THE KOREAN WAVE CELEBRITY
AND THE MODERN BIRTH OF THE
K-DRAMA CONGLOMERATE

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Zusammenfassung


Abstract

This article starts from the observation that existing research on Korean Wave celebrities fails to show that the phenomenon of the transnational Korean Wave celebrity has emerged as part of a wider process of transformation which encompasses all of Korean broadcasting and its entertainment industry. This article sets out to demonstrate, in particular from an analysis of a set of in-depth interviews, that the phenomenon of the Korean Wave actor is the result of a process of ‘flexibilization’ in the Korean television drama industry, which, in turn, is the product of both the full-scale globalisation of the broadcasting industry from the late 1980s and the full-fledged ‘financialization’ of the same industry from the late 1990s onwards. The combined effects of globalisation, financialization, and flexibilization led to the creation of the K-drama conglomerate. Central to such a system is the image of the Korean Wave celebrity, which, by functioning as fixed capital, has the effect of making invisible the very real labour that is performed within the K-drama conglomerate. This being so, the Korean Wave celebrity is an excellent example of capitalism’s latest manoeuvre: creating intangible commodities capable of expanding the channels of profit by evoking affect.

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1. Introduction

Over the course of the past 30 years, the term ‘Korean Wave (Hallyu)’, which refers to Korean cultural products such as movies, television dramas and popular music and to the considerable popularity they enjoy outside Korean national borders, has become subject to global use. Academic interest in this intriguing cultural phenomenon first emerged in the globalisation era and has taken multiple forms over the two decades, since it was first triggered by the record-breaking 1997 television series What is love? in China and the 2003 television series Winter Sonata in Japan (Hirata, 2005; Huat and Iwabuchi, 2008). Around one hundred fifty million viewers watched the television series What is love? in China and the television series Winter Sonata recorded around 25% of viewer ratings in Japan.

Recently we have seen a surge of academic interest in the Korean Wave celebrity, the most prominent feature of the Korean Wave phenomenon. As transnationally marketed and promoted icons and commodities, Korean Wave celebrities constitute an arena in which local capital and policy, foreign capital, and the desires of both local and international fans are mediated and contended. It is this very transnational character of the Korean Wave celebrity that has been the focus of academic interest to date. To cite just one example, Jung (2011) argues that the masculinity of the male Hallyu star is not an intrinsic feature, but the product of the contextual relationship between Korea and the overseas arenas in which the entertainment content that feature him is consumed. In her study on Hallyu girl idols, Kim (2011) similarly maintains that the status of the Hallyu girl idols as commodities are the combined result of the systematic growth of the Korean cultural industry and a globally, regionally, and locally operated “girl industry”. For this reason, neither local and transnational capital and the people affiliated with it nor the differing desires of local and foreign fans can be excluded from any analysis of the phenomenon of the Hallyu celebrity (Fedorenko, 2017).

There is, however, a point that such studies interested in the transnational character of Hallyu celebrities are missing: Korean celebrities were not, in fact, marketed on a global scale from the very beginning. Entertainers in Korea used to be exceedingly localised agents who were looked down upon as ‘clowns’ or ddanddara, the latter term denoting entertainers with a low or insecure social standing and bringing with it, in the case of women entertainers in particular, connotations of sexual availability. It was only in the early 1990s that social disdain for entertainers began to soften, and it took another ten years for them to become celebrities, and thus objects of envy and admiration, in the early 2000s, when they began to be marketed and promoted on an international scale. What, then, are the details of the process by which the perceptions of Korean entertainers altered from being looked-down-upon...
local entities to enviable transnational celebrities? Shin (2009) provides clues to the answer to this question in his study which focuses on performers in the Korean music industry. He maintains that the Asian financial crisis of 1997 and the challenges posed by the digital economies that developed in its aftermath represent the main reason why K-pop agencies have moved to producing groups of ‘idols’, i.e. entertainers who can perform a variety of roles ranging from singers and actors to commercial models and reality show participants or hosts. Such versatility was a reaction to the fact that record sales alone, which had previously constituted the primary source of revenue for the music industry, no longer generated the expected profits. Shin then goes on to illustrate the entire process by which performers in the Korean music industry changed from mere local entertainers to transnational K-pop celebrities.

Considering the fact that Korean television series first initiated the flow of Korean cultural content overseas and have remained at the heart of such transnational consumption ever since (Jin, 2017; Ju, 2019), it is surprising that there is so little analysis of similar changes in the Korean drama industry and changes in the role and status of actors. In particular, the casting of Korean Wave actors is a critical factor in securing the popularity of Korean television dramas with a transnational audience and fan base (Ju, 2019: 31, 71).

This article argues that the Korean Wave actor is the result of a process of “flexibilization” in the Korean television drama industry that itself is the product of both the full-scale globalisation of the Korean broadcasting and entertainment industry, which began in the late 1980s, and the full-fledged “financialization” of that same industry from the late 1990s onwards.

