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GLOBALISATION AND MASS MEDIA: 
THE CASE OF PUBLISHING IN KOREA

by

Dong-kyoo SUNG

A Doctoral Thesis 
Submitted in partial fulfilment of the requirements 
for the award of Doctor of Philosophy of the 
Loughborough University of Technology

November, 1995

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Department of Social Sciences

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ABC    African Book Collective Ltd
APEC   Asia Pacific Economic Cooperation
BOTB   British Overseas Trade Board
CDPM   Council for Democratic Press Movement
CD-ROM Compact Disc - Read Only Memory
CNN    Cable News Network
EEA    European Economic Association
EOI    Export-oriented Industrialisation
FDI    Foreign Direct Investment
GATT   General Agreement on Tariffs and Trade
IMF    International Monetary Fund
KBS    Korean Broadcasting System
KPA    Korean Publishing Association
MAFEZ  Masan Free Trade Zone
MBC    Munhwa Broadcasting Corporation
MNCs   Multinational Corporations
NAFTA  North American Free Trade Area
NEA    Nouvelles Éditions Africaines
NICs   Newly Industrialised Countries
NIEO   New International Economic Order
NWICO  New World Information and Communication Order
OECD   Organisation for Economic Cooperation and Development
OUP    Oxford University Press
RTS    Religious Tract Society
STM    Scientific, technical and Mediacaal
TNCs   Transnational Corporations
UCC    Universal Copyright Convention
WIPO   World Intellectual Property Organisation
WTO    World Trade Organisation
1.1 Aims and Methodology

Since the mid-1980s the world has experienced a lot of astonishing events, such as the end of the Cold War and the collapse of communism, together with the intensification of patterns of world-wide economic, financial, technological and ecological interdependence. Relations in the world have increasingly come to depend on the transnational flow of information.

This major stream of international communication, which has been greatly facilitated and enhanced by new communication technologies, has been employed as a major means by which powerful national and international systems attempt to extend themselves globally. This global communication system is intensified by the concentration of global communication conglomerates, mostly American, European and Japanese ones, complemented by large scale vertical and horizontal integration based on mergers and acquisitions.

Developing countries are not exceptions to this trend in the rapid development of information flow. In many developing nations, despite their common lack of proper industrial, technological, financial and other social bases,
advanced information technology is conceived of and adopted as a strategic imperative for promoting economic development and social progress. However, among the developing countries, the development of the communication media has been a highly uneven process. They are essentially importers of cultural commodities which have been reproduced; films, television programmes, records and tapes. This applies to hardware such as electronic equipment used for receiving, recording and replaying images and/or sounds - radios, television sets, stereo systems, etc. The more the communication media and its technology develop, the more serious the issue of inequalities between the West and the rest of the world in the era of the 'global village'.

Thus, the study of international communication has become a focus for debate on such issues as global conflict and co-operation, cultural autonomy, and national sovereignty.

Book publishing, which is the oldest form of mass medium, but a 'cottage' industry from the economic viewpoint, has also recently been directly influenced by the international atmosphere. That is to say, book publishing does not stay within national boundaries, but expands internationally. When a book is traded between two nations, it is treated primarily as a commodity, but when the product reaches the point of consumption, it takes on an ideological and cultural function within the receiving society.

Because of these characteristics of book products, what is needed is a theoretical construct which works in both the national and international contexts, and encompasses both the economic and cultural natures of these goods and the processes by which they are exchanged, and acknowledges domination as both an external and internal process, involving not only the obvious agents of international capitalism, but also the consensual participation of nation states.

However, few scholarly theses and other written works, in Korean as well as in English, have been available on the publishing issue in terms of an international media analysis. The necessity for such studies is becoming more urgent. It is time to look into this matter from different aspects and levels, pursuing a much closer analysis and sophistication.
This thesis is an attempt to analyse publishing critically, in keeping with the current preoccupation with the phenomenon of 'globalisation'. The primary concern of this thesis is to systemise and elaborate a theoretical frame for the study of international publishing by looking into the following major research questions.

1. How can we apply the concept of globalisation which has recently dominated discussion in the social sciences in analysing international publishing?
2. What are the major factors which influence contemporary international publishing that have resulted in an uneven intellectual structure?
3. As a case study of these issues what is the publishing situation in Korea in relation to the international publishing scene?

In explicating these three research questions, the thesis combines a theoretical review with a field study.

1.2 Outline of the Thesis

This thesis is composed of ten chapters which are divided into three parts. Part I includes 'Introduction' and theoretical approach for the research of the rest of the chapter. Chapter two begins with an attempt to look into the recent idea of 'globalisation', which has been one of the most popular expressions of the late twentieth century's characteristic processes in media and cultural studies as well as economics and politics since the second half of the 1980s. It explores what has come to be called globalisation; how the present state of the world system can be characterised; whether there is such a thing as a globalised culture, and whether this term is applicable or contradictory to the Third World nations.

These are the questions considered in this chapter. For this purpose, it will attempt to define what the term globalisation means and then assess the
globalisation of culture from the perspective of who stands to lose or gain materially, politically and culturally.

Part II (Chapters three - five) is about international publishing. Chapter three discusses the present status of the 'western publishing industry'. Like the mass media industry, the publishing sector has been controlled by a few western industrialised nations which produce and distribute global knowledge and information.

The main question in this chapter is how western industrialised countries have developed book publishing and how they conquered the colonial markets from the historical viewpoint. For this, the history of British publishing, which is the typical example, will be explained. Generally speaking, there are five countries with prominent power because of economic and linguistic advantage which influence the global flow of publishing; that is the United States, United Kingdom, Germany, France and Spain. A review of research on the multinational corporations of the publishing industry is another important task in this chapter.

Chapter four examines 'Third World publishing'. In contrast to the industrialised countries, most of the developing countries, except a few NICs (Newly Industrialised Countries) and post-NICs, are still suffering from a 'book hunger' in the age of information. It also looks at the major causes that have hindered the autonomous development of the publishing industry in the Third World. In this chapter 'micro-internal' factors, such as the problem of distribution, multiplicity of vernacular languages, state monopoly on lucrative textbook publishing, and the issue of illiteracy will be broadly explained. This analysis will consider two continents: Africa and Asia.

Chapter five looks into the 'macro-structural' elements that have caused indigenous Third World publishing to deteriorate. In spite of political independence for the majority of the world's former colonies especially since World War II, Third World nations have become more, not less, dependent on the intellectual resources of the industrialised nations. Moreover, many
multinational publishing firms have come to rely on the certainty of this expanding market to cushion the uncertainties of domestic sales because publishing has become a global industry.

The purpose of this chapter is to examine the elements of an international publishing system. For this, these elements will be classified into four structural factors, which include education systems and publishing, the influence of the world languages, international copyright, and new technology and publishing. Through these factors, it will be elucidated how Western book publishing and publishing firms have consolidated and will strengthen the publishing markets and intellectual systems in the Third World.

Part III (Chapters six - nine) presents an analysis of South Korean (hereafter referred to as Korea) publishing as a case study. Before this, chapter six explores the Korean economy. Korea is not a typical Third World country, but is one of the so-called NICs whose experience may have a leverage effect on the future debate between Western nations and Third World nations.

It is a prerequisite for the analysis of publishing to understand the process of the development of the Korean economy. Thus, this chapter will mainly focus on how the state is involved in the industrialisation process to set up the growth-oriented and export-driven policy, and how foreign countries and TNCs (Transnational Corporations) have influenced overseas trade.

Chapter seven investigates the mass media industry in Korea. The first purpose in this chapter is, therefore, to look into the general features of the media industry such as newspapers, broadcasting, advertising and the film/cinema industry. Secondly, how governmental censorship and control have limited the freedom of the press and secured the legitimacy of the immoral power of military governments. Thirdly, how the media enterprises have expanded their business under the government’s financial support. Finally, the chapter analyses the dependency of the media industry, and how the western TNCs have been involved in the Korean media since the opening of local markets.
Chapter eight explores the publishing industry in Korea. An expansion of national economy and an enthusiasm for education have continuously developed the publishing industry although publishing has not been regarded as important as an issue compared to the other mass media such as newspaper, broadcasting, advertising and new media. Accordingly, there are many analyses of the Korean mass media industry, but they are very rarely on the publishing issue.

The main purpose of this chapter is to look into the relationship between education and the development of the publishing industry. For this, the period from the introduction of modern education by the western missionaries to the present influence of overseas education will be explored. Secondly, the accumulation of capital in the publishing industry and the formation of larger publishing firms will be examined.

The final and most important purpose is to explain the mode of infiltration of foreign countries into the local publishing industry. It will be focused on the forms of combination between the Korean larger firms and the multinational firms, and the effects on the smaller companies.

Finally, chapter nine analyses the results of the field study. A field survey, through interviews and questionnaires, was undertaken in Korea for five months to look into the real situation in Korean publishing which is mainly focused on the issues introduced in the previous chapter. In spite of several trials and tribulations, many unexpected findings were discovered through this survey.
CHAPTER 2

GLOBALISATION OR GLOBAL DOMINATION

2.1 Introduction

In his 1994 New Year's message, President Kim Young-sam, who was elected as Korea's first civilian president after more than three decades (1961-1992) of military government, invoked two apparently conflicting and contradictory goals. One was to preserve and develop Korea's "5,000-year-old cultural heritage" because of the increasingly serious problem of cultural westernisation. The other was to "globalise all aspects of national life": as the country has to open up the local markets from the agricultural to intellectual products to the competitive world outside.

Just one month before the president's message, the biggest trade deal in world history, the Uruguay Round of negotiations on the General Agreement on Tariffs and Trade (GATT) reached a conclusion. A former U.S. Trade Representative concluded that with the new GATT agreements, "the increasingly rapid integration of the global economy is moving faster than the rules of the international system to keep pace" (Fortune 10 Jan., 1994).
In fact, every nation in the world is beginning to look and feel the same. Cities in any part of the world display uniform features determined, for example, by the demands for motor cars; shops display a uniform range of goods; airports - the potential gateways to cultural diversity - have almost identical 'international' style; western popular music issues from radios and cassette players from New York to Riyadh. Television or films such as 'Baywatch' or 'Jurassic Park', sporting spectacles such as Olympic Games and World Cup Football, and music concerts traverse the globe. Coca Cola is found in 155 countries and more than 300 million cans are drunk every day. People say it is a truly global era!

What exactly is globalisation, if it exists, and how might we best understand the phenomenon? How extensive is the process of globalisation in the mass media? Is this term applicable to the Third World countries?

The purpose of this chapter is to explore the notion of globalisation, the popular use of the term, and its many definitions within the social sciences which have imbued the concept with multiple meanings. Through the critical review of the notion, it will be examined how the theorists of globalisation explain the issue of the nation-state, world economy and culture, and looked into the possibility of the application of globalisation theory in analysing international publishing. This is because book publishing also shows the feature of transgressing national boundaries and enlarging its influence to establish global intellectual system gradually through the book.

2.2 The Discourse of Globalisation

2.2.1 Notion of Globalisation

Since the second half of the 1980s the idea of globalisation and other derivative notions, i.e. global system, global economy and global culture, etc., have become fashionable and commonly used terms within media, business,
Chapter 2 Globalisation or Global Domination

financial and intellectual circles, reflecting a fairly widespread perception. This is not to say that the process of globalisation itself began so recently.¹

The discussion about globalisation has been going on now in a variety of different fields and viewpoints.² Generally speaking, current contributors of globalisation have seemed to focus on the key domains of sociology (Giddens), economics (Wallerstein; Chase-Dunn), politics (McGrew & Lewis), and culture (Featherstone; Robertson; Hall). And fundamentally, there are striking commonalities in the globalist discourse which are largely 'positive' or 'taken-for-granted' views of the use of the term 'global' and 'globalisation' except for a few articles (see Golding 1993; Robins 1991).

Among many contributors within the literatures, three authors -Robertson, Giddens, and Wallerstein- have made a significant contribution to the 'notional' theorisation of globalisation systematically in terms of cultural, sociological and economic aspects.

The most influential theory of globalisation, especially in cultural terms is developed by Robertson who began to formulate this theory. He defines globalisation as "both the compression of the world and the intensification of consciousness of the world as a whole" (1992:8). The notion of global compression refers to an increasing level of interdependence between previously independent systems. But the more important component of the definition is the notion of intensification of consciousness. By this Robertson means an

¹ Robertson insists that the process of globalisation is not new, that it predates modernity and the rise of capitalism. However, modernisation tends to accelerate globalisation and the process has moved up to top gear during the past 100 years. Moreover, European civilisation is the central focus for and origin of the development (see the models on the path of globalisation as a series of five phases, Robertson 1992:58-60).

² Globalisation here has to be drawn a distinction from internationalisation or transnationalisation for the sake of analytical precision. Internationalisation can be described as the relationship involving two or more national units, usually bilaterally or regionally or between actors with specific shared interests. This conception is firmly based on nation-state thinking. On the other hand, transnationalisation can be described as transactions across national borders that are directed from one central national location and in which essential decision making remains firmly centralised in spite of levels of local autonomy (see Hamelink 1993).
increasing probability that individual phenomenologies will be addressed to the entire world rather than to a local or national sector of it. This is true not only of such apparently cultural phenomena as the mass media and consumption preferences, but also in so far as we culturally redefine issues in global terms. For example: we redefine military-political issues in terms of a 'world order', or economic issues in terms of an 'international recession', or marketing issues in terms of 'world' products (e.g. 'the world-car'); or citizenship issues in terms of 'human rights', or issues of pollution (Beyer 1994:26-33).

This rise in global consciousness increases the probability that the world will be produced as a single system. Thus Robertson claims that the world is becoming more and more united.

Giddens approaches the notion of globalisation from the well-known phrase of 'time-space distanciation' which embrace more synthetical and flexible factors than a notion of simple interconnectedness. To Giddens, one of the most visible results of modernity is globalisation. This also involves a profound reordering of time and space in social life: "... the concept of globalisation is best understood as expressing fundamental aspects of time-space distanciation. Globalisation concerns the intersection of presence and absence, the interlacing of social events and social relations 'at a distance' with local contextualities" (Giddens 1991:21).

He emphasises how development of global networks of communication and complex global systems of production and exchange affected the local circumstances over people's lives.\(^3\) This 'disembedding' of social relations - lifting them out 'from local contexts of interaction' and recombining them across time and space - is, according to Giddens, mainly associated with the forces of modernity. However, globalisation also affects how the scope of the disembedding processes expands, with the consequence that "... larger and larger numbers of people live in circumstances in which disembedded institutions,

\(^3\) For instance, Scottish miners may be more dependent upon the pricing decisions of Australian and South African coal companies in the global market for their jobs than upon the immediate decisions of local management.
linking local practices with globalised social relations, organise major aspects of
day-to-day life" (Giddens 1990:79).

Globalisation, in Giddens' view, is therefore understood as something "... more than a diffusion of Western institutions across the world, in which other
cultures are crushed", but rather embraces a complex, discontinuous and
contingent process; it is "... a process of uneven development that fragments as
it co-ordinates" (Giddens 1990:175).

Theories of the trans-national character of the activities of social process
are not a new analysis. Although there are several prior analyses of the world as
a single system, including, for example, Lenin's concept of 'Imperialism' (1939)
and 'Dependency theory' (e.g. Amin 1974) which specifies a dependent
relationship between centre and periphery societies, the original sociological
argument for considering the world as a single system comes from Wallerstein
(1974).

From an economic perspective the 'world system theory', which mainly
focuses on the reality of the world structure, is one of the most developed theories
of globalisation, although it has been criticised as reductionist because of its focus
on economics. Wallerstein has introduced the concept of the world system into
the social sciences and has stressed the centrality of capitalism to the process of
globalisation that conditions all other aspects of social life, namely politics and
cultures (both past and present).

According to him, the focal point of political pressure in the world-
economy is the state structure - the state helps to stabilise capitalism by absorbing
its costs and managing the social problems which it creates. This shifts the
fundamental process of differentiation away from economic units and on to states.
Thus the modern world-system differentiates into the famous three types of state;
core states, peripheral areas, semi-peripheral areas.

Indeed while the world-systems theory has recently begun to recognise the
importance of culture in these processes (Wallerstein 1990a; 1990b; 1990c), it
remains that the world systems theory was among the first to address the
phenomenon of globalisation and to offer a systematic analysis of the world
system in terms of 'structural inequalities'. Therefore, Wallerstein's argument is
fundamentally at odds with 'other' globalisation theory. For him the mechanisms of geosystemic integration are principally economic - they are constituted as trading and exploitative relationships between relatively sovereign states and relatively independent cultures. On the other hand, 'other' globalisation theories propose a global unification of cultural orientation which turns on and breaks down the barriers between national polities and economies, as has already been seen in the viewpoints of Robertson and Giddens.

2.2.2 Critical Analysis of Globalisation

In very synthetic terms, globalisation is an attempt to conceptualise the economic, social and cultural movements across conventional boundaries, and to highlight various similarities and convergences which are becoming a feature of the world capitalist society. However, in nature, globalisation is embracing contradictory dynamics, and across time and space it is unevenly experienced. In other words, although the process of globalisation includes tendencies toward unification and integration, it ignores the existence of plurality and differentiation.

Globalisation has penetrated some regions of the world more quickly and effectively than others. Even within nations, economic sectors, or social groups, there are vast differences in the extent to which the forces of globalisation are felt. Therefore, several 'binary oppositions' or dualities are also commonly identified within the discourse of globalisation: universalisation versus particularisation; homogenisation versus differentiation; integration versus fragmentation; centralisation versus decentralisation (McGrew 1992:74-5).

The contradictory notion of globalisation raises some problematic and debatable questions essentially. First, the emphasis on interdependence across territorial boundaries have regarded political sovereignty of the nation-state insignificant. But the autonomous activities of the nation-states in many regions are still very powerful. Second, the only interest on an increasing level of the economic interconnectedness have averted the existing inequalities between the South and the North. Although there is partly the interdependence of international economy, it mainly works for the reinforcement of global TNCs.
Finally, the indication on the 'autonomy' of global culture is on the assumption of harmony for the integration. However, there are so many contradictory evidences such as poly-ethnicity, multi-culturality, and locality against globalism. More importantly, the global culture have been producing the 'consumer convergence' through the globalisation of the communication industry by a limited number of western TNCs. How can the globalisation theory explain these problematic issues?

The following sections will discuss each question of globalisation pointed out above to understand contemporary international publishing.

2.3 Global Politics and National Sovereignty

In the traditional study of international politics, and in its practice, the state is regarded as the central component of the international system and the source of its most significant actions and interactions. The state is a source of domestic order and authority, and a major concentration of power in the world outside its boundaries. Therefore, the state is seen as autonomous not only in relation to its domestic base but also in relation to the international arena.

Today, the most fundamental presumption of the globalisation theory on the nation-state, however, is that the form of the modern state has been weakened by the nature of the pattern of global interconnections and interdependence.

Broadly speaking, it is argued that the era of the nation-state is over. We are entering a new world of economic giants and superpowers, of multinationals and military blocs, of vast communications networks and international division of labour. In such a world, there is no room for medium or small-scale states, let alone submerged ethnic communities and their competing and divisive nationalism (Smith 1990a:174-5).
As long as globalisation is described as a homogenising force, eroding 'difference' and the capacity of nation-states to act independently in the articulation and pursuit of domestic and international policy objectives, the territorial nation-states seems to face decline or crisis: the modern state is, according to Held (1991:148), often portrayed as "increasingly trapped within webs of global interconnectedness, permeated by supranational, intergovernmental and transnational forces, and unable to determine its own fate".

In the context of a highly interconnected global order, globalisation theorists argue that many of the traditional domains of state activity and responsibility (defence, economic management, communications, administrative and legal system) cannot be fulfilled without resort to international forms of collaboration. As demands on the state have increased in the post-war years, the state has been faced with a whole series of policy problems which cannot be adequately resolved without co-operating with other states and non-state actors (McGrew 1988:12-20).

Accordingly, states have had to increase the level of their political and economic integration with other states (for example, the EUC, NAFTA and APEC) and/or increase multilateral negotiations, arrangements and institutions to control the destabilising effects that accompany interconnectedness (for example, the IMF and GATT which, along with other international agencies, generated an organisational environment in the immediate post-war years for economic management and intergovernmental consultation) (see Raghavan 1990, on critical view of GATT issue).

Contributors of globalisation conclude that the result has been a vast growth of institutions, organisations and regimes which have laid a basis for global governance. The new global politics - involving, among other things, multibureaucratic decision-making within and between governmental and international bureaucracies, politics triggered by transnational forces and agencies and new forms of multinational integration between states - has created a framework in and through which the rights and obligations, powers and capacities, of states have been redefined.
As has been seen so far, the evidence that international and transnational relations have eroded the powers of the modern sovereign state is certainly strong. However, while there has been rapid expansion of intergovernmental and transnational links, among other things, the traditional role of the nation-state is by no means exhausted (see Potter 1992:216-32). If the nation-state has suffered decline, this is a partial and an uneven process, particularly restricted to the power and reach of dominant Western nation-states. European global society reached a pinnacle of influence at the close of the nineteenth century and the turn of the twentieth, and American hegemony was above all a feature of immediate post-war decades. Their states-system should not be taken to indicate a decline of the nation-state as such. The importance of the nation-state and nationalism in the Third World to maintain their 'sovereignty' does not seem to have diminished. The revival of fundamentalism in the Islamic world is an example of how homogenisation is actively countered by some cultures. Further, the recent transformation of the political regimes of Eastern Europe has regenerated a cluster of states, all asserting their independence and autonomy. Nationalist minorities in Romania and Turkey, and most recently and continuously, the different nationalities in former Yugoslavia, have entangled in internal war.

The most essential question on global politics is that if there is a global community, it is important to ask in whose interests it operates, and whether it represents an indisputable advance over less extensive forms of political organisation. The functions of a number of First World organisations such as the IMF or the OECD have strengthened the influence of certain states, particularly the USA. And the organisations such as NAFTA and EEA are not institutions for the interconnection and/or interdependence, but typical economic blocs to protect their economic priorities because these organisations are based on the retrogressive imperialistic strategy (McGrew 1992a).

In the long run, global processes should not be exaggerated to represent either total eclipse of the states system or the simple emergence of an integrated world society. States may have given up some rights and freedoms, but in the process they have gained and extended others. Furthermore, the formation of
the nation-state system would be continued as long as over 170 separate nation-states jealously guard its national independence.

2.4 Globalisation and World Economy

Is there such a phenomenon as a global economy? How can we characterise its present state? These are the prerequisite questions considered in this section for the understanding of international communications and mass media.

General perceptions of globalisation theory in the economic view can be stated that the latest expansion of capitalism produces a truly 'global' system, and the intensification of globalisation has been most pronounced in the spheres of multinational capitalist manufacturing production and finance (see Mitchell 1992; Gordon 1988). In both these sectors, the speeding up of technological and organisational change has fostered an increased global mobility of capital, such that a new international division of labour appears to be emerging. Central to this has been the creation of the first truly global financial system: "The formation of a global stock market, of global commodity (even debt) futures markets, of currency and interest rate swaps, together with an accelerated geographical mobility of funds, meant, for the first time, the formation of a single world market for money and credit supply" (Harvey 1989:161).

There is considerable evidence to support the claim that technological advances in communication and transportation are eroding the boundaries between hitherto separate markets - boundaries which were a necessary condition for independent national economic policies. It has given a strong impetus to the trend towards globalisation, which has been induced by such institutional changes as deregulation and privatisation undertaken by the leading countries of the North. New technologies have contributed to widespread efforts at cutting costs, while the huge expense of employing those technologies has pushed firms to seek larger, global markets in order to recoup their investments (Rosenau 1990). This new information technology also has radically increased the mobility of economic units.
Chapter 2 Globalisation or Global Domination

- currencies, stocks, shares, and so on - for financial and commercial organisations of all kinds.

The internationalisation of production, finance and other economic resources has undoubtedly eroded state's capacity to control its own economic future. At the very minimum, there appears to be lesser state autonomy, and a disjuncture between the idea of a sovereign state determining its own future and the conditions of modern economies, marked as they are by the intersection of national and international economic forces, as briefly mentioned earlier (see Held 1992:151-4).

Taking a close look at contemporary realities, however, the global economic system is marked by a very great asymmetrical structure of power relations. One of the most salient contradictions related with globalisation is, as Hamelink (1993:376) states, "the global economy would rather seem the economies of few OECD member states...". The Group of Seven (the G7) leading capitalist states, for instance, operates as a powerful forum for global economic co-ordination. The international and transnational financial organisations and institutions such as the World Bank, IMF and recently organised WTO (World Trade Organisation) which replaced the GATT have the main function of maintaining economic and political hegemony of western industrialised countries. These global regulatory structures are far from democratic or interdependent, but rather sustain a geometry of power relations which is conducive to the needs of global capital.

Another retrogressive feature of the globalisation theory is the trend towards the formation of stronger regional groupings to cope with shifts in the balance of economic power (South Commission 1990:5-6). The single market in the European Community in Europe and NAFTA (North American Free Trade Area) in North America undoubtedly represent attempts to create larger economic spaces in order to regain international competitiveness instead of global economic interdependence, e.g. vis-à-vis the fast growing Japanese and newly industrialising economies of East Asia, particularly in the context of the emerging links of co-operation in the Asia-Pacific region.
The most prominent tendency of economic globalisation is the phenomenal growth of the multinational corporations (MNCs), a business with operations carried on in several different global sites. The external expansion of MNCs thanks to the emergence of world markets, an international division of labour and a stable international economic regime provided an environment favourable to the growth of TNCs. These companies must now operate and compete in the world arena in terms of quality, efficiency, product variety, and the close understanding of markets.

TNCs are the ever-more extensive and intensive integration of their activities that is "the primary dynamic of the globalisation process" (Robins 1991:21). They constitute the most advanced form of capitalist production and as such illustrate many of the tendencies of development of the capitalist system as a whole: they are a primary manifestation of the globalisation of capital, the process by which an increasingly integrated capitalist world economy has developed and by which capital has become ever more global in its operation.

The growth of TNCs has taken place in spite of an economic environment marked by a deceleration in world economic growth, increasing instability in key international variables, such as exchange rates and interest rates, and growing protectionist sentiment. Products are becoming more and more global. One example is the 'world car' being developed by the major auto TNCs. In terms of size, the largest TNCs have sales which exceed the total GDP of most Third World countries.

(Table 2.1) Revenues of Top Ten Global TNCs and GDP of Some Countries in 1991 ($ millions)

<table>
<thead>
<tr>
<th></th>
<th>General Motors</th>
<th>123,780</th>
<th>Finland</th>
<th>126,630</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Royal Dutch/Shell</td>
<td>103,835</td>
<td>Norway</td>
<td>106,320</td>
</tr>
<tr>
<td>3</td>
<td>Exxon</td>
<td>103,242</td>
<td>Turkey</td>
<td>103,800</td>
</tr>
<tr>
<td>4</td>
<td>Ford Motor</td>
<td>88,963</td>
<td>Thailand</td>
<td>92,010</td>
</tr>
</tbody>
</table>

Total foreign investment of TNCs has been growing three times faster than total world trade since 1983. In the period 1983 to 1989, foreign direct investment grew at a compounded annual rate of 28.9 per cent; world exports, by contrast, grew at a compounded annual rate of 9.4 per cent. And world gross domestic product - in other word, world output - grew at a much slower pace of 7.8 per cent annually (The Times 15, July 1991).
Only a small number of TNCs are responsible for a large share of economic activity: by 1991 the world's largest 500 transnational corporations accounted for over $5.19 trillion in annual sales and collectively employed over 26 million people (Fortune 1992). Of these 500 TNCs, 157 were based in United States, 169 in the Europe and 119 in Japan, a total of 445 from these triad powers. However, the position of US based TNCs has been weakening. Large US TNCs which were twice as large as their rivals in the early 1960s were only slightly bigger twenty years later. The narrowing size differential between large US and non-US capital has undermined one of the pillars of the technological superiority of US capital. The loss of technological dominance by US capital has also been accentuated by developments after 1973 when the increase in oil prices put a premium on energy-saving innovation.

These TNCs operate across borders and their globalisation strategies, which as a broader process of internationalisation of capital tend to create a more integrated world economy, dominate the world's major industries such as autos, consumer electronics, chemicals oil, food processing, computer, etc. (Rugman & Gestin 1991:335).

The creation of a unified capitalist world economy is accompanied by the extension of the competitive process of standardisation and differentiation on a world scale. In other words, "there is a growing tendency for the products and production techniques of TNCs to become similar, while at the same time as part of the competitive struggle capital seeks to differentiate itself attaining super profits through the introduction of new techniques, or taking advantage of different local and national conditions" (Jenkins 1987:35). It suggests the

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5 Of the 169, 43 for Britain, 33 for Germany, 32 for France, 14 for Sweden, 10 for Switzerland, and 7 for Netherlands and Italy.
increasing importance of targeting consumers on the basis of demography and habits rather than geographical proximity.

The relationship between the nation-state and TNCs are in dispute in the process of globalisation. Mostly, TNCs tend to benefit from the maintenance of strong nation-states. National sovereignty helps the TNCs to avoid the creation of genuine supranational regulatory institutions that might control their restrictive business practices. TNCs need national governments to guarantee safe investment environments, to create market opportunities through foreign aid or to promote the trade of their 'national' companies through their diplomatic missions.

The growth of TNCs is, in the long run, seen "not as a phenomenon in its own right, but as an aspect of a broader process of internationalisation of capital which tends to create a more integrated world economy" (Jenkins 1987:34) which results in a more indirect means to maintain western economic and political dominance of the global system. This approach, it is argued, stresses the uneven nature of development brought about by the expansion of TNCs and focuses attention on the dynamics of social change at the South. Under the circumstance of the uneven integration into the global system of different areas of the planet, "globalisation embraces the world planet, but not all regions and all people on the globe" (Castells 1994:22).

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2.5 Global Culture and the Global Cultural Industry

The focus of this section is to draw the contour of the discussion on the global culture. Broadly speaking, there are two major perspectives on the emerging global cultural system which make a distinction between the 'globalisation of culture in general', and the 'globalisation of the cultural industries', and these two viewpoints are sometimes contradictory. The former mainly focus, as mentioned earlier, on the world as one network of social relationships, and between its different regions there is a flow of meanings as well as of people and goods. Thus, "the world culture is created through the increasing
interconnectedness of varied local cultures, as well as through the development of cultures without a clear anchorage in any one territory" (Hannerz 1990:237).

On the other hand, the latter largely concentrate on the production of the global cultural commodities which is dominated by western countries, especially by the United States. Therefore, this approach concentrate on the cultural project of global capitalism based on the convergence of consumerism.

2.5.1 Global Culture in General

The issue about world culture is the most central of the globalisation debates as stated by O'Sullivan et al (1994:130). The theorists of globalisation prescribe culture as 'autonomous' process among the other elements constituting the contemporary world: Robertson (1992) argues that "cultural pluralism is itself a constitutive feature of the contemporary global circumstance" (61). The world-wide proliferation of standardised food, clothing, music, and TV drama, and the spread of 'lingua francas' (Golding 1993; Hall 1992), create the impression of an unprecedented cultural homogenisation.

Robertson emphasises the autonomy of the globalisation process, which should be seen not as the outcome of inter-state processes, but to operate in relative independence of conventionally designated societal and socio-cultural processes. Therefore, Featherstone regards global culture as a genuine 'third culture' (1990:6) which is oriented beyond national boundaries. Hannerz express it as 'a scenario of global homogenisation of culture' (1991:108).

The general starting point of global culture by the theorists (Robertson 1992; Featherstone 1990; Smith 1990) is at the prerequisite that the phenomenon of the integration of the entire world into one single system is characterised by the emergence of a transnational culture, 'consumer convergence' and the global unification of consumption. Therefore, they advocate a theoretical approach to autonomous global culture, as Robertson argues (1985:103) that, it goes "...beyond simple models of 'world polity' or 'world economy' by pointing to the independent dynamics of global culture ... to the cultural aspects of globalisation". 21
Starting from the rejection of the cultural imperialism and dependency theory, Appadurai (1990) remarks on the complexity of the global cultural flows now taking place and casts doubt on the continuing usefulness of centre-periphery models. He suggests that five dimensions of cultural flow constitute today's global culture.

(1) Ethnoscap.es, which consist of different people who are moving from one country to another, such as tourists, immigrants, refugees, exiles and guestworkers.
(2) Technoscapes, which consist of technological innovations, both mechanical and informational.
(3) Finanscapes, which consist of investments and currencies that flow from one currency and commodity market to another.
(4) Mediascapes, which consist of the repertories of images and information, the flow which is produced and distributed by newspapers, magazines, television and film.
(5) Ideoscapes, which consist of ideologies of all sorts, both modern and traditional.

Flows of people (ethnoscapes) tend to originate in the poorer countries and move toward the richer countries but there are many peripheries and many centres. New technologies are produced in the complex international collaborations involving companies from many different countries. Appadurai hypothesises that each of these five dimensions are acting independently from the others but, at the same time, are influencing them.

Synthesising these views, global culture is seen to be an integrated culture which transcend the frame of national boundaries as Smith (1990:175) asserts "Culture can only be continental or global". Global culture, according to the advocates of globalisation, retains its power to inspire the harmony and unification which have historically separated social groups, religious congregations or ethnic communities.
Counter-tendencies against Global Culture

In spite of the superficial features of interdependence or interconnectedness which characterise globalisation, it should be apparent that the discourse of global culture is encountered by considerable complexity and ambiguity. The world society is by no means a homogenous entity at this stage as well as not suffused into a phenomenal simplicity. What are the substantive evidences which contain the contradiction in the general feature of global culture, that is, "the culture is becoming globalised"?

There are many opposing evidences on global culture. The central problem of global culture is the tension between cultural homogenisation and heterogenization. In the case of cultural and ethnic pluralism, the very concept of integration implies the existence of distinct particularities, separate cultural and ethnic identities, which are being integrated. While the tendency of globalisation is toward the unification of these particularities, their existence, due to the pressures exerted by integration on a global scale, becomes even more prominent and assertive. Poly-ethnicity, multi-culturality, and localism emerge, therefore, as counter currents to the process of integration, simultaneously oppositional and integral to globalisation. As Crane emphasises the autonomy of local culture and states against global culture that "the globalization of culture is not the same as the homogenization of culture. Not only do national cultures modify global cultures but national governments act as gatekeepers mediating cultural flows. Within a particular country there may be both acceptance and antagonism toward some elements of global culture" (1992:162).

Increasingly, also the ethical questions involved in many of the world's most pressing problems (health, population, ecology, drug abuse, or law enforcement) show that the meaning of global is very limited indeed. How can we interpret these realities from the viewpoint of globalisation theory?

The theorists of globalisation, however, regard its contradictory and conflicting nature simply as part of the process.
Secondly, 'globalisation' or 'global culture' as a conceptual notion sounds like a relatively value-neutral descriptor of a supranational universe of cultural interconnectivity and material and symbolic goods exchange. But on closer examination they reveal extensive causal assumptions, normative intentions and value judgements (see Ferguson 1992). Global culture requires global systems for the distribution and marketing of culture. Therefore it is important to examine who stands to lose or gain materially, politically, or culturally, if powerful nation-states and corporate interests promote global culture as a profit pursuit.

The cultural project of global capitalism is to sell the cultural products directly and to persuade people to consume over and above their own perceived needs in order to perpetuate the accumulation of capital profit, in other words, to ensure that the global capitalist system goes on for ever. The culture of consumerism proclaims, literally, that the meaning of life is to be found in the things that we possess. To consume, therefore, is to be fully alive, and to remain fully alive we must continuously consume. The theory of global culture, however, never analyse this issue whether intentionally or unconsciously.

Finally, the function of culture is suspect as an ideological cover to justify the interests of some persons (obviously the upper strata) with any given 'group' or 'social system' against the interests of other persons within this same group. The culture of consumerism is, as it were, the fuel that powers the motor of global capitalism (Sklair 1993:30-5). And it has contributed to Third World nations giving up their systems and adapting to those of western power or powers.

2.5.2. The Global Cultural Industry

Differently from the theory of global culture in general, the perspective on the global cultural industry is focused on the economic importance of global culture or 'consumer culture'.
development of capitalist economies has always had profound implications for cultures, identities and ways of life. The globalisation of economic activity is now associated with further cultural transformation. We can talk of a process of cultural globalisation (Robins 1989:23).

The process of cultural globalisation is basically about the manufacture of universal cultural products. This process has, of course, been developing for a long time. There exists a belief in 'world cultural convergence' in the new cultural industries; a belief in the convergence of lifestyle, culture and behaviour among consumer segments across the world. This faith in the emergence of a 'shared culture' and a common 'world awareness' appears to be vindicated by the success of global products which are mainly produced in Hollywood and by attractions like Disneyland.

To achieve ever-greater economies of scale, as in the wider economy, there is global standardisation. To be more precise, it is about achieving both scale and scope economies (volume combined with variety) by targeting the shared habits and tastes of particular market segments at the global level. This is in contrast to marketing, on the basis of geographical proximity, to different national audiences.

The global cultural industries are increasingly driven to cover their escalating costs over the maximum market base, over pan-regional and world markets. They are driven by the very same globalising logic that is reshaping 'the economy as a whole' rather than Robertson's definition, 'the world as a whole'. The resourceful global conglomerate exploits local difference and particularity: "Everywhere there is Chinese food, pizza, ethnic music and arts such as jazz, fashion, and Third World writing and cinema. The global pervasiveness of ethnic forms represents the cosmopolitanisation of speciality. Again, globalisation does not mean the end of segments. It means, instead, their expansion to world-wide proportions" (cited in Robins 1991:31).

The creators of this universal cultural space are the new global cultural corporations (Sklair 1991). In the environment of enormous opportunity and escalating cost, what is clearer than ever before is the relation between size and power. What we are seeing in the cultural industries is a recognition of the
advantage of scale, and in this sphere too it is giving rise to an explosion of mergers, acquisitions and strategic alliances. The most dynamic actors are rapidly restructuring to ensure strategic control of a range of cultural products across world markets. Therefore, global culture is dominated by the mass media such as television, film, new media and its industries. And the global media industry is dominated by the handful of transnationals. Especially, global mass media have been characterised as offering the spectre of 'Americanisation' which will be explained in following section.

Another perspective of the global cultural industry is that we are moving toward a new form of capital accumulation and toward an economy based more on services and less on manufacturing, in which computers and the new information/communication technologies play a key role. Among them Hall (1991; 1992), who has started to move away from its earlier rather inter-cultural approach to the global dimensions of cultural production and consumption, is prominent on analysis in terms of the 'post-industrial' or 'post-Fordism' viewpoint.

Not everywhere, by any means, but in some of the most advanced parts of the globalisation process what one finds are new regimes of accumulation, much more flexible regimes founded not simply on the logics of mass production and of mass consumption but on new flexible accumulation strategies, on segmented markets, on post-Fordist styles of organisation...

(1991:30).

Therefore, one of the most important services in the new service-based economy, entertainment, has emerged both as consumer product and as a disseminator of corporate culture. In the post-Fordist world, culture has become vital to the economy, both at the level of production (requiring style and design), and consumption (taste, lifestyle, language). Thus, as Hall (1991:28) points out,

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7 Mergers and acquisitions in the United States, for example, have increased sizeably in recent years. For 1975 the total value of mergers and acquisitions exceeded $11.8 billion for 1981 acquisitions. In the 1980s this pattern accelerated, reaching 3,336 corporate acquisitions worth $173 billion. In 1987 this increased to 3,565 acquisitions valued at over $219.5 billion (cited in Greco 1992:121).
"'aesthetics' has already penetrated the world of modern production". Not only are marketing, advertising, and the mass media changing and becoming global, but they also play a key role in consolidating consumer capitalism which still relies on Fordism. This is very evident in the newly developed countries of the periphery, but which clearly fits the definition of post-Fordism in the centre. Indeed, it is in the audio-visual industry that consumer capitalism is more strongly manifested. The audio-visual industry produces and distributes cultural commodities and contributes, through advertising, to the reproduction of capital accumulation.

However, in spite of McDonaldisation of the world, there remain problems that there is an uneven direction to the flow and unequal relations of cultural power between the west and the rest, the phenomenon of post-Fordism is in dangerous position to reproduce western consumerism. Therefore, we must return to the question of the actual circumstance of terminology, global 'interdependence' and 'interconnectedness'. That is, as Ferguson (1992) points out, the question of 'cui bono?'

2.6 Globalisation of the Communications Industry

Today, after more than a century of electric technology, we have extended our central nervous system itself in a global embrace, abolishing both space and time as far as our planet is concerned ... As electrically contracted, the globe is more than a village (McLuhan 1964:11-2 emphasis added).

In his popular book, <Understanding Media>, McLuhan anticipated that an information network would envelop the planet, spread democracy and lead to a decisive condition of universal understanding and unity. Superficially, his 'global village' has been accomplished so that everyone in the world had the same opportunity to watch and listen the 1991 Persian Gulf War, or Nelson Mandela's
inauguration in 1994 through international communications networks that can be accessed by all. On the other hand, the creation of the global village also implies the progressive homogenisation - through successful communication - of the world as a whole (Hamelink 1993; Mowlana 1993).

The 'increasing global forms of communication' are the most significant element as a part of global culture to stimulate the process of globalisation. However, the shape of global communication is by no means very elaborate or clear, and neither are theoretical categories for understanding communications on an international level.

As looked into earlier, the global TNCs are expanding their scale and scope. This is so applicable in global culture that the local culture have changed to global commodities by global TNCs. As a result, the inequalities between the South and the North have intensified in the so-called global era, and these are stimulated by the new technologies (South Commission 1990).

The purpose of this section is to consider whether the faster transmission of greater volumes of communications that occurs through the global media today has in fact brought the peoples and nations of the globe closer together. For this, the section will examine the major driving forces for the globalisation of mass media. Two essential characteristics will be explained: firstly, the acceleration of communication technologies affected by the progress of global capitalism; secondly, the emergence of huge media conglomerates as a result of mergers and acquisitions and the entrenchment of U.S. hegemony in media products trade.

2.6.1 Global Capitalism and Communication Technologies

Over the last two decades, the international mass media landscape has undergone dramatic change, namely the progressive expansion of its boundaries to include almost every country in the ever-growing global market as the economy becomes globally integrated. This integration is more evident in the media industries. Two closely related developments fuelled expansion of the media market world-wide. Firstly, is the proliferation of new transmission and distribution technologies such as cable and satellite. The second developments,
which influenced the expansion of the new media technologies, is the world-wide thrust of 'global capitalism'. This was basically to search for new markets in which to place the products of the media industries. Two factors have stimulated the development of global media under the organic relations.

As world capitalist trade becomes more integrated and expands, global standardisation in the media industries reflects the drive to achieve ever greater economies of scale. The increasing role of exports and of the production of media goods for an international market has been treated as a very important and strategic industry. The American government regards media products as one of the most lucrative sectors of the national economy. According to the report of the Department of Commerce under the title of *Globalisation of Mass Media* (1993:1);

*The mass media industry is a major sector of the U.S. economy. Like other domestic industries, it has been profoundly affected by the internationalisation of economic markets. Although U.S. media products have long been marketed overseas, the importance of international markets has grown steadily over the past decade. In 1991, for example, foreign sales accounted for approximately thirty-nine per cent of U.S. motion picture and television industry venues, as compared with approximately thirty per cent in 1986.*

The export trade has always been part of the publishing industry in Britain, especially when printing books in languages which, as a result of prior colonial or military expansion and other factors, extends well beyond the boundaries of the nation-state. In 1949 book exports have accounted for 29 per cent of sales by British publishers; by 1969 they accounted for 47 per cent.8

Similarly, in the case of broadcasting, the sale of programmes in foreign markets is becoming an important source of revenue. The BBC, for example, has been increasingly successful in marketing its programmes overseas and it now sells programmes to over 100 countries; in 1991-92 the sale of programmes and

8 Details and current statistics will be explained in the following chapter.
co-productions overseas accounted for £75 million of BBC Enterprises, out of total sales of £210 million (BBC 1993).

Another aspect of globalisation stems from the deployment of technologies which facilitate the trans-national diffusion of information and communication. Especially, satellite technology has an extensive range of uses throughout the domain of communication and information transmission. The satellite systems are capable of transmitting vast quantities of information on a global scale and virtually instantaneously.

*The single most powerful development in global communities has been the satellite, born a mere thirty-one years ago ... Satellites now bind the world for better or worse, in an electronic infrastructure that carries news, money, and data anywhere on the planet at the speed of light. Satellites have made borders utterly porous to information* (cited in Schiller 1993:48).

Not surprisingly, such technological advances can alter the outcome of international events and involve every individual in the making of history as never before. Instantaneous communication, myriad data-exchange possibilities and cheap news sources are also fostering global integration.

They are used heavily by TNCs to transmit data and to communicate between their dispersed branches and subsidiaries. Texas Instruments, for example, has 50 major plants in 19 countries and uses a satellite-based system to link 8,000 terminals for world-wide planning, marketing, accounting and electronic mail (Thompson 1990:203). Today, the telecommunications and related information industries have grown as the most significant sectors of the economy, representing a $600 billion global market (Mowlana 1993:162-3).
2.6.2 Global Media Corporations

In his article, Robins (1991) describes globalisation as breaking the link between culture and territory, dissolving distances and creating new imaginary spaces and identities. With cultural products and information which cannot be identified with their national origins in any straightforward way, globalisation might serve the link between culture and territory for the hegemonic TNCs.

As mentioned earlier, important to any debate of globalisation "has been ... the role of TNCs in adopting to, producing for and profiting from that" (Sreberny-Mohammadi 1990:123). Global firms in the media industry in the last decade of twentieth century have tended to become bigger and more influential.

The globalisation process has resulted in an international order organised by transnational economic interests that are largely unaccountable to the nation-states in which they operate. This transnational corporate system is the product of a commercialised communications infrastructure, which has extended its marketing reach to the every corner of the globe (Schiller 1993:47).

Transnational media corporations obviously constitute one of the essential pillars of global media system. During the latter half of the 1980s, the cultural corporations that own the major mass media companies began describing themselves as 'global' performers for the expansion of media products across the world market. For example, Sony began using images of the globe in their corporate advertising, accompanied by the slogan 'Think Globally, Act Locally' (cited in Sreberny-Mohammadi 1990:124). The electronics giant Thorn-EMI announced that its music division had been refocused into a 'truly global organisation' (cited in Negus 1993:295).

The growth of global TNCs in recent international communications industry has been stimulated by two factors. First of all, the concentration and diversification of the media industries have led to the formation of communication
conglomerates\(^9\) which have been propelled to some extent by vertical integration among the communication conglomerates (see Murdock 1990:1-15).

Vertical integration has the obvious benefits and advantages. First of all, it allows the company to keep the cost of sales and transaction low in that "the vertically integrated corporations sells productions to itself and thus does not have to go through bidding procedures and can have smaller sales and accounting departments" (Gomery 1986:85). Second, vertical integration permits market control in that a corporation which own its own production company for its outlets and the exhibition/broadcast of the output it produces. Vertical integration in the media industries, therefore, lead to the consolidation of the corporate control over the commodity market from the moment of the product's conception to its consumption. And while this strengthens the big media corporations by setting up oligopolistic structures, it excludes not only the smaller independent producer/distributor of film and television programmes, but also the global distribution of similar product by other company from other nations.

Therefore, the strategy behind the formation of transnational media companies is to increase their control over the global market. 'Bigger' in the media industries translates into product integration and control - greater reach, increased power and ultimately a bigger share of and larger profits from the world information and entertainment market (see Ferguson 1990:75-6 on this issue). When Sony, for example, buys Columbia Pictures, it buys not only Columbia's film and television libraries, but also the global market of consumers which Columbia's distribution/exhibition arm reaches. Similarly, mergers and vertical integration secure these corporations' access to new markets and new sectors of the media/entertainment industry, the consequence of which is the monopolistic control of the global media market by a few giant corporations.

\(^9\) The issue of the communication conglomerate can be inextricably linked to the aspect of post-Fordism. First, the big global corporations will be the main actor in the control of the newly profitable and expanding media/information/entertainment industries. Second, the fragmentation of consumption habits and the emphasis on choice necessitate a capability on the part of corporations to fulfil a multitude of newly created consumer needs.
### Table 2.2 Global Media Groups

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenues ($ million)</th>
<th>TV Holdings</th>
<th>Selected Other Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>HBO Video</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Warner Bros TV</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Warner Cable</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BHC Stations</td>
<td></td>
</tr>
<tr>
<td>Bertelsman (Germany)</td>
<td>6,380</td>
<td>RTL Plus (30%)</td>
<td>Bantam, Doubleday, Dell, RCA Records, UFA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Canal+Germany (50%)</td>
<td></td>
</tr>
<tr>
<td>Fininvest (Italy)</td>
<td>6,250</td>
<td>Channel 5, Italia-1,</td>
<td>Il Giornale, TV Sorrisi e Canzoni, Publitalia, AC Milan Soccer Club, Stand stores, 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>La Cinc(25%), Tele-5(45%),</td>
<td>movie houses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reteitalia</td>
<td></td>
</tr>
<tr>
<td>Gulf &amp; Western (U.S.)</td>
<td>5,100</td>
<td>Madison Sq Gardent</td>
<td>Paramount Pictures, Simon &amp; Schuster, Famous Players</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ntwk, USA Network,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Paramount TV</td>
<td></td>
</tr>
<tr>
<td>Capital Cities/ABC</td>
<td>4,800</td>
<td>ABC Network</td>
<td>ABC Consumer Magazines, Fairchild Publications, ABC Radio</td>
</tr>
<tr>
<td>(U.S.)</td>
<td></td>
<td>ESPN(80%), Lifetime (33%)</td>
<td></td>
</tr>
<tr>
<td>News Corporation</td>
<td>4,350</td>
<td>Sky TV</td>
<td>The Times(UK), The Sun(UK), Today, Boston Herald, Harper &amp; Row(50%), Triangle Publications, 20th Century Fox, CBS/Fox Video</td>
</tr>
<tr>
<td>(US/UK/Australia)</td>
<td></td>
<td>Fox Broadcasting</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 US TV stations</td>
<td></td>
</tr>
<tr>
<td>Hachette (France)</td>
<td>3,888</td>
<td>Tele-Hachette</td>
<td>Elle(France), Tele 7 Jours, Journal de Dimanche, Woman's Day, Europe 1(Radio)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Channel 1</td>
<td></td>
</tr>
<tr>
<td>Gannett (U.S.)</td>
<td>3,315</td>
<td>GTG Entertainment,</td>
<td>USA Today, 88 other dailies, Gannett News Service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 US TV stations,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>16 radio stations</td>
<td></td>
</tr>
</tbody>
</table>

Among the largest of these conglomerates is Time Warner, formed by the largest magazine publisher in the United States, the second largest cable company in the world, one of the largest book publishers and the largest video company in the world. It has subsidiaries in Australia, Asia, Europe and Latin America, and its assets exceed the combined gross national product of Bolivia, Jordan, Nicaragua, Albania, Liberia and Mali.

The American corporations RCA and CBS also emerged as two of the largest and most diversified communication conglomerates, although they have themselves recently been taken over by other corporations (Thompson 1990:196).

The activities of communication conglomerates have recently been highlighted by Rupert Murdoch, head of the sprawling multi-media conglomerate called News Corporation. In the United States, United Kingdom, Australia and the Pacific basin, the News Corporation has extensive and expanding interests in a wide range of media industries, from newspapers, magazines and book publishers to television stations, film studios and commercial printing concerns.10

The second dimension of media proliferation has been the phenomenon of convergence of film, television, book and video, which have formed, along with other forms of entertainment and consumerism, an integrated audio-visual landscape (see Golding & Murdock 1990:20).

(Table 2.3) Marketing Batman

<table>
<thead>
<tr>
<th>1. Original</th>
<th>comic book</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Licensing Deals</td>
<td>toy companies and others</td>
</tr>
<tr>
<td>3. The Movie</td>
<td>US release, International release</td>
</tr>
<tr>
<td>4. TV exposure</td>
<td>US pay TV, overseas markets</td>
</tr>
<tr>
<td>5. The cartoon</td>
<td>Animated version</td>
</tr>
<tr>
<td>6. Spin-offs</td>
<td>Book of the movie, computer game, movie sound track</td>
</tr>
<tr>
<td>7. Cross promotion</td>
<td>magazine publicity, free ads</td>
</tr>
<tr>
<td>8. Movie sequels</td>
<td>Batman II, III ....</td>
</tr>
</tbody>
</table>


10 Rupert Murdoch recently struck a $500 million deal that will make him one of the leading players in the American television industry. His Fox Broadcasting Company will be competing with three other major networks in the U.S. (Guardian 23 May, 1994).
Through the circulation of original work by the convergence of multiple media, conglomerates are able to absorb the fragmentation of the market because they can cater to different consumer demands by providing a vast range of products. This enables them to absorb the costs involved in introducing new products, which smaller firms can not do, and to compete effectively in the global market. However, most media commodities are getting similar, and there are the possibilities of political and commercial manipulation and involvement.

While the American cultural product still dominates screens, homes and shops throughout the world, local outputs are also increasing. Yet, invariably, they are fashioned on the American model and serve as the same kind of bait with which to snare the potential consumer. French television dramas, for example, repeat worn U.S. formulae.

Entrenchment of U.S. Hegemony in Media

Since Herbert Schiller's first edition (1969), *Mass Communication and American Empire*, the pre-eminence of the American media sphere has been one of the most debatable issues in terms of information monopoly and control in international communication. In his second edition (1992), Schiller argues that the cultural power still remains intact: "Some, but not all of this, has changed drastically to the disadvantage of U.S. global power. ... although there is day-in and day-out relative diminution of U.S. industrial strength internationally, the politico-cultural influence of the corporate sector domestically is all pervasive" (3).11

Throughout the Gulf War, in fact, the power of the transnational U.S.-based Cable News Network (CNN) dominated television screens around the world. Though press interpretations of the war may have varied from country to

11 The media conglomerates now are not exclusively American owned. German, Japanese, French, Australian, English, and other national capitals increasingly are investing in these transnational corporations.
country, the broadcast images of high technology combat were identical worldwide.

The transnational spread of commercial media - particularly entertainment products - from the U.S. has remained unparalleled. Commentators often see evidence for the emergence of a global culture in the wide reach of the U.S. entertainment industry. The most complete data available concern commercial films: its film industry produces a trade surplus of $3.7 billion which is second only to aerospace (The Times 14 Dec., 1993).

The accelerated globalisation of the products of the mass media has meant the continued dominance of trade by the United States. In response, Western Europe, like the Third World before, has begun to voice its concerns about cultural autonomy and integrity (remember one of the final obstacles between the U.S. and France in 1993 GATT negotiation was about the issue of American film!).

<table>
<thead>
<tr>
<th>EUC</th>
<th>US</th>
<th>other EC*</th>
<th>Asia**</th>
<th>others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>70.1</td>
<td>13.0</td>
<td>-</td>
<td>17.0</td>
</tr>
<tr>
<td>France</td>
<td>53.0</td>
<td>14.1</td>
<td>9.0</td>
<td>22.8</td>
</tr>
<tr>
<td>Germany</td>
<td>61.7</td>
<td>17.8</td>
<td>3.8</td>
<td>16.7</td>
</tr>
<tr>
<td>Greece</td>
<td>83.2</td>
<td>11.2</td>
<td>0.7</td>
<td>4.9</td>
</tr>
<tr>
<td>Ireland***</td>
<td>67.1</td>
<td>25.1</td>
<td>-</td>
<td>7.5</td>
</tr>
<tr>
<td>Italy</td>
<td>66.5</td>
<td>21.8</td>
<td>0.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>76.3</td>
<td>18.5</td>
<td>-</td>
<td>5.2</td>
</tr>
<tr>
<td>Norway</td>
<td>60.8</td>
<td>19.0</td>
<td>0.5</td>
<td>19.6</td>
</tr>
<tr>
<td>Portugal</td>
<td>55.7</td>
<td>36.4</td>
<td>3.0</td>
<td>4.8</td>
</tr>
<tr>
<td>Spain</td>
<td>66.1</td>
<td>26.0</td>
<td>0.3</td>
<td>7.5</td>
</tr>
</tbody>
</table>

*: includes France, Italy, Former USSR, United Kingdom and Germany
**: includes India, Japan and Hong Kong.

These concerns stem from the fact that the contents of the mass media are both economic and cultural products. It is their cultural and ideological nature which raises questions about the impact of imported programmes on indigenous cultures and about U.S. dominance in global media exchange.
U.S. dominance in the international media market is a result of American expertise in film and video production. They also identify the huge media infrastructure of the United States and the growth of a large and economically powerful English-language market as important factors in the advantage the United States has in the international media market.\(^\text{12}\)

In conclusion, the world-wide output of America's cultural industries probably have as great an impact as any other form of American power. People everywhere are consumers of American images, sounds, ideas, products and services.

### 2.7 Globalisation and the Third World Media

#### 2.7.1 Global Media Debate

Since the mid-1970s, there had been two prominent events which have characterised the state of international communication and intercultural relations in the developing countries. One of the major aspects of the debate was the so-called balance-imbalance equation in the flow of information globally which gave high premium to the analyses of means of production and distribution. Underlying the position of the Third World countries, therefore, was the important assumption that New World Information and Communication Order (NWICO) is related to the New International Economic Order (NIEO) debate, not independent of it. This development was a result of the increasing realisation that the imbalances perceived in the economic field also were prevalent in the information or communication field and needed to be redressed (see Gerbner, Mowlana & Nordenstreng (eds.) 1993; Nostbakken & Morrow (eds.) 1993).

It, therefore, recognised information as the coin of the new information age and argued from the premise of cultural imperialism. The NWICO debate

\(^{12}\) Lingua francas is one of the most important elements to understand global publishing issues. Details on this will be discussed in chapter 4.
absorbed communication development issues into the broader question of the political role of the mass media in the developing countries and within the Western countries as well even though they were ignored at the beginning.

When UNESCO delegations assembled for their 1976 General Conference in Nairobi (the first time in the Third World), prospects for agreement on any statement of Third World needs or the uses of mass media were not good. The Third World delegations, strong in number and considerably more assertive than at previous conferences, were more vociferous in their criticism of western dominance and more willing to adopt rhetoric of cultural imperialism. And the western delegations had to accommodate aroused mass media organisations that were in the uncomfortable position of demanding their governments support resolutions that recognised the separation of state and media. However, it rarely reached the negotiation and bargaining stages. Thus, the debate could be explained as "merely infrastructural, legal, regulatory, and procedural in its nature and goals" (Mowlana 1993:161).

Second, since the MacBride Commission Report (International Commission for the Study of Communication Problems) in 1980 the world also has witnessed a second fundamental development - a desire and indeed a quest for a new cultural order which goes beyond the simple notion of communication and information.

The report, aptly entitled Many Voices, One World, was important, even though it did not give a clear direction to the new definition of communication development. It made a strong argument for the need to improve Third World mass media, a point which the western bloc at UNESCO had conceded in its acceptance of 'free and balanced flow' compromise.

