



State Intervention Does Not Support the Development of the Media Sector: Lessons from Korea and Japan

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Abstract

Contemporary media production in East Asia has been booming in recent decades, reaching consumers of various nationalities to an extent unseen before. Concurrently, various collaborations in the production and promotion of movies, TV programs, animation, videogames, music, and the like have intensified and become more effective in delivering cultural content across national borders. The state in East Asia, once considered a custodian of local culture and a censor of foreign influences, has gradually changed its position and now views media production and its export as an integral part of market activity beneficial for both economy and diplomacy. Drawing upon governmental reports and interviews with government officials and media industry personnel in Korea and Japan, this paper examines the way the state reacts to the massive production and export of media culture, its attempt to integrate it within its developmental economic model, and the bureaucratic restructuring this process entails. The central argument presented is that state policy toward the media sector, and the abundance of institutions dealing with this sector in Korea and Japan, are the result of the growth of market-led media production and globalization. In other words, media industry development is not the result of policy, policy is the result of media industry development. In a wider context, this paper aims to better conceptualize the relations between state policy and media production in East Asia and the dynamics of industrial globalization under state guidance.

Over the past three decades, East Asia's media market has been going through dramatic changes, brought about by massive production, dissemination, and consumption of various media culture products such as movies, music, animation, television content, videogames, and their derivative products such as games, food, toys, and accessories. The confluence of Chinese, Japanese, and Korean popular cultures, in particular, has intensified, reaching consumers of different national and linguistic boundaries, as well as inspiring a variety of transnational collaborations and co-productions involving creative personnel and companies from different parts of this region. Concurrently, information technology and the advent of social media is swiftly replacing the old distribution and consumption channels, resulting in an overall restructure of the media industries.

The state in East Asia, once considered a guardian of local culture and tradition and a censor of foreign influences, has been overwhelmed by these changes and is pressed to modify its position. In the past, the governments of East Asia were reluctant to actively support their country's contemporary media production and its export, considering it economically marginal and diplomatically unimportant. However, following the massive production and export of commodified culture, and the economically profitable prospects they generate, a few of these governments have become proactive in their attempts to utilize media production as both a potentially profitable sector as well as part of its exertion of 'soft power'. The South Korean (hereafter 'Korean') and Japanese

governments, as we shall see, have tapped onto the media industries' success and designated strategies to support it.

In this article, I examine the way the Korean and Japanese governments have responded to the massive production of media culture, and to the fact that it has been going abroad on a massive scale. As this article will show, while initially the Korean and Japanese governments were neither interested in media-related exports nor responsible for its success, they have, over the past two decades, become increasingly involved, encouraged by their economic potential. The result is a continuous attempt to integrate the media industries within the Korean and Japanese economic developmental model. The media sector, however, does not fit easily with existing models of developmentalism, particularly due to the inherent tension between state action, which is necessarily bureaucratic, hierarchical, and rationally structured, and the dynamism of the media industry, which stems from individual creativity and is more spontaneous. Put more bluntly, while bureaucratic restructuring and institutional change is taking place, state intervention does not support the development of the media sector. The Korean and Japanese governments, as we shall see, are still struggling to find the right balance to support the media industry, and their initiatives are largely uncoordinated and generally uninspiring.

Combining interviews with government officials and media industry personnel in both Korea and Japan,¹ site visits to studios and related offices in Seoul and Tokyo, and analysis of governmental reports, in this paper I examine

models of state support for the media industries, as they were developed in Korea and Japan. The first part explains the benefit of focusing on the Korean and Japanese cases to theorize the evolving relations between the state and the media sector. The next two parts focus on initiatives taken by the Korean and Japanese governments to enhance the position of their media industries within the global economy. These parts emphasize the growth of the Korean and Japanese media industries, the developmental drive that encouraged the state's support, and the gradual integration of the soft power logic into this process. The next part looks at the reaction of the media industry itself to changes in the market and to government policy. Focusing on animation as a representative of the wider media sector, this part features the voices of the industry, who have shared with me their reservations and concerns about state policy. The conclusion outlines a few lessons for state–media industry relations in a globalizing economy.

