

# Seminar Report

Oct. 29<sup>st</sup> 2016

European Center for  
International Political  
Economy (ECIPE)

The European Center for International Political Economy is an independent and non-profit policy research think tank dedicated to trade policy and other international economic policy issues of importance to Europe. It aims to foster a "culture of evaluation" – largely lacking in Europe – so that better public awareness and understanding of complex issues in concrete situations can lead to intelligent discussion and improved policies.

The Academy of Korean  
Studies (AKS)

The Academy of Korean Studies was established to revitalize the field of Korean Studies by conducting in-depth research and offering education on related subjects. AKS is also engaged in cooperation and exchange activities with academic institutions in Korea and abroad and conducts programs and projects aimed at improving the international community's understanding of Korean culture.

Keio University

It is known as the oldest institute of higher education in Japan. Founder Fukuzawa Yukichi originally established it as a school for Western studies in 1858 in Edo (now Tokyo). It has eleven campuses in Tokyo and Kanagawa with ten faculties.

2<sup>nd</sup> GEM Global Seminar

ECIPE | EUROPEAN CENTRE  
FOR INTERNATIONAL  
POLITICAL ECONOMY

한국학중앙연구원 KSPS  
THE ACADEMY OF KOREAN STUDIES Korean Studies Promotion Service

## Copyrights: Good or Bad for Creative Industries? October 29, 2016

Venue: South School Building, Keio University  
Address: 2-15-45 Mita, Minato-ku, Tokyo 108-8345 Japan

### Introduction 10:00-10:30

- Welcome Address: Dr. Miyuki Taniguchi, Keio University.
- Introductory Remarks: Prof. Patrick Messerlin, ECIPE and Sciences Po Paris.

### Session 1. 10:30-11:30. General Topics of Cultural Economics

Moderator: Prof. Patrick Messerlin, ECIPE and Sciences Po Paris.

Speakers:

- Yuki Kumazoe, Keio University: Analyzing the Works of ITO JYAKUCHU from Cultural and Economic Perspectives.
- Stephen Ranger, ECIPE: Understanding Hip Hop's Rise to Success.
- Miyuki Taniguchi, Keio University: The Relationship between Income Inequality and Cultural Consumption in Japan

### Session 2. 11:30-13:00. Copyrights: Intents and Realities (Roundtable Discussion)

Participants:

- Matthias Helble, Asian Development Bank Institute.
- Adam Johns, Doshisha University.
- Kyuchan Kim, Korea Culture and Tourism Institute.
- Patrick Messerlin, Sciences Po Paris.
- Jimmyn Parc Sciences Po Paris and Seoul National University.
- Christopher Pokarier, Waseda University.
- Miyuki Taniguchi, Keio University.

**Closing Remarks. 13:00. Christophe Pokarier (Waseda University) and Mathias Helble (Asian Development Bank Institute).**

### ECIPE-AKS Project: Cultural Industries in the World: Korea, the "Game Changer"

The last decade has witnessed the largely unexpected rise in the world of "Hallyu" or the "Korean Wave" of successful movies, TV dramas, and pop music. This project seeks to analyze the emergence, successes, and challenges of Hallyu within an international context, and to assess the role of Korea as a game changer in the world cultural industries. It will adopt a multi-disciplinary approach centered on business economics, economics, and media, and it plans to bring together scholars and private and public decision-makers. The project aims to contribute to world cultural diversity that will result in "cultural excellence," rather than "cultural exception." By the same token, it wants to create or expand the desire in Europe, Korea, and East Asia to learn about each other's present and future cultures.

This project is run by an international team consisting of five scholars (Patrick Messerlin, Hwy-Chang Moon, Sébastien Miroudot, Kyuchan Kim, and Jimmyn Parc). It is funded by the Academy of Korean Studies for five years and was launched in September 2015.