2.7.2 The End of NWICO or New NWICO?

Since the United States and the United Kingdom's withdrawal from UNESCO in 1985 and 1986 respectively, this international organisation has ceased to be a critical site for NWICO debate although this is still meaningful
because the imbalance of the world information order has not disappeared over the last decade. The common thread running through recent reports of meetings of the United States and non-governmental organisations, as well as communication and development literature, is that a decade of discussions and action has not substantially remedied the disparities that gave rise to the call for a 'new' NWICO.

Thomas McPhail and Federico Mayor, questioning "Is NWICO dead?", refer to the realities of the issues of the 1990s (Kleinwachter 1993:18-9).

1. Even the fact that some developing countries have improved their communication infrastructure could not prevent the gap between the North and the South from being widened over the last few years, especially with regard to communication technology.

2. Even if the voices of the developing countries can be louder today than 15 years ago - thanks to NANAP (Non-Aligned New Agencies Pool), BONAC (Broadcasting Organisation of Non-Aligned Countries) and other regional and national systems - the current international flow of information is more imbalanced than ever before.

3. Although some transnational mass media have improved their coverage of events and processes in Third World countries, the images of these countries are still distorted, and the negative consequences for their sovereignty, for their political stability, economic prosperity, and cultural identity are more dangerous than in the past.

In spite of an increase in local production and exports in a few developing countries, there is still essentially a 'one-way flow' of traffic from the big exporting countries to the rest of the world in the 'global era'. Third World countries are essentially importers of cultural commodities (Miège 1989:103). This applies to electronic equipment used for receiving, recording and replaying images and/or sound - radios, tape recorders, television sets, film stock, musical instruments, and stereo systems. It also applies to commodities which have been reproduced or published, including books and magazines, records, tapes, and films and television programmes.
The spread of communication media between the South and the North is still in an asymmetrical form and uneven structure. The African continent is in the worst position. Although the first African TV services were established in the Belgian Congo in 1962 and by 1990 most African countries had some kind of, generally state-run, national television broadcasting, there were still only 10 sets for every 1000 inhabitants. Access to television is "centred in a relative minority of urban zones with adequate electricity supplies and higher standards of literacy" (McFarlane 1990:21).

According to Reeves (1993:14), about 36 per cent of all television programmes in the Asian and Pacific regions are imported. In the Arab countries, some 42 per cent of television programmes are imported, with one-third of that coming from other Arab countries and 32 per cent of the non-Arabic programmes mainly coming from the United States. World exports of U.S. film and television in 1991 recorded $6.7 billion in foreign earnings, up to 13 per cent in 1990 and nearly double the 1985 figure, although some buyers in Asia are increasingly substituting domestic programmes for imports, especially in economies big enough to support indigenous drama production, and the U.S. majors exported first-release films to the tune of $1,426 million in 1991. All of this should be seen in the context of an overall U.S. trade deficit of $100 billion in 1989 (Miller 1993:102).

Dependence on imported programming in many smaller and poorer countries is limited by restricted transmission hours and shortages of foreign exchange required for programme purchase. The exporters, and the United States in particular, have been able to take advantage of economies of scale and the ability to recoup substantial production costs in large domestic markets, and have been prepared to make programme material available at relatively low cost.

(Table 2.5) Mass Media per 1,000 Inhabitants

<table>
<thead>
<tr>
<th></th>
<th>Newspaper</th>
<th>Radio</th>
<th>TV sets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed</td>
<td>321</td>
<td>331</td>
<td>778</td>
</tr>
<tr>
<td>countries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing</td>
<td>32</td>
<td>44</td>
<td>59</td>
</tr>
<tr>
<td>countries</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

to small purchasers (Miège 1989:103). The higher cost of local production makes imported programming very attractive for smaller developing countries.

Many TNCs have relocated basic production and assembly to Third World countries in order to take advantage of a mixture of low wage costs, advanced technologies which can easily be decomposed and transplanted, taxation concessions, and often tight state controls over the labour force. Much of this relocated production has been in Southeast Asia and has involved the production of image and/or sound recording and playback equipment.

In some developing countries, uses of new communication technologies are widespread and no longer limited to professionals, and, for example, faxes have become a viable alternative communication tool even at the grassroots. However, increased access to information technologies will not yield benefits to the poor and less-developed regions of the world unless accompanied by basic restructuring of political systems. Rather, the development of satellite and cable broadcasting has enormously widened the net of transmission from American and other centres. Technology alone will not change the prevailing order; rather, the power lies with those who control the distribution aspects of communication. While production of information is relatively widespread, over 80 per cent of innovations in information technologies now occur in the tightly controlled distribution market.

The concentration of the distribution power of the media has reversed the earlier NWICO ideal: From 'Many Voices, One World', the accepted norm has now become 'many nations, one world' (Mowlana 1993:68-9), as we witnessed in the power of the CNN during the Gulf War. In short, a remarkable feature of globalisation is that it completely bypasses the fact the world is very starkly divided and fractured on many counts. Highly visible figures have been presented in the growing economic disparities between both the North and the South and between different social groups within countries.
2.8 Globalisation of the Media and NICs

Since the 1960s, some developing countries, so-called 'Newly Industrialised Countries' (NICs), such as Taiwan, Singapore, South Korea, Hong Kong, India, Brazil and Mexico have showed remarkable industrial growth. From the 1960s to the 1980s, the annual rate of the growth of production in manufacturing was higher in NICs than in the First World (see Worsley 1984; Gwynne 1990). This meant that for about 20 years, the NICs have made strenuous efforts in building industrial base to close a development gap between them and the First World.

The East Asian 'miracle' provides a particularly good example of the way in which the Third World has been managed and homogenised over the course of the Cold War. The dramatic rise of a number of East Asian countries since World War II resulted in the growing expectation that we are on the threshold of the Pacific Century (Berger 1994; Lee 1994). As a result, the export performance of these countries has been cited by neoliberals as evidence for the superiority of development strategies in which export-led growth and market-rational economic policies are given priority.

The rise of the NICs also contributed to both the fading of dependency theory and the failure of 'Third Worldism' (see Berger 1994). In the last few years a growing number of writers has sought to reinterpret the term 'Third World'. For example, Aijaz Ahmad has emphasised that the Third World does not come to us as a mere descriptive category. He noted that it "carries within it contradictory layers of meaning and political purpose" (1992: 307-8).

V. Randall noted, in the review of two books13 which seek to 'rethink' the Third World, that both works continued to 'hold back from any explicit or sustained questioning of the validity of talking about a Third World as such'. From her perspective the time has come to rethink the concept of Third World and she asks: "can we justify still holding on to the term?" (257-8).

---

In the long run, they pointed out that dependency theories of economic
development have been unable to explain East Asia's rapid growth, predicting
instead underdevelopment as the consequence of international trade and foreign
indebtedness.

The important literature about the economic success of East Asia can be
divided into two categories. First, there are those studies which emphasise that
the East Asian Tigers all share a cultural history characterised by an emphasis on
high education levels, a highly motivated population, a strong state, and an
effective bureaucracy - all of which have been traced back to their common
Confucian heritage (Berger 1994; Kim Haboush 1991). The second is that
East Asia was a major arena of the Cold War after 1945. That is to say that
NICs growth is attributed to a favourable and unique coincidence of a number of
special circumstances, including the United States' strategic support. In the case
of South Korea and Taiwan, their 'economic miracles' resulted from a particular
set of historical ingredients; hyper militarisation, ultra-dependency14, and
massive U.S. aid combined with popular anti-communism and the profound
cultural-political isolation of their working classes.15

In the East Asian case, the focus has been on the cultural context in which
such successful economic husbandry have occurred; the specificity of this context
has been defined in terms of Confucian economic culture. The question is thus
why it was these countries, rather than other Asian, African or Latin American
nations, which became the NIC powerhouse? Economic explanations alone
seem inadequate to this explanatory task. In seeking to explain the startling
recent economic successes of the East Asian NICs, many commentators have
looked for historical and cultural commonalities among them that may have
contributed to such rapid growth. Many of them have pointed to the importance
of a shared Confucian heritage and suggested that this common Confucian
tradition - defined in terms of an emphasis on such values as a secular, this-

14 see Chapter 5 about the development of the Korean economy.
15 see Halliday, J. (1980) 'Capitalism and Socialism in East Asia', New Left Review,
124, November/December.
worldly orientation, personal discipline, diligence, ordered family life, respect for hierarchy and authority, social harmony, and an emphasis on education - may have played a significant role in the dramatic growth of Korea, Taiwan, Hong Kong and Singapore (Rozman 1991). This point of view contrasts sharply with earlier views, which have tended to see Confucianism as a retarding factor, one that was inimical to equality, freedom, democracy, and the rights of women and young people and thus something to be sloughed off in the process of modernisation, rather than a positive contributor to democratic development, social equality, intellectual vitality and industrial dynamism.

Some aspects of the Confucian argument are appealing in precisely the same terms as are similar ideas about the role of Protestantism in forming a 'capitalist ethic' in 19th century Europe and America. This is, that in the initial stages of capitalist development, either ethic could provide at least some of those conditions of capital formation which are necessary for initiating sustained production and accumulation. To reinvest capital to the glory of God or to that of the family will, if diligence, application and market conditions allow, achieve the same end of deferred consumption and increased investment leading to greater productivity (Clegg 1990).

In the case of Korea, the argument that Confucianism has contributed positively to the country’s modern development and is still very much prevalent has been made by a number of scholars (Lee 1983).

2.8.1 Media in NICs

It is true that the international media flow is far more complex than that described by the cultural imperialism model of the 1970s. More Third World countries have been developing their media industry, and some of them began to export media commodities from the 1980s. Especially, most NICs showed remarkable development in this field on the basis of relatively greater economic power than other Third World countries.
Nowadays, the Brazilian *TV Globo*, the fourth largest network in the world, for instance, exports telenovelas to 128 countries, including not only Latin America but also Europe. Its productions outnumber those of any other station in the world. The domestic atmosphere of Brazilian media development of the early days was not so democratic at all. Since its establishment in 1969, 5 years after the armed forces took power, Globo became, so to say, the official network (Amaral & Guimaraes 1994:26-30). It received special treatment from the military who, besides investing heavily in the telecommunications infrastructure, gave the network most of the government’s large advertising accounts. The generals used television to legitimise their oppressive rule; therefore, the media were forbidden to broadcast any news that could directly or indirectly accuse the government of wrongdoing. Under these circumstances Globo’s *telenovelas* thrived.

*(Telenovelas) deserves the attention it has gotten. But, does it mean that cultural imperialism as such is fading out? ... In most Brazilian soaps, the American lifestyle portrayed by Hollywood productions reappears with a ‘Brazilianized’ face. Now we don’t see wealthy Anglo-Saxons anymore, but rich white Brazilians enjoying standards of living that would make any middle-class American envious (Oliveira 128-9).*

By 1973, Brazilian soaps, produced by Globo and three other networks (Manchete, SBT, and Bandeirantes), had already pushed the American ‘canned’ programmes to less popular hours (Costa et al., 1986:20). Since then, U.S. imports have been mostly used as fillers. In order to reduce costs, and still remain an average of 20 hours on the air, Brazilian networks show inexpensive US programmes, such as morning cartoons and late night feature films. But prime time is dominated by *telenovelas*.

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16 The *Globo* network has about 80% of the national audience. It reaches 99% of homes with television (about 27 million), covering 98% of the national territory. The Globo network absorbs about 80% of advertising for television and 60% of the total amount of money spent on advertising in the seventh largest advertising market in the world (1994:29).
The Brazilian situation apparently contradicts research data that show the United States overwhelming the Third World with television. Thus some Western authors have been provided ammunition for their arguments against the notion of media imperialism (Rogers & Antola 1985:33; Straubhaar 1991).

For nearly 50 years, cinema in India has been the dominant form of popular entertainment. Its mass appeal has rested on delivering pleasure on the grand scale to millions by using huge sets, locations, stars, fights, songs, dances and melodramatic storytelling techniques. Films have been so central to Indian culture that film music and songs pervade various ceremonies from birth to death, and even the political gatherings.

The National Film Development Corporation (NFDC), the state-organised firm under the circumstances that the central government has played major roles at the national level in the film industry, has mainly been involved in international co-production and business.

Indian films have been popular in various parts of the Middle East, Africa, former Soviet Union and Latin America. In 1987-8, a total of 48 countries imported 823 Indian features and the gross revenue from those sales amounted to 73 million rupees (15 rupees = US $1) (Lent 1990: 229 - 51)).

Hong Kong is another example, representing a rich cinematic tradition that has blended all genres, including a few particularly attached to this part of the world, the languages of Cantonese and Mandarin and communist and capitalist ideologies. Hong Kong has boasted more than 300 features a year, making it one of the world’s top producers, and sported Asia’s largest studio complex, Movie Town.

With the success of movies at home and internationally, the major producers in Hong Kong knew there was money to be made in production - lots of money. For example, in 1985, the turnover of the industry was about HK $1 billion (at HK $7 to US $1), when the average film cost HK $4 to 6 million to make (Garcia 1985:7). Gross income from film continued to rise, to US $76 million in 1986 and US $96 million in 1987 (Chadha 1988:31)
The two profitable companies of the 1980s, Golden Harvest and Cinema City, are big-business based. The largest, Golden Harvest, which in 1987 alone had six of the ten most profitable movies and realised US $41 million income, is a patchwork of no fewer than 35 companies around the world.

The audience for broadcasting in the NICs among the developing countries has rapidly expanded in the last few decades. For example, television sets ownership reached 7.9 million by the end of 1989 in Korea. This number indicates that there are 188 televisions for every 1,000 people, and for radios, 952 sets per 1,000 people (see chapter 7 for details of Korean mass media). By the early 1980s in Latin America there was about one TV set for every seven inhabitants. Brazil has had television since the 1950s. By 1990 75 per cent of households had television (Randall 1993:628).

The tendency in recent years is that Third World media have increasingly become affiliated with US, European and Australian TNCs such as those of Rupert Murdoch, Dow Jones or Time-Warner. Additionally, some national conglomerates that Third World mass media connect to are themselves parts of TNCs; for example, Samsung Corporation, the world’s 35th largest company, which owns Korean newspaper, magazine, and broadcasting interests, controls a portion of Corning Corporation in the US.

Other national conglomerates own substantial numbers of mass media in the Third world. In India, the Birla Group, publishers of the Hindustan Times, has companies dealing with aluminium, automobiles, carpets, chemicals, shipping, steel, tea and textiles (Waterman & Rogers 1994).

As a result, the global pluralists of media theory make "an optimistic voice regarding the diversity of media producers and locales and the many loops of cultural flows that have merged" (Sreberny-Mohammadi 1991:121-2). This presence has caused a number of academics to question the cultural imperialism hypothesis. Rogers & Antola (1985:33) argued that Latin America telenovelas shown in the US Spanish networks are an example of some sort of 'reverse cultural imperialism'. They note that if someone from as poor nation as Brazil
can rise to become a significant global producer, how can it be said that the Americans dominate the market to the exclusion of everyone else?

However, this effort to industrialise in the NICs occurs within a global manufacturing system where technological and marketing innovations are found mainly in the western industrialised countries. In other words, the varying dependency links to the First World have resulted in the Third World being carved into different zones of industrial achievement.

A Brazilian researcher, for example, noted that Brazilian television programming is "the creolisation of U.S. cultural products. It is the spiced up Third World copy of Western values, norms, patterns of behaviour and models of social relations". His findings, no different from what one would conclude in the United States or Europe, are that "the overwhelming majority of Brazilian soaps have the same purpose as their U.S counterparts, i.e. sell products" (Oliveira 1990).

Since telenovelas concentrate their stories on a glamorised version of 'Brazilian reality', they have better chances of capturing larger domestic audiences than imported shows. They do so, but not to raise levels of cultural awareness or to promote consciousness about the country's needs.

Selling products is, above all, the role of popular culture in an age of transnational corporate market domination. 'Local' sponsors for Brazilian programming have familiar names: Coca-Cola, Volkswagen, General Motors, Levi's, and so on.

A very major dispute between the North and South has been on international trade. Particularly, the NICs are under increasing pressure to open up their economies in exchange for continued access to the markets of the high-consumption countries and they have undertaken selective liberalism to address this pressure.

In the case of international media, several nations began to step up activities against piracy through adjusted regulation, information campaigns, training of law enforcement officers and increased penalties. Also a series of bilateral agreements were concluded between the US and infringing countries.
(such as Korea, Malaysia and Taiwan) and between the EC and NIC countries. Given the unsatisfactory nature of such bilateral accords for trade disputes on intellectual property, as a forum for such an arrangement the US government preferred GATT over WIPO (Hamelink 128).

The US Motion Picture Export Association has sought unilateral US trade sanctions against countries that raised trade barriers to US produced films, television programmes and home videos. In 1989 the MPEA filed complaints to the US Trade Representative quoting Section 301 of the US Trade Act. It has targeted for retaliatory trade restrictions such countries as Brazil, India, Indonesia, Korea and Taiwan (Hamelink 1993).

Third World countries interpreted TNC pressure for the GATT negotiations as 'directed towards dismantling or modifying national regulatory frameworks, [and as such] as a threat to their economies and their sovereignty' (Randhawa 1987:169). The specific issues concerning developing countries encompassed trade relations, the privatisation of information resources, and rules governing foreign investment.

Whether they can sustain their high rates of both export and domestic growth is an open question.

2.8 Conclusion

In spite of the various discussions on it, the general concept of globalisation can be described as the growth and acceleration of economic, political and cultural networks within interdependent and interconnected sphere. According to globalisation theory, the growing global interdependence has led to a decline in the role of the nation-state. Instead, international organisations or supranational bodies transcend the traditional role of the nation-state in global politics. Contributors to globalisation firmly believe that the world economy is also becoming globalised and interconnected in terms of global production, financial system, international division of labour, and the expansion of TNCs.
Therefore, the world is getting common patterns of materials and cultural consumption across territorial boundaries.

However, the present global theory cannot explain the anti-global phenomenon such as local dynamics, cultural diversity, economic inequality, political fragmentation, and information imbalance. The role of the nation-state is still preeminent, and the economic and cultural gap between the 'haves' and the 'have-nots' countries is widely asymmetrical. Some Third World countries such as the NICs have enjoyed the industrial development, but had little autonomy in the sense that they have no choice but to follow the overall structure of world capitalism which have formed the interest of western countries. Eventually, the actual meaning of what is being called globalisation is not to be found in the international arena.

The global market has been supplied by global TNCs, in all forms of economic and cultural organisation, production, and distribution. These giant enterprises pursue historical capitalist objectives of profit making in continuously changing market and geopolitical conditions. In particular, this economic globalisation has sped ahead, with 'triad' US, European and Japanese transnationals buying their way into new markets through mergers, acquisitions, and joint ventures.

In the long run, the globalisation theory is inadequate for the holistic approach of international publishing, particularly in explanation of Third World publishing because the international relations are still more strongly based on 'inequality' and 'dependence' rather than 'interconnectedness' and 'interdependence'. That is to say, it is prerequisite and indispensable to apply a critical political economic approach for the analysis of the international publishing.

The following chapter is the discussion of western publishing from its historical background to the contemporary development.
PART II: PUBLISHING IN A GLOBAL PERSPECTIVE

Book publishing has the longest history among the mass media, and the internationalisation has been accomplished since mid-fifteenth century. It is very meaningful to explore the development of international publishing.

Part II compose of three chapters. The main purpose of 'Chapter three' is to review the western publishing industry. Western countries are dominant in the international book trading, and it is worthy of understanding the structure of their publishing to grasp the global intellectual system.

'Chapter four' is about the Third World publishing. It is not surprising that many underdeveloped countries are still in a condition of 'book hunger'. Many schools in these countries are lacking even school textbooks. This chapter will explain the problems categorised as 'internal' factors.

'Chapter five' looks into external and structural factors to have deteriorated Third World publishing. They will be classified into four elements which have influence the publishing industry of the developing countries.
CHAPTER 3

THE WESTERN PUBLISHING INDUSTRY

3.1 Introduction

Book publishing is regarded as the oldest form of mass communication, and the publishing industry has led to the internationalisation of media industries. Educational publishing has become a global business as popular education has expanded throughout the world. The diffusion of western languages since the colonial period also has intensified the western monopoly and cultural penetration of the publishing industry.

The main point of this chapter is how western countries, especially the United Kingdom as a major central and industrial country in book publishing, have developed the publishing industry and how they have internationalised it. There are at present five countries which dominate world-wide publishing based on dominant economic and/or linguistic power; namely the United States, United Kingdom, Germany, France and Spain. The status of publishing in these countries will also be explored.

As large-scale finance is required to maintain a large proportion of paperback production and book distribution to the world-wide branches, the publishing industry in the West has concentrated and centralised. Research on transnational corporations of the publishing industry is another important task in this chapter.
3.2. Capitalist Development and Capitalist Publishing

3.2.1. The Manuscript Period: Books before 1450

In the 700 years between the Fall of Rome and the 12th century, it was the monasteries and other ecclesiastical establishments associated with them which enjoyed an almost complete monopoly of book production and so of book distribution. In addition, the clerical and monastic orders dominated the transmission of knowledge through formal education during the early and central middle ages. Until the eleventh century, education was limited largely to the clergy and its content was decisively shaped by the ecclesiastical hierarchy from at least the ninth century (Laistner 1957, Leff 1958).

This resulted in monopolistic control over education and book publishing (Pearsall 1983), texts supporting or explaining papal ideology being plentifully copied at the expense of texts that implicitly or explicitly challenged the ecclesiastical view of the universe. Simultaneously, "competing centres of lay power were denied ready access to the source, ideas and skills needed to construct a coherent counter-ideology to that mediated by the papacy" (Curran et al. 1977:13-14).

Only minor technical improvements can be said to have occurred during the period. However, the innovation of paper must be mentioned because it had important effects both upon the manufacture and upon the price of books (Febvre and Martin 1976:16). Paper gradually displaced parchment as the basic material used in manuscript production, spreading from the thirteenth century, and becoming a common commodity throughout Europe from the mid-fourteenth century onwards. The impetus this gave to increased output was reinforced by the employment of far greater manpower in the production of manuscripts.1

From the beginning of the thirteenth century a profound transformation took place. The predominant feature of the new period was that the monasteries

1 The extent of this increased manpower is indicated by Plant's estimate that about 10,000 copyists were employed in the Paris and Orleans regions in the mid fifteenth century (Plant 1965).
were no longer the sole producers of books of all kinds and thenceforth scarcely produced more than were needed for their own use.

The social and intellectual changes which are particularly clearly reflected in the founding of the universities and the development of learning among the laity, and which occurred at the same time as the bourgeoisie emerged as a class, had profound repercussions on the ways in which books came to be written, copied and distributed (Cobban 1969). In each university town a Guild of Scriveners of Stationers came to be formed, consisting of clerks in holy orders and also often of laymen: the booksellers were laymen, while the scriveners were usually clerks.

Intellectual life was now centred outside the monasteries, and it was in the universities that scholars, teachers and students, working in co-operation with artisans and craftsmen, organised an active book trade. Changing political and economic circumstances on the more books created a climate in which new invention was needed, and all these spurred the invention of print.

3.2.2. Advent of Printed Word and the Expanding Trade: 1450-1800

The invention of typographic printing in the middle of the fifteenth century is properly recognised as one of the turning-points of world history. As J. Feather (1988:7) points out, "western Europe's dominance of the rest of the world, built on the solid foundations of its own achievements since the fall of Rome and on the emergence of a capitalistic market economy, would never have been fully realised without the ease and uniformity of communication and the easier interchange of ideas which was made possible by printing".

The decisive impacts on the invention of printing were twofold: firstly, an increase in the new reading public owing to the development of the universities and other institutions as mentioned above. Secondly, the rise of the bourgeoisie and their capital accumulation. As Bettig (1992:137) properly argues, "...the midwives of the birth of printing were the stationers, who as merchant capitalists
laid the foundation for the transformation of the book trade by using their accumulated capital to invest in print technology and manuscripts and by organising the book trade along capitalistic lines". The printing press is one of the first inventions to be explored by capitalists.

From the beginning of the printed book, therefore, the printer and the bookseller worked above all for profit. Like their modern counterparts, 15th century publishers only financed the kind of book they felt sure would sell enough copies to show a profit in a reasonable time.

Now printed books could only be commercially produced if they were to be sold in large numbers, and that meant the wider dissemination of books than had ever been possible, or even desirable. By the close of the 15th century, about 50 years after printing began, at least 35,000 editions had been produced, amounting, at the lowest estimate, to 15 or 20 million copies, and the press was established in all parts of Europe. Large-scale centres of production started first in Germany, then in Italy and finally in France. Altogether, not less than 260 towns had seen printing presses installed during these fifty years (Febvre and Martin 1976:186). We should not therefore be surprised to find that the immediate effect of printing was merely to increase further the circulation of those works which had already enjoyed success in manuscript, and often to consign other less popular texts to oblivion.

From the end of the sixteenth century literature had become a commercial commodity. The rewards of that commerce, however, were for the printers,

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2 It was only with economic assistance from Johann Fust, a merchant capitalist, that Johan Gutenberg developed the printing press. Fust lent him 800 florins at 5 per cent interest in 1450, to pay for certain implements. Gutenberg was later promised another 300 florins for his 'book work' under another agreement by which the expenses incurred in buying paper, parchment and ink were guaranteed (Bettig 1992).

3 The majority of the books printed before 1500 are in Latin - about 77 per cent. About 7 per cent are in Italian, 4-6 per cent in German, 4-5 per cent in French and just over 1 per cent in Flemish. The most predominant titles during this period were religious works, making up 45 per cent of the whole, with classical, medieval and contemporary literatures totalling just over 30 per cent, law just over 10 per cent and books on scientific subjects about 10 per cent (Febvre and Martin 1976:249).
publishers and booksellers rather than for the authors. The economic realities of printing, and of the sale of printed books, meant that it was the publisher who was financing the production and distribution of books, and that it was therefore he who principally reaped the benefits when profit was generated. In the earliest years of printing in England, and indeed elsewhere in Europe, a small number of printers/publishers were able to survive by printing the common heritage of the Middle Ages which was freely available, sometimes in hundreds of manuscript copies (Moseley 1975:125-33).

It was the stationers⁴ and not the printers who had become the dominant group in the guild by the middle of the sixteenth century through their control of the supply of the most fundamental raw materials of book production.

In the late sixteenth and early seventeenth centuries the Stationers' Company was indeed the agent of the crown,⁵ by its own choice. By keeping good order in the trade which basically means doing away with the need for government intervention it guaranteed both its own importance and the protection of its members against competition (Feather 1988:34). The printers' loss of their power, on the contrary, like their acquisition of it, was a consequence of the economic realities of the trade. During this period (the early decades of the seventeenth century), the future pattern of the trade was set with the beginning of the separation of the printing and publishing functions. Authors also gained greater control over their output with the 'Copyright Act of 1709'. Although its effects did not begin to bite until later in the century it was crucial in the increasing separation of author and publisher which was the first stage in the eighteenth century differentiation of the book trade (Golding 1974:19-20).

⁴ The stationers were the publishers of the late Middle Ages. They co-ordinated the work of all the craftsmen who were involved in the production of manuscript books, the scribe, the illuminator and the bookbinder, and were also the suppliers of the materials, either paper or vellum, on which the book was written.

⁵ Although causally introduced during the reign of Henry VIII, the patents gradually came to embrace nearly all of the most profitable areas of publishing. Perhaps the most valuable patent was that of the Queen's Printer; when Christopher Barker was granted the office in 1583 he acquired with it sole rights not only in all official printing, but also in Bibles, service books and statutes.
From the 1730s onwards there began that expansion of the economy which was to reach its climax during the Napoleonic Wars when Britain became the world's first industrial capitalist society. Economic expansion and broad political harmony created a climate in which the arts of peace flourished, and leisure became, for the first time, a commercial commodity.

Although books were not the only constituent of the new commercial leisure market, they were an important competitor to the theatres, concert halls, assembly rooms and sporting events which were attracting ever more patronage (Borsay 1977:581-603). Moreover, the printed word was often a part of other leisure activities. Indeed, there were few parts of the eighteenth-century leisure industry which did not in some way benefit the book trade directly or indirectly, whether in the form of guide books for travellers or blood stock books for horsebreeders.

According to Feather (1988:94), three related factors contributed to the success of the book trade in the eighteenth century: the existence of a growing and prosperous market, the availability of books which could fulfil the demands of that market and an efficient distribution system which took the books from producer to customer.

The opening of the provincial market was one of the most important changes in the book trade in the eighteenth century. It provided the London trade with a national market which enabled them to increase their edition sizes (and thus reduce the unit cost of production), and as a result, increased both their profits and their cash-flow. The period towards the end of the eighteenth century also saw the addition of the library market to the trade's customers. The importance of this market has never decreased since its establishment (Feather 1988:98).

Advertising other titles on blank pages at the end of a book was another strategy employed by some publishers. However, its reach is at best confined to a limited audience (Buck 1977). Fortunately, newspapers provided easy access.

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6 The most significant new development was in the emergence of a whole new literary genre: the novel. Waves of mass periods - mass production and mass consumption - were led by the novel from the beginning.
and a more general advertising medium. This was because the London newspapers, in the course of the eighteenth century, became national newspapers, widely available throughout the country. By the end of the eighteenth century, for most of newspapers advertising revenue was one of major constituents of their profits. Advertising on a considerable scale became an important part of a publisher's costs, and although the advertisements were sober and factual they represented the beginnings of the vast publicity machine by which the publishing industry now seeks to attract its customers.

The newly opened provincial market, the existence of good sources of information about new books, and an effective distribution system all pointed the way towards the future pattern of publishing in Britain.

3.2.3. The Industrial Revolution and Modern Publishing: 1800 - 1900

Although technological change came late to the book trade, the effects of the industrial revolution and associated social developments were being felt in the trade during the last quarter of the eighteenth century. After the industrial revolution progressed the forces of production, "...König's printing press, Stanhope's stereotyping, steam power and machine binding turned book production into a large-scale manufacturing industry" (Golding 1974:21).

By the beginning of the nineteenth century, the British book trade was recognisably a modern publishing industry in every way. It took advantage of mechanised systems of production, developed highly efficient distribution arrangements based on the most up-to-date means of transport such as the train, and evolved a division of labour both between and within its various branches. The process of gradual separation of the several functions of the printer, the publisher and the bookseller, which had been evolving since the seventeenth century, was also complete.

As the pace of economic change increased, so too did the dependence on print. More sophisticated marketing techniques, which accompanied the development of new technologies in many basic industries, demanded printed
documents of many kinds of packaging and selling alike. The deeper penetration of print into society created a greater demand for literacy and for the education which preceded it; but a high rate of literacy creates further demand for printed matter for business and pleasure alike. It was thus said that the great edifice of the Victorian publishing industry grew from this cycle of development and change when the trade reached unprecedented, and perhaps still unequalled, heights of prosperity (Feather 1988:130).

The Fourdrinier machines, as they came to be known, revolutionised the paper industry, and indeed the design has never been fundamentally modified. The industrial-scale use of the Fourdrinier machines made paper plentiful and cheap, and transformed the whole paper trade (Hunter 1967:341-73). In the nineteenth century the paper industry was characterised by the development of a few very large business producing huge quantities of paper and marketing it through a small number of specialised wholesalers.

The industrial revolution created a new kind of urban environment: the modern city. And rapid population growth increased the number of potential consumers, and at the same time their concentration in large towns made them easier to reach. In turn, this created sufficient business to justify the development of specialised retail and wholesale outlets for many goods. The book trade was not exempt from any of these developments.

With the final establishment of steam printing of books in the 1840s the publishers were at last able to exploit fully the vast potential markets which the popular educators had created.\(^7\)

The power of the printed word to effect the moral improvement of the working class was a fundamental tenet of the nineteenth-century philanthropists. It could be traced back to the 16th century, when the Protestant reformers had argued that since salvation was to be attained only by a personal understanding of religion, and this could be acquired only by reading the Bible, literacy was an essential element of religious faith. The Protestant churches became seriously engaged in the education question: in Scotland, the Presbyterian Church

\(^7\) Technical development which affected the great majority of printers was the invention of stereotyping in the first decade of the nineteenth century.
developed what was probably the best general education system in Europe, so that there was widespread literacy north of the border long before it was achieved in England (Anderson 1983:1-6).

In England, the Sunday School was founded by Robert Raikes, a newspaper proprietor in Gloucester, in 1780, and the Religious Tract Society (RTS) which was designed to produce suitable reading matter for the newly literate children of the poor, began the new and more forceful philanthropic education movement which was to be of importance for much of the 19th century. Even though the RTS consisted of a group of middle-class philanthropists who wrote and published literature deemed suitable for the working class, it was a major commercial success. The RTS had demonstrated the existence of a vast potential market, and of the financial rewards to be reaped from it (Feather 1988:160-63).

For the publishing industry, the development of mass literacy and a mass market could only be an advantage, for it had the effect of creating a large number of potential book buyers. Indeed, it could be argued that the Victorian publishing industry was underpinned by the mass market, for it enabled it to exploit new technologies of both production and distribution by providing potential sales which were large enough to justify the capital costs involved.

At every level, educational publishing became a major industry in its own right during the nineteenth century. Not only the schools which provided the largest market but also the expansion of adult and higher education had important consequences for the trade. At the elementary level, the real boom came after 1870, when the Education Act of that year made primary education compulsory in the United Kingdom for the first time. This required the production of large quantities of elementary books, especially basic reading books, in a wide variety of subjects. The whole matter was entirely in the hands of the publishers.

Several established publishers are worthy of mention. Longmans, with their tradition of schoolbook publishing, entered this new market with enthusiasm

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8 Successful educational publishing proved to be highly profitable; Nelson's *Royal Readers*, a series used in many Board Schools, produced a profit of nearly £50,000 in just three years (Dempster 1983:65-67).
Chapter 3

by developing many series of books for the Board Schools (Yglesias 1974:359-77). This was followed by Macmillans with such series as \textit{Teaching to Read} which became important to the financial stability of the house. Both the Oxford and Cambridge university presses were also recruits to schoolbook publishing (Morgan 1943:189-90).

Once a book had been recommended as a 'set' text, success was assured. For example, the \textit{Anglo-Saxon Reader} by Henry Sweet, which OUP first published in 1876, became a required text for undergraduates reading English almost at once, and is still so at Oxford to this day. The philanthropic belief in the value of education had been transformed into a public policy, and its success created whole new markets for the publishers (Feather 1988:166-68).

In the long run, the printed word was unchallenged as a medium of mass communication; free competition, an expanding market and more efficient technologies combined to give enterprising publishers the greatest opportunities in the history of the trade through the nineteenth century. Especially, the novel was the dominant literary form of the nineteenth century, and it was therefore a genre of the utmost commercial importance to the publishing industry.

3.2.4. Publishing in the Twentieth Century

It is startling to find that perhaps the greatest single innovation in twentieth-century publishing should have emerged during a discouraging time: the mass-market paperback, which has revolutionised the commercial world of books and has taken books to places and to people which they had never previously reached. The use of paperback rather than boards and cloth saves money, and the intention was to use the paper cover to ensure cheapness. The progenitor of the paperback was Allen Lane, who had been brought up in the trade before he broke away to form his own house. Penguin Books was founded in 1936 by him. Lane was the archetypal middlebrow, with interests which ranged from history and politics to fiction, all of which were reflected in the
Penguin list. He had an apparently infallible talent for selecting the right books and the right authors, as well as the ability to sell them arising from his commitment to what he was doing (Morpurgo 1979).

Influenced by the success of Penguin, Pocket books was founded by Robert de Graaf in the United States in 1939, and Lane himself established the company there. In Britain, many other paperback imprints were started including Pan and Panther, and in 1960 Macmillan and OUP went into the paperback market which was extremely successful and is still an important part of business, especially in the case of OUP (Sutcliffe 1986:273-74).

Paperbacks are much cheaper by comparison with hardbacks, and although sixpenny books are a distant and faded memory, even today there are mass-market paperbacks which sell for around one pound. Above all, they sell in huge quantities. In 1985, some 48 million mass-market paperbacks were produced in Britain, generating a turnover of more than £50 million (Publishers' Association 1986:40). Golding (1978:455) pointed out that paperbacks, however, have changed the economic character of publishing. Paperbacks are more suitable for the larger firms because this largely depends on large sales, extensive promotion, large stocks and warehouse facilities, and thus considerable capital support.

The publishers and booksellers have intensified the stable interests through the controversial system which came into force on 1 January 1900: the Net Book Agreement. The lead was taken by Frederick Macmillan (Morgan 1943:139:40) who proposed that books should be published with a fixed, or 'net', retail price; the bookseller would be given a discount which made it impossible for him to sell the book for less than the net price, but which would nevertheless guarantee him a reasonable margin of profit. The publisher had the right to fix a price for every book published. The bookseller was then obliged to sell the book at not less than that price, in return for a trade discount. Any bookseller who infringed the rules would not be supplied on trade terms by any publisher of net books.

The economic cornerstone of the whole structure of British publishing in the twentieth century was the 'Net Book Agreement'. Although it was argued that 'publishers and booksellers needed each other and both needed to make
adequate profits if they were to continue trading" (Feather 1988:179), the effect of
the Agreement was in fact an illegal price-fixing cartel which operated against the
public interest. As a result, "it had effectively killed the already waning
circulating libraries" (Golding 1974:21).

More significant have been changes in the social and economic structures
of Britain which have profoundly affected the publishing world during the
twentieth century. The leisure market, where publishers of books magazines and
newspapers once held unchallenged sway, has been transformed both by
affluence and by technology, and the process of change is not yet complete.

However, the sale of subsidiary rights became an important source of
revenue for some publishers though alternative leisure activities such as film,
radio and television were a threat to the publishing industry; these included not
only the broadcasting and film rights, but also rights to translations or reprints in
specified languages or overseas territories, and to serialisation in magazines and
newspapers. Such sales were dependent on the availability of saleable products,
and the possibility of selling subsidiary rights was becoming a factor for some
publishers in the selection and commissioning of books. But small firms which
could no longer compete in a more cut-throat market, were bought up by large
ones, for the process of amalgamation which has created the giants of
contemporary British publishing was already happening before 1939.

In short, paperback publishing, cohesion with other media industry, and
exploitation of overseas markets require large-scale finance, and therefore
publishing in the twentieth century has increasingly become part of a
transnational industry.

3.3. International Development of the Publishing Industry

In the history of publishing, the invention of the printing press was the
turning point of earliest internationalisation. The printed word has penetrated
even towards the fringes of the world. In the 1460s, printers reached Italy, the
Netherlands, Switzerland and France, the heartlands of the West. It was only in the next two decades that they ventured further. The first printers were established in Budapest, Cracow and Barcelona in 1473. Until William Caxton established his press in 1476 there was no printers in England. It was not until 1487 that a printer reached Portugal. Across the Atlantic printing came to Mexico in 1540 over twenty years before it was to be found in Russia in 1563 (Feather 1988:8).

The real prime mover was booksellers. They founded shops in various cities and so increased their sales outlets; in this way a veritable 'international' network of publishing houses which ignored national frontiers was created. The large-scale production of books by press forced them to look for more markets in all Europe. The book fairs were a practicable organisation for the creation of a sufficient number of books internationally in Europe. The most important international book fairs were originally at Lyon and Frankfurt.

Lyon was the hub of a whole section of the international book trade due to its strategic position. To further enhance its outstanding commercial importance and to encourage its prosperity, the kings of France and the local authorities granted generous privileges to traders from all countries wishing to attend the Lyon fair (Febvre & Martin 1976:224-26). Soon the fairs became great book fairs, at which books of Italian, German and Swiss origin were exported to other European countries, notably the famous editions of law books published in Lyons.

The Frankfurt Fair was another book fair, developed during the sixteenth century. It later became even more important than those of Lyons. From year to year the booksellers from all over the European countries flock to the fair. At the fair for 1557 there were 2 Lyonnese booksellers, 4 Parisians, 2 from Geneva, 5 from Antwerp and others from Utrecht, Amsterdam and Louvain (Febvre & Martin 1976:228-31).

The modern development of an international book trade was largely in response to the maturity of the conditions such as the development of mercantilism and the exploitation of overseas colonies. That is, overseas colonisation promoted by mercantile interests began to extend the range of their books.
The internationalisation of media industries has often been led by publishing; it was the earliest medium to develop an export trade and still is in many ways the most international medium. The expansion of capital and distribution facilities which this entailed has further increased the interdependence of publishing and other media industry (Golding 1978:453-54).

English books began to be printed as knowledge of the language spread, and it began to establish itself as a competitor with French as one of the major languages of European culture (Fabian 1983:115-44). The most valuable export markets to the British publishers were in the growing English-speaking communities overseas, especially in North America. Large quantities of books were exported to the American colonies and, partly as a result, the publishing industry both in the colonies and in newly conquered Canada developed late and slowly (Tebbel 1972:134-7). However, in the late nineteenth century, there was an agreement between British and United States publishers, when buying and selling rights, to divide the various world markets between them (Norrie 1982:170-1). As usual there was an exclusively open market for the British publishers within the British Empire. The 1842 and 1911 Copyright Acts applied throughout the colonies, while the dominions either had similar legislation or were signatories of the Berne Convention.

Through the exploitation of colonies, Western publishing companies opened the branches and offices. For many larger companies they needed extra sources to sell their surplus-commodities. In particular, the most reliable publishing markets are educational publishing. Some of the major houses, especially those involved in educational publishing, became heavily dependent upon their colonial markets. For example, Macmillans opened branches in Toronto in 1904 and in Melbourne in 1905, and many other firms followed their example until it was not unusual for a British publisher to have a base not only in

9 More details on educational publishing in the Third World are given in the next chapter.
London and New York, but also in Canada, Australia, South Africa and India (Morgan 1943:163-91). OUP had been in Ibadan since 1949. In 1963, it set up a branch in Nairobi, although OUP's activities in Nigeria stretch back a half century. Longman, with a staff of 100 in Nigeria alone, has enormous African interests. Concentrating on school texts and support materials, Longman has branches in Kenya, Zambia, Tanzania, Malawi, Uganda and South Africa, as well as Nigeria. There are subsidiaries also in Hong Kong, Trinidad and Malaysia (Golding 1978:458).

The book in the colony or ex-colony, therefore, has been used as an important tool for profit-making and consciousness control to reinforce the ideology of the imperialist nations.

In the inter-war period, the Indian market was particularly important for a number of major publishers. The sub-continent was, in the contemporary phrase, being 'prepared for self-government', and education was seen as an essential pre-requisite. Most of the book which supported this came from Britain, for it was an essentially British system of education to which the future rulers of India were to be subjected (Feather 1988:204).

Longmans were particularly involved in this aspect of the trade, using their long experience of educational publishing to produce series with such titles as 'Longmans' reader for Burma' and 'Longmans' English Reading Books for Indian Students' (Yglesias 1974:375). Macmillans also had strong Indian connections, with branches in Bombay, Calcutta and Madras before World War I, and an enlightened policy of trying to publish books which made some concessions to Indian culture and even Indian languages (Morgan 1943:185-9). Oxford University Press's Indian branch, opened in 1919, was a great success, and proved to be the entrée to an important market for Bibles as well as for educational books and literary texts (Sutcliffe 1978:200-2).

Meanwhile, large-scale finance is required because of the development of a large proportion of paperback production, educational publishing and difficulty
in book distribution. Only a few western multinationals have increasingly begun to control the world market. Even though larger Western publishing firms have showed a tendency for decline in direct sales in the Third World since the early 1970s, they still dominate these markets with sales by their local subsidiaries taking their place.

3.4 The Major Publishing Nations and Transnational Publishers

Nowadays the level of intellectual development can be perceived as a yardstick to evaluate the economic status in any country. Generally speaking, the western industrialised nations which enjoy material affluence also have maintained an affluent intellectual environment compared with the Third World. From this point of view, book publishing centred on knowledge production is very related with economic development.

However, these developed publishing countries have depended on colonial exploitation since the nineteenth century as well as internal factors, and still intensify the economic control through neo-colonial domination over the Third World. Therefore, to analyse the structures of international publishing, especially those which are western-centred, it is essential to explicate not only the internal market of these countries but also the concrete factors on market domination.\(^\text{10}\)

\*(Table 3.1) Book Production: Number of Titles*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World Total</td>
<td>426,000</td>
<td>521,000</td>
<td>572,000</td>
<td>715,500</td>
<td>798,500</td>
<td>842,000</td>
</tr>
<tr>
<td>Africa</td>
<td>7,000</td>
<td>8,000</td>
<td>11,000</td>
<td>12,000</td>
<td>13,000</td>
<td>11,000</td>
</tr>
<tr>
<td>America</td>
<td>77,000</td>
<td>105,000</td>
<td>121,000</td>
<td>142,000</td>
<td>154,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Asia</td>
<td>61,000</td>
<td>75,000</td>
<td>88,000</td>
<td>138,000</td>
<td>185,000</td>
<td>212,000</td>
</tr>
<tr>
<td>Europe*</td>
<td>260,000</td>
<td>317,000</td>
<td>343,000</td>
<td>411,000</td>
<td>430,000</td>
<td>455,000</td>
</tr>
<tr>
<td>Oceania</td>
<td>5,000</td>
<td>7,000</td>
<td>9,000</td>
<td>12,500</td>
<td>12,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Developed Countries</td>
<td>366,000</td>
<td>451,000</td>
<td>484,000</td>
<td>570,000</td>
<td>585,500</td>
<td>579,000</td>
</tr>
<tr>
<td>Developing Countries</td>
<td>60,000</td>
<td>70,000</td>
<td>88,000</td>
<td>145,000</td>
<td>213,000</td>
<td>263,000</td>
</tr>
</tbody>
</table>

\(^{10}\) More details of these factors will be given in Chapter Four.
Chapter 3

The Western Publishing Industry

* includes former USSR.

According to (table 3.1), 68.8 per cent of the world's book titles are published in a few of industrialised countries. This proves that the world publishing industry is still affected by them although this percentage is reduced compared with that of 86.6 per cent in 1970. The United States, United Kingdom, Germany, France and Spain among them control the world market based on powerful economic and linguistic influence.

3.4.1. United States

Since Stephen Daye published a book for the first time in Massachusetts in 1660 (Tebbel 1972), the publishing industry in the United States has grown very fast, and now is the world's largest commercial book exporter. In 1947 the U.S. Census of Manufactures for Book Publishing reported that 648 publishing establishments had enjoyed total sales of $464 million. By 1982 the number of establishments had risen to 2,128, and sales had increased to $7.8 billion - a growth of 228 per cent in number of establishments and 1,580 per cent in sales. By comparison, during this period the U.S. population increased by 60 per cent, and the gross national product by 1,445 per cent (Dessauer 1992:25-26).

What has brought about this growth in book acceptance? A variety of factors can be cited to explain this phenomenon, but there were some particular developments favourable to books that are worthy of note. First of all, World War II and its aftermath led to some of these developments. During the conflict the U.S. government, with the co-operation of the publishing industry, initiated the 'Armed Services Editions' (Dessauer 1986:5), a series of compact, paperbound volumes of which nearly 123 million were distributed to soldiers in the field. After the war, many of the same individuals attended college under the G.I. Bill.

11 The paperback revolution in the late 1940s in America was partly influenced by the Armed Services Editions. Actually Pocket Books had begun publishing in 1939, and Penguin books had been imported from England before the war. It was not until Bantam Books came on the scene in 1945 and New American Library evolved from the Penguin import operation in 1948 that inexpensive paperbounds began to have their profound impact (Dessauer 1992:26).
where books were furnished to them at government expense, giving them additional opportunities to acquire and nurture the reading habit. The popularity of the paperback format, coupled with the growth of higher education that began with the G.I. Bill, soon encouraged another publishing innovation: the 'quality' paperback of the 1950s.

Secondly, educational and scholarly books have affected the development of the book industry. When the Soviets launched Sputnik in 1957, the U.S. national leadership was persuaded that to match that technological achievement American education would have to be vigorously overhauled and generously supported. Accordingly substantial federal subsidies were poured into education, textbook acquisitions, and libraries. Between 1957 and 1970 a total of $914 million was spent on library programmes alone, of which $394 million went to school libraries, $132 million to college libraries, and $396 million to public libraries.

(Table 3.2) U. S. Foreign Trade in Books by Type ($ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total sales</th>
<th>Exports</th>
<th>Imports</th>
<th>Export:Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>10,997</td>
<td>591</td>
<td>564</td>
<td>51:49</td>
</tr>
<tr>
<td>1988</td>
<td>13,229</td>
<td>925</td>
<td>742</td>
<td>55:45</td>
</tr>
<tr>
<td>1989</td>
<td>14,665</td>
<td>1,123</td>
<td>800</td>
<td>58:42</td>
</tr>
<tr>
<td>1990</td>
<td>15,438</td>
<td>1,428</td>
<td>902</td>
<td>61:39</td>
</tr>
</tbody>
</table>


In 1990 the total recorded sales were $15.438 billion (see table 3.2). As a result of the enlargement of the economies of scale especially since the beginning of the 1980s, the publishing industry in the United States has been concentrated in a few firms. Moreover mergers and acquisitions have increased like other media industries. Between 1984 and 1988, publishing mergers and acquisitions involved dozens of major U.S. firms. In total, a sum of $23.1 billion was reportedly spent on corporate take-overs. At the same time, total revenues generated by the entire publishing industry topped the $177.354 billion mark. Periodicals reached $79.822 billion; and miscellaneous publishing (directories,
annuals, newsletters, etc.) set records with an impressive $23.9 billion total. Even the book industry alone hovered at the $59.9 billion mark (Greco 1992:122).

In particular, publishing mergers and acquisitions in the United States have been led by foreign-based transnational corporations because of the weakness of the U.S. dollar and economic stagnation since the 1970s. H. Schiller (1990), who has concentrated on the issue of cultural imperialism especially focused on that of the United States, recently mentioned an acknowledgement of one basic shift.

*One important change in the world scene demands attention. No longer is the global arena dominated by U.S. power, as it once was in the early post World War II years. Though the American presence in the message and image industry remains strong, a powerful expansive transnational corporate order is the main engine of current world wide cultural and economic activity.*

Rupert Murdoch’s $3 billion purchase of Triangle Publications and Robert Maxwell’s $2.6 billion acquisition of Macmillan set the pace for the entire industry in 1988.\(^\text{12}\)

(Table 3.3) **Take-overs of U. S. Publishing Firms by Foreign Firms**

<table>
<thead>
<tr>
<th>Company</th>
<th>Acquired</th>
<th>Price</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bertelsmann AG (Germany)</td>
<td>Bantam, Doubleday, &amp; Dell</td>
<td>$500 million *</td>
<td>1986</td>
</tr>
<tr>
<td></td>
<td>Parents Magazine</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>William (UK)</td>
<td>One-half of Harper &amp; Row</td>
<td>$156 million</td>
<td>1987</td>
</tr>
<tr>
<td>Elsevier-NDU NV (Holland)</td>
<td>Springhouse Corp.</td>
<td>$100 million</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td>University Publications of America</td>
<td>n/a</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td><em>Computer Reseller</em></td>
<td>$4.5 million</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td>Gordon</td>
<td>$38 million</td>
<td>1985</td>
</tr>
<tr>
<td></td>
<td><em>Packaging Digest</em></td>
<td>n/a</td>
<td>1985</td>
</tr>
</tbody>
</table>

\(^{12}\) Maxwell Communication Corporation has been suffering from management difficulties abroad as well as in the U. K. since the sudden death of Maxwell.
<table>
<thead>
<tr>
<th>Publisher/Company</th>
<th>Acquiror</th>
<th>Acquisitional Price</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairfax (Australia)</td>
<td>Ms.</td>
<td>$10 million *</td>
<td>1987</td>
</tr>
<tr>
<td>Hachette (France)</td>
<td>Grolier</td>
<td>$462.2 million</td>
<td>1986</td>
</tr>
<tr>
<td></td>
<td>Diamandis Communications</td>
<td>$712 million</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td>Elle Magazine</td>
<td>n/a</td>
<td>1988</td>
</tr>
<tr>
<td>International</td>
<td>Securities Data Corp.</td>
<td>n/a</td>
<td>1988</td>
</tr>
<tr>
<td>Thompson</td>
<td>UTLAS</td>
<td>n/a</td>
<td>1985</td>
</tr>
<tr>
<td>(Canada)</td>
<td>South-Western Publishing</td>
<td>$270 million</td>
<td>1986</td>
</tr>
<tr>
<td></td>
<td>Gale Research Co.</td>
<td>$66 million</td>
<td>1985</td>
</tr>
<tr>
<td></td>
<td>The Bond Buyer</td>
<td>$58 million</td>
<td>1983</td>
</tr>
<tr>
<td>Longman Group Ltd (UK)</td>
<td>Farnsworth Publishing</td>
<td>n/a</td>
<td>1984</td>
</tr>
<tr>
<td></td>
<td>Independent School Press</td>
<td>n/a</td>
<td>1987</td>
</tr>
<tr>
<td>Maxwell Communications (UK; Luxembourg)</td>
<td>Science Research Associates</td>
<td>$150 million</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td>Dun &amp; Bradstreet's Official</td>
<td>$750 million</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td>Airline Guides</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Macmillan</td>
<td>$2.6 billion</td>
<td>1988</td>
</tr>
<tr>
<td>News Corporations PLC (Australia)</td>
<td>Williams Collins PLC</td>
<td>$717 million</td>
<td>1989</td>
</tr>
<tr>
<td></td>
<td>(remaining 54%).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Harper &amp; Row</td>
<td>$300 million</td>
<td>1987</td>
</tr>
<tr>
<td></td>
<td>*TV Guide, The Racing Form, Seventeen, and Good Food</td>
<td>$3 billion</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td>Twelve Business Magazines</td>
<td>$350 million</td>
<td>1985</td>
</tr>
<tr>
<td></td>
<td>New Woman</td>
<td>$20 million</td>
<td>1984</td>
</tr>
<tr>
<td></td>
<td>Zondervan Corp.</td>
<td>$56.9 million</td>
<td>1988</td>
</tr>
<tr>
<td>Pearson PLC (UK)</td>
<td>Addison-Wesley Publishing Co</td>
<td>$284 million</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td>New American Library &amp; E.P. Dunton</td>
<td>n/a</td>
<td>1986</td>
</tr>
<tr>
<td>Reed International PLC (UK)</td>
<td>Variety</td>
<td>$56.5 million</td>
<td>1987</td>
</tr>
<tr>
<td></td>
<td>Technical Publishing</td>
<td>$250 million</td>
<td>1986</td>
</tr>
<tr>
<td></td>
<td>Modern Bride</td>
<td>$63.7 million</td>
<td>1987</td>
</tr>
<tr>
<td></td>
<td>R.R Bowker Co. (including Publishers Weekly)</td>
<td>$90 million</td>
<td>1985</td>
</tr>
<tr>
<td></td>
<td>Interior Design &amp; Corporate design</td>
<td>$25 million</td>
<td>1984</td>
</tr>
</tbody>
</table>

* : Established.

n/a : price information not available to the public.
Why was there a surge in mergers and acquisitions? What impact will this period of consolidation have on the future of the publishing industry? There are three prominent points about the consolidation of the book publishing industry.

Firstly, major consolidation in the United States has created ten houses that represent a disproportionate percentage of the total publishing industry. In 1987, the top ten publishers had total revenues of $5.62 billion, or 50 per cent of the industry's $11.2 billion (BP Report 1988). Adding the revenues of the Bertelsmann group of Bantam, Dell, and Doubleday, with about $500 million, or Readers Digest and International Thompson Group, would give us fifteen publishers with about 58 per cent of the revenues of the total U. S. book industry. Large publishers tend to focus on maximising profits, namely concentrating on a few titles that sell many thousands of copies, rather than many titles that sell a few thousand. Thus, the fundamental role of book publishing as a basic knowledge industry has deteriorated and the concentration of the capital has been reinforced by a few large firms.

Secondly, we are now entering a global era of transnational publishing. There are still 'export' or 'international' departments within the medium or small publishing houses. But the big new transnational corporations such as Bertelsmann (1988 estimated revenues of $6.3 billion generated in 26 countries by 42,000 employees), Hachette (1988 revenues of $3.9 billion with subsidiaries in 36 countries and 26,000 employees), International Thomson, Longmans, Murdoch/Collins/Harper & Row, and Pearson (Baensch 1992: 143) are a global dominant group.

Thirdly, the publishing mergers and acquisitions are producing conglomerates combined with other media companies or electronic industry. As can be seen in (table 3.3), many large firms have acquired magazines, and maximise the sales by vertical consolidation with broadcasting and cinema companies as well as newspapers. One recent event graphically illustrates this: on March 3, 1989, the Boards of Time Inc. and Warner Communications agreed
to merge, creating a global corporation with total revenues in excess of $10 billion.

Meanwhile, the United States is the world's largest commercial book exporter at present. 13 According to the 1988 *Fortune 500* ranking of industries, publishing and printing (clearly playing a secondary role) were ranked first among all industries for the largest percentage increase in sales (+31.8 per cent) and tenth for the greatest percentage increase in profits (+39.8 per cent). 14 The mainspring of this laudable performance record is derived from the overseas market.

As P. Curwen (1986:67-68) describes, "U. S. book publishers are heavily involved in the sale of translation, foreign manufacture and syndication rights to foreign publishers, co-publication and co-distribution of books with foreign firms, and overseas production and sale of books in foreign markets. This again probably amounts to at least another 10 per cent of export earnings". The exports of books from the United States has been increasing every year, and recorded $1.428 billion in 1990 (+27.1 per cent compared with 1989) as can be seen in (table 3.2).

Of the export amount in 1990, the ratio of textbooks and so-called STM (Scientific, Technical and Medical) books was more than 32 per cent ($451 million). The serious matter of this figure is that most books, including educational books, disseminate U.S. thoughts and capitalist mass culture abroad, permeate the indigenous culture, and maximise its economic and political interests.

The analysis of the export data also indicates the seriousness of the 'intellectual gap' geographically. Almost $1.24 billion of U.S. book exports in 1990, or 86.6 per cent, were absorbed by just 18 countries: the English-speaking

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13 In 1988 the total amount of exports was $921.7 and imports 832.4; the second largest exporter in same year was the United Kingdom, $610 million of exports and $338.2 million. Germany, France and Spain followed, in that order.
14 This industry was also highly ranked in other key areas: it was second among all industries for return on sales (+8.4 per cent), second for total return to investors between 1977 and 1987 (+22.8 per cent), third for return on assets (+8.5 per cent), and fourth for return on stockholders' equity (+18.9 per cent) ('The Fortune 500', *Fortune*, 25 April, 1988, pp. D57-58).
countries such as Canada, the United Kingdom, Australia, New Zealand, South Africa and Ireland, and European countries. Another 10 markets including Japan and Philippines purchased 18.6 per cent. However, exports to about 100 other Third World were just $192 million.

3.4.2 European Community

One of the most salient changes of the international economy in 1990s is the tendency of major trade blocs. Under the circumstances, an integration of European Community (EC) from 1993 will affect the publishing industry as well as other manufactures. The essence of an integration is a 'single European market' as the most gigantic economic unity. It is not an exception in the field of publishing that this market will be a market of some 320 million people (i.e., substantially bigger than the United States and Canada) which currently buys £9 billion of books annually.