Developmentalism and state support for the media industry

Developmentalism is an economic theory that prioritizes state action to foster economic growth, characterized by an aggressive state-led macroeconomic planning. Developmentalism features in both direct and indirect state intervention, such as giving incentives to the development of certain industries within the country's economy, imposing high tariffs to protect them in their incubating stage, and encouraging export-led sectors in the economy (Gilpin, 2001; Johnson, 1995). In the East Asian context, developmentalism is viewed as a central feature of this region's political economy. The academic literature on the postwar development of the Korean and Japanese economies typically depicts these two countries as sharing a strong developmental legacy of targeting, promoting, and guiding investment in certain industries, which the governments choose. This sort of state intervention is not only for regulating the markets, responding to market failures, or creating macro-conditions for economic growth, but also an attempt to direct the growth of certain sectors within the economy (Beeson, 2009; Holroyd, 2019; Jin, 2011; Rhee, 2014).

However, developmentalism is not necessarily useful for promoting the media industries and may sometimes result in protectionism (about the film industry, for instance, see Messerlin and Parc, 2017; Parc, 2017). For one, the production of cultural content is premised upon the cultivation and valorization of creativity much more than in other industries (Ben-Ari and Otmazgin, 2020). Moreover, in the media industries there is much easier access to the means of production than in most manufacturing industries (Otmazgin, 2013). These unique characteristics of the media industries thus present new challenges to policy makers. Conventional methods of fostering the development of manufacturing industries, such as investing in research and development or in human resource training or technological and physical infrastructure, do not necessarily work to promote artistic and cultural creativity that thrives on freedom and flexibility.

The tension between media and cultural creativity and state policy has also not been sufficiently addressed in the available literature. While relevant works have dealt with the changing workplace in the media and cultural industries (Baker and Hesmondhalgh, 2010; Bilton and Cummings, 2010; Hartley, 2005), the synergy between creative professionals and their audience (Tomaney, 1994; Zafirau, 2009), the influence of networks of communication technology and processes of convergence and de-convergence on the media industries (Hartley et al., 2012; Jin, 2013), and the social and cultural background underpinning creative media production (Caldwell, 2008; Caves, 2000), the question of how the state is involved and what kind of effects it has is markedly missing. Despite the economic significance of media culture as an economic sector, most governments do not even have comprehensive policy to support their media sectors and only a small number of countries have in fact given it serious policy attention (Holroyd, 2019; Holroyd and Coates, 2015).

Amid the growth of the media sector, the question is how should the government be involved in these processes—or should it be involved at all? One option is for the state to stay away from the media sector and let the private sector deal independently with the rising costs of production, increasing global competition, and the various market failures. Another option is to strategically allocate resources to promote media culture as an export-led industry, as has been done in Korea and Japan with the more internationally renowned industries such as automobiles and electronics. A third possibility is to follow Joseph Nye's (2004) soft power model and tie developments in local media production to achievements in foreign policy. Nye's position is that in the global information age the importance of soft power resources, such as culture, media, and ideals, will increase and become more influential. According to his prediction (Nye, 2004), states that effectively utilize their soft power resources to display their position and spread their norms abroad will triumph.

In such a context, examining government involvement in the media sector in Korea and Japan, two countries with a strong developmental legacy and globalizing media industries, provides useful insights into the relationships between the state and the media in a market-led economy. It shows how these two countries have sought to integrate the media sector into their national economic interests and enables us to better understand the way that policy is being initiated and implemented toward a newly arising industrial sector.

Specifically, the comparison of Korea and Japan is useful for the purpose of this paper for a number of reasons. First, Korean and Japanese media industries have achieved a sufficient level and experience in commodifying, manufacturing, and globally marketing various forms of media culture. In recent decades, Korean and Japanese media industries have also been expanding abroad. Japanese media's global expansion reached its peak in the second half of the 1990s, while Korean pop culture followed the same path half a decade later. In 2018, Korea and Japan had the fifth and

third largest sales of media culture in the world, behind the United States and China (the United Kingdom is fourth; Statista Digital Media, 2019).