In speaking of the “flexibilization” of the production process, I refer to the process described by Sennet (1998) whereby companies change their internal distribution of tasks, patterns of employment and choice of product formats in response to changes in consumer demand. Building on Sennet’s notion of flexibilization, the present study examines the flexibilization of the production process for Korean television dramas not only as it unfolds within individual terrestrial broadcasters and cable television, but also in the Korean drama industry when viewed as a whole.

In turn, when speaking of “financialization”, I refer to the process by which monetary capital in the form of bonds, stocks or foreign exchange creates fictitious capital such as interests on loans, gains on investments, trading profits on securities, and commissions (Kim, 2010: 91). Expressed differently, “financialization” denotes the process of creating what Marx has called the “fetishistic” belief that money can produce more money without labour. The study at hand will analyse the financialization of the Korean drama industry as part of a larger process whereby the structure of the Korean
broadcasting and entertainment industry was transformed by finance capital which came to flow into the drama industry and created the novel possibility of returns on the stock market.

This paper is structured as follows. The introduction presents the research problem, the causes of the transformation in the Korean broadcasting and entertainment industry which led to the creation of the Korean Wave celebrity. It is followed by a section on theoretical issues concerning transnational celebrity, the outstanding feature of today’s global cultural industry, and by a section discussing questions of research method. The main analysis, which is divided into three parts of the transformation of the broadcasting and entertainment industry, shows how actors in Korea have, in a process beginning in the early 1960s, transformed from being mere entertainers with rather low and insecure social standing to being image commodities that perform the function of fixed capital and Korean celebrities that are transnationally marketed and promoted. The conclusion suggests the theoretical implications of these findings.

2. Theoretical issues: Korean Wave celebrities as transnational commodities and fixed capital

Existing research on Korean Wave celebrities in Asia has mostly focused on the reactions to them of foreign fans. The combination of these celebrities’ capacity to be popular with, and gain the affection of, a large and diverse group of fans, as well as the delicate historical context of Asia, has often had the effect of turning fans’ expressions of affection into acts laden with political implications (Tsai, 2008). A classic example of this is the case of middle-aged Japanese women falling in love with ‘Yonsama’ Bae Young-Jun’s character in the Korean television drama Winter Sonata. Some researchers have argued that these women’s fan activities, such as repeated travel to Korea and learning the Korean language, opened up the political potential to reshape the formerly imperial and colonial relations between Japan and Korea (Mori, 2008; Hirata, 2008). As a further point of relevance, an individual Korean Wave celebrity’s attraction to any given local audience was not accountable to any intrinsic or essential quality of theirs, but is ultimately the product of a contextual relationship. To provide just two examples, Jung (2010) demonstrates that the metrosexual masculine appeal of the singer Rain to his Singaporean fanbase results from what she terms Singapore’s “trans-pop culturism”, in which she refers to a culture of consuming what is the most cutting-edge and global culture in Asia at any one time. Similarly, the fact that Oh Dae-Soo, the protagonist of the movie Old Boy, exuded postmodern masculinity from the point of view of a Western audience was a product of Western Neo-Orientalism.

Over and above being both the object and the product of their transnational fanbase’s interests and affections, celebrities are also commercial commodities that, through their various activities in
entertainment and advertising, make it possible to raise funds for the production of yet more entertainment content. Particularly relevant to the present study is Fedorenko’s (2017) study, in which she employs Marxist terminology to explain the kind of dilemma faced by Korean celebrities who have acquired transnational stardom. She demonstrates how Korean Wave celebrities’ use-value within their home country can come into conflict with their exchange-value outside Korean national borders. With its focus on the more commercial aspects of celebrity, Fedorenko’s study forms part of a more general shift in cultural studies from stardom to celebrity, and from the notion of sign/image to that of commodity (Marshall, 1997; Turner, 2010). This shift, in turn, relates to a more general alteration in focus in cultural studies from questions concerning the consumption of culture to those surrounding its production (Calabrese, 2004; Babe, 2009). Building on Fedorenko and the other authors mentioned above, the present study aims to show how Korean actors were transformed into Korean Wave celebrities with transnational exchange-value through a wider process of transformation in the Korean broadcasting and entertainment industry.