The United Kingdom, Germany, France and Spain among them are leading the industry thanks not only to the stable internal market but also the broad ex-colonial markets, and global economic and linguistic power.

3.4.2.1 United Kingdom

The U.K. publishing industry has continued its persistent development despite the stagnation of the long-standing national economy. According to a consumer survey, <Books and the Consumer> (Book Facts 1992), book reading is still shown as taking its place as one of the important leisure activities. Watching television and listening to the radio are more important in numerical terms, but book reading ranks closely behind. Depending on the season of the year, generally around 46 per cent of those polled will be currently reading, and from 65 to 71 per cent will engage in reading at least once a week.
Exports continued to be very important to the British publishing industry. Despite the loss of some Third World markets, and part of that in the Commonwealth, British books were still being exported in large numbers throughout the 1970s and early 1980s. In 1984-5, some 30 per cent of the total value of British book sales came from exports, although this actually represented a decrease from the high-points in the 1970s, when it was quite normal for well over 40 per cent of the trade's income to be derived from overseas sales.

The total amount of book exports, £716.7 million in 1991 reach about 34.8 per cent of turnover, £1.999 billion. The book is a commodity to be sold to the customer like any other goods such as a garment or motorcar. More importantly, this commodity does not sell just the product itself, but its contents, the living style of the society and its ruling thought, etc.

The dual characteristics of books have contributed to government and national institutions encouragement of trade in the U.K. publishing industry at home and abroad. Value-added tax (VAT) on books and journals has long been exempted domestically. British Overseas Trade Board (BOTB) and the British Council are the representative institutions for the overseas expansion of British books. In the case of the British Council, its expenditure on book promotion in the 1988-89 financial year was £1.51 million, a little under half within Britain, the remainder through its overseas posts (Publishers Weekly 16 March, 1990).

The trend of mergers and acquisitions in British publishing also are growing in the 1980s. The most notable recent casualties have been Victor
Gollancz, Unwin Hyman and David & Charles, all these were typically traditional and historical publishers. As a result, British publishing is increasingly dominated by the conglomerates, many of them multinational in both ownership and operations.

(Table 3.5) shows the turnover in books of the ten major UK book publishers or publishing groups in 1990. In some cases the figures are as reported by the companies concerned while in others they are estimates. The figures are at trade not retail prices and they include export sales and sales of overseas subsidiaries so they do not represent U.K. market shares.

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Subsidiary firms</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>Longman, Penguin, Addison</td>
<td>626</td>
</tr>
<tr>
<td></td>
<td>Wesley, Viking, Michael Joseph</td>
<td></td>
</tr>
<tr>
<td>Reed International</td>
<td>Octopus, Butterworth,</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td>Heinemann, Seeker &amp; Warburg,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Methuen</td>
<td></td>
</tr>
<tr>
<td>Maxwell Communication</td>
<td>Macdonald, Sphere</td>
<td>350</td>
</tr>
<tr>
<td>News International</td>
<td>HarperCollins, Grafton</td>
<td>250</td>
</tr>
<tr>
<td>Macmillan</td>
<td></td>
<td>170</td>
</tr>
<tr>
<td>Oxford Univ. Press</td>
<td></td>
<td>150</td>
</tr>
<tr>
<td>Reader's Digest</td>
<td>David &amp; Charles</td>
<td>65</td>
</tr>
<tr>
<td>Hodder</td>
<td></td>
<td>62</td>
</tr>
<tr>
<td>Random Century</td>
<td>Century Hutchison, Jonathan Cape,</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Chatto &amp; Windus, Bodley Head</td>
<td></td>
</tr>
<tr>
<td>International Tomson</td>
<td>Routledge</td>
<td>40</td>
</tr>
</tbody>
</table>


However, the concentration of these companies is formidable. And there are only three independent British publishers with annual turnover in excess of £50 million - Macmillan, OUP and Hodder. What are the reason why conglomerates spend money on the acquisition of book publishers? That is

---

15 Sales of these top ten publishers among total turnover in the domestic market amounted to about 70 per cent, and 90 per cent by 200 publishers among some 3600 publishers in 1990.
books can have spin-offs in other media - in cinema film, in television, in radio, in newspaper serialisation or extracts, for example. Books are one means of disseminating information which may be engendered by other media and in turn may supply information to other media both print and electronic.

These factors have helped the creation of the global media conglomerates, and a handful of dangerous 'Big Brothers' are now controlling the world publishing industry. A by-product of them is the so-called 'multimedia' creating the myth of a 'paperless book era'.

3.4.2.2. Other Countries

Germany, France and Spain are other major influential countries following the United States and United Kingdom in international publishing. These countries traditionally have large and stable domestic markets, and an integrated EC market will enlarge the book trade. In addition, overseas ex-colonial markets have underpinned the book industry.

(Table 3.6) Book Trade of Three Countries ($ million)

<table>
<thead>
<tr>
<th>Nation</th>
<th>Trade</th>
<th>1986</th>
<th>1988</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Total Sales</td>
<td>5484.4</td>
<td>5979.4</td>
<td>7171.9</td>
</tr>
<tr>
<td></td>
<td>Exports</td>
<td>546.3</td>
<td>632.7</td>
<td>753.8</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>314.6</td>
<td>359.3</td>
<td>456.1</td>
</tr>
<tr>
<td>France</td>
<td>Total Sales</td>
<td>2111.1</td>
<td>2481.5</td>
<td>2833.3</td>
</tr>
<tr>
<td></td>
<td>Exports</td>
<td>-</td>
<td>476.1</td>
<td>551.8</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>-</td>
<td>457.1</td>
<td>562.4</td>
</tr>
<tr>
<td>Spain</td>
<td>Total Sales</td>
<td>1403.3</td>
<td>1395.5</td>
<td>1717.4</td>
</tr>
<tr>
<td></td>
<td>Exports</td>
<td>332.3</td>
<td>291.5</td>
<td>286.7</td>
</tr>
<tr>
<td></td>
<td>Imports</td>
<td>55.6</td>
<td>95.8</td>
<td>138.8</td>
</tr>
</tbody>
</table>


In the case of Germany, reunification provided a boost to the domestic market, rising by 13 percent to DM 11.5 billion in 1990. The German market

16 Details on multimedia and new technology will be discussed in Chapter 5.
also has experienced a considerable degree of concentration in recent years, with the publishing giants Bertelsmann and Holtzbrinck increasing their hold on the market by acquisition.

Many of the smaller publishing houses are now partly, or wholly, owned by one of the above companies. The Bertelsmann group currently comprises 35 publishing companies worldwide, including the Goldman, Siedler and Gabler publishers in Germany, and recorded some 12 per cent among German total turnover in 1990 as can be seen in (table 3.7).

(Table 3.7) Turnover of German Leading Publishers 1990* (DM million)

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Turnover (DM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verlagsggruppe Bertelsmann</td>
<td>1,381</td>
</tr>
<tr>
<td>Klett Verlag</td>
<td>140</td>
</tr>
<tr>
<td>Langenscheidt Verlag</td>
<td>100</td>
</tr>
<tr>
<td>Ullstein-Langen-Muller Verlag</td>
<td>87</td>
</tr>
<tr>
<td>Suhrkamp/Insel Verlag</td>
<td>85</td>
</tr>
<tr>
<td>Rowohlt Verlag</td>
<td>84</td>
</tr>
<tr>
<td>Heyne Verlag</td>
<td>80</td>
</tr>
<tr>
<td>Bl/Brockhaus</td>
<td>73</td>
</tr>
<tr>
<td>Droemer Verlag</td>
<td>70</td>
</tr>
<tr>
<td>Fischer Verlag</td>
<td>70</td>
</tr>
</tbody>
</table>

*: Excluding scientific publications and periodicals.

Books have always been an important aspect of intellectual culture in France, and reading is said to be the second most important national pastime, behind watching television. The retail market for books was valued at FF 15.3 billion in 1990, with volume sales estimated to have achieved 392 million copies. Expenditure by consumers on books accounts for the majority of total expenditure on books in France, with around 20 per cent of the total attributed to institutions, which brings to the total market size up to around FF 19 billion (Euromonitor 1992). There is also a similar trend whereby the publishing industry is becoming increasingly dominated by a small number of large firms. Total sales figures indicated that 63% of sales were achieved by 6 per cent of publishers. Two leading publishing firms, the Hachette group and the Group de la Cité, are dominating about 50 per cent of all French publishing (Sabouret 1992:216).
Exports mainly appear to be dependent upon the French speaking countries and ex-colonial African countries. Belgium/Luxembourg are the major recipients of books from France, with export values reaching FF 692 million (23.2% of the amount of exports) in 1990 (see table 3.6). Switzerland and Canada, both with French speaking populations in certain regions, which occupy second and third places respectively, FF 376.6 million (12.6%) and FF 330.9 million (11.1%) each. French speaking African countries also recorded more than 10 per cent as importers in 1990 (Euromonitor 1992:65-67).

However, the withering of the printing industry and the import of expensive Italian books on art made it the only country with red figures among the five major publishing countries in 1990.

Over the period 1986-1990 retail sales of books in Spain, at current prices, increased by 54 per cent to Ptas 220 billion (£ = Ptas 169.9 in 1990), while in real terms the market increased by 22 per cent to Ptas 175 billion. Between 1986-1990 sales in the book market were divided on average 87 per cent to 13 percent between retail and institutional sales. However, institutional sales grew at a faster rate than retail sales - while in 1986 they accounted for 11 per cent, by 1990 they claimed 15 per cent (Euromonitor 1992:147-49).

(Table 3.8) Spanish Exports of Books by Countries (Ptas million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>3,713</td>
<td>4,649</td>
<td>5,192</td>
<td>5,043</td>
<td>4,918</td>
</tr>
<tr>
<td>Mexico</td>
<td>3,549</td>
<td>1,778</td>
<td>1,536</td>
<td>3,227</td>
<td>4,034</td>
</tr>
<tr>
<td>U.K.</td>
<td>2,837</td>
<td>3,520</td>
<td>4,798</td>
<td>3,969</td>
<td>3,883</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>3,159</td>
<td>4,090</td>
<td>4,472</td>
<td>4,109</td>
<td>3,749</td>
</tr>
<tr>
<td>Germany</td>
<td>686</td>
<td>867</td>
<td>1,307</td>
<td>1,123</td>
<td>1,497</td>
</tr>
<tr>
<td>Argentina</td>
<td>6,602</td>
<td>3,954</td>
<td>1,697</td>
<td>743</td>
<td>978</td>
</tr>
<tr>
<td>Italy</td>
<td>639</td>
<td>765</td>
<td>1,059</td>
<td>1,266</td>
<td>954</td>
</tr>
<tr>
<td>Columbia</td>
<td>1,731</td>
<td>1,676</td>
<td>1,336</td>
<td>997</td>
<td>934</td>
</tr>
<tr>
<td>Venezuela</td>
<td>2,379</td>
<td>457</td>
<td>1,402</td>
<td>567</td>
<td>500</td>
</tr>
<tr>
<td>Other</td>
<td>8,665</td>
<td>10,353</td>
<td>6,904</td>
<td>6,781</td>
<td>7,764</td>
</tr>
<tr>
<td>TOTAL</td>
<td>33,860</td>
<td>32,109</td>
<td>29,703</td>
<td>28,825</td>
<td>29,211</td>
</tr>
</tbody>
</table>


Spain ranks among the major book exporting countries of the world, because of its important Latin American market and other western industrial
countries as can be seen in (table 3.8). Translated books still constitute a considerable part of the Spanish export market. However, the deepening Latin American economic crises, growth in protectionist policies in these countries, and a strengthening publishing industry in Latin America all combined to reduce the import of Spanish books. Because of the problems suffered in recent years by Spanish book exports to Latin America, many publishing companies have sought export markets elsewhere and the indications are that in future, Europe and the United States will rival Latin American countries as Spain's most important book export markets.

3.5 Conclusion

It was the invention of the printing press which launched the industrialisation of the publishing industry. Later, the expansion of mercantilism and the exploitation of overseas colonies promoted the western publishing industry in the forefront of the modern publishing structure. The growth of educational publishing and of paperbacks from the beginning of the twentieth century have also been decisive elements in the development of western publishing.

The contemporary structure of the world publishing industry is still affected by western countries. A high ratio of the world's book titles are published in these industrialised nations. There are two prominent phenomena which can be commonly found in the major western publishing industries. First, is the concentration of the production and ownership by a few TNCs which control the global publishing markets. Second and accordingly, mergers and acquisitions have increased recently "to reintegrate under the umbrella of larger firms" (Golding 1978:454).

The globalisation of the publishing TNCs' economic scale has facilitated control of the developing countries' publishing as well as the local markets. The following chapter, therefore, will provide an overview of the status of Third World publishing.
4.1 Introduction

It was only in 1973 that Ronald Barker and Robert Escarpit identified a 'book hunger' in Third World countries in their joint work and called for a programme to encourage publishing development. Has this problem of the Third World been alleviated after two decades?

Generally speaking, in spite of significant progress in some countries, many Third World nations still suffer from a severe lack of reading materials. Especially, the picture of Africa at the end of the 1980s is, as Hans Zell (1992a) desperately expressed recently, in danger of becoming virtually a 'bookless society'. As he describes symbolically, "bookshops have empty shelves; schools are without books; research has been crippled; teachers and scholars are divorced from the materials needed to pursue their studies ... and to keep their teaching or research up-to-date, African academics are more and more marginalised" (68). Imported books are expensive and thus largely unavailable, but local publishers cannot fill the vacuum because the imported materials they need to manufacture books are also prohibitively expensive.
The scarcity of books has meant that neither the needs of educational institutions nor of the general public can be met. Devastating and quite possibly lasting damage is being inflicted across a whole generation going through primary, secondary and university education in Africa today (Oluwasanmi et.al 1975; Kotei 1981). And in many countries in Africa today libraries are becoming increasingly dependent on book donations from abroad.

Differently from African circumstances, some Asian countries, especially the NICs, have developed the publishing industry impressively during the latter half of the twentieth century based on rapid economic expansion and a huge educated population base which has assured a sizable book market. Moreover, these countries have become major international book exporters in recent years (see table 4.3).

However, with the exception of some NICs, almost all the Asian nations such as Bangladesh, Pakistan and Afghanistan have many similar problems in publishing to those in the African countries.

What are the major reasons that have caused the Third World publishing to deteriorate? The purposes of this chapter and Chapter 5 are to explain the factors hampering the development of Third World indigenous publishing. For this, 'micro-internal' problems, such as distribution, multiplicity of vernacular languages, and state monopoly on textbook publishing, illiteracy, will be explained in this chapter. 'Macro-structural' problems which hinder autonomous Third World publishing development will be followed in Chapter 5: i.e. educational systems, influence of international language, international copyright, and impact of new technology. The role of the transnational publishers could be adapted in both areas.

An overview of the current general status of the book industry in the Third world, especially Africa and Asia, is the first task before doing the main work.
4.2 African Countries: The Bookless Continent

4.2.1 General Outlook

Djoleto (1985:76-7) reported that there was no official record of exactly when the printed word arrived in Africa. When western colonialists arrived in the African continent, they brought missionaries to help them which served one common purpose: missionary evangelism armed with the Bible and the hymnbook set up the first rudimentary printing facilities to produce religious books and pamphlets into African languages, and schools to disseminate their ideas from the middle of the nineteenth century.¹

*The first school in Nigeria was established by the Wesleyan Methodist Mission at Badagry, Lagos State, on 24 September 1842. Thereafter, other missions took a cue in establishing their own schools in various parts of the country, for the propagation of their denominational principles and the provision of instruction in academic and technical subjects. ... Being pioneers in the educational enterprise, they did not encourage the local production of textbooks, thus laying the foundation for the low level of local textbook production today (Nwankwo 1992:152).*

The larger western publishing houses such as Longman, Macmillan, OUP, subsequently enlarged to transnational corporations, also established branches or local offices from the beginning of the twentieth century. This trend went on until in the 1960s almost all the African countries became independent.

After independence, many governments in Africa vigorously and concentratedly invested in education as they confronted the lack of skilled manpower which was one of the major problems at the beginning stage.² The expansion of education through the 1960s meant educational publishing became

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¹ There were only 99 government schools, 10 of which were principal schools and the rest elementary in colonial Tanzania by 1913. However, there were 1,832 missionary schools with 108,550 pupils (Chachge 1990:vi).
² In the case of Tanzania, according to Chachage (1990:xii), "from 1961 to 1976, enrolment in formal education at primary level increased from 471,000 to 2.2 million and at secondary level from 11,000 to 45,000".
big business and it was mainly publishers and authors producing for the school market who reaped the large financial rewards although the battle for control of this lucrative market was usually won by foreign transnational publishers.

The boom conditions of educational publishing in Africa in the late 1950s and early 1960s, however, were beginning to crack by the mid-1970s - usually as a result of the steadily increasing recurrent cost burden on governments of rapidly growing educational systems. The educational systems in many countries simply became too big to afford. The real turning point was probably 1977 and the first of the major oil price increases. The major price hikes were economically devastating for most non-oil-based economies. Many of these countries suffered economically so that there is little hope even to this day of recovery - even to the levels of the late 1960s (Buchan 1992).

Book budgets were the first to suffer under the desperate economic circumstances. There was a dramatic decrease in funds available for book purchase. Library systems tended to suffer first and particularly primary and secondary school libraries. Book purchases tended to be stopped before journal acquisition, and textbook purchases and provision generally held for longer than library budgets.

(Table 4.1) Number of Book Titles (per Million Inhabitants)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>World total</td>
<td>144</td>
<td>168</td>
<td>187</td>
<td>184</td>
<td>161</td>
<td>164</td>
<td>164</td>
</tr>
<tr>
<td>Africa</td>
<td>19</td>
<td>23</td>
<td>23</td>
<td>27</td>
<td>25</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td>America</td>
<td>84</td>
<td>167</td>
<td>206</td>
<td>216</td>
<td>231</td>
<td>231</td>
<td>212</td>
</tr>
<tr>
<td>Asia</td>
<td>53</td>
<td>57</td>
<td>62</td>
<td>65</td>
<td>54</td>
<td>67</td>
<td>70</td>
</tr>
<tr>
<td>Europe*</td>
<td>374</td>
<td>385</td>
<td>464</td>
<td>471</td>
<td>548</td>
<td>558</td>
<td>584</td>
</tr>
<tr>
<td>Oceania</td>
<td>121</td>
<td>286</td>
<td>361</td>
<td>428</td>
<td>543</td>
<td>480</td>
<td>559</td>
</tr>
<tr>
<td>Developed countries</td>
<td>296</td>
<td>357</td>
<td>420</td>
<td>431</td>
<td>497</td>
<td>493</td>
<td>478</td>
</tr>
<tr>
<td>Developing countries</td>
<td>35</td>
<td>40</td>
<td>41</td>
<td>45</td>
<td>44</td>
<td>59</td>
<td>67</td>
</tr>
</tbody>
</table>

* includes former USSR.

Book production in Africa is for the most part still at a nascent stage. According to UNESCO statistics, during the 1980s African book production rather decreased in global terms. For the world as a whole, the increase in book production (number of titles) has progressed steadily: from 521,000 titles in 1970 to 842,000 in 1989 in contrast with that of Africa, 8,000 titles in 1970 and 11,000 in 1989 which is the same as the number in 1975 (see table 3.1 in previous chapter). In 1960 Africa's share of world book production stood at 0.7 per cent, lower than that of any other region of the world, with the exception of Oceania (at 0.6 %). By 1975, the African share had increased to 1.5 per cent but it dropped to 1.3 per cent in 1980 and 1.0 per cent in 1989.

It has also been figured that in 1989, for every one million inhabitants, Europe (including the former USSR) published 584 book titles, the Americas published 212, Asia, 70, and the developing countries as a whole, 67. For the countries of Africa, however, the figure was 19 as can be seen in (table 4.1). Even that low figure masks startling disparities, as Victor Nwankwo (1992:151) points out. "Nigeria, by far the largest publishing country south of the Sahara, issued 1,836 new titles in 1984. No other African state came close to the 1,000-book mark. In the previous year, only 42 books were published in Senegal, 46 in Ivory Coast, 88 in Mozambique. And Nigeria's high absolute figure is still less per capita than the continental average - fewer than 20 books per million inhabitants".

Why in spite of all efforts does a backwardness still persist in the publishing industry that has been difficult to overcome especially since 1980s? There are many reasons which have prevented the development of African publishing, and they can be broadly explained as twofold; internal and external problems derived from overseas influences.
4.2.2 Internal Problems

The development of book publishing in Africa today is heavily and fundamentally affected by an ineffective infrastructure and the economic recession. But social and cultural dimensions also compound the problem: a multiplicity of language, together with high illiteracy (over 50 per cent Africa-wide), poor transportation and distribution system, lack of training and expertise, have all played their part, and hinder the development of the reading habit and the growth of a healthy book industry. Worse still, the monopoly of textbook production by most governments has also caused the development of the publishing industry in Africa to deteriorate. Therefore, when confronted with this formidable list of obstacles, it is not surprising that books have failed to play a significant role in the social and cultural development of the continent and its people (Sturges & Neill 1990).

The influence of economic crisis

The downtrend in the economy after 1977 in Africa, as briefly mentioned above, had a particularly severe impact on publishing. Most countries suffered serious economic decline, and several entered into rigorous structural adjustment programmes as a precondition to obtaining World Bank and International Monetary Fund assistance to rebuild their economies. A usual condition imposed by the bank was the devaluation of national currencies, with the intent of making exports more attractive in international markets and at the same time discouraging unnecessary imports.³

³ Due to the Structural Adjustment Programme (SAP), the value of the naira in Nigeria has dropped by 80 per cent in the past 46 months. Production costs have increased by 1,000 per cent because of the devaluation, and almost every input item is imported. In the case of Kenya, the shilling has lost 50 per cent of its value against international currencies over the last few years. Concurrently, the price of its paper has increased by 40 per cent. Publishers, therefore, have had to increase their prices by between 30 and 40 per cent, since paper contributes nearly 65 per cent of the cost of producing a book (Chakava 1992:146-7).
Between 1986 and 1990 there were several devaluations of the shilling from Tshs. 17.00 to U.S. $1.00 to Tshs. 200.00 in 1991 in Tanzania. Paper prices rose after every devaluation and in between - to be precise eight times between April 1986 and October 1990. Book prices went up so much as a result that there can no longer be any doubt that the most critical obstacle to reading in Tanzania is the high price of books. Presently, the price of a small children's book with black and white illustrations published in 3,000 copies would cost a minimum of Tshs. 630.00 (U.S. $3.15), which is equal to 25.5 per cent of a worker's monthly minimum wage (Bgoya 1992:175).

However, the debt mountains continue to pile up, and this problem is another critical issue in considering Africa's development possibilities and ultimately the ability of the continent to rehabilitate and develop its social infrastructure on a sustainable basis.

(Table 4.2) External Debt Status of Major African Nations ($ million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroun</td>
<td>140.4</td>
<td>420.1</td>
<td>2,512.7</td>
<td>2,939.9</td>
<td>4,743.4</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>267</td>
<td>1,040</td>
<td>5,847</td>
<td>9,746</td>
<td>15,412</td>
</tr>
<tr>
<td>Gabon</td>
<td>90.9</td>
<td>771.7</td>
<td>1,513.1</td>
<td>1,207.3</td>
<td>3,175.5</td>
</tr>
<tr>
<td>Kenya</td>
<td>406.1</td>
<td>1,108.4</td>
<td>3,530.1</td>
<td>4,308.5</td>
<td>5,689.8</td>
</tr>
<tr>
<td>Nigeria</td>
<td>567</td>
<td>1,143</td>
<td>8,934</td>
<td>19,551</td>
<td>32,876</td>
</tr>
<tr>
<td>Senegal</td>
<td>132.9</td>
<td>344.6</td>
<td>1,468.4</td>
<td>2,559.2</td>
<td>4,139.3</td>
</tr>
<tr>
<td>Tanzania</td>
<td>265.3</td>
<td>944.9</td>
<td>2,571.7</td>
<td>3,867.1</td>
<td>4,917.5</td>
</tr>
<tr>
<td>Uganda</td>
<td>138.3</td>
<td>240.3</td>
<td>733.0</td>
<td>1,171.1</td>
<td>1,808.4</td>
</tr>
<tr>
<td>Zambia</td>
<td>653.5</td>
<td>1,525.4</td>
<td>3,266.0</td>
<td>4,638.7</td>
<td>6,873.4</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>221.1</td>
<td>186.9</td>
<td>785.6</td>
<td>2,464.7</td>
<td>3,087.6</td>
</tr>
</tbody>
</table>


Nigeria is the largest debt nation among African countries at present. As can be seen in (table 4.2), its debt in 1970 was only $567 million less than that of Zambia, and slightly increased until 1976 which recorded $906 million reduced
figure than 1975. But it began to increase sharply from the 1977 level of $3146 million, and reached $32,876 million in 1989.

The economic crisis in Africa had the decisive influences on publishing and book development. On the one hand, the increase in the price of imported books has created a greater potential market for locally published materials. On the other hand, there are serious difficulties in obtaining paper and other necessary inputs by the publishers. These materials are normally imported and have increased greatly in price (Rathgeber 1992). Even countries which produce newsprint and other paper such as Kenya, Nigeria, South Africa, and Zimbabwe are unable to fully supply local needs.

However, these difficulties have been more directly influential than the advantages: infrastructure deteriorated rapidly and the standard of education fell to appalling levels. For instance, there was no increase in the number of pupils entering secondary schools in Tanzania between 1975 and 1985, which with the growing number of primary school leavers meant a declining rate of admission. From 30 per cent in 1963 and 14 percent in 1967, it fell to 2 per cent in the 1980s. Students in private schools have to buy their own books, and until recently books were not available because there was no foreign exchange to import books and local publishing produced only a small per cent of their requirements. "The percentage of government budget allocated to education, which had been over 20 per cent in the 1960s, dropped to 14 per cent in 1970/71 and to 4 per cent in 1988/89, so that even when it was possible to produce all the required books, the Ministry of Education did not have sufficient funds to buy them" (Bgoya 1992:174).

For local publishers, although some privately owned firms have shown imaginative entrepreneurial skill in the midst of adversity, the sudden shortage of state funds for education and purchasing the text and library books rapidly reduced turnover and profitability. Smaller companies folded, larger companies decreased staff, title output diminished sharply, print runs were cut back, unit prices went up, gross margins went down, and there was a steady deterioration in editorial and physical production quality. In short, economic crisis is the most decisive factor which has caused the deterioration in the African publishing industry since the mid-1970s.
Distribution

There is no doubt that book distribution is one of the most difficult obstacles which has to be overcome for the development of book circulation not only in the Third World but also in every other country including the industrialized nations. But the conditions related to book distribution in Africa are the worst: low income, high proportion of illiteracy, and poor transportation are not conducive to the purchase of books.

Bookshops are still very few and concentrated in the urban centres despite which they are certainly becoming a key link in the book distribution chain, and more incentives should be given to entrepreneurs wishing to set up bookshops, particularly in the rural areas. The postal system is slow and still expensive in spite of the special book tariffs in operation. J. Prillaman (1992:202) explains the wretched distribution system of Francophone Africa.

A careful survey of wholesalers and booksellers conducted in 1971-1972 in 20 Francophone African countries revealed only 218 booksellers and 18 wholesalers. The situation has worsened since then. Major wholesalers like Hachette International have cut back on their African activities, due to poor sales, the risk of nonpayment, and to the high cost of maintaining operations. Book professionals commonly say that there are only 50 bookstores worthy of the name in the entire region.

The lack of overseas markets is another problem related to distribution. A lot of books coming from African presses are now very much in demand by libraries, scholars, and other book buyers in various parts of the world (Zell 1992b). Especially at least half the potential market for academic monographs is likely to be overseas. Yet academics in Europe and North America and elsewhere are unaware of the many new titles published by African scholarly

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4 Some 90 per cent of the population in the Central African Republic is illiterate. A similar situation is found in many of the other countries in the region: Somalia 88%, Chad 73%, Mozambique 73%, Senegal 72%, Togo 69%, Angola 59%, Côte d'Ivoire 58%, and Nigeria 57% in 1990 (UNESCO, Statistical Yearbook).
presses, and largely unable to purchase them. "Even books published in Africa are unable to be exchanged among them, and it is easier to buy a Nigerian-published book in London than in Nairobi. It costs more to freight books from Lagos, Nigeria to Lome, Togo than to London" (Nwankwo 1992:162).

**Multiple languages**

Another intractable problem of book production and publishing in Africa is that of language. Africa with an estimated 1,000 languages or more is never going to be an easy publishing environment. In Nigeria, for example, with ethnic groups with population ranging from a few thousand to several million more than 350 languages are spoken (Rathgeber 1985:66-7). The language situation in Kenya is also complicated. At least three languages are spoken by every indigenous Kenyan: English, Kiswahili, and a mother tongue. There are reported to be at least 41 vernacular languages more than half of which have established orthographies in this country (Okwanya 1985:91-2). The market for most indigenous language titles is small due to the limited capability of the book purchase of the rural poor. Some major languages do manage to achieve comparatively reasonable levels of publication. This however is only achieved in an international language such as Kiswahili (which has about 20 per cent of all the new titles).

Accordingly the prestige of the old colonial languages, particularly English and French, has encouraged many writers to continue to use them. About 80 per cent of new titles from Africa are in these languages, despite the fact that less than 5 per cent of the continent's population is regarded as being really fluent in either of them. Of the two languages English is the more successful, with approximately twice the number of publishers producing double the volume of new titles. This is because it serves the more popular imaginative literature produced in English. Furthermore, the number of titles produced in African languages is discouragingly small (Sturges & Neill 1990:25-6).
**State monopoly**

In general, book publishing, apart from textbooks, has a low priority on many African government agendas. African publishers frequently face high tariffs on imported paper and protected high prices on paper that is domestically produced. Imported books also face tariff barriers, and too frequently the export of books - even those that could earn hard currency - is made unreasonably difficult by bureaucratic red tape. Here is one example: it must be said that whereas Zimbabwe arguably has one of the liveliest and most dynamic publishing industries in the whole of Africa, that country's government, paradoxically, also imposes some of the harshest restrictions on the free flow of books. Not only does Zimbabwe impose a duty of 20 per cent on imported books and then a further 15 per cent sales tax, but it also makes the exporting of books as difficult and as cumbersome as it possibly can (Stringer 1986).

To make things worse, governments intervened directly in the process of publishing development by establishing monopolised parastatal companies to undertake the production, not as regulator but as competitor of essential textbooks. In many cases the parastatais were used to establish a monopoly position that was harmful to local commercial publishing development. It should be noted here, as Buchan (1992:353) points out that "most local companies were often in a very much worse position than the local branches of overseas companies since they rarely had the investment finance to survive in difficult market conditions and were often cut off from the beneficial advantages of overseas training opportunities in the affiliated house and the possibility of calling in specialist help from outside when needed".

Henry Chakava (1992:138) clearly describes the problem of the publishing industry in Kenya.

*Instead of providing services, the government has, through its parastatais, gone full blast into trading in books, employing the public infrastructure to push out commercial publishers. The fortunes and misfortunes of the industry fluctuate with regular civil service and ministerial directives*
from the Ministry of Education officials toward commercial publishers make it appear that the latter are not wanted.

This might be acceptable if the state-run publishing companies were efficient. However, the message comes through of operations hampered by bureaucracy, poorly motivated staff, and outright bungling.

Another problem with the state monopoly on publishing stems from overseas transnational publishers formed joint companies with state enterprises, with Macmillan in particular playing an important role in Ghana, Uganda, Tanzania and Zambia. Robert Hutchison, who was the last Macmillan-appointed general manager of Tanzania Publishing House (TPH), frankly wrote a critical article on the Macmillan's avaricious exploitation of the Tanzanian publishing market, under the title of *Neo-colonial tactics: Macmillans and the Tanzania Publishing House* (1979:230).

The real money-spinners TPH produced for the Ministry in 1967-9 were the <Primary Swahili Course Pupils' Books One to Four>, the <Primary Mathematics Pupils' Books One to Three>, and the <Primary School Atlas>. From 150 to 200 thousand of each of these books were produced. All of them except one were printed outside Tanzania, all of them involved expensive colour printing; and in the case of five of the titles Macmillan took 27½ per cent of manufacturing costs 'risk-free'.

There are also similar arrangements in the Francophone West Africa. Les Nouvelles Éditions Africaines (NEA) was jointly set up by the governments of Senegal, Côte d'Ivoire and Togo in Darkar. These countries controlled 60 per cent of the publishers, and 40 per cent by French transnational firms: Edicef (Istra-Hachette), Armand Colin, Nathan, Présence Africaine, and Le Seuil (Prillaman 1992:200). NEA is now a major force in all areas of publishing producing a massive and impressive list. On the other hand, it was also argued that their dominance-and near monopoly- was stifled by small independent publishers. For example, Côte d'Ivoire and Senegal shared a controlling interest
in NEA, with a group of French publishers constituting the minority stockholding (Sturges & Neill 1990).

Recent proposals by Macmillan and Longman to create yet another state monopoly to publish primary school textbooks, despite the record of the past, show that the state-monopoly structure of publishing is still the transnational publishers' dream of publishing in Africa, as long as they and not indigenous publishers, are partners with the state.

As a result, "the state of publishing in Africa is inextricably linked with the manner in which transnational publishers introduced publishing into Africa, the structures they set up, and the pressures they continue to exert on the Ministry of Education in their strategies for monopoly control and profits even today" (Bgoya 1992:171). Therefore the role of the transnational publishers in Africa is the essential key to understanding the problems of African indigenous publishing.

4.2.3 Transnationals and Indigenous Publishing

Firstly to encourage local authors, an increasing number of published titles have Tanzanian authorship ... secondly to produce books locally ... from a printing press at Arusha. Longman activities are centred on educational books and books for adult education, including Kiswahili.

This sentence state the objectives of Longman Tanzania Ltd. which was launched in 1965. The view that transnational publishing companies, however, have made and can make valuable contributions to indigenous publishing in developing countries including Africa has been largely negative.

Almost all of Africa that was colonised by United Kingdom and France did acquire its independence from the beginning of the 1960s. In practice, nevertheless, the economic relationship has not changed very much. This is also the case with the supply of intellectual areas. As long as the educational system in most of the countries is still very much modelled on the former imperial system, the patterns of publishing now to be found around the continent are still broadly
similar, with the transnational publishing firms maintaining are upper hand. They retain considerable ability to determine what and who ought be published, and ultimately what should be read about Africa.

At the advent of independence the infrastructure from which local publishing companies could develop in Africa was hardly formed, and in many countries local branches of publishers such as Longman, Macmillan, Nelson, Evans and Heinemann either set up local companies to produce the new materials or produced them in the mother countries using a combination of experienced western writers and promising new, local authors. "Locally owned companies hardly participated in this development because of a lack of investment funding in comparison with established mother companies and a widespread lack of the specific skills required in educational publishing" (Buchan 1992:351).

By 1963 OUP in Nigeria was able to handle the whole publication process of locally-written books and publish its own titles under its own imprint. "The only element which could not be said to have been localised was the resultant profit from these titles, which continued to be exported back to the parent company" (Sturges & Neill 1990:21).

Kenya was no different from Nigeria. Longman was a first resident representative appointed by Kenyan government in 1950. Oxford University Press arrived four years later and set up an office: "they managed to publish some very profitable textbooks such as Oxford's <New Oxford English Course for East Africa> and Longman's <Highway Arithmetic>" (Chakava 1992:119). Longman and Heinemann set up official substantive branches in 1965 right after the independence of 1964. Macmillan, Nelson, Evans, Pitman, and Cambridge University Press followed the business. A host of other British publishers who neither had branches nor representatives in Kenya offered agencies to those who were already there, so that by about 1968, close to 80 British publishers had some form of presence in Kenya. By 1970 it could be said that although Kenya had been independent for seven years, the publishing industry was largely in the hands of foreign publishers. Local publishers were finding the going difficult and were surviving mostly on what they made from their printing press. Textbooks, which provide a profitable market, representing over 80 per cent of the value of the total book market, was in the hands of foreign publishers (Chakava 1988:vii-x).
In Francophone Africa, books in the French language constitute the overwhelming majority of the books distributed in the region (Prillaman 1992:199), and this is likely to continue for some time to come as long as the French language remains the commonly accepted medium for education and for the educated elite, and as the vehicle for access to international print culture.

In 1987, the 21 Francophone countries paid 303.3 million French francs (FF), roughly $50 million, for 3,900 metric tons of French export books. This represented 13 per cent of the market for French books export. Of these, Francophone African countries such as Cameroun, Côte d'Ivoire, Senegal, Gabon and Togo dominate the French book market in the region. In 1979, they took 77.9 per cent of the weight and paid 73.9 per cent of the cost. In 1987, the five lead countries accounted for 75.7 per cent of the weight, signifying no major improvement in the situation of the 16 others. In 1979 Cameroun, specifically, was the 12th largest book market for France. It jumped to 5th place in 1987, and dropped to 8th place in 1988 (Prillman 1992:200).

In the long run, the traditional role of western influence on Third World publishing stems mostly from the heritage of colonialism, as Gordon Graham (1992:30) points out:

Imperial powers regarded colonies as markets, not as producers. Most of the strong publishing countries of today are, not by chance, those which were colonial powers until mid-century, whether the classic European imperialism; the economic colonialism of the United States; or the military colonialism of Japan and Germany. None of these countries can claim to have fostered nascent publishing in the lands they have ruled or influenced.

5 The seven major consumers of French export books (the Belgians, Swiss, Canadians, Italians, Germans, Americans and British, in that order) pay on average 44 per cent less for their imports of French books than do the Africans. They benefit from cheaper insurance and shipping costs, and from a tendency by exporters to practice a high-price policy for exports to high-risk African markets.
In many African countries transnational publishers have to join with indigenous publishers due to the enhancement of legislation, especially since the 1980s. The ability or right of the editing and the profit is, nevertheless, still generally in the hands of transnationals.

There are some half a dozen publishing houses in Nigeria which are subsidiaries of British-based multinational companies. Although now registered as Nigerian companies, these publishing houses are still very closely integrated into the world-wide operations of their parent companies. This is not surprising, since they were originally set up as local warehouse to stock books produced in Britain (Irele 1987:ix).

Educational publishing without doubt has been the most financially attractive sector of the African book market, and it remains the area most heavily dominated by transnational publishers. Nigeria imports about 75 per cent of the books sold in the country. It is estimated that 85 per cent of the tertiary texts used in the country's 30-odd institutions of higher education are published outside the country. With the potential of such large sales, it is evident that the market for educational books in Africa remains attractive for transnational publishers. This is so, despite all the difficulties faced in conducting business in some African countries (Rathgeber 1992:78-9). Especially academic, technical, and reference books should and will continue to be imported for as long as local publishers do not have the capability to publish them or as long as the numbers do not make it viable to develop them locally.

Many African writers prefer to publish their books with European publishing houses or with European branches in Africa. The strong attraction, to writers, of signing agreements with major international publishers is obvious. It not only gives them the chance to communicate with a vast world-wide readership, but also ensuring higher and more reliable financial rewards, usually in the form of precious foreign currency. The convenience of book buyers in the developed countries was the main purpose of such efforts in identifying and promoting a limited number of outstanding titles. What shall or shall not be published is decided without consideration for the African market. Furthermore, the limited
outlets provided by international publishers for Africa's creative talent is no substitute for the broad development of African writing that is necessary to alleviate the endemic book hunger (Sturges & Neill 1990).

Donor agencies or international aid institutions have been aware of the need for books in Africa, and they have in part contributed to the African intellectual development. However, the usual aid programmes have been mostly short-sighted or even counterproductive, and have exposed three inherent problems. Firstly, some book-aid schemes have often interrupted the activities and prosperity of indigenous African publishers. Although almost all donor books are dumping books that were obsolete in their own countries, local publishers have been severely influenced by the flooding of their markets with free books.

Secondly, through support from the international donor organisations for African education, the publishing industry in some countries have tended to create a strong dependency. Zell (1992a) postulated that some librarians would appear to have become quite defeatist, almost exclusively dependant upon book donations. There also seems to be little effort to lobby and fight for their needs.

Thirdly, in the long run, book aid programmes to African nations mostly have produced good markets, not for the indigenous but for the transnational publishers, as Gedin (1992:45) accurately indicates: "it is hard not to believe that a slogan 'book hunger' was well utilised by western industrialised countries as a welcome opportunity to combine aid programmes with the possibility of getting rid of old stock". In several countries the transnationals left when the going got rough or when they found it increasingly difficult to repatriate their profits. But now that the World Bank has decided to support education and textbook production, they are making a re-entry in some countries, and are probably once again at a distinct

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6 In 1982, when Uganda got £9 million from the World Bank, all books were produced by British publishers. No African publisher was asked to supply books to Uganda, though they would have been less expensive and probably more suitable to the Ugandan curriculum. Another example is in Nigeria: no less than U.S. $400 million is going to be spent over five years, and almost all of this is also going to transnational British publishers.
advantage in the tertiary sector when competing for business with local publishers. Over the years transnational publishers have supplied books that were not relevant to an African reader or an African environment. Today there is plenty of evidence, however, that transnationals are now engaged in publishing African-oriented books and literature, conceived and published in Africa, by Africans. They attract a sizable proportion of whatever market there is for books; through their international connections they may also attract the best writers.

4.2.4 Future of Indigenous Publishing

In spite of the negative and pessimistic outlook on African publishing circumstances, there are two hopeful alternatives which have appeared recently; one is enforcement of 'licensing' and the other is the establishment of African Book Collective Ltd (ABC).

Licensing, which surely must be regarded as one of the most obvious short-term solutions to the current problems - that is, for African publishers to reproduce locally, under license, titles published abroad, and subject to royalties - has thus far worked well though only in a few countries including Zimbabwe. These governments require that foreign products in significant demand should be locally manufactured under license. There are also now indications that more African governments recognise that licensing makes sense and will help reduce spending hard currency in importing books. This step will also help stimulate local book production, which can help African publishers to achieve low cost editions for at least some of their books (Zell 1992b).

There also has been another bright picture in the distribution of African published books to Western Europe and America. A group of African publishers have launched ABC, a major new self-help initiative to promote, market and distribute their books more effectively in Europe, North America, and in Commonwealth countries outside Africa. In January 1990, ABC was formally registered as a UK company, based in Oxford after four years of extensive preparatory work, consultation exercises, and fund-raising activities.
Trading activities proper started in May 1990 (Zell 1992b:106-15). Chakava (1992) anticipates the creation of ABC will not only ease the burden of African publishers wishing to sell abroad, but also that of European and American libraries, which have been facing chronic problems in the acquisition of African publications.

4.3 Asian Countries: Mixed Prospect

4.3.1 General Outlook

Even though there is significant diversity in Asia, from Bangladesh and Afghanistan, on the one hand, to Taiwan and Singapore on the other, much of Asia has done relatively better in the development of publishing. This mostly stems from the economic progress, the growth of educational achievement, and its belief that reading is related to such achievement.

Especially, the East Asian countries, namely NICs, have seen some of the world's most dramatic rates of economic growth in the past two decades, and many Asian countries have experienced reasonable growth and steady economic improvement. Economic growth permits an expansion of consumer demand for books, and it encourages expenditure for education and related cultural programmes both by government and by individuals. There is a larger and more entrenched urban middle class in many Asian countries. This group tends to have disposable income, enabling its members to purchase books.

UNESCO figures support a general indication of the steady progress of publishing in Asia. In 1965 some 51,000 titles among world total 332,000 were produced, 138,000 among 715,000 world total in 1980, 212,000 among 842,000 in 1989. That is, the Asian share of world book production rose from 15.0 per

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7 In India, there is estimated 150 million middle class, of which 18 million read and write in English (Publishers Weekly, 20 December, 1991, S.32). This figure is as similar to that of the Brazilian total population.
cent in 1960 to 18.8 per cent in 1980 and 24.8 per cent in 1989 (see table 3.1). It is also figured that 'number of book titles published per million inhabitants' in 1960 was only 53, but increased to 70 in 1989, in comparison to that of Africa as confirmed in table 4.1.

A prominent trend is that some countries have become major exporters of books with valuable technical expertise, although almost all of them depend only upon re-print matter, under the conditions of affluent low income but well trained labour-forces.

(Table 4.3) Major Trading Countries in Books and Pamphlets (S million)

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<tbody>
<tr>
<td>United States</td>
<td>592.5</td>
<td>314.4</td>
<td>1212.1</td>
<td>862.1</td>
</tr>
<tr>
<td>Britain</td>
<td>552.9</td>
<td>290.4</td>
<td>1042.6</td>
<td>671.2</td>
</tr>
<tr>
<td>Germany</td>
<td>171.3</td>
<td>230.6</td>
<td>702.2</td>
<td>355.9</td>
</tr>
<tr>
<td>France</td>
<td>302.7</td>
<td>327.5</td>
<td>457.3</td>
<td>465.5</td>
</tr>
<tr>
<td>Italy</td>
<td>171.3</td>
<td>38.5</td>
<td>309.3</td>
<td>108.7</td>
</tr>
<tr>
<td>Spain</td>
<td>355.8</td>
<td>31.5</td>
<td>257.0</td>
<td>108.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>166.3</td>
<td>179.2</td>
<td>284.3</td>
<td>255.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>166.7</td>
<td>180.5</td>
<td>286.7</td>
<td>240.0</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>79.2</td>
<td>11.7</td>
<td>232.6</td>
<td>51.1</td>
</tr>
<tr>
<td>Japan</td>
<td>61.5</td>
<td>100.6</td>
<td>215.5</td>
<td>198.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>45.0</td>
<td>31.8</td>
<td>150.5</td>
<td>67.8</td>
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Hong Kong remains the largest international publishing trade centre in Asia, the amount of exports in 1989 was higher than that of Japan as can be confirmed in table 4.3. In 1990 she exported $121 million in printed matter to the United States, up 21% from 1989, and 28% of all exports (Publishers Weekly, 17 May,1991, S.4). The United Kingdom imported £38.4 million in same year (Euromonitor Book Report 1991:51). Singapore also has showed up as a major exporter: in 1990 exported $52 million to the U.S. which was a quarter of all exports and £14.4 million to the United Kingdom.

4.3.2 Internal Problems

Asian countries like others in the Third World have suffered from general problems except some buoyant countries which have overcome them partly;
multiple languages, illiteracy, monopoly of textbook by government, and distribution system, etc. Let's take a look at these problems briefly as a detailed explanation was given in the previous section.

While the language issue in Asia is not quite so serious as in Africa, it still hampers the development of indigenous publishing. The most typical example is the Indian case (Singh 1985; Altbach 1987; Butalia 1993). There are fifteen major languages including English in India. The Chinese language has at least eight main dialects although Mandarin is officially spoken. The Philippines are generally conversant in three languages: Tagalog, English, and Spanish in spite of the number of native languages which vary from eight to three hundred depending on which definition is applied (Salagna 1985; Pacheco, 1992). In the long run, ex-colonial language, mainly English, still play an important role in the Philippines, Singapore, and almost all Commonwealth countries in Asia.

However, there is one exceptional case. The Malaysian government has replaced English with Malay in education, and decreed that all publishing should be in the national language. In fact, English continued to dominate the education and publishing though there was an agreement on Malay as the national language until 1970. Successive indiginisation with vernacular language in Malaysia must be a paragon to the countries which have stressed the use of a national language as a means of cultural unification.

Rates of literacy in Asia are, in general, higher than in Africa, and this is an important factor in publishing. For many Asian countries, such as Taiwan, South Korea and Singapore, literacy levels are similar to those in the industrialised nations despite lower per capita incomes thanks to the higher education performance. The proportion of illiteracy in some countries, nonetheless, is still as high as that of most African countries: Nepal 79%, Afghanistan 76%, Pakistan 74%, Bangladesh 71%, India 59 %, and China 35% in 1990.

Government involvement in textbook publishing, normally in a monopoly position, is another obstacle for the local book publishing development. In India, despite the undoubted abilities of the rapidly developing commercial publishing industry, the state governments were early on empowered to take on the responsibility of producing primary and secondary textbooks. In the Philippines,
following early U.S. Agency for International Development support for textbook production, the government took over the publication of textbooks in 1973.

Singh (1992:252) points out the abuse of government textbook publishing in his recent article which analyses the problems of the Indian publishing industry.

In many developing countries, school textbook publishing is in the hands of the state. Had school textbooks remained in the hands of commercial publishers this activity would have yielded considerable revenue to underwrite other types of books. ... Granted that there were good reasons for the state in the Third World to take over this type of publishing, having set up elaborate structures for this purpose, it is unlikely that the state will dismantle them.

With the spread of education and awareness and the growth of industry and business, more and more Asians are eager for information and knowledge. And, as proved by the developed world, the printed book still remains the most convenient and durable vehicle for knowledge, intellectual expression and entertainment. But the book industry now faces western types of problems: there is the impressive growth in the number of magazines and newspapers being published and in their circulation. There has also been a boom of late in the production and sale of television sets.

The explosion of the audio-visual media posed the most serious challenge to publishing. Reading a book seems less appealing than watching television or videos. Illustration and ease of reading makes even magazines preferable to books. During the 1980s, there was also a general decline in India in the number of books being published. However, the total number of newspapers and magazines published has increased rapidly.

4.3.3 Transnationals in Asia

The modern style of printed press was initially introduced either by the Christian missionaries or either by the colonialist governments in Asia as African countries experienced. The larger imperialist publishing companies had began
to set up offices or branches in the colonies by the beginning of the twentieth century. Their only activity then was to ensure that their publications were used as textbooks in the colonial schools.

Over time and with the growth of the printing industry, they began to reprint some of their books in the colonies, but they never adapted them and did virtually nothing to encourage indigenous authorship. Since they were mainly reprinters and importers, they had no need to develop a body of trained editors and publishing professionals. Therefore, none of the essential conditions for a successful publishing industry existed when they gained independence from colonial rule.

Independence has not only reformed or changed economic infrastructure but also the intellectual systems in most of the Asian nations. Rather, decisive education system and publishing policies were influenced by the transnationals' interests in many independent Asian countries. Foreign aid programmes has caused serious deterioration in local publishing.

In India, for example, most British transnationals withdrew their branches because of the nationalisation of school textbooks under the establishment of National Council of Educational Research and Training (NCERT). However, it was a turning point and good opportunity for the American transnationals to come into India when the American government provided loans to the Indian government under the PL-480 book program (also known as the Indo-American Textbook Program).

The U.S. government reprinted more than 1,000 American textbooks through the Indo-American Textbook Program in India during the late 1960s and 1970s. These books were subsidised and priced extremely low so as to make them affordable. On the face of it, this was a laudable attempt and was greeted enthusiastically when launched. However, the various negative aspects of this programme soon began to manifest themselves. To begin with, many of the textbooks were older editions since American publishers were not favourable to granting reprint rights for the latest editions. Furthermore, several texts, particularly in the social sciences, were not relevant to Indian conditions. But yet, despite their American bias and obsolescence, students and teachers use them because of the cheaper price (Altbach 1987:23-4).
On top of that, the Indo-American Textbook Program prompted major American textbook publishers - particularly, McGraw Hill, Prentice-Hall and Wiley - to set up Indian operations to reprint their own books. Therefore, a large part of the potential benefit of the reprint programme was garnered by transnational corporations. This is most important, because it retarded the growth of indigenous textbook writing and publishing. Also students are exposed to an exclusively American point of view (Singh 1992).

Some Asian countries such as NICs and India have shown that there has been prominent industrial progress based on educational and intellectual growth. There has been impressive development of autonomous publishing of school textbooks and the printing industry in the countries so that the transnationals no longer monopolise publishing and book sales in this region, and they have established many postsecondary institutions and specialised research centres.

However, they still depend on scientific information which is totally produced from western industrialised countries as they need the latest information in most scientific fields. As a result imported books and periodicals in the sciences have been increased in recent years. According to <Publishers Weekly> (17 May, 1991), most of America's transnational professional and scientific publishers such as Prentice Hall, Addison-Wesley, and John Wiley have set up offices in the last few years in Taiwan. In the case of India, the imported book market in 1990 was valued at 1.2 billion rupees (nearly $65 million). Among imported books, more than two-thirds are university textbooks and professional titles, 80 per cent of which are in STM (Scientific, Technical and Medical) fields (Publishers Weekly 20 December, 1991).

The structure of international knowledge distribution will be controlled by a few industrial nations as long as they retain their predominant position on science and information.
4.4 Conclusion

In contrast to western industrialised countries the publishing industry, most Third World countries has suffered. There are multiple reasons which have confronted them for a long time. In this chapter, the focus was confined to the problems of 'micro-internal' factors, such as distribution, multiple vernacular languages and illiteracy.

In the case of African countries (except South Africa), indigenous publishing has retrogressed. The local publishing industry is still under the strong influence of western multinationals and the lucrative textbook publishing is largely monopolised by the parastatal companies. To make things worse, many internal difficulties such as not only economic recession and foreign debts but also high illiteracy and multiple languages have caused the growth of local industry to deteriorate.

The Asian countries have comparatively experienced rapid development in publishing due to dramatic economic growth and enthusiasm for education. However, the development of publishing in other countries, such as Bangladesh and Afghanistan are still at the critical stage. For western multinationals, Asia is one the most prominent regions for exporting their books from childrens' to textbooks for higher education. In particular, major global publishers have set up local branches or offices in many Asian countries including Singapore, Taiwan and Korea since the enhancement of copyright law in this region. Thus, there is an increased dependence on the knowledge system in this region. The following chapter will discuss the structure of international publishing which has helped to stimulate an unequal system of publishing.
5.1 Introduction

In spite of the many 'internal' reasons which hamper the growth of Third World publishing as mentioned in the previous chapter, there are fundamental and external factors. The major universities, research institutions, libraries, journals and publishing firms are located in the industrialised nations. The international system of book publishing is largely dominated by the industrial nations and most developing countries depend heavily on western books.

More importantly, the elements of the essential 'structural' system which dominates Third World publishing range from the ex-colonial educational systems, international copyright arrangements and international language, to the control of new publishing technologies.

Educational expansion is a priority in every developing country, as it is a key part of national development. But the heritage of colonialism has influenced the structure of educational systems from curricula to textbooks. Textbook
development and publication are an integral part of both the educational system and the publishing apparatus. Thus, it is very important to examine how colonial education has affected the contemporary system, and what is the current status of textbook publishing in relation to the involvement of western publishers.

The language issue is one of the most important elements for educational and publishing development in the Third World. The predominant position of the European languages, as former colonial (and partly present) official languages, influences the international publishing market. It is essential to understand how the European languages still influence international publishing.

As long as knowledge is increasingly an international commodity, the role of international copyright is of considerable significance in any discussion of Third World publishing. How the international copyright apparatus, launched by the industrialised nations, controls the flow of international knowledge is another task to look into.

New technology has changed the traditional structure of publishing. In particular the application of the computer has reduced the process of production and new media have produced new devices such as CD-ROM. However, we have to analyse whether the developing countries benefit from this cornucopia or worsen the matter of dependence.

The purpose of this chapter is, therefore, to explain four 'structural' impediments which have hampered the development of Third World publishing in order to overcome the unequal status of the international publishing industry.

5.2 Educational System and Textbook

Knowledge is a critically important resource in any society. An educational system has a fundamental role in transmitting knowledge and culture from generation to generation, and for developing human traits that contribute to economic output, social stability, and the production of new knowledge. People believe that schooling is in itself a civilising force and that it is a necessary
prerequisite for nations to participate with the developed countries in the world project of material advancement. Parents and eventually pupils themselves regard schooling as a key to higher incomes and status, a step toward success in a competitive, success-oriented economy.

However, modern educational systems which are part of the capitalist social and economic structure spread by the Europeans in the late nineteenth century and early twentieth centuries, can be seen as "empowering some people by initiating them into the 'secret language' and culture of the elite, while ensuring that the rest see themselves as failures because they are not 'able' ", as Barnett (1988: 144) properly describes them. Many other critical sociologists of education (see Young 1971; Bowles & Gintis 1976; Harris 1979; Apple 1990) also point out that education is a distinctly non-neutral political mechanism or institutionalised process that largely provides and legitimises the ways to contribute to inequality in that they are tacitly organised to distribute differentially specific kinds of knowledge, and to make this inequality seem neutral.

As mentioned in the previous chapter, the modern schools in the colonies are established by the western colonialists and missionaries. Education is one instrument by which colonial powers sought to maintain and strengthen their domination and cultural assimilation over colonial areas. The schools became the means by which the colonised were 'assimilated' into the coloniser's society and work. That is to say, western formal education came to most countries as part of imperialist domination. Going one step further, the role of schooling in the Third World as introduced by the advanced countries is to bring people into a social and economic structure in which they can be more effectively exploited by the advanced-country monopolies (see Carnoy 1974; Altbach & Kelly 1978).

5.2.1 Colonial Educational Systems

Third World educational systems arose as a result of Western imperialism. Britain, France, Spain, Portugal and, to a lesser extent, America, Japan and Germany developed schools in their respective colonies as a means for
accomplishing their own ends, not for enlightenment of the colonised. Colonial administrators needed to foster a small number of literate clerks and mid-level executives in order to fulfil the colonial policies, and missionaries hoped to accomplish their missionary desires through education. Thus, a volume of an English book or Bible played a more important role than arms in the colonies.


*Introduced at the turn of the century by American colonisers, the education system was an effective instrument of colonial policy over Filipinos who lived under American sovereignty for 50 years. The Filipino had to be educated as a good colonial. Young minds had to be shaped to conform to American ideas. Indigenous Filipino ideas were slowly eroded in order to remove the vestiges of resistance. Education served to attract the people to the new masters and at the same time to dilute their nationalism. ... The American educational system was a subtle means of defeating a triumphant nationalism.*

The structure of colonial education was, therefore, distinct from non-colonial education. French and British educational planning bodies, for example, devoted themselves to developing a school curriculum for the colonies that would differ from metropolitan counterparts. As educational policies reflected the needs of the colonial authorities, curricula reflected these purposes. Colonial governments established few vocational or industrial schools. Instead, less skilled-oriented training, such as spear-throwing, herding and basket-making was taught.¹

In most European schools students were required to know the history of their own country, even at the primary levels. In France, for example, the schools devoted at least three hours a week to teaching local history. In colonial

¹ In colonial Indian schools, according to Basu (1978:60-1), "there was little provision for vocational training, and at the tertiary level the number of students in arts colleges was far greater than in professional colleges. In 1916-17, for instance, while there were 4,468 BAs and 1,228 LL.Bs, there were only 74 engineering graduates and 219 Bachelors of Medicine."
schools history was rarely taught at the primary level. On the contrary, only a half hour a week was devoted to it in Indochina and Algeria. But it was never included within the degree or school entry examinations (Kelly & Altbach 1978:11-12). Science instruction is another good example of the differences between the colonial and the metropolitan curriculum. Colonial schools taught less science than metropolitan schools, and the science taught was substantially different from that taught in the metropolis.

*Elite education for the colonised was in fact only similar to the coloniser's working-class education.* Colonial education's model was the British charity school, the French lower-class primary and higher primary schools, and the schools for ex-slaves in the United States. The systems of education that evolved used these metropolitan working-class precedents as the models for schooling the elite of the colonised (Kelly & Altbach 1978:19).

