

# **The Korean Wave in Southeast Asia: An Analysis of Cultural Proximity and the globalisation of the Korean Cultural Products**

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## **Introduction**

The rapid expansion of the Korean contemporary culture and cultural products throughout East Asia since the mid-1990s has been named as 'the Korean Wave'. The debates regarding the unprecedented entry and acceptance of the Korean contemporary culture and cultural products in the region have been mostly confined to the general discussions as to the origins and backgrounds of this Wave and whether the Wave can be sustained beyond a limited period. However, the debates have taken a new dimension as the Korean Wave continued well into the first decade in the 2000 with a greater intensity and wider geographic dispersion. The Korean contemporary cultural products had been spread firstly to countries with the Confucius traditions, but later to countries with other cultural backgrounds. In Northeast Asia, the Korean contemporary cultural products gained popularity in China and Taiwan in the late 1990s and then in Japan in the early 2000. In Southeast Asia, the trend started with Vietnam in the late 1990s and spread to other countries such as Thailand, Malaysia and Indonesia where Confucius traditions are less apparent. Although it is an early stage, the competitiveness of the Korean films gained recognition in Europe and the US, consequential to the robust growth of the domestic film market. Among these areas, Southeast Asia warrants special attention. The Korean Wave in Southeast Asia has not only ended the doubts and debates that Confucian cultural background is the only key factor of its development. In addition, it also confirmed that competitiveness of Korean cultural products in fact spread through the entire region of East Asia regardless of Confucian traditions as a metaphor of the Korean Wave.

Cultural values of the home country are embedded in cultural products. Therefore when cultural products are exported to another cultural region, the embedded culture is being accompanied. Then, the consumption of these products takes places after the socio-cultural filtering including conflicts and adjustments among the recipients with different cultural values. This filtration process is known as cultural discount which will be explained at the later section of this research. Therefore, the competitiveness of cultural products in a different cultural region is affected by the degree with which the values of the home country can be combined or harmonised with some adjustments to the cultural values of the recipients' society. Then, the competitiveness of such products will be determined through the process of communications with the recipients, in the context of political, socio-cultural and economic environment in the local market. In analysing this process of cultural products' assimilation in a local market, most frequently used concepts are 'cultural proximity' and 'degree of interaction'.

The international flow or exchange of cultural products have been analysed in three different

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research frameworks, such as political economy, microeconomics and the theory of communications. In all three approaches, the concepts of cultural proximity and degree of interaction have been used among the existing researches on culture. This paper analyses the proposition that the cultural proximity and the degree of interactions are the major factors for the entry and expansion of the Korean contemporary cultural products to Northeast Asia and later to Southeast Asia. Therefore, the relationship between the Korean Wave in the region, and the cultural proximity and the degree of interactions is the focus of investigation in this paper. The focus of the research, however, is not on the supply side of the industry, but on its international distributions and inter-cultural demand. The competitiveness of the products based on efficient production, and superior artistic competitiveness is beyond the scope of this research.

Four countries are selected for research within Southeast Asia such as Vietnam, Thailand, Malaysia and Indonesia, based on two criteria. These four countries are the major destinations of the Korean cultural products in Southeast Asian region, and also compilation of four countries adequately represents the region in terms of politico-economic influences and socio-cultural importance. In order to explain the relationship between the cultural proximity and the expansion of the Korean cultural industry into these countries, number of various attributes of each country's political, economic, and socio-cultural agendas are analysed. As national interactions (both in macro and micro levels) among countries determine the degree of cultural proximity, the relationship between the degree of interaction and cultural proximity between Korea and the four countries aforementioned are also analysed. A qualitative research method has been used to analyse the characteristics of the culture, but these characteristics have been converted on a numerical scale for inter-country comparisons.

This paper is structured as follows. In Section 2, major theories that have been used to analyse international flows of cultural products are surveyed. In this section, three major theories are identified as mentioned previously. Section 3 then analyses the trends of the Korean Wave in the four countries in Southeast Asia, by major cultural products. In Section 4, a relationship between the cultural proximity and the degree of interaction and the entry and acceptance of the Korean cultural products is analysed. Section 5 contains concluding remarks and the areas for further research are suggested.

### **Cultural Proximity and the Overseas Expansion of Cultural Products: Theoretical Background**

Theoretical debates on the international flow of cultural products or foreign expansion can be grouped broadly into three categories. First are the debates in political economy since the 1980s which analyse the international flow of cultural products as part of the globalisation of culture. This view includes the expansion of cultural products within the framework of globalisation debates. Second is the communication theory which focuses on the process of acceptance of cultural products in foreign markets, viewing the entry of cultural products into a foreign culture as a process of cultural communication. Third is a microeconomic approach which looks at the foreign expansion of cultural products as part of international trade.

The acceleration of globalisation of the world since the 1980s has been accompanied by an assimilation of the political, economic and socio-cultural characteristics in many countries. The theoretical debates on these aspects of globalisation form the basis of the political economic approach in analysing the export of cultural products to foreign markets (McGrew, 1996). According to this view, political, economic, socio-cultural and technical activities within the boundaries of nation state are being homogenised gradually, through the process of globalisation (Appadurai, 1996; Boyd-Barrett, 1977; Blanton, 1999).

This view looks at the international exchange of cultural products as part of a globalisation process. Cultural characteristics in each cultural region meet with those from other cultural regions through international exchange of cultural products. In this process, cultural characteristics that have weaker power or influences will be assimilated to those with stronger power or influences. According to this view, the attributes of foreign cultural products change the characteristics of the recipients' cultural consumption pattern. Hence, the cultural characteristics of the recipients become assimilated to those of the foreign culture of the origin of such cultural products. If the market and cultural values of the foreign

cultural products are perceived to be superior to local products, the assimilation will be biased to foreign countries. Assimilation of culture arising from globalisation will be accelerated through the development of technology, improvement of the living standards, provisions of mass media and reformations in the communication system, and the expansion of computers and Internet. According to this view, multinational culture-media industries are behind this phenomenon. A monopoly or oligopoly of culture industry, market, technology and capital results in an imbalance and domination from the suppliers' side, in the process of international interaction of cultural products and strengthening of cultural proximities between countries involve (Schiller, 1976; 1998; Nordenstreng, 1993; Hamelink, 1993). Most of these approaches focus on the international politics, economic domination and cultural monopoly of the US, and the international business strategy and activities of the super MNEs of the US. Examples are found in the international movie industry. The Hollywood movie industry dominates the production and the distribution channels, creating a dependence on the US movie industry the standardisation around the US movie industry. More importantly the domination of the US movie industries resulted in assimilation of culture through the movies exported from the US (Appadurai, 1996, Schiller, 1976; 1998; Mattelart, 1979; Nordenstreng, 1993; Hamelink, 1993; Varis, 1984; 1985).

Recently, the communication theories also analysed the international flows of cultural products, applying the concept of cultural communication. According to this view, cultural communication is a mutual interaction between two cultural regions or races with different cultural characteristics and symbolic systems such as languages and this communication occurs through interactions between two groups or through mass media. Therefore, interactions between the two different cultures cause inter cultural communication and through these exchanges in information and the accompanying process of its recognition, the basis for understanding of other cultures can be established (Yaple et al., 1989). This explains the process of strengthening the cultural proximity between cultural attributes of origin and the local culture. There are three stages in this process: a stage of separation between the two cultures; a stage of one-way communication and a stage of mutual communication including the reactions from the local culture. The factors determining these states include cultural superiority or inferiority, cultural similarity or differences, political relations (including ideology, legal systems, national religion and political power), and economic relations (openness and trade dependence and similarity of economic system) (Baldwin et al., 2002; Gudykunst et al., 1997; Livingstone, 1990).