To do so, it will apply the two concepts of “image commodity” and “fixed capital” to the case of actors who have become Korean Wave celebrities. The concept of image commodity is borrowed from the analysis of the Japanese television actor system by the media anthropologist Georg Lukács (Lukács, 2010). In the face of challenges posed by the globalisation of the broadcasting industry and the increasing fragmentation of the entertainment market from the 1980s onwards, the Japanese television industry began developing a system geared towards producing and employing actors as image commodities (Lukács, 2010: 1-15). From the late 1980s onwards, the globalisation of the broadcasting industry and changes in production patterns in the direction of post-Fordism began to threaten the profitability of the Japanese television industry. As a result, it pioneered a novel genre of so-called “trendy dramas” that were specifically targeted at young consumers. Such trendy dramas focus on the relationships, working lives, and general lifestyles of young men and women in urban areas, thus providing media content that easily lends itself to embedded advertising. In fact, most of the actors appearing in these dramas had a background in advertising, having appeared as advertising models in television commercials, fashion magazines, and the like. Through their careers as advertising models, they acquired a certain image that later helped them to become cast in television dramas in roles corresponding to that image. Once they acquired sufficient new popularity through their acting in trendy dramas, such models and actors began to take up further activities – ranging from singing to appearing on talk shows or reality shows as guests, participants, or hosts – and thus increased their value as image commodities, rather than professionally trained actors, still further. By beginning to rely, from the 1990s onwards, on such “image commodities” in initiating a new series, show, or
programme, Japanese television companies had found a hugely effective means of keeping marketing costs as low as possible. In this way businesses such as fashion or lifestyle product companies could reap the benefits of actors, or image commodities, wearing, putting on, and using their products in a particular broadcast. This, in turn, allowed Japanese broadcasting companies to establish close ties with leisure product companies and produce derivative and cross-branded products. The production of broadcasting and entertainment content thereby became stretched out horizontally across various and numerous companies, which at first blush seem to be mutually independent in terms of their structure and set-up, but which are, in actual fact, closely intertwined by virtue of the considerable degree of synergy achieved between them. What could be termed the “horizontal integration” of the Japanese television or drama industry enabled Japanese broadcasting companies to overcome their profitability crisis (Lukács, 2010: 29-57).  

Challenges of the kind faced by the Japanese television industry made themselves felt in Korea too. As Ju (2019) has recently pointed out, the changes in the Korean drama industry and the role, status, and range of activities performed by television actors cannot be explained solely with reference to governmental intervention or support, both of which are factors that have often been credited with having enabled and initiated the Hallyu phenomenon.

Rather, the effects of the globalisation of the broadcasting and entertainment industry not only in Japan and Korea but in Asia as a whole need to be taken into account. Many broadcasting companies in Asian countries decided to purchase what programmes were available at a low cost while also remaining sufficiently attractive with a view to product placement and advertising. In particular, Korean dramas came to be viewed as an ideal for their purposes, since they were not only cheaper than their American or Japanese equivalents, but also had already secured a passionate pan-Asian fanbase (Ju, 2019: 112-113).

Starting from the success of Korean dramas in Asia as aided by the processes of globalisation, Korean dramas eventually came to be produced entirely for the purposes of global distribution. This, in turn,

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1 Hong Kong actors operative from the 1970s to the 1990s can equally be referred to as image commodities, since they tended to be active, over the course of their careers, in more than just one entertainment format or genre. Famous film actors of the 1980s and 1990s, such as Chow Yun-Fat, Stephen Chow, and Tony Leung Chiu-Wai, started their careers as television actors. All have also released records as singers and been active as commercial models. It can be speculated that the relatively small size, as well as the intimate and close-knit nature, of Hong Kong’s broadcasting and entertainment industry, coupled with the high demand in Asia for cultural and entertainment content produced in Hong Kong, is behind the emergence of such an image commodity system in Hong Kong, although there is, as yet, no research on this point. I want to express my gratitude to an anonymous reviewer for bringing this question of Hong Kong actors as image commodities to my attention.
initiated a change whereby Korean Wave celebrities, by becoming famous across the whole of Asia, came to mark the critical factor in the process of securing finances for a particular drama’s production.

In other words, Hallyu celebrities came to function as “fixed capital” in the production of Korean television series. The concept of fixed capital, which was first introduced by Ricardo (1817; 1981) and later further developed by Marx (1867; 1992), refers to a physical asset, such as a machine, that is used for production without being used up in the process. The concept of fixed capital, by shining a light on the phenomenon of celebrities not only as products but also as brands (McDonald, 2013: 41-64) or capital that commercially enable the production of further entertainment content, used in this context emphasises the fact that the productivity of the actor as a brand or image commodity is perceived as the productivity of something akin to a machine. This, in turn, has the effect of obscuring the real human labour of others involved in the production and operation of this image commodity. By drawing on the concept of fixed capital, the rest of this paper aims to highlight how the centrality of the Korean Wave celebrity for the Korean broadcasting and entertainment industry goes hand in hand with such a fetishistic belief and the concurrent invisibility of real human labour.

3. Research method

This article was written based on an analysis of books, policy papers, media reports, securities analysis reports, and research articles. These materials were treated not so much as texts that report certain facts, but rather as discursive works with specific objectives.

In addition, a total of 15 in-depth interviews were conducted to acquire an understanding of how those active in the Korean drama industry experienced and perceived the transformation of the broadcasting and entertainment industry over the course of the last 20 years. The interviewees’ backgrounds ranged from being the CEO of a start-up investment company to being a member of costume design staff (Appendix 1).