The point is that the ability of an individual to obtain educational parity with the coloniser was severely suppressed, but he was tamed as an obedient colonial, which had the effect of oppressing nationalism.

Another problem of the colonial education was the so-called 'assimilate' policy. The relation of colonial schools to the social fabric contrasts with that of non colonial schools, for in the colonial situation the school was detached from indigenous cultures in the languages and in the social values they taught. Colonial schools were set up as alternatives rather than as complements to the colonised's educational practices. Colonial schools never held out the prospects of integration into indigenous culture to those who attended them; neither did they prepare the colonised for leadership in their own society. This kind of school/society relationship is a phenomenon peculiar to colonial schools, especially to the schools of pre independent Africa, Asia, and Latin America (Memmi 1967).

The languages taught in the schools were seldom the languages spoken by the students who attended them. In British colonies urban schools invariably
were English-language medium schools and most urban schools in France's African colonies were no exception teaching entirely in French.

As a result, European languages became the educational medium of all those presumed destined either for urban living or leadership roles either in indigenous society or in the colonial order. The language of the colonisers was taught to students who went to urban schools and/or beyond three years of education. Upon completion of their education, they are deemed qualified to work in jobs subordinate to the colonisers either in government or private sector or trade, or in missionary or government schools (Kelly & Altbach 1978:13-15).

5.2.2 Dependent Education after Independence

In spite of the formal political independence of Third World countries which were mostly former colonies, the domination of the industrialised nations over the ex-colonies has continued in different forms. The western industrialised nations, and especially the former colonial powers, are formally committed to the independence of Third World countries and have attempted to appear as friends of these nations by providing foreign assistance and aiding in the 'development' of these nations because these countries still have a need to maintain their domination over the Third World for reasons of power politics, access to raw materials, and markets for their goods (see Mattelart 1983; Smith 1980a).

In many ways, the relationship between the ex-colony and the ex-coloniser has been more reinforced economically and culturally than during the colonial administration. This kind of neo-colonialism constitutes the deliberate policies of the industrialised nations to maintain their domination. It may function through foreign-aid programmes especially in economy, agriculture and education, or technical advisors.

The industrialised nations, by virtue of their wealth, technological development, and well-established educational and research institutions, naturally constitute 'exporters' of international educational and intellectual life. Third World countries are the 'importers' and are dependent on many of the products of
modern technology and education (Altbach 1987). The world's leading universities, journals, publishing houses, research institutions, and the other elements of a modern technological society are centred in the industrialised nations - and particularly the former colonial powers plus the United States and Japan.

Britain's greatest asset is her language, the use of which is growing very rapidly around the world, and her second greatest asset lies in her post-imperial connections and the fact that the educational systems of many countries are modelled on her own (Smith 1980a:60).

Thus, the structure of an educational system is perhaps the most dramatic example of the continuing impact of colonialism. Educational links to metropolitan centres were imposed not only during the colonial period but also in many cases remain to the present day. The heritage of colonialism in much of the Third World determined the structure of educational systems, the language of schooling, textbooks, and many aspects of the curriculum. Given such an educational system, for example, a curriculum dominated by Shakespeare and major English poets with the textbooks published by OUP was designed for literature students in secondary schools and university (Chachage 1990: xi).

The essential problem in Third World education development is related to the economic influences from the industrialised western countries. Since independence, most Third World countries have focused their national investment on the expansion of education. However, since the 1970s economic difficulties have forced them to cut down their educational budgets. Therefore, many Third World nations have accepted foreign aid to assist them in meeting the massive demands for expanded education programmes. This aid, from both foreign

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2 Even in those parts of the world which were not under direct colonial rule, such as Thailand, China, most of Latin America, and even Japan, the influence of European educational patterns, ideologies, and emphases is very strong. Such countries had a substantial degree of formal autonomy, but they were deeply influenced from abroad. Non-colonised Third World nations were more able to produce their own textbooks and were less dependent on foreign models for the curriculum, but they too were very much linked to an international system of inequality in education.

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governments and private foundations, has financed projects ranging from creating universities and educational research institutes to providing scholarships for Third World students for university education abroad and money to buy texts and other books published in America or Europe.

Such aid is generally welcomed by Third World nations and given willingly by industrialised nations eager to strengthen their influence in countries whose raw materials they use or where goods such as books produced in their country can find a ready market. Objectively, such assistance often increases dependency.

5.2.3 Textbooks in the Third World

Textbooks stand at the heart of education. Teachers rely on them to set the parameters of instruction and to impart basic educational content. Students' school work often begins with the textbook. Therefore, texts constitute the base of school knowledge, particularly in Third World countries where there is a chronic shortage of qualified teachers. In order to produce textbooks successfully, there must be a range of skills and physical facilities available working in co-ordination. However, the textbook publishing of the Third World has been under the influence of the western countries since the colonial period.

As Altbach (1987:115) stresses, "textbooks, during the colonial period, have reflected the curricular orientations of the colonisers and were often written by colonial officials and published in the metropolitan country. Even when textbooks were published in the colony, they were based on foreign models and reflected the orientations and policies of the colonial authorities". Missionaries, who were the mainstay of education in many Third World countries during colonial rule, saw the catechism and the Bible as the sole necessary school texts. Nwankwo (1992:152) symbolically expresses the essence of the coloniser as an educational authority: "In Africa, colonialism and missionary evangelism were two sides of one coin at the early stage, and both the sword and the Bible served one common purpose: the subjugation of African peoples".
After independence, most governments believed educational expansion would fuel economic development and solve the problems of a plural society (Heyneman 1978). Despite financial difficulties, Third World governments developed schools, focusing on building schools and to a lesser extent on teacher preparation. Concern with textbooks did not arise because the cost of textbook development is high in any country, and even in the countries that can least afford such expenses, the cost tends to be highest because of small markets, developmental expenses, and the like. In response to these obstacles, many Third World nations continue to use colonial textbooks, or use foreign publishers to produce textbooks for them, sometimes improving the situation but retaining external influence in the textbook field.

Textbook production and distribution are part of an international system of publishing and knowledge distribution, which is dominated by the industrial and often used by them to maintain their position. That is because, as Golding (1978:458) points out, "in educational publishing much of the profit comes from reprints and the steady syllabus text is the most certain investment". Gedin (1992:45) also explains the transnational publishers which underpinned their wealth from the educational markets:

*The textbook market for the transnational publishers after the decolonialisation of Africa was in the beginning the most lucrative market in the world. Profits were made not only through insufficient editing and overpricing books but also by dumping books that were obsolete in their own countries.*

These firms, transnational in nature, continue to be very important in the textbook business. Macmillan, Longman, McGraw-Hill, Prentice-Hall, Hachette, and others are household names in many nations. Even such prestigious firms as OUP are deeply involved in the production and distribution of school-level textbooks in many nations. These are examples of how exclusively western publishers dominate the contemporary textbook market: With a target
audience of over 15 million African primary and secondary school children using school textbooks in French, manufactured in France, constitute the principal market for French books in Francophone Africa. In the Ivory Coast, for example, France supplies 99 per cent of the schoolbooks, dictionaries, and encyclopaedias imported. In Cameroon, schoolbooks imported from France represent 43 per cent of the total market. As mentioned in the previous chapter, many of the school textbooks are published by NEA, a Dakar-based publisher, sixty per cent of which is ruled by the governments of Senegal, Côte d'Ivoire and Togo, and forty per cent by French transnational firms: Edicef (Istra-Hachette), Armand Colin, Nathan, Présence Africaine, and Le Seuil.

In Zimbabwe, as in other African countries, the educational book market has proved attractive to larger, transnational publishers, and the main actors in the Zimbabwe textbook book market are Longman Zimbabwe (fully British-owned), College Press (60% locally owned and 40% owned by Macmillan) and Zimbabwe Publishing House (fully locally owned). The Zimbabwean government policy states that imported books selling in excess of 5,000 copies must be reprinted locally. However, overseas firms enjoy royalties paid by local publishers. About 80 to 90 per cent of the country's publishing output can be accounted to Longman Zimbabwe and College Press. Most of their titles are in the educational publishing field (Rathgeber 1992). About 80 per cent of Cameroon's primary and secondary school (student's population of approximately 1.5 million) textbooks are imported from abroad, mostly from France. A primary school textbook for a specific grade can sell up to 400,000 copies. In the early 1980s the total value of book imports was equivalent to about 0.5 per cent of the average yearly educational budget (Rathgeber 1992).

In fact, the proportion of book exports from the western industrial countries to the Third World as a proportion of total exports, is very marginal. For example, of the total book exports from the UK, £725,540,000 in 1990, only £18,990,000 (2.5 per cent) was imported by African countries (Book Facts 1991: 59-60). But the point is that such imports from the UK represent at least 60 to 80 per cent of the domestic African book market.

It has been a rule for many transnational publishers, when importing their own textbooks, to sell them to their daughter companies for a profit of 15 to 20
per cent. These books are later sold to the school authorities for a profit of another 10 per cent, and that without taking any risk. The real problem is that most of these profits will remain at home or be sent back to the parent company and not reinvested in the developing country. The trend is away from the domination of the text market by transnational firms, but their influence remains strong (For a discussion of transnational publishers, Gedin 1992; Irele 1987. See also Kobrak & Luey 1992).

Another serious problem of textbooks produced by western transnational publishers is the contents. Textbooks produced by the transnationals may or may not be directly relevant for particular Third World nations. Such books are often produced with the perspective of the metropolitan publishers, imposing especially a eurocentric bias. According to the Dag Hammarskjold Foundation seminar on 'Developing Autonomous publishing Capacity in Africa' published in 1984, the European settlement in Kenya is seen as the beginning of change and progress, as exemplified in a history book which claims (Gedin 1992:44-5).

Africans had no money. The government hoped that European settlers would bring money into the country. This is one reason why they asked the Europeans to come to farm in Kenya. ... Agriculture in Kenya has been developed by settlers, missionaries, agriculture and veterinary officers. ... Britain gave Kenya five million pounds to help African farmers.

The quotation above is only one example, and there are many parts which embellish or justify the (neo)colonial exploitation. Third World students who learned distorted knowledge with these textbooks regard the western countries as 'grateful country'.

Universities and higher educational institutes stand at the centre of the scientific and intellectual process in many nation, and the Third World is not exceptional. Universities in the large industrialised nations, particularly in the United States, Britain, France and Germany, are the major producers of scholarly
knowledge, as well as the main distributors. Under the influence of the educational system of the industrial countries, most developing countries depend on intellectual systems so that much of the research done by western scholars and indigenous scientists who studied in the West.

A lot of research results are normally published in scholarly journals or academic and technical books. The majority of these materials used "at all in post secondary school institutions are still largely imported, mostly from Britain, America and France" (Chakava 1992:136). This is also carried out by local branches of foreign publishing firms such as OUP and Macmillan. It is not surprising that most expatriate publishers are from the former colonial powers, although in recent years American firms have been increasingly active in Third World nations.

The only way to overcome this problem is to develop the indigenous publishing industry. During the past decade, the production of school textbooks in most Third World countries has become much more localised. Initially locally produced primary textbooks have not always been based on thorough research and a complete understanding of educational needs. However, they are improving through time, and they are certainly preferable to the earlier textbooks, which presented Third World children with entirely eurocentric views of the world (Rathgeber 1992). In the industrialised countries, textbook authors are given considerable help by curriculum experts, communications experts, and designers. In most Third World nations, few of these infrastructures are available and textbook authors tend to be on their own.

The question of who should produce textbooks seems to be the real matter in textbook publishing in developing countries. Nowadays, government ministries or parastatal institutions are the main producers of textbooks, especially school-level books. In some developing countries, transnational corporations are involved (Altbach 1988:13-15).3

3 The textbook process may be divided into three distinct phases: development, publication, and distribution. In the United States and most other market-economy industrialised nations, all three phases are in the hands of private-sector publishers who undertake to meet the requirements of school authorities at the national, state, or local levels. Public authorities generally approve specific books or sets of books
Textbooks take time and money to develop. They require experienced authors, editors, text designers, illustrators, and a host of ancillary personnel to see them through production. And when the books get printed, a massive promotional and advertising campaign requiring more money and a large force of salespeople follows. If the campaign is successful and the textbook is adopted, the publisher is successful and the publisher is assured of a steady seller for many years to come. Therefore, governments in the Third World intervened directly in the process of textbook publishing by establishing state monopoly companies or governmental agencies which had responsibility for writing, editing, producing, and distributing of essential textbooks.

The real reasons for this, however, are evident: the desire to ensure that book development and creation (often done in government agencies or by government-sponsored organisations) are directly linked to production, the desire to keep prices low by directly controlling printing and production, and a distrust of the private sector, which was often dominated by foreign firms, and a wish to maintain direct control over the scheduling and distribution of books.

In India, despite the undoubted abilities of the rapidly developing commercial publishing industry, the state governments were early on empowered to take on the responsibility of producing primary and secondary textbooks. In the Philippines, following early US. Agency for International Development support for textbook production, the government took over the publication of textbooks in 1973. The government continued to subcontract the printing to local commercial publishing companies, but inevitably local educational publishing was stillborn and replaced by a printing industry (for the American policy on book publishing, see Childs & McNeil 1986).

The growth of state publishing and the state procurement of textbooks not published by the state may have achieved cost savings (although this is by no means an inevitable consequence), but it has as often stunted the growth of local and commercial publishing by depriving it of the core turnover it needed to grow.
Even in highly developed publishing industries in the United States and the UK, up to 50 per cent of industry is generated from sales to the state sector. In a developing country where levels of literacy and per capita income are low the proportion of turnover derivable from the state is bound to be very much higher and in some cases can be close to 100 per cent. In these markets, decisions to create state publishing monopolies inevitably deprived local publishing of the profits that would enable it to grow and invest in other types of publishing such as fiction, general books, and children's books. Additionally, state publishing diminished the variety and thus eventually the quality of books available to pupils and teachers (Buchan 1992).

In sum, the development of indigenous publishing in the Third World will be very difficult as long as the western-based transnational publishers and the state monopolise most parts of textbook publishing.

5.3 The Influence of Lingua Franca

Amandla, Amandla ... I greet you all in the name of peace, democracy and freedom for all. I stand here before you not as a prophet but as a humble servant of you, the people.

This sentence is from the famous speech of Nelson Mandela addressed to half a million people in Cape Town, and via satellite to the world, as he was released from prison after twenty-seven years on 11 February 1990. His tenet on peace and democracy, however, was elucidated, not in African vernacular but in English to the people.

There is no question that language is one of the most complicated and serious questions for educational and cultural development in the Third World because language is a part of the international equation in publishing.

It is now commonly held that more than 4,000 languages are spoken today,
but only 300 are in regular use in written form. Among them the old imperial languages of Europe, such as English, Spanish, French, and German, have now assumed the status of international languages, although over a billion people speak Chinese, and only 350 million world-wide speak English. Speakers of Chinese, Japanese, Hindi, or Arabic are forced to learn at least one of these international languages if they wish to do business, keep up with science and technology, or engage in international communication or politics.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Language</th>
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<th>Rank</th>
<th>Language</th>
<th>Number</th>
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<tbody>
<tr>
<td>1</td>
<td>Chinese</td>
<td>1,000</td>
<td>11</td>
<td>French</td>
<td>70</td>
</tr>
<tr>
<td>2</td>
<td>English</td>
<td>350</td>
<td>12</td>
<td>Punjabi</td>
<td>70</td>
</tr>
<tr>
<td>3</td>
<td>Spanish</td>
<td>250</td>
<td>13</td>
<td>Javanese</td>
<td>65</td>
</tr>
<tr>
<td>4</td>
<td>Hindi</td>
<td>200</td>
<td>14</td>
<td>Bihari</td>
<td>65</td>
</tr>
<tr>
<td>5</td>
<td>Arabic</td>
<td>150</td>
<td>15</td>
<td>Italian</td>
<td>60</td>
</tr>
<tr>
<td>6</td>
<td>Bengali</td>
<td>150</td>
<td>16</td>
<td>Korean</td>
<td>60</td>
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<tr>
<td>7</td>
<td>Russian</td>
<td>150</td>
<td>17</td>
<td>Telugu</td>
<td>55</td>
</tr>
<tr>
<td>8</td>
<td>Portuguese</td>
<td>135</td>
<td>18</td>
<td>Tamil</td>
<td>55</td>
</tr>
<tr>
<td>9</td>
<td>Japanese</td>
<td>120</td>
<td>19</td>
<td>Marathi</td>
<td>50</td>
</tr>
<tr>
<td>10</td>
<td>German</td>
<td>100</td>
<td>20</td>
<td>Vietnamese</td>
<td>50</td>
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</table>


During the colonial period, the language of the coloniser naturally became the dominant language of the colony. Used for government, the legal system, commerce and, perhaps most significantly, for education, the colonial language became the main language of intellectual life and of books. The colonial also needed to speak a dominant language to get higher incomes and status:

*The general policy in many (colonial) territories was that local languages should not be developed in written form. It was important that people who were destined to perform clerical jobs or serve as domestic servants to the administrators and missionaries or as labourers on plantations should be able to communicate in a common metropolitan language (Kotei 1981:117).*
Colonials who could speak a dominant language would no longer regard their rulers as foreigners. This would make them co-operators, would lead to the permanence and stability of the colonial domination. The political benefits of the diffusion of European ideas and knowledge were clearly perceived. To the colonisers, their languages were good instruments of colonial policy. Imperial language became the wedge that introduce the educated from their past and later was to separate them to a strange, new world. With western books, they started obtaining not only a new language but also a new way of life, alien to their traditions and yet a caricature of their model.

A typical result which successfully achieved colonial language policy can be seen as when Gandhi took over the leadership of the nationalist movement. He found an elite out of touch with its indigenous culture, unable, in the most literal sense, to speak to the people in their own language. He proclaimed that India could not be free till she had freed herself from the bondage of the English language. "Among the many evils of foreign rule this blighting imposition of a foreign medium (English language) upon the youth of the country will be counted by history as one of the greatest. It has sapped the energy of the nation... It has estranged them from the masses." (Basu 1978:65).

Since independence, the political and economic relationship with the ex-imperial countries has not changed very much. This is also the case with the supply of intellectual areas. The educational system in most of the countries is still very much modelled on the metropolitan system. This is to say that the European language is still the most important vehicle within the educational system, and the choice of schoolbooks is largely inspired by what is used in the former colonial power.

The predominant position of the European language in the education and the ruling of the country means that only those who do master the western language can quickly climb the social ladder. For example, "transnational corporations may not force their local employees to speak the mother tongue of the corporation, but they may give priority in appointment and promotion to those who speak it. The employees of transnational corporations who want to be hired
Native languages are not really taken seriously although language is the most pre-eminent exponent of a people's identity. It is in the native language that the image of a people and its life-vision are rooted. As long as the position of the European language is dominant, an important part of the cultural and historical background of the indigenous developing countries is denied.

The legal system, most of the educational system, most governmental functions, and the commercial spheres tied to the colonial power were conducted in a European languages even after the independence of the Third World. Over time the European language became the language for 'modern' communication. The bulk of the world's scientific and technical research and publication is done in the West. Virtually all of the world's scientific publications emanate from the industrialised nations - the Third World uses scientific information but produces very little of it. The Third World must import its science - and often pays a high price for it.4

The key journals in professional and scholarly areas are also invariably published in the industrialised nations. In effect, the use of a European language in the educational system almost immediately creates a kind of caste system of those who know that language and can thereby qualify for prestigious and remunerative positions (Altbach 1987:29-40).

In contrast with the diffusion of the European languages, the indigenous languages of the Third World have become peripheral, even where they are officially a national language. Chakava (1992:138-41) describes the language situation in Kenya as follows: "Though English has not been used as the 'official' language since 1977, it enjoys a special advantage over other vernacular languages, including Kiswahili. Not only is it a compulsory teaching subject right from Standard One, but often used in official government correspondence and records, and its use is still seen as the language of the 'properly educated'. "

The major western nations, not surprisingly, have exercised their power in

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4 Some developing countries, especially NICs of East Asia, are partially exceptional.
their own interests and in order to maintain their dominance. They consciously seek to extend the influence of their languages throughout the world by means of educational programmes and foreign aid. The French, British, and Americans are especially active in this area.

One of the prominent situations after World War II was that English among European languages prominently emerged as the dominant world medium of communication of politics, education, commerce, tourism, conference and multiple mass media including books. The great majority of scientific advances after the Second World War have developed in the English-speaking world. A comparison of the Nobel prize awards prior to World War II and the comparable post-war period in the scientific disciplines: physics, chemistry, physiology or medicine, and also economic science awarded since 1969, shows the enormous shift to English as can be seen in (table 5.2)

<table>
<thead>
<tr>
<th>(Table 5.2) Nobel Prize Awards in Scientific Disciplines</th>
<th>1901-1939</th>
<th>1946-1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>English-speaking countries*</td>
<td>38</td>
<td>213</td>
</tr>
<tr>
<td>Non-English-speaking nations</td>
<td>89</td>
<td>93</td>
</tr>
</tbody>
</table>

*It contains USA, Great Britain, Canada, Australia, Ireland and South Africa. Among them Canadians are 5, Australian 3, Irish 1 and South African 1.

The widespread use of English in former British colonies and dominions and the overwhelming economic power of the English-speaking world in the first half of the century has laid the basis for this development, and it was the rapid expansion of education in Africa, the Caribbean and Asia in the post colonial period and the consequent need for European and Japanese businessmen to speak English if they were to expand their markets that put the seal on the global use of

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5 English is the first language of 350 million people and the second language of another 400 million, and it is the native language of twelve nations and the semi-official tongue of another thirty-three countries (Tsuda 1992).
6 In India, most of the bigger publishers primarily publish in English. At least 35 per cent of all the books published are in English in 1989/90, yet not much more than 2 per cent of the population speak the language (Singh 1992).
English.

The most important point is that English as a global language provides a global market. English-language publishers in the United States and Britain are provided with opportunities for rapid expansion all over the world. A large majority of the world's major scholarly journals and many academic books, the key means of knowledge distribution, are in English, and most of the rest are in the other three major international languages. (Mazrui 1975).

Even in Europe, scholars in countries such as the Netherlands, Sweden, and even West Germany frequently publish their work in English to achieve the maximum international exposure. And all the prominent Western European publishing houses use English as an international language. The Dutch Elsevier Scientific Publishing Company, which is one of the most financially successful publishing firms in the world, issues more than 200 scientific and scholarly journals and 300 new book titles per year in the English language. In Denmark the Munksgaard firm has won a reputation for its books and journals on medicine in English as well. Springer and Thieme, two leading German publishers, each with a profitable and large backlist of German publishing, are now turning increasingly to English for a world market (Russak 1976:106-7).

Obviously, the speakers of English greatly benefit from such a linguistic situation, whereas the people whose mother tongue is not English are disadvantaged, excommunicated, and even discriminated against. As Tsuda (1992) describes the Japanese worship and admiration of English as 'cultural rape', the influence of English as the only international language is so powerful. This 'linguistic imperialism' exerted its power during the Gulf War; the American-based CNN monopolised the flow of information and reporting of the war. Even Iraqis were also forced to speak in English when they were interviewed by English-speaking CNN reporters.

7 A Czech chemist, Novobilsky, reported on an international chemistry conference where American scientists dominated the lecture and question-and-answer sessions, and got their ideas accepted mainly due to their greater mastery of English. George A. Maul, editor of a scientific journal, gives an account of his experience of rejecting a paper written by a non-English scholar for the reason that the English was not good enough. He admits, "we are guilty of language discrimination whenever a communications barrier favouring a particular national language is constructed" (cited in Tsuda 1992:33)
Most of the world's translations are from the Major European languages into other, more 'local' languages. For example, of a total of 57,374 titles translated in 1985, 44,201 were originally written in just four languages - English (with close to half of the world's total), Russian, French, and German. They indicate that the flow of knowledge and information is almost exclusively one-way - from the industrialised nations to the Third World and that creative and scientific work done in Third World languages seldom reaches an international audience.

(Table 5.3) Translations by Major Languages

<table>
<thead>
<tr>
<th>Language</th>
<th>1975</th>
<th>1980</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>19,020</td>
<td>22,416</td>
<td>26,690</td>
</tr>
<tr>
<td>French</td>
<td>5,297</td>
<td>5,972</td>
<td>6,327</td>
</tr>
<tr>
<td>German</td>
<td>4,338</td>
<td>4,823</td>
<td>4,847</td>
</tr>
<tr>
<td>Russian</td>
<td>6,563</td>
<td>6,450</td>
<td>6,337</td>
</tr>
<tr>
<td>Italian</td>
<td>1,045</td>
<td>1,447</td>
<td>1,581</td>
</tr>
<tr>
<td>Scandinavian</td>
<td>1,779</td>
<td>2,236</td>
<td>1,675</td>
</tr>
<tr>
<td>Spanish</td>
<td>935</td>
<td>851</td>
<td>828</td>
</tr>
<tr>
<td>Classics</td>
<td>921</td>
<td>985</td>
<td>896</td>
</tr>
<tr>
<td>Arabic</td>
<td>192</td>
<td>230</td>
<td>233</td>
</tr>
<tr>
<td>Japanese</td>
<td>111</td>
<td>199</td>
<td>254</td>
</tr>
<tr>
<td>Chinese</td>
<td>209</td>
<td>187</td>
<td>161</td>
</tr>
<tr>
<td>Other languages</td>
<td>7,364</td>
<td>7,331</td>
<td>7,545</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47,775</td>
<td>53,167</td>
<td>57,374</td>
</tr>
</tbody>
</table>


Expatriate finns, nowadays, no longer monopolise publishing business and book sales in Third World countries as they have confronted autonomous publishing policies in most developing nations. However, they still have a powerful influence overseas as long as they dominate the language. Language teaching itself is also big business to maintain the dominance. Many foreign language learners learned English in childhood through books and tape records imported from America or England. Furthermore, language teaching is subsidised by the government in economically powerful (especially European)
countries. There are branches of the 'British Council', 'Alliance Française', 'Goethe Institut' in major cities where people can learn English, French or German at relatively low costs.

The dependency on the language is also deeply derived from internal conditions. Ruling elites find it useful to continue to use European languages in part because these languages help to maintain their monopoly over power. Those who command a European language are able to enter the professional sector and the modern business world; those who lack a European language are barred from many positions with the potential of upward mobility.

Third World nations find it difficult to displace Western languages because the colonial medium permeates the modern social structure, from the legal system and administration to the operation of the military and the writing of poetry.

The dependency of language of the developing countries must be a lasting problem for their autonomous development in publishing.

5.4 International Copyright

5.4.1 The History of Copyright

As Ploman and Hamilton (1980) point out, nascent aspects of copyright existed in ancient Greece, in the Talmudic principles of ancient Jewish law, and in the Roman publishing system. For instance, the oral poetry of ancient Greece, including the Homeric poems, was developed and recited by Muses who today remain anonymous (Thomas 1989), for reasons rooted in both the nature of oral cultures and the organisation of artistic and literary production.

Modern conceptions of copyright stem from particular political and socio-economic circumstances. When seeking the modern development of copyright, Venice is generally mentioned, as this city is well-known not only as a centre of commerce, banking and finance but also as the earlier city in Italy - and
practically the first in Europe - in which the business of printing and publishing became important. When John of Speyer brought the printing press to Venice in 1469, the Venetian Collegio granted him an exclusive printing privilege for a five-year term. Similar laws regulating the printing and publishing trade became common in many European countries by the beginning of the sixteenth century. Such grants of exclusivity by the state, first appearing in fifteenth-century Venice, "were the precursor and the foundation of the later system of copyright" (Putnam 1962:486).

Eisenstein (1979) concludes that the granting of these privileges to printers forced governments to begin to define what belonged in the public domain and what areas of literary creativity could be appropriated for private use and profit. This brings us to the essential connection between intellectual property rights and capitalism. Thus, the emergence of copyright is closely linked to the dawn of capitalism and the development of the printing press (Bettig 1992:131-2).

The demand for copyright, or exclusive right to publish, seems to have enlarged among Italian publishers, particularly in Milan: as early as 1481 the publisher Andrea de Bosiis was granted a privilege for Jean Simoneta's Sforziade which he had printed by Antonio Zarotti. Soon, similar privileges were regularly issued by the Venetian Senate. By the early 16th century they were accorded in France. This privilege could at first be conferred either by the King, or by Parliament, or even by local courts. In Germany, both the Emperor and local authorities had the right to grant the privilege (Febvre & Martin 1976:240-41).

On the other hand, most printers and publishers were hurt by the great monopolists and protested vehemently. However, the system of according privileges, even when these were only granted for individual works, made it possible to advantage a particular publisher at the expense of the others.

In England, as is well-known, Philip and Mary granted a charter for the incorporation of the Stationers Company in 1557, giving it a firm monopoly over printing and publishing for the next 150 years. This exclusive printing patent was the spring of copyright in England. And copyright laws emerged with censorship out of the trade practices of this monopoly (Feather 1988; Bettig 1992).

The initial copyright law was the 1710 Act. The essential point of 1710 Copyright Act was that from 10 April 1710, all existing copies were confirmed to
their present owners for a period of 21 years, and all new copies after that date were protected for 14 years with the possibility of a further fourteen thereafter. In both cases, while British law protected the economic rights of Company members, nothing in it referred to the protection of authors' rights in their creative works. Furthermore, since only licensed printers and booksellers could legally make copies, authors were in a weak position to bargain when seeking publication of their works. In other words, the Act was a booksellers' act not an authors' act, and it seemed to represent precisely what the copy-owners were seeking (Feather 1988; 1980).

The 1710 Act was "essentially a measure granted by Parliament under pressure from a commercial group who were able to exercise enough influence to achieve a specific objective for their own purposes" (Feather 1988:84). In the long run, the state's role in establishing and enforcing intellectual property rights seems essential for a capitalist-based publishing industry.

On the continent the recognition of authors' rights was delayed longer. Booksellers continued to buy manuscripts outright and thereby claim copyright. However, manuscript prices seem to have risen during the 18th century. In the second half of the century the publishers of Leipzig, in Germany, sometimes paid large sums for a manuscript. J. J. Rousseau had 500 francs for his *Discours sur l'inegalite*, 600 for his *Lettre a d'Alembert*, and 6,000 for the Emile. Buffon made more than 15,000 francs for each volume of his Histoire Naturelle. This was despite the fact that he incurred heavy costs for the plate making which was done at his own expense. From 1770, however, even the second rank of

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8 "From the 17th century, publishers sometimes undertook not to put out a second impression without the author's consent, which was naturally not obtained without a further payment. When Milton sold the manuscript of *Paradise Lost* on 27th April, 1667 for £5 to Samuel Simmons, he was promised another £5 by Simmons if the first edition of 1,300 copies sold out, and the same sum was to be given to him when the second and third editions, should they be printed, sold out. An Act of Queen Anne in 1710 tried to regularise this procedure, the author who was required to register his work in the Stationers' Register to secure his rights and so retain control over the publication and sale of his work for 14 years, and for a further 14 years if he was still alive at the expire of the first period. English authors from that date began to receive, on occasion, sizeable sums from their publishers" (Febvre & Martin 1976:163).
authors were earning higher rewards (Febvre & Martin 1976:163-64).

By the middle of the nineteenth century, more complex arrangements, often more beneficial to the author, were becoming more common. There were two important strands of development in copyright law in the nineteenth century, one in the domestic sphere and the other concerned with protection abroad.

In 1814, a new Copyright Act specially acknowledged the rights of authors for the first time. The term of copyright, fixed at 14 years with the possibility of a 14-year renewal since 1710, was extended to 28 years or the life of the author, whichever was the longer. This was an important advance, for it was the first time that the law had made a specific connection between the life span of the author and that of the copyright in his works (Parsons 1974). It was an important principle which was extended further when the Copyright Act of 1842 gave protection for 42 years or until seven years after the author's death, whichever was the longer. This represented a significant improvement in the position of the author, for the protection was now not only for himself but also for his family after his death.

The import of foreign reprints into Britain was becoming a major problem for authors and publishers alike in the second quarter of the nineteenth century. After Waterloo, English books, and especially English novels, became something of a fashion on the continent, and continental publishers were quick to exploit the market. But when trade with France restarted in 1815 a new difficulty emerged as the French reprints began to be imported into England in large quantities. In 1838, Parliament reacted by passing the first International Copyright Act, which made it possible to reach reciprocal agreement with foreign states on copyright protection (Nowell-Smith 1968).

The provisions of the 1842 Act were also extended to British dominions overseas. Colonial reprints of books copyright in the United Kingdom, and also the import into either the United Kingdom or the colonies of any foreign reprint of a British copyright book was forbidden (Barnes 1974:116-37).

The American attitude toward copyright is, in many ways, a classic example of how copyright has been flouted - and used - in the process of developing an independent literature, culture, and publishing infrastructure. The United States in the nineteenth century was very much a developing country and
looked to Europe for cultural and intellectual cues. "The first American copyright act, passed in 1790, specifically permitted pirating of foreign published works" (Patterson 1978:197). The general thrust of the 1790 Act was that copyright was considered a privilege and not a right and therefore could be significantly restricted. America's printing and publishing industries had in many ways benefited significantly from a system that depended on freedom to publish without payment, the unprotected works of foreign authors. The American printing and publishing industry flourish due to the ability to freely print foreign works and sell them in the United States. No permission was obtained from the overseas authors nor any royalties paid. Some of America's best-known publishers developed by imaginatively obtaining copies of popular works of fiction in England and quickly printing them in the United States. A significant development was when the United States began to offer copyright protection to foreign authors and began, slowly, to participate in international copyright activities. In the American copyright law a 'manufacturing clause' was retained that demanded that books by American authors be printed in the United States in order to enjoy American copyright protection (see Tebbel 1975 Vol. 2).

It is quite clear that the United States used copyright for its own purposes and that, from the European point of view in the nineteenth century, the Americans were the worst pirates in the world (Feather 1988:150-56; Altbach 1987:91).

At last, the European countries had taken an important step towards the general regulation of international copyright. In 1887, many of them had signed the Berne Convention which essentially followed the principles established in the Anglo-Prussian agreement forty years earlier. Briefly, the Berne Convention states that a book which is copyright in any signatory state is also copyright in all the other signatory states under exactly the same conditions (except legal deposit) as a book first published in that country. It is on this basis that international copyright law now rests, and it ensures that authors receive a fair income from foreign reprints and transnationals of their works (Feather 1988: 169-79).

In short, the appearance of copyright is strongly related to the development of capitalism. Copyright functions in a market-oriented system where
intellectual goods can be bought and sold and are assigned a monetary value. Internally copyright was also very much linked to the laws of press control and censorship, and it functioned for more than 150 years as a means of maintaining a monopoly in the book trade.

5.4.2 International Copyright and the Third World

It is natural that the creator of an intellectual work should benefit from the fruits of his or her labour; thus royalties function as the intellectual worker's salary. The copyright system is also taken to ensure that the cost of remuneration to the originator of a work is equitably shared by the ultimate users, such as the purchasers of books and records or the paying customers of the theatre, concert hall, or cinema. At the same time, copyright is essential to foster science and development by providing incentives to producers to apply ideas to create new products.

From this viewpoint, copyright is used to reconcile the partly shared, partly contradictory interests of authors who give expression to ideas, publishers who disseminate ideas, and members of the public who use the ideas, and as such is expected to regulate the economic and social relations between different interest groups in society. It is a legal mechanism for ordering socio-economic and cultural life and a method to link the world of ideas to the world of commerce (Ploman 1985:25).

Seen from another angle, copyright is criticised as a 'monopoly' or privilege in which protection of the author should be granted only to the bare extent necessary. Except for famous creators, moreover, the author is often in a weak negotiating position with publishers or other users of the work and would

9 Intellectual property can be divided into two main categories, namely industrial property and copyrights. Industrial property includes inventions, trademarks and industrial designs. Copyright may be granted to literary, musical, artistic, photographic and cinematographic works, maps and technical drawings. Many copyright laws also protect works, maps and technical drawings.
thus benefit only imperfectly from the results of his or her intellectual labour. Carried to its furthest extreme, this position is against copyright on the grounds that it inhibits the free flow of ideas by cutting off automatic access to ideas and by raising the price of knowledge.¹⁰

The controversy between two poles of opinion on copyright has grown more complex in the past few decades as copyright has been applied to non-book products such as computer programs. However, the point of this chapter is mainly focused on the international implications of copyright in books.

Knowledge is increasingly an international commodity that knows no boundaries. International copyright necessarily has an impact on how knowledge is distributed, on who controls it, and on the development of the publishing industry. Copyright has often divided publishers in the Third World and in the industrialised nations, but basic interests and concerns differ significantly.

As mentioned above, the international copyright apparatus¹¹ was established and has been controlled by the industrialised nations. An international conference was called that resulted in the International Convention for the Protection of Literary and Artistic Works, popularly known as the Berne Convention, in 1886. The Berne Convention is administered by the World Intellectual Property Organisation (WIPO), which reflects the Western European concept of copyright and was developed to protect interests of the European nations as publishing and printing became major industries as a result of the

¹⁰ One of the classic anti-copyright statements is Thomas Macaulay's comment that copyright is "a tax on readers for the purpose of giving a bounty to writers" (cited in Altbach 1987:67).

¹¹ There is a generally different aspect of copyright between the Berne Convention and the Universal Copyright Convention (UCC). The former stresses the moral right of the individual to his or her intellectual property and his or her essential control over that property, be it a work of art, an invention, or a book. Therefore, it can be summarised as copyright as a natural right or inherent moral right of the individual. The latter holds that copyright is intended to stimulate creativity and invention, and that it is a privilege that is granted to individuals for the benefit of society. Therefore, it can be summarised as a commercial view of copyright and, in general, a way of encouraging intellectual creativity.
industrial revolution and the rise of mass literacy and public education.

The United States did not officially join in any of the existing international copyright conventions until the UCC was established in 1952 (Ploman & Hamilton 1980:57-61; Olian 1974:84-6), and the UCC was in fact set up largely to bring the United States and most Latin American countries which followed the American lead into the fold of international treaties. As American copyright law traditionally has offered significantly less protection to copyright holders than European rules, the UCC similarly is less inclusive than the Berne Convention, although both treaties provide basic rights of copyright, and many countries are members of both the Berne Convention and UCC.

In spite of slightly different aspects of the function, the two international copyright apparatuses have traditionally worked against the Third World. Both have made it difficult for Third World nations to reprint books that are needed in these areas and do not take into account the financial hardship of the Third World. Developing countries simply have to endure the costs. This situation is in the process of changing with the gradual introduction of liberalised policies, but the international agreements are still dominated by the industrialised nations (Olian 1974; Breyer 1970).

For the Third World nations which have suffered from the lack of accumulated knowledge or information, scientific journals and books published in the West are the most useful materials. Therefore, they use knowledge from abroad and are generally dependent on foreign books. However, the notion of 'the free flow of information' does not mean 'the free use of the information'. And the phrase 'the free flow of books' has come to mean that publishers from developed countries should be free to export their books to the developing world but that they have no obligation to ensure a reverse flow. 'the free flow of books' has very little meaning for them beyond not setting up barriers against the import of books from developed nations because the Third World has to pay fees or royalties under the control of the international copyright law to utilise western books.

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12 Textbooks are considered somewhat exempt from rigid copyright protection because of their importance to Third World educational development.
In the long run, the flow of knowledge and information remains very one-sided. And what is particularly important in the context of Third World concerns about copyright is the basic question of who controls knowledge and what these controls mean. Copyright, in many respects, works to the advantage of the 'haves' over the 'have-nots' in terms of knowledge. The control over the flow of knowledge rests with the industrial countries.

*The international copyright laws are, in a sense, the OPEC of knowledge distribution. They control commerce and have a role in regulating prices. Unlike OPEC, it has representation of all countries that sign the treaty but in fact it is controlled by the major knowledge producing countries (Altbach 1993:21).*

As can be seen in (table 5.3), translations into European languages such as English, French, German, Russian reached more than 80 percent. This figure testifies that the flow of the knowledge and information flow from the West to developing countries, and the royalties to translate are one of the biggest obstacles for the development of the publishing industry in Third World countries.

Under the circumstances, the issue of the uneven dissemination and use of information has been raised largely in Third World discussions and has stimulated the controversial debates in UNESCO and elsewhere on the "New World Information Order". In these debates, issues of equity, control over the means of dissemination, and related matters are raised (Tomlinson 1991:14-18). In 1966 the General Conference of UNESCO also concluded that "the conventions at present governing international relations in the matter of copyright should be partially revised to take account of the economic, social and cultural conditions obtaining in the developing countries". The demands for access to protected works for teaching, study, and research were the main issues made by these countries.

The Stockholm conference of 1967 and the follow-up Paris meetings in 1971, where Third World nations demanded significant alterations in the copyright system to protect their interests. They stressed a loosening of
copyright protection in the interest of equity in knowledge distribution and as a means of permitting relatively speedy reprinting and translation of books related to education and scientific development.

The Third World countries were attempting to loosen copyright protection for books in the field of education and science by introducing a mechanism of compulsory licensing that would permit Third World publishers to reprint or translate material after a period of time since original publication had elapsed and after efforts had been made to contact the original publisher and obtain permission to reprint, without necessarily having that permission in hand. They were also forcing a debate about the meaning of copyright in the context of North-South inequalities and in the face of domination of the copyright system by the major industrial nations.

While it is now possible under established procedures for Third World nations to obtain compulsory licenses to reprint or translate text and educational books, there are still significant limitations that reflect compromises between the industrialised book-producing nations and the Third World consuming countries. For example, "it generally takes at least three years for a compulsory license to be available for publication in English, French, or Spanish. Those in less universal languages require only one year. Each license is issued only for the country in which it is to be used, and the books are not supposed to be exported" (Altbach 1987:95).

In the processes of the debate, Third World countries loosened copyright protection and obtained a mechanism of 'compulsory licensing'. However, the industrialised nations compelled non-members of the copyright apparatus to join. Almost all Asian nations, such as Singapore, Taiwan, South Korea, Indonesia and Malaysia have joined the international copyright system and enforced existing domestic laws since the mid-1980s. China was the last major country to implement a copyright law and adhere to international treaties when it joined the two international copyright conventions.

P. Altbach (1992/1993) explains two main reasons why copyright has conquered Asia. One is a realisation in Asia that in order to participate fully in international trade and to deal in high-tech goods and high-tech ideas, copyright is
a useful and indeed necessary element - copyright is the main means of controlling and regulating the flow of knowledge products of all kinds. The other is that severe pressure has been brought to bear by the US and Britain to enforce copyright, trademark and patent rules. Trade sanctions have been threatened and copyright has been made a high-profile issue in international negotiation.

However, Asian countries remain dependent not only because the intellectual property system is controlled by the West but also because most of the major knowledge infrastructure is located in the West.

For a few years, Western industrial countries have been pressuring Third World countries to place the intellectual property issue under the umbrella of trade issues governed by the GATT. They have applied major pressure in terms of threats of trade sanctions and other penalties - they were more concerned with violations concerning films, computer software and trademarked consumer products than with books, but books were included as well (Stanberry 1991).

However, the current interpretation of copyright law primarily benefits neither the public nor the author, but the investor, in most cases transnational companies. And GATT is not just about 'free trade' but also about the control of knowledge. By privatising information resources and scientific data, the Uruguay Round is likely to establish and enforce strict safeguards over patents and intellectual property rights. In effect, this will allow transnational corporations to monopolise intellectual property. This is bound to affect the technical and industrial development of Third World countries deeply and could greatly damage their medical and pharmaceutical services as well as modern agricultural technology.

In the long run, international intellectual property protection laws simply perpetuate a system of economic imperialism which allows countries such as the United States to maintain a position of world dominance. And these laws ensure a measure of equality in the context of inequality. The owners of intellectual property must understand the problems of the users and not simply see their property as a source of profits.
5.5 New Technology and the Future of Publishing

The British Library, which is entitled to a free copy of every new book, is calling for the law to be extended to cover electronically published material. "Within 25 years, a quarter of the publications we now collect are likely to be published electronically," said library director Alice Prochaska (Observer 8 August, 1993).

Anthony Smith (1980b), in his book *Good-bye Gutenberg*, designates the computers which have now become a device for handling text in many forms as a third great turning point in information systems. The phrase 'information society' based on new technologies has been one of the prominent symbolic words to express the contemporary epoch, although it is becoming a hackneyed term.

Technology is seen both as a panacea, and as a key to unlocking cornucopia. There are unquestioned assumptions about automatic progress, and an incredible optimism about technology as a general solution to whatever problems one can identify - be they inflation, unemployment, social unrest, or Third World development.

A theme celebrating the arrival of an information society is an emphasis on the abundance, bounty and wealth that will be created by the economic exploitation of information (Stonier 1983; Dizard 1982). J. Maisonrouge (1984) also forecasts the coming ubiquity of information resources and argues that telecommunications and the computer are making information accessible to everyone. He associates the generalised availability and exploitation of information with generalised wealth - and more (31): "For information is not only power; it is also the raw material of truth, beauty, creativity, innovation, productivity, competitiveness and freedom".

The new technologies, according to F. Williams (1983), can overcome the

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13 According to him, writing is an artificial extension of memory, but libraries and filing systems are, in a sense, replacements for memory and depend upon mental tracking systems acquired by training.
tyranny of geography, and "modern communications are rapidly shrinking our world to distanceless dimensions so far as the communications environment is concerned. ... More than Marshall McLuhan's notion of uniting us into a 'global village', international communications networks allow us to participate in many villages simultaneously, and as temporarily as suits our needs. Unfettered by time and distance, a 'village' is now created when people, organisations, or nations come together for common communications purposes on the network (17-18). The problems of time and distance are electronically evaporated.

However, it is not about whether such technology will be good or bad for society. Rather, the point has to be focused on that those who control the production and use of information technology will shape it in ways that are good for some and destructive for others (Mosco 1982).

There is a lack of awareness of inequalities and disparities within the society. The realities of information access are far more complex than Maisonneuve allows for: inequalities with respect to information resources exist along class, gender, ethnic, regional and national lines. H. Schiller's works (1981; 1984; 1989) are noteworthy for attending to the political issues raised by the divisions between the 'information poor' and the 'information rich'. P. Golding and G. Murdock have also raised serious questions about access to information resources along class and income lines. Their argument is that choice in the information society is dependent upon ability to pay; they detect "a general withering of public information and leisure provision coupled with a tendency to increase the charges for remaining services, making access to them increasingly a function of ability to pay" (Golding and Murdock 1986:75-6; see also Golding 1990).

Not only is the new machinery owned and operated by the upper class that already dominates the old and present technology, but it is in the service mainly of a particular portion of that class: monopoly and oligopoly capital. This means that new technology has been, and is being, folded into an existing industrial and economic fabric that is characterised by centralised control and high concentration. The competition for market shares that does take place is among a handful of giant transnational corporations.
It is from the industrialised nations and their transnational corporations that the transmission of communication technology to the Third World originates.

Too often we forget that the new information technologies were developed in, by and for highly advanced capitalist economies - that of the USA, Western Europe, and Japan. It is to be expected, therefore, that these technologies are now being employed single-mindedly to serve market objectives. Control of the labour force, higher productivity, capture of world markets, and continued capital accumulation are the propelling influences under which the new information technologies are developed (Schiller 1985).

But, as Hamelink (1986) has observed, what usually gets transmitted to most parts of the Third World are the end products and services related to the technology. The kernel of the know-how, skills, and capacity to manufacture the equipment remains in the hands of a few industrialised countries and their TNCs.

Virtually all their communication hardware is imported either in closed packages or in parts for assembly by local subsidiaries of TNCs by most Third World countries. The heavy dependency on foreign resources for their communication technology by these countries is illustrated in the development of the electronic media and telecommunications infrastructure in the region (Boafo 1991).

The influence of the new technologies is not exceptional in publishing sector. The term 'electronic publishing' is very popular, and the ranges are getting expanded with the diffusion of the computer in publishing. Computers have already revolutionised production; they are changing the roles of author, compositor, and publisher; they are lowering the cost of entry into the industry. Most important, however, they have created new 'paperless' electronic media that compete with print media in ways that dwarf the impact on publishing of television, and they have altered our views of information and communication (Luey 1992).

Nowadays, the most popular electronic publishing is from the desktop
publishing, data-base using the modem, to CD-ROM (Compact Disc - Read Only Memory). Especially, desktop publishing and data-bases have revolutionised scientific publishing and have had an impact both in the industrialised nations and in some Third World nations.

As CD-ROM, the most important medium for the 'electronic' book, store computer data, they need to be connected via special disc drive to a microcomputer before the information stored on them can be accessed. The capacity of a CD-ROM is huge. A five inch single disc can hold about 650 megabytes of raw data, roughly the equivalent of 250,000 typed pages, the contents of about twenty large filing cabinets, or around 70 minutes of video.

The number of CD-ROMs commercially available has been steadily growing. By the end of 1989, the total world catalogue of public titles probably numbered about 500 titles. There are nearly 100 million microcomputers in America. About 50 US corporations or publishers are heavily involved in in-house CD-ROM production, with CD-ROM usage experiencing double digits growth in most vertical markets. Numbers of titles have also grown to 2,250 in 1990, the installed base consists of over 1.25 million drives and gross revenues have reached over 1.5 billion dollars (Littlejohn 1992).

_Grolier's Electronic Encyclopaedia disc is an interesting archetype because it so obviously parallels a printed book._ ... _The product is in fact an electronic version of Grolier's twenty volume American Academic Encyclopaedia, comprising the full text of the printed product: more than 30,000 entries and over 9 million words._ ... _The Grolier disc has become a CD-ROM 'best-seller'. It was published in 1986 and by the end of 1989 has sold over 7,000 copies, mainly in the United States (Feldman 1990:17)._

According to the Optical Publishing Association, in 1992 the installed base of computers with CD-ROM players stands at about three million, half a million of which are in homes in the UK. Moreover, the number of titles being published is closely matching the growth of machines to play them on. In January 1992, 1.1 million CD-ROM discs were pressed; in December the figure
had risen to 4.4 million, an increase of 300% (*The Bookseller* 28 May 1993).

Because CD-ROM has traditionally been regarded as a text-only medium, those products derived from printed counterparts usually only reproduce their textual content. This is now changing and CD-ROM is fast becoming a multimedia environment combining text with video quality images, text, sound and computer generated graphics.\(^\text{14}\) In the economic aspect, multimedia CD-ROM products turned over $27 million in the US and Europe in 1992; by 1997, sales will have rocketed to $6,824 million. These statistics, produced by UK market research company Ovum Ltd, forecast the explosion that is set to happen within the multimedia CD-ROM industry (*The Bookseller* 28 May 1993).

New technology in publishing brings a lot of advantages. Computer-assisted photo composition of text material has stimulated small-scale publishing and has lowered the cost of producing short-run publications and books in the West. This technology can also help the Third World, where printings for scholarly and educational materials may be small. In some fields in the medical sciences, journals have been linked up with computer networks to provide instantaneous communications, and this change has meant that journal users do not have to wait for the usual lag in publication.

Electronic publishing has affected the Third World publishing recently. The development of data bases, for example, has the potential for bringing the latest knowledge from world-wide sources to the Third World. The advent of CD-ROM provided an opportunity for developing countries to access large volumes of data at a level where it can be used by policy makers and researchers. The range and users of CD-ROM is getting enlarged in the Third World.

However, it is essential to have capital, multiple and accumulated technology to capitalise on the electronic publishing industry. And this industry is advantageous only to the larger transnational corporations. In the case of

\(^\text{14}\) Fastest onto the scene and storming into the literature came Warner Media's *<Desert Storm: The war in the Persian Gulf>*. A multimedia documentary, the disc contains more than 6,000 pages of text, 300 photographs (in colour and black-and white), and two hours of audio, representing all of *Time*‘s finished stories, correspondents' files, and schematic maps reporting the war with Iraq.
'hardware', two big computer companies, IBM and Apple, have grasped the market globally. The 'software' producers are also mostly major transnational publishers. When looking closely at the major flow of mergers and acquisitions of the publishing industry since the 1908s, this wave of consolidations has coincided with the introduction of a powerful relevant new technology - computer and CD-ROM. Large companies require large and relatively uniform markets, and the electronic book commodities are the most suitable ones. Because CD-ROM is, by definition, a discrete read-only medium, publishers especially transnational producers of CD-ROM may have a basis on which to defend copyright and other intellectual property rights in the stored information.

High tech products are accessible only to those who can afford computers and CD-ROM readers. This does not include poorer communities and institutions in the developed world, and it certainly excludes the developing world, much of which is not reliably electrified. It seems clear that new technologies are not a panacea for the Third World. While Third World nations need to use such new technologies including CD-ROM, they originated in the industrialised nations and are, with few exceptions, produced in them and controlled by interests in the North. The Third World is only a consumer of these innovations, generally on terms set by the industrialised nations. The innovations are generally expensive, and they are inevitably 'high tech', meaning that Third World nations do not have the infrastructure to manufacture these items and frequently have problems in assimilating them into the existing technologies.

Like all the other phenomena we have examined, technology will accelerate the publishing business unevenly. Its impact will depend on the publishing sector, the nature of the product, and the size and affluence of the market (Luey 1992:18).

In addition, for many countries where traditional composing and printing are well established, the new technologies may not make economic sense. In India, for example, the existence of relatively low wages combined with skills in the older technologies means that traditional composing and printing still makes
economic sense for a large part of the publishing industry.

In short, new technology and electronic publishing led by western industrialised countries has contributed to the reinforcement of the western centric structure in global publishing. Electronic publishing has recently furnished new markets and produced 'global' commodities. This market is naturally controlled by western-based transnational publishers. However, the developing countries are nothing but consumers that have to purchase and use them.

5.6 Conclusion

The international distribution of intellectual products including books has long been controlled by the western industrialised countries. In the case of publishing, there are fundamental structural factors which have contributed to the benefits of western countries.

Firstly, the educational systems of the developing countries introduced in the colonial period are still western in style. Textbook publishing in the developing nations is the most important part as long as textbooks stand at the heart of education. However, the text publishing market in the Third World is still dominated by powerful transnational publishing firms. More seriously, the contents of textbooks produced by multinationals have serious problems. The majority of the scientific and technical books and scholarly journals are also produced by western publishers. For example, a eurocentric perspective sometimes distorts history. In the developing countries, there has also been a tendency for textbooks to be developed and published by government agencies, which on the other hand has hampered the growth of the local autonomous publishing industry.

Secondly, European languages are still predominantly used in former colonial countries which influence publishing. English is the most powerful global language among them. Accordingly, English-language publishers have expanded the markets all over the world. Not surprisingly, major transnational
publishers mainly publish their works in English, and even foreign publishers issue English books. As long as western languages influence the social structure, from textbooks to administrative documents, the Third World is in a very difficult position to overcome the dependence of publishing.

Thirdly, it was through the western countries notion that international copyright was established and its law has been applied world-wide. Under the circumstances that most of the developing countries depend on information and knowledge from western publications, international copyright has become the apparatus to hinder the flow of knowledge from the west to the Third World. One very ironic thing in the GATT agreement was that the western countries, especially the United States, persisted with the free flow of trade, but the issue of the intellectual property was the only one to be controlled and limited against 'free' ideology.

The rapid development of new technology has changed the form of publishing from the production to the notion of the book itself. Computer-based publishing has reduced the length of the production process and lowered the cost. This has also helped the developing countries to shorten the time for receiving western information through the computer networks. However, only people who have an ability to pay can have access to this cornucopia. It is also the case that, new technology is created largely for western use, and the materials that are included do not fully reflect the needs of developing countries.

In short, we must overcome the structural impediments which have hindered autonomous publishing in the developing countries for a balanced development of a global intellectual system.
PART III: KOREAN PUBLISHING AS A CASE STUDY

Part III is about the analysis of Korean publishing as a case study, and consists of four chapters.

'Chapter six' overlooks the general features of Korean economy. The process of Korean economy has been the debatable issue over the few decades. More importantly, it is a prerequisite for the totalistic approach of the publishing industry to look into national economy.

'Chapter seven' is about the mass media industry in Korea. Media development in Korea, like other developing countries, is closely related with the nation-state and foreign countries, especially western TNCs. This chapter, therefore, will discuss the involvement of the state and overseas power in the mass media industry.

'Chapter eight' investigates the publishing industry in Korea. As education is very important factor in the development of Korea's book publishing, the process of education will be firstly explained. Following issues are on the economic development of the publishing industry and the influences of foreign transnational firms.

'Chapter nine' explores the results of the field survey. Interviews and questionnaires were performed as a field survey in Korea over five months. This chapter will explain the survey results which are the supplementary explanation of Korean publishing.
CHAPTER 6

KOREAN ECONOMY, STATE AND FOREIGN TRADE

6.1 Introduction

It is a well-known fact that Korea has achieved quite remarkable quantitative growth in the economy over the past three decades. Thus, Korea's rapid industrialisation has often been described as an 'economic miracle' or cited as a development success story. Korea's sustained growth since the early 1960s is due largely to the identification of, and adherence to, a growth strategy that was supreme for the country, namely, outward-, industry-, and growth-oriented (or 'OIG-oriented') strategy (Song 1990; Sunno 1989). Korea's economy has been export-driven since the early 1960s and much of its industrialisation geared to export to international markets.

With growth initially led by exports of light manufactures such as textiles, the diffusion of technology through transnationals and learning by Korean firms has resulted in a gradual upgrading of Korea's exports. The dimensions of the 'miracle' have been widely documented: GNP grew from US $2,103 million in 1961 to $61,203 million in 1980, $94,300 million in 1986 and $242.2 billion in 1992. GNP per capita expanded from $82 in 1961 to $1,605 in 1980, $2,274 in 1986 and $6,749 in 1992 (Hanguk Daily 26 March, 1993). Commodity exports
rose from $54.8 million in 1962 to $71.9 billion in 1991, making Korea one of the world's major trading partners. Korea has been placed in the 'upper-middle-income' economies by the World Bank (World Bank 1984). As a result of these successes, Korea has been categorised as one of the NICs.

Why, nevertheless, does Korea's economy show unstable process, while many less developed countries are anxious to learn from Korean experiences? Why is there so much student activism and labour unrest, even though their economic situations have improved impressively compared to those in other Third World countries? What is the role of foreign capital and influence in Korean economy?

The purpose of this chapter is to investigate the unequal development of the Korean economy, and how the state and foreign countries and TNCs have influenced the processes. This can hopefully provide some understanding of globalisation process and developments in the publishing industry in Korea. For this, the chronological development of the economy will be reviewed briefly.

6.2 Economic Development in Korea

6.2.1 Economic Overview Prior to 1961

The modern Korean commercial and industrial economy is overwhelmingly the consequence of imperial Japanese public and private initiative. Before the Japanese colonisation in 1910, Korea was almost entirely an agrarian country. During the colonial era of 1910 to 1945, the Korean economy experienced rapid structural transformation. The structural pattern of early development was largely determined by the Japanese colonial power.

1 Its average annual growth rate of GNP per capita between 1965 and 1990 was 7.1 per cent, making Korea the second fastest growing economy in the world (World Bank 1992).
pursuing an 'agriculture first' policy to ensure that Korea served as a supply base for foodstuffs.

