

## The Development of South Korea's Cultural and Entertainment Industry in Northeast Asia and Its Implications (Postprint)

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### Abstract

The Northeast Asian region represents an important focus and cooperative partner for South Korea's Asian diplomacy, as well as a key area for the dissemination of the Korean Wave (Hallyu). Furthermore, as the trend toward Northeast Asian regional integration becomes increasingly pronounced today, South Korea has grown more cognizant of the importance of strengthening multi-faceted cooperation with Northeast Asian countries, with cultural industry development serving as a particularly significant indicator. Faced with the diverse developmental models of cultural industries across Northeast Asian nations, the South Korean government—after deeply understanding and respecting each country's culture—has formulated a “tailored-to-local-conditions” strategic plan, thereby successfully penetrating their mainstream cultural markets. This experience also holds substantial reference value and significance for the export of my country's cultural industry.

### Full Text

## The Development of South Korea's Cultural Entertainment Industry in Northeast Asia

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**Abstract:** Northeast Asia represents a crucial target and cooperative partner for South Korea's Asian diplomacy, as well as a key region for Hallyu dissemination. As regional integration in Northeast Asia becomes increasingly pronounced, South Korea has recognized the growing importance of strengthening multifaceted cooperation with Northeast Asian countries, with cultural industry development serving as a vital indicator. In response to the diverse forms of cultural industry development across Northeast Asian nations, the South Korean government has formulated a “localized” strategic plan based on deep

understanding and respect for each country's culture, thereby successfully penetrating mainstream cultural markets. This approach holds significant reference value and 借鉴意义 for China's cultural industry export.

**Keywords:** South Korea; Northeast Asia; Cultural Industry; Hallyu

## 1. Research Background

### 1.1 The Strategic Significance of Northeast Asia for South Korea

The concept of Northeast Asia originated in Tsarist Russia, was first adopted by the United States in the early 20th century, and was introduced to South Korea after liberation in 1945. Following a latent period during the Cold War era, the term came into widespread use only after the Cold War's conclusion. Over recent decades, South Korea has gradually increased its research and investment in Northeast Asia. In 1988, the Roh Tae-woo administration actively promoted the “Northern Policy” to expand strategic space into the Eurasian continent, proposing the “Northeast Asia Peace Conference” as part of this initiative—marking the first formal mention of Northeast Asia as a regional cooperation unit in South Korea. Subsequently, the Kim Young-sam government proposed the “Northeast Asia Security Dialogue,” while the Kim Dae-jung administration suggested a “Northeast Asia Multilateral Cooperation Body.” The Roh Moo-hyun administration later identified the “Era of Peace and Prosperity in Northeast Asia” as one of its three major national goals, establishing the “Committee for Promoting Northeast Asia as a Hub” and later formalizing it as the national institution “Committee for the Northeast Asia Era.” Building on this historical foundation, Moon Jae-in introduced the “New Northern Policy” in 2017, aiming to establish a “responsible community” in Northeast Asia and promote the institutionalization of multilateral cooperation strategies.

Today, Northeast Asia has become a critical target and cooperative partner for South Korea's Asian diplomacy and a key region for Hallyu dissemination. As trends toward regional integration become increasingly evident, South Korea has grown more aware of the importance of strengthening multifaceted cooperation with Northeast Asian countries, with cultural industry development serving as a particularly important indicator.

### 1.2 Background of Korean Cultural Industry Development

Historical events such as the Korean War in the 1950s and the financial crisis in the 1980s saddled South Korea with negative images as a “divided nation” and a country with “limited economic growth potential.” To improve its international image, the South Korean government hosted the Olympics and the FIFA World Cup while vigorously promoting economic and popular cultural development. Terms like “World Cup,” “economic development,” and “Hallyu” rapidly became symbolic descriptors of South Korea, fundamentally transforming its national image. The government subsequently formulated a series of policies to support

the cultural industry, establishing a sound and comprehensive financial support system while increasing investment in talent cultivation.