All interviews were conducted in Seoul in the periods from 2011 to 2013 and in 2018. The time and place for them were chosen according to the interviewees’ wishes, and they involved a conversation based on a pre-prepared, semi-structured questionnaire.
4. Actors as vertically integrated professional entertainers: before the 1990s

The Korean television industry that first engaged in the systematic training, employment, and marketing of actors first took root in the early 1960s. In doing so it broke with the earlier tradition, which dated back to the beginning of the 20th century, of recruiting theatre actors to appear in front of the camera. The Park Chung Hee government, which took power by a military coup in 1961, launched the national broadcaster KBS (Korean Broadcasting System) at the end of that year. In 1962, a total of 20,000 television sets were imported from the US and Japan and sold on monthly instalments. KBS launched an open recruitment system for what might be termed ‘in-house actors’ in its first year, and both the TBC (Tongyang Broadcast Company), which opened in 1964, and the MBC (Munhwa Broadcasting Cooperation), which was launched in 1961 and, following some complications, re-launched in 1969, adopted a similar system of recruiting actors and keeping them under exclusive contracts.

These procedures for actor recruitment and employment involved a complex and detailed system of remuneration according to fixed ranks that were established mainly by seniority and the weight of individual contributions to particular works. An actor’s position within these ranks was calculated and adjusted twice a year, and they were remunerated for each individual episode of any drama in which they appeared in accordance with whatever rank they held at the time. Therefore, the system for the remuneration of actors under exclusive contract with a broadcasting company paid little or no regard to an actor’s popularity or success. In other words, an actor was regarded and treated as an employee of the relevant broadcasting company.

An interviewee who had been a producer with one of the terrestrial broadcasters for a long time (case 14) said that this experience was “like a large factory where even drivers are hired full-time”. Everything from the production to the transmission of dramas was taken care of within the broadcasting company itself, and “all the know-how was accumulated inside the broadcasting company”. Therefore, actors under exclusive contract with the broadcasting companies were referred to as “KBS actors” or “MBC actors” and were considered as decisive elements in differentiating the programmes of the broadcasting companies from each other. This structure bears similarities with the Hollywood studio system of the 1930s and 1940s, in which films were produced within one and the same studio from start to finish and would even be distributed through cinemas owned by that same studio.

In such a system, the producer’s power in casting the actors was absolute. Another interviewee who had also worked as a producer for one of the terrestrial broadcasters (case 13) asserted that he had
enjoyed “king-like powers” and had held what amounted to “life-and-death authority” over the actors. By contrast, the actors of the time were looked down upon as ddanddara or ‘clowns’. All of this means that during the era of actors under exclusive contract with broadcasting companies – which came to an end with the establishment of the first commercial broadcasting company, SBS (Seoul Broadcasting System), in 1992 – Korean television actors were fully integrated into the broadcasting company to which they were contracted and were managed and put to use by that broadcasting company as part of a business strategy and practice. This has been described as ‘vertical integration’, in denoting a state of affairs and set of practices whereby a company owns or at least controls all of the entities in the chain of suppliers, distributors, and retailers.

5. Globalisation, flexibilization, and celebrities as image commodities: the period of 1990-1997

The globalisation of the broadcasting and entertainment industry, which began in the post-Cold War era of the late 1980s, had a massive impact on Korea. The Marrakesh Agreement resulting from the Uruguay Round negotiations, which began in 1986 and was concluded in 1995, required that national markets for film and television programmes be made accessible (Shim, 2008) and that measures restricting foreign investments in the film and advertising industries and the import of foreign films be abolished. This period was also a hay-day for the democratization of Korean society. Workers in the broadcasting industry began to organize themselves into unions and associations to gain freedom from government interference and secure their labour rights. In addition, Korea quickly changed into a consumer society in the mid-1980s as its trade balance shifted from a deficit to a surplus, thanks to what has been termed in Korea ‘the prosperity of the three lows’ (samjŏhohwang) – a low oil price, a low dollar price, and a low interest rate.

Under these circumstances, the Korean government and the Korean broadcasting and entertainment companies KBS and MBC took to attacking the existing structures of regular and permanent employment as being overly rigid and bureaucratic. Furthermore, broadcasting companies found themselves in competition over their audiences in terms of the increasingly differentiated tastes of a consumer society, a far cry from the audience they had been used to, i.e. one whose members were united by their shared identity as Korean nationals.

Such represented the backdrop to a number of measures that deeply affected the structure of the Korean broadcasting and entertainment industry. These included a law stipulating an obligatory rate for the outsourcing of production work to external producers, which was passed in 1990, the launch of SBS in 1992, and the introduction of cable television in 1995. The resulting increase in the number
of production companies with no formal ties to national broadcasters, together with the founding of SBS and a number of cable television channels, signified the end of the previous system in which individual broadcasters had been in charge of both the production and the transmission of television dramas. Taken together, these measures had the effect of expanding the process of drama production beyond the broadcasting companies themselves. As a result, the basic structure of the present-day Korean drama industry was formed. At the same time, a rather paradoxical construction emerged: drama production in the industry seemed to look less integrated than it used to be in the days of production within one and the same individual broadcasting company, with various steps of the production process now being divided between formally independent companies. But in fact, these seemingly independent entities were being closely integrated into one overarching drama industry and operated as specialised units of the industry in a manner that could be likened to the different units of one and the same giant factory.