Under the colonial rule, Japanese authority drastically suppressed the new shoots of the national economy. One of the most drastic measures taken right after annexation was the 'Corporation Law' (1911). "The law was designed to severely restrict investment in non-agricultural sectors, and to discourage even private Japanese capital inflow into these sectors in order to prevent the establishment of new industries in Korea that might compete with industries in Japan. Above all, the Corporation Law was used to discriminate against Korean business enterprises" (S. C. Suh 1978:9-10).

| (Table 6.1) Number of Firms and Percentage of Investment Capital by Nationality, 1919 |
|---------------------------------|-----------------|----------------|
| No. of Firms | Investment Capital |
| Japanese | 280 (76%) | 77% |
| Korean | 63 (17%) | 11% |
| Korean-Japanese Joint | 22 (7%) | 10% |
| American-Japanese Joint | 1 | 2% |
| Total | 366 (100%) | 100% |


In consequence, as can be seen in (table 6.1), only 17 per cent of corporations were owned by Koreans and they held only 11 per cent of invested capital. Even most factories owned by Koreans were characterised by minimum provisions of capital, and were simply an extended form of the traditional household industries which met the official definition of a factory in terms of the numbers of workers. According to Suh (1988:44-5), "The capital per factories of the Korean firms constituted 0.1 per cent of large Japanese factories and 6.7 per cent of small/medium Japanese factories. Also, 97 per cent of all Korean factories employed less than 49 workers. In terms of total capital, Korean industries made up only 5.3% of the total".

From the 1920s the colonial bureaucracy began to foster industrial expansion. Light manufacturing proliferated, primarily under Japanese auspices,
though the beginnings of important Korean business groups can be traced to the period as well (see Jones & SaKong 1980:27-8; Y. H. Shin 1980). The 1930s witnessed a rapid industrialisation in the Korean peninsula as a result of the external influences. First, in the wake of the world depression in 1929, the Japanese economy was seriously afflicted especially in the agricultural sector due to the over-supply of rice from Korea. In order to avoid further deterioration of Japanese agriculture, it was decided to shift to heavy-chemical industrialisation in Korea. Secondly and more importantly, Japan at that time was in urgent need of military expansion following the Manchurian incident of 1931-32, and thus selected Korea as a base for their military armament industry. During this period, the share of manufactures in net commodity-product grew from less than 4 per cent to over 20 per cent (SaKong 1993:1). However, the emergence of modern industries and the capitalist development could not be accelerated until national liberation in 1945.

Japanese colonial rule ended in 1945 with the conclusion of World War II. The nation's liberation in 1945 was marred by the partition of Korea into two parts, North and South. South Korea was occupied by U.S. military forces until 1948 when the government of the Republic of Korea was established. Korea's first republic was born on 15 August 1948 when Rhee Syng Man (1948-60) was elected through a general election under the U.S. military occupation. Rhee devoted his leadership energy primarily to solidifying the new nation and rehabilitating the Korean economy until he was ousted by the national student revolt in 1960.

However, Korea was in rather a chaotic situation. Economically, the partition had crippled the nation. The South was primarily agricultural while the North possessed most of the natural resources and the heavy industry established by the Japanese. For example, North Korea produced 90 per cent of the nation's electricity and accounted for almost 80 per cent of mining output. Between 80 and 90 per cent of chemicals and metal products were produced in the North.

The Korean War that followed (1950-53) was rather devastating. It destroyed almost two-thirds of the nation's productive capacity, and almost 1 million civilians were killed. "Total industrial production in 1953 was estimated
to be not much more than one-third of the production level of 1940" (SaKong 1993:1-2).

The war also resulted in limiting democracy in Korea. First, the existence of North Korea was used by the South Korean state to justify the suspension of political rights. Freedom of the press and freedom of expression were seen as jeopardising stability, and thus making Korea vulnerable to a North Korean invasion. Therefore, the political spectrum was severely restricted, excluding communism or socialism from any political discourse (Cumings 1989:5-32). Second, "during the aftermath of the Korean War, Korea became a recipient of U.S. military aid as part of the U.S. strategy to contain Communism. U.S. military aid supported incumbent political regimes, without serious regard to whether the regime was democratic or not" (Hamilton & Kim 1993:115). This became an unfortunate precedent which interrupted the political development of Korea.

The Korean economy began to recover gradually following the devastating war. During 1953-57, GNP in real terms grew at about 5 per cent per year. The most overwhelmingly important factor in the nation's economic development after the war, however, was foreign aid and loans, especially American aid through UNKRA and ICA, which were given for the purpose of post-war reconstruction. Because of Korea's strategic importance in the confrontation between the USA and the former USSR in East-Asia, the United States offered much economic and military assistance. According to Kreuger (1979:67), "from 1953 through 1962, economic assistance amounted to roughly $2 billion and military assistance to roughly $1 billion". The relatively high economic growth during 1953-57, however, was accomplished by rapid inflation. The wholesale price index increased at an average annual rate of 20 to 30 per cent for the period.

Although American assistance, whether as grants or loans, contributed to improve desperate local economic difficulties, it caused many problems. Especially under Rhee, "foreign aid fuelled the existing unproductive commercial capitalism by providing prebendal windfall profits to the politically privileged.

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2 Foreign aid financed 69 per cent of total imports from 1953 to 1962. It was equal to 77 per cent of total fixed capital formation and 8.1 per cent of GNP.
Chapter 6  Korean Economy, State and Foreign Trade

who were licensed to import commodities at often ridiculously undervalued exchange rates. These foreign goods encouraged the rich and the not-so-rich to consume luxuriously, rather than to save, invest, and otherwise stabilise the economy as the Americans assumed would happen if the Koreans were given the opportunity to accumulate wealth. Second, imports also competed with and discouraged domestic production" (Jacobs 1985:157-8).

In the long run, the growth of industries and thereby the economy as a whole was then based upon import substitutions, foreign assistance, and over-valued exchange rates. Access to foreign exchanges, the securing from the government of subsidies of various types, and quantitative restrictions on imports were the key determinants of business success during President Rhee's tenure. As most industries in Korea were consumer-goods industries such as food and textiles, import substitution took place mainly in these industries. By the early 1960s, the possibility of easy import substitution in these industries had almost been exhausted.

6.2.2 Application of the Growth Model (1961 - 1972)

A military coup by Park Chung Hee marked a completely different turning point for Korea economically and politically: the Park regime saw in economic development a source of the political legitimation and popular consensus for the new regime. The government adopted the growth model\(^3\) and began to grow fast in the direction of the capitalism and its integration into the world economy, and under the strict supervision of the state. Because of the economic crisis, the emphasis on economic development was well accepted by most of the populace.

\(^3\) "The growth model takes a totally different and more elaborate view of development. It equates development with a high and sustainable GNP growth rate generated by capital investments. Two strategies are generally followed: earlier in development import-substitution industrialisation is adopted, with further integration of the economy in the world market an export-promotion industrialisation becomes preferable" (Amirahmadi 1989:169-70).
The government began its drive for industrialisation with import substitution, which resulted in a rapid growth in production as entrepreneurs moved to take advantage of very attractive conditions with low risks. Also, given the high levels of protection, there was no problem with overseas competition.

The pattern of Korean industrial development has been very heavily influenced by dependence on imports, imports of both intermediate inputs (including raw materials) and capital goods. ... The rapid growth of imports and the increased dependence on them were strongly reflected in the results of the model. There is nothing unusual, for underdeveloped and developed countries, in being heavily dependent on imports, but its significance in the process of Korean industrialisation has been largely ignored (Hamilton 1986:119).

The most fundamental and important policy for the national economy in the 1960s was the adoption of the 'export-oriented industrialisation' (EOI) strategy. That is to say, the new outward-looking strategy adopted a "growth first, redistribution later" approach to economic development which has remained largely unchanged ever since. Initially, the government focused on labour-intensive and light industries.

However, the massive investment since 1962 resulted in a shortage of foreign exchange and widened the balance of payments crisis. When General Park announced the continuance of military rule for four more years from 16 March, 1963, the United States immediately announced that a request for $25 million in economic aid to assist the Five Year Economic Plan was being denied by the United States. The major purpose of foreign aid has been to block state-capitalist tendencies and to encourage a form of integration into the capitalist world economy that prepares the way for penetration by international capital.

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4 The year 1963 was named the 'Year of Export', and all the mass media were mobilised to propagate the export-first policy. 'Exportism' became an everyday word among the Korean populace thereafter.

5 The first five year economic plan stressed deepening of import substitution industrialisation to achieve an integrated industrial structure.
(Wood 1980). With the success of the Five Year Economic Plan in jeopardy, Park yielded to American demands.

Park also normalised the Korean-Japan relations in terms of a new source of investment funds, foreign loans, technology import, and trade partner. Park's regime believed that the export-oriented industrialisation strategy could be fully established with the normalisation of relations with Japan. After the normalisation, Japan became a major partner in Korea's economic relations. Exports increased to 25.1 per cent in 1965 and 28.1 per cent in 1970. Imports increased to 35.9 per cent in 1965 to 40.8 per cent in 1970. "Technology imports from Japan constituted as high as 71 per cent in number of items and 49 per cent in payments as of 1970" (Suh 1988: 132).

The EO! strategy became a turning point toward big business oriented-policies when the big businesses were chosen as a leading group in the export-oriented strategy. Based on this policy orientation, big businesses emerged as monopoly firms from the onset of the 1960s. About 40 firms monopolised all industries in the 1960s in Korea: "Government policy has tended to encourage the rise of large conglomerates, since access to foreign borrowing has been provided to those entrepreneurs who have shown the capacity to produce and to export" (Jones and SaKong 1980: xxxii). Furthermore, larger enterprises have a competitive advantage over small ones in the world market. The other state policies following the establishment of the EO! strategy were nothing more than supplementary or deepening measures of the EO!

Exporters were exempted from numerous import restrictions and enjoyed access to inputs at world market prices. The government also provided certain public goods, such as market information and infrastructure, which enhanced profitability (Details will follow in section 6.3.2).

On the other hand, in order to increase a competitive edge in the world export market, other social classes' interests were subordinated to the interests of

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6 Park Chung Hee, who was himself an elite product of the colonial military system, was personally fluent in Japanese and deeply influenced both intellectually and emotionally by his training during Japan's period of military-industrial supremacy.
the capitalist class. As a result, the coalition between government and the capitalist class was formed as a unified fraction of the society in this period.

6.2.3 Big Push for the Heavy and Chemical Industries (1973 - 1979)

The Yushin regime\(^7\) came into being in October 1972 using the national security crisis brought about by the turmoil of superpower's power game as justification (Park referred to Taiwan's exclusion from the UN and replacement by China) and the perceived threat of a North Korean invasion. The Yushin system gave President Park, who called it "Korean-style democracy", sweeping powers to rule the state. It gave him the power to dissolve the National Assembly. It also declared that neither court actions nor any objection could be raised against the special declarations issued by the president (Mason et al. 1980).

To justify this 'coup-in-office', he pushed more strongly the EOI strategy for escalation of a economic development. For this, the Heavy and Chemical Industry Plan (HCIP), announced publicly in early 1973, was the direct result of an executive initiative (Haggard 1990; Balassa 1977).

The heavy and chemical industrialisation projects were designed for export-oriented production, shifting from labour-intensive to capital-and technology-intensive industries. It was natural that big businesses were given priority for participation because the heavy and chemical industrialisation required huge amounts of capital and highly advanced technology, unlike the light industry based on labour-intensive production.

The government gave the heavy and chemical industrialisation special benefits through tax exemption or reduction and tariff reduction. In 1978, this sector received a reduction of 40.1 per cent of corporation tax, while light industries, only 8 per cent.

\(^7\) Many authors see the establishment of Park's Yusin government, which created a more authoritarian regime in the early 1970's, as the start of a formal bureaucratic-authoritarian system they claim is not altogether different from what Guillermo O'Donnell (1973) has described for Brazil (Lim H. C. 1985:51; Cumings 1989; Han S. J. 1987:365; Im H. B. 1987:239; Woo 1991).
(Table 6.2) Percentage Distribution of Exports by Industry (1962-84)

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary Product</th>
<th>Light Industry</th>
<th>HCIP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>79.3</td>
<td>15.2</td>
<td>5.5</td>
</tr>
<tr>
<td>1971</td>
<td>13.7</td>
<td>72.1</td>
<td>14.2</td>
</tr>
<tr>
<td>1976</td>
<td>11.8</td>
<td>58.8</td>
<td>29.1</td>
</tr>
<tr>
<td>1981</td>
<td>9.7</td>
<td>47.6</td>
<td>42.7</td>
</tr>
<tr>
<td>1984</td>
<td>8.8</td>
<td>38.0</td>
<td>53.2</td>
</tr>
</tbody>
</table>

*: Heavy and chemical industrialisation product.
Source: Office of Tariff, various issues.

As a result, the share of heavy and chemical industrialisation products in exports increased from 5.5 per cent in 1962 to 29.1 per cent in 1976 and 53.2 per cent in 1984 as can be seen in (table 6.2).

However, the big push of the heavy and chemical industrialisation created a fatal pressure on the Park regime. Economically, this policy caused a deep recession in the Korean economy and many small-medium firms went bankrupt or became ineffective firms in the early 1980s. The growth rate which had been constantly high since 1962, hit the lowest rate, -5.7 per cent in 1980. Because of the forced capital formation for the heavy and chemical industrialisation, the aggravated income inequality and the illegitimacy of the Yushin system, the Park regime faced increasing opposition from both intellectuals and the working class in spite of the rapid economic development in the late 1970s, especially in 1978 the year of the highest boom in the history of Korean history of Korean economy, and finally collapsed with the assassination of President Park in October 1979. The state intervention in the heavy and chemical industrialisation strategy revealed the typical contradictions of interventionist states in the Third World countries.

Another most salient symbol of the export-oriented development strategy in the 1970s in Korea was the so-called "the General Trading Company System". Due to oil shock-related stagflation of the fall of 1973, the government made a
decision to establish general trading companies when major export enterprises such as Samsung and Daewoo strongly recommended the establishment of the efficient general trading company system, similar to Japan and Taiwan (Hanguk Daily 1 Jan., 1983).

In advanced countries, except for Japan, the governments enact anti-monopoly laws and prevent such business concentration. In Korea, however, the government heavily encouraged the business concentration in the world export market. The government provided lavish support and incentives to the general trading companies to maximise quantitative growth of exports: "Under this incentive system, it is taken for granted that the performance of the general trading companies in export was remarkably increased. Exports increased from 13.3 % in 1975 to 48.2 % in 1982, which means about half of the Korean exports are achieved by the 10 general trading companies" (Suh 1988:141).

Because of the competition system to obtain the top position, the general trading companies merged as many firms as possible. The total number of firms, that is, the number of subsidiary firms of the 10 general trading companies, rapidly increased from 109 in 1974 to 248 in 1978. As of 1981, the top nine firms with general trading companies owned 481 such firms (Suh 1988:141).

In the long run, two mechanisms, heavy and chemical industrialisation and the general trading company system, have had the most decisive role to accelerate the concentration of the Korean economy by the larger firms since the 1980s.

6.2.4 Mixed Blessings in the 1980s

The year of 1980 may be taken to mark another decisive point for Korea's economic policy: the newly established Chun regime (1980-88) has implemented more orthodox economic policies, emphasising the liberalisation and privatisation of the economy.8

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8 The government intervention hampered the development of financial markets and brought about less than optimum allocation of funds as the economy grew and
Chun lacked legitimacy when he became president in 1980, since he became President through a military coup. Earning public support thus became an important task for Chun. In order to demonstrate that he would be a different and better President than Park, he adopted an economic policy distinct from the growth-oriented strategies of the past. "The new economic policy, that is economic privatisation, included reprioritising industrial policies, changes in industrial policies from developmental to regulatory, and greater openness to direct foreign investment and imports" (Hamilton & Kim 1993:116).

The Monopoly Regulation and Fair Trade Law was announced on 31 December 1980, and became effective on 1 April of the following year. In addition, developmental policies were restricted as policy loans, which were used actively to encourage private enterprises to enter certain industries, but were nearly abolished in the early 1980s. In 1981, the Ministry of Finance began to privatise the several domestic banks, which had previously been state-owned. The Ministry of Commerce and Industry, which was on the front line dealing with the private sector, experienced the most drastic changes in the 1980s.

During the early 1980s inflation was successfully brought under control, and stable growth was achieved. But political pressure against the opposition leader, student movement, and labour union was as strong as during the Park regime. Especially, from 1986 the Korean economy was firing on all cylinders at least in the short term: GNP expanded 12.9 per cent, consumer prices rose only 2.8 per cent. Korea for the first time in its history attained a substantial current account surplus, moving from a deficit of $1.4 billion in 1984 to a surplus of $6.3 billion in 1987 and $14.2 billion in 1988 (Economic Planning Board 1988:205). Foreign borrowings, which peaked at nearly $47 billion at the end of 1985, were cut to $42.5 billion. In addition Korea has been busy trying to keep its trade surplus with the U.S. at around $7 to $9 billion a year to avoid drastic protectionist measures.

became more complex. Compared with the real sector of the economy, the volume of financial sectors and the transaction level of financial intermediaries were too low. In the 1970s, because the financial sector was underdeveloped, it could not channel savings into investment efficiently.
The manufacturing sector's efficiency and competitive capacity has made
the IMF urge Korea to revalue its won in order to slow down its manufacturing
exports. "But despite a 9% appreciation of the won against the U.S. $ and a
widespread labour strike which increased wages by up to 20 per cent, in 1987
Korea's top listed companies were able to boost sales by an average of 16 per cent
and net profits by 34 per cent due to a boom in exports" (Irwan 1989:409).

It was actually fortunate for the Korean economy during 1986-87 that
world markets were generally favourable to the continued growth of the GNP.
The main reasons were 'three lows': low interest rates, low oil prices, and the low
value of the won. Low interest rates were advantageous because much
industrialisation had been financed with borrowed funds, and the resulting foreign
debt reportedly equalled half the amount of the GNP (World Bank 1988:4). Low oil prices benefited the economy because Korea imported all of its oil. And
the low value of the won made its goods cheaper than Japanese goods in the
United States and other foreign markets. This gave producers an added
advantage, as exports were increasing and the balance of trade improving. Many Japanese companies were reportedly beginning to shift more of their buying
to Korea, though it continued to suffer a major trade deficit with Japan. Overall,
however, the international markets were favourable enough to bring about a
substantial improvement in the balance of trade.

However, growth momentum in the economy stalled in 1989. The
problem was that the slowdown primarily resulted from a negative growth in
Korea's exports. Exports in volume terms were reduced by 5 per cent in 1989
for the first time in many years. Instead, rapidly increasing private consumption
and construction were the major contributing factors in the growth in that year.
The average inflation rates, in terms of consumer prices, was 3.5 per cent between
1983 and 1988. In contrast, however, consumer prices went up by 5.7 per cent

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9 Between 1984 and 1987, the exchange rate of the won against the yen decreased
by about half (Far Eastern Economic Review, 11, Oct., 1990, p.72), because of
readjustments between the major currencies of the world, especially the Japanese yen
and the dollar. The Bank of Korea kept the exchange value of the won tied closely
to that of the dollar.
while the current account surplus fell sharply from $14.2 billion in 1988 to $5.1 billion in 1989 and turned negative in 1990. The current account deficit was $2.2 billion in 1990 and grew to $5.1 billion in 1992 as imports out-pace exports (Hankuk Daily 22 March, 1993).

What are the major negative influences on the Korean economy? First of all, rising domestic wages and the increasing participation of China and other less developed nations in international markets are undercutting Korea's 'comparative advantage' in low labour costs (World Bank 1987:12). Exports have been moving from relatively labour-intensive industries, such as textiles, toward more capital-intensive or technology-intensive exports, such as automobiles and electronics. Continuing exports in the latter industries, however, require to be near the forefront of technology, which is as yet relatively underdeveloped. Thus, Korea can be seen to be caught in a squeeze between rising labour costs and obsolescent technology.

The Seoul Olympics in 1988 contributed a special factor favouring Korean enterprises. However, the growth of economic maladies such as dampening of the investment spirit could be detected, and predicted with foreboding the poorer economic performance of the following year.

Overheated investment, domestic consumption, and a high inflation rate also resulted in a rapid increase in imports, which expanded by 13.2 per cent in 1990. Over the course of 1989, the GNP growth rate dropped to 6.7 per cent, nearly half of the 12.2 per cent growth rate of the previous year. A slump in the growth rate of the manufacturing sector from 13.3 per cent in 1988 to 3.7 per cent in 1989 contributed largely to the declining GNP growth (World Bank 1992).

After the Chun regime had adopted and implemented restructuring within the economic ministries and reformed economic policies, further pressure to liberalise the economy came from abroad. The growing trade deficit between the USA and several East Asian nations, including Japan, Korea and Taiwan, prompted the Reagan administration to press these markets to open up to U.S. goods and financial institutions. Although U.S. pressure was greatest toward Japan, which had the largest trade surplus among the East Asian nations, Korea
also received a great deal of pressure from the U.S., and was visited by Carla Hills of the Commerce Department.

In consequence, the Foreign Investment Law was changed to remove most of the restriction regarding which sectors would be closed to foreign direct investment in 1987, as well as the amount of investment allowed. Import liberalisation and the reduction of tariff rates were instituted. The foreign banks' share in the lending market had increased from 4.0% in 1975 to 12.9% in 1984, after the Korean government had promulgated a policy to gradually open its capital market to foreigners in 1981.

6.3 Internal Elements of National Economy

6.3.1 State

In almost all of the semi-periphery countries, the state has acted as a central agent of the capital accumulation. The state is strong enough to deal with transnationals and local capitalists alike. Usually growing out of military coups, as seen in many Asian and Latin American countries, the state exercises control over the economic and political actors in the development process. The strong state tries to legitimise its authority by achieving rapid industrialisation. It induces the participation of both TNCs and local bourgeoisie in capital accumulation. It is thus frequently caught between the opposing interests of TNCs and local bourgeoisie in the process of capital accumulation.

In order to mitigate widespread oppositions from the masses of the population - i.e., the working class and the lower middle class - stemming from their economic and political exclusion, the state must legitimise its development policy. This necessity leads the state to manipulate the electoral process by making abrupt constitutional changes.

The advent of an autocratic military or authoritarian regime is an essential part of dependent development. The state becomes repressive in the process of dependent capitalist accumulation. This phenomenon can be located in the
context of the emergence of the 'bureaucratic-authoritarian regime' (Cardoso 1979; Evans 1979).

The local business group is usually in a tenuous position of being in conflict with the interests of the state. Their only source of leverage over the state comes from their function of legitimising the state's policy of capital accumulation (Hong 1990).

The characteristics of the state in Korea are not exceptional. Rather, few Third World countries can match Korea in terms of the central role through which the state exercises power in promoting development. The state has played an unusually strong role in mobilising resources and manpower, and in controlling social and political tensions. For more than 30 years, from the Park to the Roh regime (1988-93), Koreans have been lived under military dictators and a repressive state that has extended in all political economic directions.

Ideologies of the past military regime was 'developmentalism' economically and 'anti-communism' politically. As the USA and former USSR got into the cold war after World War II, anti-communism was adopted as a dominant ideology in Korea where communist North Korea and capitalist south Korea confronted each other. The Rhee regime, a conservative right wing regime, utilised anti-communism as a major device for political manipulation (Yang 1972:30). The Park regime reinforced the ideology by establishing new legislation such as 'The Anti-communism Law' and 'The National Security Law' for coercive control of political mobilisation. The latter which is the most notorious law to suppress the anti-government protestants has not been abolished even though the former Soviet Union has collapsed. In the long run, anti-communist ideology played the most effective role in maintaining authoritarian regimes from the Rhee to the Park and to the Roh regimes. Any kind of political opposition, either from intellectual groups or the working class, was defined as being instigated by North Korean espionage.

10 The existence of socialist North Korea has been a major pretext in the hands of the capitalist state to dismiss every democratic demand as 'communistic' and oppress the aspiring Koreans as 'subversives', especially under the application of the "National Security Law".
The majority of those who adopt a statist perspective argue that state control can have positive effects on economic development (Rueschemeyer and Evans 1985). The authors of such studies on Korea include some of the principal economic technocrats who staffed the state bureaucracy and were responsible for implementing its intervention in the economy (e.g., Jones and SaKong 1980:120-40; SaKong 1993:24-37), and their acknowledgement and firsthand accounts of the state's coercive measures are telling.

Scholars without such bureaucratic ties, however, have also adopted this approach. Stepan Haggard and Chung-In Moon, for example, contend that the strong Korean state and its control over economic resources were prerequisites for export-led growth (Haggard and Moon 1983). They (1983:151-52) give particular attention to the state's control over the domestic financial system and its preventing transnational firms from causing the harmful effects seen in Latin America (Evans 1987:216). Chalmers Johnson (1987), seeking to extend his analysis of Japan's economic miracle to Korea, points to industrial policy and state authoritarianism, largely learned from Japan, as major reasons for economic success. And more recently, Alice Amsden (1989) has taken issue with those who have portrayed state actions as market-conforming and has argued that the coercive implementation of market-frustrating measures was a main reason for Korea's economic growth.

Not all those who highlight state control of the economy laud its policies. Many have argued that Park's main motive for promoting economic development was bolstering the legitimacy of his regime (Koo Hagen 1987:168; Lim Hyun-Chin 1986:72-3), and several have attributed harmful political and economic consequences to coercive state actions. Unlike the neo-classical critiques of state intervention that assume that interfering with market mechanisms causes inefficiencies, statist critiques focus more on questions of political exclusion and favouritism in the distribution of economic benefits. The most common of these point to the economic concentration that resulted from supporting the larger enterprises, the repression of blue-collar workers in order to maintain an advantage in labour costs, a disparity between rural and urban opportunities, and the massive foreign indebtedness caused by the state's policy of relying on external capital to finance industrial expansion.
Chapter 6 Korean Economy, State and Foreign Trade

There are two types of state intervention in Korea's economy: organisational and financial intervention. Organisational intervention was intended to synchronise the activities of the Korea's financial and industrial capital under the guidance of the state. Financial intervention was directed to provide a favourable financial condition for the firms to invest or expand their business.

At the heart of the organisational intervention was the powerful Economic Planning Board (EPB) which was set up in June 1961. Planning, budgeting, and plan implementation by the Ministries of Commerce and Industry, Finance, Construction, Transportation, Communication, and Agriculture and Fishery were under EPB's control. How did the Korean government use this organisational network to stimulate export growth? Y. W. Rhee et al. (1984) mentions two mechanisms of export promotion: the system of setting export targets and the practice of holding monthly national trade promotion meetings. The government initiated the system of setting export targets in the early 1960s. Export targets were set by the exporting firms with the cooperation and approval of the government. The goal was to show the government what to expect and to inform the government what the exporting firms needed to be able to achieve the targets. The monthly national trade promotion meetings (chaired by the President) was attended by the ministers and bureaucrats responsible for the economy; chief executives of export associations, research organisations, and educational institutions; and heads of a few firms (mainly the general trading companies and other large firms) and used as a forum to monitor economic progress. The failures and successes of the exporting firms were examined, and the results became a guide to set the next targets. For the state, the results became a guide for making policy changes in order to provide the most favourable conditions for rapid economic expansion.

More visibly, the state intervened financially. Firstly, control of bank credit and foreign borrowing was the most potent instrument, since credit is the lifeblood of the local capitalists in Korea. Because the state controlled most domestic banks through owning the majority of the stock and other mechanisms, and foreign loans through various laws and policies, domestic enterprises were

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heavily dependent upon the state for their survival as well as expansion. The state provided short term loans at low interest for exporters.

By controlling domestic banks and acting as guarantor of international loans, the state was able to direct low-interest policy loans to favoured industries, companies, or individual entrepreneurs. Entrepreneurs acquiescing to state directives were able to obtain financing at interest rates so lucrative that throughout most of the 1970's they were allegedly lower than the rate of inflation. Between 1962 and 1970 the interest rate averaged 6.9 per cent per annum, while in the same period the average inflation rate was 12.57 per cent per annum (Irwan 1989:410-11). Some of these loans financed productive plant and equipment while others provided short-term working capital. "To promote exports, for example, a business that received a letter of credit from a foreign customer could obtain a loan equal to about three-quarters of the selling price of the goods" (Koo Bon-Ho 1988:82).

Generally, state officials chose to have banks extend the largest loans to the largest firms or those with an already established 'track record' of success (Jones and SaKong 1980:305). This choice had a number of structural consequences. First, large conglomerates grew even faster than the general economy, and industrial concentration increased. Second, the largest enterprises became highly indebted. Third, bigger firms became involved in many unrelated industries, having entered those that were government-supported rather than those in which they could extend their prior experience or expertise.

Though preferential credit benefited large firms, it also intensified the extent of state control over their operations (Jones and SaKong 1980; Woo 1991). Many of the bank loans were short-term and staggered, thereby requiring constant renewal and bringing these enterprises even more tightly under government restraints.11

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11 After the Kukje chaebol, reportedly South Korea's tenth (Fortune, 20, August 1984, p.206) or sixth (Far Eastern Economic Review, 1, March 1990, p.47) largest group, collapsed in 1985, it was widely rumoured that the state had caused its failure by ordering banks to terminate its credit, an interpretation of events advanced by the head of the chaebol himself. In the spring of 1988, after Chun Doo-Hwan had left office and the press became more liberalised, the former head of the Kukje conglomerate filed a suit in a civil court to recover his group's flagship company.
Secondly, beside controlling interest rates and credit, the state intervened in the economy by creating cartels, regulating exchange rates, controlling prices, licensing businesses to engage in particular industries, restricting imports, forcing mergers and acquisitions, bestowing tax exemption or threatening tax audits, granting high 'wastage allowances' that permitted exporters to import raw materials tax-free in quantities greater than what was needed for production and then sell the surplus in the domestic market, and hindering effective employee unions in order again to maintain a comparative advantage in low-cost labour.

The state's capacity for intervention extended beyond the business community and into university education, the persecution of political dissidents, and the control of the media.\(^{12}\)

Thirdly, Industrial Zones and Wage Controls: selecting a site and building a plant are among the most serious decisions a manufacturing firm must make. To support firms in this regard, the government developed export industrial estates in Seoul, Masan (near Pusan), and Kumi (hometown of President Park, near Taegu) in the 1960s and continued the programme into the 1970s. In 1969 the government enacted the Regional Industrial Development Law and developed at least one regional industrial estate in every provincial capital. Through this industrial-estate development policy, the government provided export firm with an opportunity to purchase industrial sites at greatly discounted prices. User fees for electricity, water, transportation, communications, and other services for export manufacturers were also kept under government price controls. So were the prices of other services.

The government also helped control the wages of workers at the exporting firms and also restricted the labour union activities. Exporting firms in Korea have apparently benefited from the low wages that helped to maintain international competitiveness.

Another sample of the biggest collapse was caused by political reasons: In 1979 Yolsan conglomerate was made bankrupt by president Park who believed the company was supporting the opposition leader Kim Dae-Jung (Cumings 1984:31).

\(^{12}\) The control of the media by the state will be discussed in the next chapter.
The economic role of the state remains strong: it engages in comprehensive planning, policy formulation, and implementation of many regulatory/control measures to ensure the smooth and profitable operation of the domestic and foreign private firms. ... This requirement is generally met by a dictatorship of the ruling elite in the name of national interest of defence (Amirahmadi 1989:170).

In the long run, the state has the upper hand over both local capital and the multinationals.

6.3.2 The Business Group

Korean economic development has been led by a handful of larger firms although the state supported their growth directly and indirectly, relatively neglecting small-medium sized firms. In fact, as H. C. Kim (1983:43) expresses, "the backbone of development strategy taken in the 1960s and 1970s was the promotion of big firms. The promotion of big firms has led to an increase of productivity, an increase of competitiveness in the world market, and the promotion of exports".

Historically, the growth of almost all the big business groups has occurred during the last three or four decades. Although a capitalist class had existed in the late 1950s, it was at best an incipient bourgeoisie whose capital was primarily mercantile rather than industrial. In the 1950s U.S. economic aid provided the main source of capital accumulation for the early capitalists, while the government allocation of the Japanese owned properties to civilians after independence provided them with the initial base of property ownership. Under the government of Rhee, illicit accumulation by the business groups in collusion with bureaucrats was rampant.

Popular demands since a 'student revolt' in 1960 pressed the Park military authorities to impose harsh sanctions on the profiteers, The corrupt regime was toppled by a student revolt in 1960. Popular demands at the time pressed the
authorities to impose harsh sanctions on the profiteers, the corrupt and the abusers of power and authority. The military regime responded to these popular demands by passing a law to punish those business people who went hand in hand in illicitly accumulating wealth. "Most of the leading Korean business people were arrested by the Park government, but criminal charges were dropped if they agreed to build factories in accordance with the state's economic plans. Soon the state started giving substantial assistance to entrepreneurs who proved themselves capable of initiating new manufacturing and export activities" (Hamilton 1984:41).

This was the turning point in collusion between the state and business group. The collaboration between the state and big firms nurtured the emergence of the *chaebols*. For the performances of development policies, well-established, large entrepreneurs with good track records were called in to launch new ventures in targeted industries. In most cases, they received various subsidies and credits in return. As a result, many larger firms became further diversified and grew faster - much faster, in fact, than the rest of the economy.

| (Table 6.3) Average Annual Growth Rate of Chaebols, 1973-78 (per cent) |
|-----------------|-----------------|
| Growth Rate     | Ratio of Manufacturing |
| Top 5           | 30.1             | 35.7           |
| Top 10          | 28.0             | 30.0           |
| Top 20          | 25.9             | 27.5           |
| Top 46          | 22.8             | 24.4           |

Source: Korea Development Review (1980).

As seen in (table 6.3), the 46 largest conglomerates grew at average annual rate of 22.8 per cent between 1973 and 1978, while the nation's GDP as a whole grew at an annual rate of 9.9 per cent for the same period. Consequently, these firms' share in GDP reached 17.1 per cent in 1978, up from 9.8 per cent in 1973 (SaKong 1980a:2-13).

Exports by the chaebols in 1977 amounted to $6,812.2 million, which accounted for 77.8 of the total export. Fortunately, the world market preferred to

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13 The term *chaebol* means Korean giant conglomerates which is a version of Japanese *Zaibatsu* written with the same Chinese characters.
deal with large scale firms since they provided greater capacity to reduce information and transaction costs, greater ability for output and quality control, smaller risks to foreign buyers due to their proven performance, and greater collateral for loans (Lim 1981:38-41). The export incentives were mainly enjoyed by large scale firms.

Also important to note is that the bigger the group, the faster it grew during this period. For example, the five largest conglomerates grew at an annual rate of 30.1 per cent, compared with 12.8 per cent for the bottom 25. As a consequence, the top five's share in GDP and their share in the manufacturing sector GDP during the period more than doubled, to reach 8.1 per cent and 18.4 per cent, respectively.

Until the late 1970s, the industrial bourgeoisie had participated in the production and accumulation process without the threat of transnational penetration. The state had deliberately limited multinational participation in Joint-ventures with local partners, and had protected the industrial bourgeoisie under its shelter. The local capitalists had enjoyed monopolistic privileges in the domestic market of both consumer and capital goods (Lim and Yang 1987).

The Chun regime officially declared a shift to the private initiative economy. Through this policy shift, the capitalist class gained much more autonomy from the state than in the previous period. Also, based on the economic power consolidated during the last two decades or so, the capitalist class now in the 1980s came to enjoy relative economic hegemony.

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5</th>
<th>Top 10</th>
<th>Top 20</th>
<th>Top 46</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>3.5</td>
<td>5.1</td>
<td>7.1</td>
<td>9.8</td>
</tr>
<tr>
<td>1975</td>
<td>4.7</td>
<td>7.1</td>
<td>9.8</td>
<td>12.3</td>
</tr>
<tr>
<td>1978</td>
<td>10.7</td>
<td>14.4</td>
<td>18.5</td>
<td>22.6</td>
</tr>
<tr>
<td>1981</td>
<td>n.a.</td>
<td>20.4</td>
<td>26.3</td>
<td>34.0</td>
</tr>
<tr>
<td>1985</td>
<td>n.a.</td>
<td>24.1</td>
<td>29.5</td>
<td>n.a.</td>
</tr>
<tr>
<td>1989</td>
<td>n.a.</td>
<td>22.7</td>
<td>26.7</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

n.a.: not available.
In the 1980s the top 10 chaebols increased their share of exports by annual leaps: 43 per cent in 1981, 58 per cent in 1982, and 67 per cent in 1983 (Koo 1984:1032). In 1984 virtually the whole Korean economy had fallen under the domination of about 50 chaebols. The share of the top 10 chaebols in GDP gradually increased from 5.1% in 1973 to 22.7% in 1989 (see table 6.4). The share of the top 20 chaebols constituted 26.7% in 1989. By the mid-1980s, the combined sales of Korea's top five chaebols (excluding intrafirm transactions) accounted for nearly 66 per cent of GNP, and two of them, Samsung and Hyundai, were, according to <Fortune>, among the fifty largest business firms in the world.

The giant firms produce and market everything from bread to aircraft engines (Samsung), from razor-blades to TV sets and from toothpaste to microchips (Lucky-Gold Star), from automobiles to ships and from housing units to furniture (Hyundai) (Far Eastern Economic Review, July, 19, 1984:43). Chaebols do not only dominate the production for export, but also the production of luxury, capital, and wage goods for domestic consumption.

The chaebols will continue to work toward greater command over the Korean economy by joining forces in key growth sectors, backed by government subsidies and research and development expenditures.

6.3.3 The Working Class

An export-oriented economy that has no rich natural resources or a high level of technology must find its comparative advantage chiefly in its labour force. Not only low wages and good quality labour but also political quiescence of labour are critical in such an economy. The proportion of the active labour force that is involved in the wage-labour system increased from 32.1 per cent in 1965 to 49.5 per cent in 1983 (EPB 1984). This change is directly related to drastic reduction of the agricultural labour force. Agricultural workers declined from 65.4 per cent to 37.6 per cent between 1960 and 1980. The majority of the labour force released from agriculture was absorbed into the manufacturing sector.
The labour force in the secondary industrial sector in the tertiary sector increased from 31.0 per cent to 47.0 per cent (EPB 1984). Due to this structural change in the economy, the contour of the Korean class structure has changed dramatically.

In the 1960s and 1970s, a large volume of international capital moved to the areas where cheap, disciplined labour was available and where political power was strong enough to maintain these labour conditions. The Korean economy was inserted into the international division of labour in the same manner, and this insertion created a powerful structural constraint upon the working-class conditions.

The growth of the industrial labour force occurred most rapidly in the export manufacturing sectors, especially in garment and other light manufacturing industries in the 1960s, and in heavy chemical, metal and shipbuilding industries in the 1970s. "Clearly the expansion of the Korean working class was the direct outcome of the Korean economy's external linkage to the world market" (Koo 1987:378).

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total workers</td>
<td>n.a.*</td>
<td>3,460</td>
<td>4,211</td>
<td>7,184</td>
<td>8,433</td>
</tr>
<tr>
<td>Factory workers</td>
<td>226</td>
<td>630</td>
<td>1,028</td>
<td>1,803</td>
<td>2,166</td>
</tr>
<tr>
<td>HIW**</td>
<td>77</td>
<td>235</td>
<td>396</td>
<td>856</td>
<td>1,140</td>
</tr>
<tr>
<td>No. of Union</td>
<td>914</td>
<td>2,732</td>
<td>2,865</td>
<td>2,238</td>
<td>4,086+</td>
</tr>
<tr>
<td>No. of Union members</td>
<td>321</td>
<td>400</td>
<td>531</td>
<td>814</td>
<td>1,267+</td>
</tr>
</tbody>
</table>

*: not available; **: Heavy Industrial Workers; +: Data of 1987.

Of interest here is that an increasing proportion of Korean workers are employed in large firms. In 1960, only 11.9 per cent of workers were employed in enterprises covered by the government survey (those employing five or more workers) worked in large firms employing more than 500 workers, while in 1979 43.9 per cent and 35.9 per cent in 1986 worked in large firms. Conversely, the proportion of workers in small enterprises (with less than 50 workers) decreased from 53.2 per cent to 17.8 per cent during the same period (Koo 1987:378).
There was considerable inequity in the ways in which the benefits of economic growth have been distributed to various groups. Although the available data on Korean income distribution are not totally reliable and tend to underestimate the magnitude of economic inequality in Korean society, it is instructive to review some major changes registered in the income distribution data.

Low-wage workers are concentrated in labour-intensive export manufacturing sectors, such as garment, footwear, and electronics. On the average, wage levels in the export-oriented industries are lower than domestic-market oriented industries. Low wages are associated with low skills, low educational attainment, and most of all sex. Women factory workers employed in labour intensive export industries bore the brunt of the lowest wages and harshest working conditions. Throughout the 1970s, female production workers received wages of less than half of male production workers. The first-year female factory workers' wages were about 10 per cent of the college-educated men's first-year salaries.

(Table 6.6) The Wages and Working Hours of Manufacturing Male Workers (won, hours)

<table>
<thead>
<tr>
<th>Scale</th>
<th>Wages</th>
<th>Working hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-29</td>
<td>261,158(100.0)</td>
<td>390,742(100.0)</td>
</tr>
<tr>
<td>30-99</td>
<td>277,378(106.2)</td>
<td>418,061(107.0)</td>
</tr>
<tr>
<td>100-299</td>
<td>331,264(134.0)</td>
<td>510,686(130.7)</td>
</tr>
<tr>
<td>300-499</td>
<td>349,962(134.0)</td>
<td>561,991(143.8)</td>
</tr>
<tr>
<td>above 500</td>
<td>363,074(139.0)</td>
<td>646,992(165.6)</td>
</tr>
</tbody>
</table>


The neglect of the medium and small firms created unfavourable conditions for these smaller firms. Workers in the large firms enjoyed higher wages than workers in the foreign, and small and medium domestic firms; and workers with college and university degrees received higher incomes which also increased faster (see table 6.6).

The Federation of Korean Trade Union (FKTU) revealed that the minimum living expenses for an average family of five in May 1983 stood at
547,893 won (U.S. $685.29) a month, while monthly salaries for workers in all industries during the time averaged 284,392 won (U.S. $355.70) a month (Far Eastern Economic Review 19, July 1984:74). The standard of living as a whole was increasing, and it elevated the living demands of the whole population.

Under such harsh working conditions, it was natural that workers began to protest against the apparent inequality of the economic system. Labour protests began to surface beginning in the late 1960s. However, systematic labour movement was strictly controlled by the state until 1987.

In the early 1970s, with an increasing volume of foreign investment and faced with rising labour unrest, the Park government rewrote the labour laws, prohibiting strikes in foreign invested firms and greatly restricting workers' rights to organise and engage in collective actions. The government controlled and actively repressed efforts on the part of labour to increase its political voice and organisational strength. "There has been, for example, no effective minimum-wage legislation in Korea. By the end of the seventies, membership in Korean unions was only 24.4 per cent of the total organisable work force" (Haggard & Moon 1983:146).

The Chun regime that came into being in 1980 amended existing labour laws, and worsened labour conditions. The amendments included the barring of 'third parties' other than local unions from playing any role in organising and bargaining and also from participating in any acts of dispute such as strikes. This aspect of the amendments reflects the government's reaction to the radicalisation of the labour movement in many cases and the penetration of non-union organisations. At the same time, these amendments made compulsory governmental arbitration easier. Union-shop clauses were abolished, and the minimum number of workers needed to organise a union was also increased. Especially, the Labour Union Law made unions dependent upon the state for legal recognition, allowed the state to intervene in unions, banned unions from any political activities, and destroyed the solidarity of the union movement by changing their organisational base from a national level into local level.
Consequently, the Ministry of Labour was expected primarily to prevent unreasonable wage hikes and to reduce labour conflicts rather than to develop productive industrial relations and human resources in the long term. These changes together undoubtedly contributed to a decline in union penetration until 1987.

National security concern was another explanation. By restricting labour movements, the government wanted to prevent 'subversive' elements of political dissident groups from penetrating labour unions.

The suppressed system of industrial relations was more or less maintained until 29 June 1987 when the 'Democratisation Pledge' was announced. Immediately after the announcement was made, "Korea experienced an unprecedented explosion of labour disputes. Even though labour strikes were illegal under existing laws, the government did not attempt to enforce these highly unpopular laws" (SaKong 1993:86). The number of labour disputes increased from 276 cases in 1986 to 3,749 cases in 1987. During the two months following the announcement of the June 29 'Democratisation Pledge', nearly 2,600 disputes were started, which is more than the total number of disputes the nation had had during the previous quarter of a century (SaKong 1993:83-4).

The absence of either state or community restraint on exploitation of workers in Korea has been manifested by extremely poor working conditions for this segment. Even in the early 1990s Korea continues to have one of the worst factory safety records in the world, with 2,336 workers killed and 132,893 seriously injured in workplace accidents in 1990 alone, a result of what some observers term "a twisted form of Confucian paternalism" which "actively discourages workers from relying on formal legal rights" when employers disregard safety and other welfare standards (Far Eastern Economic Review 21 Nov., 1991:64-5).

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14 This announcement was made by the then ruling party leader Roh Tae Woo in June 1987 and endorsed by President Chun on 1 July 1987. This pledge was to democratise the nation's political system further through a new constitution, among other things.
6.4 Foreign Relationship in Trade

Dependent development analysis (Cardoso 1973; Evans 1979) argues that capital accumulation and economic growth can occur in the peripheral countries. This theoretical position differs with the development of underdevelopment analysis which argues that capitalist industrialisation in the peripheral countries would only underdevelop them (Frank 1969). According to the dependent development analysis, economic growth in the peripheral countries is dependent on the core countries' technology, market, and capital.

The case of Korean economic development can also be applied to this frame: dependent because it is indelibly characterised by continued dependence on foreign capital, technology, and trade; and development because it is markedly characterised by capital accumulation and differentiation of productive structure. However, the Korean industrialisation pattern differed from the Latin American pattern in that the relative importance of transnational corporations was successfully decreased in the Korean economy. Korea has "managed to avoid dependence on transnational corporations by relying on other forms of foreign capital, such as U.S. aid grants and export credits in the period up to the beginning of the 1960's, and private bank credit after that" (Chase-Dunn 1987:286), differently from the 'triple alliance' of the state, multinationals, and local capitalists.

As previously mentioned, foreign aid was the major source of financing Korea's balance of payments deficits throughout the 1950s and continued through the early 1960s. In particular, from the nation's liberation in 1945 until the late 1950s, foreign aid was virtually the sole source of foreign capital. More than 70 per cent of imports were financed by foreign aid during the reconstruction period of 1953-60 (Bank of Korea 1990), indicating how heavily dependent the Korean economy was on foreign aid.

\[15\] The case of Korea also does not correspond to Warren's (1973) 'independent capitalist development thesis' when viewed in the perspective of its increasing foreign indebtedness, balance of payment difficulties, and trade dependence.
The United States was the major source of this aid, except for a small fraction that came from the United Nations. Dependency of the economy and politics on the United States has been an inescapable outcome since then. The U.S. government has tried to use its position as the largest aid donor to influence the direction of Korean economic policies through aid negotiation. At the macroeconomic policy level, the U.S. government sometimes used warnings of reduced aid to pressure the Korean government to adopt effective anti-inflationary measures. For example, the strong stabilisation programme of 1957-58 is usually attributed to aid-related foreign advice.

The choice of new directions in economic policy made by Park after he came to power in 1961 was also affected by international power relations. American officials had indicated their intention to reduce significantly the level of aid and to eliminate it entirely unless Park acquiesced to a number of economic demands. The Agency for International Development and the World Bank are said to have played leading roles in prompting the shift to an export-oriented economy (Mason et al. 1980:47; Koo Hagen 1987:169). The United States also exerted pressure on Park to 'normalise' relations with Japan, as American officials recognised that the strengthening of Japan required some reconstitution of its pre-war trading patterns (Cummings 1987:60-61; Lee and Sato 1982:26). Park's choice was more easily made in a period of expanding world trade. According to Haggard and Moon (1989:26), "The two decades that preceded the global economic crises of the 1970's saw unprecedented annual growth rates of world industrial production (5.6 per cent) and world trade (around 7.3 per cent)". Therefore, Park fostered export orientation, normal relations with Japan, and

16 In fact, the first foreign aid Korea received was provided by the U.S. Army Military Government in Korea under the assistance programme known as the Government Appropriations for Relief in Occupied Areas (GARIOA).
17 The influence of the U.S. AID on Korea's major economic policy decisions continued into the 1960s. At times, AID served as a source of ideas or influence and proposed important policy changes. Major economic policies were usually discussed with AID officials before being adopted, and they participated in policy making. For example, AID economic advisers actively participated in Korea's most significant exchange rate reform, which occurred in 1964-65 (Brown 1973 and K. S. Kim 1991). The influence naturally diminished as U.S. aid itself was reduced. However, as was discussed, Korean policy makers have been always open to external advice, including AID consultations.
altered interest and exchange rates, though the significance of these external constraints upon him is still disputed (Lee C. S. 1985:43-67; Lee and Sato 1982:28; Lim H. C. 1985:82-3).

As a result of its new export orientation, Korea was drawn deeply into the international capitalist system. A scarcity of raw materials and capital increased its dependency on imports and foreign funds, a lack of internally generated research and development created a dependency on foreign technology, and its small internal market and international political alignments created a dependency on industrialised markets concentrated principally in Japan and the United States.

When the state later chose to promote the development of heavy and chemical industries in the early 1970's, that choice also was influenced by the international structure of power. Caused in part by a desire for greater economic and military self-sufficiency, declining American hegemony, and rising fears of American withdrawal from Korea provoked by the departure from Vietnam, this capital-intensive industrial 'deepening' greatly increased external indebtedness and industrial concentration.

The declination of aid and Park's outward development plan forced the government to search for new sources of foreign funds. The Park regime basically preferred public and commercial loans to foreign direct investment, thus restricting transnational participation in domestic market. In other words, TNCs in Korea were not the competitors of the local capitalists in the manufacturing sector which had the most important role to the growth of the Korean economy.

For the TNCs in terms of the global logic of profit maximisation, Korea did not provide much incentive because of its meagre raw materials. Their chief interests lie only in cheap and disciplined labour available from the large reservoir of rural population, with emphasis placed on 'offshore sourcing'.18

18 Evans (1987:213) also explains the matter of the TNCs on the same viewpoint: "The TNCs relative disinterest in investing in the East Asian NICs set the stage for a very different relationship between the state apparatus and foreign capital than the typical Latin American one. The TNCs have clear interests in the abundant raw materials rather than merely in cheap and disciplined labour in Latin America. Bureaucratic-authoritarian state apparatuses in Latin America emerged in societies already thoroughly penetrated by direct foreign investment. In East Asia,
However, the Park regime subsequently changed its policy toward direct investment by transnationals. The Foreign Capital Inducement Law was first enacted in 1966, and then amended in 1973. Priority was given to those industries that were capital- and technology-intensive, export-oriented, and in the heavy-chemical sectors. The original statute set no limits on foreign equity, but the amended statute limited foreign equity holdings to 50 per cent. But the incentives provided for transnationals outweighed this restriction. Among other features, the incentives were "(1) complete exemption from corporate and property taxes for five years and 50 per cent exemption for another three years, (2) complete exemption from custom duties for imported capital goods and raw materials used in exports, and (3) no limit on the remittance of profits" (EPB, 1974).

Beginning in 1967, the Park regime also constructed various industrial estates operated by the state-owned Export Industry Public Corporation in order to facilitate the export promotion of manufactured goods. These industrial estates were built in ways that both foreign and local partners were guaranteed maximum profits by being provided with property tax concessions, low cost labour, and other privileges in acquiring factory sites (land and facilities), electric power, industrial water supplies, and transportation (Committee for Justice and Peace of Korea, 1976:61-2). Furthermore, in the case of free-trade zones, transnationals were allowed full ownership and management of their subsidiaries in addition to the above mentioned incentives.

Japan and the United States were the major direct investors in Korea. During the period between 1962 and 1979, Japanese transnationals accounted for 56.3 per cent and U.S. transnationals 20.3 per cent of the total sum of $1,073 million. There was a marked difference between Japanese investment and the U.S. investment. While the Japanese investment was concentrated in textiles, electrics, and electronics, the U.S. investment was focused on petroleum and chemicals even though it is dangerous to generalise about the different behaviour of these two transnational participants.

Bureaucratic Authoritarian regimes were already in command by the time foreign investors began to take a real interest. Particularly, FDI in Korea was the lowest among the four East Asian NICs during the 1960s and early 1970s.
The normalisation treaty of 1965 opened the door to widespread Japanese activity in Korea, and the results in terms of economic ties between the two countries were immediate and dramatic. Until 1965 the preponderance of Korea's trade had been with the United States. Within little more than a year after the signing of the normalisation agreement, however, Japan surpassed the United States as Korea's most important trading partner and continued to hold this position throughout the period of rapid growth in the 1960s and 1970s. Since 1971, moreover, Japan's investment in Korea has been considerably greater than that of any other country, accounting for about 54 per cent of all foreign investment since 1963 (compared to about 26% for the U.S.). In recent years, however, the European share of FDI has been rising as the Korean economy gradually becomes more integrated with these countries, as can be seen in (table 6.7).

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>U.S.A.</th>
<th>Europe</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962-66</td>
<td>17.6</td>
<td>52.7</td>
<td>22.9</td>
<td>6.9</td>
</tr>
<tr>
<td>1967-71</td>
<td>41.0</td>
<td>43.6</td>
<td>4.5</td>
<td>10.8</td>
</tr>
<tr>
<td>1972-76</td>
<td>71.3</td>
<td>15.3</td>
<td>4.4</td>
<td>8.9</td>
</tr>
<tr>
<td>1977-81</td>
<td>41.7</td>
<td>32.7</td>
<td>13.2</td>
<td>12.3</td>
</tr>
<tr>
<td>1982-86</td>
<td>49.6</td>
<td>32.9</td>
<td>10.8</td>
<td>6.7</td>
</tr>
<tr>
<td>1987-91</td>
<td>37.6</td>
<td>26.3</td>
<td>30.0</td>
<td>6.0</td>
</tr>
</tbody>
</table>


According to Lee C. H. (1979) "the Japanese direct investment was primarily geared to the export market, while the U.S. direct investment was heavily oriented toward the domestic market. Until 1974, for example, the Japanese-invested firms exported more than 60 per cent of their products, and the U.S.-invested firms only 10 per cent of their products. This is mainly because Japanese investment tended to take advantage of cheap labour in labour-intensive industries, while U.S. investment tended to take advantage of domestic market demands for the products of capital-intensive industries".

To encourage FDI, "the government established the Masan Free Trade Zone (MAFEZ) in 1970 and even introduced a special law to prevent labour
union activities in foreign-invested firms" (SaKong 1993: 114). In the MAFEZ, Japanese transnationals were the major investors (more than 90 per cent), engaged in such labour-intensive industries as textiles, electrics, electronics, chemicals, metals, and machinery. They were small and medium sized firms with less than one million dollars in capital investment. They had been forced out of Japan, unable to acquire a supply of cheap labour and to meet the anti-pollution requirements.

The wage levels of workers engaged in MAFEZ were as much as 20 per cent below those of the average Korean workers. 75 per cent of the workers in MAFEZ were women under 20 years of age mostly with middle-school level of education. "Their wages were one-fifth of the average starting salary for unskilled workers in Japan, who were common despite the absence of unions. The Park regime banned the workers from unionising to provide a more attractive investment climate for the Japanese transnationals" (Lim 1984: 118-9).

Korea was not a foreign enclave exclusively dominated by the TNCs in that local capital was also invited. There were foreign-state, foreign-local, and foreign-state-local joint ventures in local production. In this division of labour between the state, local capitalists, and transnationals, the initiative was on the side of the local partners, whether they were the state or the local bourgeoisie.

The first decisive turning point for the enlargement of transnational activities in the Korean economy was from the enforcement of heavy-chemical industry policy. In 1978, TNCs accounted for 90.4 per cent of local production in petroleum, 44.2 per cent in chemicals, 40.9 per cent in electrics and electronics, and 24.0 per cent in metal assembly and machinery (KDB 1979:64-5). The transnational dominance in these areas was a direct result of the state strategy of industrialisation. The state invited TNCs mostly to the key industrial sectors where the technology used was extraordinarily complex and access to resources was very difficult. This can be best seen in the case of oil refineries. According to Lim (1988:109-16), "there were four oil refinery companies in Korea: Korea Oil Company was a joint venture between the state and Gulf, while Honam Refinery, Kyungin Energy, and Keuckdong were joint ventures between the local bourgeoisie and Caltex, Union, and Shell, respectively. They shared
equity on a fifty-fifty basis, but the power of management was on the side of the transnationals because of high technology and oil supply requirements".

In the late 1970s and early 1980s foreign trade policy abruptly changed. When the second oil shock hit the world economy, the industrial countries, particularly the USA, internally promoted protectionism and externally demanded an open door policy. The United States persistently demanded to open up the Korean market.

(Table 6.8) Loans and FDI in the 1980s ($ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans Amount</th>
<th>Ratio</th>
<th>FDI Amount</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>2936.6</td>
<td>95.1</td>
<td>150.2</td>
<td>4.9</td>
</tr>
<tr>
<td>1983</td>
<td>2466.8</td>
<td>95.3</td>
<td>122.5</td>
<td>4.7</td>
</tr>
<tr>
<td>1985</td>
<td>1987.8</td>
<td>89.4</td>
<td>236.1</td>
<td>10.6</td>
</tr>
<tr>
<td>1987</td>
<td>2667.0</td>
<td>81.0</td>
<td>624.8</td>
<td>16.0</td>
</tr>
<tr>
<td>1989</td>
<td>1335.0</td>
<td>62.2</td>
<td>812.3</td>
<td>37.8</td>
</tr>
</tbody>
</table>


In 1982 the government announced a major change in its policy on foreign investment by providing the new guidelines on foreign investment. The new guidelines lowered the minimum allowable amount of foreign investment to $100,000 and permitted foreign investors to hold up to 100 per cent equity share in certain industries. Under the new Industrial Classification the domestic markets were opened to foreign direct investment. The rate was subsequently increased to 66.1 per cent by September 1985. On 12th of October, 1985, the government announced its import permission rate to 76.3 per cent or 726 industries out of the total 999 industries (Lim & Yang 1987:357). As a result, the ratio of FDI among the foreign capital has grown up quickly as can be seen in (Table 6.8).

The new policy on foreign investment has allowed greater participation of transnationals in the domestic market. For instance, during the Fourth Five-Year Economic Development Plan (1977 - 1981), the annual number of annual amount of investment was between $65 million and $146 million. In 1984, however,
103 projects or a total amount of $419 million were approved to be invested by the TNCs. In other words, transnational foreign investment was more than doubled during the early 1980s. The initial alliance of the state and the local bourgeoisie in earlier stages of dependent development seems to be transformed into the triple alliance with an increasing power of the transnationals in the domestic market (Lim & Yang 1987:357-8).

According to the analysis of Chase-Dunn (1987:288), "Korea is actually more dependent in terms of total foreign debt than the OPEC countries or other NICs. ... While NICs as a group are less debt dependent than MICs (Middle Income countries), Korea is more dependent in this regard than either group". Several factors are responsible for the foreign debt increases. Korea borrowed heavily in the 1960s, 1970s, and into the mid-1980s, becoming the fourth most heavily indebted nation in the developing world.