Second, the Korean and Japanese media industries are regarded as the most developed in East Asia in terms of production capacity and sophistication, and thus serve as models for the transformation of other media industries in the region. In the last two decades, they have entered markets in East Asia on a massive scale, and more recently the wider global markets in search of new market expansion opportunities. They maintain a salient presence in the cultural geography of this region, expressed both in the wider range of products and in their especially high availability (Otmazgin, 2013; Yoon and Jin, 2017). Their timing, however, has been different. The wave of Japanese media culture reached its peak in most East Asian markets sometime between 1997 and 1999, while Hallyu culture started to become popular two to five years later and has continued ever since.

Lastly, as we shall see in the next two parts, the states in Korea and Japan are increasingly involved in the media sector. Encouraged by the global success of Korea's Hallyu and Japan's anime (animation), these governments have been attempting to tap into the media industry's success and get involved. In Korea, presently there are at least 24 public organizations pursuing media-related policy, in addition to three ministries and the Presidential office (Kim, 2012). In Japan, no fewer than 13 government ministries and agencies are involved in one way or another in promoting Japan's cultural diplomacy (Zykas, 2011). While it is not clear to what extent this abundance of such institutions reflects a strategic response on the part of the state (and is not simply an attempt to justify their bureaucratic existence), focusing on Korea's and Japan's treatment of the media industry helps us understand how economic policy is actually being initiated and managed by the state towards a newly promising industrial sector.

Korea: from Hallyu to policy

Approximately two decades after the start of its global campaign, it is now safe to say that the Korean media industry is a success story. During this period, Korean popular culture, specifically what is known as Hallyu, has continued to expand and diversify, reaching people of different backgrounds and ages all over the world and forming new alliances with different media products and outlets. Hallyu started with TV dramas, K-pop, films, and video games but has more recently expanded to include such fields as Korean-made cosmetics, food, and Korea-inspired fashion (Kim, 2018; Parc and Kawashima, 2018; Yoon and Jin, 2017). New internet technologies, the advent of social media, and the practice of fandom have played a central role in spreading Hallyu (Park and Otmazgin, 2019).

From an economic point of view, Hallyu has evolved into a lucrative business enterprise that exports various media productions to fans worldwide as well as boost the consumption of Korean-made electronic devices necessary for consuming these products (Jin, 2017). While having its

biggest presence in the Asian region, particularly Japan, China, Taiwan, and Hong Kong (Kwak, 2017; Shim, 2006), nowadays, Hallyu fans can be found in different parts of the world and across different ethnic groups—in North America, Europe, Latin America, and the Middle East. While there are no comprehensive figures about the exact size of this export or its overall economic value, it is obvious that it has been significant. According to one calculation, in 2018 the sales of Korean digital media, including music, digital publishing, video on demand, and video games, amounted to more than US\$8 billion (Holroyd, 2019).

According to the Bank of Korea, in 2018 the proliferation of Korean cultural content overseas, including K-pop, food, TV programs, and movies, as well as PC and mobile games produced by Korean firms, created a US\$2.43 billion balance of payment surplus, up 73 per cent from the previous year. (The balance of payments represents the difference between the amount a country earns from exports and the amount it spends on imports during a given period.) The growth was attributed to the rising popularity of Korean games and music abroad the previous year.² These are, however, conservative figures, as they do not include other value-generating activities such as the increase in tourism inspired by Hallyu or the income generated from sales in cosmetics.³

Politically, Korea's media industries are increasingly viewed as central to Korea's attempt to play a bigger role in world affairs, as an economy of its size should. Since promoting the country's media industries has become a national aim, the Korean government has been supporting the development of what it calls the 'creative industries' (music, movies, television content, etc.) and promoting Hallyu as an export industry. Former President Park Geun-hye has been pushing for her flagship policy, dubbed 'the creative economy', which is based on taking creative business ideas and turning them into a reality. During her presidency, South Korea set up 17 innovation centers across the country and matched up local startups and venture firms with conglomerates, utilizing science, technology, and information technology. The global excitement over Hallyu, has also been gradually endorsed by the Korean government as part of its public diplomacy strategy (Kang, 2016). It has been increasingly embraced by state officials, considered as a catalyzer for upgrading its creative and knowledge economy and an effective diplomatic tool to attain soft power (Lee, 2019).