This situation is similar to the system of network enterprises by which Hollywood, which had previously operated on the basis of individual studios, became something akin to a factory and developed flexible specialisations for each film-making sector following the Paramount Decision of 1948. In Hollywood, a free-agent system was established in which actors who had previously been assigned to individual studios now signed for individual projects following negotiations conducted by their agents.

In the case of the Korean drama industry, it was the first commercial broadcaster SBS that initiated and led the equivalent process. Since SBS’s broadcasts were restricted to the Seoul area, actors appearing on SBS programmes could not expect to make as high an income from appearing in commercials as they would make by appearing in programmes of their competitors KBS or MBC, whose broadcasts were not similarly restricted in terms of territorial range. Being aware of this limitation in its attractiveness to potential actors, SBS chose not to establish an actor recruitment system of its own, but instead began headhunting for actors already employed with KBS or MBC, winning them over by guaranteeing to them whatever income they would have made from filming commercials while under contract with a national broadcaster.

This SBS practice of scouting actors employed by national broadcasters KBS and MBC eventually resulted in the dismantling of the system of actors who were under exclusive contract with only one individual broadcasting company, and who were remunerated according to whatever rank they held in the company’s remuneration system at any given time. Actors instead took to signing up for individual projects. This led to the emergence, for a brief period of time, of agents who would act as go-betweens between actors and producers and separate managers who would represent the actors.
But soon, both gave way to management companies who combined both roles and came to completely dominate the market. Management companies were also founded at this time by some of the Korean conglomerates, or Chaebol, which had already entered the film industry in the early 1990s. Samsung Group’s subsidiary Star Search, established in April 1999, is a representative example of such an actor management subsidiary within a Korean conglomerate. Such subsidiaries are typically divided into a planning department, an actor marketing department, and an actor management department, all of which are geared towards finding and managing actors in a systematic fashion. In such a system, an actor’s image and his/her market value are no longer predominantly determined by the actor in question’s work, but increasingly by the labour of numerous other workers within that same system. Interestingly, most former managers whom I interviewed told me that actors and managers both welcomed this change as a step in a freer and more democratic direction, away from the previously absolute power of producers in the industry (cases 3, 4, 5, 6, 7). Indeed, the rise in the number of channels and the resulting increase in the demand for television dramas (Ju, 2019: 22) increased actors’ bargaining powers, freeing them from the authoritarian and hierarchical relationship with producers at terrestrial broadcasting companies that was described in the previous chapter.

From that period of time onwards, some of those who were cast in particular types of Korean television dramas and who had previously ensured the success of such dramas by acquiring a certain image through their activities as commercial models, came to capitalise on their image and maximise it by acting in dramas. In this way, these former models accumulated an image through their activities in advertising that later enabled them to move across formats and genres and become celebrities in the process. These kinds of careers are starkly different from those of the previous period in the Korean broadcasting and entertainment industry, when it was common to succeed as a drama or movie-star first and appear in advertisements later, once one had acquired a certain image or reputation in one’s acting career.

This novel kind of career was particularly common for those who appeared as the main characters in trendy dramas, which, following the Japanese example, started to be produced in Korea from the early 1990s onwards. What viewers consume in such trendy dramas is often not so much a story as a character’s style (Lukács, 2010: 38-45). Through their activities in advertising and trendy dramas, actors who did not necessarily excel in their acting, but who were highly successful as image commodities,

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2 Examples include the late Choi Jin-Sil, who had dominated the 1990s both as a commercial model and as a protagonist in many trendy dramas, Jeon Ji-Hyun, who is one of the major Korean Wave stars and was chosen to represent Gucci in Asia, and Lee Jung-Jae and Jung Woo-Sung, who are both still active as commercial models and actors.
achieved considerable popularity and what Lukács terms “intimate televisuality” with the television audience, meaning a particular form of public sentiment towards the actors or their image.

What is interesting to note here is that certain differences in the quality of such “intimate televisuality” of television actors can be observed for the cases of Japan and Korea. These differences seem to hail to the two countries’ distinct economic and social structures present at the time when this phenomenon first emerged.

While the genre of trendy drama was developed in Japan by a television industry in search of a solution to the recession of the 1990s (Lukács, 2010: 38-45), it was the globalisation of the broadcasting and entertainment industry and its rapid transformation into a consumer society that facilitated the flexibilization of drama production in Korea and provided the background to the emergence of trendy drama in Korea. For, unlike Japan, Korea had enjoyed an economic boom during the late 1980s and 1990s.