The Microeconomic approach looks at the trade of cultural products between the two countries. Among the cultural products, major attention has been given to audio-visual products such as TV programs and movies, which has the highest degree of mobility. According to this view, the international flow of cultural products is influenced by the differences in economic development and cultural characteristics (Barnett et al, 1999; Fuentes-Bautista, 2000), and also by the distribution systems and political influences (system and ideologies) (Wildman et al., 1993). In order to understand the characteristics of this flow, a holistic approach is needed which takes into consideration various factors such as the characteristics and functions of the cultural industry (in particular the broadcasting industry), the economic structure and the relationship with the trading partner, the socio-cultural attributes and the stage of its development, and the cultural characteristics of the recipients (McAnany, 1986).

The debates in Microeconomics on the pre-conditions for international competitiveness of cultural products comprise two groups. First is the comparative advantage of cultural products. This is determined by the home country's market condition, including the size of the market. A large market in the home country generally indicates abundance of factors of the production, and usually a high quality of factors of production. Compared with the products from a small domestic market, those from a large market enjoy an international competitiveness and find it easy to enter foreign markets (Wallerstein, 1991; Waterman et al., 1994; Dupagne et al., 1998). The main weakness of this argument is that

competitiveness is explained by the comparative advantage of the industry, while the specific characteristics of each cultural product are ignored.

As a counterargument to this view, cultural affinity and cultural proximity have been used by scholars as major factors which determine the flow of cultural products across countries, and their international competitiveness. The main argument is that cultural values and characteristics of the home country are embedded in the cultural products and that these values and characteristics are transferred to other cultures when the products are consumed in other cultural region (Shanahan et al., 1999). This cultural proximity is determined by language, and the extent and characteristics of human exchanges between them. High cultural proximity induces and encourages active flow of cultural products between countries (Hester, 1973; Kim et al., 1996). Therefore, the higher the cultural proximity or affinity is, the recipients of the cultural products show favourable response to foreign cultural products. As cultural clashes are minimal in this case, the entry into the local market is easier. Straubhaar (1991, 1997) argued that the local consumers prefer the domestically produced products. However, when the domestic products cannot satisfy the consumers' desires, the distributors tend to import from the countries with a high geo-cultural proximity, including the language and history. These arguments provided a theoretical foundation in explaining the distribution of Asian products in the Asian region (Richstad, 1998) and the export of Korean audio-visual programs to the countries with the Confucian culture. (Yoo, Se-Kyong and Kyung-Sook Lee, 2001; Huh, Jin, 2000).

Along with the concept of cultural proximity or affinity, the concept of 'cultural discount' is also frequently used in explaining the international distribution system of TV programs and movies. This refers to the fact that the degree of understanding decreases significantly as it moves across the country border. This view states that products with a low cultural discount get penetrated easily into the markets in a foreign country. For example, some programs produced in the US covering diversified cultural factors and possesses multicultural behavioural patterns will be accepted more favourably by foreign viewers. These programs enjoy competitiveness compared with the local programs as they contain more general values, hence representing lower cultural discounts. However, the entry of foreign films into the US is not easy due to a high degree of cultural discount (Hoskins et al., 1988).

In explaining international trade or expansion of cultural products, theories from other related disciplines have also been incorporated, such as anthropology, sociology, political sciences and humanities. The main reasons for this are that the most important source of international competitiveness of cultural products is cultural values embedded in such products. Therefore, in order to understand the process of acceptance during the consumption of cultural products in a foreign market, the understanding of the culture and the environment behind the culture would be indispensable. Hence, the explanations in other disciplines including anthropology, sociology, political sciences and humanities are also used (Spiro 1978; Benedict 1935; Boulding 1956; Eastma 1990; Garnham 1987; Marcus et al. 1986).

As identified in all three theories above, the concept most frequently used in the analysis of international trade or expansion of cultural product is 'cultural proximity' or 'cultural affinity'. Cultural proximity is measured by analysing the similarities and differences in the characteristics between the two independent cultures. The indicators of this proximity are determined by the differences in cultural characteristics, including languages, values, technology and living standards. While the analysis of cultural proximity is a static analysis, an analysis of the interactions between the two cultural regions reflect a dynamic analysis looking into a causal relationship between the cultural interactions, the cultural proximity of affinity and international flows of the cultural products (Straubhaar 1991; Bonvillain 1993; Featherstone 1990; Hall 1992; Marcus et al. 1986). In general, the higher the proximity is, the higher the extent of interactions between the two countries, and cultural proximities are influenced by the modes and activities of various interactions between the two countries. The cultural products will, therefore enjoy higher competitiveness in a country with higher cultural proximity as local consumers find it easier to accept the products.

As mentioned before, when a cultural product enters a foreign country, the cultural values embedded in such products also enter. During the consumption of this product, the cultural values of the country of origin are mixed with the local values, going through a process of adjustments and conflicts. Therefore, the competitiveness of cultural products depends also on how the embedded cultural values

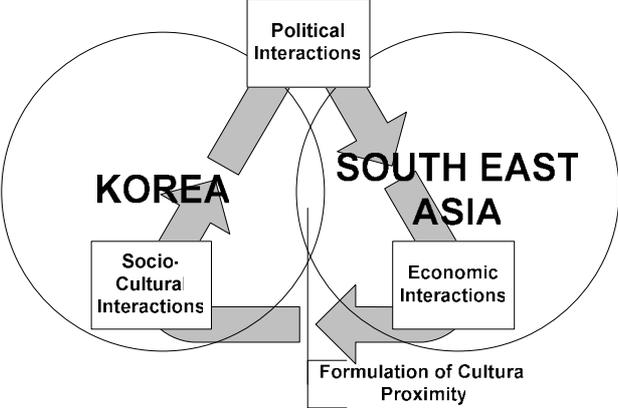
are mixed and harmonised with the local values. Then, the extent and modes of continuous communications with the recipients also influences the competitiveness of a cultural product, along with the political, socio-cultural and economic environments of the importing country. Therefore, in order to understand the process of and establish a successful strategy for an entry into a foreign market, an understanding of the cultural proximity and the process of communication with the local consumer would be indispensable.

Although there have been some studies on the entry of Korean cultural products in Southeast Asia, there is an absolute shortage in the research of cultural proximity. Most of the research on the Korean Wave tend to cover the basic themes such as ‘the cause of the Korean wave and its problems’ (Kim, Kyu Won 2001, Kim, Daeho 2003, Jung, Sang Shul 2001, Lee, Dongho 2001, Hyun, Taeksoo 2001), and efforts to quantify “the Economic Value” of the Korean Wave (Yoon, Sunhee 1998, Kim, Myungjoong 2002, Tcha, Moonjoong 2005, KIET 2005).

Some studies, however, have touched on the issues related to cultural proximity and other environmental factors associated to the Korean Wave (Yoo, Se-kyong & Kyung-Sook Lee, 2001; Huh, Jin, 2000, Jung Yoon-Kyung 2001, Cho, Hye-Young 2002, Ha, Jong-Won & Eun-Kyung Yang, 2002). However, all of these researches findings were based upon analysing Korean Wave in China. Nevertheless, these studies provide important theoretical bases for researchers in the field of Korean Wave who are looking into the countries with the Confucian culture. However, those theoretical bases face their limitations when trying to apply those findings with the Korean Wave in Southeast Asia, where Muslim cultures also co-exist hence challenging a hypothesis of Confucian culture as the crucial factor of formulating cultural proximity. As this is first major study of the Korean Wave in Southeast Asia, the outcome of the research would provide new perspective into understanding the Korean Wave in the entire Asia.