Practically speaking, the governmental support for the media industries has moved from an emphasis on investment in infrastructure in the 1990s and 2000s (Otmazgin, 2011) to offering a wide range of incubating support programs for small companies and startups (Holroyd, 2019). The Ministry of Culture and Tourism, through its Cultural Industry Bureau, is in charge of nurturing cultural creativity, while the Ministry of Information and Communication mainly supports the technological infrastructure of the country's cultural industries. The Ministry of Culture and Tourism, for its part, has been holding international fairs to introduce Hallyu to possible buyers. Other typical initiatives to endorse the country's media industries include sponsoring concert halls to host K-pop concerts across the globe, assisting with the global branding of Korean

fashion and design products, opening up Korean cultural centers across the world to introduce Korean popular culture (in 2019, there were thirty-two centers in twenty-seven countries), trying to globalize Korean cuisine.

As part of the understanding that media industry personnel, rather than state officials, might know better how to be creative, the government in 2001 established the Korea Creative Content Agency (KOCCA), a government-supported agency charged with nurturing the competitiveness of the country's media industries and promoting it abroad. In 2009, KOCCA brought together five other existing organizations – the Korean Broadcasting Institute, the Korea Culture and Content Agency, the Korea Game Development and Promotion Institute, the Culture and Contents Center, and the Digital Contents Business Group (Holroyd, 2019). Since its inception, KOCCA, together with its affiliated organizations, has been focusing on improving the infrastructure, technology, and finances needed for the growth of Korean media production, including gaming, animation, characters, comics, music, broadcasting, and fashion.

Given the various initiatives and state institutions involved in promoting Hallyu, in November 2019, the Minister of Culture, Sports and Tourism, Park Yang-woo, announced that the government would set up a cross-ministry 'control tower' to promote Hallyu in the world. 'I think it's important to link Hallyu to Korea's exports, as well as the manufacturing and services sectors ... we need to establish a system under which all relevant ministries can work together to promote Hallyu'. According to Yang-woo, under the scheme, the various Korean ministries involved will launch a taskforce that will draw up a set of measures to enhance the popularity of Hallyu and spread it more extensively along different regions oversea (Hyun-kyung, 2019).

The case of Korea demonstrates how market-led processes, strategic consideration, and state-initiatives blend into national policy. The overall picture is of a big number of largely uncoordinated attempts introduced by different bodies in the government to support the media sector and integrate it within the nation's economic growth model. The Korean case also shows that developmentalism, in the media industries at least, is essentially a wide set of actions we later call 'policy'.

Japan: chasing the cool

The globalization of Japanese popular culture in the past three decades with media-related products and genres such as anime, manga, games, and J-pop, as well as fashion, design, and food, has firmly placed the issue of media production on Japan's economic and foreign policy agenda. While there is no comprehensive data on the size of Japan's media production and export there are clear indications that this is a big sector (Otmazgin, 2013). In 2015, the Ministry of Economy, Trade and Industry (METI) valued its content industry market at approximately US\$210 billion, the second largest in the world after the United States (Holroyd, 2019).

As in Korea, the success of Japanese media culture has encouraged the state to become more involved in this

newly globalizing sector, with METI taking the leading role. Besides METI, the most prominent actors are the Ministry of Foreign Affairs (MOFA), the Japan Foundation, the Agency for Culture Affairs (under the Ministry of Education, Culture, Sport, Science and Technology, MEXT), and the Prime Minister's Cabinet.

In July 2011, METI established the Creative Industries Division, better known as the Cool Japan Division, to supervise the internationalization of Cool Japan and assist Japanese small and mid-size culture-related firms to pursue a global strategy. METI allocates hundreds of millions of US\$ every year (approximately US\$650 million in 2013) to the division's activities.⁴ The division finances promotional programs and publicity campaigns abroad. In October 2011, METI launched the 'Cool Japan' campaign in Singapore, followed by India, China, South Korea, France, Italy, the United States, and Brazil in order to increase the visibility of Japanese products in foreign markets. The campaign introduces Japanese fashion, food, and anime, and encouraged tourism to Japan.