From the early 1960s, the Korean government believed that developing an outward-oriented economy, with growth as the top priority, would not only promote growth but also would lay a foundation for enhancing equity and fair income distribution. It was also believed that export-led growth and industrialisation, financed by foreign debt, would eventually generate debt-servicing capacity.

The TNCs did add to the worsened balance of payments problem in Korea. In 1978, for example, transnational subsidiaries recorded $1,445 million of balance of payments deficit at current prices, which was $360 million more than Korea's total balance of payments deficit of $1,085 million. The import of raw materials, mainly petroleum, constituted a single dominant factor here, as it accounted for 58.9 per cent of their total imports. Another factor is the repatriation of TNC profits, which accounted for 41.4 per cent of their investment in that year (KDB 1979:94-8). Because of the high proportion of such repatriation, many TNCs succeeded in recovering a significant proportion of their

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19 The first big surge in foreign borrowing occurred in the early 1960s, the traditional period of changing from foreign aid to loan financing. The second big jump came in the latter part of the 1960s, when Korea's ratio of total debt to GNP went above 15 per cent in 1967, and then to well over 30 per cent in 1971.
total investment: by 1977, for instance, Gulf and Caltex remitted profits which amounted to more than half of their total investment (Lim 1988:118).

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Debt ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>27,170</td>
</tr>
<tr>
<td>1981</td>
<td>32,433</td>
</tr>
<tr>
<td>1982</td>
<td>37,083</td>
</tr>
<tr>
<td>1983</td>
<td>40,378</td>
</tr>
<tr>
<td>1984</td>
<td>43,053</td>
</tr>
<tr>
<td>1985</td>
<td>46,762</td>
</tr>
<tr>
<td>1986</td>
<td>44,510</td>
</tr>
<tr>
<td>1987</td>
<td>35,568</td>
</tr>
<tr>
<td>1988</td>
<td>31,150</td>
</tr>
<tr>
<td>1989</td>
<td>29,372</td>
</tr>
<tr>
<td>1990</td>
<td>31,700</td>
</tr>
<tr>
<td>1991</td>
<td>39,135</td>
</tr>
</tbody>
</table>


Korea's total foreign debt nearly doubled from 1979 to 1983. 86 per cent of the gross increase in foreign debt was to finance the current account deficit. Basically, the relatively low level of domestic saving and chronic inflation were the main reasons for the rapid increase in the current account deficit through these years. By 1985 Korea's outstanding foreign debt had reached $46.8 billion and the total debt-to-GNP ratio reached as high as 52.1 per cent.

Foreign debt temporarily reduced between 1987-89 thanks to a substantial current account surplus in this period, but stagnation, negative growth in exports and increasing private consumption due to the import liberalisation have once again aggravated the debt burden.

### 6.5 Conclusion

This chapter has attempted to outline the main issues of the Korean economy in relation to the policy of the state and foreign involvement. With its growth-oriented economic policy, Korea has achieved a tremendous growth within a few decades. Although there are criticisms of its repressive control over economic and political direction, the dimensions of the growth such as GNP, GNP per capita and commodity exports have risen rapidly.
On the other hand, the capitalist growth model under the last three military governments has produced many problems; income concentration by a few giant conglomerates, uneven sectoral development, a dependent structure of foreign trade, and dictatorship over 30 years (from 1961 to 1991). Particularly, the constraints on the working class turned out to benefit the *chaebols* and TNCs, which in return caused economic unrest from the actions of the vehement labour movement.

Foreign pressure has encroached on the domestic markets since the beginning of the 1980s. The new foreign policy on foreign investment is increasing the TNCs' influx of capital, and the import liberalisation after opening up the local markets has worsened the foreign debt situation again.

In the context of the general features of Korean economy, the next chapter will look into the status quo of the mass media.
7.1 Introduction

Korean mass media have developed remarkably in the last few decades and penetrated into every corner of society despite having a short history compared with that of the west.\(^1\) At the time of inauguration of the first television station (KBS-TV) in 1961, the total number of television sets in Korea stood at about 25,000. By the end of 1988 television sets were reaching 7.9 million people. This number shows that there are 188 televisions for every 1,000 people (Korean Public Opinion Research Institute 1989). This indicates more than one television set has been supplied to each household in Korea. There are three nation-wide television stations which form two public channels such as the BBC and two commercial ones.

As for radios, the total number of them in use by the people in this country is more than 40 million sets, which equates to 952 sets per 1,000 people. Thus, radio has popularised and is now supplied to nearly every member of the entire population.

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\(^1\) According to a survey on "usage of leisure time" by the Institute of Korean Society, 298 respondents out (42.0 %) of 710 answered "TV watch". The second highest answer was "personal hobby activity", but the ratio was only 17.5 per cent (cited in Kim, Y. S. (1990:69) 'The Hegemony of the Mass Media and Capitalist Ideology' in Kim, Y. S. & D. U. Yim (eds.), *The Political Economy of the Korean Mass Media* (in Korean), Seoul: A-Chim Publisher.)
population, whereas in 1945 there were only 300,000 radio sets owned by Koreans (K. Kim 1969:97-108). The printed media have also shown a remarkable growth. By the end of 1991 the number of daily newspapers reached 87.

The major factor in the rapid and buoyant enlargement of the media industry in Korea is the economic development since 1960s as examined in the previous chapter. Industrialisation, urbanisation, a phenomenal growth in literacy and education, and the inflow of western culture and values owing to the incorporation into the international capitalist economic system are also the important elements.

However, governmental censorship and control have limited the freedom of the press. It has shrivelled up the critical function of the press and secured the legitimacy of the immoral power of the military governments. On the other hand, the commercial side of their operations has boomed. Under the cartel and with financial support from the government, the news organisations have exclusively been able to expand their business to neighbouring sectors. As a result, several media enterprises have grown into chaebols since the 1970s.

Foreign capital, technologies, and programmes are other influential sources as in most other Third World countries. The demand by the United States from 1986 to open up the domestic market has also decisively affected the mass media industry. The advertising and movie industry is especially in severe danger due to the launch of the multinationals.

The purpose of this chapter is, therefore, to explain how the Korean mass media has grown into a larger industry and how the state controls the press, and, finally, how the western multinationals are involved in the Korean mass media.
7.2 Growth and Concentration of Press Enterprises

The evolution of the Korean press has been closely entangled in the process of political transition in contemporary media history, especially during the military coups d'état in 1961 and 1979 which were the most decisive elements.

The press reorganisation by the military junta of 1961 was the first turning point. The most essential policy on the media by this repressive government was twofold: political control and economic support, which is the so-called 'stick-and-carrot' policy employed from the early 1960s to the late 1980s. No media firm could get government permission to change its way of doing business - to alter the number of pages in a newspaper edition or to change subscription rates - without going through the appropriate association.

The government-led suppression of competition served to enrich the surviving media organisations. The media enterprises accomplished financial expansion with a guarantee of a monopolistic market and economic privilege under the 'media support policy' by the government. On the other hand, their role as critics was gradually diminished by government policy which enforced cooperation with their 'economic dictatorship'. In other words, the media began to convert the role of the press from being a 'political argument newspaper' to commercial and entrepreneurial publications.

The laws and regulations shaping the Korean press after 1961 created a strong cartel system as a result of coercive organisation by military government. Its policies were simple. First, any person wishing to publish a newspaper should possess printing equipment, including a rotary press and composite instruments. Second, any person desiring to operate a news service should have transmitting and receiving facilities, Ministry of Communications permits, and contacts with international wire services and Korean news organisations. And third, new applications would not be accepted for the time being. This meant that only firms already possessing an acceptable level of facilities and permits could continue their work, and all others would be closed down. In the wake of

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2 In 1966 Kyunghyang Daily went bankrupt because the banks suddenly called in their loans and cancelled the already approved credits. The newspaper had published an article advocating national reunification with North Korea, which was a taboo issue at the time (J. W. Kim 1975:265).
the 1961 coup, a total of 76 daily newspapers, 305 news agencies, and 453 weeklies were forced out of business. By July 1962, after several additional publications had closed down on their own, Korea was left with only 39 dailies (10 fewer than under the Rhee regime), 32 weeklies, and 11 news agencies (The Korean Newspapers Association 1982:369). Eventually, most of the 39 dailies became influential and economically successful newspapers until the late 1970s.

(Table 7.1) Growth of Turnover of the Major Newspapers: 1960s-70s (million won)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dong-A</th>
<th>Seoul</th>
<th>Chungang</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>215</td>
<td>74</td>
<td>-</td>
</tr>
<tr>
<td>1964</td>
<td>424</td>
<td>123</td>
<td>-</td>
</tr>
<tr>
<td>1966</td>
<td>708</td>
<td>236</td>
<td>396</td>
</tr>
<tr>
<td>1968</td>
<td>1,664</td>
<td>521</td>
<td>795</td>
</tr>
<tr>
<td>1970</td>
<td>2,746</td>
<td>923</td>
<td>1,772</td>
</tr>
<tr>
<td>1972</td>
<td>2,889</td>
<td>1,596</td>
<td>2,444</td>
</tr>
<tr>
<td>1974</td>
<td>4,107</td>
<td>2,904</td>
<td>4,235</td>
</tr>
<tr>
<td>1976</td>
<td>6,801</td>
<td>4,281</td>
<td>19,735</td>
</tr>
<tr>
<td>1978</td>
<td>13,789</td>
<td>8,742</td>
<td>33,780</td>
</tr>
<tr>
<td>1980</td>
<td>26,536</td>
<td>13,297</td>
<td>59,405</td>
</tr>
</tbody>
</table>


The Park governments also gradually permitted a certain amount of evolution of the press in terms of entrepreneurship. Media companies, which had mostly been small or medium-sized enterprises, expanded by rationalising their operations. Newspaper companies began publishing news-magazines and other weekly and monthly affiliated publications. They also ventured into radio and television broadcasting.

'The Integration and Merger of the Mass Media', satirised as so-called 'press massacre' by General Chun from late December 1979 to early 1981, was the second turning point towards concentration in a handful of firms. The government severely restricted the freedom of speech and the independent activity of the press and broadcasting media. In 1980 alone, 683 members of the press...
from some 40 newspapers and broadcast stations were forced out of their jobs and banned from writing.

Except for the Korean Broadcasting System (KBS) and Seoul Daily, most of the country's mass media were owned by individuals and private enterprises. This private ownership, however, was nationalised by the Chun regime in the name of transformation from commercialism to public interest. This reform of the mass media, which was unprecedentedly radical in the history of Korean mass media, was conducted under the national Defence Legislation Council (Military junta legislative of the Chun regime) on November 14, 1980. Tongyang (Orient) Broadcasting Corporation (TV and radio) owned by Samsung chaebol, Dong-A Broadcasting System (radio) owned by Dong-A Daily, both privately operated broadcasting companies, were merged into the state-run KBS. KBS took over all the facilities and personnel of the two private broadcasting corporations and also absorbed three local broadcasting stations.

The private-run Munhwa (Culture) TV and Radio Broadcasting Corporation (MBC) were transferred to the public broadcasting system along with its twenty-one affiliated stations across the country. In other words, 65 per cent of MBC (TV and radio) was merged into the KBS; and the Christian Broadcasting System (CBS radio) was forced to air only evangelical programmes. In short, all the private commercial broadcasters were merged into one state-run KBS.

Merging was not confined to broadcasting. Three of the ten national newspapers were eradicated. Two or more local newspapers were merged into one in each province. The government also banned 172 periodicals on charges of obscenity and creating social confusion, and closed 617 publishing companies.

The country's two leading news agencies - Tongyang Press, and Hapdong News Agency - and another four minor new agencies were all integrated into the newly established government-run Yonhap News Agency for exclusive supply of domestic and foreign news to all newspapers and broadcasters across the country. All the members of the mass communication co-operatively own the Yonhap News Agency, but the management is controlled by the state (Joo 1992:141-65).
Like the chaebols, Korea's large press organisations grew rapidly during the 1980s, becoming news oligopolies. Dramatic increases in circulation and advertising revenues contributed to the increased wealth of media chaebols. Among the big four newspapers - the Hanguk Daily, Choson Daily, Dong-A Daily, and Chungang Daily - the experience of the Chungang Daily was typical: its circulation, which was half a million in 1974, reached 1.5 million 10 years later.

(Table 7.2) Turnover of the Big Four Newspaper Firms (100 million won)

<table>
<thead>
<tr>
<th>Year</th>
<th>Choson</th>
<th>Dong-A</th>
<th>Chungang</th>
<th>Hanguk</th>
<th>total</th>
<th>rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>161.3</td>
<td>265.4</td>
<td>214.7</td>
<td>217.1</td>
<td>858.5</td>
<td>-</td>
</tr>
<tr>
<td>1981</td>
<td>264.3</td>
<td>312.6</td>
<td>294.0</td>
<td>304.0</td>
<td>1174.9</td>
<td>36.85</td>
</tr>
<tr>
<td>1982</td>
<td>335.0</td>
<td>373.1</td>
<td>375.6</td>
<td>343.6</td>
<td>1427.3</td>
<td>21.48</td>
</tr>
<tr>
<td>1983</td>
<td>405.8</td>
<td>451.5</td>
<td>442.2</td>
<td>419.1</td>
<td>1717.6</td>
<td>20.34</td>
</tr>
<tr>
<td>1984</td>
<td>475.4</td>
<td>519.7</td>
<td>534.2</td>
<td>479.1</td>
<td>2008.1</td>
<td>16.93</td>
</tr>
<tr>
<td>1985</td>
<td>543.0</td>
<td>556.1</td>
<td>655.6</td>
<td>465.6</td>
<td>2219.8</td>
<td>10.53</td>
</tr>
<tr>
<td>1986</td>
<td>572.2</td>
<td>611.3</td>
<td>736.9</td>
<td>501.3</td>
<td>2421.7</td>
<td>9.10</td>
</tr>
<tr>
<td>1987</td>
<td>690.2</td>
<td>710.8</td>
<td>830.3</td>
<td>564.1</td>
<td>2795.4</td>
<td>15.43</td>
</tr>
<tr>
<td>Rate*</td>
<td>327.9</td>
<td>167.8</td>
<td>286.7</td>
<td>159.8</td>
<td>225.6</td>
<td>-</td>
</tr>
</tbody>
</table>

*: the rate of growth.

Broadcasting business did even better than newspapers. MBC was among the top 10 corporate earners in 1981 and 1982 and had gross receipts of 73.1 billion won and net income of 18.72 billion won in 1983. Its corporate tax bill of 5.6 billion won in 1983 made it Korea's ninth largest taxpayer. MBC paid 14 billion won in taxes, ranking second among the nation's businesses in 1984. Though chaebol conglomerates such as Hyundai and Samsung were bigger internationally in the domestic economy, the media giants had comparable earnings.
Advertising revenues also skyrocketed. Korea's total advertising market increased from 12.7 billion won in 1970 to 275.2 billion won in 1980, and reached 2.1 trillion won (US. $3 billion) in 1990, placing Korea 13th among the countries of the world in advertising revenue. Newspaper advertising was an important part of the picture, rising from 6 billion won to 99 billion won in 1980, and increasing further in the 1980s as can be seen in (table 7.4).

<table>
<thead>
<tr>
<th>Year</th>
<th>TV</th>
<th>Radio</th>
<th>Newspaper</th>
<th>Magazine</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1,777</td>
<td>2,634</td>
<td>5,967</td>
<td>825</td>
<td>11,203</td>
</tr>
<tr>
<td>1975</td>
<td>26,845</td>
<td>10,920</td>
<td>20,800</td>
<td>1,755</td>
<td>60,320</td>
</tr>
<tr>
<td>1980</td>
<td>82,007</td>
<td>34,404</td>
<td>98,945</td>
<td>10,798</td>
<td>226,154</td>
</tr>
<tr>
<td>1982</td>
<td>136,843</td>
<td>30,812</td>
<td>169,034</td>
<td>18,432</td>
<td>355,121</td>
</tr>
<tr>
<td>1984</td>
<td>253,640</td>
<td>42,708</td>
<td>258,212</td>
<td>24,160</td>
<td>578,720</td>
</tr>
<tr>
<td>1986</td>
<td>298,925</td>
<td>44,274</td>
<td>300,030</td>
<td>34,679</td>
<td>677,908</td>
</tr>
<tr>
<td>1988</td>
<td>444,762</td>
<td>51,536</td>
<td>463,036</td>
<td>65,165</td>
<td>1,024,493</td>
</tr>
<tr>
<td>1990</td>
<td>598,191</td>
<td>95,318</td>
<td>852,623</td>
<td>116,879</td>
<td>1,663,051</td>
</tr>
</tbody>
</table>


To increase market share they diversified their products, and the result was a proliferation of weeklies, monthlies, magazines, and specialised publications that ran weaker competitors out of business and accelerated the trend toward monopoly. They also invested in entirely different kinds of business, such as construction, hotels, and tourism. Their investments were concentrated in tertiary industries, with some news companies reportedly controlling as many as 10 other small or medium-sized businesses.
### (Table 7.5) Conglomerates of the Korean Mass Media

<table>
<thead>
<tr>
<th>Owner</th>
<th>Media</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung Chaebol</td>
<td>2 nws, 2 wk, 8 mt, 1 qt, 1 cb, 1 pb, 1 vd</td>
<td>1 pp, 3 ad, 1 cn, 3 cl, total 48 firms</td>
</tr>
<tr>
<td>Hundai</td>
<td>2 nws (133.6%)</td>
<td>1 ad, 1 cl, 42 firms</td>
</tr>
<tr>
<td>Korean Powder</td>
<td>1 nws, 1 wk, 2 b-wk, 1 mt, 1 qt</td>
<td>1 ad, 27 firms</td>
</tr>
<tr>
<td>Daewoo</td>
<td>3 nws, 1 vd</td>
<td>2 cl, 24 firms</td>
</tr>
<tr>
<td>Gold-Star</td>
<td>2 bd (27%, 15%)</td>
<td>1 ad, 62 firms</td>
</tr>
<tr>
<td>Lottee</td>
<td>1 nws</td>
<td>1 ad, 1 fl, 2 cl, 32 firms</td>
</tr>
<tr>
<td>Daenong</td>
<td>2 nws (147.2%)</td>
<td>9 firms</td>
</tr>
<tr>
<td>Dong-A</td>
<td>1 bd (49%), 2 wk, 1 mt</td>
<td>1 pd, 16 firms</td>
</tr>
<tr>
<td>Taeyoung</td>
<td>1 bd (SBS-TV)</td>
<td></td>
</tr>
<tr>
<td>Dong-A Daily</td>
<td>2 nws, 5 mt, 1 yr</td>
<td>1 sc, 1 un, 3 cl</td>
</tr>
<tr>
<td>Choson</td>
<td>4 nws, 1 wk, 4 mt</td>
<td>1 pr, 1 na, 1 hotel</td>
</tr>
<tr>
<td>Hanguk</td>
<td>5 nws, 2 wk, 3 mt, 1 vd, 1 pb</td>
<td>10 firms including travel agency</td>
</tr>
<tr>
<td>State</td>
<td>2 nws, 5 bd, 2 na, 2 wk, 3 mt, 1 qt, 1 pb</td>
<td>2 ad (145%)</td>
</tr>
<tr>
<td>Catholic Religion</td>
<td>1 nws, 1 w-nws, 2 bd (1 40%), 1 pb</td>
<td>schools, hospitals</td>
</tr>
<tr>
<td>Unification</td>
<td>1 nws, 3 mt</td>
<td>1 pr, 1 cl, 16 firms</td>
</tr>
<tr>
<td>Protestant</td>
<td>1 nws, 1 wk, 1 mt, 1 bd</td>
<td></td>
</tr>
<tr>
<td>Buddhism</td>
<td>1 w-nws, 1 bd</td>
<td></td>
</tr>
</tbody>
</table>


The *Chungang* Daily, which claims to have the largest circulation among the nation's six major dailies, is owned by the Samsung Group, one of the nation's biggest corporations. The *Hanguk* Daily runs a travel agency and a construction company, not to mention its sister sports daily, *Ilgan* (Daily) Sports. The *Choson* Daily owns a hotel in Seoul as well as Sports *Chosun*, and the government-controlled Seoul Daily publishes another sports daily, Sports Seoul. Sports newspaper is very favourable to newspaper firms as it is not only lucrative but also value-free.
The newspapers also encourage and monopolise sponsorship of big events such as concerts by foreign orchestras or popular entertainers and beauty contests. Moreover, they are very active in South Korea's booming magazine industry.

These conditions, together with employment conditions generally, functioned to make conservatives of white-collar employees in Korea's news enterprises. Like other big business in Korea, media corporations tend to be operated as family firms though they are ostensibly organised as joint-stock corporations. The owners' family members hold most of the stock and monopolise executive positions in the companies in ways that many fear hinder fair reporting and rational operation. Top executives earn top salaries. Their employees on the reporting side of the business also benefit from the status quo, since journalists' salaries have kept pace with white-collar incomes in other big businesses. Moreover, in the 1980s the government provided journalists with favours in the form of income tax exemptions and reductions. For example, under the Fifth Republic the government revised the income tax laws so that editorial workers got a 20 per cent reduction of taxes on income related to editorial activities. Thus, although freedom of the press shrivelled under the Chun regime, journalists with jobs in the big corporations became privileged people (Park 1989:211).

The democratisation movement since 1986 created a new era for the Korean press. Under the comparatively relaxed Roh's Sixth Republic (1988-1993), several major newspapers emerged: some of the business newspapers that had been closed in 1980 resumed publishing; and a trend emerged toward the publication of regional newspapers for specific sections of the biggest cities and specific rural countries. Between 1987 and 1991, the number of daily newspapers in Korea increased from 30 to 87, and the number of magazines shot up from 201 to 1,314.

The most prominent characteristic in the Sixth Republic was the participation of monopolistic and religious capital in the newspaper and

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3 For example, the president of the Choson Daily, Pang U-Young possesses 45% of stocks, and his brothers and children totally have some 55%.
broadcasting industry (see table 7.5).4 Major chaebols including Hyundai, Daewoo, Hanguk Powder, Gold-Star, Lottee, etc. founded or took over the mass media. Major church newspapers include the Kungmin (People) Daily (published by the evangelical churches), the Segye (World) Daily (published by Sun-Myung Moon’s Unification Church), and Pyonghwa (Peace) Daily (published by the Catholic church). In April 1990 Catholic organisations also started the Pyonghwa Broadcasting System on the FM band. As of January 1989, Korean religious groups were publishing no fewer than 152 periodicals (of which 109 were Christian and 24 were Buddhist), with 54 of them having been registered since Roh’s ‘Democratisation Pledge’ (Kim, S. S. 1992:245.56).

7.3 State Controls of the Mass Media

The control of the mass media is an important condition for the ideological hegemony of a class. Dallas Smythe (1981:235) asserts that corporate censorship is a pervasive feature of all operations of the culture industry.

The act of modern censorship is essentially a decision as to what is to be mass produced in the cultural area. So long as current cultural production is in the hands of privately owned giant corporations, they must also make decisions as to what is to be mass produced in the cultural area and what will not be produced. Because in monopoly capitalism, privately owned giant corporations are regarded as legal

4 The only exceptional case was the publication of Hankyoreh (One Nation) Daily, founded by journalists who mostly lost their jobs because of the hard resistance against government’s press repression in the 70s and 80s, and funded through the sale of 1,480,000 shares to the public at 5,000 won per share. Born in an atmosphere of public defiance as people rushed to buy shares to support it in the spring of 1988, the Hankyoreh Daily is both innovative and popular. Its president and chief editor are elected by direct vote of the shareholders, its text is the Korean alphabet unmixed with Chinese characters and printed in horizontal rather than vertical lines, and its editorial line is decidedly critical of Korea’s ruling establishment. Its senior editors are all elected by fellow journalists, which makes the paper unique in the country.
persons, we are accustomed to yield them the same privileges to which natural persons are entitled. It is as accurate therefore to refer to corporate decision making as being censorship as it is to refer to government decision making by that pejorative term.

In Korean society, however, mass media were controlled or intervened by the political regimes directly and indirectly, rather than the capitalist class. Moreover, the system of mass media has been changed with every shift of political regime to increase the new regime's effective control.

The Syngman Rhee regime exercised government control over mass communication through registration and licensing procedures. The Park regime exercised tighter control over editing processes as well as over facilities and installation requirements of the mass media through his rule (1961-1979). Park often articulated his belief that press responsibility was more important than freedom. He criticised Korean news organisations for their 'disorderliness' and 'self-indulgence', emphasising that the government should use its power to support only those news organisations considered 'responsible', that is, those that co-operated in putting out information enhancing Korea's international reputation and contributing to the country's economic modernisation.

It was a dark age in terms of the freedom of the press during the Chun regime. A lot of media companies and workers were crushed during this period. The most common methods of controlling the mass media were by the legal and administrative apparatus.

Legal Control of the Press

Legal control of the media industry by the state is the most popular and official form. The advantage of legal control, whether the law is established legitimately or not, is, first of all, to have a very clear ground, and to continue as long as it is not changed or abrogated (Lee, J. R. 1988: 165).
Formal law to restrict the press under the Park regime was 'Anti-Communist Law'. Versions of the 1961 Anti-Communist law, in effect through 1979 and beyond, typically included a provision prescribing seven-year prison terms for persons "praising, encouraging or co-operating with anti-state organisations or their constituent members, or engaging in acts otherwise favouring anti-state organisations". This threat that the government would construe political criticism as a conspiracy or an act "favouring anti-state organisations" under the anti-Communist Law served as an effective prior restraint on news analysis.

The constitution of the Third Republic contained a provision guaranteeing the right to publish newspapers, mentioning a 'nominal registration system' as the chief control mechanism. The 'Law Relating to Registration of Newspapers and News Agencies', which was passed to implement this registration system, turned out to be more controlling than the constitution implied, however, defining the rights of the press under the Third Republic and setting 'facilities standards' for newspaper-printing equipment. The law not only restricted new registrations but also regulated existing newspapers and magazines, which could be suspended if they were found to have 'substandard' printing facilities. People objected that the law violated the constitution, twisting its provision for a 'nominal registration system' into a virtual requirement of permission, but the government stood its ground.

When General Chun became president of the Fifth Republic under a new constitution, the Korean media industry once again found itself having to struggle under a 'Basic Press Law', replacing all the former legislation related to mass communication, promulgated on December 31, 1980. This law, one of the vicious laws of the Chun government, is characterised by its emphasis on tight censorship, and the public nature of mass communication.

Article 20, paragraph 1, of the Fifth Republic's constitution stipulated that all citizens were to enjoy freedom of the press and publication, but it emphasised the 'responsibilities of the press' by prohibiting violation of the rights of others and the undermining of public morals or social ethics. In particular, the law stipulated that the government could revoke the registration of any publication.
that encouraged or lauded illegal violence (for example, protest demonstration) or other activities that might disturb the public order. Thus the 'Basic Press Law' was much more concerned with limits on the press than with press freedom. Instead of fulfilling its function as a bulwark of liberal democracy, the Korean press was obliged to contribute to maintaining the ruling establishment despite legal language that defined it as free (Lee 1988; Joo 1992).

Under the law, publishers and broadcasting companies had to submit copies of publications or records of broadcasts to the Ministry of Culture and Information, which might revoke the licence of a publisher who transgressed an undefined line of propriety. The process is not left entirely to a vague and mystical estimate of the state of mind of the censors because the Ministry of Public Information monitors newspapers and broadcasts on a daily basis. They usually check the first publication of a newspaper, and if they find objectionable material, they order the paper to take it out of subsequent editions, including all provincial editions.

Under the repressive control of news organisations, the popular press cannot report details of police brutality or the specifics of anti-union violence at factories. The facts of street demonstrations including the number of participants, injured, and arrested, appear to be recorded accurately, but these stories are hardly ever accompanied by quotes from the demonstrators. At times, there has been a definite bias in favour of reporting attacks on police to create a public reaction against students in particular.

Nonetheless, despite the bias, what is published in the press is sufficient to convey to any reader the understanding that a large segment of the present population is engaged in a struggle against the government for the creation of freer and more democratic political institutions and the guarantee of higher wages and better working conditions. This is not true for television and radio, which are government-owned and seldom present critical material to the public.

In addition to the legislation in connection with the media, 'National Security Law' (NSL) which was enacted and amended several times since 1958 is the most notorious law against the country's dissidents. Under Article 7 of the

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5 Some of the articles of the NSL are vaguely worded and sweeping. For instance, under Article 3 offenders are those who are "forming or participating in an 'anti-state'
NSL, in particular, it is an offence for journalists, writers, editors, publishers or dissidents to engage in activities "benefiting North Korea by praising it, encouraging it, siding with it or through other means, or preparing or conspiring to commit such an offence." Lee Young-Hee, a professor of Journalism at Hanyang university and a member of the editorial board of the Hankyoreh Daily Shinmun was arrested under this article. Professor Lee was reported to be planning to send a team of journalists to North Korea. The four reporters who revealed the 'Daily Press Guidelines' issued by the Ministry of Culture and Information were also arrested and charged under the NSL.6

In addition to the laws, financial pressure on business owners, secret threats, and editorial censorship by KCIA (now Agency of National Security Planning) members are used to curb and control the press.

Administrative Control

The 'Press Card System' and the 'Daily Press Guidelines' were the most typical apparatus to control the mass media in Korea. The 'press card system' and the consolidation of 'reporters rooms' were additional types of control on the press under the Park regime which continued until the Chun government of the mid-1980s. When Park declared the Yushin Constitution, he put the press under tight government control. The Ministry of Culture and Public Information issued press cards to approved journalists. This system resulted in drastic cuts in the number of accredited journalists in Korea.7 It made it impossible to gather news organisation, or preparing or conspiring to do so." An 'anti-state' organisation is defined as any organisation, in South Korea or abroad, whose purpose is to 'assume a title of the government or disturb the state'. In 1989 it was widely used against dissident trade union members, student movement leaders, writers, artists, and church members. According to Amnesty International, approximately 200 people were arrested under this law, and a number of them have been found guilty.

6 Details on the press guideline will be explained in the following section.

7 According to association figures, before these policies went into effect 2,564 reporters were employed at the main offices of the major Seoul-based dailies, and 1,676 at the various branches. Only 1,533 of the former and 384 of the latter were given press cards. Some 1,100 cards were issued to reporters for provincial
without the possession of a press card, as a result, journalists were intimidated and could not write critical reports against the government. This meant access only to government-controlled information.

The press assigns reporters to the various government ministries, where they occupy reporter's rooms. However, the Ministry of Culture and Public Information announced a reduction in the number of reporter's rooms and reporters assigned to them, to one room per ministry. At the time, there were 47 reporters' rooms and 740 reporters assigned to cover the various ministries and major government agencies. Decreasing this to 19 rooms and 465 reporters limited access to information.

Press guidelines proved the state's direct control of the mass media. The reporters who found themselves unemployed after Chun assumed power and banded together for mutual support. One of the organisations they formed was the Council for Democratic Press Movement (CDPM), whose best-known product was a bimonthly magazine entitled *Mal* (Words), to push the limits of press freedom beyond what the regular newspapers and magazines had been willing to try. *Mal* began publishing in June 1985, and in a special September 1986 issue entitled "Conspiracy of Power and the Press", it published a list of 584 press guidelines that had been issued by the Ministry of Public Information's Press and Reporting (PR) Policy Office between October 9, 1985, and August 8, 1986. The guidelines, which government officials prefer to call 'requests for co-operation', include a revealing glimpse of how the state intervened in the media, not so much by forbidding news but by limiting the size and placement of stories, regulating the wording of headlines, and shaping the general slant of reports, all to make its economic policy choices more palatable. The guidelines also suggest how the state sought to shape perceptions of its own role in the international political economy, defending itself from the claim that it was bowing to western, especially American, pressure. For instance, the government press guidelines instructed the editors not to print 'damaging' news stories, such as US government statements that were critical of the South Korean government

newspapers and news organisations, reflecting a reduction of more than 600 in total staff.
human rights record, or to play up statements about US concern over security issues in Korea.

In response to this special issue of *Mal* (June, 1986), the authorities arrested several of CDPM's members including its executive director. In due course they were indicted and tried on charges of violating the National Security Law, the Law on Leaking Diplomatic Secrets, and the Law on Debasement of the Nation (Details excerpted from the guidelines will be explained in Appendix II).

According to a research on the fulfilment of guidelines among the major daily newspapers, some 70 - 80 per cent of total articles stuck to this policy (Kim D. K 1988:168). Another point on the state's characteristic seen through the excerpts is that even this brief glance at the state's intervention in the media indicates how it attempted to present itself as promoting the national welfare rather than as subordinate to American interests. The regulations are evidence that many people viewed the state as dependent, too subservient to the United States, and not adequately protecting the nation's own economic interests against American trade pressure.

The function of guidelines was further demonstrated in 1988 during the hearings into the abuses of the Fifth republic, with the revelation of the office's "reports on individual contacts with the pressmen." The reports documented many instances between April 1987 and April 1988 of the PR co-ordinators' intervention in news reporting on the pretext of promoting 'cooperation' between government and the industry. Press and political circles alike were shocked to learn of the extent to which the government had actually intervened to manipulate reporting on politically sensitive issues, exaggerating or minimising details of news stories in ways that were helpful to the ruling party.

**Labour Unions and the Press Freedom**

Another characteristic of the Korean press in connection with the control of the press is the organisation of press labour unions and group actions by
journalists. In the 1970s and 1980s, press labour unions were taboo, although workers at the Dong-A Daily and Hanguk Daily had fought for the right to have company unions in the 1970s, and the matter was in litigation when the case was suspended in 1980. In October 1987 journalists from the Hanguk Daily were given permission to organise, and a new era began. Other unions were created that year at the Dong-A Daily, Chungang Daily, Korea Herald, and MBC. By 1988 all the remaining news organisations in the Seoul area as well as in all the provinces had union organisation of some kind, with a total membership exceeding 14,000. These groups created the 'National Association of Press Organisation Labour Unions', which was reorganised in November 1987 as the 'Korean Federation of Press Unions', with 41 unions as chartered members.

The press unions were supposed to govern themselves, organise labour actions as part of the struggle for better conditions, and fight for editorial independence, the establishment of a fair reporting commission, and 'liquidation' of the abuses of the Fifth republic. The problem of editorial independence was particularly sensitive, since this demand was directed not only against the government, which had always tried to control editorial content, but also against the owners of the news organisations themselves. In addition there were conflicts over wages and mechanisms for choosing editors (Kim, W. S. 1990:335-46).

The Busan Daily strike of July 1988 is a good example of labour relations under the Sixth Republic. First, white-collar journalists crossed traditional social barriers and made common cause with blue-collar workers in the engineering department. A series of collective bargaining talks beginning in April had solved the issues of welfare and working conditions but left several matters unsolved, including the role of labour in choosing managing editors, which was really an issue of editorial independence. When the talks broke down, the union called a strike that lasted 16 days, ending only when the publisher agreed to retire. Presumably to forestall similar outbreaks elsewhere, managers in several other organisations retired too.

A significant development in the concept of press unions in the 1980s and 1990s, therefore, has been the solidarity of employees across department lines. This can be effective only as long as class conflicts within the union do not
paralyse it, but so far, it seems, such solidarity is possible. In 1990 the government-owned KBS was shut down when employees protested the appointment of a new KBS president without their consent. Moreover, as the Busan Daily strike indicated, workers in one organisation were poised to seek support from workers in other industries, something that happened in 1990 when the Seoul underground workers walked off the job in sympathy with the strikers at KBS. Violence is common in such situations, especially when the riot police show up to contain the disturbances; indeed, the union bosses themselves display dictatorial characteristics of their own. Labour organisations' joining in solidarity across sectors of the economy and across professions is a sign of increasing pluralism in Korea. The government no longer can dismiss the labour movement, and its successes since 1987 are proof that the Korean establishment is slowly learning how to deal with it.

7.4 Global Dependence of the Korean Media

Many researchers in recent decades have reported the existence of a largely unilateral distribution of information such as news, TV programmes (including the visual materials of TV news and news documentaries on special issues), popular music, cinema, and so forth from western-industrialised countries to the rest of the world. They argue that global information commodity mainly distributed by the transnational corporations has hindered the autonomous development of the media industry in the Third World and, as a result, the cultural autonomy of many nations is subordinated to the communication outputs of a few powerful market-oriented economies.

The Korean mass media is no exception. Global marketing strategies represented in television advertising have changed traditional food culture. Due to the advertising, global commodities such as Kellogg, Frankfurt, and Maxwell House or Taster's Choice coffee have replaced the traditional breakfast with rice, Kim-Chi, a fiery cabbage pickle that Koreans consume in great quantity with

*Cultural dependency is another matter.* Overseas capital does not own the media, but the lack of foreign media organisations' direct investment in Korea does not necessarily indicate the degree of the nation's cultural dependency. Whoever owns the cultural 'hardware', a certain degree of the dependency of cultural 'software' is inevitable and even encouraged in order to facilitate the inflow of foreign capitals.

The Korean mass media industry has been faced with difficult problems since the 1980s. Especially, the opening of the market through the whole industry allowed the TNCs to launch the investment in domestic market. As a result, the domain of movie, publishing, and the advertising industry is in danger from the poor status of capital and technologies. The ratio of market occupation by the TNCs has rapidly increased in recent years.

### 7.4.1 Broadcasting and Newspapers

There is no doubt that media systems have constituted an important channel through which foreign culture has flowed into Korean society. Mass media have broadly provided Koreans with opportunities to have direct access to foreign culture. Among these media, television has been perhaps the most effective and popular in diffusing foreign culture.

There has been a high proportion of foreign-made films in Korean TV programmes which indicate of strong foreign cultural influence on the people. In the 1960s, the proportion of American-made films in the total television programmes broadcast through three major networks was more than 20 per cent. However, the ratio of foreign films has been steadily reduced and reached less than 15 per cent in the late-1980s: in 1989, for example, the proportion of foreign-made films among TV programmes was 12 percent - KBS 1-TV 8.3 %, KBS 2-
TV 14.5 %, and MBC-TV 12.5 % (Chung, Y. W 1990:227). Children's programmes are, nevertheless, still very highly dependent upon foreign programmes.

(Table 7.6) Proportion of Imported Children's Programmes (unit: %)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KBS 1TV</td>
<td>33.3</td>
<td>38.5</td>
<td>68.7</td>
</tr>
<tr>
<td>KBS 2TV</td>
<td>71.1</td>
<td>44.1</td>
<td>56.7</td>
</tr>
<tr>
<td>MBC TV</td>
<td>39.8</td>
<td>37.5</td>
<td>68.7</td>
</tr>
</tbody>
</table>


Films from other countries were also broadcast, but the United States has always topped the list of foreign countries that supplied TV programmes to Korea: in 1987, 93 TV movies out of 103 of MBC-TV and 89 out of 97 of KBS-TV were American films (Union of Producers 1989:7). In particular, most of them are broadcast in prime time, especially at weekends, and the influence is higher than the ratio of programmes.

Another important point is the content. Programmes are reviewed and selected by the managing groups or agencies before being broadcast. However, the selection of foreign-made films has been made chiefly according to the availability and current political conditions in most cases. As a consequence, only those items showing explicit anti-system/anti-regime propensity and obscenity were banned, while other arbitrarily selected 'popular culture' items have been broadcast indiscriminately. This unsystematic selection and broadcasting of foreign-made films resulted in an incomplete, and even biased, understanding of western culture on part of television viewers.

These films tend to show only the positive aspects of western life. The concept of justice, impartial application of law, or the 'pioneer spirit' strongly influenced Korean TV viewers, and material affluence, high standard of living, or social welfare systems seen through the western films strengthened the positive attitudes of Koreans toward the West. Exposure to American popular culture has inspired, among the younger generations, a drive to imitate American modes of behaviour without proper understanding of the root of American culture, and
commercialism or consumption-oriented life-style have increased frustration especially among the older generations.

The two Korean TV networks have special news material contracts with American TV networks for their video materials - MBC with CBS, KBS with ABC. Korean television networks' heavy reliance on American wire services and TV networks encourage similar presentation patterns of international conflicts to those of America. In other words, as Hamelink (1983:56) described, news material, produced in the industrial countries, is "geared toward synchronisation of large audiences with a cultural system of gatekeepers."

Current communication technology is not neutral and it increases dependence of developing countries on the developed countries. The typical case is the rotary press for the publication of the newspaper in Korea. More than 50 per cent of the rotary press which totalled 450 in 1990 are imported from Japan. This was the major factor deepening the deficit of trade balance.

(Table 7.7) Imports of the Rotary Press ($ thousand)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amounts of Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>52,923</td>
</tr>
<tr>
<td>1986</td>
<td>60,152</td>
</tr>
<tr>
<td>1987</td>
<td>136,708</td>
</tr>
<tr>
<td>1988</td>
<td>211,349</td>
</tr>
<tr>
<td>1989</td>
<td>270,394</td>
</tr>
<tr>
<td>1990</td>
<td>353,953</td>
</tr>
</tbody>
</table>


The imports of the press have increased especially rapidly since 1987, which was the year of liberalisation of establishing press firms (see table 7.7).

7.4.2 Cinema

Besides television programmes, the cinema industry in Korea has been the sector most vulnerable to global capital. Since the foreign motion picture was
introduced to the public for the first time in 1903, the film market has had to depend on the import of foreign films. In 1955, for example, while only 16 motion pictures were produced domestically, 123 foreign feature films were imported, of which 95 per cent were American-made. Although the proportion of American films has been moderately reduced, the revenues from direct distribution as well as exports have increased in the Korean market. Domestic film production has been constrained by a multiplicity of factors: the unavailability of finance; lack of access to relevant technologies; inadequate institutional arrangements for the reproduction of labour power, etc.

After the Korean government revised the existing 'film law' in 1987, transnational distributors, the so-called 'Four Majors' (VIPI, 20th Century Fox, Warner Brothers, and Columbia Tri Film), began to supply American films instead of the previous indirect distribution system which had been based on the screen quarter system. As a result, many domestic import agencies were bankrupted, and the competition to import the 'beneficial' movie was severe. In spite of the deficit of the foreign trade again since 1989, import agencies of foreign films spent an exorbitant price to survive the competition with transnational distributors. For example, one agency paid $1,980 thousand to

---

8 Boyd-Barrett (1979:122) points out four factors on Hollywood's dominance of overseas export markets as follows. First, a vertically-integrated structure that initially reached from studio through to production, distribution and exhibition; second, a vast public-relations and sales machinery; and third, a high degree of specialisation and rationalisation.

9 In 1989-91, 404 American films (43.0%) out of 939 imported films was showed in Korea. Second was 271 Hong Kong-made films (28.9%) because of their cheaper price.


11 VIPI is the biggest film distributor in the world that three film producing companies, MGM, UA and Paramount, established.

12 The lists of revised film law of which American demands were accepted are as follows.

1. Abolition of an article on registration by a foreigner or foreign corporation for the production or import business.
2. Abolition of fund system for the development of domestic films which had to contribute 10 million won to the Film Promotion Institute.
3. Downward adjustment of the deposits which had to be paid when registered for import business of foreign movies from 70 million won to 5 million. Even so, local branches of the foreign film distributors do not apply to this article.
import 'Terminator II'. This amount was five times the total export of Korean films which was $422 thousand in 1990.

(Table 7.8) The Records of First-Showing Cinema in Seoul (1990)

<table>
<thead>
<tr>
<th></th>
<th>Volume</th>
<th>Viewer</th>
<th>%</th>
<th>market ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>UIP</td>
<td>21</td>
<td>2,416,357</td>
<td>47</td>
<td>13.49</td>
</tr>
<tr>
<td>Warner</td>
<td>10</td>
<td>1,454,645</td>
<td>28</td>
<td>8.12</td>
</tr>
<tr>
<td>20c Fox</td>
<td>10</td>
<td>843,347</td>
<td>16</td>
<td>4.71</td>
</tr>
<tr>
<td>Orion</td>
<td>2</td>
<td>394,533</td>
<td>8</td>
<td>2.20</td>
</tr>
<tr>
<td>Columbia</td>
<td>1</td>
<td>43,490</td>
<td>1</td>
<td>0.24</td>
</tr>
<tr>
<td>Sum</td>
<td>44</td>
<td>5,152,372</td>
<td>100</td>
<td>28.76</td>
</tr>
<tr>
<td>Other foreign</td>
<td>243</td>
<td>9,813,177</td>
<td>54.88</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>104</td>
<td>2,930,135</td>
<td>16.36</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>391</td>
<td>17,931,684</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>


(Table 7.9) The Imports of Foreign Movies

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>25</td>
</tr>
<tr>
<td>1983</td>
<td>23</td>
</tr>
<tr>
<td>1985</td>
<td>27</td>
</tr>
<tr>
<td>1986</td>
<td>50</td>
</tr>
<tr>
<td>1987</td>
<td>84</td>
</tr>
<tr>
<td>1988</td>
<td>175</td>
</tr>
<tr>
<td>1989</td>
<td>264</td>
</tr>
</tbody>
</table>


As can be seen in (table 7.8) a total revenue of 28.76 per cent was estimated by American films which were distributed directly by the major US distributors although the number of American films were 44 in 1990. In the case of UIP they occupied 24 per cent of the local market in 1991 (Kang 1991:40) and it is not so difficult to anticipate that the American share of films will increase steadily. On the other hand, domestic films could not compete with foreign films which are made with incomparably larger production budgets and global distribution networks.
Whatever the reasons for the unpopularity of domestic movies might be, the significant fact is that foreign (American) films have long been favoured by domestic cinema-goers over Korean-made motion pictures. Also, those who saw American motion pictures were generally exposed only to the positive side of American culture, because of governmental censorship which banned those imported films showing explicit violence, obscenity, and radicalism.

7.4.3 Video Cassette Recorder (VCR)

The VCR has been produced and diffused through the vast majority of households since 1982, the total scale of VCR sales in 1991 reached 1.4 million and 352 billion won (some £282 million) (Korean Electronic Daily 1992:448).

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of VCR</th>
<th>No. of Household</th>
<th>Ratio of Diffusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>54</td>
<td>8,586</td>
<td>0.9</td>
</tr>
<tr>
<td>1984</td>
<td>554</td>
<td>9,250</td>
<td>6.6</td>
</tr>
<tr>
<td>1986</td>
<td>1,118</td>
<td>9,550</td>
<td>11.6</td>
</tr>
<tr>
<td>1988</td>
<td>2,120</td>
<td>10,000</td>
<td>21.2</td>
</tr>
<tr>
<td>1990</td>
<td>3,840</td>
<td>11,357</td>
<td>36.0</td>
</tr>
<tr>
<td>1992</td>
<td>6,450</td>
<td>12,072</td>
<td>57</td>
</tr>
</tbody>
</table>


The ratio of VCR diffusion reached almost 60% as can be seen in (table 7.10), and the spread of video tapes has also rapidly enlarged in recent years. The problem is that the hardware production is second to Japan, but the software is more backward. As a result, cultural and economic dependency of video programmes have caused many problems like other cultural commodities.

The total scale of video tapes sales and loan business in 1989 was 230 billion won, and amounted 850 billion won (sales 250 billion and loan 600 billion), 3.7 times compared to 1989 and has increased some 20 per cent every
year, up to 1992. The level of the video tape market has interested domestic and foreign larger firms in a sales and loan war. Seven larger companies including top 5 chaebol conglomerates such as Hyundai, Samsung, Daewoo, Sunkung (SKC) and Kumsung (Gold Star), are involved in the video market combined with MNCs since the video tapes industry was released from the exclusive industry of the small- and medium-company in 1985. The competition among these chaebols to import more profitable films has raised the royalties. Among the total revenues of the video tape sales of 8 major companies 87 billion won in 1991, approximately 40 billion won (46.4%) were paid in royalties.

It was only in 1987 that major US film companies began to be involved in the Korean video tape markets along with cinema film. However, the market for the video tapes is already under the control of a handful of multinational firms. Five majors, UIP, 20c Fox, Warner Brothers, Colombia Trista and Walt Disney, have supplied direct sale tapes to major Korean companies with high royalties. According to the data of 'parliament report' submitted by the Ministry of Culture and Sports, the total revenues of these four direct distributors (except 20c Fox) represented 37.1 billion won ($4.6 million) in 1992. Out of the revenues 16.4 billion won (44%) and 16.2 billion won (51%) out of 32 billion won of total revenues in 1993, were sent 'home' (Dong-A Daily 11 October, 1993).

7.4.4 Advertising

As illustrated by numerous scholars (Schiller. 1973; Tunstall 1977; Mattelart 1979; Janus 1981: Reeves 1993:148-67), the expansion of western multinationals, especially American-based, advertising agencies into foreign markets has been driven by the expansion of the industry itself. In other words, the development of US-based advertising agencies has been closely connected with a significant relationship between the time and pace of industrial expansion and that of advertising. In order to protect their accounts, advertising agencies
have either followed their multinational clients into new national markets, or opened overseas offices at their request.

As the western multinational companies have set up manufacturing and distribution facilities in foreign markets, and increasingly provided financial, accounting, and information services, they have thought 'dependable global operation efficiently' (Janus 1981:299). 'Global standardisation of branding strategies' by the multinational agencies was one of these tactics, and has clearly contributed to the homogenisation of consumption habits around the world. They have continuously persuaded people to accept fast foods produced by TNCs such as MacDonald's, Coca-Cola and Kentucky Fried Chicken.

In the long run, the expansion of advertising can be seen as part of the global expansion of capitalism in which TNCs and advertising agencies have played a key role. And TNCs and advertising agencies promote a completely inappropriate consumption ethos and multinational advertising facilitates cultural dependence. Further, "the multinational encouragement of particular types of consumption through the mass media -cigarettes, soft drinks and alcoholic drinks, cosmetics, and household appliances - discourages domestic savings and the indigenous accumulation of capital" (Reeves 1993:166).

Advertising in Korea has become an indispensable adjutant of the business system according to the scale of economy which is getting bigger and bigger, and its own organisational structure which differs very little from the firms whose interests it promotes and represents. In 1990 the total amounts of advertising reached some 2 trillion won (approximately £1.6 billion) ranking Korea 13th in advertising revenue in the world, and indicating 1.2 per cent of the GNP (Chae-II Advertising Ltd. 1991:172).

The Korean governments controlled strict levels of multinational advertising agency investment in accordance with general industry and investment policies, and the protection of local agency accounts until 1986. The advertising industry, however, has been in crisis since 1987 when the government announced, under pressure from the American Department of Commerce, to open the domestic advertising markets to the foreign multinationals. According to an announcement by the Korean Ministry of Finance in October, 1986, foreign
capital could invest and set up the form of joint-venture within 49 per cent of the stock (Yoo, J. H. 1993:24).

Until 1986, the typical intervention in Korean mass media by foreign transnational corporations has been accomplished by the expenditure of advertising rates. Since the amendment of 'Legislation on Introduction of Foreign Capital' from July 1984 and benefits to TNCs of foreign investors, the number of TNCs has rapidly increased. As a result, the amount of advertising from the TNCs has also extended. To alleviate the critical report of the press and produce friendly atmosphere on TNCs or their commodities, they spent 16.3 per cent of the total amount of Korean advertising in 1986 which amounted to as much as the top five chaebol conglomerates spent (Advertising Association 1987:3-5). Foreign sponsors of broadcasting advertising were only 6 among the top 100 in 1978, but this rose to 14 in 1981 and 17 in 1987. More importantly, all this advertising was produced or executed by major Korean advertising agencies which mostly belong to chaebol conglomerates.

However, the opening of domestic advertising markets from 1987 allowed the foreign multinational agencies to set up joint-ventures. British-based SBS which is the son company of Saatchi & Saatchi Advertising, jointly established the agency with Hyundai in 1988. In 1989, most of the major multinational agencies such as BJK&E (Bozell, Jacob Kenyon & Eckhardt), Saatchi & Saatchi, Ogilvy & Mather, J. Walter Thompson, BBDO, McCann-Erickson, Grey, etc., launched their business in Korea.

The real turning point of the advertising industry was in 1990; advertising markets were completely opened to the multinationals and they could invest capital up to 100 percent for the establishment of the son company or branch. Multinationals' advertisements which have been executed by Korean agencies began to be transferred to multinational agencies. Total revenue of 12 foreign multinational agencies, which are based in America, UK and Japan, reached 81 billion won, 1.4 per cent of the total advertising in 1990. Particularly, the top five agencies which qualified for the licence of broadcasting advertising recorded...
9.5 billion won (1.4% of total) in 1990, 20.85 billion won (2.7%), and 32.4 billion won (3.4%) (Advertising Information 1993 (1):37-8).^{13}

In the long run, the expansion of the multinational advertising agencies in Korea promote global commodities through the mass media, and, as a result, will facilitate economic and cultural dependency.

7.5 Conclusion

This chapter has attempted to give an overview of the general features of the mass media in Korea. The rapid development of the media industry has been closely connected with the process of political transition. Repressive governments have controlled the freedom of the press with many laws and regulations such as the 'Anti-Communist Law'.

A few media companies which strictly adhered to the governmental policies have obtained financial benefits with a guarantee of a monopolistic market. As a result, Korea's large press companies became oligopolies in the 1980s, and diversified to weekly and monthly magazines and publishing companies. Business was also expanded into various other sectors like hotels and tourism.

The dependent structure of the Korean mass media industry is in a serious condition as in other developing countries. A high proportion of foreign, especially American-made, programmes is common. The local cinema and advertising industries have been in peril since 1987 when the global TNCs began to transact their business directly.

The following chapter will look into the status of the Korean publishing industry which is the most important issue.

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^{13} The top five are as follows: McCann-Erickson, Cheil-Bozell, DDB Needham, DY&R (Dentsu,Young& Rubicam), and J. Walter Thompson.
CHAPTER 8

8.1 Introduction

According to the 1985 occupational wage survey (Economic Planning Board 1986:182), the gaps among the different levels of graduates in economic returns are wide. If the wage level of high school graduates was standardised at 100, the wage level of middle school graduates was 74.7, while that of two-three year junior vocational college graduates was 129.8 and that of four-year college and university graduates was 226.5. The gaps have still not narrowed. In these circumstances, education has been widely perceived to be a principal requirement for social respectability and economic substance in comparison to the others whose education is less successful.

In public demand, education is seen as an indispensable component of economic and social development: an educated population will more readily promote national developmental objectives. Formal schooling has been emphasised not only in the western industrial nations but in the developing countries (Schultz 1981; World Bank 1991:51-69). In Korea the role of education in the process of economic growth has been the foremost factor for the last four decades. Particularly, higher education has played an ever greater role.

1 If the university-graduated males 100, the index of university-graduated females in 1990 was 91, high school-graduated males 58, high school-graduated females 41 (Hangyure Daily 30 September, 1992).
The development of economy have also continuously stimulated the publishing industry in Korea. However, books which were anti-government or Leftist were censored, and this caused an unbalanced market.

The purpose of this chapter is to investigate the mutual relationship between education and the development of the publishing industry. Secondly, the accumulation of capital by the publishing industry and the formation of larger publishing companies will be examined. Censorship or control by the state is another important issue of this chapter. The final and most important aim is to analyse western involvement in the local market. Let us begin with the structure of education because it is essential to understand the publishing issue.

8.1.2 General Terrain of Publishing in Korea

The general concept of globalisation emphasises that the world economy is becoming more interconnected in terms of production, financial systems, international division of division of labour, and the expansion of TNCs. Therefore, the world is getting common patterns of materials and cultural consumption across territorial boundaries. It is true that the trend of the world publishing industry has also showed the enlargement of market and publishing TNCs. Many western book publishing TNCs have relocated their printing facilities to Third World countries in order to take advantage of a mixture of low wage costs, advanced technologies which can easily be decomposed and transplanted, taxation concessions, and often tight state controls over the labour force.

A lot of Third World nations, particularly NIC countries, under the circumstances of following the overall structure of world capitalism, have encountered many globally formed unequal treatments or organisations such as GATT or WTO which are controlled by a few nations. They have confronted pressures such as affiliation to international copyright and opening up the local market to the western TNCs.
In the case of Korean education, 89% of all Korean children graduate from senior high school and 27% of the total population of 43 million enters higher education. The publishing industry has been fostered by this so-called 'education fever'. The contribution of education to economic growth has been made through technological progress, expansion of the labour force and the educational industry. With an efficient and increasingly well educated labour force and export-oriented industries, Korea became a powerful competitor in international trade. Under the strong policy of 'developmentalism', the state has protected the local publishing market as this is fundamental for an expansion of national economy and a passion for education. As a result, the publishing industry has steadily developed differently from the situation in other NICs. In short, books make a vital contribution to economic development and education and vice versa. It is natural that the markets for textbooks, reference books and children's books have occupied more than 80 percent under the circumstances of strong government control on book publishing in the name of economic development.

Another important factor for the development of the publishing industry is the heritage of cultural traditions, Confucianism particularly. It emphasises personal discipline and diligence, ordered family life and social harmony through the education. Many observers (Berg 1987; Clegg 1990; Rozman 1991) regard a high growth rate of economic development in the NICs as the broad spread of Confucian thought to the people in the process of modernisation. It makes people keep close to books not only during school days but also after that. As education is regarded by Far Eastern people as the key to success, popular education get expanded and illiteracy decreased which resulted a large book market. This tendency also affects the Korean publishing industry whose ranking positioned among the top 10 nations in the world in terms of the number of the titles (UNESCO 1991).

Differently from other NICs, however, the policy of protectionism from 1960s on the publishing industry was very strong which nurtured the domestic publishers but restricted foreign investment with the promulgation of the 'Law Relating to Import and Distribution of Foreign Periodicals'. This law stipulated
that any foreign publication wishing to establish a branch office in Korea had to receive government permission.

However, the general trends of globalisation have threatened the local market since the pressure by the U.S. government allowed the western TNCs to begin the investment in domestic publishing industry. The market has to be opened up to western countries thoroughly from 1997. Some part of the market has already encroached in this global epoch. In western eyes, Korea is becoming a flourishing new market for the western-based global book publishers, both for book sales and for rights. The details on this issue will be explained in following chapter.

8.2 Educational System in Korea

Throughout her over four-thousand-year history, Korea has suffered numerous foreign invasions and civil wars. Koreans sincerely believed that only through education could the aim of building a resilient society be achieved. "Knowledge is power" has been one of the most popular slogans for years among Koreans. This ideology of Korean society was maintained regardless of historic events.

Confucianism has greatly influenced the Korean value system by stressing the idea of personal obligations to society and country. Education is viewed as a process of acquisition of both knowledge and character building. Korean society expects a well-educated person to be loyal to the country, filial to parents, and altruistic to society.

8.2.1 Introduction of Modern Education

A modernised system of formal education in Korea began to develop with the influx of western culture, particularly with the arrival of western missionaries and their movements in the latter part of the nineteenth century. There were
three main streams of education (Vacante 1987; Ministry of Education 1991): (1) the traditional state-supported institutions, (2) the new western-style institutions established by the early Christian missionaries, (3) the private independent institutions founded and supported by the indigenous leaders.