In 1998, the Kim Dae-jung administration historically proposed the “Culture-Based Nation” strategy and enacted the “Framework Act on the Promotion of Cultural Industries,” deciding to allocate 15% of the government budget to cultural industry development and cultural product exports. After Roh Moo-hyun proposed “Brand Korea,” Hallyu was officially mentioned in policy documents, with 16 government departments implementing 31 related projects in 2005 alone. Lee Myung-bak championed a “Global Diplomatic Philosophy,” seeking to modernize traditional Korean culture, create globally competitive Korean cultural products, and achieve communication with the international community through cultural diplomacy. Park Geun-hye regarded “cultural prosperity” as a top national priority, while Moon Jae-in continued supporting the cultural industry through tax incentives and subsidies.

Consequently, South Korea has become the country with the best and fastest-developing cultural trade among Northeast Asian nations in recent years, maintaining the region’s only long-term cultural trade surplus. In 2021, South Korea’s cultural industry exports reached \$12.45 billion, a 4.4% year-on-year increase, securing a non-negligible position in the global cultural trade market.

## 2. Current Status of Korean Cultural Industry Development in Northeast Asia

Northeast Asia generally includes China, Japan, Mongolia, South Korea, North Korea, and Russia’s Far East region. Since the THAAD dispute initiated by the United States and South Korea in 2016, South Korea’s cultural industry exports to China have gradually declined. However, over the past two years, South Korean cultural industries have made rapid advances and achieved explosive growth throughout Northeast Asia and globally. To date, Hallyu has become the dominant popular culture in multiple Northeast Asian countries including Japan, Mongolia, and even Russia. Due to North Korea’s unique political factors, this paper excludes it from analysis, focusing instead on South Korea’s cultural industry development in Japan, Mongolia, and Russia.

### 2.1 Current Status in Mongolia

In Mongolia, South Korea’s cultural industry exports have profoundly influenced Mongolian people’s daily lives in clothing, food, housing, transportation, and education, with Hallyu gradually replacing Russian culture as the new fashion pursued by Mongolian society. A casual stroll through Ulaanbaatar reveals young people dressed in Hallyu fashion, Korean-made automobiles dominating the streets, shops filled with Korean products and playing K-pop, and Korean-brand restaurants, cafes, and convenience chains everywhere. Mongolian media have even asserted that Korean culture will succeed American culture in leading global cultural trends for at least 50 years, perhaps longer.

## 2.2 Current Status in Japan

Japan has similarly been captivated by South Korea's cultural industry. According to *Nikkei Entertainment*, as of 2019, Korean groups occupied the top two spots in concert size rankings for newly debuted idol groups in Japan, with Japanese domestic groups ranking third. From 2007 to 2017, Japan's music copyright market shrank by 22%, while South Korea's grew by 340%. Additionally, e-commerce data from eBay and Rakuten show that Korean brands account for 70% of favorite cosmetics among Japanese female high school students and 79% of preferred fashion styles, indicating increasingly strong Korean cultural elements.

## 2.3 Current Status in Russia

According to the Korea Foundation for International Cultural Exchange's "2020 Global Hallyu Status" report, Russia has become a "Hallyu powerhouse" with 11.61 million fans. The foundation's statistics target global enthusiasts of K-pop artists, actors, culture, cuisine, and other entertainment cultural industries. Russia's Hallyu fan base grew from 11.61 million to 15.68 million, accounting for 75% of global annual growth and ranking first among all surveyed countries. Numerous Russian dance groups covering K-pop songs can be found on domestic and international video platforms, and their passion for Korean popular culture has transformed into a positive societal impression of South Korea overall.

# 3. Strategies for Korean Cultural Industry Development in Northeast Asia

## 3.1 Mongolia: Leveraging Cultural Proximity for Viral Dissemination

South Korea and Mongolia share approximately 800 years of exchange history, during which bilateral relations have fluctuated while maintaining mutual influence to the present day. Following the Soviet Union's collapse, Mongolia rapidly transitioned to democracy and warmed relations with South Korea. South Korea has become Mongolia's third-largest aid provider and fourth-largest trading partner. Seoul also hosts Mongolia's largest overseas worker community, with thousands of Korean professionals residing long-term in Mongolia, primarily in Ulaanbaatar, strengthening economic, social, and cultural ties. On September 10, 2021, Mongolia and South Korea jointly announced the elevation of bilateral relations to a strategic partnership and issued a joint declaration—a natural outcome of over 30 years of close civilian exchanges.

