Theme A: Global Culture in the Digital Era

All That Glitters is Not Gold: Korean Entertainment at Crossroads

It is now almost 14 years since the Ban Ki Moon, then secretary-general of the United Nations, affably tried learning to dance the hit song “Gangnam Style”. For Western audiences, the “*hallyu*” (The Korean Wave) has kept flowing for a good part of the recent two decades. Following the extraordinary successes of South Korean (hereafter referred to as Korea) Music, more often termed “K-Pop”, Korean film and TV productions are now a cultural discourse of their own and have mesmerized audiences from across the world, as Bong Joon-ho’s "*Parasite*" won Academy Awards and Hwang Dong-hyuk’s three-season TV series "*Squid Game*" splashing waves on Netflix.

By 2024, the nation’s audiovisual exports had doubled within five years and were generating over $16.4 billion in economic value, all the while underpinned by hundreds of thousands of hardworking industry staffs. However, in-the-field veterans and academics wouldn’t be assuaged by the glittering façade, and as Korean cinema’s annual attendance dropped from 4 visits to 2.54 in 2025 and the number of dramas produced every year in decline, they worry that the Korean entertainment industry is now at crossroads. The past three decades of modern Korean cinema is indeed a bumpy ride, as the industry learned to navigate the country’s own historical trauma and survived political censorship. But will it make through this time? And what is truly happening behind the curtains?

Conglomerate Hegemony, Global Viewership, and the Post-2025 Industry Crisis

The industry faces problems from both within and without: its unhealthy structural verticality and the arrival of over-the-top (OTT) platforms like Netflix and Disney threaten to collapse what scholars considered as the “notable non-Western success in global cultural markets”.

South Korea’s screen media landscape has historically been underpinned by an unhealthily entrenched verticality. Domestic conglomerates like CJ ENM, Lotte Cultureworks, Showbox, and Megabox have long maintained oligopolistic control over theatrical exhibitions, film productions, and distributions. By 2019, the top three multiplex chains owned, directly and indirectly, 97.2% of domestic cinema screens, while leading distributors occupied about 85% market share. Independent filmmakers believe the status quo favored risk-averse commercial blockbusters.

The arrival of Netflix in 2016, then Apple TV and Disney’s streaming branch “Disney+” in 2021, seemed at first an opportunity for alternative financing channels to local content creators. Instead, these multinational OTT giants launched a capital-heavy enclosure game, driving up the average costs of producing a film or TV show. As production costs rose, Korea’s annual film numbers plummeted: the industry was consistently pumping out 40 to 50

domestic films with budgets exceeding 3 billion won each year before 2020, but major conglomerates reported to release only 10 to 14 commercial features in 2025.

The aggressive commissioning by global streamers also sparked a massive talent drain. With directing and technical talent migrating from theatrical films to high-budget episodic series, lead actor fees correspondingly jumped to as high as 1 billion won ($714,000) per episode. A typical tentpole drama budget quickly surpassed 30 billion won ($22 million), which domestic broadcasters found too expensive to afford. As scripted series output fell and domestic TV advertising shrank by 40%, smaller independent houses collapsed, and now over 90% of Korean production firms employ fewer than ten workers and have little to no residual income revenues to buffer against rising costs. Even major conglomerates buckled under the weight of vertical commitments: media titan JoongAng Group defaulted on JTBC debt following rapid liabilities expansion in late 2024 and cited costs as a major concern. Soaring production budgets, deteriorating domestic box offices, talent displacement, and an unsustainable intellectual property (IP) model imposed by platform giants that now possess the bargaining advantage, are now threatening to bleed Korean entertainment dry.

Capital Asymmetry, Exploited Studios and Industry Convergence

Starting in 2025, analysts and news sites finally began to take notice of Netflix's hegemonic IP practices and their long-term implications in Korean entertainment. When Netflix entered South Korea in 2016, the English world viewed the country as a mature media market. That wasn't at all the case because at the time, the domestic sector was still developing its studio frameworks and was ill-equipped to withstand the structural distortions introduced by Netflix's platform capitalism. The platform concentrated commissions with Korea's mega-studios like Studio Dragon and SLL, entrenching market concentration and further squeezing the space of indie film and TV productions. As sociologist Woochul Kim argued in a recently published piece, global streaming giants are now on track to reshape cultural discourse far beyond their Los Angeles production houses.

Under Netflix and Apple TV's cost-plus production model, even the big names in Korean entertainment are at a disadvantage to earn enough profit or maintain their creative autonomy, no matter how popular their shows or movies end up. For creators working with Netflix, production costs are covered alongside a modest upfront profit margin of 10% to 30% in exchange for the platform getting exclusive ownership of global IP rights and preventing the showrunners from having a say of their own works. For example, the "*Squid Game*" series, running for three seasons in 5 years, generated an estimated $900 million in impact value for Netflix. Yet the showrunner Hwang Dong-hyuk received zero residual royalties. Similarly, the high-budget sci-fi film "Space Sweepers" forfeited all ancillary downstream revenues after its direct-to-streaming sale.

Overtime, this capital-driven content production not only help solidifies the oligopoly, but also reshapes Korean films and TV's narrative substance. Transnational platforms intentionally detach Korean film and TV productions from their socio-political context to lower viewer accessibility outside Korea, and in projects with poignant historical tensions like "*Carter*" and "*Seoul Vibe*", or genre works like *"All of Us Are Dead"* and *"Kingdom"*, rich and subtle cultural contexts were flattened into aesthetic tokens that had little impact over the characters or plot. While Western platforms helped connect South Korean content with global audiences, they exacerbated the regional market's pre-existing verticality and reduced domestic studios to outsourced content factories that now struggle to sustain themselves, let along retaining creative agency.

A Way Forward

While streaming platform executives continue to insist that rising production costs "should not necessarily be viewed as a bad thing", both the Korean state and scholars believe that the industry is in crisis.

What could be done to help mitigate the pain? An anti-monopoly statute, modeled after Hollywood's own 1948 Paramount Decree, could work to separate theatrical exhibition chains from production studios and distribution networks.

Another change that many point to is about copyright amendments that help guarantee fair remuneration and residual rights for Korean directors and showrunners, which would allow them to build healthy revenue streams.

Lastly, industry analysts pointed out that consumer ticket voucher subsidies primarily help corporate multiplexes, and that the 140 billion-sized state film investment fund should be used to directly benefit independent filmmakers and mid- or low-budget commercial productions to rebuild the creative base.

Conclusion

Beneath the glittering veneer of international prestige lies an increasingly hollowed Korean entertainment infrastructure. Domestic oligopoly and capital-intensive streaming platforms have combined to inflate production overheads, displace theatrical traditions, and strip local creators of their intellectual property. As the global media landscape keeps converging, what happened to Korean entertainment should serve as a cautionary tale for cultural industries across the world.

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