

INSTITUTE OF CURRENT WORLD AFFAIRS

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Korea's Movie Industry: Fighting to Survive

Mr. Peter Bird Martin, Director
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Dear Peter,

"Last year was terrible," movie producer Han Kap Jin told me recently, speaking about Korea's movie industry. Box office sales were down, production costs up, and profits even softer than Korean pornography.

Unfortunately, 1983 was not an isolated bad year, merely the worst of a steady twenty year decline of the industry. But the bad business has finally galvanized directors and actors to push for change. The result will be a new movie law, expected to take effect next year. Provisions of the law are still under discussion, but Kim Ki-su, of Korea's Ministry of Culture and Information, says the new law has a central purpose: liberalization.

The current law dates back to the 1960s when the industry was plagued by fly-by-night producers who repeatedly failed to repay loans after box-office failures. The law's complicated provisions were designed to bring financial stability to the industry by limiting production to twenty licensed studios and giving them exclusive rights to import films. Each studio had to maintain production facilities of a specified minimum size and had to post cash bonds to guarantee its debts. The studios also had to keep making Korean films--about four of them for each foreign movie they imported. The easy profits from showing popular foreign movies--mostly American--would subsidize the domestic industry.

The law has, in fact, achieved its goals. Producers have not gone out of business under the crush of huge debts. But with the production of feature films dropping from over 200 a year in the 1960s, to about ninety recently, the law obviously hasn't done much for the Korean cinema.

Movie directors find themselves in a spiral of decline. Producers will not give them enough money to make quality films. (The average production budget is a laughable \$200,000.) Unable to put out a quality product, they cannot compete with color television and popular spectator

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sports that increasingly draw away young audiences. Despite Korea's growing population, movie attendance has dropped over 75% in 15 years. With only one film in ten earning a profit, producers don't want to risk much money on Korean-language productions. So the directors say producers are pocketing the profits from imports and churning out low-budget, low-quality films merely to retain their studio licenses and import privileges. Some 20% of the movies produced are never even released. They are so bad that the major theaters are not willing to show them.

The new law will allow for independent productions and will eliminate the licensed studios' exclusive right to import movies. But the final result may be a compromise hodge-podge that will not please many people, and some doubt that anything can revive the industry in view of the shrinking audiences.

Director Lee Doo Yong, whose film "Mulleya, Mulleya" swept most of the local awards last year and was shown at the Cannes Film Festival this May, says that the proposed law is still too restrictive. An independent producer will be able to make just one movie a year, only if the Minister of Culture and Information directly approves the project, and only after posting a large cash security bond. Mr. Lee, who says the old law is "evil" for the restrictions it places on artists, would like to see the government stop deciding who can and who can't make movies. "If Beethoven had had to prove his qualifications to meet government standards," says Lee, "he would have had to stop writing music." Beethoven was deaf when he composed some of his greatest works.

The current licensed producers stand to suffer most when the new law takes effect since they will lose their exclusive right to import films. Han Kap Jin, who founded his own production company over a decade ago, says he doesn't mind if new independent producers enter the field, but thinks directors are not realistic about the economics of film production. A movie industry, he says, needs a viewing population of at least 100 million in order to sustain itself. In Korea, with a population of only 40 million, where each person went to the movies just once on average last year, there is no way to keep directors and actors happy and there is no way to make a profit on domestic production. Movie production has to be subsidized to survive, and, Han says, the current system is as good as any.

There is, in fact, a real danger--which no one is willing to dismiss--that Korean film production will decline even faster when the law no longer requires producers to make movies. Mr. Han, who has been involved in movies for 20 years, says he intends to continue in the business even if he loses money, but he worries that any tampering with the law will destroy the modicum of stability that has been achieved.

A small market and shoe-string budgets aren't the only problems plaguing the industry. Censorship too has taken its toll, driving many directors away from making films about contemporary Korea, which shuts off a whole range of very good thematic material and saps the vitality from the art. After making several films about present-day society, Lee Doo Yong finally gave up and now places his stories in historical settings, where the censors find less to snip out.

"Mulleya, Mulleya" examines the rigidity of Yi Dynasty (1392-1910) Confucian society by tracing the experiences of one woman who, through misfortune and happenstance, finds herself catapulted through a series of roles, from servant girl to aristocratic lady, subject to the sometimes brutal demands of the men and women who control her life. The Director says that contemporary Korea places similar, if far less stringent, restrictions on women, but the film is at best an indirect commentary on today's society. "Mulleya, Mulleya" is a masterful production in many ways, yet the final product could have been far better had the director had more money to spend, if he had more time and film to chew up retaking scenes to encourage the subtle acting performances that the film lacks.

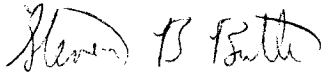
Still "Mulleya, Mulleya" is a cut far above the standard fare of tragic love stories, melodramas, martial arts movies, and war flicks that look like a clone from socialist realism. As in many Asian countries, overacting is endemic, and nearly every director seems obliged to stick in a few scenes with violent--though not explicit--sex. Movies with religious themes, especially about Christian conversions, have also made a showing in recent years. But the industry will have to offer something new if it hopes to coax people back to the theaters--something more exciting, something that costs a lot more to make.

The government wants to continue funneling the profits from film imports into domestic production by forcing importers to contribute to a fund for building a studio that independent producers can use. It will also establish a fund to lend money to producers. Some directors, however, have proposed that the money go directly to people who make prize-winning films. The government, they complain, is excessively concerned with the industry's financial stability, and does not understand that movie-making is an art that can flourish only in a free atmosphere. They don't want to have to deal with one more bureaucratic arm of the government.

Whatever the final shape of the new law, the road ahead for Korean movies will be difficult. More theaters are closing and the forces drawing people away from the movies are stronger than ever. Many people have suggested that Korea should export its films to earn money, but no one seems very sure how to do that.

Still there are optimists. Director Lee says that genuine liberalization by itself can revitalize the industry, that the forces of free competition will stimulate new ideas, develop new audiences, and open new channels to raise money. Certainly Korea's low rate of movie attendance indicates there is room for growth. (In Hong Kong people go to the movies twelve times more often per capita.) As Lee says, "You need two things to make good movies: money and brains. We have the brains. Now all we need is the money."

Best,

A handwritten signature in cursive script, appearing to read "Steven B. Butler".

Steven B. Butler

Received in Hanover 6/4/84