The influence of the Christian missions in the field of education in Korea was enormous and it is generally acknowledged that the development of modern education came about as a direct result of missionary influence. However, the early purpose of its education was mainly focused on, as Gould (1993:14) points out, "the requirements of Christianity: to learn the catechism or to read the Bible, very often at a very low and basic level".

It was 1885 that American Protestant missionaries founded the very first school, *Baechae Hakdang* (school) of Seoul. The school which was a boy's high school, with its new educational philosophy and modern curriculum, was truly the pioneer. In 1886 the missionaries opened the *Ewha Hakdang*, the first girls' high school in Korea, and an American Presbyterian group also established a boy's high school, *Kyungshin*, in Seoul. During the next twenty-five years, the Christian missionaries established twenty-nine schools: nineteen boy's schools and ten girls' schools. They were all exerting an impressive influence on Korean education.

In higher education, *Yonhui* College was founded in Seoul in 1905 and *Sungsil* college in *Pyongyang* in 1906, both sponsored by American missionary foundations.

*(Table 8.1) The Christian Schools by Denominations in 1909*

<table>
<thead>
<tr>
<th>Denomination</th>
<th>No. of Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presbyterian</td>
<td>501</td>
</tr>
<tr>
<td>Methodist</td>
<td>158</td>
</tr>
<tr>
<td>United Denominations</td>
<td>84</td>
</tr>
<tr>
<td>Roman Catholic</td>
<td>46</td>
</tr>
<tr>
<td>Anglican</td>
<td>4</td>
</tr>
<tr>
<td>7th Day Adventist</td>
<td>2</td>
</tr>
<tr>
<td>Denomination Unknown</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>796</strong></td>
</tr>
</tbody>
</table>
A total of 796 schools from elementary to college levels was established and maintained by the western missionaries until 1909, as can be seen in (table 8.1). This is a significant number as it comprised about 35 per cent of the entire number of formal schools in Korea.

8.2.2 Education under Japanese Colonialism

Once the annexation was complete in 1910, Korea was under the control of a Japanese governor-general. In order to wage a successful military campaign against the Asian mainland Japan needed to gain socio-political and economic control of Korean society. To accomplish this objective the government of Japan turned to formal education as a non-military solution to this problem (Son, I. S. 1987:50-68).

First, colonial formal education was designed to serve as a political forum for the indoctrination of Korean youth into becoming loyal and obedient subjects of Japan. These subjects would have the duties and responsibilities of Japanese citizens but not the rights and privileges.

Second, colonial formal education in Korea was meant to help gain control of Korean society by establishing a limited number of indigenous bureaucrats who would be willing to assist colonial officials implement government policies. These low ranking civil servants would serve as a buffer between Japanese officials and the remainder of the colonised Korean population.

A third way in which formal education was designed to help the government of Japan maintain colonial control over Korea was to encourage vocational education at the expense of a more academic oriented school system. Vocational schooling limited the Korean educational experience to relatively mundane technical matters while at the same time denying them exposure to worldly matters that had the potential for heightening their level of political consciousness in addition to providing them with the intellectual skills required for self-government.
The Korean school system was changed from a 6 year elementary education to 4 years. The school entry age for grade 1 was raised from 7 years to 8 years. Elementary schools were renamed ordinary schools. Middle school was renamed to high school to imply to the Koreans that this was the highest education available for the ordinary citizen. On the other hand, the high school education programme was reduced from 5 years to 3 years. The Japanese policy was more interested in developing ordinary schools rather than high schools. For instance, in 1908, there were 50 ordinary schools, which increased to 125 in 1910, but, the number of high schools remained the same. Thus the Japanese ambition to make Koreans second class and ignorant citizens was evident (Oh, C. Y. 1990:356-7).

Japanese officials started mounting tighter control over the private and religious schools. In 1915, the Revised Private School Act was introduced to regulate all the private and religious schools' teacher qualifications, use of official curriculum guides, use of government approved textbooks, and so on.

It was in 1938 that the government decreed "Japanese as the 'national' language of colonial Korea". The government at this time took firm measures to abolish the Korean language from the school curriculum, as well as from the daily conversation of students.

Outside the school, the students' protectorate league, composed of all faculty members of high schools in Korea, observed the students closely, anyone speaking Korean, if caught, was immediately reported to the authorities of his school and subject to punishment (Rim 1972:192).

The Japanese established their own university and at the same time hindered the operation of existing academic institutions. The Japanese regime opened the Keijo Imperial University in Seoul in 1924 which was modelled exactly on universities in Japan. Unlike the existing institutions that used Korean as the language of instruction, Japanese was the sole medium even before

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2 During the Japanese occupation, of school age children only 35 per cent had the opportunity of elementary education, and only 6 per cent were able to pursue studies at middle school level (Song 1974:98).
1938. Very few opportunities for higher education were given to the Koreans, between one-fourth and one-third of the total number of students, compared with those given to the Japanese living in Korea.

8.2.3 Education After Liberation

On 15 August, 1945, Japan unconditionally surrendered to the Allied Forces leading to the liberation of Korea after 35 years of Japanese rule. It was certainly a turning point for Korean education. However, the transition was not without difficulties. The sudden political vacuum created many problems in every aspect of Korean social life including education. For 3 years, Korea was under the rule of an American military government. The military government implanted the American system and demolished the Japanese colonial educational system. These changes included (Oh C. Y. 1990:363):

1. Introduction of the American 6-3-3-4 years pattern - six-years elementary, three-years middle, three-years high school, and four-years college or university - which is still maintained.
2. Modification of the school year to start on April 1 and September 1.
3. Compilation and supply of elementary school textbooks.
4. Introduction of coeducation to colleges and universities.
5. Provision of avenues to study abroad, particularly in the U.S.

It was eventually agreed that the United States would provide 25 million dollars out of Foreign Liquidation Commission Loan for creating an educational fund to assist Korean students studying in the United States. Under the Truman's scheme, the United States Military Government also distributed a significant number of textbooks (15 million volumes) for use in public education (Kim U. J. 1982). However, most textbooks were old editions or not relevant to Korean society.

The education system has been radically altered to provide more support for technological change after the Korean War. The rapid transformation of the economy since the 1950s, driven by a central economic planning strategy, required a very rapid increase in scientific, technically skilled workers. These
would be produced in part within companies, but the government, particularly from the 1970s, invested in the establishment of schools, especially technical high schools.

As of 1989, the numbers of primary schools and branch schools are 6,390 and 1,243 respectively, with total enrolment reaching 4,890 thousand. While the number of schools registered a three-fold increase, the enrolment rate of the relevant aged population rose from 64 per cent to 98.9 per cent. Another 98 per cent of those completing primary schools go on to middle school. In 1989, 2,326,000 of middle school graduates go on to high schools. Higher education also has expanded quantitatively. The enrolment in the various types of higher education institutions in 1986 exceeded 37 per cent of the total Korean population aged 18-21, while about 29 per cent of this age group were enrolled in four-year institutions of higher education (Ministry of Education 1991). This is a higher ratio of enrolment than many developed countries and some newly industrialised countries such as Singapore and Taiwan.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>19</td>
<td>85</td>
<td>168</td>
<td>236</td>
<td>536</td>
</tr>
<tr>
<td>Index</td>
<td>100</td>
<td>450</td>
<td>890</td>
<td>1,240</td>
<td>2,821</td>
</tr>
<tr>
<td>Faculty</td>
<td>1,490</td>
<td>3,808</td>
<td>10,435</td>
<td>20,900</td>
<td>39,950</td>
</tr>
<tr>
<td>Members Index</td>
<td>100</td>
<td>260</td>
<td>700</td>
<td>1400</td>
<td>2681</td>
</tr>
<tr>
<td>Enrolments</td>
<td>7,819</td>
<td>101,041</td>
<td>201,436</td>
<td>601,994</td>
<td>1,434,259</td>
</tr>
<tr>
<td>Index</td>
<td>100</td>
<td>1290</td>
<td>2586</td>
<td>7700</td>
<td>18343</td>
</tr>
</tbody>
</table>


By 1989, as can be seen in (table 8.2), there were 536 colleges and universities enrolling 1,434,259 students and with 39,950 faculty members. However, the government has strictly controlled the enrolment quota in each institution for the purpose of co-ordinating the demand and supply of human resources in the Korean society and simultaneously controlling the quality of education in the colleges and universities. Because of the conflict between the traditionally strong zeal for higher education, particularly in the top-ranking
institutions, and the limited access to higher education due to the strictly controlled enrolment quota, a social problem began to emerge in the early 1970s, that is, an increase in the number of so-called 'repeaters' for the college entrance examination and their accumulation.

At the higher levels of the academic system, there is a considerable emphasis on research and publication, but for the majority of the academic system and particularly in the low-status private universities and colleges (78%), the system is very much oriented to teaching. In many respect, the hierarchy of the Korean academic system is somewhat similar to the U.S. academic system in its diversity, organisational pattern, and variations in quality and orientation (see Altbach 1989).

8.2.4 Overseas Education and its Influence

Asia is by far the largest exporter of foreign students to the industrialised nations.3 China, Taiwan, Korea, and Malaysia are all among the top ten countries sending students to the western countries- and the numbers are still increasing. P. Blumenthal, vice president of the Institute of International Education in America, expressed his opinion on foreign students in the Washington Post (16 February 1992) under the title of "Hidden U.S. Export: Higher Education" as follows.

*It is clear that the trend in Asian students coming here is strong and continuing, and that is good news both for our educational institutions and for America's political and economic relations with Asia. Many of*

---

3 Asian students are, for example, flocking to American universities in huge and rapidly growing numbers. Nearly 230,000 of them were studying on U.S. campuses in the 1990-91 academic year; 10 years ago, the figure was a bit less than 95,000. Therefore, Asians now comprise 56 per cent of the foreigners studying in the United States, up from 30 per cent. As a result, the Commerce Department estimates that foreign students brought $5 billion into the United States in 1990 in the form of tuition, room and board fees and other payments; Asian students accounted for roughly half of the amount (Washington Post 16 February 1992).
these students are self-funded, so they bring revenues to the schools they come to. ... And they go home with a very profound understanding of the American economy and American educational system. (emphasis added)

It is true that some training and especially higher education in an advanced country has been a very important advantage to the Third World. From the individual's vantage point status achievement is guaranteed if one could make it to the bridgehead of the modern organised sector. For this mobility, higher education, in a prestigious school in an advanced country certainly takes on a premium value, the probability of being recruited into the elite rank rising tremendously. However, what kind of roles have the foreign educated played for society as a whole and in their respective spheres?

A deep influence on the idea of overseas study for Korean students is rooted in the period of Japanese colonialism. Most Korean intellectuals in the 1920s-1950s, such as university lecturers, journalists, or bureaucrats, had been educated in Japanese-run schools, which was a natural consequence of the Japanese colonial rule.

A very large number of Korea's elite since independence from Japan began to diversify some education and training to Western countries, mainly America. Both U.S. military government and the Korean government encouraged Korean students to go overseas to enhance their professional competence.

During and after the Korean War, an increasing number of Korean college graduates, university lecturers, and other educated individuals began to go to the United States either for training or for graduate studies. By the end of 1964, according to the Ministry of Education, a total of 4,981 Korean students had gone abroad. Among them, 4,202 or 84 percent chose to go to the United States to pursue advanced studies (Korean Educational Development Institute 1980:73). Compared to those who received their degrees from Japanese universities, the number of American degrees are overwhelmingly larger, thereby reflecting an obvious change in the pattern of educational dependency (from Japanese-oriented to the United States-oriented). The number of Korean students studying in the United States has increased steadily up to now.
According to their analysis on biographical data of all the cabinet ministers, vices-ministers, national member of the parliament, top-managers, and lecturers of the university, Kim and Lee (1985) also proved that the relative numbers of the foreign educated among them are quite large.

(Table 8.3) Country of Foreign Education/Training by Elite Category

<table>
<thead>
<tr>
<th>Country</th>
<th>Cabinet ministers</th>
<th>Vice-ministers</th>
<th>MP</th>
<th>Top mang.</th>
<th>Lecturers of top five</th>
<th>All Univ.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>36.2</td>
<td>27.7</td>
<td>13.5</td>
<td>1.8</td>
<td>5.5</td>
<td>4.9</td>
</tr>
<tr>
<td>USA</td>
<td>25.3</td>
<td>19.3</td>
<td>9.6</td>
<td>7.5</td>
<td>27.4</td>
<td>10.7</td>
</tr>
<tr>
<td>EC&amp;other</td>
<td>2.9</td>
<td>3.2</td>
<td>1.0</td>
<td>1.5</td>
<td>7.9</td>
<td>4.8</td>
</tr>
<tr>
<td>China</td>
<td>4.6</td>
<td>3.9</td>
<td>0.8</td>
<td>0.1</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Basis of %</td>
<td>304</td>
<td>285</td>
<td>1219</td>
<td>1780</td>
<td>2711</td>
<td>17859</td>
</tr>
</tbody>
</table>


As can be seen in (table 8.3), the proportion of the Korean elite with higher education in some foreign country or other, ranges from around 10 per cent for top managers to more than a half among the cabinet ministers. As for the country where the elite obtained their education, Japan happens to be the leader for the government executives and politicians, but the United States is the top nation for the managers and lecturers. It is not surprising that about three out of ten lecturers in the best five universities in Korea have some degree from the U.S. university.

At present, out of 37,834 lectures and educational administrators in the various colleges and universities, more than half hold overseas degrees. Obviously, they will practice in Korean college and universities what they have learned overseas. If the majority of them were educated in the United states, American education will be reflected in the Korean education system. Therefore, American influence is not limited to the past, but will continue far into the future. In fact, many university lecturers are using the English books or supplementary materials as texts at the graduate and undergraduate lectures.
Considering the traditionally influential status of intellectuals in Korean society, their influence in introducing American culture has been substantial since the 1950s. Among these American-educated intellectuals, bureaucrats were one of the key groups upon whom American influence was extensive. Their exposure to American-style administrative, managerial, and legal concepts, through the foreign aid programmes of the United States and other development-related projects, as well as through formal affected the function of Korean bureaucracy. Modern administrative ethics, the merit system, and technical specialisation were adopted as the basic principles of administration.

Some lecturers who obtained the degrees mainly in America are frequently accused of being positivistic-functionalistic and conservative in 'ideological' inclinations; of having sold them out to the establishment by active participation in policy making, consultation, and research projects supported by the government and larger corporations; of having played, thereby, the role of the so-called 'compradore' social scientists, fostering the dependency relationship and the alienation of the mass from the bourgeois culture; and the like (Kim, U. J. 1983).

8.3 Brief History of Korean Publishing

8.3.1 Publications of Feudal Korea

The prominent difference between Korean and Chinese publishing during the medieval times was that the public authorities took over responsibility for the diffusion of texts, and printing by means of movable type found its fullest development there in Korea while publication in China was often subsidised by private individuals who insisted on traditional wood-block methods (Baek & Boo 1992; Ahn 1987). The technique of the world's first movable typographic types was invented in Korea in the year of 1234, and 50 volumes of manuals entitled <Kogum-sangjong-yemun>, a textbook on civilities, were published using this type. That was nearly 200 years before Johannes Gutenberg invented and popularised the printing method.
There are four books extant today - *Puksa sangsol*, *Taehak Youni*, *Sipcholsachan Kokum Tongyo* and *Songjo Pyojol Chongyu* - which were printed from bronze types at a foundry established in the third year of the reign of King Taejong of Yi dynasty (1403). The printing of these books also preceded the printing of the first Bible by Gutenberg (in 1446) by half a century (Baek & Boo 1992:48).

The progress of book publishing continued through the encouragement of the King Sejong who gave a clear indication of his enlightened policies: "To govern it is necessary to spread knowledge of the laws and the books so as to satisfy reason and to reform men's evil nature; in this way peace and order may be maintained. Our country is beyond the sea and books from China are scarce. Wood-blocks wear out easily and besides it is difficult to engrave all the books in the world. I want letters to be made from copper to be used for printing so that more books will be made available. This would produce benefits too expensive to measure. It is not fitting that the people should bear the cost of such work, which will be borne by the Treasury" (Febvre 1976:75-76).

Before the invention of hangul alphabet, a phonetic alphabetical system that allowed Koreans to write down their language without resorting to Chinese characters, the Korean nation was dependent on Chinese characters, an ideograph, for its literary life. The difficulty of reading Chinese letters together with the monopoly of them by the aristocracy excluded the general public from the benefits of literacy. In 1446, King Sejong invented and propagated hangul which is easily learned by the masses, in the name of Hunmin Chongum. The alphabet has since been in wide use as the original letters of the Koreans. And from then on, starting with poems and short tales, the vernacular literature developed into epics. The novel failed to develop here: the lower classes were illiterate, and the upper classes still adhered to the Confucian preference for poetry.

The invention of bronze types and creation of the hangul alphabet formed the basis of publication culture in Korea at an early stage. Such an early start, however, has not been kept up by the invention and use of metal types. For long our publications were dependent on hand-copying or the use of wooden plates and
printing from such metal types as Kyongja-ja (1420), Kapin-ja (1434), Ulhae-ja (1455) or Kapchin-ja (1484) were limited to rare occasions (Lee, J. S. 1993:91-3).

While publishing methods remained primitive in the feudal age, a vast number of books were printed and published in the face of many adversities. Publications of this era include Buddhist sutras, Confucian teachings and many annotations. The publishing activities were far more advanced than those of other countries in terms of both volume and quality. At about the same time, books were introduced from China, to foster further the publishing industry. Many books came to be included in the covetous objects of foreign powers invading the country.

The invention and use of metal types and the creation and propagation of hangul, the two epoch-making events which marked the feudal history of publishing in Korea, were both accomplished either by the monarchy or under its leadership. This hampered the continuous development of hangul and technologies for the book publishing and its industry. This is ascribable to the fact that there emerged no kings gifted enough to uphold and further the aspiration of King Sejong, as reflected in the invention of hangul, as well as frequent coups d'état which rendered consistent leadership on the part of the royal throne impossible.

There were also frequent foreign incursions. Frequent invasion and occupation of the country by Japanese and Chinese forces inflicted heavy damage on Korea's cultural heritage, including books and book publishing facilities. The Japanese forces especially coveted Korean books and metal types, making them the primary objects of their pillage.

8.3.2 Introduction of Modern Publishing

The introduction of modern publishing techniques coincided with the introduction of western civilisation around 1884. In 1883 when western culture found its way to the Korean peninsula the Pangmun-gak Publishing Bureau was
established and *Hansung Sunbo*, a ten-day newspaper, was published. Efforts were also made for the development of typography. But the efforts bore little fruits.

In 1888, the Catholic Church of Seoul established a typographical printing house for the publication of the Bible and other religious books. The following year, A. D. Appenzeller (1858-1902) established a printing department in the *Baejae* School and invited the Rev. F. Ohlinger, who had been engaged in missionary activities in China, to head the department. The printing department of the *Baejae* School cast hangul and English types to print and publish the Bible and the *News on Korean Christians*, a weekly publication (Kim, S. H. 1965).

With the advent of western civilisation private publishing houses came into being one after another. Gradually publishing circles came to use printing machines operated on petroleum motors and imported printing paper. The oldest title published in this period is *Kohwandangjip* (1883), and the first publications ever to use Chinese characters and *hangul* in combination were *Nongjong Choalyo*, a guidebook on agriculture, and *Soyougyonmun*, a travelogue written by a diplomat of the Korean Kingdom, after a tour of Europe and America. Although the travelogue was published in Japan, it made a considerable contribution to the enlightenment of the Korean people in western civilisation.

The first translated book published in the country was *Pilgrim's Progress* by John Bunyan. The book was translated and published in 1886 by the missionary, Dr. Gale and his wife. The work was followed by the translation by Yun Chi-ho of *Aesop's Fables* and *Gulliver's Travels* (Lee, M. Y. 1987:180).

The first commercial publishing house, *Kwangmun-sa*, was established in 1896. By the time the country was annexed by Japan in 1910, there were a number of publishing houses in operation. The fledgling publishing culture, however, was destined to suffer under the oppressive policy of Imperial Japan.

In the third year of the reign of king *Sunjong* of the Korean empire (1909) the Japanese who actually ruled the country in the capacity of vice ministers enacted and promulgated Law No. 6 which subjected not only books on political
and ideological matters but also books on science to strict censorship. Under such censorship, the publication of books of any value was rendered virtually impossible. Not only that; books passing the double censorship were subject to sales bans and confiscation after they were put on the market.

As a result of the censorship, publishing circles sought an outlet in the publishing of literature. Consequently, poets and writers appeared one after another. Conscious of their role as the vanguard of the nation, they made unceasing efforts to inspire patriotic and anti-Japanese spirit in the heart of the people in the face of the threat of bans imposed by the Japanese.

New type faces were introduced for printing in a more refined style and such large publishing houses as the Hansung Book Co., Ltd. came into being to make a great contribution to the publishing industry of the country until its building was lost in a fire after the liberation from Japan. Books published in this period include *Abraham Lincoln*, *On Self-awakening* and speeches of U.S. President Wilson. These are books broadly reflected the inclination of the Korean nation toward nationalism, but other foreign literature was also introduced energetically. The works of major foreign authors and poets began to be translated for publication (Kim, S. H. 50-72).

Book publishing as a tool of the study of foreign languages published at the time include *Silyong Yong-son Hoewajon* (Practical English-Korean Conversation), and National Readers on English-Korean Letters. *Chesin Paekkwa Sinsajon* was an encyclopaedia bulky by the standard of the time. A strange phenomenon was the large quantities of genealogical records published. The records of pedigrees made up a substantial portion of the workload of the publishing industry.

While the high illiteracy rate of the country and the propensity of the farming masses to limit their reading material to folk history books of quality, the number of intellectuals purchasing Japanese books rapidly increased. The consequent influx of Japanese books posed a threat to the domestic publishing industry.
8.3.3 Publishing after the Post-liberation Era

Soon after the liberation in August 1945, the Pangmun Publishing House and the Chonggum-sa made a renewed start as publishing companies while a number of publishing houses including the Eul-Yoo Publishing Co. and Koryo Munhwa-sa newly came into being. In 1946 the number of publishing firms in operation amounted to 150. The number of book titles published mounted to nearly 1,000 and of first print copies to about 5,000. The remarkable increase in the number of titles and copies reflect the unlimited freedom of the press and the vast demand for book supply which marked the post-Liberation period (Baek & Boo 1992:146-52).

In the face of the material shortage, the U.S. Military Government encouraged the importation of newsprint and granted the publishing industry the privilege of business tax exemption. Publication of periodicals, however, was subjected to licensing by the U.S. Military Government. This licensing system and the Military Government's sole control of newsprint gradually caused minor publications to disappear. At about this time, ideological confrontation between the right and the Left grew in intensity. The U.S. military government suppressed the publications of the left under the name of 'Martial Law 88' (Song, K. H. 1984:548), and this was the decisive turning point in the publishing policy in Korea which prohibited leftist books for nearly forty years.

After the establishment of the Republic of Korea, book sales were extremely limited despite the considerably improved quality of printing, binding and decoration. The number of copies printed per title began to dwindle. And although several publishing houses made fortunes out of publishing and marketing textbooks and school reference books in vast quantities or hitting best sellers, lack of co-ordination and co-operative relations between publishing houses and book stores caused delays in the recovery of the prices of books.

In the 1950s a new vigour was infused into the industry as a sales system under which books were sold by salesmen visiting offices and firms, later houses, on an instalment payment basis offered a new stimulation to demand for books. At this time the masses of people were in a severe financial plight because most
available financial resources were concentrated in the economic rehabilitation of the country. The publishing industry was of course no exception to the general hardship. Yet efforts were never neglected for improvement of printing types, refinement of scripts and introduction of modern printing equipment with U.S. aid (Baek & Boo 1992:158-84).

A characteristic of the first half of the 1960s was the influx of Japanese books and publication of translated Japanese books. This, of course, was a result of the relaxation of tension existing between Korea and Japan. The sales of books, however, remained low. The publishers of magazines, who until then had enjoyed a relatively more profitable business by comparison with the publishers of books of other categories, also came to suffer from general stagnancy. Under such circumstances, the Korean Publishers Association petitioned the government for a tax-exemption measure and later in February 1961 for the lifting of the import-ban on high quality white printing paper, a ban which caused the price of the paper to rise (Korean Publishers Association 1987).

When the military government was established following the coup d'état of May 16, 1961, it cancelled registration for publishing houses with no publications to their credit and transferred works related to the registration of publishing firms to municipal and provincial boards of education from the Ministry of Education.

One prevailing tendency of the publishing industry in mid-1960s was to sell books on an instalment payment basis through a network of salesman who visited homes, offices and firms for the sale of books. A number of publishers began to plan publication of books specially for students. With the coming into effect of the Library Law, many high quality children's books went on the market to satisfy the increased demand of school libraries and reading rooms. And publishers began to resort to the bolder business method of investing large capital in production and advertisement in an effort to discard the tradition of small business which had characterised publishing business in the past. The fruits of such new ventures, however, are yet to materialise.
8.4 General Overview of the Publishing Industry

It is since the 1970s that the publishing industry in Korea has begun to enlarge in its scale. The expansion of the national economy and the extension of popular education were the foremost factors for the development of book publishing. However, only the markets on school reference books and children's books have abnormally developed under the 'education fever'. Anti-Communist policy has been another factor of unbalanced development of the Korean publishing industry which censored or prohibited the publication of anti-government and leftist books (Details on the control of the state on publishing will be explained later).

Opening up the local market thoroughly to foreign countries from 1997 has appeared as a new issue to change the structure of the terrain.

The purpose of the next sections, therefore, is to explain current Korean publishing in terms of three points: the process of economic development, state control, and foreign involvement in the Korean publishing market.

8.4.1 Contemporary Publishing in Korea

In contrast to the general preoccupation that "book publishing is an infant or cottage industry", the publishing industry in Korea, in spite of underdeveloped productive force and meagre structure of capital in the beginnings of capitalist book publishing, has rapidly accomplished the scale of economics for the last three decades.

There are two main points in this background. First, the development of the Korean economy has influenced the publishing industry proportionally. It sustains an annual real economic growth of gross national product ranging from a high of over 15 per cent in 1975 to a low of 4.7 per cent in 1992. The quantitative expansion of the Korean economy extends the range of book publishing for all kinds of documents and information. Second, education is regarded by Koreans as the key to success. The extension of popular education
and the decrease of illiteracy (98 per cent of literacy in 1989) guarantees a large book market.

The number of titles published in 1970, excluding school textbooks, government publications and cartoons, was only 2,633. The figure increased to 20,985 in 1985 (approximately 10 times the titles published in 1970), and to 41,712 in 1990 (twice the titles published in 1980). This figure, according to the 'UNESCO Yearbook' (UNESCO 1993), showed Korea ranking among the top 10 nations in the world. The number of printed copies has also remarkably increased during the last 30 years; nearly 10 times growth from some 24 million copies in 1975 to 241 million in 1990.

After one of the largest scale anti-government demonstrations all over the country in June 1987 there followed the 'Democratisation Pledge' by the ruling party leader Roh Tae-Woo, who became the president in 1988, and the political atmosphere in Korea was externally changed. Thousands of new publishing companies were established from October, 1987, resulting from the relaxation of the law of 'Establishment of Publishing Firms' which had been controlled strictly by the government. The total number of domestic publishing houses as of the end of 1988 was 4,377 and 6,299 in 1991. It was estimated at some 2,300 firms in May 1987 (Korean Publishing Association 1992).

However, the ratio of publishing companies which did not publish even one volume of titles has increased every year: it was only 15.6% in 1982, but 26.8% in 1984, 40.9% in 1987, and in 1991 recorded 3,762 (59.7%). On the other hand, 90 companies (1.3%) which published more than 51 titles each per annum occupied 64.8 per cent of Korea's total titles. This figure proves that the concentration of larger corporations has enormously escalated when compared to those of the concentration in 1982 which maintained that the number of titles were accomplished by 113 firms (5.7%) and only occupied 50 per cent of titles (Korean Publishers Association 1992). That is to say that the proportion of publishers which produce more than 51 titles are stagnating, and there is a tendency to increase the number of publishers which do not produce at all.

The fastest-growing sectors of publishing in Korea were children's books (from 1,484 titles in 1981 to 3,925 in 1992) and school reference books excluding textbooks (from 2,160 to 3,925). The largest sector is fiction and non-fiction -
4,654 titles in 1992, up from 2,664 in 1981. Other fast-growing areas are religion, technology and social sciences.

(Table 8.4) Titles Published in Korea

<table>
<thead>
<tr>
<th>Categories</th>
<th>1981</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature</td>
<td>2,664</td>
<td>4,654</td>
</tr>
<tr>
<td>School Reference</td>
<td>2,160</td>
<td>3,925</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>1,766</td>
<td>2,874</td>
</tr>
<tr>
<td>Children's Books</td>
<td>1,484</td>
<td>3,925</td>
</tr>
<tr>
<td>Technology</td>
<td>1,305</td>
<td>2,948</td>
</tr>
<tr>
<td>Religion</td>
<td>1,040</td>
<td>2,044</td>
</tr>
<tr>
<td>Art</td>
<td>931</td>
<td>1,130</td>
</tr>
<tr>
<td>Language</td>
<td>843</td>
<td>938</td>
</tr>
<tr>
<td>Philosophy</td>
<td>403</td>
<td>608</td>
</tr>
<tr>
<td>History</td>
<td>392</td>
<td>953</td>
</tr>
<tr>
<td>Pure Science</td>
<td>349</td>
<td>328</td>
</tr>
<tr>
<td>Other</td>
<td>281</td>
<td>232</td>
</tr>
</tbody>
</table>


The total number of domestic periodicals is also growing fast: 4,068 titles in 1990 (Korean Publishers Association 1991). The diversity of social groups and, as a result, subdivision of readers and subscribers in the 1980s has created a rapid boom in the publishing of multiple periodicals and magazines.

However, the Korean publishing industry has been fiercely forced to change the essence of its character under the transition of global atmosphere of trade, especially related to the reinforcement of protection of the intellectual industry by western industrial countries. Korean publishing will also open up the local market from 1997. The unstable infrastructure of the industry, such as unbalanced structure and high proportion of dependence on translation publishing, is expected to be encroached on by the western global transnationals (see Section 8.5).

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4 Periodicals are generally defined as magazine-related publications that are published periodically and regularly. Periodicals are divided into weekly, monthly, bi-monthly, quarterly, every 6-month and annual publications. Of these publications, 2,460 are monthly, showing 47.5 per cent of all; 1,028 weekly; and 511 bi-monthly; 773 quarterly in 1990.
8.4.2 Concentration of the Publishing Industry

It is from the beginning of the 1970s that Korean publishing has formed the contemporary shape of the industry. The popularisation of secondary and, later, higher education from this period has extended the markets for textbooks and reference books. In addition, two decades of remarkable economic growth and an increased middle class and people who have received higher education have become the potential customers for books even after their formal education has finished. The emphasis on early education has also enlarged the children's book markets.

According to the statistics on assets in 1990, the top 10 publishing corporations amounted to at least 15 billion won (approximately £20 million) of turnover. In contrast 56.7 per cent of the firms were estimated to have a turnover of less than 200 million won (£150,000) (Lee, K. S. & Kim, J. B. 1990:228). All top 10 publishers are involved in publishing at least one textbook, reference book or children's book.

Their scale of turnover and the number of employees are also enormous compared to those of traditional smaller firms as can be seen in (table 8.5).

(Table 8.5) Turnover of Top 10 Publishing Firms in Korea (million won)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dong-A</td>
<td>52,419</td>
<td>84,803</td>
<td>101,656</td>
<td>117,218</td>
<td>1,398</td>
</tr>
<tr>
<td>Daekyo</td>
<td>13,365</td>
<td>20,753</td>
<td>39,492</td>
<td>76,472</td>
<td>1,000</td>
</tr>
<tr>
<td>Woongjin*</td>
<td>42,389</td>
<td>57,379</td>
<td>70,673</td>
<td>71,462</td>
<td>228</td>
</tr>
<tr>
<td>Kyohaksa</td>
<td>24,711</td>
<td>36,751</td>
<td>39,258</td>
<td>43,279</td>
<td>750</td>
</tr>
<tr>
<td>Woonjin**</td>
<td>8,612</td>
<td>24,758</td>
<td>43,918</td>
<td>48,479</td>
<td>191</td>
</tr>
<tr>
<td>Kumsung</td>
<td>15,531</td>
<td>18,407</td>
<td>44,978</td>
<td>57,467</td>
<td>150</td>
</tr>
<tr>
<td>Kemongsa</td>
<td>17,686</td>
<td>18,979</td>
<td>26,591</td>
<td>30,994</td>
<td>148</td>
</tr>
<tr>
<td>Daehan Text</td>
<td>17,243</td>
<td>19,553</td>
<td>34,775</td>
<td>40,488</td>
<td>550</td>
</tr>
<tr>
<td>Samsung</td>
<td>14,280</td>
<td>18,153</td>
<td>17,766</td>
<td>17,951</td>
<td>227</td>
</tr>
<tr>
<td>Kukmin</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,906</td>
<td>214</td>
</tr>
</tbody>
</table>

*: Woonjin Publisher,  **: Woongjin Media

5 According to a research on publishing, 62 per cent of all publishers employ less than 10 persons (Lee & Kim 1990:202).
Part of the Doosan conglomerate, Dong-A Publisher which is the biggest and leading firm in Korea at present is the most typical one in terms of involvement by chaebols in book publishing. It's major publications are mainly textbooks reference books, dictionaries and encyclopaedias. Like most other bigger firms, Dong-A accumulated the capital through the door-to-door business on sets and encyclopaedia sales which is still a popular way to guarantee a large margin in Korean book markets. Dong-A publishers plan to participate in wire broadcasting market for the social education programme from 1995 (Doosan Group 1989).

Daekyo Publishing Co. Ltd. has a flower logo that depicts mother and child in an image that resembles the Chinese character for 'heart'. The company is an offshoot of a larger firm creating children's books, educational materials and reference books. *<Where's Waldo?>* has been an enormous success, with 800,000 copies sold in a four-title set in two and a half years.

Woongjin Group is another diversified publishing house and a leading publisher of translated titles in the country (139 titles in 1991). Its products range from ginseng tea to classical CDs, and it has both publishing and media division overseas in Japan and L.A. The group is a $500 million company; its book wholesale operation alone handles a sales volume of $200 million. In spite of tea and cosmetics businesses, the major thrust of the company is best known for cartoon educational books, one of which, *<A Cartoon History of Korea>*, has been sold to Poplar-sha in Japan. They hope to put *<A Cartoon History of the World>* , published in June, into both CD and video formats. Woongjin is a mammoth whose sales people number over 20,000 although most of them are part time workers, with 700 sales districts around the country (Woongjin Publishers 1991).

The Kumsung Publishing Group stretches the full length of publishing. A giant concern, with 930 editors, 8,000 sales people and some £44 million in sales volume in 1991, the company is four times the size it was in 1988. The children's books are produced at Kumsung Publishing Co. Animated illustrations and cartoon books are created at Kumsung Artcom. They are now developing CD-ROM products for their traditional Korean stories, and CD-I for children's stories, encyclopaedias and language dictionaries.
Kemongsa is the typical company which succeeded with children's books through a huge door-to-door operation with a sales staff 4,000. *Wonderful World of Reading* is a best-seller for the companies, with 30 million copies. They own two record companies including EMI-Kemongsa, fancy goods company Young Art, and a toy company Young Co (Chung-ang Daily 7 November 1993). Recently the company has focused more on bookstore sales and electronic media, with study programmes using computers, videotapes for public education and music CDs.

Starting as a bookstore 43 years ago, Samsung Publisher was the first publisher in Korea to go public, in 1984. Both a publishing and printing concern, the majority of their book sales in Korea are door-to-door, with series similar to their competitors' in titles - for example, a 20-book set for children on the history of Korea, and a 20-book set on *Korean Folk Stories*, with 10 cassettes in English and Korean.

The recent tendency of these companies has been to launch electronic publishing. Most of them have established a son company to produce electronic books including CD-ROM independently or in association with foreign companies. Another feature is towards conglomeration so that they possess anything from a record company to a ginseng company.

8.5 Monopoly of Textbook and Reference Book Market

There has been a general trend for government or its agencies to take a direct role in textbook production and distribution in the Third World (Altbach 1988). This tendency has had both positive and negative implications. Textbooks can be supplied to the student at a cheaper price as the government has shortened the process of production and distribution, or subsidised the cost. The local private publishers, however, often have been deprived of their largest and most lucrative market, and this has constrained the development of the industry by direct government involvement.
Korea's textbook market has also been influenced by the government control. The Ministry of Education has the exclusive right to select the textbooks in accordance with the Education Law which articulates goals and objectives for each school level.

Textbooks are divided into two types. The first-class textbooks from printing and distribution to sales, totally belong to the Ministry of Education which owns the copyright, and they decide concerns such as compilation plan, nomination of referees and the final decision to publish. Since the state has set up the Government Authorisation Textbook Publisher in 1949 (Government Authorisation Textbook Publisher 1987:76-7), this parastatal company has published and distributed the first-class textbooks exclusively to Korean primary, middle and high schools.

The textbooks inspected for quality and approved for use by the Ministry of Education pertain to the second-class textbook. The textbooks for secondary school, which used to be first-class, are converted to second-class. A total of 12 subjects, including English, mathematics, and science, seven subjects in academic high school and five subjects in vocational high schools, are compiled by individual authors, subject to inspection by the Ministry of Education (Ministry of Education 1991:48-50).

Publishers who want to participate in supplying second-class textbooks must submit new books at the manuscript stage for scrutiny, and it is common for the Ministry to make suggestions for changes although they have been passed and selected as a textbook. The publisher must always be aware of the risks involved, of the danger that his textbook might not secure an adoption. A publisher who has already succeeded with one text is in a better position to risk investing in another one. In the long run, small publishers are structurally more disadvantaged in competition than larger ones in the most profitable market owing to the lack of capital, difficulty in obtaining famous authors, etc.

6 The government has the right to publish the following subjects, according to Article 4 of the 'Regulations on Textbook'.
(1) All subjects of the primary school textbooks and guidance books for teachers.
(2) Korean, National morality and Korean History among the total junior high school textbooks and guidance books for teachers.
(3) Korean, Ethics and Korean History among the total senior high school textbooks and guidance books for teachers.
In reality, most second-class textbooks for middle and high schools are monopolised by the large publishing companies.

(Table 8.6) Major Publishers of Second-class Textbook (No. of titles in 1990)

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Middle (subjects)</th>
<th>High (subjects)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dong-A</td>
<td>15 (6)</td>
<td>55 (34)</td>
</tr>
<tr>
<td>Kyohaksa</td>
<td>22 (6)</td>
<td>46 (34)</td>
</tr>
<tr>
<td>Kumsung</td>
<td>16 (6)</td>
<td>42 (28)</td>
</tr>
<tr>
<td>Gihaksa</td>
<td>19 (6)</td>
<td>36 (26)</td>
</tr>
<tr>
<td>Others</td>
<td>15 (7)</td>
<td>196 (149)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114 (42)</strong></td>
<td><strong>375 (262)</strong></td>
</tr>
</tbody>
</table>


The major companies to publish the second-class middle school textbooks in 1991 were, as can be seen in (table 8.6), Dong-A Publisher, Kyohak-sa, Gihak-sa and Kumsung Publisher, the so-called 'four textbook publishing gang': all of them published six subjects, in contrast to most other publishers which produced only one or two subject(s). In the case of number of titles, 72 titles (or 63 per cent) out of 114 are concentrated in these top four companies.

The ratio of concentration by them in second-class textbooks for high school is also very high: 179 titles (or 48 per cent) out of 375 are occupied by them. Especially Dong-A Publisher which is the top company in publishing revenue published 70 titles (15%) of second-class textbooks.

In the long run, the first-class textbooks are monopolised by the government, and second-class textbooks are concentrated by the top four big firms under the state's strict control of the textbook policy.

The tendency for a monopolistic structure of textbook publishing has eventually permeated the reference book market which has been the biggest and most lucrative sector in the Korean publishing industry for last three decades. Strong enthusiasm for higher education and strict limitation of the enrolment quota in each institution has caused high competition rates in entrance examinations, as reviewed in the previous section, and has enlarged the scale of this market.
The total number of copies of reference books reached some 119 million which occupied 49.3% out of 242 million but this was only 5,939 (or 14.2 percent) of the total number of titles in 1990. The average number of copies (total number of copies/titles) was 20,096 while the average number of copies of total books was 5,797 (Korean Publishers Association 1991). Therefore, publishers are eager to participate in this tremendous market. However, only the publishing companies who are publishing the textbook have the exclusive right for this golden market: Article 21 of 'Copyright Law' describes, "The writer who owns the right of original work can utilise and produce his secondary work".

Four top majors, as can be expected, have monopolised this market. As long as these companies own the copyright of textbooks, they can cut down the production costs of publishing reference books. The reference books are especially lucrative in terms of capital circulation as the publishers extract and supplement the contents every year.

8.6 Publishing and State Control

One of the most prominent features in the modern history of Korean publishing like that of the mass media industry was the broad direct and indirect intervention by the government. The bureaucratic-authoritarian government growing out of military coups, has limited the freedom of the press for more than thirty years. Under the strong policy of 'developmentalism' economically and 'anti-communism' politically, the government has controlled the book publishing industry harshly from the content to production.

The involvement in textbook publishing was the government's essential control to propagate its legitimacy. The publication of a reference book for the first-class textbook which is owned by the Ministry of Education has no restriction. However this market is also occupied by the major textbook and reference book producers.

Elementary school textbooks, for example, contain references to economic development. But the economic development is attributed to the role of the government such as providing financial supply, economic planning, building industrial estates and infrastructures, and promoting exports, but to the big business.
universities in Korea. However, when it comes to their operation, even the private schools and universities are totally under government control. There is absolutely no difference between public and private schools because all schools use the same textbooks compiled by the government.

There are two types of government intervention in Korea's commercial publishing: legal and administrative intervention (Sung, D. K. 1990:274-79). The most notorious legislation has been the 'National Security Law' through the 1970s and 1980s, although it has been revised recently in the era of the civilian president. Under Article 7.3, which states "Those who are forming or participating in an 'anti-state' organisation, or preparing or conspiring to do so" are illegal, many books were banned, and publishers, authors and editors have been arrested and imprisoned because of publishing anti-government or leftist books: 84 publishers, editors, and authors were imprisoned between November 1988 to May 1990 under this law.

The most typical and large-scale repression was the 'May 1985 Book Ban'. In May 1985 the Chun government annulled the list of 313 books and pamphlets. As in the case of politics and labour, the government had become fearful of the effects of its own liberalisation and took stricter measures to limit what the public could buy and read.

What is fascinating about the list of banned books was that all these titles had passed the government's own review process prior to publication. The Chun regime banned almost all the books based on Marxist perspectives such as Marx's whole works including *Das Capital* and *The German Ideology*, F. Fanon's *The Wretched of the Earth*, P. Baran's *Monopoly Capital*, and books about Rosa Luxembourg, Gramsci, Lukacs and Kautsky, etc. Banned as well were a number of books specifically critical of South Korea in the Rhee and Park regimes such as *Contemporary History Before and After the Division of the Nation* (in Korean), Bruce Cummings' *The Origins of the Korean War*, and *Economic History of Korea* whose author was a leading Marxist scholar during the colonial period. The ban also included a number of books attacking colonialism and economic imperialism in the Third World by Japanese authors, several titles on North Korea, almost every recent book or pamphlet written in
South Korea on the subjects of labour, rural villages and farmers, women's rights, and Kwangju incident (Korean Association of Publishing Culture 1988).

The book ban itself was obviously the product of an inept and absurd bureaucracy, because the titles proscribed included some materials that could be deemed legitimate against the perspective of Communist theory. It was difficult to judge from the list what criteria were used in making the selections. Since many of the books were being used as textbooks for college students, the ban was bound to produce a shock in the academic and intellectual communities.

The forms of the administrative control, such as censorship, confiscation and tax investigation, were continuously performed in the Chun (1981-88) and Roh (1988-93) regime. Since the government banned 172 periodicals on charges of obscenity and creating social confusion, closed 617 publishing companies, publishers who wanted to set up a new company were required to obtain a licence from the government until the 1987 'Democratisation Pledge'. Publishers had to submit copies of publications to the Ministry of Culture and Information before they were distributed to the bookstore. This system which had been misused as a form of prior censorship still exists although copies are now submitted after distribution.

The police confiscated banned books from the publishers and bookstores without benefit of a search warrant. As the campaign continued, the police began serving warrants, but the court motions and injunction suits filed by the store owners and publishers in protest pointed out that the warrants contained no clear stated reasons for the actions, implying only that the suspect materials 'spread rumours'. The Minister of Justice, in replying to questions in the National Assembly, also revealed that when the police asked the courts for search and confiscation warrants for banned books, "The number of books was so immense that they could not read and confirm every book." (Hangyure Daily 20 November 1991) The arbitrary nature of South Korea's system of justice is well illustrated by these cases.
8.7 Transnationals and Publishing

Affluence and increasing 'Westernization' are moving the tastes of book readers in South Korea toward the mass market paperback and translations of novels that have western movie tie-ins. With copyright protection, legitimate sales figures are now becoming available (emphasis added).

This sentence is quoted from *Publishers Weekly* (20 September, 1993) which reported the contemporary Korean publishing industry through the form of a special edition from the viewpoint of American publishers. However, is the future of the Korean publishing industry really prosperous only thanks to westernisation?

8.7.1 Translation Publishing in Korea

For Korea, a particularly bitter colonial experience under the Japanese for 36 years hastened the replacement of Japanese influence; after the Second World War, Korea became independent and adopted policies to 'uproot pre-war Japanese influences'. That is, Korean government banned imports of major Japanese cultural products such as movies, popular music and television programmes, although imports from other parts of the world including America and Europe were permitted. As a result, Korea had one of the most successful indigenous language systems after the liberation, which also affected the publication of books.

However, the United States became the major model through academic and cultural introduction in the process of Korea's modernisation. While the indigenous language, Korean, became the medium of instruction, English became the main language of contact with the outside world.

The number of translations among total publications has steadily increased. As Singh (1992:254) points out, "Translations are . . . seductive and pernicious since the foreign publication is also available in a local language and can, therefore, attract a large leadership in the developing countries, all these efforts
result primarily in the spread of new forms of intellectual domination while simultaneously stifling the growth of indigenous authorship and of a true local publishing industry". The phenomenal growth in literacy and education in South Korea has produced an avid reading public whose demand for quality work has been satisfied not only by the products of Korean authors, but by extensive translation into Korean from works in foreign languages. But the development of local publishing has been hindered owing to the dependence on translations as Singh mentioned above.

(Table 8.7) The Transition of Korean Translations (1st edition)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No of Titles</th>
<th>Translations</th>
<th>Proportion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>13,062</td>
<td>2,159</td>
<td>16.53</td>
</tr>
<tr>
<td>1983</td>
<td>18,588</td>
<td>3,923</td>
<td>18.73</td>
</tr>
<tr>
<td>1985</td>
<td>19,759</td>
<td>4,981</td>
<td>25.21</td>
</tr>
<tr>
<td>1986</td>
<td>22,132</td>
<td>4,448</td>
<td>20.10</td>
</tr>
<tr>
<td>1987</td>
<td>22,425</td>
<td>4,235</td>
<td>18.89</td>
</tr>
<tr>
<td>1989</td>
<td>20,745</td>
<td>3,112</td>
<td>15.00</td>
</tr>
<tr>
<td>1990</td>
<td>20,903</td>
<td>3,366</td>
<td>16.10</td>
</tr>
<tr>
<td>1991</td>
<td>22,769</td>
<td>3,901</td>
<td>17.10</td>
</tr>
</tbody>
</table>


Two factors can be inferred from the (table 8.7) (Sung, D. K. 1990:282-84). First, this table shows that a high proportion of Korean book publishing is dependent on foreign books. The rate of translations was 16.53 per cent in 1980, but it reached 25.2 per cent in 1985. Especially, as there are few translations of the school reference books whose proportion has reached from 15 to 30 per cent among total titles, the real ratio of them is higher than the statistics show. The literature books are the most dependant on translations; in 1985 which was the year of largest translated book publishing, for example, 2,117 titles or 47.3 per cent were translations, and children's books were the second highest, 655 titles (29.2%).

Second, the ratio of translations has decreased since 1986 which was a turning point because of the amendment of copyright law. The ratio of
translation in 1988 was reduced to 14.13 per cent which was a steep tendency, especially compared to that of 1985 although the ratio is increasing again now. The reason of this is the reinforcement of copyright law.

8.7.2 Affiliation of International Copyright

Differently from western countries which made the copyright law and categorised the intellectual works as property, for most Asian countries, including Korea, intellectual property and copyright are relatively new concepts under the general acknowledgement and recognition of Confucianism that knowledge can not be disseminated as a commodity. It was only in 1975, for example, that Korea enacted its initial Copyright Act. As a result, a lack of international copyright protection until 1987 made Koreans among the world's most notorious book pirates for many years.

Under America's two international trade policies, protectionism and the pressure of the opening up the market to the Third World, in the 1980s, the Trade and Tariff Act (TTA) of 1984 became U. S. Trade Laws which involves a combination of a 'carrot and stick' to bring its trading partners more in line with what it considers fair trade practices. The so-called Section 301 of the U.S. Trade Act was used for those countries found with unsatisfactory intellectual property practices (Chang, D. R. 1990). Korean publishing, one of the industries protected by the government from foreign participation, could not be excepted.

The first step was to revise the obsolete domestic 'Copyright Law' in 1986, and in the following year Korea affiliated to the UCC under a great deal of pressure from the U.S. In the bilateral agreement between the United States and Korea, however, Korea agreed to extend protection retroactively to 1977 in the case of books and to 1982 for software. This made EU countries protest that

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9 The United States was one of the world's major 'pirates' until it securely developed its own cultural industry in the nineteenth century (see Chapter 5.3).
such a bilateral agreement is unfair and discriminates against Europe. Koreans have promised the EC an equivalent agreement.

The foreign editions, which are mostly American books began to be translated under international copyright law, and Koreans have been able to contact the world's intellectual information in the era of globalisation more closely. In addition, Korean publishers began to export their works to foreign countries although the deficit of trade is still wide. According to recent research by the Ministry of Culture (1992), the number of foreign publication whose royalties are paid has increased every year.

In 1988, the first full year following Berne and UCC compliance, Korean publishers bought 96 foreign works, and in 1989 they bought 159, and in 1990, 356. In 1991 the total was up to 526, but the total of foreign books published that year was 3901 (Korean Publishers Association 1992). The number of contracted books in 1988 was 96 but reached to 526 in 1991. The advance payment and the ratio of royalties was also raised (from less than $1,000 and royalties of 3-5% in 1988, to more than $3,000 and royalties of 8-15% in 1993) (Chung-ang Daily 24, October 1993). The problem is that the more the local publishers want to buy the works the more royalties have to be paid.10 Most Korean publishers are now committed to the concept of copyright protection and scramble for what they think will be best-sellers.

8.7.3 Multinationals and Global Domination

Publishing was one of the industries protected by the government from foreign participation. In 1997 which is exactly a decade after joining the UCC, the Korean publishing market will be totally opened up to foreign publishers.

10 There were 220 publishers out of 5,684 who paid to purchase foreign works in 1991. Because of the lack of profitable foreign books, however, they were compelled to look for new works.
That means foreign multinationals will be able to set up themselves directly without any restriction.

*Under the primitive stage of distribution system and monopoly of more than 80 per cent of markets by the government and a handful of large firms, the launch of foreign multinational publishers is another challenge to the small companies. With the ascendant capital, know-how of management, and affluent experience of foreign markets, they are plundering our share.*

This sentence is taken from an interview with a publisher. He mainly publishes literature and more than 30 per cent of books, according to him, are foreign works.

Under the general expectation that the battle of the 21st century's world trade will be for the information industry which forms the most enormous value-added market, the conclusion of a new GATT agreement in December 1993 is accelerating the opening up of the Korean market including the publishing market due to the enforcement of the article on intellectual property in GATT.

Book imports and the impact of books from the industrialised nations on the Third World are not only matters of profit, but are also directly linked to the foreign policy goals of the major book-exporting nations to continue their role as centres of knowledge creation and distribution systems. Therefore, most Korean publishers are nervous about the upcoming 'invasion' of the international publishers as the government has recently conceded to open up the publishing market to international investment in 1997.

Generally speaking, there are three types of foreign publishing companies involved in the overseas market: firstly, those who sell the copyright and receive the royalty through direct contract between two companies or indirect contract by the agency. Secondly, those who can set up a joint-venture with a local publisher. Thirdly, those who establish their own local branch or office to
participate in the market directly. In addition, they can invest in the field of
distribution business with predominant capital and management techniques.

A lot of books in translation were successfully sold; <Where's Waldo?>
has been the biggest seller in translation. The deal was arranged in the last half
of 1991, and so far Daekyo has sold more than 800,000 copies. Koreaone Press
Inc.\textsuperscript{11} is one of the most active publishers in translating foreign titles. In 1992,
they bought 140 titles from abroad, half of those books are translated from
English. Koreaone has sold 360,000 copies of its translation of Thomas Harris's
<Silence of the Lambs> (Meanwhile Red Dragon, an earlier Harris novel, has
sold 160,000 copies) (Hankyoreh Daily 10 March, 1993).

Instead of sale of copyright, the major multinational publishers began to
establish a joint-venture with local companies or own branches. American-
based McGraw-Hill has the oldest representative office, established in 1987,
French-based multinational, Hachett and Actes Sud, American-based
Pergamon/Elsevier, and Simon & Schuster, and British-based International
Thompson, Addison-Wesley etc. have already set up offices. Addison-Wesley
which has had an office in Seoul since 1989, for example, has stopped translation
publication eager to participate more fully in the Korean market since 1990, and
directly published 40 titles. They invest whole production fees, but take 30-40
per cent of revenues (Chung-ang Daily 24 October, 1993). The Longman
English language teaching (ELT) products are sold by the Addison-Wesley rep,
OUP uses Panmun for their ELT products. Cambridge has their own sole
distributor now for ELT in Korea, Hong-Ik.

Now the U.S publishers are starting to give a special net price for the
Korean market in STM books. For foreign publishers, children's books,\textsuperscript{12} ELT
materials, professional books, undergraduate textbooks and high level,
postgraduate books all have a very large audience in Korea.

\textsuperscript{11} Koreaone was the largest advertiser among publishers in Korea in the first half of
1992, spending $2.7 million.

\textsuperscript{12} Many of children's books are produced bilingually in Korean and English.
The most threatening factor to the major publishers after the opening up of the market is the possibility of Japanese involvement in the reference book market as the educational systems are very similar to each other. It is true that Korean publishers have been influenced by the style and content of Japanese reference books. That is to say, Korean students will get accustomed to the Japanese style if they begin to publish the reference books for sale in Korea.

The multinational publishers will also monopolise the famous local writers with good rates of pay and guarantees of international fame. Writers also want to publish their books with western publishers which have global distribution systems to give them the chance to be known abroad (see figure 9.19 in Chapter 9).

One of agency managers explains the lack of writers.

_We have maybe 60 publishers here translating and publishing U.S. authors. One of the major reasons for this interest in foreign works is the shortage of writers in Korea. Those who are good are expensive. It is cheaper to buy foreign rights, and there are so many good writers in the U.S._ (Publishers Weekly 20 September, 1993:S12).

The market for electronic publishing will be the most vulnerable when the publishing market opens up in 1997. It was in 1991 when the first CD-ROM was produced under the title of _Bible Library_. The production of CD-ROM has increased, and amounted to 45 titles and 7 titles of CD-I up to 1993 (Chung-ang Daily 1 December 1993). Most of Korea's top ten publishers have begun to be deeply involved in CD-ROM production, but most of them are limited to the children's educational books such as _Dong-A Friend_ which is for primary school English text or foreign language programmes. The technical level is still in competition with western multinational publishers. Western and Japanese publishers are, therefore, very interested in electronic publishing markets as the scale of the children's and educational market, especially foreign language, is very huge, and the new-concept books such as CD-ROM are very adaptable devices.
American based TNCs have enlarged the magazine and publishing market very rapidly for a few years. The Korean edition of *Reader's Digest* published by Dong-A Publisher recorded the largest circulation among the local monthly magazines, 150,000 copies. In addition, *Newsweek* published by Chung-ang Daily and *Times* also sell at least 100,000 copies every week. Japanese magazines, especially on fashion, pop music, movies and amusement, also permeate broadly with more influence because of emotional and cultural similarities. According to the official statistics, the circulation of imports is *Non-no* 18,000, *More* 3,500, *With* 3,000 (Dong-A Daily 18 Jan., 1992), but it is estimated that there is 10 times greater unofficial circulation mostly of out-of-date editions. The kinds of foreign published magazines and periodicals have been increasing recently including *Harvard Business Review*, Hachette's fashion magazine *ELE* (published by Han-guk Daily), Bertelsman's *Geo*, Walt Disney's *Disney*, *Golf Digest*.13

8.8 Conclusion

This chapter has attempted to explore the status of book publishing in Korea. As examined in chapter five, the education system is very closely connected with the growth of the publishing industry. Education has also been the foremost element for Korea's economic development. Therefore, the expansion of the national economy and enthusiasm for education have contributed to the development of the Korean publishing industry. As a result, the markets for textbooks and reference books have continuously maintained the most lucrative sectors. High ratios of textbooks and reference books are monopolised by the larger publishing companies.

Another characteristic of Korean publishing is the broad intervention by the state. First of all, many textbooks are exclusively published in the parastatal company. Publishers which produce books with anti-government, leftist and pro

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13 Major newspaper companies publish magazines as can be seen in the previous chapter. Now they are very eager to translate or import foreign major magazines.
North Korea slants have been arrested or imprisoned. These books have been banned.

However, the publishing industry has been forced to change its structure due to the transformation of global trade, in particular in relation to the tendency for protection of intellectual property by the western nations. As a result, the application of international copyright law has been reinforced and the local market will be totally opened up from 1997. The dependent structure of the publishing industry is expected to be encroached on by the global publishing TNCs.

The following chapter will explain the outcomes of the field survey of the publishing industry conducted in Korea.
9.1 Procedure of the Field Study

A field survey utilising personal face-to-face interviews and questionnaires was conducted to examine three major issues through the views of people who were directly engaged in the publishing industry: economic status, state control, and foreign involvement in relation to opening up the local publishing market. It was undertaken from February to June 1992, and included 163 respondents who are involved with the publishing industry in Korea.

At the stage of survey design, 270 respondents who were divided into three groups were identified- 30 managers; 200 employees and 40 authors who lead the publishing industry - for interviews and questionnaires. It was planned to sort the managers as respondents according to whether they were professional managers or owners of the company on the basis of capital and turnover in 1991. Managers who recorded above 10 million won (£1=1,300 won) of initial capital, and above 1 billion won of output in a year, belong to the larger manager, otherwise they are included in the smaller manager. This distinction was also applied to employees.
Chapter 9 Results of the Field Study

Upon completion of the pre-test in the field, however, the number of the respondents was adjusted because it was found that the criterion of classification was affected by the introduction of the ISBN (International Standard Book Number) system which was implemented in Korea from January 1992. So far, only 881 publishing firms out of 5684 have registered on this system (3299 firms are those which do not produce at all). The 'Korean Publishing Association' (KPA) classified the registered firms according to four groups based on the 'number of titles' published by each company in 1990.

