korea did not make impressive popularity in the global music markets until recent years. However, K-Pop has been a driver of Hallyu 2.0 as Korea exported \$80.9 million worth of music in 2010, a 159% increase from 2009. Furthermore, in 2011, the music industry exported \$177 million, a 112% increase from the previous year. Online gaming and K-Pop have been the two most significant cultural sectors in the Korean creative industries.

While there are several reasons for the tremendous growth of Hallyu 2.0, again, one of the most significant catalysts has been the rapid growth of social media, as global media fans use social media to access K-Pop and games. From user-generated content web sites to peer-to-peer networks, these channels play a central role in global cultural circulation. With youth consumer groups as central figures, SNSs have become the fastest growing platforms to circulate global cultural products. This implies that the cultural markets have rapidly shifted, from virtual goods-driven to access-oriented watching markets, because global consumers watch and play cultural genres through social media instead of buying cultural goods. In the era of volatile changes in global creative industries driven by technological innovation and globalization dynamics, understanding the role of social media and its impact on cultural accumulation is crucial.

One of the major drivers for the growth of Korean creative industries and Hallyu 2.0 has been the convergence of multimedia and telecommunication technologies and the integration of the means by which creative content is produced, distributed, and consumed in the Hallyu 2.0 era. Korea has harnessed the potential of developing creative content with new technologies in video games, animation, and K-Pop.

### *Intellectual Properties in the Hallyu 2.0 Era*

Hallyu 2.0 cannot be understood without the crucial role of IP rights. The term creative industries was used primarily to promote the development of industries based on the exploitation of IP, which

A screen shot from the popular Korean social networking website Cyworld.



Korean rapper and songwriter PSY is well-known for his humorous videos and stage performances, and for his hit single “Gangnam Style,” which is the most viewed K-pop video on YouTube with more than 583 million views. On October 23, 2012, PSY met U.N. Secretary General Ban Ki-moon at the United Nations Headquarters where Ban remarked that PSY has an “unlimited global reach.” Photo by Eva Rinaldi from Sydney, Australia via Wikimedia Commons.



relies heavily on IP rights. Since some Western countries, including Japan, have reliable legal measures, the Korean creative industries can make profits through their legal access. However, in several Asian countries for Hallyu 2.0, including China and Taiwan, there are less dependable legal systems. With the popularity of K-Pop through YouTube, the revenue from IP rights is not increasing, while the global figure of IP rights has soared. The convergence of social media and K-Pop has greatly developed the current boom of Korean music in many countries, but it does not mean that the Korean creative industries can benefit from increasing popularity due to illegal piracy.

In the Hallyu 2.0 era, the IP rights in the creative industries are major resources for capital accumulation. While contributing to cultural identity and the enhancement of social values, creative industries are also generating wealth, creating jobs, and promoting trade. IP rights should be the most significant area to be measured in Hallyu 2.0 due to their importance both in protecting creative works and enhancing the national economy. The new Korean Wave has focused on the relationship between digital technologies, their practices, and Korea’s compressed modernity and swift industrialization. It underscores a range of groundbreaking developments and innovations within Korea’s digital mediascapes, and its creative

industries. With rapid convergence between previously separate technologies and culture, digital content industries are increasingly valuable to national economies. While digital technologies have influenced the production and distribution of domestic popular culture, social media have played a major role in spreading out several popular genres, again, in particular, K-Pop in several regions, including Europe and North America. Hallyu 2.0 seeks to interpret the meaning of this new and powerful creative industry. The construction of Hallyu 2.0 within the notion of creative industries has been one of the most significant aspects in the new Korean Wave phenomenon.

The new Korean Wave has been successful; however, the Korean creative industries face challenges ahead. One main issue is the illegal distribution of cultural products and software. Increasing awareness of the contribution and potential of the creative sector for development is a major task for the government. The notion of creative industries certainly pushes the Korean Wave to be more a market-driven cultural phenomenon, and it is a necessary step to fairly actualize IP rights in the digital economy era.

#### About the Author

Dal Yong Jin is associate professor of communications at Simon Fraser University. This article is based on a paper he presented at the “Hallyu 2.0: The Korean Wave in the Age of Social Media” conference hosted by the Nam Center for Korean Studies at the International Institute (U-M) in April 2012. It is a chapter in the forthcoming book, tentatively titled Hallyu 2.0. Dal Yong Jin’s research interests are on globalization and media, new media and online gaming studies, transnational cultural studies, and the political economy of media and culture. He is the author of two books, *Korea’s Online Gaming Empire* (MIT Press, 2010) and *Hands On/Hands Off: The Korean State and the Market Liberalization of the Communication Industry* (Hampton Press, 2011). He is currently analyzing the shifting media business paradigm from convergence to de-convergence in the communication industries, including both audiovisual and telecommunications.