A framework for analysis of the relationship between ‘cultural proximity’ and the entry of the Korean cultural products in Southeast Asia can be summarised as Figure 1. First, in order to compare the degree of cultural proximity, each country’s major environmental characteristics including political ideology, economic activity, religion, tradition and language group are analysed. Then, in order to understand the dynamic influences on cultural proximity, the degrees of political, socio-cultural and economic interactions between Korea and these countries are analysed. As depicted below, formulation and degree of cultural proximity, which augment the process of assimilation of Korean cultural products in a foreign country, is a product of interactions between two countries.

Figure 1. A Framework of Analysis of Cultural Proximity



## **Entry of Korean Cultural Products in Southeast Asia**

As mentioned before, the Korean Wave has successfully entered all countries in Asia with Confucian traditions, starting with China and Taiwan in the mid 1990s, and finally Japan in the early 2000. Since the late 1990s, it also entered Southeast Asian region, in the order of Vietnam, Thailand, Malaysia and Indonesia. This section analyses the process of the entry and expansion of the Korean cultural products in Southeast Asia, with a focus of the four major countries above. In Southeast Asia, the Korean Wave entered first through dramas, then through movies and popular music.

### **The Entry of the Korean Wave in Each Country**

The entry path of the Korean cultural products into the Southeast Asian market differs from that to Northeast Asia. In the case of China, the Korean popular Music and performance has led the entry, and television dramas and movies followed. However, in Vietnam, Thailand, Malaysia and Indonesia, the order of entry was dramas, movies and popular music.

In Vietnam, the entry of the Korean Wave reflects the typical pattern in Southeast Asia, in the order of dramas, movies and popular music. However, the entry of other cultural products is either non-existent or minimal. The Korean drama achieved a continuous hit in Vietnam since 1997, providing a base for the markets for Korean screen products, and formed the group of fans for Korean celebrities. The entry of the Korean Drama began in the mid-1990s when the Korean government provided some programs, as part of cultural exchanges following the commencement of diplomatic relations. Witnessing favourable responses from the Vietnamese viewers, the Korean companies in Vietnam utilised such programs as part of their product and brand marketing strategies, and provide significant supports to the broadcasting of the Korean dramas. Through the efforts of the Korean companies in Vietnam, the demand for the Korean cultural products increased substantially, after which the Korean broadcasting companies began to export directly.

Therefore, the provision of the programs by the Korean government initiated the Wave by breaking of the cultural barriers between the two countries and paved the way for other cultural products, while the cultural marketing of the Korean companies provided the momentum for growth, enabling the Korean cultural products to be firmly rooted in Vietnam. The Korean companies tried to maximise the link between the viewers of the programs and the target consumers of their products and participated in all stages, including the selection of the program. After the broadcasting of the programs, the companies held events related to the programs, to maximise the effect of advertising. Unlike in other countries, the Korean companies in Vietnam have made crucial contributions to the expansion of the Korean Wave.

The entry path of the Korean cultural products into Malaysia has been significantly different from that to other countries such as China, Taiwan, Japan, Vietnam and Singapore. The entry was relatively late compared with other countries in the region and the initial response was not very favourable. Only, in the 2000, the Korean TV dramas and movies have become very popular in Malaysia as well.

The order of the entry to Malaysia is the same as in Vietnam, i.e. it was led by dramas, followed by movies and popular music. An important momentum was given when Arirang TV began broadcasting throughout Asia and Oceania, via a broadcasting satellite Asia Sat No 3. Although the reception in Southeast Asia was limited due to low standards of living and lack of adequate equipments, it has made positive contributions to the entry of the Korean cultural products into the region. However, the entry process is quite different in Malaysia. The population in Malaysia is composed of Malays (58%), Chinese (24%), Indians (8%) and the rest (10%). Yet, the composition is quite different in the capital Kuala Lumpur which is the entry city for the Korean cultural products. The Chinese accounts for the largest proportion of 42%, Malays 36% and Indians 12%. This composition has influenced the entry structure of the Korean cultural products in Malaysia. The Korean cultural products which gained popularity in China, Taiwan and Hong Kong have been transferred to Kuala Lumpur via the overseas Chinese trading networks. This means that the Korean cultural products did not enter the Malaysian

market directly, but entered indirectly through the overseas Chinese networks. Recently, direct entries are tried as well to overcome the limitations associated with the indirect entries. An example can be found in a direct export and broadcasting of 'Jangwha-Hongryun' in one of the commercial TV stations.

In Thailand, the entry path differs yet again from those to Vietnam and Malaysia. Although Thailand exhibits the highest socio-cultural proximity, even ahead of Vietnam, the entry of the Korean cultural products is relatively late. In 2001, a Korean organisation in Thailand hosted a performance of Korean singers with a support from the Korean government. Occasionally Korean movies were viewed without any formal export contracts. The Korean Dramas began to officially enter the Thai market in 2002. As of July 2005, a total of 19 mini series were exported and broadcasted in Thailand, comprising 12 mini series produced by KBS, 6 by MBC and 3 by SBS. Although the entry to Thailand was relatively late, the Korean Wave in Thailand has been as strong as in the neighbour countries, since the broadcasting of 'Daejanggeum'.

Although the Korean Wave in Indonesia started a bit earlier than in Thailand, the impacts and the scope of the Wave has been much weaker than in Thailand. The demand for the Korean cultural products has continued to increase. However, due to the weak purchasing power, the entry to the Indonesian market has not been stable or systematic so far. The trends so far indicates that the entry of the Korean dramas has been leading, followed by the entry of the movies. In several occasions, the Korean pop stars had performances in the Indonesian market. Yet, all these performances have been associated with the entry of TV dramas.

Assisted by continuous socio-cultural and economic interactions, dramas including 'Autumn in my heart', 'Mother's Ocean', 'SWAT Police', 'Model' have been viewed in TV and also produced as VCD. Some of these have been translated as non-fiction novels as well. One of the publishers published a magazine entitled "Asian Gifts", using "Won Bin" as the cover model, and wrote special stories of 'Bae Yong Jun', 'Jang Dong Kun', "Finkle" "Boa" and so forth. This magazine introduces the Korean Wave stars and the Korean sport culture. In July 2003, Metro TV, one of the major broadcasting station, featured a special program about sightseeing in Korea, as one of the ten industrialised countries in the world. In 2004, Indosiar broadcasted "Autumn in my heart" and enjoyed enthusiastic response from the viewers. In the same year, SBS filmed "The Incidence in Bali" and successfully attracted the interests in Indonesia and Bali, and the tourism in Indonesia.

### **The Structure of Entry by Product**

The major Korean cultural products which entered in Southeast Asia are broadcasting contents, movies and popular music. Among the diversified contemporary cultural products, these are the sectors where the extent of capitalisation and industrialisation is the highest. Since the mid-1990s, the products began to enter the Southeast Asian region via unofficial routes. However, since the 2000, the exports to this region began in a major scale. As mentioned before the popular culture of the home country is embedded in the cultural product. Therefore, when these products are consumed in a foreign country, the impacts on the host country society and on the interactions between the two countries can be significant. The entry of these products also induces the entry of other associated products.