(Table 9.1) Classification of Groups by ISBN (1990)

<table>
<thead>
<tr>
<th>ISBN Number</th>
<th>Norm (No of titles)</th>
<th>No of Firms</th>
<th>No of samples (manager)</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>00 - 29 (G1)</td>
<td>more than 501</td>
<td>20</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>301 - 699 (G2)</td>
<td>51 - 500</td>
<td>131</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>7000 - 9444 (G3)</td>
<td>6 - 50</td>
<td>500</td>
<td>12</td>
<td>60</td>
</tr>
<tr>
<td>95000-99999 (G4)</td>
<td>1 - 5</td>
<td>230</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>881</td>
<td>25</td>
<td>115</td>
</tr>
</tbody>
</table>

G = Group

This system was very helpful to reduce the hazards of subjective sampling from incorrect information. The categorisation of these firms by the KPA has facilitated the process of selecting the respondents. Furthermore, this is an accepted practice in Korea and would help make research into publishing in Korea more systematic. Interviews and questionnaires of the authors were executed as planned in the survey design.

The first survey which was a combination of both interview and questionnaire started with Group 1 on 18th February, 1992. Before starting, pre-tests with a few respondents were carried out on each part of the questionnaires after translation into Korean. Several additions and deletions to some questions were also made (Contents of the questionnaire is described in the appendix I). The initial plan was to conduct the survey with the employee groups after finishing the survey with the managers. However, after several sessions it was found that an effective method was to conduct the survey on the managers and employees of the same company simultaneously.
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Sampling was, however, fraught with difficulties in practice. To ensure representativeness of the sample selected, a random sample among ISBN subscribers was adopted. That is to say, every fifth respondent was selected from the ISBN list. But some of the respondents have changed their address and telephone number (especially Group 4). There were also respondents selected for the survey who refused to be interviewed (especially Group 1 and 2). As a result, the response rate among Group 1 and 2 respondents was not so high - approximately 45 percent. In the cases of Group 3 and 4, the response rate was 60 - 65% as long as their addresses were not changed. Thus, the deficient respondents were replaced by other ISBN subscribers utilising the same sampling procedure applied previously.

After finishing the survey on the managers and employees, interviews and questionnaires on the authors proceeded from 16th May to 13th June, 1992. The respondents' occupations were mostly primary school teacher, professor, broadcasting producer, professional writer, research student, and so on. Unfortunately, it was not possible to gain a direct interview with the two best-sellers who are very popular novelists in Korea. However, mailed questionnaires were duly completed in both cases.

9.2 Problems and Difficulties of the Field Study

One of the many important things to emerge in the process of the survey was to understand the possibility that the meaning of open-ended questions can sometimes be changed by unexpected responses. Closed-ended questions were easier for the respondents as they require less effort and less facility with words (see Appendix II about the sample and coding procedure). However, it was felt that it was easy to omit important responses, even though the option "Other ______ (please explain)" was included.
Many problems and difficulties, nevertheless, cropped up. Firstly, some questions on the questionnaire were obsolete owing to the lack of up-to-date information on Korean publishing even though the pre-test was carried out on a small number of respondents. For example, one of the questions was "Do you have a trade union in your company?". A lot of the trade unions were set up after one of the largest scale 'anti-government demonstrations' all over the country in June 1987 and an outburst of the working class from July to August 1987. The publishing industry was no exception to this tendency. Due to the state's suppression and the global atmosphere of conservatism following the collapse of the Eastern European countries and former Soviet Union, however, more than 95 percent of the trade unions in the publishing firms have been shut down. The importance of an exhaustive pilot study was, therefore, emphasised through this field study.

Secondly, the response rate, as mentioned above, was not as high as expected. In the case of the managers, it was very hard to make an appointment as they were so busy. But once they agreed to the interview, they tried to respond to the questions with relatively positive attitudes. The interviews after completion of the questionnaire was mainly focused on the economic situation, new technology, and the future of Korean publishing, specifically relating to opening up of the markets.

In the case of the employees, they were less motivated to make an effort to openly answer the questions. Certain questions, for example on their political leanings, average salary, and on the control from the manager, were purposely avoided by the respondents. The scope of the interviews was limited to key questions.

Another difficulty for the survey was getting access to the sales-workers. Sales workers are seldom in the office as they have to make the rounds visiting the house or book stores during working hours, necessitating call-backs to contact in the evening. However, it was still hard to adjust to their returning time. Thirdly, the respondents were confined to those within Seoul geographically, although accurate generalisations about populations of interest depend on the quality of the sample. This was because some 90 percent of publishing firms are located in Seoul.
9.3 Result of Analysis

9.3.1 General Profile of Respondents

In general, the ratio of females, especially university educated who find jobs upon graduation in Korea is relatively lower than that of males (see figure 9.1 on educational background of respondents). However, the proportion of female workers in the publishing sector is higher than any other sector. One respondent in 'group 4' explained about this issue.

*Male workers mostly stay in one company only for a few years until they find another publishing house with better conditions or to the magazine, newspaper or broadcasting companies whose average salary is much higher than that of publishers'. On the other hand, female workers do not change the company so frequently. Moreover, female editors are very suitable because of their elaborate and meticulous nature, which is a suitable characteristic for editing. That is why the manager prefers female employees.*

The number of female respondents among the employee group was more than that of males as commented above although they were randomly chosen (see table 9.2).

(Table 9.2) Distribution of Respondents by Sex

<table>
<thead>
<tr>
<th></th>
<th>Manager</th>
<th>Employee</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>23</td>
<td>49</td>
<td>21</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>66</td>
<td>7</td>
</tr>
</tbody>
</table>

The majority (76%) of the managers are concentrated in the 40s and 50s age group while the majority of the authors (78%) are in the 30s and 40s. On
the other hand, the employees are scattered from under 20s to over 50s even though more than 50 per cent are in their 20s.

(Figure 9.1) Educational Level

As a whole, the educational backgrounds of the respondents are high as publishing involves a lot of intellectual work. In the case of the employees group, the sales and clerical workers are mainly high school or college educated. The majority of the editors (50.4%) have a first degree while some (3.5%) even have a second degree. It was anticipated that the educational level of the authors was the highest among the three groups. Surprisingly, only half of them hold a Master's or Ph.D degree.

9.3.2 Characteristics of Each Group

9.3.2.1 Managers

Because of the general conception that the publishing industry is a kind of 'venture business' there are many firms being established and firms that wind up every day in Korea. This has affected the structure of Korean publishing. As explained earlier, 48 percent out of 5684 firms in 1991 did not publish even one volume. The tendency to concentrate ownership in a handful of larger
publishers has been getting stronger (see chapter 8). On the other hand, smaller publishers remain on a modest scale. An illustration of this is the situation of employment structure as can be seen in (figure 9.2). The survey result showed that 68 per cent of firms sampled employ less than 10 workers.

(Figure 9.2) Status of Employment

Many managers are also compelled to engage in 'double standards' when deciding what to publish. There are lots of social restrictions in publishing a book, even though the prime purpose of the management is the maximisation of profits even in the case of the religious or state-run publishers. A manager in 'group 2' explains this phenomenon during the interview as follows:

*Compared with other media, the difficulty of book publishing is that the content of it should possess educational and ethical usefulness as well as commercial interests. It makes us cautious about choosing foreign works to translate, particularly literature, juvenile and children's books under the continuous 'social' prevalence of Confucian morality (emphasis added).*  

During the field survey, the owner of the monthly magazine *Ungjin Yosong* (Lady) which was published by the second largest publisher in Korea announced that it will cease publishing this very lucrative magazine which has a 300,000 circulation. This magazine reported a story about an AIDS-infected
Chapter 9 Results of the Field Study

patient, which turned out to be fictitious, evoking widespread criticism. This incident is purposely quoted as it is closely related to the question of what is the criterion for judging a book good or bad. According to the analysis, only two respondents answered to 'desire of the consumer', but six of them responded to 'substantial content' or 'ethical or moral value' respectively.

![Figure 9.3) Standards for Valuations of Books](image)

(Figure 9.3) Standards for Valuations of Books

Note: (1) education: educational or scholarly value; (2) content: substantial content; (3) ethic: ethical or moral value; (4) society: contribution to society; (5) consumer: desire of the consumer.

This result was very related to the question: "Did you have any other motive for establishing the firm except for profit?" Ten (or 40%) of respondents replied 'for educational purpose', six (24%) 'for contribution to cultural development', and five (20%) 'for missionary purpose'.

From the economic point of view, the gap between (group 1) and (group 4) was wide. The turnover of the biggest publishers (G1) among respondents, which recorded the second largest revenue in Korea (see table 8.5), was 76,472 million won, but 44 per cent of the subjects recorded 30-100 million won (£23,000-76,000) and 24 per cent 110-500 million won.

The smaller publishers encounter many problems to survive in the 'battlefield'. The rights for textbook publishing are thoroughly
monopolised by the larger firms. The manuscripts of major best-sellers are mainly in the hands of bigger companies which are in a better financial position to buy the rights. Nowadays, they are expanding the 'target market' from sets and encyclopaedia sales to single-copy books.

(Figure 9.4) Turnover in 1991 (10 million won)

The number of copies is also very closely related with the turnover of each publishing company (see figure 9.5). The relationship between turnover and number of copies was very closely connected with the turnover of each publishing company according to the result of cross-tabulation. Forty-four per cent of the companies whose turnover in 1991 was less than 100 million won (£77,000) published less than 100,000 copies. The biggest subject, whose turnover recorded 76,472 million won (£60 million), was the second or third largest firm in Korea which has published 8.4 million copies. It was surprising that the company published only 5 titles in 1991. We can see how educational materials, children's books and reference books are the lucrative areas.
There was also high agreement on the importance of advertising the publications in other media. Twenty respondents (80%) responded 'yes' to this question. The most popular media were newspapers and magazines. All the respondents who answered 'yes' advertised their books in the newspapers and magazines. On the other hand, only 12 per cent and 4 per cent of respondents used radio and television for advertising. However, the ratio of advertising on television is increasing every year although it is limited to a few larger companies. One respondent of (group 3) expressed about the expenses for advertising:

*Advertising of new editions is seemed to be essential. The space in book shops is very limited. However, hundreds of new books are produced every day. A book which has been advertised in the media gets the top priority for display. Therefore, publishers competitively defray a higher proportion of expenses, and the amounts are getting higher.*

The analysis of the questionnaire also proved that many companies spend budget for advertising. Thirty-six per cent of respondents spent 6-10% and twenty per cent 11-20% of their turnover in 1990 for advertising.
The United States has persistently demanded the opening up of the Korean market from the late 1970s. This issue has been overwhelming since the 1980s and is still an on-going process. The first step was to allow foreign publishers to invest capital under limited conditions such as a form of joint venture from 1992. Most of the respondents (88%) were aware of the changing situation. Thirteen (52%) respondents have translated at least one volume under the revised international copyright law which means they have paid royalties since 1987. The ratio of foreign translated books among total publications is high. Six out thirteen publishers (46%) have published at least forty-one per cent of translated books as can be confirmed in (figure 9.7) below.
Even the respondents who did not translate any books are feeling the need to translate and publish foreign books (10 out of 12) in the future. However, they pointed out some problems which make it difficult to publish as follows: (1) expensive royalties (48%), (2) lack of information on foreign books (32%), (3) non-professionalism of agencies (12%), and (4) difficulties in contacting foreign publishers (8%).

From a different point of view, one respondent explained about the opening up of the domestic market:

*It should be a very important turning point for the Korean publishing industry. It would be a good chance to develop and export our own commodities from children's books or cartoons to religious books by using the advanced skills of the printing industry which is better than any western countries. However, western multinationals will threaten smaller local companies with bigger capital and can monopolise the local writers.*
9.3.2.2 Employees

Publishing workers can be divided into four groups: (1) editors who are the backbone of the publishing company who comprise the majority, (2) general staff from accountants to computer graphic workers, (3) door-to-door sales staff who directly aim at the home and office buyer to sell 'sets' and encyclopaedias, and (4) printers who belong to the publishing company. Nearly half of the respondents consisted of editors because most of the smaller companies do not employ printers, general staff nor sales men.

(Figure 9.8) Position of the employees

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales staff</td>
<td>16%</td>
</tr>
<tr>
<td>General staff</td>
<td>23%</td>
</tr>
<tr>
<td>Printer</td>
<td>5%</td>
</tr>
<tr>
<td>Editor</td>
<td>47%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
</tr>
</tbody>
</table>

Generally speaking, the working condition of the Korean publishing workers has substantially improved since labour movements have been activated from 1986. However, the welfare system and factory safety are still poor. The case of the publishing industry is worse than any other manufacturing sector. This is especially so since the working hours are very long. One of the respondents who works for a social science publisher stated:

*We are 'dually' exploited. Most of the smaller publishers employ fewer than 10 employees. We do overtime every day under the name of 'social justice' without any extra bonus. The employer does not allow us to set up a trade union.*
As can be seen in (figure 9.9), only 14.8 per cent of respondents work less than forty-five hours in a week (The legal working hours based on the 'labour law' in Korea is forty-four hours at present). Furthermore, their total over-time is very long. Ninety-seven respondents (84.3%) stated that they work after the official duty hours. Among them, 35 per cent regularly work 5-8 hours and 28.7 per cent, 9-12 hours overtime.

According to research on the 'Status of the Association of Trade Unions for White Collar Workers' (Kang S. H. 1991:74), there are 15 unions and 1,400 members in the 'Democratic Association of Publishing Labour Union' which was first organised in 1988. However, this organisation has been weakened because of the suppression of the state internally and the influence of conservatism as mentioned earlier.

The result of this survey proves that only five respondents (4.3%) joined the trade union. The majority (91.3%) said they could not join it because there was no union in their companies. The respondents who joined the unions had a negative perception of the activity of the unions. In reply to the question "what do you think is the main role of the trade union?", 39 per cent and 33 per cent of the responses focused 'on the autonomy of labour' and 'personal rights'. On the other hand, answers about the 'wage rises' was only 16.5 per cent. This suggests the direction of the trade union.
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9.3.2.3 Authors

Considering relations within publishing, the shape and character of publishing is mainly determined more by its reliance on authors and readers than by other forces within the industry itself. Publishers, particularly, need to acquire manuscripts from authors who are the primary producers. Except in rare cases, no book can be published unless someone writes a manuscript. Therefore, authors are the cornerstone of book publishing.

Authorship in Korea is very diversified from professional novelist or translator to part-time authors who have a fixed job. According to the research on vocational status, nineteen respondents (68%) out of the total of twenty eight subjects had another occupation such as professor, TV producer, research student, designer, and school teacher. The number of publications by them varied; 53 per cent have 5 publications or less, 35 per cent from 6 to 30 works. Among these, nearly half (46.4%) of the books were on literature.

![Figure 9.10] Type of Writing

(own works)  
Translation

Like the proportion of titles published, many authors among the respondents were the writers of literature (50%) and children's books (25%) (see Table 8.4). The books of social sciences (37.5%) were highly depended on the translation. On the other hand, the translated books of children's books were relatively low. One of the managers of (group 3) keenly pointed out the fundamental problem of Korean publishing in relation to the structure of authors.
We do have enough authors in the sections of literature and children's books. However, the feeble areas are academic publishing. The limitation of authors in these fields are very serious. The deficiency of diversity in social sciences, in particular, is accelerating the closing-down of publishers in this field with the collapse of former Soviet Union and the Eastern Europe.

Due to the fierce competition among publishers for profitable manuscripts, some authors receive large royalties. The analysis shows the wide variation of incomes between authors.

(Figure 9.11) Income per month

<table>
<thead>
<tr>
<th>Income Range (10 thousand won)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 - 60</td>
<td>10.7</td>
</tr>
<tr>
<td>61 - 150</td>
<td>17.9</td>
</tr>
<tr>
<td>151 - 200</td>
<td>21.4</td>
</tr>
<tr>
<td>201 - 400</td>
<td>25</td>
</tr>
<tr>
<td>401 - 600</td>
<td>10.7</td>
</tr>
<tr>
<td>601 - 800</td>
<td>14.3</td>
</tr>
</tbody>
</table>

A manager of (group 2) explained the issue which is related to obtaining suitable authors.

One of the structural problems for the development of the publishing industry is the fact that good authors are very scarce. A manuscript by a famous author is very expensive to obtain. Accordingly, we mainly depend on translating foreign publications although the customers (readers) would prefer a local author's book to Sidney Sheldon's work, for example.
In the case of translators, 65 per cent are concentrated on English language books, 18 per cent on Japanese, with French and Chinese at 4 per cent each.

9.3.3 Attitudes and Opinions of Respondents

The field survey essentially focused on the internal control or censorship by the state and western involvement in the Korean publishing market after the enforcement of local and international copyright law.

Many people who work for book publishing were still in prison during the field survey mainly for the reason that they had published 'in praise of communism or about North-Korea'. Therefore, the issue of the state's control on book publishing was one of the most important aims of the field survey.

Finding out the political leaning of the respondents is a first step in understanding the relationship between the state and publishing. In the contemporary history of civil movements for a democratic society against the military dictatorship, publications have contributed a decisive role. It is natural that the state should suppress those who were involved in publishing.
As a whole, the respondents indicated a progressive political leaning (sixty-two respondents out of 168) rather than a conservative (twenty-six respondents). Specifically, the employees indicated a more progressive (41%) political leaning than any other group. A respondent who has worked for the social sciences publisher since 1985 spoke about the relationship between the political leaning of people in the publishing industry and political progress in Korea. He clearly stated as follows:

*Books have had decisive influence in the process of the 'democracy movement' in Korea. The ideas provided by books have constituted in a decisive manner, the social perception, resembling the case of the French Revolution. Many books of social sciences were highly ranked in the best-seller list through the 1980s. The progressive and consistent efforts of publishers and editors to create and continue the democracy movement in spite of the 'external' pressure and threats have contributed in establishing a more associative society.*

Because of the repressive political system which had been established for a long time, respondents were very cautious on sensitive questions. This was evidently true on the question of political leaning. That explains why the highest proportion of respondents replied in the 'neutral' to this question.

(Figure 9.13) Pressure by the State

![Bar chart showing pressure by the state for managers, employees, and authors.](image)
Managers were the highest proportion pressured by the state because of their responsibilities in book publishing. The state had performed various forms of pressure by its involvement in publishing. A manager of (group 4) who was imprisoned after being charged with infringement of 'the National Security Law' related the details of the pressure of his publications:

*My company mainly publishes books on literature and the social sciences. A lot of books on North Korea, its political and economic system, works and translations on socialist countries, and leftist books have been confiscated without any warrant. The government never returned them. The reason I have been imprisoned for 13 months was that my company published a book which satirised our former President.*

There was a very high ratio (20%) of managers, who experienced pressure by the state whatever the type: censorship, raid or confiscation, imprisonment or tax investigation. This was also strongly imposed on the authors.

Managers were optimistic about the current status of freedom of the press while employees and authors were critical of it. One of the employees also pointed out that intervention by the manager in the decision making process of
publishing any book hindered the freedom of the press. As a result, the issue of the freedom of the press for employees and authors is not only a question of interference by the government but also by managers.

Partly due to the tendencies of the globalised industry, Korean publishing has also been forced to change most of its traditional structures from local markets to copyright law. These changes are accepted positively only in some cases. A manager who owns one of the largest publishing companies stated as follows:

*The whole world is changing rapidly. Markets are closer and 'globalised'. When I can send a letter by facsimile directly to the president of any publishing company in the world, I no longer need to work through other agents (emphasis added).*

However, most of the changes have not come about through an autonomous process but by the power structure which has threatened local publishers as they have to compete with western multinationals. The first change was the amendment of domestic copyright law in 1985.

(Figure 9.15) Opinion on Domestic Copyright Law

1. essential: essential to protect the author and publisher who owns the copyright.
2. necessary: necessary to protect them, but it controls the freedom of information and the right to know.
3. good to big: advantageous only to the larger firms and best-sellers.
4. deficient: deficient in protecting the domestic publisher and author rather than the foreign publisher.
Domestic copyright protection is seen by the majority of respondents who are engaged in publishing in Korea today as greatly beneficial to the national development of publishing in the long run. A respondent of (group 3) who is very positive on changes in the domestic copyright law stated:

*The national copyright law should have changed earlier. Under the previous nominal law, many infringements such as duplicated or pirate publication was rampant. However, publishers now understand the concept and the value of copyright, and the order of normal publishing has been settled since then.*

Eighty-seven per cent (146 respondents out of 168) of the respondents answered "it is essential or necessary" to the question of domestic copyright law as can be seen in (figure 9.15).

(Figure 9.16) Opinion on International Copyright Law

1. essential: essential to protect the author and publisher who owns the copyright.
2. necessary: necessary to protect them, but it is early days.
3. good to western: advantageous only to the western publishing firms.

Despite the affiliation of two international copyright laws and an increasing number of publications produced since the introduction of these laws,
the conception of an international law has not yet settled down. A respondent of (group 2) replied to a very positive opinion:

As you know, Korea has been criticised as a piratical country for a long time. We should practice fair play domestically or internationally. It will stimulate local publishers, and bring us many advantages in the future although the ratio of imported books and rights is rapidly increasing and this is threatening the expenditure for the time being.

One of the managers who runs a small-scale publishing company, however, strongly complained about the international law:

The United States applied the law to their works under the UCC retrospectively to 1977, in spite of the general international application that work can be protected from the date this law came into effect. I tried to make contact with the copyright agencies, but the larger publishers acquired the right by paying higher royalties.

The general opinions of the managers obtained through interviews inferred that larger firms are positive as they gain advantages in terms of association with foreign firms or agents. On the other hand, smaller publishers are at a disadvantage because of the deficiencies of credits or information.

According to the analysis of responses on international copyright law, more than thirty-five per cent of each group replied positively. However, 64 per cent of managers, 53 per cent of employees, and 64 per cent of authors indicated negative viewpoints as they chose "necessary to protect them, but it is early days", or "advantageous only to the western publishing firms".
Koreans are the most educated people in Asia (after the Japanese) and there is no doubt that the Korean market is one of the most lucrative although not yet fully exploited by western companies. The amount of deficit due to the rising expenditure on royalties is increasing sharply. Many respondents, especially managers, pointed out the difficulties of financing. One of the respondents of (group 2) who mainly publishes literatures stated about this issue:

*Every year since I have managed this company, we have translated over fifty per cent of the literatures among total publications, mainly American works. It is getting difficult to secure the right to publish foreign works since the application of international copyright laws and enforcement of local law. This is because of the extensive competition among the local publishers or of the increasing expenses of the royalties.*

The result of the survey also proved this issue. In terms of the protection of domestic publishers who own foreign copyright, respondents agreed that the international copyright law performs on important role. However, still the biggest proportion of respondents regardless of their job or position thought that
this led to "economic pressure due to high expenses on copyright" in an overly competitive market.

(Figure 9.18) Comparison between Political Leaning and Opinion on International Copyright Law

According to the comparison using cross-tabulation, political leaning was important in judging the respondents' opinion on international copyright law. Respondents whose political leaning was conservative regardless of their job, were affirmative, but the progressives answered negatively on this issue. In reality, many progressive student groups, labour unions and social pressure groups objected and demonstrated on the issue of opening up the markets under U.S. pressure.

(Figure 9.19) Comparison between income and opinion on international copyright (author)
Another interesting finding by cross-tabulation was that authors were also very interested in the issue of international copyright law. It was confirmed that writers whose incomes are higher, are more positive about it. It was generally anticipated that well-known writers have more chances of having contracts with foreign publishers. A few of them were already reported to have contracts with relatively better conditions than with local firms.

(Figure 9.20) Comparison between turnover and opinion on international copyright law

![Chart showing comparison between turnover and opinion on international copyright law.]

It was discovered through the field research that big domestic companies were very positive about opening up the local market. Under the dependent circumstances that more than 20 per cent of books are translated, the large firms can obtain the translation rights more easily, and they can be protected from the piracy normally conducted by small publishers. This atmosphere will make to collaboration easier between the local large firms and multinationals.

9.4 Conclusion

In spite of many trials and tribulations throughout the field survey, some important findings through questionnaires and interviews were discovered.
Firstly, publishers have 'double standards' in running the company under the strong prevalence of Confucian morality. External pressure by the state has limited the publication of some titles such as anti-government books or communist works, this kind of social and ethical ideology has also restricted the range of publications.

Secondly and from the economic point of view, the most prominent feature characterising Korean publishing is the reinforcement of asymmetric development between the larger and smaller companies. The relationship between turnover and number of copies is very closely connected with the revenue of a publishing company. However, some companies which possess the so-called 'steady sellers' such as children's books and educational reference books, recorded high revenue with a few titles. To be able to continue in business, Korean publishing firms have to allocate an excessive amount for advertising expenditure from the scale of revenues.

Thirdly, restrictions on the freedom of the press by the state, or control as practised by the owner, is still rampant and thus inhibits the autonomous publishing industry. At least ten per cent of each group had experienced suppression by the state or managers. A high proportion of employees and authors have a very sceptical perception of the freedom of the press.

Finally and most importantly, persistent pressure by the United States to open up the publishing market has drawn Korean publishing into the global arena of competition. As a first step, Korea is affiliated to two international copyright laws - the Berne Convention and UCC. According to the result of the field survey, most of the managers of larger firms were positive, but the managers of smaller firms were opposed to the issue of enforcement of international copyright laws and opening up the markets. Regardless of this result, Korean publishing firms are under pressure from the expenses of royalties because of the dependent structure of translated books.

In conclusion, the process of globalisation in publishing is led by the western industrialised countries, especially the United States. The application of global legal apparatus such as international copyright laws and pressure to open the local markets in the developing countries have resulted in an expansion of a globalised market as witnessed in the case of the Korean publishing industry.
10.1 Review of General Arguments

The main objective of this research as stated in the 'Chapter 1' was to examine three key questions regarding major issues for global media specifically in the publishing sector.

(1) This study has looked at the theory of globalisation which has been one of the most fashionable topics in the social sciences recently. The notion of globalisation has been applied to the key domains of sociology, economics, politics and culture. The discussion about globalisation tend to have in common a predominance of 'positive' views.

International developments, such as the enormous growth in international organisations and regimes, according to contributors to the globalisation perspective, have laid a basis for global governance, the intensification of multilateral diplomacy and trans-governmental interactions. These have also ultimately limited the traditional role of the nation-state. As evident in many instances, however, the nation-state has in no way declined. The importance of the nation-state and nationalism in developing countries is continuously strong.
The recent transformation of the East European regimes has reshaped a unit of states.

World economy has deployed the formation of a global system with the latest expansion of capitalism in the spheres of production, finance and market. The expansion of TNCs is the most pre- eminent tendency of economic globalisation. Modern companies seek to operate in all markets simultaneously, rather than sequentially, targeting and actively constructing consumers in multiple regions on the basis of demographics and lifestyles, rather than national identities. However, in terms of power relations, the global economic system is marked by a very great asymmetrical structure. The international financial organisations have fulfilled the functions for maintaining the economic and political hegemony of western countries which are far from interdependent.

This is similarly the case in the global cultural industries. The Hollywood movies and pop music are dispersed simultaneously throughout the world; their images and sounds rapidly communicating across linguistic frontiers and cultural boundaries. While global cultural commodities such as movies, musics, and information move across cultural borders and break the link between culture and territory more rapidly than in the past, this globalisation is for the hegemonic global TNCs, whose cultural products and information can not be identified with their national origins in any straightforward way.

While interdependence has been growing, a global international system has been taking root and while the world economy has been undergoing a transition from which the hierarchical order of nations will emerge seriously modified, the developing countries, weaker and more divided than usual, are having to face new and additional problems: "The 1980s have seen an enlargement - rather than a reduction - in the gap between income and wealth in the developed world and those of the developing world" (UNCTAD 1990:11).

In the long run, the ultimate aim of globalisation is to sustain geopolitical stability, which in turn calls for the continuous expansion of world trade and economic growth. At the same time, if the situation warrants, nationalist and regionalist challenges emanating from the South will be suppressed, by force if necessary.
(2) This study has aimed at grasping the major factors which influence contemporary international publishing that have resulted in an uneven intellectual structure. At present, the western industrial nations which enjoy material affluence also maintain an affluent intellectual environment compared with the Third World. Major international firms combined with other media companies or electronic industries, have expanded to transnational conglomerates and are now entering a global era of publishing. Through the scale of economy, the structures of international publishing have become western-centred.

There are four essential structural elements which dominate Third World publishing; ex-colonial educational systems, international languages, international copyright laws, and the new publishing technologies.

Firstly, the structure of an educational system is one of the most dramatic examples which help to prolong the influence of colonialism. Educational links with the western empires, especially in the case of higher education, imposed during the colonial period are still maintained in many cases although independence has been achieved. Therefore, in most of the developing countries, the heritage of colonialism has determined the structure of the educational systems, the language of schooling, textbooks, and many aspects of the curriculum. Textbooks, which stand at the heart of education, in the developing countries, have been under the influence of the western nations since the colonial period.

The deficiency of know-how and funds has not facilitated textbook publishing even after independence. As textbook publishing guarantees much of the profit which comes from reprints, the textbook markets in many developing countries are exclusively dominated by transnational publishers. Even though the proportion of textbook exports has recently decreased, textbook publishing for higher education is still overwhelmingly in the hands of western countries who are the major producers of advanced intellectual products.

Secondly, 'lingua franca' is another important factor which influences the structure of the international publishing market. European languages, mainly English, French, Spanish, and German, spread out the ranges of usage in the former colonies as the official languages. They were used by the government, the legal system, commerce, and most importantly in education, these languages
have now assumed an international status. In many developing countries, those who do speak the western language fluently can quickly climb the social ladder. Almost all of the world's major important publications from textbooks to journals are produced in the language of the west.

Among European languages English has emerged as the most prominent lingua franca in the field of politics, commerce, tourism, conference and multiple mass media (including books) since World War II.

Fluency in English is becoming more and more important. Don't let poor language skills ruin your career prospects. By reading Newsweek regularly you'll practise and improve your English (cited from an advertising leaflet of 'Newsweek').

English as a global language therefore delivers a global market. Publishing English-language books in the United States and Britain will automatically provide opportunities for world-wide rapid expansion.

Thirdly, copyright law, not only at the national but also the international level, has contributed to promote science and development by conferring incentives to the creators of intellectual works. As knowledge is becoming an international commodity across national boundaries, the discussion on international copyright law is of considerable importance in relation to the development of developing countries.

The two international copyright apparatuses, the Berne Convention and UCC, were established and dominated by the industrialised nations to protect the interests of the western countries as publishing became a bigger industry. For the Third World nations, the current international copyright laws are barriers against the import of books from developed countries under the dependent structure of intellectual system.

As a result of long standing debates on the 'New World Information Order' in UNESCO, the developing countries have managed to weaken copyright protection for books in the area of education and science by introducing a mechanism of 'compulsory licensing' that permits Third World publishers to reprint or translate material after a period of time since original publication has
elapsed. However, the western countries have forced non-members of the international copyright laws to join in compensation for their concessions. The expenses of fees or royalties in the developing countries have not decreased, but increased according to the expansion of translation in the developing countries (see Chapter 9).

Finally, there is the unquestioned assumption that technological advances have eroded the premodern heritage such things as poverty or disease, and brought cornucopia of affluence. The arrival of the 'information society', bringing with it technological progress, puts emphasis on abundance and wealth. When the point is focused on those who control the production and use of information technology, there, however, seems to be a lack of awareness and understanding of the inequalities and disparities in the world. In contrast to the optimism, technological progress has widened the gap between the 'information poor' and the 'information rich'.

The new technology has broadly influenced the publishing sector. The term 'electronic publishing' is now very common, and the ranges are expanding with the diffusion of the computer in publishing. Desktop publishing and databases have revolutionised scientific publishing and have been adopted in some developing countries. CD-ROM, the so-called 'paperless' book, has also been dispersed in the all regions of the world. However, adoption of the electronic publishing industry requires huge lay out of capital. Thus, this again works to the disadvantage of publishing in developing countries, but means lucrative business to the global TNCs. The developing countries are only consumers of these innovations, generally on terms set by the industrialised nations.

(3) The final objective of this research was to investigate and test the publishing industry in Korea as a case study of realities which the developing countries have encountered in a global epoch. While Korea is one of the NICs which has showed remarkable economic progress and is not a typical Third World country, some factors such as the general historical background (independence from Japanese imperialism) and the dependent structure of the current publishing industry, make it possible through the field survey to identify solutions common to all these countries.
As the social, ethical and moral values of Korea are strongly affected by Confucianism like other East Asian countries, the importance of education has been emphasised throughout modern history. Education is regarded as an indispensable component of economic and social development. At the individual level too, social respectability and economic success is greatly determined by education. The role of education, particularly higher education, in the process of Korean economic development has been one of the most decisive factors for the last decades.

The rapid expansion of the national economy and a passion for education have also directly influenced the development of the publishing industry. However, the strong control imposed on the book industry in the name of 'anti-Communist policy' by the autocratic military governments have had some negative impact on the publication of social sciences and literature books. The results of the field survey also proved that controls on the freedom of publishing by the state are still being furiously enforced. On the other hand, the markets for textbooks, reference books and children's books have expanded steadily, and have resulted in concentration in a few publishing companies. All the top 10 publishing companies in Korea are involved in publishing at least one textbook, reference book or children's book. The outcome of the field survey showed that the biggest subject, whose company was ranked within top 5 in 1991, published only 5 titles that year.

Previously, the government had protected the publishing industry from foreign participation, until the United States forced the Korean government to open up its market and be affiliated to the international copyright apparatuses. According to the result of the field survey, some respondents replied that the affiliation to international copyright laws was indispensable for several reasons such as fair play in international trade, stimulation of local publishers and belief in long-term advantages. Under the structure that a high proportion (15-25% in the last 10 years) of Korean book publishing is dependent on translated books, however, some two-thirds of respondents were very critical of this issue (see figure 9.15). Particularly, the opinions of the managers of smaller publishers were opposed to this issue for two reasons. First, the number of foreign publications for which royalties are paid has increased every year. Royalty
payment is one of the most difficult factors for many local publishers in this circumstance. Second, they are at a disadvantage in competition with the local larger companies because of the defects of funds or information sources.

Under the general trend that "globalisation is inevitable and technologically determined" (Bienefeld 1994:38), one of the most prominent shift of the international power relations in the 1990s is the appearance of the 'New World Order' which accelerates international economic polarisation as the logic of a deregulated global market is more aggressively imposed by a hegemonic power that has little need to compromise in the absence of a rival hegemonic power. As a result, world society is entering a new era in the relationship between power and the division of labour, which is globalised. The 'new' international division of labour highlights a set of relationships associated with an exchange of goods produced by individual units - for example, Portugal in wine and England in textiles. However, this tendency is not directly applied to the international publishing industry. Rather this depends on old features of international division of labour as the four factors of global publishing (see Chapter 5) are still applied to the structure of world publishing.

As new technologies are rapidly devised, the Korean publishing industry is being degraded as a passive printing factory under the situation that most major global publishing firms have already set up joint-ventures with local companies or own branches. It is expected that opening up of the publishing market to foreign investors by 1997 will be totally changed the Korean publishing industry. In the long run, the process of globalisation in publishing is led by the global TNCs which are mainly based in the western countries. The control of global organisations and institutions (i.e. international copyright laws and GATT) by the North is causing the South to become consumers of western cultural commodities through the strategies of globalised and single markets as the Korean case shows.

The future of the book publishing industry in Korea in a global epoch is in peril as expressed by one of the publishers during interview: "Opening up the local publishing market means the surrender of our intellectual heritage. Our material and mental properties from agriculture to books will be replaced by western identities."
10.2 Limitations and Suggestions for Further Research

Despite some useful consequences of several important issues related to globalisation and Third World publishing, this research has several substantive limitations.

First, as pointed out in Chapter One, the research on publishing is still in an incipient phase in contrast to those on other media. This is closely related to the fact that the majority of the existing studies on publishing are actually less scrutinised from a critical holistic perspective. It is not astonishing then to realise the scarcity of references not only about the publishing industry in general but also about the 'international' publishing industry in particular. Although there has been a consistent attempt to cover many particular cases in the Third World publishing industry, it seems that this consistency has encountered some problems. The degree and scope of review of the Third World continents has been uneven. A detailed analysis is provided for the African publishing industry, but the review of Asian publishing is relatively less developed compared to that of Africa. On the other hand, the literature dealing with the publishing industry of Latin America has almost been non-existent. This is related to either lack of resources or linguistic non-equivalencies.

Second, it is essential to analyse the contents of school textbooks to understand the total structure of the global publishing issues. There is much evidence which justifies or misinterprets the history of the events of colonial exploitation, for example, through western-published textbooks. These texts impose a Eurocentric ideology on the students in developing countries (see Chapter 5.2.3). This research did not investigate this work as it needs a more comprehensive and illustrative analysis, joining various frameworks together to make sense of an object which appears to be interconnective with different sorts of social formation of relations.

Third, it can be estimated that there are in Korea some 30 branches (in 1992) or offices of foreign publishing companies and 38 agencies (in 1991) for international copyright business that have established their firms since 1991. They should have been included as subjects of the field survey. Unfortunately,
foreign firms had only just begun to set up their business in Korea when the field survey was performed. Further research should include them to provide more conclusive findings.

In spite of these limitations, this thesis has explicated that the perspective of globalisation can not cover up the matter of inequality even though the phenomena and studies on globalisation are still on-going as mentioned previously. This research also emphasised that the power of global publishing TNCs will be greatly expanded by advanced technologies and capital investment.

Finally, it is hoped that this thesis will stimulate more research interest regarding the relationship between globalisation and the international media. For this, the following suggestions can be referred to for the further research.

(1) As illustrated throughout the thesis, the form of the media commodity in the future is becoming more unified as part of the 'multi electronic media' which seem increasingly tilting towards monopolising the media terrain of production circuits, starting from the simplest printing products to the most sophisticated sound and image technologies. Accordingly, the role of the publishing industry is anticipated to become a central commodity producer based on such technologies. In the light of current developments, study and research into publishing have to have closer attention and a further elaborating work on deriving the analytical tools sensitive to the effects of the new media, aiming at providing new terms for enhancing a frontier constituted on symmetric information flow between the North and the South. This can be perceived to be a step (among others) contributing to materialising an empowerment most needed in a more fraternal world. A world that cherishes the public good and citizenship, thus guaranteeing a reconciliated form of equity and justice.

(2) In spite of the overview of the current situation of Third World publishing, it is very difficult in the foreseeable future to find alternatives to an autonomous development of the publishing industry in developing countries. What this would mean is that there should be further joint and consistent efforts within the communities and their representatives to spell out the forms and potentialities of the moments of reconciliation in such a way that possibilities of a break through
can be seen, thus dismantling the historical bloc which is antagonising the interests of the public. For instance, the studies focusing on this issue on the basis of the some current systems such as ABC, as briefly introduced in Chapter 4.2.4, could represent a positive step.

10.3 Conclusions

The discussion on globalisation has exposed many problems which sometimes shows retrogressive and opposing processes, in spite of the multiple evidences that the world is more and more interdependent and interconnected in the spheres of world politics, economy and culture. This contradicts a value-neutral notion of globalisation which pretends to interpret a supranational universalism of interconnectivity. The processes of globalisation have revealed many normative intentions. Global political institutions and organisations are dominated by a few powerful countries, and the global economy have mainly facilitated the expansion of western global TNCs. Global culture has homogenised the local culture and exploited local difference and particularity under the scheme of 'global consumer convergence'. Accordingly, the process of globalisation is nothing but a 'western' and 'TNCs' globalisation, for the moment, at least.

The uneven and west-centric global structure extends to the publishing issue. Nowadays the importance of information is more emphasised. The developing countries use scientific information, but produce very little of it. The Third World must import knowledge from the west at a significant disadvantage such as price and selection. As new technologies are being developed, the dependence on the western countries gets more serious. Moreover, the expansion of European languages, particularly English, as the global language have produced global publishing firms and a global market. The influence of publishing TNCs are more powerful than before as they have combined with other media firms and electronic industries through mergers and acquisitions. With the physical expansion of global TNCs there is a need to find new markets,
and developing countries, especially the newly industrialised countries, have encountered direct pressure because they have potential publishing markets. In the long run, the globalisation project is, as Robinson (1991:25) describes, a western strategy for 'the exploitation of markets on a world scale'. The Korean publishing industry has proved these to be global realities. That is to say, the enforcement of global copyright laws and pressure to open up the Korean publishing market has led to nothing but an expansion of the global market.
Appendix I: Questionnaires

This questionnaire is designed to explore the situation of contemporary Korean publishing. I would appreciate it if you would take a brief period to discuss the questions on these matters. I strongly believe that this will provide a useful basis to improve the quality of my thesis and future academic research. I might ask you more verbal questions to supplement this questionnaire.

This interview and questionnaire will be used solely for academic research. Thank you for your co-operation.

Dong-kyoo SUNG
Department of Social Sciences
Loughborough University of Technology
Great Britain

1.1 MANAGERS

A. General Views

1. How long have you managed this company? __
   (1) less than 1 year  (2) 1 - 2
   (3) 3 - 5          (4) 6 - 10
   (5) 11 - 20        (6) 21 - 30
   (7) 31 - 40        (8) More than 41 years

2. How many workers do you employ? __
   (1) Less than 1  (2) 2 - 5
   (3) 6 - 10       (4) 11 - 30
   (5) 31 - 50      (6) 51 - 100
   (7) 101 - 200    (8) 201 - 400
3. What type of capital composition is your company? 
(1) Private company  
(2) Joint-stock corporation  
(3) Corporate juridical company  
(4) Juridical foundation  
(5) Other (please explain) 

4. What kind of books do you mainly publish? 
(1) Generalities  
(2) Philosophy  
(3) Religion  
(4) Social Sciences  
(5) Natural sciences  
(6) Engineering sciences  
(7) Arts  
(8) Linguistics  
(9) Literature  
(10) History  
(11) Textbooks  
(12) Reference books  
(13) Juvenile  
(14) Other (please explain) 

5. What do you think is the criterion by which you judge a book to be good or bad? 

6. Did you have any other motive for establishing the firm except for profit? 

7. What do you think is your political leaning? 
(1) Very conservative  
(2) Conservative  
(3) Neutral  
(4) Progressive  
(5) Very progressive  

8. What is your sex? Male  
Female  

9. In what age group are you? 
(1) Under 20  
(2) 21 - 30  
(3) 31 - 40  
(4) 41 - 50  
(5) 51 - 60  
(6) Over 61
10. What is your educational level? 

(1) Primary school  (2) Junior high school  
(3) Senior high school  (4) Graduated from college  
(5) Some university work  (6) Graduated from university  
(7) Master's degree  (8) Ph. D degree  

B. The capital and labour

1. How much was your initial capital? 

(1) Less than W 999,999  (2) 1,000,000 - 4,999,999  
(3) 5,000,000 - 9,999,999  (4) 10,000,000 - 49,999,999  
(5) 50,000,000 - 99,999,999  (6) 100,000,000 - 299,999,999  
(7) More than W 300,000,000  

2. How much was your recorded turnover last year?  

3. What kinds of books are mainly profitable among your publishing?  

4. Could you tell the total number of titles and copies of the books you published last year?  
   Titles  , Copies  

5. Do you own other publishing firms as well? Yes , No  

6. If yes, how many?  

7. Do you own other kinds of corporations (conglomeration)?  
   Yes , No  

8. If yes, which company was your initial one?  

9. Do you own the printing company?  

10. Do you also have any other media corporations?  

11. Do you advertise the books you publish in the mass media?
Yes ___, No ___

12. If yes, which media do you mainly use?
   (1) Daily newspaper ___%  (2) Magazine ___%
   (3) Radio ___%  (4) Television ___%
   (5) Sales man ___%  (6) Mail advertisement ___%
   (7) Other ___%

13. If yes, what is the ratio of the expenses of advertising in the total turnover? ___%

14. Do you also publish magazines? Yes ___, No ___

15. If yes, how many titles? ______

16. Do you have a trade union in your company? _______

17. If yes, what is your opinion about the trade union? ___
   (1) Very positive  (2) Positive
   (3) Neutral  (4) Negative
   (5) Very negative

18. If no, what is the reason not to have or allow it? ___
   (1) Lack of constituent members.
   (2) Workers do not want to organise the union.
   (3) The trade union is a kind of communist group.
   (4) Agreement with the legitimacy of the union, but it is not allowed their activities threaten the management of the company.
   (5) Other (please explain) _______

19. Could you write down the status of the office equipment? ___
20. Which machines among them have you imported? ___

21. From which countries did you import them?
   (1) USA ____%  (2) UK ____%
   (3) Japan ____%  (4) Other ____%

C. Relationship with the State

1. Have you experienced any kinds of pressure by the state? ___

2. If yes, what kind of pressure have you suffered? ___
   (1) Censorship  (2) Raids or confiscation
   (3) Imprisonment  (4) Tax investigation
   (5) Other (please explain) ___

3. If you have experienced imprisonment, which law was involved? ___
   (1) National security law.
   (2) Law on registration of the publishing and printing firm.
   (3) Law on registration of periodicals.
   (4) Law on protection of military secrets.
   (5) Law on import and distribution of foreign periodicals.
   (6) Customs tariff law.

4. Are you involved when the editor decides to publish any books? ___
   (1) No.  (2) Discussion with the editor.
   (3) Yes fully.
   (4) Involved only in decision on important planning.

5. If yes, what is your main reason for involvement? ___
   (1) To make more profits.
   (2) To prevent the censorship by the state.
(3) To control the editor.
(4) To make the book better.
(5) Other (please explain) 

6. If yes, what is the reaction of employees, especially the editors? 
(1) Very Positive  (2) Positive
(3) Neutral  (4) Negative
(5) Very negative

7. What do you think of the freedom of the press now? 
(1) Very democratic  (2) Democratic
(3) Neutral  (4) Oppressive
(5) Very oppressive

D. The Future of Korean Publishing

1. Do you know that publishing markets are compelled to be opened to foreign imports from 1992? Yes _, No _

2. Have you translated any kinds of foreign books since the amendment of the copyright law in 1987? Yes _, No _

3. If yes, how many books have you translated or reprinted? ___

4. What is the proportion compared to indigenous books? ___

5. If yes, what is the ratio between before and after enforcement of the international copyright? ___

6. If yes, what is the origin of the book?
(1) USA ____%  (2) UK ____%
(3) Japan ____%  (4) Other ____%
7. If no, what is the reason not to publish the foreign book?  
   (1) Because of the expenses of copyright, intermediation and translation.  
   (2) Because of the lack of information on the foreign books.  
   (3) Because of the lack of an adequate book to translate.  
   (4) Because of the uncertainty on sales.  
   (5) Other (please explain)  

8. If not, how about the future prospect on this?  
   (1) Needs to be translated  
   (2) Not at all  
   (3) Other (please explain)  

9. What is the most serious problem in publishing a foreign book?  
   (1) Difficulty in contact with authors.  
   (2) Lack of information on the book for translation.  
   (3) Non-professionalism of the agencies.  
   (4) Other (please explain)  

10. Do you have any plan or contract to associate with foreign firms?  

11. If yes, what kind of association is it?  
   (1) Co-publishing  
   (2) Printing by order  
   (3) Joint venture  
   (4) Other (please explain)  

12. If it is a form of joint venture, what is the content of this business?  
   (1) The publishing of the contracted book  
   (2) Agency of sales.  
   (3) Synchronous publishing  
   (4) Other (please explain)  

13. If yes, please name the company?  

14. What is your opinion of a domestic copyright law?  
   (1) Essential to protect the author and publisher who owns the copyright.
(2) Necessary to protect them, but it controls the freedom of information and the right to know.
(3) Advantageous only to the larger firms and best-sellers.
(4) Deficient in protecting the domestic publisher and author rather than the foreign publisher.
(5) Other (please explain) _______

15. What is your opinion on an international copyright law? ______
(1) Essential to protect the author and publisher who owns the copyright.
(2) Necessary to protect them, but it is early days.
(3) Advantageous only to the Western publishing firms.
(4) Other (please explain) _______

16. After the enforcement of an international copyright law since 1987, what do you think have been effects of this law for Korean publishing? ______
(1) Improved quality of domestic publishing as the scope of books is multiplied.
(2) Protection of domestic publishers who contact foreign firms as piracy in publishing is prohibited.
(3) Economic difficulties because of the expenses of royalties.
(4) Atrophy of domestic writers.
(5) Other (please explain) _______

1.2 EMPLOYEES

A. General views

1. What is your position in this company? ______
(1) Editor " (2) Printer
(3) General staff " (4) Sales staff
(5) Other (please explain) ______
2. How long have you worked in this company? 
   (1) Less than 1 year        (2) 2 - 4 years
   (3) 5 - 10 years           (4) 11 - 20 years
   (5) More than 21 years

3. What do you think is your political leaning? 
   (1) Very conservative       (2) Conservative
   (3) Neutral                 (4) Progressive
   (5) Very progressive

4. What is your sex? 
   Male _____  Female _____

5. In what age group are you? 
   (1) Under 20                (2) 21 - 30
   (3) 31 - 40                 (4) 41 - 50
   (5) Over 51

6. What is your educational level? 
   (1) Primary school          (2) Junior high school
   (3) Senior high school       (4) Some college work
   (5) Graduated from college   (6) Some graduate work
   (7) Master's degree          (8) Ph. D degree

B. The Working Conditions

1. How many hours do you work in a week? 

2. How many hours' overtime do you work in a week? 

3. How much do you earn a month? 

4. Are you a member of a trade union? Yes __, No __
5. If no, what is the reason not to join the union?  
   (1) There is no union in my company.
   (2) The trade union is a kind of communist group.
   (3) It has a propensity toward the political struggle.
   (4) It has a propensity toward the economic struggle.
   (5) Other (please explain)  

6. If yes, how do you evaluate the union?  

7. What do you think is the main function of the trade union?  
   (1) Autonomy of labour  
   (2) Personal rights  
   (3) Wage rises  
   (4) Other (please explain)  

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C. Publishing and Pressure  

1. Have you suffered any pressure of publishing by the employer?  
   Yes __, No __  

2. If yes, what kind of pressure was that?  
   (1) Censorship  
   (2) Other (please explain)  

3. Have you suffered any pressure of publishing by the state? yes __, no __  

4. If yes, what kind of pressure was that?  
   (1) Censorship  
   (2) Raids or confiscation  
   (3) Imprisonment  
   (4) Other (please explain)  

5. What do you think of the conditions of the freedom of the press now?  
   (1) Very democratic  
   (2) Democratic  
   (3) Neutral  
   (4) Oppressive  
   (5) Very oppressive  

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D. The Future of Korean Publishing

1. Do you know that publishing markets are compelled to be opened to foreign imports from 1992? Yes __, No __

2. What is your opinion of a domestic copyright law? _____
   (1) Essential to protect the author and publisher who owns the copyright.
   (2) Necessary to protect them, but it controls the freedom of information and the right to know.
   (3) Advantageous only to the larger firms and best-sellers.
   (4) Deficient in protecting the domestic publisher and author rather than the foreign publisher.
   (5) Other (please explain) ________

3. What is your opinion on an international copyright law? _____
   (1) Essential to protect the author and publisher who owns the copyright.
   (2) Necessary to protect them, but it is early days.
   (3) Advantageous only to the Western publishing firms
   (4) Other (please explain) ________

4. After the enforcement of an international copyright law since 1987, what do you think have been effects of this law for Korean publishing? _____
   (1) Improved quality of domestic publishing as the scope of books is multiplied.
   (2) Protection of domestic publishers who contact foreign firms as piracy in publishing is prohibited.
   (3) Economic difficulties because of the expenses of royalties.
   (4) Atrophy of domestic writers.
   (5) Other (please explain) ________

1.3 AUTHORS

1. Do you have another occupation? Yes ___, No ___
2. If yes, please name the occupation? ______

3. How many works have you published or translated so far? ______

4. What kind of works have you published? ______
   (1) Generalities (2) Philosophy
   (3) Religion (4) Social sciences
   (5) Natural sciences (6) Engineering sciences
   (7) Arts (8) Linguistics
   (9) Literatures. (10) History
   (11) Textbook (12) Reference book
   (13) Juvenile (14) Other(specify) ______

5. What is your income per month? ______
   (1) 300,000 - 599,999 (2) 600,000 - 1,499,999
   (3) 1,500,000 - 1,999,999 (4) 2,000,000 - 3,999,999
   (5) 4,000,000 - 5,999,999 (8) More than 6,000,000

6. What is the proportion of contribution fee in your total income? ______

7. What do you think is your political leaning? ______
   (1) Very conservative (2) Conservative
   (3) Neutral (4) Progressive
   (5) Very progressive

8. Have you experienced any kinds of interference or pressure by the publisher before/after publication? ______

9. If yes, what kind? ______
   (1) Censorship (2) Other(specify) ______

10. Have you experienced any kinds of interference or pressure by the state before/after publication? ______
11. If yes, what kind? _____
   (1) Censorship
   (2) Elimination of some parts
   (3) Imprisonment
   (4) Other (please explain) _____

12. Who decided to publish your work? _____
   (1) Yourself
   (2) Publisher
   (3) Editor
   (4) Other (please explain) _____

13. How many companies do you have contracts? _____

14. Do you have any contracts with foreign publishing companies? _____

15. If yes, how many? _____

16. How do you receive the payment? _____
   (1) Contribution fee
   (2) Royalty
   (3) Other (please explain) _____

17. What do you think of the conditions of the freedom of the press now? _____
   (1) Very democratic
   (2) Democratic
   (3) Neutral
   (4) Oppressive
   (5) Very oppressive

18. Do you know that publishing markets are compelled to be opened to foreign imports from 1992? Yes __, No __

19. What is your opinion of a domestic copyright law? _____
   (1) Essential to protect the author and publisher who owns the copyright.
   (2) Necessary to protect them, but it controls the freedom of information and the right to know.
   (3) Advantageous only to the larger firms and best-sellers.
(4) Deficient in protecting the domestic publisher and author rather than the foreign publisher.

(5) Other (please explain) ________

20. What is your opinion on an international copyright law? ________
   (1) Essential to protect the author and publisher who owns the copyright.
   (2) Necessary to protect them, but it is early days.
   (3) Advantageous only to the Western publishing firms
   (4) Other (please explain) ________

21. After the enforcement of an international copyright law since 1987, what do you think have been effects of this law for Korean publishing? ________
   (1) Improved quality of domestic publishing as the scope of books is multiplied.
   (2) Protection of domestic publishers who contact foreign firms as piracy in publishing is prohibited.
   (3) Economic difficulties because of the expenses of royalties.
   (4) Atrophy of domestic writers.
   (5) Other (please explain) ________

21. What is your sex? Male ________ Female ________

22. In what age group are you? ________
   (1) Under 20
   (2) 21 - 30
   (3) 31 - 40
   (4) 41 - 50
   (5) Over 51

23. What is your educational level? ________
   (1) Primary school
   (2) Junior high school
   (3) Senior high school
   (4) Some college work
   (5) Graduated from college
   (6) Some graduate work
   (7) Master's degree
   (8) Ph. D degree
Appendix II: Sample and Coding Procedure

For some particular questions, the coding method requires special techniques and procedures in analysing the data. If the answers are closed-ended questions whether they are expressed numerically or not, only one column is assigned on the code sheet. If the answers to questions are expressed in numbers in the case of open-ended questions, they depend on the amounts of numbers: For example, in the case of the question, "How many hours do you work in a week?", two columns are assigned. But in case of the question, "How much do you earn a month?", only three columns are assigned as the established basic unit is ten thousand won (W).

Finally, if the answers are not expressed numerically on open-ended questions, the data is put in manageable form while retaining as much information as is practical. One of the non-numerical open-ended questions is "What do you think is the criterion by which you judge a book to be good or bad?". Individual responses to the question are too diverse and numerous to manage and analyse without grouping them into a smaller number of categories. Among some of the most common responses are:

"Cultural value"
"A book which I want to recommend to his children"
"A book which the consumer(reader) wants to read"
"Good for education"
"The ability of the authors"
"A book for missionary work"
"Wide dispersal of leisure information"
"Scholarly research and value"
"Contribution to science"

The final scheme of categories is shown below.

(1) Educational or scholarly value.
(2) Substantial content.
(3) Ethical or moral value.
(4) Contribution to society.
(5) Desire of the consumer.
(6) Others.
Appendix III: Samples of the Press Guidelines

*1 November, 1985
1. Treat the demonstrations of Seoul National University students critically.
2. Do not carry any photos of Kim Young Sam (the incumbent president), Kim Dae Jung and Lee Min Woo (former opposition party leaders) at today's meeting.
3. Do not title the report of the International Institute of Strategic Studies of Britain 'South and North Korea Equals in Military Strength'.

*4 November, 1985
University students seized the US Chamber of Commerce office in Seoul. All of them were arrested and taken into custody by police.
1. Do not make this the top story on the social page.
2. Do not use a photo.
3. Do not write in the heading (that the demonstrating students) belong to the Seoul National University committee for the Struggle for National Independence and Protection.

*7 November, 1985
At the Ministry of Finance, the Monopoly Office's change to a publicly owned corporation (i.e., a distancing from the state). Make absolutely clear the point that (this action) "is not due to American pressure to open cigarette imports".

*19 November, 1985
About reports on the investigation of the students who attacked the training centre of the Democratic Justice Party (Korean ruling party).
1. Do not place any photographs of the scene.
2. Do not use the words 'House search without a warrant of arrest'.

*23 December, 1985
Do not report the UPI story on the 'possibility of South Korea's economy worsening in 1986'.

*9 January, 1986
Relating to US. sanctions on Libya.
1. It is best not to report just the American perspective but to report carefully the extent of our construction companies' advance (into that market) from the perspective of our national interests.
2. Do not report the movement of on-site Korean construction companies in Libya and related matters after the (imposition of) American sanctions.

*7 February 1986

Do not put on the front page the news reports on the Philippines election, but carry them on foreign news pages. Do not use such headlines as 'The Philippines at a cross-roads of the destiny of democracy'.

10 March, 1986

Archbishop Kim Soo Hwan's lecture: Report it in a one-column story: Delete his statement, made in an interview, that 'The earlier the constitutional reform, the better'.

8 April, 1986

About the movement to refuse payment of KBS-TV viewers fees.

1. Play down reports on this movement on a city news page.

2. Report the fact of the participation of Catholics in the movement in a one-column story on a city news page.

*9 July, 1986

On the other overall settlement of the Korean-American trade negotiations.

1. Use "Overall Settlement of Trade Problems" for the main heading.

2. The various responsive measures announced by government offices concerned with intellectual property rights, cigarettes, insurance, etc. are to be reported in detail as 'complementary measures'.

3. The opposition party, non government, and various interest groups' criticisms are to be reported (only)briefly.

4. Even though foreign news agencies report "Bowing to American Pressure" etc., the story is to be reported under the headline of "Our Side's Voluntary Response."

5. Even though some news commentaries went out as "Retreat from Original Position on Copyrights", change that to "Government's Counter-measures."
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