Furthermore, Mongolians generally regard South Korea as a "blood-related nation" and "brotherly state," citing similar appearances, language structures, living habits, and shared robust, forthright ethnic characteristics. Ethnic integration between the two peoples has deep historical roots: during the Yuan Dynasty, it became customary for daughters of emperors or royal family members to marry Goryeo kings, while Goryeo's tribute of beautiful women to Mongo-

lia continued uninterrupted. Mongolian and Korean both belong to the Altaic language family, making mutual learning relatively easy. Recognizing the importance of this “cultural proximity psychology,” the South Korean government has strengthened bilateral cultural exchanges and cooperation.

In Mongolia, the development of digital technology, increased broadcasting channels, and severe shortage of cultural products have become additional important reasons for the continuous growth of Korean cultural product imports and the prevalence of Hallyu. With Mongolian television stations producing few original programs, South Korea provides large quantities of domestic dramas and films for sale, which Mongolian stations broadcast directly with Mongolian dubbing during remaining time slots. Ulaanbaatar’s best cinema, “Sky City,” is also Korean-invested and entirely Korean-styled, featuring three halls with one regularly screening Korean films, quickly becoming Mongolia’s most popular gathering place.

### **3.2 Japan: Aggressively Promoting Hallyu Through Differentiated Marketing**

South Korea’s most distinctive industrial policy is government support for Hallyu. According to South Korea’s Ministry of Culture, Sports and Tourism, global Hallyu fan club memberships exceeded 150 million in 2021, demonstrating Hallyu’s worldwide popularity and driving excellent performance in cultural content exports.

According to PwC’s 2022 data, the U.S. music market ranks first globally at \$10.885 billion, with Japan second at \$2.907 billion. Facing Japan’s similarly strong cultural industry, South Korea has adopted a more strategic and differentiated approach. Traditional Japanese idols are characterized by energetic sweetness, with relatively uniform and fixed styles for female group singers, essentially following a “fan-pandering” approach where satisfying fans defines the Japanese idol style. In contrast, South Korea’s entertainment company SM pioneered a trainee system designed to make idols objects of admiration for teenagers, resulting in Korean female groups with diverse styles, distinctive representative labels, and the ability to attract fans across all age groups and orientations.

Moreover, many Korean entertainment companies now routinely include 1-2 Japanese members when forming idol groups targeted at the Japanese market, and major companies have even launched all-Japanese Hallyu groups, such as JYP Entertainment’s girl group NiziU and HYBE Entertainment’s upcoming boy group &TEAM. NiziU has already appeared for three consecutive years on Japan’s largest and most authoritative annual music program, *Kōhaku Uta Gassen*. These Korean-packaged Japanese idol groups have gained immense popularity domestically in Japan.

The penetration of popular culture inevitably drives related industry development. SM Entertainment’s 2022 Tokyo concert attracted over 150,000 fans,

generating approximately \$30 million in revenue, while Korean beauty brand sales grew fourfold year-on-year. The success of Korean cultural products in Japan's entertainment market stems precisely from K-pop artists' diverse content styles and cultural concepts.

### **3.3 Russia: Emphasizing Mass Cultural Entertainment as Internet Sweetener**

The Russian nation possesses profound historical and cultural 积淀, with Russian culture's deep intellectualism and intense sense of concern establishing a unique, self-contained system in world culture that commands admiration. However, following the Soviet Union's dissolution and under the dual impact of market economy transition and Western culture, Russian elite culture faces a severe survival crisis, with its former prosperity becoming history. Contemporary preferences have shifted away from ultimate concerns and reflections on human destiny and existence toward utilitarianism and practicality. People urgently need a patterned mass cultural form characterized by commercialism, entertainment, 媚俗性, and technicality to satisfy modern society's fast-paced, high-efficiency, convenient, fashionable, and mobile lifestyle. As fast-food, nearly zero-threshold consumer culture, Hallyu has rapidly filled this entertainment void for Russian youth, becoming readily accessible comfort and sweetener in the internet era.