The export of the Korean dramas to the four countries in Southeast Asia has been growing very rapidly. Table 1 shows the trends of exports of Korean dramas to Southeast Asia. In 2002, 1,358 dramas were exported, but in 2003, the number increased to, 2,262, showing a growth rate of more than 70 percent. Since then, the exports of drama were stabilised. In 2002, the exports to Southeast Asia accounted for about 6 percent of the total exports from Korea. Since then, this proportion did not change significantly.

Table 1. Comparison of the Export of Korean Dramas to Southeast Asia and the Total Exports, 2002-2004

(Unit: \$1,000)

Year	SE Asian Countries (Vietnam, Indonesia, Thailand, Malaysia)				Korea		
	Total No. of Programs	Total Export Revenue	Ave. Cost per Program	% Against Total Exports	Total No. of Programs	Total Export Revenue	Ave. Cost per Program
2002	1,358	1,221	0.9	4.41	31,329	27,695	0.88
2003	2,262	2,588	1.14	7.6	29,036	34,039	1.17
2004	2,041	2,439	1.2	3.82	18,014	63,796	3.54

Note: This is the total including the terrestrial broadcasters, cable TV operators and companies renting the broadcasting channels. Support to the broadcasting for overseas Koreans is excluded.

Source: Reconstructed from Korean Broadcasting Institute (2005, 2004, 2003, 2002)

The price of exports needs special attention. Contrary to the low pricing policy of the Korea movie exporters in the region, the average price of dramas exported to Southeast Asia is quite high, increasing from US\$900 in 2002 to \$1,200 in 2004. This was higher than the average price of all Korean dramas in the world in 2002 of \$880. However, the average price of drama in the world increased to US\$3,540 in 2004. Several reasons can be found for this increase. Unlike other regions, the demand for Korean dramas has been relatively well established in Southeast Asia. Although the price increased significantly compared with the price in the late 1990s, the price became stabilised in the early 2000, despite a substantial increase in the number of exported dramas. The fact that the average export price of Korean dramas in the world has increased to US\$3,540 in 2004, more than twice the export price to Southeast Asia, indicates that the price of exports was undervalued according to state of each country's buying power. The share of exports to Southeast Asia ranges from 4 to 8 percent of the total exports.

Table 2 shows the trends of exports to Southeast Asia by country. Among the four countries in Southeast Asia, Vietnam imported the highest number of Korean dramas. The number of exports decreases in other countries, in the order of Thailand, Malaysia and Indonesia. The number of exports to Malaysia increased substantially from 136 in 2002 to 1,020 in 2003, but decreased to 712 in 2004. This is caused by a big hit of "Winter Sonata" and "Autumn in my Heart" in 2002, which induced a sudden increase in imports from Korea. The average price per episode differs significantly across the countries, depending on the economic capacity of the country. In Vietnam the average price per episode ranged from US\$540 in 2001 to \$760 in 2004, whereas the price in other countries ranged from US\$1,200 to \$1,600. Another reason for this difference is excessive competition among the providers in Vietnam.

Table 2. The Trend of Exports of Korean Dramas in Southeast Asia by Country, 2001-2004

(Unit: \$1,000)

Year	Thailand			Indonesia			Malaysia			Vietnam		
	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Pr og.	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Pr og.	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Pr og.	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Pr og.
2001	N/A	N/A	N/A	26	16	0.62	N/A	N/A	N/A	618	336	0.54
2002	417	522	1.25	80	85	1.06	100	136	1.36	761	478	0.63
2003	477	597	1.25	299	503	1.68	723	1,020	1.41	763	468	0.61
2004	360	540	1.5	320	433	1.35	368	712	1.93	993	754	0.76

Note: This is the total including the terrestrial broadcasters, cable TV operators and companies renting the broadcasting channels. Support to the broadcasting for overseas Koreans is excluded.

Source: Reconstructed from Korean Broadcasting Institute (2005, 2004, 2003, 2002)

Table 3 shows the trend of the export of Korean movies to Southeast Asia. The most noticeable increase took place in 2002, jumping from 51 films in 2001 to 95 in 2002, showing an increase of 45 percent, since then on, the number of exports stabilised. In 2001, the exports to Southeast Asia accounted for 50 percent of the total export from Korea. The average price of export to Southeast Asia increased from US\$10,667 in 2001 to US\$15,514 in 2003, showing a 50 percent increase. However, compared with the average price of exports in the world market of US\$110,290 in 2001 and US\$199,896 in 2003, the price of exports to Southeast Asia was only 10 percent of the international price.

Several reasons may be found for this, but the most important factor is the difference in the purchasing power in each economy. These price differentials are similar to a price discrimination of a third degree used in Microeconomic theories. The markets of Japan, EU and the US are the primary markets and the Southeast Asian market is the secondary market. The price for the major market is determined according to the value of the products and the cost of production. Hence the marketing strategies for the main market are quite different from those in the secondary market. Low prices in the secondary market can increase the profits of the exporters, as long as the products are not re-exported from the secondary market to the primary market. Moreover, considering the long-term market potentials, the Southeast Asian markets are also an important destination. As mentioned before, the cultural values of the home country are embedded in the cultural products, and these values are mixed and interacted with those of the host countries during consumption of such products. Therefore, the long-term market potential is determined depending on whether these two sets of cultural values are in conflicts or in harmony. Although the current price is much lower than the cost of production, low prices can be justified on the two conditions; first there is a long-term potential for the increase in demand for the products in the region and second there exists a primary market where the cost of production can be covered. The Korean government has been encouraging the exports to this region with the same reason, i.e. in anticipation for the long-term effects on the demand for the cultural products, including spill-over effects on the demand for other related cultural products from Korea.

Table 4 shows the trends of exports of the Korean movies to Southeast Asia by country. The volume of exports shows wide variations, reflecting on the differences in demand and the purchasing power of the economies. Although Vietnam is considered as the centre of the Korean Wave in Southeast

Table 3. A Comparison of Exports of Korean films to Southeast Asia and the Total Exports, 2001-2004

(Unit: US \$)

Year	SE Asian Countries (Vietnam, Indonesia, Thailand, Malaysia)				Korea		
	Total No. of Programs	Total Export Revenue	Ave. Cost per Program	% Against Total Exports	Total No. of Programs	Total Export Revenue	Ave. Cost per Program
2001	51	544,000	10,667	4.8	102	11,249,573	110,290
2002	95	1,083,000	11,400	7.2	133	14,952,089	112,422
2003	83	1,287,700	15,514	4.2	164	30,979,000	188,896
2004	96	N/A	N/A	N/A	193	58,284,600	301,993

Note: From 2004, no statistics for exports to individual countries were published. Only the total exports to each region were published.

Source: Reconstructed from Korean Film Council (2001, 2002, 2003, 2004 & 2005), Korean Film Council Yearbook

Table 4. Exports of Korean Movies to Southeast Asia, 2001-2004

(Unit: US \$)

Year	Thailand			Indonesia			Malaysia			Vietnam		
	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Prog.	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Prog.	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Prog.	Total No. of Prog.	Total Exp. Rev.	Ave. Cost/Prog.
2001	20	249,000	12,450	23	226,000	9,826	1	26,000	26,000	7	43,000	6,143
2002	51	722,500	14,167	22	202,000	9,182	13	73,500	5,654	9	85,000	9,444
2003	37	929,700	25,127	29	217,500	7,500	8	84,500	10,563	9	56,000	6,222
2004	53	N/A	N/A	14	N/A	N/A	23	N/A	N/A	6	N/A	N/A

Note: From 2004, no statistics for exports to individual countries were published. Only the total exports to each region were published.