These differences in economic history make themselves felt in the nature of “intimate televisuality” of television actors in Japan and Korea. People feel a sense of belonging by positioning themselves, through the medium of television, as members of a particular nation (Mankekar, 1999). Television actors, to a greater extent than film actors, can generate a particularly strong sense of familiarity and intimacy with a mass audience (Marshall, 1997: 119-121). As Lukács argues, Japanese television actors’ intimate televisuality provided the Japanese audience with a sense of comfort and familiarity that adequately compensated them for the loss of a sense of solidarity and affiliation that had occurred over the course of the prolonged recession (Lukács, 2010: 31). By contrast, the emotions that Koreans felt towards actors who were image commodities, as they emerged in the late 1980s, are best described as feelings of hope and expectation for a new society and community built on the new-found respect for individuality that had resulted from economic growth and democratization. The actors who were popular at the time were young people who displayed a strong degree of self-assertion and presented themselves with a different sense of fashion and a novel manner of consuming goods.³

³ Kim (2011)’s finding that representations of girls as consumers became widespread in Korea in the 1990s, and that their consumption was accepted as an act of realizing liberal democracy, stands in agreement with this analysis.
6. Financialization, the Korean Wave celebrity as fixed capital, and the K-drama conglomerate: 1998 and beyond

Several researchers have pointed out that the post-1997 Asian financial crisis which ravaged the Korean national economy served as a momentum for the Korean Wave, when parts of the national export industry and other Asian countries began looking for entertainment content that would be cheaper than Hollywood and Japanese television serials (Huat and Iwabuchi, 2008: 4; Ju, 2019: 23). In the following section, I will offer a more detailed analysis of how the 1997 crisis and its aftermath prompted the Korean government and television industry to pursue neoliberal policies, which would, ultimately, lead to the creation of the Korean Wave celebrity and the birth of what I will term “the K-drama conglomerate”.

The significance and impact of neoliberal policies in the Korean broadcasting and entertainment industry after 1997 can be summarized as follows. First, terrestrial broadcasting companies and cable television dependent on industrial capital took a blow when the major players among the Chaebol, the Korean business conglomerates, which had entered the entertainment market in the late 1980s and early 1990s, retreated from the market in reaction to the government’s short-term stabilisation policies designed to address the Asian financial crisis. Second, this retreat brought about a process of rapid mergers and acquisitions between the surviving companies in the entertainment industry. Third, in the case of cable television, outsourced production companies and management companies, government policies of market opening and liberalisation in reaction to the Asian financial crisis allowed them to attract foreign capital for the first time that was needed for their processes of mergers and acquisitions (Kim, 2010: 209-212).

In this connection it is noteworthy that, for the Korean IT and entertainment industries, the years from 1998 to 2000 constituted a period of temporary recovery in the midst of the ongoing financial crisis. Korea counted among the countries that became integrated into the international division of labour in the newly-emerging, US-led international IT industry and market, and consequently came to benefit from the contemporary IT investment boom in the US and the corresponding boom in IT stock prices. Additionally, the Korean domestic stock market experienced a temporary boom due to the economic stimulus measures and low-interest-rate policies adopted in mid-1998, as well as the liberalisation of capital and foreign exchange in the years 1999 and 2000. Both these measures coincided with the government’s IT industry promotion policies that created a venture frenzy.

One of the areas that succeeded in attracting venture capital was the broadcasting industry (Kim, 2010: 221-225). In the case of outsourced production companies, the additional protection they received
under the Framework Act on Culture Industry Promotion of 1999 and the increase in the obligatory rate of outsourcing to external production companies to 40% under the Integrated Broadcasting Act of 2000 brought about a significant rise in their numbers around 2000. By then, the structure of drama production in Korea, which had become increasingly complex, diversified, and seemingly decentralised due to an increase in the number and type of players over the course of the 1990s, took the form of a network-type quasi-corporate structure, in which the production and transmission of a particular drama was the product of the combined efforts of outsourced production companies, other smaller production companies, management companies, and terrestrial broadcasters and cable television. I describe this network-type system of drama production as the “K-drama conglomerate”, since what at first glance appears to be independent companies are, in fact, mutually interdependent entities that operate in a manner similar to that of different units within one and the same factory.

What is interesting to note here is that, in this “K-drama conglomerate”, the Korean Wave celebrity has taken on a role similar to that of a machine dedicated to the production of drama content. The decisive factor in bringing about this change in the role of the Korean Wave celebrity was nothing other than the financialization of the drama industry, since it was this financialization that increased the dependence of drama production on actors with celebrity status. Specifically, given that investing financial capital into cultural products such as dramas constitutes a high-risk investment, potential pre-production investors made their investments conditional on the fact that production company would hire actors, writers, and directors with sufficient star status to virtually guarantee the drama’s success and thus its profitability. The relevance of actors or Korean Wave celebrities as guarantors of a drama’s success, and consequently the sufficient pre-production investment in the drama, increased even further in 2002, in which the three terrestrial broadcasters’ accord regarding the reimbursement of actors collapsed, and in 2003, when the success of Korean drama Winter Sonata launched the Korean Wave within Asia. Among the Korean Wave celebrities, those who became stars in Japan especially experienced a rise in their market value, and thus an increase in their negotiating power, while Japanese investors began to become more involved with pre-production investment in Korean dramas.