In 2013, to support the financial infrastructure of the media industry, the Japanese government approved the Cool Japan Fund, a twenty-year public-private fund earmarked for overseas promotions via the internet and other media platforms (e.g. the marketing of Japanese-style fashions such as Gothic Lolita through social media and other social mediums).⁵ According to the director of the Creative Industries Division, this is to promote the export of Japan's creative industries such as anime, fashion, and food – entirely new fields for a ministry that only started supporting Japanese movie festivals in the 1980s.⁶

As in other industrial sectors, METI attempts to facilitate close communication with private companies and promoters as a way of invigorating the media sector. According to the director of the Creative Industries Division, the evolution of a cooperative and supportive business community in the content industries is key for global outreach. He would like to see more collaboration between various companies and more people becoming involved in the anime industry. But, in his opinion, the ministry does not yet take a proactive approach toward small companies because they believe that the initiatives should come from below.⁷ The initiatives that the ministry does advance more enthusiastically are PR campaigns for international events. Since 2013, METI has also supported anime festivals in Singapore and Jakarta with the collaboration of Dentsu Inc. and other media-related firms (METI, 2017).

At the same time, Japan's Ministry of Foreign Affairs (MOFA), which, together with the Japan Foundation, is charged with the international dimensions of cultural policy, routinely highlights Japan's cultural capabilities and reports on the popularity of Japanese media culture overseas. Excited about the idea of linking the marketing of Japanese media together with public diplomacy, MOFA has, over the past decade, allocated funding and launched a series of creative campaigns aimed at improving the international image of Japan by featuring famous Japanese media characters such as Doraemon and Hello Kitty.

The Ministry of Education, Science and Culture, for its part, is promoting research and education designed to

boost the country's media production. In June 2004, it started supporting a Joint Industry–University Education Program for Content Creation Science, aimed at cultivating human resources for the media industries. With the support of the ministry, designated programs were opened at the University of Tokyo, Tokyo National University of Fine Arts and Music, and Dōshisha and Seika Universities in Kyoto (Yoda, 2005). The purpose is to train creative personnel, such as musicians, artistic directors, playwrights, sound engineers, designers, editors, producers, etc. whose skills are considered vital to the development of media industries.

In an attempt to facilitate better coordination between the various ministries and agencies involved in the media sector and elevate productive communication with private companies, in 2002, the Japanese government established the Strategic Council on Intellectual Property within the prime minister's office. The council is chaired by the prime minister. As part of this move, in 2014, then Defense Minister Tomomi Inada was made responsible for the coordinated strategy to promote Japan's culture abroad. According to Minister Inada, 'Cool Japan', as this strategy is called, would serve as a 'control tower' for the various ministries and agencies involved in Japan's cultural exports and coordinate the country's various 'cool' initiatives. Infused with nearly US \$1 billion in mostly government funds, the Cool Japan Promotion Council, created by Inada, has been coordinating various 'cool' investments and promotion campaigns designed to increase the export of Japanese cultural-related items and boost incoming tourism.⁸

An industry perspective

While the Korean and Japanese governments have their initiated programs to support their media sector and its attitude toward any cultural content producing industries has become more proactive than ever, media industry personnel in Korea and Japan are less impressed. Among these personnel I interviewed there was a general agreement that government policy has not proven to be significant or constructive to the industry. There was also a consensus that the state lacks a deep familiarity with the media industries and the resources invested in promoting this sector have been either insignificant or ineffective.

In order to avoid a too-broad generalization, in this section I especially refer to one of the most promising fields in Korean and Japanese media industries: the animation industry. In many ways, the animation industry is a seismograph to other media fields, including music, comics, videogames, and films. Artistically, the animation industry combines various sound and image productions, it is very risky from a business point of view, and like other media industries, it has achieved a global outreach (Daliot-Bul and Otmazgin, 2017).