Source: Reconstructed from Korean Film Council (2001, 2002, 2003, 2004 & 2005), Korean Film Council Yearbook

Asia, the number of imports of the Korean movie ranges from six to nine per annum, with the prices ranging from US\$6,000 to US\$9,000. On the other hand, Thailand imported 20 films in 2001 and the number increased to over 50 afterwards, with the average price of \$12,000 in 2001 and \$25,000 in 2003. The average price of exports to Malaysia was similar to that of Thailand, however the numbers of exported films increase from 1 in 2001 to 24 in 2004. The import from Indonesia also increased steadily even though the average price of imports is similar to that in Vietnam.

Korean popular music has not established a solid base in the Southeast Asian market as yet. In most cases, the entry of the Korean popular music has been indirect, i.e. through the influences of the dramas or movies. For example, the main actors of dramas and movies also enjoy their popularities in music genre, such as Ahn, Jae Wook and Bee. The number of performances by Korean singers has been increasing steadily. In Vietnam, several singers or singing groups, including Baby Vox, Koyote and Kim, Minjong had a mega performance in a large sport complex in September 2002, in celebration of the 10th anniversary of the Korea-Vietnam diplomatic relations. At this performance, the number of audience reached 15,000 who showed an enthusiastic response. Commentators evaluated that the young generations in Vietnam are blindly following the Korean performers to quench the thirst for a new culture. These performances had significant impacts on the young generation's culture in Vietnam. For example, one of the officers in Ministry of Culture and Communication commented that the stage costumes of Baby Vox and their related fashion has made considerable influences on the teenagers in Vietnam.

The Korean music companies have not made any significant efforts to enter the Vietnamese market, due to its small market size. More importantly, piracy is one of the most important obstacles to the exports, as the percentage of illegal products accounts for more than 90 percent of the disks sold in the market hence the profitability is not warranted in Vietnam. This doesn't only happen with Korean music though. American pop music albums and popular software are all in the same league when it comes to an issue of breaching intellectual properties in Vietnam. Although there has been no official export from Korea, it is quite easy to purchase albums of the leading Korean singers such as An Jae Wook, HOT and Finkl. Most illegal copies are imported from illegal copies made in China. It is interesting that the Korean popular singers have established their market base through illegal markets.

In Malaysia, the Korean popular music has entered in the country in association with the Korean dramas. However, most of the consumers are among young Chinese Malaysians who have acquainted themselves with the Korean singers through the Korean dramas broadcasted in China and Taiwan. It is a bit early to evaluate whether this is a temporary increase in demand for the Korean popular songs in association with the Korean dramas, or a solid base has been established as was the case with China. An analysis of the local Chinese magazines in Malaysia indicated that Korean popular singers, such as Boa, Hwisung and Bee who are popular among the teenagers in Korea are continuously introduced into Malaysia.

The link between the Korean dramas and music is worth paying attention. The theme song of

'Winter Sonata' has been translated into the Malay language by Hazami, a local singer and introduced the song as 'Sonata Musim Saliu' in Malaysia. Immediately after the release, the song reached the top position in the music chart of the radio broadcasting companies, and approximately 100,000 copies of the album were sold. The singer of this song was awarded "the New singer's award" and was nominated for "the Best Album Award". This link between the drama and song in Malaysia is singled out as a success among Southeast Asian countries.

In Thailand and Indonesia, the entry of Korean popular music is still in its infancy, as is the case with Malaysia. The characteristic of the entry is also similar to Malaysia, where such entry is associated with the success of the Korean dramas. For example, the success of the drama 'Full House', where the singer Bee appeared, created a group of fans for Bee among the teenagers and the 20s. This called for a music performance of "Bee" and a group of fans for the Korean popular music began to be formed.

### **Relationship between the Korean Cultural Products and Cultural Proximity in Southeast Asia.**

Southeast Asia has distinct characteristics in terms of its political, economic and socio-cultural positions. Geographically it is part of Indochina and the countries in the region form a Southeast Asian cultural group. However, each country has its own distinct characteristics. Their economic structures show diversified patterns between a planned economy and capitalist state, while their political structure, between socialism, democracy and monarchy. In cultural perspectives, three regions, Northeast Asia, Southwest Asia and Western culture influenced their culture. Various religions including Buddhism, Christianity and Muslim co-exist. The Korean Wave in Southeast Asia indicates that the cultural values embedded in Korean cultural products have been accepted with the basis of reasonably high degree of cultural proximity between Korea and Southeast Asia.

As mentioned before, the consumption of cultural products from a country with different cultural backgrounds inevitably creates the process of adjustments – cultural discounts - among the consumers, including conflicts and assimilation of two cultures. Although Southeast Asia is grouped as one region, the cultural characteristics in each country show significant variances. Accordingly, the structure of the entry of the Korean cultural products varies significantly as well. To this date, the Korean cultural products entered Vietnam most successfully, and its popularity decreases in the order of Thailand, Malaysia and Indonesia. These differences can be explained using the concept of cultural proximity.

In order to explain the relationship between the cultural proximity and the entry of the Korean cultural products in four countries in Southeast Asia, the first task conducted was to compare the cultural characteristics of Korea and the four Southeast Asian countries and their potential to accept the Korean cultural products. Then, the degree and characteristics of the interactions between Korea and Southeast Asia were measured to analyse the degree of cultural proximity. The cultural characteristics used for the analysis include political ideology, the size and characteristics of economy and the stage of economic development, religious values, traditional values, languages and culture. For the analysis of the interactions between Korea and Southeast Asia, the following dimensions were considered: political interactions; economic interactions, and socio-cultural interactions. The first stage of analysis was qualitative in nature, but the qualitative indicators were converted on a numerical scale for inter-country comparison. In measuring cultural proximity, the attributes of the Korean culture was used as the basis of comparison. A higher weighted average represents a higher degree of proximity between Korea and other countries. For measures of interactions, a higher weighted average indicates more active interactions with Korea.

Table 5 shows the degree of proximity between Korea and Southeast Asia. As shown in the table, Thailand showed a highest degree of cultural proximity with Korea among the four countries, and the proximity decreases in the order of Vietnam, Malaysia and Indonesia. Both Thailand and Vietnam received more influences from the Northeastern culture in history, whereas Malaysia and Indonesia were more influenced by Southwestern Asia and European cultures. On the dimension of religious values, Thailand and Vietnam showed high proximity with Korea, as these two countries have Buddhist and Christian influences within their culture, whereas Malaysia and Indonesia have a large Muslim population. In terms of linguistic proximity, the same tendency was observed. Most countries had similar historical backgrounds, including the invasion by foreign countries, the experiences as a colony, rapid industrialisation and modernisation. Thailand is the only country without a major foreign invasion or colonisation experience.

Figures 2 to 5 depict degree of cultural proximity between two countries in graphical manner. The area shaded with black is the benchmark level of Korea and the area with dotted white indicates the subject country's degree of cultural proximity to Korea. The amount of white dotted area covering the black shaded area in each graph indicates degree of cultural proximity.