According to an interviewee who worked as a celebrity manager and later as a drama producer (case 7), a popular lead actor cast in a drama produced in the late 1990s (i.e. prior to the start of the Korean Wave) could expect a remuneration of about 5 million KRW (around €3,500) per episode at best. Conversely, these days, the lead actor of a drama sold to other Asian markets can expect between 50 million KRW (around €35,000) and 300 million KRW (around €213,000) per episode. Korean Wave actors therefore earn anything from 10 to 60 times more than actors who appeared in pre-Korean Wave dramas that was intended for national distribution only. The fact that they are thus remunerated
according to the degree to which they can be expected to secure pre-production investments and upfront sales in other Asian countries reveals that the value of Korean Wave celebrities is not determined solely by their acting abilities alone, but at least equally by expectations surrounding investment and sales revenue, which marks the income of a company from its sales of goods or the provision of the services. The following is an excerpt from a securities company’s (Shinyoung Securities) company report on the management company Keyeast (Han, 2012), which well illustrates this point:

- Result: Turn around

The company’s share price is expected to remain high in the future. First, the fourth quarter of 2011 earnings are expected to rise. The fourth quarter sales are expected to increase by 58.3%. Year-on-year and net profit will return to a surplus of 1.3 billion KRW from previous significant losses. This is due to affiliated celebrities having been very active, including Kim Soo-Hyun and Kim Hyun-Joong.

- Good 4 quarter results

Second, this trend is expected to continue in 2012. This is because Dream High Season 2 will air in the first quarter of 2012 following Dream High Season 1, which had been produced and aired by the company last year. Bae Yong-Joon, the Korean Wave’s originator, is also expected to make a comeback this year. Kim Hyun-Joong, who is well-known overseas, will become even more active in Japan, and Kim Soo-Hyun of Moon Embracing the Sun will continue to enjoy soaring popularity.

As we can glean from this report, Korean Wave celebrities have moved far beyond being just one of several elements of any drama in which they appear and can now rightfully be considered the decisive factor in a drama’s production even in its early or preparatory stages. Such actors also have the quality of fixed capital, or a machine that produces material goods. Just as one believes that having a good machine will bring high productivity, it is expected that one or two Korean Wave celebrities with star status will bring success to any drama.

All of this results in the invisibility of the labour of all individuals connected with a drama’s production. This is true, first of all, for the labour of staff, which is severely devalued. According to data from the 2012 report quoted above, the lead and supporting actors’ salaries accounted for 56.2% – more than half – of expenditures per drama, while the costs for other kinds of labour remained at a mere 14.4% (Cho et al., 2012). Secondly, the labour of actors other than leading and supporting actors is equally invisible. The same report shows that the salaries of extras accounted for only 2.7% of costs (Cho et al., 2012).
This massive gap in payment is not the only problem. A more frequent issue is the timing of remuneration. The salaries of staff and extras are generally paid last and are often delayed. One interviewee who worked as a member of costume design staff admitted that it was rare to be paid by the promised time and that sometimes payment did not occur at all, due to a lack in production funds (case 12). The fact that the payment of the salaries of staff who work in the production of successful Korean Wave dramas is often delayed shows that the situation has not improved much, as of 2019. In the most recent of such cases, the outsourced production company behind the drama *Arthdal Chronicles*, Studio Dragon (a subsidiary of TVN which is cable television), forced production staff to work longer than their contracts stipulated, without any additional payment. Besides, Studio Dragon did not take action on behalf of the injured staff. Members of staff have, accordingly, filed a complaint against Studio Dragon with the Seoul Regional Labour Office for violation of the Labour Standards Act and the Industrial Health and Safety Act. The fact that this drama, which targeted the Asian market, also made headlines for the high salaries paid to its lead actors shows how the fetishistic belief that a drama can be produced with just a handful of celebrities both makes invisible and devalues the work of others who participate in the making of entertainment content.

The fetishistic materialism of the entire process of drama production represents a dark side of the Korean Wave celebrity and the K-drama conglomerate, whose products are now on the verge of gaining truly global popularity.

7. Conclusion

This article started from the critical observation that studies on Hallyu celebrities in the field of Korean Wave studies have so far tended to focus on their transnational character. This approach fails to account for the fact that the phenomenon of the transnational Hallyu celebrity has emerged as part of a wider process of transformation of the entire Korean broadcasting and entertainment industry.

As recently as the beginning of the 1990s, television actors were under exclusive contract with individual broadcasting companies and were looked down upon as ‘clowns’ in spite of being professionally trained. The pressure of globalisation that made itself felt in the broadcasting and entertainment industry and the shift towards a consumer society, both of which began to make themselves felt in the late 1980s, incentivised Korean broadcasters to transform themselves into a structure that could produce more competitive content for consumers with increasingly differentiated tastes. With outsourced production companies emerging and quickly growing in number, the drama industry was transformed from a system of vertical integration, in which each of the broadcasting
companies operated independently, to a system of increasingly flexibilized production by a process of co-operation with external entities. Actors too came to be separated from the broadcasters and became a decisive factor in the production of dramas for the entire drama industry. The genre of trendy dramas, which was newly created at the time and drove the growth of the drama industry, not least on account of its close ties with the advertising industry, transformed actors into celebrities and image commodities.