In an interview with the Director of Korea's Animation Association,⁹ he acknowledged that on paper there is much support for Korea's media industry. KOCCA, for example, provides space for animation-related venture companies, offers its connections, and provides initial funding to reduce

some of the risk to kick-start new productions. It also helps with exposure by organizing festivals and related campaigns. But when asked how he would like the state to help the industry, besides providing more funding, he thought that there was a need for a more holistic and long-term support system, which would be beneficial not only for new productions at their incubating stage, but for a longer period.

At the same time, there is an overall lack of appreciation of the state's efforts. In an interview with a producer at one of South Korea's leading 3D animation companies,¹⁰ he maintained that KOCCA's efforts at encouraging new productions didn't have good results. He thought that this was because their knowledge of the market is not intimate enough and that basically 'they don't have the ability to judge good productions ... they intervene but do not manage things well ... the money doesn't go to the companies that really need it'. He also thinks that the state support system is 'not transparent and involves a lot of nepotism'. As reflected in other interviews in both Korea and Japan, in spite of the governments' engagement in the promotion of the media sector, there is wide distrust and a sense that the governments have entered the game too late.

Another critical voice that came out in the interviews was about the speed in which media companies should go global. While the globalization of Korean and Japanese media producers was generally viewed as a necessity (more in Korea than Japan), there also seems to be a fear of global markets due to a lack of knowledge and connections. According to Eugene Kang,¹¹ founder and president of Synergy Media, a Seoul-based company involved in various productions, co-productions, and the distribution of media-related productions, the only way for Korean producers of media content to survive is to go global, since the market is too small and the competition from the Japanese and Americans is too strong. The global market, according to Kang, is the best guarantee for the Korean media industry to remain sustainable. He estimates that out of approximately 350 animation studios, only about 20–25 are really competitive. The others are very small. According to him, all Korean companies must go global from the very start of their operation.

Similarly, Sonobe Yukio of Fuji Creative Corporation, one of Japan's biggest TV-media conglomerates, thinks that the government should initiate PR campaigns in places where anime has very little commercial presence, such as South America, Africa, and the Middle East, and in this way help the anime industry establish a footing in new markets.¹² Miyagawa Daisuke, corporate officer at Polygon Pictures, one of Japan's most active anime studios, thinks that the government could assist anime expansion even in relatively familiar places such as the United States. He explained that Japanese companies do not really understand the complexity of American society and thus need to rely on mediators.¹³

Some, like, Shinoda Yoshihiko, managing director of Fujiko Pro, a major distributor of comics and animation, believe that the government can still play a constructive role in Japan's anime business but this requires closer

communication and consultation between the government and the private sector.¹⁴ Similarly, Shichijō Naohiro, a senior research fellow at the National Institute of Science and Technology Policy, a Professor at Tokyo University of Technology, and one of Japan's leading experts on the anime industry, believes that it is imperative to foster better communication between state agencies and anime producers, as the process of producing and marketing anime involves constant negotiation and consultation regarding both artistic and executive decisions. According to him, this could reduce uncertainty and encourage more anime producers to go global.¹⁵

Finally, many of the interviewees hoped the government would do more to safeguard the copyright of the industry. One of the factors discouraging Korean and Japanese producers from expanding into global markets is the problem of online piracy, which is particularly rampant in China. The problem is not only the abundance of online piracy and the lax police enforcement of copyright violations, but also the fact that it is technologically easier to download and watch anime series illegally than to buy them online legally. In such context, some of the interviewees suggested that intellectual property is a field where the government's support can make the difference. The government could offer practical assistance by raising this issue with foreign governments and even exercising pressure to regulate the markets.

To summarize the reaction of the industry, as it is seen from the policy 'receivers' perspective, while there is a wide institutional push to accommodate the growth of the media sector, the policy is hardly effective. Moreover, there seems to be a lack of trust toward the state's actions and a sense of unwillingness of the industry to be voicelessly integrated into a state-led economic developmental process.

Conclusion

Given the growing involvement of the Korean and Japanese governments in the media sector, the intriguing question is what are the pros and cons of such involvement? This question of how to connect policy with media production is not unique to East Asia. There is an inherent tension between a highly formalized and bureaucratized organization, such as the government, whose mission is to standardize and organize, and the media industries, which by their very nature aim to produce and valorize new ideas and emphasize differences.