Meanwhile, political and economic instability has made most contemporary Russians pessimistic and disappointed, making them more susceptible to mass cultural consumption that emphasizes sensory experience, superficiality, patterning, and satisfies basic needs—making Hallyu the perfect choice. Rather than pursuing cultural value permanence, Hallyu primarily provides experiential entertainment and sensory enjoyment for busy working people. Simultaneously, South Korea continues to expand Hallyu's influence in Russia through private enterprise initiatives, actively encouraging local consumption of Korean cultural products through activities beyond star concerts, including multiple Hallyu expos (KBEE) in Russia, continuously consolidating its cultural industry construction achievements.

## **4. Implications of Korean Cultural Industry Development in Northeast Asia**

### **4.1 Government-Led Promotion of Cultural Industry Exchange**

Russia-South Korea cultural exchange follows a “government-leading-people” model, with officials providing communication mechanisms for non-governmental exchanges. During the Lee Myung-bak era, he proposed the concept of “cultural diplomacy,” hoping to spread Korean culture worldwide. As South Korean president, Lee visited Russia in 2008, proposing strengthened cooperation in cultural exchange and other fields to advance bilateral partnership development. In March 2009, South Korea's Minister of Culture, Sports and Tourism visited Russia and met with Russia's Minister of Culture,

primarily discussing arrangements for the 20th anniversary of diplomatic relations and cultural exchange plans through 2011.

For Mongolia-South Korea cultural and social exchange, 2010-2012 marks a significant period. The 20th anniversary of diplomatic relations in 2010 was designated as Mongolia's "Korea Year," with the following year designated as South Korea's "Mongolia Year," featuring active cultural exchange activities. In May 2012, both countries signed the "Intergovernmental Agreement on Simplified Visa Procedures," facilitating personnel exchanges. South Korea attaches great importance to promoting its cultural products, as evidenced in Mongolia. Korean cultural products enjoy excellent market prospects in Mongolia. For instance, during the October 2016 Ulaanbaatar International Film Festival, organizers designated a "Korean Film Day"—the first such designation among Asian countries. The June 2015 K-pop concert commemorating the 25th anniversary of diplomatic relations in Ulaanbaatar attracted over 3,000 audience members.

Using political exchange to drive cultural exchange further enables entertainment industry development. Therefore, China should actively engage in cultural exchange cooperation with Northeast Asian countries, participate in international cultural trade, and continuously enhance the visibility of Chinese cultural brands in Northeast Asia.

## **4.2 Formulating Development Strategies Based on Different National Cultural Industry Situations**

As demonstrated, South Korea's cultural entertainment industry has risen rapidly after thoroughly understanding and respecting Northeast Asian cultures and formulating "localized" strategic plans. Only by fully comprehending other countries' cultural industry development situations, identifying cultural commonalities and industrial weak points, can one successfully penetrate mainstream cultural markets.

## **4.3 Finding a Suitable Cultural Industry Development Path**

South Korea's success in Northeast Asian cultural industry development is evident. While China's economy is massive, its cultural 辐射 energy remains weak compared to South Korea. Northeast Asian countries' understanding of Chinese cultural imagery derives primarily and mostly from traditional culture, largely because China's innovation in traditional culture is insufficient and its cultural export objectives are overly purposeful.

Although South Korea's cultural industry construction is successful, streaming media continues to strip away indigenous culture from Korean dramas. Unlike China and Japan, which possess relatively stable domestic markets, South Korea has oriented its industry construction toward international markets. Consequently, content production must align with popular preferences, requiring lowered thresholds to make content easily accessible and "pleasant to watch."

While we cannot deny South Korea's cultural industry success and enormous economic benefits, we must also guard against the inevitable consequences of blindly 迎合 audience demands: increasingly superficial, fragmented, and accelerated cultural expression that ultimately falls into the “amusement to death” dilemma. As a major country with profound historical culture, China need not completely replicate South Korea's entertainment industry model. However, the Korean-style modern cultural spirit and entertainment forms, including using entertainment to promote Korean brands and lifestyles—the most cost-effective approach—warrant study and reference.

Therefore, Chinese culture must integrate world advanced culture on the foundation of excellent traditional culture, advancing with the times to gradually form cohesion and 渗透力 while properly managing relationships with local cultures to achieve breakthrough progress. As a giant nation of 1.4 billion people, our priority should be enhancing domestic practitioners' quality, supporting our popular cultural industries to develop industrialized production models that satisfy domestic market demand. With increasing national strength, we can then establish our own modern cultural system and expand outward—this is the path a major country should follow.

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