Yuki KUMAZO Researcher, Keio University



### **Analysing the Works of Ito Jakuchu from Cultural and Economic Perspectives**

The works of Ito Jakuchu (1761-1800), a prominent Japanese artist from the middle Edo period, present an interesting case on how to examine the cultural and economic value of art. In this example, one of the largest collections of his work was displayed at the Tokyo Metropolitan Museum in May 2016. This exhibition was very successful and witnessed a record number of visitors, particularly among the elderly. In respect of its cultural perspective, the works of Ito hold values in four main areas: spiritual, artistic, historic, and authentic.

These elements help to explain the attraction to its audience, however there are also important economic values that need to be considered. These include: price, positive externalities, and a willingness to pay. There is a simple correlation between its cultural and economic value which can help to explain the success of the exhibition. Furthermore, the works of Ito inhabit their own qualities which help to attract a large audience.

Stephen RANGER Research Associate, ECIPE



### **Understanding Hip Hop's Rise to Success**

Within the contemporary music industry, one of the most remarkable cases is hip hop's early rise to success. This occurred during a period known as the golden age between the late 1980s to early 1990s. In examining the key factors that explain the rapid growth of album sales in a relatively short period of time, three core drivers can be identified: promotion, image, and loose copyrights. The last factor is one that helps to explain the high level of creativity during this period as measured by both high album sales and positive critical acclaim.

In subsequent periods, hip hop faced increasingly stringent copyrights that began to have a negative impact on album sales and critical acclaim. Furthermore, the new copyrights regime begins to favour a form of rent-seeking behaviour that is not conducive toward encouraging more creative behaviour within the music industry. Looking to the future, the current copyrights regime needs to exhibit more transparency and be more balanced in recognizing the interests of those that hold the copyright and emerging artists who need creative freedom.

Miyuki TANIGUCHI Researcher, Keio University



### **The Relationship between Income Inequality and Cultural Consumption in Japan**

Over the last two decades, the relative poverty rate has increased in Japan which has raised a number of issues on the level of cultural consumption and whether there is a divide between the rich and poor on this issue. In order to assess this development, it is critical to examine if there is a difference in consumption of art and culture between the rich and poor by looking at the attendance numbers of concerts since the 1990s.

Using data from Ministry of Internal Affairs and Communication, the results show that growing income inequality levels can be correlated with a decline in concert attendance in Japan. These results show that the elasticity of cultural goods is notably high which can have some implications for policy approaches in the field of cultural industries.

**Session 2. Copyrights: Intents and Realities**  
[Roundtable Discussion]



**Jimmyn PARC**  
Researcher Associate and Lecturer  
Seoul National University and Sciences Po Paris



**Patrick MESSERLIN**  
Professor Emeritus  
Sciences Po Paris



**Kyuchan KIM**  
Associate research fellow  
Korea Culture & Tourism Institute



**Christopher POKARIER**  
Professor  
Waseda University



**Adam JOHNS**  
Professor  
Doshisha University



**Miyuki TANIGUCHI**  
Lecturer and Researcher  
Keio University

The first issue discussed was the relationship between certain interest groups and the copyrights regime, specifically those who have a stake in maintaining the status quo. To understand this process, it was argued that one has to look at copyrights from the perspective of a political economy story.

In respect of certain key interest groups, governments are emerging as important players in copyrights as they seek to promote the idea of a “national brand,” a process very much related to soft power and public diplomacy. Of particular interest for governments is the promotion of their country’s cultural products that could hold some tangible connection with a national identity, such as food, crafts, fashion, and art. However, in seeking to extend copyrights over these items, they face great challenges on how to enforce copyrights over complex cultural products like food recipes or clothing designs.

The discussion also considered the issue of private copy levy, currently a hot topic in Europe in relation to the tax imposed upon recordable media. The experience of Asia, specifically Japan was reflected upon in the discussion. The Japanese government utilized a similar approach in its pricing strategy for blank CDs. There were two prices, one for music CDs and one for data CDs, the data being charged a levy despite there being little difference between the two. This effort proved to be ineffective as people always purchased the CD without levy, yet the policy persisted in Japan because of interest groups in the manufacturing of the CDs themselves.

Toward the end of the discussion, it was agreed that concerns about piracy and copyrights violation needs to be put into proper context. For example, it was mentioned that with video games, consumers often download the illegal version as a trial before they would go on to purchase the official version. Placing greater restrictions only channels consumers toward spending their money on other products.