The fact that so many ministries and agencies in both Korea and Japan are actively involved in promoting the media industries is a clear indication of the growing importance the state attributes to this sector and its intention to promote it globally. However, this is not necessarily a blessing. The complex decision-making process between state ministries and institutions in the media sector is characterized by a lack of coordination, internal bargaining, and occasional struggles over resources and prestige. As we saw in Korea and Japan, a few attempts have been made to facilitate better mediation between policy makers and creative forces in the market and help media content manufacturers

extend their global business appeal. But from the media industries' point of view, not enough resources are allocated to the media sector and state policy is hardly felt.

More importantly, a too-interventionist policy in media production can prove to be counterproductive. Highly institutionalized arrangements, especially those designed by the state, will never be able to catch up with or accommodate the dynamism of the media industries and the volatilities of cultural markets. The government should thus keep a necessary free space where culture can cultivate and cultural innovations can evolve and interact naturally with the established industry while at the same time supporting the organizational infrastructure that translates cultural creativity into marketable products. In terms of spurring creativity, which is the basis of the cultural work, there was a general agreement among all the media industry personnel who were interviewed in both Korea and Japan that the state cannot really help and that it should not interfere.

What else can the governments do? First, they can try hard to make good relations with other countries, as media tends to run faster and easier when diplomatic relations are firm. Second, in order to support a long-term lucrative economic sector, they should support the enjoyment of popular culture (animation, music, video art, festivals, etc.) of both consumers and professionals. Media should be celebrated, and not only thought of in industrial terms. Enjoyment is the basis of media creativity and it is the best guarantee for a viable, sustainable, and expanding sector.

Notes

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1. These semi-structured interviews were conducted in Korea and Japan between 2013–2018.
2. <https://www.thejakartapost.com/life/2019/03/04/korea-marks-bop-surplus-for-hallyu-linked-sectors-on-global-success-of-games-k-pop.html>. Accessed 30 March 2019.
3. According to one estimate, in 2014, Hallyu gave a boost of US\$11.6 billion to the South Korean economy. See <https://martinroll.com/resources/articles/asia/korean-wave-hallyu-the-rise-of-koreas-cultural-economy-pop-culture>. Accessed 30 March 2019. According to another report by the Hyundai Research Institute, the economic effect of BTS, Korea's most famous K-pop boy band in recent years, is no less than US\$3.67 billion. This includes BTS-related exports such as clothing and accessories (US\$224 million), cosmetics (US\$426 million), and foodstuffs (US\$456.5 million). BTS is estimated to have been responsible for 7.6 percent of the 10.4 million foreign tourists who visited the country last year and 1.7 per cent of consumer exports last year. Choi Moon-hee, 'K-Pop Group BTS Induces Production worth 4 Tril. Won per Year', *Business Korea*, December 19, 2018. Available in: <http://www.businesskorea.co.kr/news/articleView.html?idxno=27583>. Accessed 2 September 2019.
4. Interview with Ibuki Hideki, director of METI's Creative Industries Division, Chiyoda-ku, Tokyo, 22 August 2013.
5. As of September 2019, the fund is capitalized at ¥86 billion. See <http://www.cj-fund.co.jp>. Accessed 18 April 2020.
6. Interview, Tokyo, 22 August 2013.
7. Interview, Tokyo, 22 August 2013.

8. Minister Inada's Cool Japan initiatives have gained wide coverage in domestic and foreign news. See, for example, <http://www.economist.com/blogs/banyan/2014/06/japans-soft-power>; <http://www.japan-culture-nyc.com/2014/02/03/whats-so-cool-about-japan>. Accessed 30 March 2019.
9. Kim Wolf, interview, Seoul, 30 August 2018.
10. Name removed, interview, Seoul, 30 August 2018.
11. Interview, Seoul, 23 September 2015.
12. Sonobe Yukio, interview, Tokyo, 20 August 2013.
13. Miyagawa Daisuke, interview, Tokyo, 14 August 2015.
14. Shinoda Yoshihiko, interview, Tokyo, 21 August 2013.
15. Shichijō Naohiro, interview, Tokyo, 20 August 2013.

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