During the same period, there emerged a network-type system of drama production, the “K-drama conglomerate”, which was a system in which seemingly independent companies operate in a manner similar to that of different units within one and the same factory. The financialization of the drama industry following the 1997 Asian financial crisis then completed the transformation of Korean Wave celebrities into fixed capital.

This course of history is problematic since the image of the Korean Wave celebrity and its function as fixed capital makes invisible the very real labour performed within the K-drama conglomerate. A recent increase in the investment of China-based companies in the production of K-drama has further intensified the industry’s dependence on Korean Wave celebrities. To offer just one example, the outsourced production company of Descendants of the Sun succeeded in attracting funds from two Chinese companies (Hong Kong-based Huace Media Investment Corporation and Chinese media group Baidu’s video-streaming affiliate iQiyi.com), after it cast two Korean Wave actors with star status in a deviation from the original plans for casting (Ju, 2019: 54).

Nationalist pride felt by many Koreans toward Korean Wave celebrities is nothing less than a fetishism towards fixed capital in human form. Celebrities who until the 1990s used to reflect the new personalities of that era and the expectations for a freer and more democratic society in the period following democratization have come to be considered as entities with the ability to facilitate the production of dramas intended for global distribution. Korean Wave celebrities understood as intangible commodities not only have the effect of linking up culture and capital through the affects they evoke, but also contribute to a blurring between the two.

Notably, such phenomena and processes are no longer exclusive to the case of Korea. An increasing number of regionally or nationally active broadcasting and entertainment companies from non-Western countries are trying to gain new territory in international markets. This is because being internationally active in the production of cultural content is no longer the exclusive realm of Western-based conglomerates. The K-drama conglomerate is a representative example of this broader transformation of the global cultural industry (Ju, 2019: 115).
Intangible commodities, which have become more and more frequent in the cultural industry over the course of recent years, create additional surplus-value by erasing the very labour that has made them possible in the first place (Negri and Hardt, 2004). The Korean Wave celebrity is the machine of the K-drama conglomerate that creates surplus-value by making all aspects of labour within the industry invisible. Therefore, the Korean Wave celebrity is an excellent example of capitalism’s latest manoeuvre: creating intangible commodities capable of expanding the channels of profit by attracting attention and evoking affect.

8. References


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### Appendix 1: Information of interviewees

<table>
<thead>
<tr>
<th>Case number</th>
<th>Gender</th>
<th>Career</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>male</td>
<td>CEO of a start-up investment company (invested in several films and dramas; founded a management company)</td>
</tr>
<tr>
<td>2</td>
<td>male</td>
<td>Vice-president of an outsourced production company that specializes in the production of dramas and reality shows</td>
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<tr>
<td>3</td>
<td>male</td>
<td>Former actors’ manager; CEO of a management company</td>
</tr>
<tr>
<td>4</td>
<td>male</td>
<td>Actors’ manager</td>
</tr>
<tr>
<td>5</td>
<td>male</td>
<td>Former actors’ manager; general manager of an outsourced production company that specializes in the production of dramas and reality shows</td>
</tr>
<tr>
<td>6</td>
<td>male</td>
<td>Former actors’ manager; marketing producer with an outsourced production company that specializes in the production of dramas and reality shows</td>
</tr>
<tr>
<td>7</td>
<td>male</td>
<td>Former actors’ manager; producer with an outsourced production company that specializes in the production of dramas</td>
</tr>
<tr>
<td>8</td>
<td>male</td>
<td>Former producer with an outsourced production company that specializes in the production of dramas; CEO of an outsourced production company that specializes in the production of dramas</td>
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<tr>
<td>9</td>
<td>female</td>
<td>Former reporter for a film magazine; producer with an outsourced production company that specializes in the production of dramas</td>
</tr>
<tr>
<td>10</td>
<td>male</td>
<td>Former assistant director with an outsourced production company that specializes in the production of dramas; producer with an outsourced production company that specializes in the production of records, dramas, and films and also operates as a management company</td>
</tr>
<tr>
<td>11</td>
<td>female</td>
<td>Former producer with an outsourced production company that specializes in the production of documentaries; producer of a cable television reality show</td>
</tr>
<tr>
<td>12</td>
<td>female</td>
<td>Member of costume design staff</td>
</tr>
<tr>
<td>13</td>
<td>male</td>
<td>Former producer with KBS’s drama department; professor of broadcasting and entertainment studies</td>
</tr>
<tr>
<td>14</td>
<td>male</td>
<td>Former producer with KBS’s reality and talk show department; professor of broadcasting and entertainment studies</td>
</tr>
<tr>
<td>15</td>
<td>male</td>
<td>Manager of the Association of Korean Management Companies</td>
</tr>
</tbody>
</table>