## References

- Jimmy Parc, Patrick Messerlin, and Hwy-Chang Moon, 2016, "The Secret to the Success of K-pop: The Benefits of Well-Balanced Copyrights", in Bryan Christiansen and Fatmanur Kasarc, *Corporate Espionage, Geopolitics, and Diplomacy Issues in International Business*, IGI Global: Hershey, PA, pp. 130-148.
- Jimmy Parc, 2016, The Effects of Protection in Cultural Industries: The Case of the Korean Film Policies, *The International Journal of Cultural Policy*, Doi: 10.1080/10286632.2015.1116526.
- Patrick Messerlin, 2015, The French Audiovisual Policy: An Evaluation. (Mimeo available on ECIPE website).
- Jimmy Parc, 2015, L'Impact du Quota de Diffusion sur l'Industrie Cinématographique Coréenne, *Korea Analysis* 6: 37-43 (in French).
- Patrick Messerlin and Wonkyu Shin, 2015, K-pop: Why Such a Success: The Supply Side Story. (Mimeo available on Ecipe website).
- Patrick Messerlin and Jimmy Parc, 2014, The Effect of Screen Quotas and Subsidy Regime on Cultural Industry: A Case Study of French and Korean Film industry, *Journal of International Business and Economy* 15(2): 57-73.
- Jimmy Parc and Hwy-Chang Moon, 2013, Korean Dramas and Films: Key Factors for Their International Competitiveness, *Asian Journal of Social Science* 41(2): 126-149.

## Future Events

This program will organize at least two regional seminars per year (September 2015-August 2020), alternatively in Seoul (or in East Asia) and in Brussels (or in other European cities). It organized the first international conference in Seoul, 2016 and will organize three annual international conferences every year until 2020. Seminars will address more focused topics than conferences. The events aim to offer opportunities to discuss business strategies and public policies among the widest range of private and public decision-makers involved in cultural industries (cinema, music, and TV) in Europe and Korea/Asia.

### Tentative schedule and topics of the events

Classification	Title	Location	Time
International Conference 1	Achieving Cultural Diversity: Korea And Europe at the Crossroads?	Sookmyung Women's University, Seoul, Korea	2016
International Conference 2	Cultural Industry as a Business and Economics	In Brussels	2017
International Conference 3	Lessons from Korea for Europe in Cultural Policies	In Europe	2018
International Conference 4	Korea, a Game Changer in the Cultural Industry	In Seoul	2019
Seminar 1	Launching Seminar: Cultural Industries: Pivoting to Asia?	In Europe (Brussels)	2015 2/2
Seminar 2	Current Status of Asian Cultural Industries	In Asia (Seoul)	2016 1/2
Seminar 3	Broadcasting Services: Challenges in Europe and Asia	In Europe (Paris)	2016 2/2
Seminar 4	Asian Cinema Policies	In Asia (Hong Kong)	2017 1/2
Seminar 5	European Cinema Policies: Preliminary Lesson from Korea	In Europe (Stockholm)	2017 2/2
Seminar 6	K-pop vs. J-pop	In Asia (Seoul)	2018 1/2
Seminar 7	Common Challenges of European and Asian Pop Music	In Europe (London)	2018 2/2
Seminar 8	Work Progress Evaluation 1	In Asia (Seoul)	2019 1/2
Seminar 9	Final Assessment and Further Studies 1	In Europe (Brussels)	2019 2/2
Seminar 10	Final Assessment and Further Studies 2	In Seoul	2020 1/2

\* 1/2 means the first half of the year and 2/2 means the last half.

\*\* Event in shadow means "completed."

## Acknowledgements

**Miyuki TANIGUCHI**, Keio University.  
**Colin MCKENZIE**, Keio University.  
**Ken TSUTSUMIBAYASHI**, Keio University.

## Contact Information

Patrick MESSERLIN: [patrick.messerlin@gmail.com](mailto:patrick.messerlin@gmail.com)

Jimmy PARC: [jimmyparc@gmail.com](mailto:jimmyparc@gmail.com)