Table 5. An Analysis of Political, Economic and Socio-cultural Proximity between Korea and Southeast Asia

Category	Attribute	Korea		Vietnam		Indonesia		Thailand		Malaysia	
		Deg. of Proximity	Wgt. Ave.								
Political Ideology	Democracies	5.00	3.67	1.00	2.33	5.00	3.00	5.00	3.33	5.00	3.00
	Socialists	1.00		1.00		1.00		1.00		1.00	
	Nationalists	5.00		5.00		3.00		4.00		3.00	
Economic Activities	Socialist Economy	1.00	3.00	1.00	2.00	1.00	3.00	1.00	3.00	1.00	3.00
	Capitalist Economy	5.00		3.00		5.00		5.00		5.00	
Religious Values	Buddhist Values	5.00	3.67	5.00	3.00	1.00	1.33	5.00	3.00	3.00	2.00
	Christian Values	5.00		3.00		2.00		3.00		2.00	
	Muslim Values	1.00		1.00		1.00		1.00		1.00	
Traditional Values	SE Asian Influences	1.00	2.33	1.00	2.33	1.00	1.33	1.00	2.33	1.00	1.50
	NE Asian Influences	5.00		5.00		2.00		5.00		2.50	
	SW Asian Influences	1.00		1.00		1.00		1.00		1.00	
Linguistic Values	Northeast Asian	5.00	2.33	5.00	2.33	1.00	1.00	5.00	2.33	2.00	1.33
	Latin	1.00		1.00		1.00		1.00		1.00	
	Southwestern Asian	1.00		1.00		1.00		1.00		1.00	
Total & Average		42.00	3.00	34.00	2.43	26.00	1.86	39.00	2.79	29.50	2.11

Note: Proximities are measured as a weighted average between the minimum (1) and the maximum (5), for each attribute.

Figure 2. The Pattern of Political, Economic and Socio-cultural Proximity between Korea and Malaysia

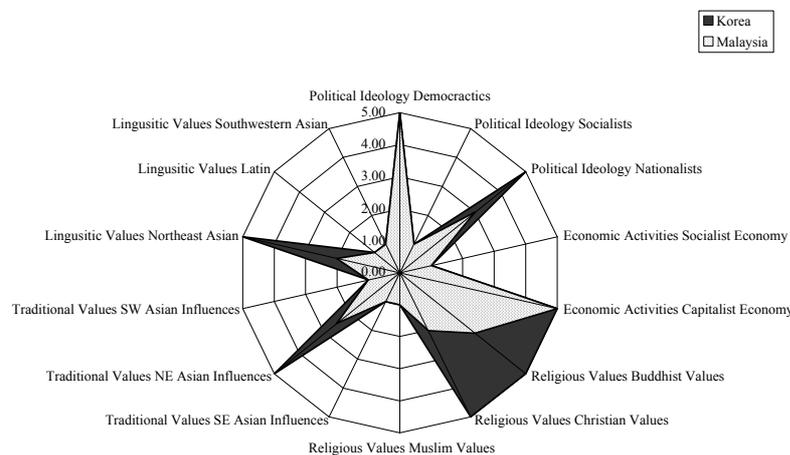


Figure 3. The Pattern of Political, Economic and Socio-cultural Proximity between Korea and Vietnam.

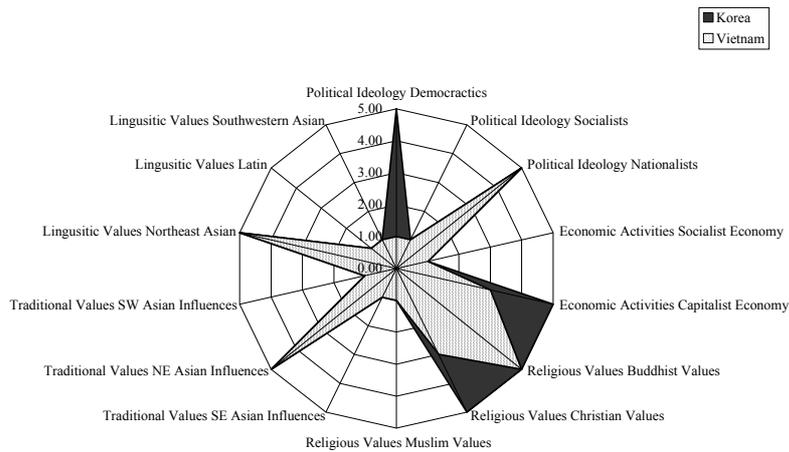


Figure 4. The Pattern of Political, Economic and Socio-cultural Proximity between Korea and Indonesia

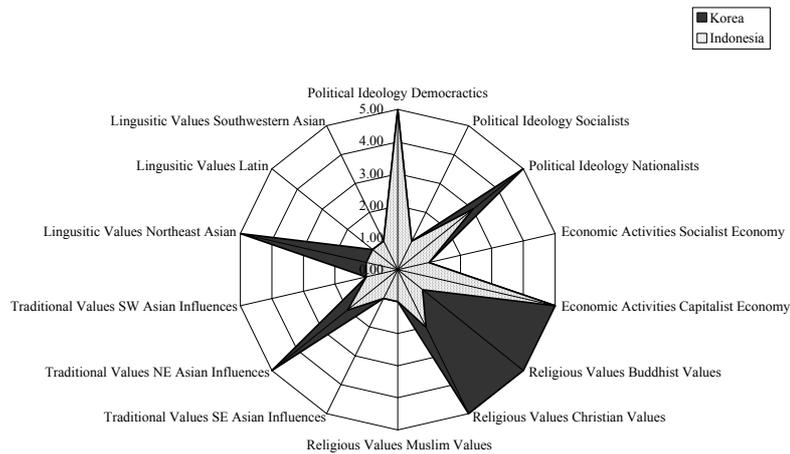


Figure 5. The Pattern of Political, Economic and Socio-cultural Proximity between Korea and Thailand

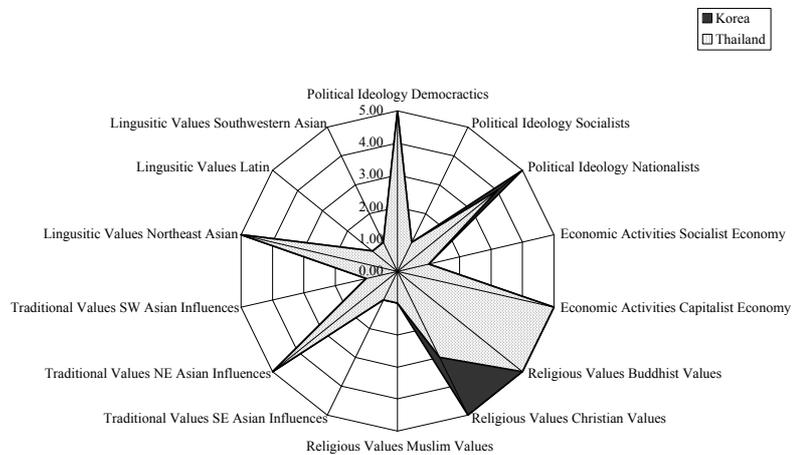


Table 6 shows the proximity between Korea and four countries in Southeast Asia in terms of political ideology. Thailand showed the highest degree of proximity in political ideology, and it decreases in the order of Malaysia, Indonesia and Vietnam. This is not surprising, considering that Vietnam is the only socialist country among the four. However, for the attributes related to ‘nationalism’, Korea and Vietnam shows a high proximity. This can be explained by the fact that both states are mono-racial country by and large, and both had experienced numerous wars against foreign invasion. The other three countries show a low degree of nationalism, due to the multi-racial nature of the population.

Table 7 shows the proximity between Korea and four countries in Southeast Asia in terms of economic activities. Thailand, Malaysia and Indonesia adopt a capitalist system. Although there exist differences in terms of economic customs, government policies and the role of government between these countries and Korea, the basic framework is a market-oriented economy. On the other hand, the Vietnamese economy adopts a socialist system, hence exhibits a low degree of proximity. However, the Vietnamese economy is being transformed rapidly towards a market-oriented system since 1986. The proximity in this category is expected to continue to increase.

Table 8 shows the proximity between Korea and four countries in Southeast Asia in terms of religious values. The proximity of Vietnam and Thailand with Korea in terms of religious values is quite high. As mentioned before, all three countries share their Buddhist values. As there exists a very small percentage of Muslim population in Korea, the Muslim values show a very low proximity, while in terms of Christian values a moderate degree of proximity appeared between Korea and the region.

While Christian values are important in modern Korea, their social contributions in Vietnam and Thailand are not significant. Although there exist some influences of Christian values in Vietnam inherited from the French colonisation period for more than 100 years, in Thailand the contributions of Christian values are minimal in the society. Considering that Malaysia is a Muslim country, its proximity with Korea in terms of religious values is considerably high. This is due to the fact that 30 percent of the population is Chinese, who share common values with the traditional Korean religious values. One of the important factors behind the entry Korean contemporary cultures entered Malaysia ahead of Indonesia was the contributions of the Chinese population in Malaysia.

Table 6. Proximity between Korea and Southeast Asia in Terms of Political Ideology

Category	Attribute	Korea		Vietnam		Indonesia		Thailand		Malaysia	
		Deg. of Proximity	Wgt. Ave.								
Political Ideology	Democractics	5.00	3.67	1.00	2.33	5.00	3.00	5.00	3.33	5.00	3.00
	Socialists	1.00		1.00		1.00		1.00		1.00	
	Nationalists	5.00		5.00		3.00		4.00		3.00	

Note: Proximities are measured as a weighted average between the minimum (1) and the maximum (5), for each attribute, after the comparison between each country and Korea.

Table 7. Proximity between Korea and Southeast Asia in Terms of Economic Activities

Category	Attribute	Korea		Vietnam		Indonesia		Thailand		Malaysia	
		Deg. of Proximity	Wgt. Ave.								
Economic Activities	Socialist Economy	1.00	3.00	1.00	2.00	1.00	3.00	1.00	3.00	1.00	3.00
	Capitalist Economy	5.00		3.00		5.00		5.00		5.00	

Note: Proximities are measured as a weighted average between the minimum (1) and the maximum (5), for each attribute, after the comparison between each country and Korea.

Table 8. Proximity between Korea and Southeast Asia in Terms of Religious Values

Category	Attribute	Korea		Vietnam		Indonesia		Thailand		Malaysia	
		Deg. of Proximity	Wgt. Ave.								
Religious Values	Buddhist Values	5.00	3.67	5.00	3.00	1.00	1.33	5.00	3.00	3.00	2.00
	Christian Values	5.00		3.00		2.00		3.00		2.00	
	Muslim Values	1.00		1.00		1.00		1.00		1.00	

Note: Proximities are measured as a weighted average between the minimum (1) and the maximum (5), for each attribute, after the comparison between each country and Korea.

Table 9 shows the proximity between Korea and four countries in Southeast Asia in terms of traditional values. Korea shares much with Vietnam and Thailand in terms of the traditional values. All three countries were heavily influenced by the Chinese culture, hence the Confucian values have been one of the important cornerstones of their cultures. Although Vietnam is located in Southeast Asia, it has both Northeast Asian cultural values and Southeast Asian cultural values. Due to the Confucian values, Vietnam shares more with Korea than other Southeast Asian countries. The reason behind a relatively high proximity in Malaysia is due to the Chinese population which accounts for 30 percent of the population.

Table 10 shows the proximity between Korea and four countries in Southeast Asia in terms of linguistic attributes. In terms of the linguistic attributes, the proximity between Korea, Thailand and Vietnam is higher than that with Malaysia and Indonesia. Korea, Thailand and Vietnam have their own languages; hence, they do not share any languages. However, all three languages were influenced by the Chinese language and characters hence the proximities are relatively high. It is interesting to note that all four countries in Southeast Asia and Korea use phonetic languages. In Vietnam, Chinese characters were

Table 9. Proximity between Korea and Southeast Asia in Terms of Traditional Values

Category	Attribute	Korea		Vietnam		Indonesia		Thailand		Malaysia	
		Deg. of Proximity	Wgt. Ave.								
Traditional Values	SE Asian Influences	1.00	2.33	1.00	2.33	1.00	1.33	1.00	2.33	1.00	1.50
	NE Asian Influences	5.00		5.00		2.00		5.00		2.50	
	SW Asian Influences	1.00		1.00		1.00		1.00		1.00	

Note: Proximities are measured as a weighted average between the minimum (1) and the maximum (5), for each attribute, after the comparison between each country and Korea.

Table 10. Proximity between Korea and Southeast Asia in Terms of Linguistic Values

Category	Attribute	Korea		Vietnam		Indonesia		Thailand		Malaysia	
		Deg. of Proximity	Wgt. Ave.								
Linguistic Values	Northeast Asian	5.00	2.33	5.00	2.33	1.00	1.00	5.00	2.33	2.00	1.33
	Latin	1.00		1.00		1.00		1.00		1.00	
	Southwestern Asian	1.00		1.00		1.00		1.00		1.00	

Note: Proximities are measured as a weighted average between the minimum (1) and the maximum (5), for each attribute, after the comparison between each country and Korea.

replaced by phonetic writings during the French colonisation period, and there is a similar history for Indonesia and Malaysia.

The next task was to analyse the degree of interactions between Korea and four countries in Southeast Asia. As shown in Table 11 and Figure 6 below, among the four countries in Southeast Asia, Vietnam showed a highest degree of interactions with Korea, followed by Thailand, Malaysia and Indonesia in the decreasing order. It is interesting to note that Vietnam shows the highest degree of interaction, while Thailand shows the highest degree of proximities among the four countries. The interactions between Korea and Vietnam, in political, diplomatic and cultural dimensions, have progressed more rapidly, compared with other countries in Southeast Asia. However, the degrees of interactions in political and diplomatic relations are lower than those of economic and socio-cultural interactions between Korea and Vietnam, due to the significant differences in the political ideology. The highest degree of interactions occurred in the economic dimension, due to a rapid increase in Korean investment in Vietnam after the opening of the diplomatic relations. Consequently, Korea and Vietnam have established intimate partnerships as Vietnam became one of the important overseas production centres for labour intensive products. The interactions in the economic dimension have also provided a momentum for improving the socio-cultural interactions, in particular the entry of the Korean cultural products in Vietnam.

Thailand adopted a neutral diplomatic policy in its relationship with western and socialist countries and Malaysia and Indonesia adopted a similar policy as well, after gaining independence from colonisation. As the economic growth of Thailand in the recent history was supported by Japan, the degree of interaction with Korea was relatively low, although Korea has increased economic cooperation with Thailand since the late 1980s.

Figure 7 shows the degree of interactions in each category. The degree of political interactions between Korea and the four countries in Southeast Asia is relatively low compared with those in other categories. Vietnam showed a lowest degree of political interactions with Korea, due to the difference in

Table 11. Degree of Political, Economic and Socio-cultural Interactions between Korea and Southeast Asia

Category	Vietnam	Indonesia	Thailand	Malaysia
Political Interactions	1.0	2.0	2.0	2.0
Economic Interactions	5.0	4.0	5.0	4.0
Socio-Cultural Interactions	5.0	2.0	3.0	3.0
Total	11.0	8.0	10.0	9.0

Note: Measured as an intensity of relative evaluations of interactions between each country and Korea in each category between the minimum (1) and the maximum (5).

Figure 6. Overall Interactions between Korea and Southeast Asia

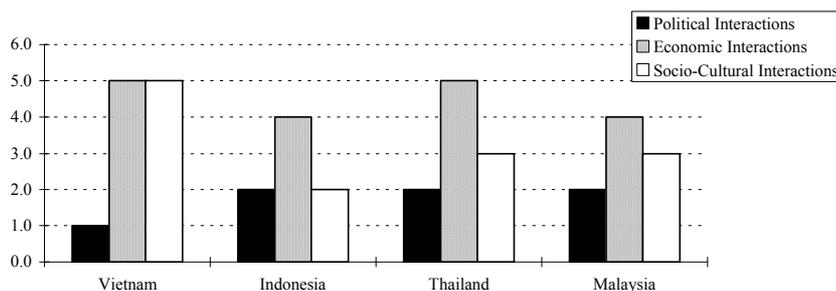
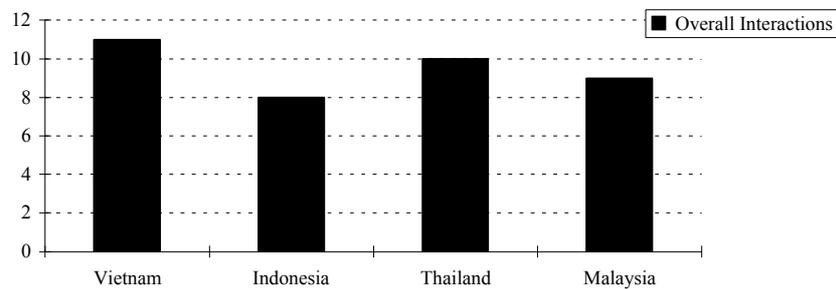


Figure 7. Political, Economic and Socio-Cultural Interactions between Korea and Southeast Asia



the political system. Although the political interactions with Indonesia, Thailand and Malaysia are higher than Vietnam, they are still lower than interactions in other categories, such as economic and socio-cultural dimensions. As Thailand, Indonesia and Malaysia adopts a neutral stance in diplomacy, and maintains diplomatic relations with both western countries and socialist countries. Therefore, major interactions with these three countries took place in other dimensions.

The degree of economic interactions is relatively higher than other categories, and the index is very close to the maximum. This indicates that the current relationship between Korea and Southeast Asia is mainly based on the economic relations, which is also the major interest area of these countries towards Korea. However, if the interactions are based mainly on the economic activities, these can turn into conflicts or competing relationship if the economic environment changes. For example, some aspects of Korea-China-Japan relations have resulted in conflicts and tensions. This can adversely affect the interactions in other dimensions.

The degree of interactions in socio-cultural dimension is highest with Vietnam and then decreases in the order of Thailand, Malaysia and Indonesia. Vietnam and Thailand share more cultural heritages with Northeast Asia, compared with Indonesia and Malaysia. In particular, Vietnam shares mostly with Northeast Asia, among the Southeast Asian countries. One question that needs to be answered is the fact that the degree of interaction is highest with Vietnam, while the degree of proximity is highest with Thailand. Vietnam experienced a rapid change in social system and values after the opening of the economy and the accompanying rapid economic growth. As the country was not ready to accept the western capitalist ideology, there was a need to find an alternative raw model to absorb and assimilate. Korea was viewed as a raw model for Vietnam to imitate its astonishing economic growth since 1970s even under conservative attitudes towards international trade and affairs with Western countries unlike Japan who always had very close ties with Western countries. On the other hand, Thailand began opening its country much earlier than Korea, and has a 300 years' history of interacting with western culture. Consequently, the western culture has already been embedded in many aspects of urban dwellers in Thailand. Moreover, Thailand had maintained a high degree of economic interactions with Japan, before the commencement of the cultural and economic interactions with Korea. This caused a relatively slower entry of the Korean cultural products in Thailand. In Malaysia, most of the cultural interactions took place through the Chinese population, via their overseas Chinese networks.

Finally, the relationship between cultural proximity, interactions and the structure of the entry of the Korean cultural product is considered. The degree of proximity of Southeast Asian countries with Korea was highest with Thailand, and decreases in the order of Vietnam, Malaysia and Indonesia, while

the degree of interactions with Korea was highest in Vietnam and decreased in the order of Thailand, Malaysia and Indonesia. On the other hand, the entry of the Korean cultural products took place sequentially in the order of Vietnam, Thailand, Malaysia and Indonesia, showing the same order as the degree of interactions. Although Thailand showed a higher degree of proximity, the entry of the Korean cultural products took place in Vietnam before Thailand. This suggests that the flow of cultural products is influenced more by the international interactions and its structure, than by the cultural proximity between the countries. The highest cultural proximity in Thailand provides a favourable environment and long term potential for the Korean cultural products. However, more direct influences are made by the history and pattern of international interactions.

### **Concluding remarks**

This paper analysed the acceptance of the Korean cultural products in East Asia, which has been named as the Korean Wave since the mid-1990s. The focus of this paper was given to four countries in Southeast Asia for two main reasons. First is the absolute shortage of research in the Korean Wave in Southeast Asia, as most of the studies deal with the Northeast Asian neighbours of Korea. Second, Southeast Asia consists of countries with diverse backgrounds, political, economic and cultural. Therefore, the Korean Wave in Southeast Asia has important implications as it is now impossible to argue that the Korean contemporary cultural products are accepted only in societies with Confucian cultural backgrounds.

The paper has three main sections: a survey of theoretical approaches that have been used to analyse the international flow of cultural products; and an investigation of the patterns of entry of the Korean contemporary cultural products into Southeast Asia, in particular Vietnam, Thailand, Malaysia and Indonesia; and an analysis of the relationship between the entry and acceptance of the Korean cultural products and the cultural proximities between Korea and the selected countries.

As a pioneering work in the area, a relatively simple methodology was used for the analysis. However, the outcomes of the research have important implications in many respects, including policy formation, business strategies and further research in the area.

Unlike other manufactured goods, cultural values are embedded in cultural products. Therefore, different cultures interact with each other during the process of consumption of cultural products by people in other cultures. In this regard, it is natural to expect that political, economic and cultural proximities between the two countries provide a base for a relatively easier entry and acceptance of foreign cultural products. However, environmental factors and the history of interactions between countries also contribute significantly to the entry and acceptance of foreign cultural products. In Southeast Asia, the Korean Wave has been strong in Vietnam, and Thailand. Recently, it has made its successful entries to countries with different cultural backgrounds, including Malaysia and Indonesia. These patterns are explained by the similarities and differences in cultural proximities.

The cases of Vietnam and Thailand, however, warrant more attention. Although the degree of cultural proximity between Thailand and Korea is higher than that with Vietnam, the Korean Wave entered Vietnam earlier and is the strongest in the region. These indicate that the history and current state of interactions between the two countries, as well as environmental factors might influence more to the entry of foreign cultural products, compared with cultural proximity.

The research in this paper was conducted using macro data. The outcome of the research suggests an important proposition explained above. Detailed micro studies with survey of individual cases of cultural products will enable us to make a more generalised statement regarding the relationships between cultural proximity and the Korean wave, and the relative importance between cultural proximity and the degree of interactions among countries.

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